DIRECTORS GUILD OF AMERICA, INC. BASIC AGREEMENT OF 2020

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DIRECTORS GUILD OF AMERICA
BASIC AGREEMENT OF 2020

THIS AGREEMENT, dated as of this first day of July, 2020, by and between the **DIRECTORS GUILD OF AMERICA, INC.**, a California non-profit membership corporation (hereinafter referred to as the "Guild") with principal offices at 7920 Sunset Boulevard, Los Angeles, California 90046, and

12:05 AM Productions, LLC
40 North Productions, LLC
300 Pictures, Inc.
1440 Productions LLC
4423 Productions LLC
7th Ave Rocks, Inc.

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
Adobe Pictures, Inc.
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
Asgard Productions IV LLC
Ashland Productions, Inc.
Atlantic 2.1 Entertainment Group, Inc.
Auckland Productions, Inc.
Avoca Productions, Inc.

Backlight Productions LLC
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
Canada Premiere Pictures Inc.
Carbonado Industries (US) Inc.
Carnival Row Productions, LLC
CBS Studios Inc.
Charlestown Productions LLC
Chime Productions, LLC
Circle Q Productions LLC
Classic Films Inc.
Colony Way Productions, Inc.
Columbia Pictures Industries, Inc.
Country Music Association, Inc.
CPT Holdings, Inc.
Crown City Pictures 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

E&E Industries (US) Inc.
Earlham Productions, Inc.
Eat Your Peas Productions LLC
Egregious Entertainment, LLC
ELP Communications
Entrada Productions, Inc.
Evolutionary Pictures, LLC
Expanding Universe Productions, LLC
Eye Productions Inc.

Film 49 Productions, Inc.
Finger Guns Productions LLC
Five Points High LLC
Focus Features Productions LLC
Foodles Production (US) Inc.
Four Five Productions, Inc.
Fox Film Worldwide Services, Inc.
Fox Sports Productions, LLC
Fox Square Productions, Inc.
Fox Television Studios, Inc.
Frank & Bob Films II LLC
Freelance Restorations LLC
FTP Productions, LLC

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

Hazardous Productions, LLC
HDReady, LLC
Hi'ilawe Productions, Inc.
Honors Productions, Inc.
Hop, Skip & Jump Productions, Inc.
Horizon Productions, Inc.
Horizon Scripted Television Inc.
Hostage Productions, Inc.
Huckleberry Industries (US) Inc.

Hungry Heart Media, Inc. d/b/a Wondros

I.B.C.C. Films, Inc.
Icon Productions LLC
Infinity Productions III LLC
Interpol Pictures, LLC
It's A Laugh Productions, Inc.

Jay Squared 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
Kiki Tree Pictures Inc.
Kimoyo Productions II LLC

Lakefront Productions, Inc.
Legendary Features Productions US, LLC
Legendary Pictures Funding, LLC
Legendary Pictures Productions, LLC
Lennox House Pictures Inc.
Leverage Productions, Inc.
LGDG Films Inc.
LGTV Productions, Inc.
Liam Films, Inc.
Limbo Productions I LLC
Lincolnwood Drive, LLC
Linear Productions LLC
Lions Gate Television Development LLC
Living Proof Productions, LLC
Louisiana Premiere Productions LLC
Love Child Pictures, LLC
Lunak Heavy Industries (US) Inc.

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 (f/k/a dick clark productions, llc)
Mutiny Pictures Inc.

New Line Productions, Inc.
New Regency Productions, Inc.
Ninjutsu Pictures Inc.
NM Talent Inc.
North Center Productions, Inc.
NS Pictures, Inc.
NWF Inc.

Ocotillo Productions, Inc.
October Holdings, Inc.
Olive Avenue Productions LLC
Olive Productions, LLC
Olympia Productions US 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
Pandemic Productions LLC
Parallax TV Productions LLC

Paramount Overseas Productions, Inc.
Paramount Pictures Corporation
Passenger Productions, Inc.
Patch Bay Productions LLC
Perdido Productions, Inc.
Pet II Productions Inc.
PLT Productions (US) Inc.
Pool Mate Pictures, LLC
PP21 Productions LLC
Prodco, Inc.
Produced Bayou, Inc.
Proximity Productions LLC
Pym Particles Productions III LLC

Quadra Productions, Inc.

Ralph Edwards Productions
Ralph Edwards/Stu Billett Productions
Random Pictures Inc.
Red Zone Pictures, Inc.
Redemption Pictures, Inc.
Remote Broadcasting, Inc.
Riverboat Productions, LLC
Riverside Olive Productions, Inc.
River Road Entertainment Productions, LLC
Romanoff Productions LLC
Rose City Pictures, Inc.
Rozar Pictures, LLC
Ruff Draft Productions, LLC
Rush Hour Productions, Inc.

S8 Directors, LLC
S&K Pictures, Inc.
Salty Pictures, Inc.
Sample Size, Inc.
San Vicente Productions, Inc.
Scope Productions, LLC
Screen Gems Productions, Inc.
Seven Heads Productions, LLC
Sidestreet Entertainment, Inc.

Singular Productions LLC
SKE Productions, LLC
Skydance Pictures, LLC
SLO Productions Inc.
Somma Productions, Inc.
Space Bear Industries (US) Inc.
SpectorCorp Productions LLC
St. Giles LLC
Stage 6 Films, Inc.
Stage 29 Productions, LLC
Stannum 50 Labs (US) Inc.
Static Productions LLC
Storyteller Productions Co., LLC
Summerdale Productions, LLC
Summit Productions, LLC
Sunny Television Productions, Inc.
Superstar Productions USA Inc.
Supreme Productions II LLC

Tenth Planet Productions Inc.
Theoretical Pictures, Inc.
Thine Selves Productions LLC
This Is Fine (US) Inc.
Thoreau LLC
Tibernia 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.
TVM Productions, Inc.
Twentieth Century Fox Film Corporation

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

Upside Down Productions Inc.
UPI Pictures LLC

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

Walt Disney Pictures
Warner Bros. Pictures
Warner Bros. Television
Warner Specialty Productions Inc.
Warner Specialty Video Productions Inc.
Waveform Productions LLC
White Cherry Entertainment, Inc.
Woodridge Productions, Inc.

YANDR Productions, LLC
YNFS Productions LLC

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

WITNESSETH:

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

For convenience, this Agreement may be referred to as the Directors Guild of America Basic Agreement of 2020 (hereinafter the "BA"). This Agreement shall be effective July 1, 2020, and shall be applicable only to motion pictures produced hereunder, the principal photography of which commences on or after July 1, 2020, and to services performed hereunder on and after July 1, 2020 (except as herein otherwise expressly provided).

When this BA is executed by more than one Employer, or by an agent on behalf of a multi-employer bargaining unit or an individual Employer, the BA will nevertheless be binding severally upon each Employer on whose behalf the BA is so executed.

ARTICLE 1

Recognition and Guild Shop

Section 1-100 RECOGNITION

1-101 Recognition

The Guild is recognized by the Employer as the sole collective bargaining agent for all Directors, Unit Production Managers, Assistant Directors, and Associate Directors in the motion picture industry (all of the foregoing are sometimes herein referred to as "Employees").

1-102 Further Negotiations

(a) The Guild and Employers will endeavor promptly to arrive at an agreement for separate rates and provisions for producing industrial, religious, educational, documentary, government films and television and theatrical commercials. The parties will also negotiate with respect to the production on motion picture film of certain types of programming which include, but are not limited to, sports, game, panel or similar programs. The parties agree to commence negotiations at any time hereunder, on any one or more of these subjects, not later than sixty (60) days after written request.

(b) With respect to production by the Employer of entertainment programs primarily for the basic cable market which are not covered under Article 23 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 subparagraph (3) below, the employment of any person to perform duties (which, if performed by that person for free television, would be covered by the BA) for a dramatic program thirty (30) minutes or longer produced in the

United States under a budget less than: (i) $550,000 for a thirty (30) minute program; (ii) $1,000,000 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) $2,750,000 for a program 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 plus $1,375,000 for each additional hour or portion thereof, shall be subject only to Article 2 (Disputes), the Guild Shop provisions and the provisions of Article 12, relating to the Pension and Health Plans, subparagraph 14-114(d), and Paragraph 17-118 of this BA. The Guild agrees to make appropriate accommodations in its initiation fees in recognition of the economics of basic cable programming. In addition, Employer shall advise the Guild of the employment of any Director, Assistant Director or Unit Production Manager, 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.

(2) With respect to hiring after July 1, 2020, and pending agreement on other conditions pursuant to subparagraph (3) below, the employment of any person to perform duties (which, if performed by that person for free television, would be covered by the BA) for a program covered by this subparagraph (b) (other than one covered by subparagraph (b)(1) above), 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 such a program, shall be subject only to Article 2 (Disputes), the Guild Shop provisions and the provisions of Article 12, relating to the Pension and Health Plans, subparagraph 14-114(d), and Paragraph 17-118 of this BA. The Guild agrees to make appropriate accommodations in its initiation fees in recognition of the economics of basic cable programming. In addition,

Employer shall advise the Guild of the employment of any Director, Assistant Director or Unit Production Manager, 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.

(3) (i) Either the Guild or Employer 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 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.

(ii) Any agreement reached pursuant to subparagraph (i) above shall not be retroactive and, except with respect to minimum rates, shall not modify the terms of employment under individual contracts then existing.

(iii) 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 Employer, instruct its members to refuse to render services with respect to such programs. In such event, neither subparagraph (1) nor subparagraph (2) hereof shall be applicable.

(iv) If an Employer fails to provide timely notice of its intention to produce such program as provided in subparagraph (1), then subparagraph (iii) above shall not apply and the Guild may, not earlier than

twenty-four (24) hours after written notice to the Employer, 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) nor subparagraph (2) hereof shall be applicable.

Section 1-200 DEFINITIONS

1-201 Definition of "*Motion Picture*" and "*Motion Picture Industry*"

The phrase "*motion picture*" and the phrase "*motion picture industry*," wherever used in this BA, shall be deemed to mean the production of all types of motion pictures on film or 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, whether for public or private showings as theatrical, television, videodiscs/videocassettes, supplemental markets, industrial, religious, educational, commercial, documentary or government motion pictures, or motion pictures made for the Internet, mobile devices or any other "New Media" platform known as of July 1, 2008, 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 any Employee renders services.

Notwithstanding the foregoing, this BA does not apply to:

(a) non-entertainment motion pictures produced primarily for the basic cable market;

(b) entertainment motion pictures produced primarily for the basic cable market except to the extent set forth in Paragraph 1-102(b) and Article 23;

(c) motion pictures described in Paragraph 20-905 except to the extent set forth in that Paragraph; and

(d) news, sports and documentary programs made for the Internet, mobile devices or any other New Media platform known as of July 1, 2008 and "Experimental New Media Productions," as defined in Section B. of Sideletter No. 35 re Programs Produced for New Media.

The direction of second units and staged talent tests for a role in a motion picture is within the jurisdiction of the Guild.

1-202 Theatrical Motion Pictures and Free Television Motion Pictures

The term *"Television Motion Pictures"* or *"Free Television Motion Pictures,"* as used herein, is deemed to mean and refer only to motion pictures produced primarily for "Free Television" exhibition. Motion pictures produced primarily for exhibition in theatres or any other place where a charge, by any method, is paid by the viewing audience are subject to the provisions herein relating to "Theatrical Motion Pictures."

1-203 Basic Cable

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.

1-204 The following provisions of this BA which are applicable to free television motion pictures are also applicable to motion pictures of the type covered by Article 20, except to the extent provided in Article 20.

1-205 Definition of Network

The term *"network,"* as used in this Basic Agreement, means ABC, CBS, Fox Broadcasting Company (hereinafter "FBC"), 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 1-300 DEFINITIONS OF EMPLOYEES RECOGNIZED

1-301 Director

A Director is one who directs the production of motion pictures, as the word "direct" is commonly used in the motion picture industry. The fact that the Director may also render services as a Producer and/or Writer or in any other capacity shall not take him or her out of the classification as a Director, with reference to any work he or she performs as a Director, and during the period of such work.

1-302 Unit Production Manager

A Unit Production Manager is one who is assigned by the Employer as a Unit Production Manager of one or more motion pictures, as the term "Unit Production Manager" is customarily used and understood in the motion picture industry. Subject to the provisions of Paragraph 13-202, a Unit Production Manager (hereinafter referred to as "UPM" and collectively referred to as "UPMs") may be assigned to work concurrently on one or more productions, whether theatrical and/or television. No UPM need be employed in those instances specifically set forth in Paragraph 13-202.

After a picture is approved for production, there shall be no delegating to other employees (except First Assistant Directors when no UPM is assigned to the production involved) the duties of UPMs. It is an element of good faith of, and part of the consideration for, this BA that no Employer will make a general rearrangement of duties among such categories, change classifications of employment for such categories, employ persons not covered by this BA or delegate the duties ordinarily performed by UPMs to persons other than First Assistant Directors acting in the dual capacity of UPMs or to *bona fide* Producers for the purpose of eliminating UPMs who otherwise would have been employed hereunder. There shall be no restriction on delegation of duties ordinarily performed by UPMs when a UPM and a First Assistant Director both are assigned to the production.

The UPM, under the supervision of the Employer, is required to coordinate, facilitate and oversee the preparation of the production

unit or units (to the extent herein provided) assigned to him or her, all off-set logistics, day-to-day production decisions, locations, budget schedules and personnel. Without limitation, among the duties which the Employer must assign to the UPM or First Assistant are the supervision of or participation in the following:

1. Prepare breakdown and preliminary shooting schedule.

2. Prepare or coordinate the budget.

3. Oversee preliminary search and survey of all locations and the completion of business arrangements for the same.

4. Assist in the preparation of the production to insure continuing efficiency.

5. Supervise completion of the Production Report for each day's work, showing work covered and the status of the production, and arrange for the distribution of that report in line with the company's requirement.

6. Coordinate arrangements for the transportation and housing of cast, crew and staff.

7. Oversee the securing of releases and negotiate for locations and personnel.

8. Maintain a liaison with local authorities regarding locations and the operation of the company.

Subject to the following paragraph, the foregoing description of the UPM's duties is not intended, nor shall it be construed, either to enlarge or diminish the duties of UPMs, First and Second Assistant Directors or other personnel as such duties are presently and were heretofore customarily performed in the motion picture industry.

Notwithstanding any other provision of this Paragraph 1-302, an Employer may not assign the duties of a Unit Production Manager to Extra Player Coordinators, Production Assistants, or persons in positions in which the assigned duty has not been customarily

performed in the motion picture industry. There shall be no alteration of job titles to evade or subvert the provisions of this Paragraph 1-302.

1-303 First Assistant Director[1]

A First Assistant Director is one who is assigned by the Employer as the first assistant to the Director.

The First Assistant Director, alone or in conjunction with the UPM, organizes pre-production, including organizing the crew, securing equipment, breaking down the script, preparing the stripboard and a shooting schedule. During production, he assists the Director with respect to on-set production details, coordinates and supervises crew and cast activities and facilitates an organized flow of production activity. The First Assistant Director may be assigned responsibilities of the UPM. His or her prime responsibility is to service and assist the Director. Without limitation, among the duties which the Employer must assign to the First Assistant Director or UPM are the supervision of or participation in the following:

1. 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.

2. If delegated by UPM or in his or her absence, oversee the search, survey and management of locations and ascertain the specific requirements of those locations as they might affect the production. The First Assistant Director must be sent to each location site sufficiently prior to the commencement of photography to adequately perform his or her duties.

3. Check weather reports.

[1] See Paragraph 24-402(b) and (d) for duties of First Assistant Directors on multi-camera prime time dramatic pilots, presentations and series.

4. Prepare day out of day schedules for talent employment and determine cast and crew calls.

5. Supervise the preparation of the call sheet for the cast and crew.

6. Direct background action and supervise crowd control.

7. May be required to secure minor contracts, extra releases, and on occasion to obtain execution of contracts by talent.

8. Supervise the functioning of the shooting set and crew.

Subject to the following paragraph, the foregoing description of the First Assistant Director's duties is not intended, nor shall it be construed, either to enlarge or diminish the duties of UPM, First and Second Assistant Directors or other personnel as such duties are presently and were heretofore customarily performed in the motion picture industry.

Notwithstanding any other provision of this Paragraph 1-303, an Employer may not assign the duties of a First Assistant Director to Extra Player Coordinators, Production Assistants, or persons in positions in which the assigned duty has not been customarily performed in the motion picture industry. There shall be no alteration of job titles to evade or subvert the provisions of this Paragraph 1-303.

1-304 Second Assistant Director[2]

The Second Assistant Director is one who is assigned by the Employer as an assistant to the First Assistant Director in conducting the business of the set or the location site.

[2] See Paragraph 24-402(c) and (d) for duties of Second Assistant Directors on multi-camera prime time dramatic pilots, presentations and series.

The term “Second Assistant Director” includes Key Second Assistant Directors, Second Second Assistant Directors and Additional Second Assistant Directors.

Without limitation, among the duties which the Employer must assign the Second Assistant Director are the supervision of or participation in the following:

1. Prepare the call sheets, handle extras' requisitions, and other required documents for approval by the First Assistant Director, the Unit Production Manager and/or the production office.

2. Prepare the daily production report and end of day paper work.

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

4. Distribute call sheets to cast and crew.

5. Distribute, collect, and approve extra vouchers, placing adjustments as directed by the First Assistant Director on the vouchers.

6. Communicate advance scheduling to cast and crew.

7. Aid in the scouting, surveying and managing of locations. When location managing duties are to be performed in the New York Area or within a seventy-five (75) mile radius of Chicago, the individual assigned shall be a Second Assistant Director, except when the Employer engages and transports a Location Manager under the terms of the Local #399 Agreement. Such Second Assistant Director employed to manage locations shall receive terms and conditions of employment not less than those applicable to Second Second Assistant Directors, but shall not be considered a Second Second Assistant Director for purposes of staffing and order of employment as provided in Basic Agreement Paragraph 13-202. Persons not covered by this Basic Agreement may be employed to assist a Second Assistant Director employed to manage locations.

For purposes of this provision, the New York Area shall be defined to include those locations within a seventy-five (75) mile radius of Columbus Circle which, for purposes of this provision, shall include Suffolk County and the New Jersey shoreline to and including Atlantic City. With respect to Chicago, the seventy-five (75) mile radius shall be measured from the intersection of State and Madison.

8. Facilitate transportation of equipment and personnel.

9. May be required to secure execution of minor cast contracts, extra releases, and on occasion to secure execution of contracts by talent. (May also be delegated to First Assistant Director and Unit Production Manager.)

10. 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).

11. Schedule food, lodging and other facilities.

12. Sign cast members in and out.

13. Maintain liaison between Unit Production Manager and/or the production office and the First Assistant Director on the set.

14. Assist the First Assistant Director in the direction and placement of background action and in the supervision of crowd control.

15. Perform crowd control in New York and Los Angeles except where the work is customarily performed by police officers or is performed by security personnel of a facility at which the photography takes place and which requires or customarily provides this service; provided, however, persons not covered by this BA may perform such work if at least two Additional Second Assistant Directors are employed in addition to a Key Second Assistant Director and Second Second Assistant Director or two Key Second Assistant Directors.

16. Supervise and direct the work of any Trainee assigned to the picture.

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

Subject to the following paragraph, the foregoing description of the Second Assistant Director's duties is not intended, nor shall it be construed, either to enlarge or diminish the duties of UPM, First and Second Assistant Directors or other personnel as such duties are presently and were heretofore customarily performed in the motion picture industry.

Notwithstanding any other provision of this Paragraph 1-304, an Employer may not assign the duties of a Second Assistant Director to Extra Player Coordinators, Production Assistants, or persons in positions in which the assigned duty has not been customarily performed in the motion picture industry. There shall be no alteration of job titles to evade or subvert the provisions of this Paragraph 1-304.

1-305 Associate Director

An Associate Director (formerly Technical Coordinator) is one who is assigned by the Employer to assist the Director on multi-camera television motion pictures photographed continuously, before a live audience, or as though a live audience were present, in planning the placement and movement of each such camera, with the responsibility for coordinating the execution of such placement and movement of each such camera.

1-306 Work Reserved to Employees

Employer agrees that it will not, during the term hereof, enter into any agreements or collective bargaining agreements of any kind whatsoever under which Employer is authorized or required to assign any of the functions or duties of Employees to any person, firm or corporation whomsoever except under and in accordance with and subject to the terms of this BA. Employer agrees that it will not violate the provisions of this Paragraph 1-306 directly or indirectly

except to the extent required by law if at all. In the event Employer is placed on notice that any person, firm or corporation or collective bargaining agency asserts any claim that it has the right under law or otherwise to bargain in respect to work assigned under this BA to Employees, Employer shall give notice to the Guild immediately so that the Guild may take action to protect the work assignment of Employees and the integrity of its bargaining unit.

Section 1-400 GUILD SHOP PROVISIONS

1-401 Definition of Guild Shop

During the entire term of this BA, each Employee employed by the Employer shall be or become a member of the Guild in good standing, within the period specified by applicable law, following his or her first employment in the motion picture industry or the effective date of this BA, whichever is later. Provided, however, that a Trainee shall not be required to become a member of the Guild in good standing until satisfactory completion of the experience requirements for employment as a Second Assistant Director.

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.

The term *"first employment,"* as used in this Article 1, shall, with respect to each individual Director or Assistant Director, mean the date of first assignment of such Employee to perform duties as a Director or Assistant Director, as the case may be, since 1956, in connection with the production of a motion picture produced within the geographical application of the provisions of this BA, or likewise the date of first assignment of an Employee to perform the duties of a UPM since September 1, 1964, within the geographical application of the provisions of this BA, or likewise the date of first assignment of an Employee to perform the duties of an Associate Director since May 1, 1973, within the geographical application of the provisions of this BA.

1-402 Future Employment Contracts

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 that it enters into with an Employee, such person shall agree that he or she shall 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 BA shall be part of such employment agreement.

1-403 Notice of Failure to Pay Dues and Fees

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) business 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.

Section 1-500 LISTS EXCHANGED: MAINTENANCE OF GUILD SHOP

1-501 Employer's Lists

Within fifteen (15) days after the execution of this BA, the Employer will deliver to the Guild a complete list of all Employees employed as such as of the effective date of this BA and will indicate thereon the nature of such employment (such as term contract or freelance), and thereafter on a weekly basis (but not more frequently than on such weekly basis) the Employer will forward to the Guild a list showing the employment and classification of all Employees in its employ during the preceding week.

With respect to the first employment of a Director, the Employer will notify the Guild in writing not less than two weeks prior to the date of such first employment. With respect to the first employment of a UPM, First or Second Assistant Director, or Associate Director the Employer will notify the Guild in writing not less than two (2) working days (excluding Saturdays, Sundays and holidays) prior to the date of such first employment, provided that in each instance, the Employer knows of such employment at such time, and if Employer does not know of such employment, Employer shall give such notice as soon thereafter as it has such knowledge.

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 Paragraph 1-501, 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 the BA, payments received by Director for exhibition of a theatrical motion picture on television, payments for free television reruns, supplemental markets, and residual payments under Article 20, and per diem, travel allowance, and other reimbursements which are not compensation for services rendered pursuant to this BA.

1-502 **Guild's Lists**

An inquiry by the Employer to the Guild as to the date of "first employment" of an Employee shall be answered by the Guild.

The Guild agrees that it will maintain such current lists and staffing as may be reasonably required in order to answer by telephone, promptly upon inquiry by the Employer, any request relating to membership and qualification of persons who render or may render services as Employees hereunder.

If any Employee employed by Employer fails or refuses to become a member of the Guild in good standing, the Guild shall promptly notify, in writing, the Employer.

1-503 Reliance on Lists

Each party shall be entitled to rely upon such lists and information concerning "first employment" furnished by the other party. Should an Employer employ or continue to employ any Employee who has ceased to be a member of the Guild in good standing prior to written notification from the Guild of such changed status, such employment shall not be a violation by the Employer of the provisions of Section 1-400.

1-504 Guild Dues

The Employer shall not be required to discharge or refrain from employing any Employee, if Employer has reasonable grounds for believing that membership in the Guild was not available to such person on the same terms and conditions generally applicable to other like members, or if the Employer has reasonable grounds for believing that membership of such person in the Guild was denied, deferred, suspended or terminated for reasons other than the failure of such person to tender the applicable initiation fees and periodic dues uniformly required as a condition of acquiring or retaining membership. Employer will promptly notify the Guild in writing in each instance that it employs or continues to employ such a person.

1-505 Continuation of Employment

If any person at any time after the effective date of this BA and during his or her employment by the Employer is or becomes a member of the Guild in good standing, and if any such person subsequently, and before the expiration of such employment, ceases to be a member of the Guild in good standing, then, provided such person or the Employer continues to pay or causes to be paid to the Guild the dues of such person, the Employer may continue to employ such person during the remainder of the term of the employment agreement, including options, renewal periods and extensions exercisable by the Employer.

1-506 Interpretation

The Guild and the Employer interpret the foregoing provisions as follows: If, prior to the expiration of an employment agreement, the Employee shall cease to be a member of the Guild in good standing and the Employer exercises its right to pay the dues of and continues to employ such person, then, upon the expiration of such employment agreement, the Employer may negotiate a new or modified employment agreement, but only upon the express condition that prior to the commencement of such Employee's services under such new or modified employment agreement the Employee or the Employer pays or has paid all dues of the Employee payable to the Guild for the interval between the expiration of the employment agreement first above mentioned and the commencement of services under any new or modified employment agreement. Thereafter, the Employer may continue to employ and re-employ such Employee by continuing to pay the dues and arrears in dues of such Employee, as above provided.

1-507 Definition of "Dues"

The term *"dues,"* as used in this Section 1-500, shall not include fines, penalties or assessments or initiation, reinstatement or upgrade fees.

1-508 Right to Deduct Dues

If the Employer elects under the provisions of this Section 1-500 to pay or cause to be paid the dues of any person, it is the intent of the parties hereto that the Employer shall have the right, insofar as its obligations to the Guild and to such person under the terms and provisions of this BA are concerned, to deduct such dues so applied from the salary of such person.

ARTICLE 2

Disputes

Section 2-100 MATTERS SUBJECT TO GRIEVANCE AND ARBITRATION

2-101 Arbitrability

The following matters shall be subject to arbitration: All grievances, disputes or controversies over the interpretation or application of the BA 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 motion picture), (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 subparagraphs (a) through (f) hereinabove.

The Arbitrator shall determine any dispute as to the arbitrability of any matter hereunder.

2-102 Limitation on Arbitrator's Power

The Arbitrator shall not have the power to vary, alter, modify or amend any of the terms of the BA or of any deal memo or personal service contract in making a decision or award.

2-103 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 the BA 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 (1) 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 (2) 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 2-200 GRIEVANCE PROCEDURE

2-201 Time Limits

The Guild or an Employer may file a grievance over any matter subject to the disputes procedure of this Article 2; 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 BA minimums, 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) (1) 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

(2) Two (2) years following the date on which the event in dispute occurred in all other cases.

2-202 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.

2-203 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 2-300 ARBITRATION PROCEDURE

2-301 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.

2-302 Demand for Arbitration

If the dispute or difference is not settled at the meeting described in Paragraph 2-203 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.

2-303 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.

2-304 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 Arbitrators.

(1) 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

(2) 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

(3) Other Arbitrators may be added to the panels set forth in subparagraphs (1) and (2) 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)(1) and (2) 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 BA, 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), (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 Basic Agreements, starting with the 1978 Basic Agreement, and shall be effective as of July 1, 2020, notwithstanding anything to the contrary in any preceding BA.

2-305 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.

2-306 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 the BA, 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.

2-307 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 2 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.

2-308 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.

2-309 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 BA 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 the BA, 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 2-400 EXPEDITED ARBITRATION PROCEDURE

2-401 Notwithstanding any other provision of the BA, 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 subparagraph 2-304(a) 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 the BA and any applicable available personal service contract

and/or deal memo shall be given to the 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 witness 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) Paragraphs 2-101, 2-102, 2-103, 2-201, 2-301, 2-304(a) (last paragraph) and (b), 2-305, 2-307(b) through (e) and 2-309 of this Article 2 shall be applicable to this Expedited Arbitration Procedure, except that:

(1) the Expedited Arbitration hearing shall be commenced not later than on the second business day next following receipt of the Notice of Expedited Arbitration;

(2) 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;

(3) the award shall be served on the parties by messenger or facsimile; and

(4) 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 or more claims are submitted to Expedited Arbitration and the Expedited Arbitration Procedure has been waived or is inapplicable to one 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 Procedure set forth in Section 2-300, 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 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 2-500 ARBITRAL REMEDIES

2-501 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 film titles, or to order back pay 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 the BA or of those provisions of the personal service contract or the deal memo which are subject to arbitration pursuant to the provisions of Paragraph 2-101 hereof.

2-502 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.

2-503 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 2-600 COURT PROCEEDINGS

2-601 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 the BA and of the arbitrable provisions of any personal service contract or deal memo other than claims for compensation.

2-602 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 2 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 the BA, including a failure to pay minimum compensation, regardless of whether or not such claimed breach may also involve a breach by the Employer 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 the BA.

(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.

2-603 **Petition to Confirm, Vacate or Modify Award**

(a) Nothing in the BA 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 2-700 WITHDRAWAL OF SERVICES

2-701 Notwithstanding any provision of any personal service contract, deal memo or of the BA 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 3

Minimum Salaries for Directors of Theatrical Motion Pictures

Section 3-100 MINIMUM SALARIES

3-101 Employer agrees that the minimum salaries and working conditions set forth in the following schedule and footnotes, both inclusive, shall govern the employment of Directors on theatrical motion pictures:

Type of Picture	Rate per Week[3] 7/1/20	7/1/21	7/1/22	Guaranteed Employment Period *	Preparation Time **	Cutting Allowance Time ***
Freelance Low Budget (any picture budgeted up to $500,000)	$12,954	$13,278	$13,676	8 weeks	2 weeks	1 week
Medium Budget (any picture budgeted over $500,000 up to $1,500,000)	$14,723	$15,091	$15,544	10 weeks	2 weeks	1 week
High Budget (all pictures budgeted over $1,500,000)	$20,616	$21,131	$21,765	10 weeks	2 weeks	1 week

(Continued)

[3] During the 2020 negotiations, the parties agreed that for each of the second and third years of this BA, 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 contribution rate to the Directors Guild of America–Producer Pension Plan ("Pension Plan") or the Directors Guild of America–Producer Health Plan ("Health Plan") as provided in Paragraphs 12-201 and 12-301 of this BA. The Guild timely elected to allocate one-half percent (0.5%) of the increases in certain minimum salary rates and residuals bases to the Employer contribution rate to the Pension Plan effective July 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 residual bases for the second year of this BA were reduced by one-half percent (0.5%). There was no allocation of the increases in the third year of this BA.

(Continued)

Type of Picture	Rate per Week† 7/1/20	7/1/21	7/1/22	Guaranteed Employment Period *	Preparation Time **	Cutting Allowance Time ***
Term	$12,954	$13,278	$13,676	20 or more out of 26 weeks or any multiple of such period	None	None
Trailers, Talent Tests and Promos****	$14,723	$15,091	$15,544			
Freelance Shorts & Documentaries	$14,723	$15,091	$15,544	1 week and 1 day per film (see ¶ 4-106)	2 days	None
Second Units		-Same as First Unit-		1 week or 1 day	¶ 4-102	None

Except for so-called "flat deals," time beyond guaranteed period of contract shall be calculated on a *pro rata* basis of the contractual rate.

The rate applicable to all of such services shall be that which is in effect on the starting date of the Director's employment.

Except as otherwise specifically provided, all compensable time worked beyond the Director's total guaranteed period shall be calculated pursuant to Paragraph 4-106.

Second Unit Directors shall be paid *pro rata* compensation (or daily compensation if employed on a daily basis) for all days so employed. Preparation time shall be determined in accordance with Paragraph 4-102 of this BA.

† See text of footnote 3 on page 39.

3-102 *Guaranteed Period of Employment

In the event of a change or substitution of a Director for reasons other than the incapacity of the Director, 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.

In the event that a Director is replaced by reason of his or her own incapacity, the substituting Director shall only be guaranteed the greater of the number of guaranteed days remaining under Paragraph 3-101 or the number of days actually remaining on the shooting schedule at the time such substituting Director begins the assignment. In addition, the substituting Director shall receive no less than one hundred fifty percent (150%) of minimum compensation for the work performed. However, there shall be no compounding of premium pay to such substituting Director for work performed on a holiday or for the sixth or seventh day worked in the Director's workweek.

3-103 **Preparation Time

Shall be added to guaranteed employment period for Directors employed at a weekly salary of double minimum or less who shall receive full salary during such preparation time.

3-104 ***Cutting Allowance Time

Shall also be added to guaranteed employment period for Directors receiving double minimum or less, who shall receive full salary during such cutting allowance time.

3-105 ****Photography for Unknown Type of Theatrical Motion Picture

If the Director is employed to direct photography for a theatrical motion picture, the type of which is unknown (*e.g.*, photography of an event not planned for the purpose of being photographed or photography for a theatrical motion picture, the budget for which is unknown), the rate for Trailers, Talent Tests and Promos shall apply.

3-106 Interchange of Assignment - Theatrical - Television

With respect to Directors, there may be complete interchange of assignment between theatrical and television productions. Whenever such interchange takes place, such Director shall receive not less than the respective minimum pay and working conditions pertaining to theatrical productions or television productions, whichever is applicable to the assignment on which the Director is employed at the time in question.

3-107 The Daily Rate

The daily rate for daily employment, as such, shall be one-fourth (1/4) of the weekly rate payable for the particular type of picture.

3-108 Series Bonus

If an open-ended free television series based on a theatrical motion picture is sold subsequent to the production of the theatrical motion picture, Paragraph 10-103(d) shall apply.

3-109 Sequel Payments

(a) In the event that the Employer produces a theatrical motion picture which is a sequel to a theatrical motion picture covered under this Agreement, the Employer will pay to the Director of the original theatrical motion picture an amount equal to $20,000 upon commencement of principal photography of the sequel theatrical motion picture, provided:

(1) that the original theatrical motion picture and the sequel are produced by the same Employer;

(2) that principal photography of the original theatrical motion picture commenced on or after July 1, 2020; and

(3) the sequel is based on an original screenplay which utilizes the leading character or characters of the original theatrical motion picture in a substantially different story.

(b) Only one payment shall be due under this provision, irrespective of the number of sequel theatrical motion pictures produced.

(c) If the Director of the original theatrical motion picture also directs the sequel, the amount payable pursuant to subparagraph (a) hereof shall be credited against the compensation payable to the Director for the sequel.

3-110 Specially-Skilled Director of DGA-Covered Non-Dramatic Program Employed on a Theatrical Motion Picture

When a specially-skilled Director employed on a non-dramatic television program produced under another DGA collective bargaining agreement is concurrently employed to direct scenes for a theatrical motion picture covered by the BA, the Employer may credit toward the fee(s) owed under the BA an amount equal to the scale payment (or the minimum daily rate of pay, where applicable) that would apply to that Director's work on the concurrent non-dramatic television program were that program produced under the DGA Freelance Live & Tape Television Agreement. This right to credit will only apply when the specially-skilled Director is employed under the BA for no more than two (2) hours and the Director of the theatrical motion picture is also present.

ARTICLE 4

Directors' Freelance Contracts

4-101 Cost of Motion Picture As Basis of Salary

The cost of a motion picture as estimated by the Employer in good faith at the time of the commencement of principal photography shall be the cost of such motion picture for the purpose of the schedule set forth in Paragraph 3-101. For the purpose of this clause, any deferment of "direct" production costs shall be deemed to be a part of production costs. When the Director believes the budget is not accurate and it affects salary, the matter may be submitted through the Grievance and Arbitration Procedure.

4-102 Second Unit Work on Weekly or Daily Basis and Applicable Preparation Time

A Director may be employed for second unit work, talent tests, trailers or promos on a weekly basis, as in Paragraphs 3-101, 10-101 or 10-103, or the Employer may employ such Director on a daily basis, in which case such minimum daily salary shall be one-fourth of the minimum weekly rate applicable to the type of motion picture for which the work is performed. The Director's minimum preparation time for second units shall be:

Number of Second Unit Shooting Days With More than Four (4) Hours of Second Unit Work Each Day*, **	Minimum Day(s) of Preparation
1	1
2-3	2
4 or more	3

* No preparation time is required when the time spent by the Director on second unit directorial duties does not exceed four (4) hours on any given day, except when the second unit work involves stunts and/or special effects that raise material safety concerns. (It is

understood that minor stunts and special effects do not require additional preparation time as provided in the immediately proceeding sentence. Examples of minor stunts and special effects that do not require additional preparation time include, but are not limited to, “pratfalls,” falling off a chair, throwing a punch, turning on a stove, steam coming out of a vent, *etc*.)

** However, this preparation time requirement shall not apply to any unplanned units, emergencies or when preparation time is not needed because the Director of the second unit work has been working on the production in a different Guild capacity covered by the terms of this BA.

4-103 **Starting Date**

(a) All contracts entered into for the employment of Directors for the purpose of directing motion pictures of the respective types and classifications, and for the respective minimum compensations designated in this BA (excluding shorts, one-hour, or half-hour television films and any guaranteed employment period of one (1) week or less, and excluding daily employment) 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; and it being further agreed that the exact date for the commencement of the term of such contract is to be specified by the Employer and is to be not earlier than one (1) week before the starting date specified in such contract nor later than one (1) week after the starting date therein specified, exclusive of any preparation days in advance of such starting date permitted in the case of television films.

(b) With reference to one-hour television films, “on or about” shall be administered as set forth above but with a latitude of not more than three (3) days before or three (3) days after the specified starting date. With reference to shorts, half-hour television films and any guaranteed employment period of one (1) week or less, excluding daily employment, “on or about” shall be administered as set forth above but with a latitude of not more than two (2) days before or two (2) days after the

specified starting date. There shall be no allowable variation in the starting date for daily employment.

(c) An "on or about" starting date may be postponed by agreement of the parties only to a specific date. There can be no second "on or about" date.

4-104 Travel

(a) 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.

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

(c) If a Director 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 Director shall be upgraded to the same class of transportation as is afforded to the other employee.

(d) All transportation by means other than air travel, and meals and accommodations to location for Directors shall be first class or the best obtainable if first class transportation, meals and accommodations are not available where and at the time required by the Employer, and provided further, that with respect to locations, other than distant locations, such transportation shall be limited to equipment available at the studios. Except as otherwise more favorably provided in his or

her personal service contract, Employer will further reimburse Director for reasonable incidental expenses incurred in connection with the production of the picture. Such reimbursement shall be made promptly following presentation of the appropriate vouchers in customary form.

4-105 Compensation on Recall for Particular Services

Should a Director be recalled, after having been closed, for additional work, including but not limited to retakes, added scenes, sound track, process shots, transparencies, or trick shots, trailers, changes, or for any other purpose, compensation for such additional services shall be payable at the weekly rate provided for in his or her contract of employment covering such picture, but shall be payable only for the days on which such services are actually performed. In computing compensation for such services rendered for a period of less than a full week, the weekly rate shall be prorated in the manner provided in Paragraph 4-106, below. It is agreed, however, that no compensation shall be payable for such services to the extent that they are rendered within the guaranteed period of employment.

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 shooting of the additional work 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.

4-106 Compensation for Fractional Week (for Theatrical Motion Pictures)

In computing compensation to be paid any Freelance Director on a weekly basis, with respect to any work period of less than a week following the guaranteed employment period, the compensation per day during such partial "workweek" shall be computed and paid for at one-fifth (1/5) of the minimum weekly rate or contractual rate, whichever is higher. In computing compensation to be paid any

Freelance Director of shorts on a weekly basis, with respect to any work period of less than a week, following a full "workweek," the compensation per day during such "partial workweek" shall be computed and paid for at one-fifth (1/5) of the minimum weekly rate or contractual rate, whichever is higher.

4-107 Holidays, Sixth and Seventh Days Worked in the Director's Workweek

(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.

When such a holiday not worked falls within the guaranteed period of employment, no deduction shall be made from the guaranteed compensation.

If an unworked holiday falls within a full workweek of employment following the guaranteed period of employment, the Director shall be paid his or her full weekly compensation. When such a holiday occurs within a partial workweek following the guaranteed period of employment, if the Director works the day before and the day after such holiday, the Director shall be paid in the same manner as if he or she had worked such day.

(b) The Director's workweek consists of seven (7) consecutive days with the sixth and seventh days as the regular days off in a studio workweek and the seventh day as the regular day off in a distant location workweek. For the purpose of determining a Director's premium pay for a sixth or seventh day worked, an unworked holiday shall count as a day worked. The provisions

of the last paragraph of Paragraph 13-112(a), and subparagraphs 13-112(e) and (f) shall apply to Directors, but subparagraph 13-112(e) shall be subject to the provisions of Paragraph 4-103.

(c) (1) During the period July 1, 2020 to and including June 30, 2021, if a holiday is worked at the Employer's direction, or if the Director works seven (7) days in his/her workweek at the Employer's direction, the Director shall be paid for such holiday or seventh day worked (i) one-fifth (1/5) of his or her actual weekly salary plus $3,699.00; or (ii) if compensation is less than $3,699.00 per day, then an amount equal to two hundred percent (200%) of such *pro rata* daily compensation. (The $3,699.00 figure above shall be increased to $3,791.00 during the period July 1, 2021 through June 30, 2022 and to $3,905.00[†] during the period July 1, 2022 through June 30, 2023.)

(2) If a Director works six (6) days in his/her workweek at the request of Employer in the studio, the Director will be paid for such sixth day worked, in addition to guaranteed weekly compensation, one hundred fifty percent (150%) of the Director's actual *pro rata* daily salary or an additional two hundred percent (200%) of scale, whichever is lower.

(3) For Directors employed on a "flat" deal, the additional compensation shall be $3,699.00 per day for the seventh day worked in his/her workweek and holidays (which shall be increased to $3,791.00 for the period July 1, 2021 to and including June 30, 2022 and to $3,905.00[†] for the period July 1, 2022 to and including June 30, 2023) and one-fifth (1/5) of applicable weekly minimum for the sixth day worked in the Director's workweek in the studio.

[†] See text of footnote 3 on page 39.

The days so worked may be credited against minimum days guaranteed, but the compensation in excess of *pro rata* for the seventh day worked in the workweek and holidays and the sixth day worked in a studio workweek will not be credited against guaranteed compensation. If the sixth day worked in a studio workweek is a holiday, the holiday rate shall be paid.

(d) Travel or scouting on the seventh day worked in the workweek or holidays or the sixth day worked in a studio workweek at Employer's request shall be compensated by payment only of *pro rata* daily compensation.

(e) Employees receiving more than three hundred percent (300%) of minimum compensation may agree to waive additional pay for travel.

(f) If the Employer in its collective bargaining agreements with the Screen Actors Guild - American Federation of Television and Radio Artists, Writers Guild, or I.A.T.S.E. hereafter grants any new holiday, the same provision shall be deemed included hereunder.

4-108 Deal Memorandum

Following the oral confirmation between Employer and a Freelance Director (or the Director's agent) of the rate of compensation and the starting date for a proposed employment of the Director, the Employer will deliver a “deal memorandum” to the Guild and to the Director (or the Director's agent) prior to his or her employment.

Such “deal memorandum” shall set forth at least the information contained in Exhibit “C-1” or “C-2,” as applicable, attached hereto. The "deal memorandum" submitted may contain further terms in addition to those specified in such Exhibits, including part or all of the terms of the employment contract.

With respect to any motion picture, including a multi-part closed-end series but excluding an episode of a television series or serial, Employer shall submit to the Director the then available top sheet of

the budget at the same time it delivers the Director's Deal Memorandum.

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 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.

Upon commencement of principal photography of a theatrical motion picture, or of a television motion picture ninety (90) minutes or longer, Employer shall furnish to the Director and to the Guild an addendum to the Director's deal memorandum containing the following information as set forth in Exhibit "C-3" attached hereto, to the extent that such information is then known to the Employer: the dates scheduled for start and finish of the Director's cut; the dates for special photography and processes, if any; the date for delivery of the answer print; and date of release (for theatrical films) or date of network broadcast (if applicable). Employer shall notify the Director and the Guild as soon as practicable in the event of a change in the post-production schedule. The Creative Rights Standing Committee shall continue to examine the utility of these obligations.

4-109 Personal Services Agreement

Following the "deal memorandum," the Employer will, as soon as practicable, deliver to the Director a proposed written contract of employment of the Director. Such contract shall clearly set forth the Director's weekly salary rate.

4-110 Prohibition Against Credits and Offsets

Overscale cannot be used to credit or offset in any manner any payments required to be made to the Director.

The only exception to the prohibition against crediting or offsetting of monies in excess of scale is the right of Employer to negotiate with the Director to credit or offset residuals against monies in excess of two hundred percent (200%) of scale.

No prepayment of residuals will be permitted unless set forth in the "deal memorandum" in the specific amounts which are to be prepaid. Residual compensation shall not otherwise be prepaid. Any prepayment of residual compensation shall be sent to the Director in care of the Guild and not combined with the other payments for his or her services.

The provisions of this Paragraph 4-110 do not apply to Directors of theatrical motion pictures. Thus, crediting or offsetting against residual payments for theatrical motion pictures may be done only under the terms of Paragraph 18-109 or Paragraph 19-109, as applicable.

The provisions of Paragraph 20-1101 apply to Directors of programs covered under Article 20 of this Agreement in lieu of the provisions of Paragraph 4-110.

4-111 Development Services

(a) If a Director, at the request of Employer, renders services in supervising development of a screenplay (as distinguished from reviewing or commenting upon a completed or substantially-completed screenplay) with the option to direct and if such option is not exercised or if the Director is replaced or the motion picture is abandoned, the Director shall receive a minimum of $57,980 ($59,430 effective July 1, 2021 and $61,213[†] effective July 1, 2022) at the time a picture based on such screenplay is produced, if at all, so long as one or more of the writers supervised by such Director in development is accorded writing credit. Payments made to the Director in connection with development shall apply towards the minimum of $57,980 ($59,430 effective July 1, 2021 and $61,213[†] effective July 1, 2022).

[†] See text of footnote 3 on page 39.

(b) 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 $43,484 ($44,571 effective July 1, 2021 and $45,908[†] 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 $43,484 ($44,571 effective July 1, 2021 and $45,908[†] effective July 1, 2022).

[†] See text of footnote 3 on page 39.

ARTICLE 5

Directors' Term Contracts

5-101 Term Contract Defined

The words *"term contract,"* as herein used, shall be deemed to mean a contract for the exclusive employment of a Director for a basic or original term of not less than twenty-six (26) weeks, with or without layoffs. If any such term contract shall include one or more option periods of employment, no such option period shall be for less than twenty-six (26) weeks, with or without layoffs, subject to the provisions of Paragraph 10-111 herein, providing for "Options-Notice to Director." Whenever the Employer exercises an option for an additional term, the Director shall be given at least thirty (30) days' advance written notice.

5-102 Application of Minimum Salary to Term Contracts

The obligation of the Employer, upon entering into a term contract for the employment of a minimum salary term contract Director, shall be wholly satisfied by the payment of such applicable minimum salary, for the applicable periods, subject to the provisions of Article 6.

5-103 Layoff

(a) In any exclusive term contract of employment granting the Employer the right to lay off without pay, if the Employer exercises the right of layoff, any installment of layoff shall be for a minimum of one (1) full week, except that if the remainder of the allowable layoff is less than one (1) full week, the Employer may lay the Director off for such remaining balance, and, except further, if any installment of allowable layoff is given at the end of a contract period, it may be given for the remainder of such contract period even though such remainder is less than one (1) full week.

(b) If the contract period of twenty (20) out of twenty-six (26) weeks has an option for renewal and such option is exercised, one (1) layoff must be for three (3) weeks (herein referred to as the "special layoff period"); three (3) layoffs must be for two (2) weeks each; and three (3) layoffs must be for one (1) week each. If the twenty (20) out of twenty-six (26) week contract does not have an option for renewal, or if it has such an option and the option is not exercised, one (1) of the layoffs must be not less than two (2) weeks (herein referred to as the "special layoff period") and the other layoffs must be not less than one (1) week. Such layoffs may be consecutive or cumulative. In every instance of layoff, or consecutive layoffs, minimum notice of not less than one (1) week must be given. If the layoff is for only a week, then such notice need be only three (3) calendar days. Except when the Director receives at least double minimum, in every instance of layoffs of eight (8) continuous weeks or more, the Director shall have the right to accept assignments from others during the layoff period, but such assignment shall not extend beyond such layoff period.

(c) If, during a layoff period other than the special layoff period, the Employer recalls the Director for a new picture, and the Director has been on layoff for less than one (1) full week at the time the Director is so recalled, the Employer shall pay for the intervening time which will then not be considered layoff for any purpose.

(d) During any layoff period, the Employer shall have the right to recall the Director to render services on a picture in connection with the principal photography of which the Director has previously rendered his or her services. Services for which the Director is so recalled shall be paid for on a daily basis for each day on which they are rendered, or the Employer may, at its option, pay the Director for the entire intervening time, and in the latter case, such intervening time will not be considered layoff for any purpose.

(e) If the Employer recalls the Director for retakes, added scenes, or other services of the nature mentioned in Paragraph 4-105, during any layoff period, then the Employer shall be required to

give the Director another equivalent layoff period if there remains sufficient time in that contract period for another such layoff period. If the Employer elects to pay the Director for the intervening time, however, such equivalent layoff is not mandatory.

(f) If, at any time during any special layoff period, the Employer recalls the Director for a new picture, the Employer shall pay the Director for the full intervening time which shall then not be considered layoff.

(g) It is understood that if, during any contract period above mentioned, the Employer has failed to exercise its right to place the Director on layoff until such time as the unexpired portion of such contract period is less than the required minimum layoff period, then the Employer may place the Director on layoff for the remainder of such contract period.

(h) A layoff period shall not be deemed broken and the Employer shall not be required to pay the Director compensation for delivery or submission of a script or other literary or dramatic material when the Director has right of script approval or for any services the Director voluntarily chooses to perform during any layoff period.

(i) The provisions governing layoffs contained above shall apply to television motion pictures.

ARTICLE 6

Suspension and Termination of Directors

6-101 Except as expressly provided in this Article, the provisions of this BA with reference to the obligation of the Employer to furnish employment for the respective "guarantee" periods 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 BA. 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 and the Director of Photography of the picture are 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 "guarantee" periods of employment shall be wholly satisfied by the payment of the agreed salary for the applicable minimum period. With respect to only theatrical motion pictures, or television films 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 picture shall not be considered "force majeure." With respect to television motion pictures: If the Director is employed on a film under sixty-one (61) minutes in length, and he is suspended by reason of illness or incapacity of a member of the cast or any other person connected with the picture, 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 picture or the Director of Photography is paid in whole or in part with respect to such picture, then the Director will be paid in the same *pro rata*

amount as the star or the Director of Photography is paid. If there is a difference in the proportionate amount paid to the star and the Director of Photography, then the higher proportionate amount shall be paid to the Director. The foregoing provision shall not apply to the continuation of payments to a term player or Director of Photography who is carried by the Employer under the provisions of a term contract.

6-102 After the expiration of the period of limitation above mentioned, 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.

6-103 If the production of the motion picture is cancelled and the Director is terminated due to such a "force majeure," then in the event the production of such television motion picture is recommenced within six (6) months, or in the case of a theatrical motion picture it is recommenced within twelve (12) months, the Director, subject to his or her availability, shall be offered reinstatement of the balance of his previous employment agreement to direct the motion picture 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.

6-104 **Replacement of Director Who Furnishes Material**

If a Director is employed under a contract concurrently entered into with another contract in which a screenplay or other literary or underlying material for the motion picture, 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 motion picture in whole or in part, then the Employer will expressly refer to such right in the deal memorandum it delivers under Paragraph 4-108 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.

6-105 Payment To and Mitigation By Discharged Employees

If a Director is removed from a motion picture, the Employer shall forthwith deliver to the Guild for the Director all remaining unpaid non-deferred, non-contingent compensation as provided by the personal services agreement or deal memo.

If 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 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 motion picture, 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 motion picture.

ARTICLE 7

Directors' Minimum Conditions - Preparation, Production and Post-Production

Section 7-100 PREAMBLE

7-101 The Director's professional function is unique, and requires his or her participation in all creative phases of the film-making process, including but not limited to all creative aspects of sound and picture.

The Director works directly with all of the elements which constitute the variegated texture of a unit of film entertainment or information.

The Director's function is to contribute to all of the creative elements of a film and to participate in molding and integrating them into one cohesive dramatic and aesthetic whole.

No one may direct, as the term direct is generally known in the motion picture industry, except the Director assigned to the picture.

The following provisions of this Article 7 are therefore agreed upon:

Section 7-200 DISCLOSURE AND CONSULTATION WITH RESPECT TO COMMITMENTS

7-201 **Disclosure Before Assignment**

Prior to the employment of the Director, or in the case of a Director employed under a term contract or multiple picture contract or under option, prior to his assignment to a picture, Employer shall inform him or her of the following in relation to the picture in question:

(a) the names of artistic and creative personnel already employed;

(b) all existing film contemplated to be used;

(c) any rights of script approval or cast approval contractually reserved to any person other than the Employer and the individual Producer;

(d) the top sheet (summary) of any Theatrical Budget or a Television Pattern Budget (as the case may be) which has been established and any limitations thereof, if any. The Director shall use his or her best efforts to conform with such budget. The Director shall have the responsibility and opportunity to express his or her opinion with respect to the practicability of the budget; and

(e) the story on which the motion picture is based and the script, if any exists, shall be made available to the Director.

It is the intention hereof that Employer shall make full and complete disclosure to the Director of all of the existing artistic and creative commitments with respect to the picture for which the Director is to be employed prior to his or her actual employment, or prior to his or her assignment to the picture if previously employed or optioned without such an assignment.

It is recognized that Directors frequently accept an assignment based upon the Employer's representation as to the budget and shooting schedule of a motion picture. It is therefore agreed that after the Director's assignment to a theatrical motion picture or a television motion picture ninety (90) minutes or longer, the Employer shall not in bad faith or capriciously reduce the budget or the shooting schedule.

In addition to the foregoing, Employer shall give full and complete disclosure of the below-the-line budget to the Director of a theatrical motion picture or a long-form television motion picture at the time the Director is employed or assigned, and provide all subsequent revisions to said budget.

The individuals responsible for approving the budget of a theatrical motion picture shall, prior to the budget being set, consult with the Director with respect to its practicality.

If the Director of a long-form television motion picture is hired before the budget is approved, the individuals responsible for approving the budget shall, prior to the budget being set, consult with the Director with respect to its practicality.

7-202 Consultation After Assignment

Subject to other specific provisions hereof, between the time the Director is employed (or in the case of a Director employed under a term contract or multiple picture contract or under option, after his or her assignment to the picture), and until the time he or she delivers the Director's Cut, he or she shall be informed as soon as practicable of any proposal concerning and, if reasonably available, shall participate in all decisions with respect to: (a) any changes in the elements of which he or she has been previously notified, or proposed casting and the employment of other artistic or creative personnel, and of any rights or approval thereafter granted to third parties; (b) all creative elements in the production of the film, including but not restricted to the script and any revision thereof, casting, employment of artistic and creative personnel, location selection, set design and construction; pre-production, shooting and post-production scheduling; (c) in no case will any creative decision be made regarding the preparation, production, and post-production of a motion picture without the consultation of the Director. The Director's advice and suggestions shall be considered in good faith.

7-203 Consultation Regarding UPM

With respect to theatrical motion pictures and non-episodic television programs, Director will have the right of consultation with respect to assignment of a UPM assigned after the Director is assigned. The final decision with respect to assignment of the UPM shall remain with the Employer.

7-204 Selection of First Assistant Director

The Director shall have the right, subject to the terms of Articles 14 and 15, to select the First Assistant Director on any theatrical motion picture and any non-series television motion picture (90) minutes or

longer, provided that such selection must be consistent with the budget of the motion picture and the First Assistant Director selected is not guilty of any criminal conduct. The Director may replace the First Assistant Director provided that such action does not adversely affect the budget of the motion picture. The Employer shall have the right for just cause to discharge a First Assistant Director selected in accordance with this Paragraph 7-204 and a substitute First Assistant Director shall be selected pursuant to this Paragraph.

7-205 Second Unit Director

In the event second unit work shall be contemplated, the Director shall be given an opportunity to consult with the individual Producer and participate in considerations as to the person to be engaged to direct such second unit work. In the event of disagreement between the Employer and the Director as to the choice of the person to be engaged as Second Unit Director, the Employer shall submit to the Director a list of three (3) qualified individuals any one (1) of whom would be approved as Second Unit Director and the Director shall be obligated to approve one (1) of such three (3) persons.

The Director shall be given the opportunity to consult with the Second Unit Director with respect to the manner in which the second unit work is to be performed and may delegate the supervision of the assemblage of second unit photography to the Second Unit Director.

7-206 Individual With Final Cutting Authority

The individual having final cutting authority over the motion picture shall be designated in the Director's Deal Memorandum. In the event such individual ceases to be employed by Employer, the individual named by the Employer to succeed the designated individual shall be a person of equivalent rank. The successor's name shall be deemed incorporated into the Director's Deal Memorandum. If the Employer has not named any such person, then the Employer shall submit to the Director the names of three (3) individuals, any of whom would be acceptable to the Employer as the person to have the final cutting authority over the motion picture. The Director shall select one (1) individual from the three (3) proposed names, and the name of the individual selected shall be deemed to have been incorporated into

the Director's Deal Memorandum. Employer shall not be deemed to have breached this provision for a reasonable time following the end of employment of the individual originally designated in the Deal Memorandum. During this period, Employer may designate any individual who may temporarily perform all or some of the former employee's functions in exercising final cutting authority.

7-207 Production Executives

Employer recognizes that if the Director has a dispute with the individual in charge of the specific project, the Director has the right to contact the executive in charge of television or theatrical production, as the case may be. The executive will listen to the Director, but may delegate to another person the determination of the dispute. This right is limited to theatrical motion pictures, television long-form productions and multi-part closed-end series. This right may not be exercised to delay production or post-production or to otherwise increase costs.

7-208 One Director To A Film

There will be only one Director assigned to direct a motion picture at any given time.

However, such limitations shall not be construed as precluding assignment of *bona fide* teams or of more than one (1) Director to direct pick-ups, added scenes or different segments of a multi-storied or multilingual 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 Second Unit 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 Paragraph 7-208.

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.

At the Employer's request, the Guild agrees to the following exception to this Paragraph 7-208. This exception shall be effective from July 1, 2008 to January 1, 2010 and thereafter unless either the Guild or the AMPTP terminates this exception after giving thirty (30) days written notice.

On an episodic television motion picture which is thirty (30) to sixty (60) minutes in length, the Employer may assign another Director to function as a consultant (herein called "Consulting Director"), subject to the following:

(a) the Director has not previously directed a motion picture under this or any preceding BA;

(b) the Consulting Director has been employed no more than two (2) times under this exception;

(c) all the Employer's instructions in connection with the production must be communicated to the Director;

(d) the Consulting Director may only counsel and advise the Director, and may not instruct or give suggestions to the actors or crew; and

(e) the Consulting Director shall be paid not less than the applicable minimum but is not entitled to any additional compensation pursuant to Articles 11, 18 and 20 and is not entitled to credit under Article 8 or any creative rights under Article 7.

The Consulting Director may not replace the Director, subject to the emergency provision in Paragraph 7-1401.

The Employer shall state on the Director's deal memorandum submitted pursuant to Paragraph 4-108 that a Consulting Director has been assigned pursuant to this exception. The Employer shall also state on the Consulting Director's deal memorandum that he or she is assigned as a Consulting Director.

7-209 Consultation Regarding Editor

If the Employer intends to terminate the motion picture editor's employment on a theatrical motion picture, the Employer shall notify the Director at least two (2) business days before the termination. During that two (2) day period, the Director shall have the right to consult with the Employer regarding the decision to terminate the editor and the selection of a replacement editor. Upon the Director's request, the Employer agrees that the president of production, or an individual with an equivalent rank if the Employer does not employ an individual with that title, shall consult with the Director with regard to the aforementioned matters. The final decision with respect to the termination of the editor and the selection of any replacement editor shall remain with the Employer, unless the Director has rights of approval regarding the termination of the editor or selection of any replacement editor.

Section 7-300 PREPARATION

7-301 Literary Material

When the Director is assigned, at his or her request, any existing script or outline in whatever form intended for the production of the motion picture 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 opinions 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.

7-302 Script Delivery

(a) In episodic television, the Employer shall deliver the "working draft"[4] of the script to the Director not later than one day prior to the commencement of the Director's preparation period.

A "working draft" is defined as a draft script which is intended to serve as the basis for the completed shooting script, with the characters, locations and dialogue intended for the entire episode. It is understood that the "working draft" is subject to change and that an outline does not suffice as a "working draft."

(b) The Employer shall email a copy of the script "cover sheet" to a Guild employee designated by the DGA and to a designated Employer representative(s) on the same day, or as soon as practicable thereafter, that the "working draft" script is provided to that episode's Director. The cover sheet shall be accompanied by a statement signed and completed by the Unit Production Manager of the series containing the following information:

"This will confirm that _____ (insert name of production company) furnished a copy of the 'working draft' script for episode _____ (insert episode number or title) of the ☐ one-half hour or ☐ one hour (check one) series entitled _____ (insert title of series) to the Director of that episode, _____ _____ (insert name of Director), on _____ (insert date).

"Check box if the 'working draft' script was furnished to the Director at least one day before the commencement of the Director's preparation period: ☐

[4] During the 2020 negotiations, the parties agreed to change the term "writer's draft" to "working draft." The parties agreed that this change is non-substantive and does not alter the nature of the script that the Employer is required to deliver to the Director as provided herein.

"Complete the following if the 'working draft' script was furnished to the Director after the commencement of the Director's preparation period:

"Day of Director's preparation period that 'working draft' script was furnished to the Director: _____ (*e.g.*, 1st, 2nd, 3rd *etc*.).

"This is episode number __ (insert episode number) of a series order of ___episodes in its _____ season (indicate season number).

"Check box if the 'working draft' script was furnished on or after the second day of the Director's preparation period on a one-half hour series or on or after the third day of the Director's preparation period on a one-hour series: ☐ **If this box is checked, the Employer is required to obtain the signature of the Writer/Executive Producer on this statement.**

"By_____ (signature of Unit Production Manager to appear here)

"_____ (print name of Unit Production Manager)"

"Date_____"

"**Additional Signature of Writer/Executive Producer if Required (see above):**

"By_____ (signature of Writer/Executive Producer to appear here)

"_____ (print name of Writer/Executive Producer)"

"Date_____"

The DGA shall notify the Employer if the UPM statement has not been provided, and the Employer shall cure this omission.

The Employer shall be responsible for obtaining the signature of the Writer/Executive Producer, if required, which shall not delay the submission of the UPM statement and which shall not be required to be submitted to the DGA.

(c) The parties have established the following requirements with respect to the timely submission of scripts for any one-half hour or one-hour episodic series in its first year of production:

(1) For each such series, at least 50% of all "working draft" scripts for the season's episodes must be delivered timely.

(2) For any "working draft" script delivered late after the allowable percentage of late scripts on a first-year production has been exhausted, Employer will pay a penalty in the amount of $1,000 for each day that the "working day" script is late in accordance with subparagraph (e) below.

(d) The parties have established the following requirements with respect to the timely submission of scripts for any one-half hour or one-hour episodic series in its second or subsequent year of production as follows:

(1) For each such series in its second year of production, at least 60% of all "working draft" scripts for the season's episodes must be delivered timely.

(2) For each such series in its third year of production, at least 70% of all "working draft" scripts for the season's episodes must be delivered timely.

(3) For each such series in its fourth or subsequent year of production, at least 75% of all "working draft" scripts for the season's episodes must be delivered timely.

(4) For any "working draft" script delivered late after the applicable allowable percentage of late scripts has been exhausted, Employer will pay a penalty in the amount of $1,000 for each of the first three (3) days that the "working draft" script is late and $2,250 per day for each day delivered late thereafter in accordance with subparagraph (e) below.

(e) Payment of the late script penalty is due thirty (30) days following the completion of principal photography of the episode which exceeds the allowable percentage of late scripts as provided above. One-half of the payment shall be made to the Directors Guild-Producer Health Plan, and the other half shall be split between the Director and the First Assistant Director in the ratio of two-thirds (2/3) to the Director and one-third (1/3) to the First Assistant Director as an allowance, but shall be sent to the DGA for transmittal.

(f) If the "working draft" script is submitted to the Director on his or her second day of prep or later for a one-half hour episode or the third day of prep or later for a one-hour episode:

(1) The Employer shall require the Writer/Executive Producer to sign the UPM statement referenced above.

(2) The Employer shall require the Writer/Executive Producer to have a discussion with the Director and a representative of the Employer (which shall be either a production or creative executive) to discuss delivery of the "working draft" script and a plan for completion of the episode.

(3) The foregoing discussion shall include a senior level executive of the Employer when the episode is the third time (and each subsequent third time) during a season of the series that a "working draft" script was submitted to a Director on the second day of prep or later for a one-half hour episode or third day of prep or later for a one-hour episode of the same series.

(g) At the end of each season, the DGA shall provide the AMPTP with information about the timeliness of scripts and the penalties paid on each series during the season.

(h) Employers will continue to cooperate with the Guild in providing data and arranging meetings on this subject. Upon request, Employer will provide the Guild with copies of the season's production schedule, including directing assignments, at the start of each production season, and revisions as they occur.

7-303 Stunts

Any stunt sequence mentioned in the shooting script delivered to the Director (whether or not a waiver of Paragraph 7-302 was granted) may not be increased in magnitude or in degree of difficulty, nor may a stunt sequence be added to such script or later increased in magnitude or degree of difficulty, without the Director's consent to the change. Such consent will not be unreasonably withheld. The Employer may diminish the magnitude of a stunt sequence in the shooting script or eliminate it entirely without the consent of the Director.

7-304 Television Preparation Time

With respect to a motion picture (excluding pilots) which is produced for Network Prime Time or is governed by Article 20 and of a type generally produced for Network Prime Time, the Director shall be afforded actual preparation time of no less than three (3) days for a one-half hour program, seven (7) days for an hour program and fifteen (15) days for a two-hour or longer program.

7-305 Inclusion of Director's Name on Episodic Television Scripts

With respect to episodic television motion pictures, the Director's name shall appear on the title page of each script distributed after he/she is assigned. The omission of the Director's name shall not, however, be subject to grievance and arbitration under Article 2 of this Agreement.

7-306 Casting in Episodic Television During the Director's Preparation Period

An episodic television Director must be informed no later than the first day of his or her preparation period of any casting procedures or casting schedule for the episode, if known. In addition, the Director shall be invited to participate in any "casting concept call" for casting the episode that takes place during his or her preparation period.

When casting transmits information related to making casting decisions by electronic link during the Director's prep period, the Director shall be included on the distribution of those links at the same time that they are sent to the Writer/Executive Producer or any other producer.

Except when time constraints do not permit, the Director, during his or her preparation period, shall be afforded a reasonable opportunity to provide his or her casting input to the Writer/Executive Producer before casting recommendations or decisions are communicated to the studio and/or network.

Section 7-400 PRODUCTION

7-401 Dailies

Consistent with the orderly progress of photography, the Director shall see the dailies of each day's photography at a reasonable time. No one shall be present at the screenings of such dailies except those persons designated by the individual Producer, the Employer, or the Director, and all such persons shall have a reasonable purpose for attending such screenings. The Editor assigned to the picture shall be present at all such screenings at the studio.

Dailies for a television motion picture may be in the form of videocassettes.

While the Director is on distant location, and when it is required that the Director be provided with distant location viewing facilities pursuant to Paragraph 7-402 below, the Employer will ship the dailies

of each day's photography within twenty-four (24) hours (excluding Saturdays, Sundays and holidays) after synchronization of picture and track by the Editor or someone else under his or her supervision. Failure to ship dailies of more than three (3) aggregate days' photography shall constitute a breach of this obligation, unless excused by a force majeure.

7-402 Distant Location Viewing Facilities

With respect to theatrical motion pictures, anthology television motion pictures and pilots, when the company and the Director are scheduled for distant location of four (4) or more consecutive days of shooting, if requested by the Director not less than five (5) days, if practicable, prior to the departure for the distant location, the Director will be provided with interlocking sound and picture projection facilities or their equivalent (for example, kemtable type of viewing device or cassette viewing equipment) for viewing dailies on such distant location.

7-403 Private Office and Parking

The Employer will provide the Director with a private office at the studio, and a private facility on the set or immediately adjacent thereto at the studio but not at the same time. 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.

(a) For purposes of this Section, 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 additional persons and good lighting. Sanitary facilities shall be in a reasonable proximity to said office.

(b) When the Employee utilizes an office in his or her home in connection with an employment agreement with the Employer, such utilization by the Employee shall be deemed to be at the request of and for the convenience of the Employer. Employer acknowledges that Employees are frequently required to perform services hereunder at their home.

(c) Employer shall use its best efforts to provide reasonable parking space at no charge for all Employees while they are rendering services in production, pre-production and post-production covered by this BA.

(d) Upon the Director's request, the Employer shall provide the Director private transportation during the period of photography to and from local locations, provided such transportation does not increase Employer's costs.

7-404 **Second Unit Photography**

Prior to the start of principal photography, the Employer shall fully disclose to the Director what material is intended to be shot as second unit. During scheduled principal photography, such second unit work will not be enlarged except for exigencies which cannot be reasonably anticipated.

Any disagreement relating to the provisions of this Paragraph 7-404 may be submitted to arbitration, but the Employer shall not be prevented from completing the work in question. In determining said dispute, the Arbitrator shall be guided by the fact that the parties hereto have agreed that the following is a list of examples of circumstances which may not be reasonably anticipated prior to the start of principal photography and which may be the basis of the enlargement of second unit work during principal photography. This list is not intended to be all-inclusive of such circumstances.

1. Weather conditions.

2. A change in actor availability.

3. Force majeure.

4. Special effects shooting problems.

5. Problems or time pressures arising from the scheduling, availability or accessibility of locations.

6. Problems arising from restrictions in permits.

7. Process plates needed during principal photography.

8. Foreign locations needed for "establishing shots."

7-405 Special Photography and Processes

Prior to completion of principal photography, the Director shall be advised of and shall participate in considerations with respect to the utilization of the following:

trick shots
process plates
inserts
montages
miniatures
transparencies
backgrounds
stock film
glass and matte shots
optical devices

After principal photography, the Director shall be consulted and participate in considerations with respect to the foregoing, subject to his or her availability.

7-406 Use of Video Assist

The parties agree that on theatrical motion pictures and on television motion pictures ninety (90) minutes or longer, video assist may not be used without the Director's permission.

When the Director of a theatrical motion picture elects to use video assist, he/she shall determine the number and placement of monitors to be used.

7-407 Videotape of Performance

When a camera block rehearsal of a multi-camera television motion picture is videotaped so that all cameras are recorded (*i.e.,* a “quad

split"), no one shall have access to a copy of the videotape prior to the completion of the Director's Cut without the knowledge of the Director.

7-408 Audience Switchers

The audience switcher function is to be performed under the direction of the Director.

Section 7-500 EDITING AND POST-PRODUCTION

7-501 Responsibility of Director

The Director shall be responsible for the presentation of his or her cut of the motion picture (herein referred to as the "Director's Cut") and it is understood that his or her assignment is not complete until he or she has presented the Director's Cut to the Employer, subject to the terms and conditions of this BA, as soon as possible within the time period hereinafter provided for.

Subject to Paragraph 7-505(g)(2), no one other than the Director may supervise the editing of the first cut of the film following completion of the editor's assembly, but if the Director refuses to, or due to incapacity, cannot supervise the first cut, the Employer may assign another person to edit the film. Within one (1) day following such an assignment, the Employer shall send the Guild written notice thereof.

7-502 "Hotline"

Any Director who has completed ninety percent (90%) but less than one hundred percent (100%) of the scheduled principal photography of a theatrical motion picture or television motion picture ninety (90) minutes or more in length cannot be replaced, except for cause, until the following procedure (herein referred to as "hotline") has taken place: (a) The Employer shall give the Director and the Guild prompt notice of its intention to so replace the Director; and (b) the available parties shall immediately jointly discuss the matter (the Employer is to be represented in such discussion by the person designated in the deal memo, or a higher ranking executive); and (c) if the parties are

unable to resolve the matter, the decision of the Employer shall be final.

7-503 Vesting of Post-Production Rights

Notwithstanding the provisions of Paragraph 7-502, a Director who is replaced after directing ninety percent (90%) but less than one hundred percent (100%) of the scheduled principal photography of any motion picture shall be the Director of the film entitled to all the post-production creative rights set forth in this Article 7, unless (a) the Director was primarily responsible for causing the motion picture to be "over budget" or (b) the substituting Director was required to direct more than ten percent (10%) of all principal photography for the picture. Reshooting initial photography due to faulty negative caused by technical problems shall not be included in the computation of the ten percent (10%). The Employer may not schedule additional photography to avoid the express intent of this provision and has the burden of proving the necessity of such additional photography.

A Director who has directed one hundred percent (100%) of the scheduled principal photography of a motion picture may not be replaced except for gross willful misconduct.

7-504 No Interference with Director's Cut

No one shall be allowed to interfere with the Director of the film during the period of the Director's Cut. There shall be no "cutting behind" the Director as that term is commonly understood in the motion picture industry. The term "cutting behind" means any editing prohibited by the terms of this BA, including editing by electronic means. When a release date must be met in an emergency, the Director's cutting time may be reduced to an amount of time equal to one-half the actual time period available for cutting.

7-505 Preparation of Director's Cut

The Director shall prepare the Director's Cut of the film for presentation to the individual Producer and to the person designated

in the Director's deal memo as having final cutting authority, in the ordinary course of business, over the motion picture. The Director shall diligently and continuously render his or her services in connection with the preparation of the Director's Cut and shall remain reasonably available on the premises during such period.

In pursuance thereof, the following procedure shall be followed:

(a) The Director shall see the assembled sequences as soon as the Editor has assembled them in accordance with the Director's instructions during the photography of the picture, provided this will not delay the time and preparation of the assemblage of the sequences. If the Director does not give such directions, the Editor may proceed with the assemblage of the sequences without them. The Director shall then make whatever changes he or she deems necessary. As to television, such changes shall be made by the Director working with the Editor and in consultation with the individual Producer. The Editor will make no further changes except under the Director's instructions until the completion of the Director's Cut.

With respect to television, the Employer shall cause the sequences to be assembled and made available for viewing by the Director promptly after the close of principal photography so that the Director's Cut can be commenced immediately.

(b) The Director's Cut shall be accomplished within the following time periods:

<u>Theatrical Motion Pictures</u>

(1) Within ten (10) weeks after the close of principal photography or within a period of time after the close of principal photography equal to one (1) day of editing time for each two (2) days of originally scheduled photography (as such schedule may have been increased or decreased by mutual agreement between the Director and the Employer), whichever is greater.

(2) With respect to a low budget film (as defined in Paragraph 3-101), within six (6) weeks after the close of principal photography or within a period of time after the close of principal photography equal to one (1) day of editing time for each one (1) day of originally scheduled photography (as such schedule may have been increased or decreased by mutual agreement between the Director and the Employer), whichever is greater.

Pilot (and the First Episode of a Series Ordered Without a Pilot)

(3) As to a pilot, or the first episode of a series ordered without a pilot, having a running time of thirty (30) minutes or less (or between twenty (20) and thirty-five (35) minutes in the case of a High Budget SVOD pilot or the first episode of a series ordered without a pilot), within two (2) days plus time and the opportunity to make changes, if necessary, but not to exceed one (1) more day.

(4) As to a pilot, or the first episode of a series ordered without a pilot, having a running time of sixty (60) minutes or less, but more than thirty (30) minutes (or between thirty-six (36) minutes and sixty-five (65) minutes in the case of a High Budget SVOD pilot or the first episode of a series ordered without a pilot), within five (5) days.

Television Motion Pictures (Other than a Pilot and the First Episode of a Series Ordered Without a Pilot)

(5) As to television motion pictures having a running time of thirty (30) minutes or less, within one (1) day plus time and the opportunity to make changes, if necessary, but not to exceed one (1) more day.

(6) As to television motion pictures having a running time of sixty (60) minutes or less, but more than thirty (30) minutes, within four (4) days.

(7) As to television motion pictures having a running time of ninety (90) minutes or less, but more than sixty (60) minutes, within fifteen (15) days.

(8) As to television motion pictures having a running time of one hundred twenty (120) minutes or less, but more than ninety (90) minutes, within twenty (20) days.

(9) As to television motion pictures having a running time of more than two (2) hours, twenty (20) days, plus five (5) days for each additional hour in excess of two (2) hours.

(c) If the assemblage of the film is not completed at the close of principal photography, the above time periods shall not commence to run until such assemblage is completed, unless delay in the completion of the assembly of the film beyond the close of principal photography is caused by the Director.

For the purpose of this Paragraph 7-505, the word "promptly" shall be defined as four (4) business days after close of principal photography in the case of a half-hour television program and six (6) business days after close of principal photography in the case of a one-hour television program. Employer shall use reasonable efforts to cause the assembly to be delivered as soon as possible following close of principal photography and before the fourth or sixth business day, whichever is applicable. If the assembly is not promptly completed and made available, then, when it is completed, Employer shall hold it available for Director's first availability up to two (2) calendar weeks to permit the Director to prepare the Director's Cut.

No one (other than the Editor and the Editor's immediate staff) shall view the completed assembly before the Director or, if the Director so requests, for twenty-four (24) hours after the Director's initial viewing. The Director may not exhibit the film to anyone else without approval of the Employer.

(d) When the Director's Cut is ready, the Director shall screen such cut for the individual Producer and for the person, if any,

designated in the Director's deal memo as having final cutting authority over the motion picture. During the screenings of the Director's Cut for the individual Producer and the person, if any, so designated in the deal memorandum, the Director shall be entitled to make recommendations for further changes in following cuts.

(e) At the Director's request, the Director's Cut of a theatrical motion picture shall, at Employer's election, be previewed before a public audience or be screened before a private audience which shall consist of no fewer than one hundred (100) persons, exclusive of relatives or employees of the Employer. For the purpose of such preview or screening, the Director shall have the right to include tracked music and effects in the Director's Cut. Employer shall grant the Director access to the music and effects, if any, in its library and shall provide the Director no less than one (1) day of dubbing to incorporate music and effects into the Director's Cut. In the event the Director requests such a showing, such preview or screening shall be deemed to be the delivery of the Director's Cut.

(f) The following procedures are intended to implement the provisions of Paragraphs 7-505 and 7-507 relating to cutting time for Directors of television motion pictures and represent no substantive change in the Director's rights and obligations as contained in said Paragraphs.

The Director and the Editor will view the Editor's assembly in a projection room and on a moviola or other similar device and the Editor will note all the Director's instructions. The Editor will then implement all the instructions. The Director and Editor will again view the material in a projection room, and the Editor will note and implement any further instructions.

(g) The following rules apply to television motion pictures sixty (60) minutes or less:

(1) The Director's Cut may be no more than approximately one (1) minute over or under the planned broadcast time.

Upon Employer's request, photography in the editor's assembly not used in the Director's Cut shall be maintained separately.

(2) If the Director does not start the Director's Cut within twenty-four (24) hours after he or she receives notice that the editor's assembly is or will be complete, Employer may assign any other person to supervise editing of the first cut of the motion picture following completion of the editor's assembly. Any time the Employer assigns a person other than the Director to supervise editing of such first cut, Employer shall send the Guild written notice thereof not later than one (1) day following the assignment.

(3) If Employers' costs increase because of the provisions of this subparagraph (g), the AMPTP may terminate such provisions not earlier than January 1, 2022, provided the AMPTP sends the Guild sixty (60) days written notice advising the Guild that this subparagraph (g) is terminated and provided representatives of the AMPTP and the Guild meet within the sixty (60) days in a good faith attempt to resolve the Employers' problems.

(h) (1) On theatrical motion pictures incorporating substantial effects – such as a CGI character or effects which determine plot points – the Director shall be given an opportunity to incorporate reasonable temp effects, which may necessitate additional cutting time, for the preview of the Director's Cut, unless the release date does not permit the additional time required. The parties acknowledge that cost is an element of determining "reasonableness."

(2) The Director of a long-form television motion picture which incorporates substantial effects – such as a CGI character or effects which determine plot points – shall be given an opportunity to incorporate reasonable temp effects for the preview, if any, of the Director's Cut, which may necessitate additional cutting time. The

foregoing shall not apply when the delivery date does not permit the additional time required. The parties acknowledge that cost is an element of determining "reasonableness."

(i) (1) If the Director of a theatrical motion picture has not been given the cutting time prescribed by Paragraph 7-505, and the original release date is postponed while the motion picture is still in the editing process, the Director shall be provided with additional editing time to the extent available for cutting in order to meet the new release date. In no event shall the Employer be required to provide the Director with an aggregate cutting period (*i.e.*, the period consisting of the original cutting period plus the added editing time) that exceeds the period prescribed by Paragraph 7-505.

(2) If the Director of a long-form television motion picture has not been given the cutting time prescribed by this Paragraph 7-505, and the original delivery date is postponed while the motion picture is still in the editing process, the Director shall be provided with additional editing time to the extent available for cutting in order to meet the new delivery date. In no event shall the Employer be required to provide the Director with an aggregate cutting period (*i.e.*, the period consisting of the original cutting period plus the added editing time) that exceeds the period prescribed by this Paragraph 7-505.

7-506 Right to Be Present and to Consult

The Director shall have the right, subject only to his or her availability, to be present at all times and to consult with the Employer throughout the entire post-production period in connection with the picture. The Director must be notified of the date, time and place of each post-production operation. The Director shall be afforded a reasonable opportunity, subject to his or her availability, to screen and discuss the last version of the film before negative cutting or dubbing, whichever occurs first.

A post-production locale will not be selected for the purpose of depriving the Director of his or her post-production rights. The Director shall be informed of the intended post-production locale in his or her deal memo. When the post-production locale is at a distant location (*i.e.,* when the Director is required to remain away from home and be lodged overnight), the Employer will pay for the Director's transportation, meals and accommodations while the Director is rendering post-production services.

7-507 Delivery Date for Television Motion Picture

(a) Notwithstanding anything to the contrary in this Article 7, it is understood and agreed that with respect to television motion pictures, the Director's editing privileges herein set forth may not be exercised when the preparation of any television motion picture for a projected delivery date does not permit the expenditure of any or all of the time which would be required by the exercise of the Director's cutting rights. It is understood that a "projected delivery date" includes, but is not limited to, a scheduled screening at an industry event such as the "upfronts."

(b) Nothing in this Paragraph 7-507 permits reduction of the period of the Director's cut resulting from the practice of "warehousing," as this term was used by the negotiators.

7-508 Right to Director's Cut

It is understood and agreed that the Director's right to prepare his or her Director's Cut is an absolute right subject to the terms and conditions of this BA.

The use of CMX or other technological changes whether now known or not, which involve the physical editing of film or tape or other recording devices, whether now known or not, shall in no way limit or abridge the Director's right to prepare his Director's Cut, within such technology.

7-509 Editing Theatrical Motion Pictures

(a) Except as is otherwise provided in subparagraph (g), this Paragraph 7-509 applies only to theatrical motion pictures which are subject to this BA and the principal photography of which commenced during the term of this BA.

(b) Employer recognizes that it is desirable for theatrical motion pictures to be telecast without abridgment except as required by Network Broadcast Standards and Practices. To this end, Employer will endeavor to license films for network telecasting with no abridgment other than for the aforementioned Broadcast Standards and Practices reasons. In any event, Employer agrees that the Director, if available, shall be accorded the first opportunity to make such cuts as are required if a film is required to be abridged for network telecast. In the event the Director of such picture is deceased, the Guild will appoint a Director of comparable stature and ability to discharge such functions who will be deemed substituted for the original Director in all respects under this Paragraph 7-509. Such "Director abridging cut" shall be done for the Employer at no additional cost, and subject to its approval. It is the intention of the foregoing that in the first instance and as far as practicable, the abridgment, if any, of theatrical motion pictures shall be accomplished by the Employer, with the participation of the Director, as aforementioned, and not by the network acquiring telecasting rights in the theatrical motion pictures.

(c) If a motion picture is licensed by Employer for United States network free television or for United States national network pay television exhibition under a contract which provides that the network may edit the motion picture for such exhibition, the Employer agrees to obligate the network or the distributor to consult with the Director of such motion picture with regard to such editing done by the network, subject to the following conditions:

(1) The Employer or the distributor shall notify the Director in writing, at Director's last address known to Employer or the distributor, that such motion picture has been so

licensed and is to be edited for such exhibition by the network. Such notice shall include, if known at the time of the notice, the amount of time to be added to or removed from the motion picture and any change to the aspect ratio. A copy of such notice shall be mailed to the Guild. If the Director wishes to be consulted by the network or the distributor with reference to such editing, the Director shall, within five (5) business days after service of such notice, notify the Employer and the distributor in writing that the Director so desires to be consulted. Upon service of such notice by the Director, the Employer or the distributor shall notify the network that the Director wishes to be consulted with reference to such editing. The Employer shall obligate the network or the distributor to give the Director who has served such notice reasonable notice of the time and place at which the network or the distributor will consult with the Director with reference to such editing. If the Director reports at the time and place so designated, the network or the distributor shall then be obligated to consult with the Director and in such consultations, the Director may express his or her views with regard to the editing of the motion picture for such network television exhibition. As between the Director and the network and the distributor, however, the final decision as to such editing shall rest with the network and the distributor. The requirement of consultation with the Director, as set forth above, shall not apply when no editing is done by the network or in any case in which the exigencies of time do not permit, or if the Director does not make himself or herself available at the time and place designated as aforesaid.

(2) The Director's services in connection with consultations shall be provided at the time and place specified in the notice at no cost to the network or Employer or the distributor.

(3) The consultation rights of this Paragraph 7-509 shall apply to all editing of a theatrical motion picture released

for such network exhibition. For this purpose only, the word "editing" includes placement of or changes in commercial breaks, interruptions, and promotional announcements.

(d) If a motion picture is licensed by Employer for United States syndication and Employer edits such motion picture at its own facilities, the Director, if available, shall have the right to edit the motion picture if no additional costs are thereby incurred.

(e) If the Employer desires to have new footage shot and added to the motion picture beyond the theatrical version, the Director (subject to reasonable availability) shall be offered employment to shoot such new footage as and to the extent required by Employer at a daily compensation rate no less than one-half of the Director's initial daily compensation rate on the motion picture.

(f) Employer agrees not to license or edit or authorize any licensee to edit feature length theatrical motion pictures in versions of less than two (2) hours duration or the length of the picture as released for general theatrical exhibition, whichever is lesser, (except for Standards and Practices requirements) for in-flight use as defined in subparagraph 18-102(b) (*e.g.,* to avoid 45-minute versions of motion pictures previously licensed as theatrical films for use on Continental Airlines). In the event of any inconsistencies between the provisions of this subparagraph and the balance of Paragraph 7-509, then the provisions of this subparagraph shall control.

(g) If a theatrical motion picture is licensed by the Employer for exhibition on a domestic national basic cable service, domestically in New Media, for domestic in-flight exhibition or for domestic videodisc/videocassette distribution, and the Employer edits such motion picture at its own facilities in the United States, the Director shall have the right to edit the English language version of the motion picture at no additional compensation. The foregoing right to edit for basic cable exhibition shall be limited to the initial exhibition on a basic

cable service and shall not include editing done to meet ratings standards or requirements.

The provisions of this subparagraph (g) relating to editing for domestic videocassette release and domestic in-flight release shall also apply to long-form television motion pictures which are subject to this BA and the principal photography of which commenced during the term of this BA.

None of the foregoing shall apply in any case in which the exigencies of time do not permit or if the Director does not make himself or herself available at the time and place designated by the Employer to perform such editing.

7-510 Editing of Motion Picture for Foreign Television Exhibition

If a motion picture originally produced for television is sold or licensed for foreign exhibition and Employer requires additional shooting, the Director (subject to reasonable availability) shall supervise any editing of the English language version at no additional compensation, and shall be offered employment to shoot any such additional footage at a daily compensation rate equal to the Director's initial daily compensation rate on the motion picture.

7-511 Assumption of Obligations by Buyer or Assignee

As a condition of the effectiveness of any sale or assignment of a motion picture produced during the term of this BA, the Employer shall obtain a specific assumption of its obligations under Paragraphs 7-509 and 7-510 from the purchaser or assignee. If Employer authorizes its distributor to supervise editing of a theatrical motion picture, then the distributor, in lieu of the Employer, shall be subject to all of the same obligations and shall exercise the same rights of Employer pursuant to Paragraphs 7-509 and 7-517 with respect to any such picture produced during the term hereof. If Employer authorizes its distributor to supervise editing of a long-form television motion picture for foreign television exhibition, then the distributor, in lieu of the Employer, shall be subject to all of the same obligations and shall

exercise the same rights of Employer pursuant to Paragraph 7-510 with respect to any such picture produced during the term hereof.

7-512 Producer's Scheduling Authority

Employer shall not use its scheduling authority to deprive a Director of his or her creative rights under this Article 7.

7-513 Right of Consultation

The Employer shall consult with the Director with respect to coloring, time compression and expansion, changes in the exhibition of the aspect ratio (*e.g.*, "panning and scanning") and changes to allow exhibition in three dimensions made to a theatrical motion picture after delivery of the answer print. The Director's services in connection with such consultation shall be provided at no cost to the network or Employer or distributor.

7-514 Screenings of Unfinished Television Motion Pictures

Until completed, a television motion picture may not be shown to any third party not involved in its post-production (*e.g.*, critics and network affiliates), unless there is a notice on the screen at the beginning and end of the television motion picture that it is an unfinished work in progress. The omission of such a notice shall not be subject to grievance and arbitration under Article 2 of the Basic Agreement. However, this provision is not intended to prohibit the showing of trailers or promos for an unfinished television motion picture to third parties not involved in post-production of the television motion picture.

7-515 Motion Picture Rating

If the Employer decides to appeal the rating given to a theatrical motion picture by the Classification and Rating Administration of the Motion Picture Association of America, the Director has the right to participate fully in the proceedings before CARA's Appeals Board. If changes are required to achieve the desired rating, the Director shall have the right to make the changes.

If Employer does not designate the Director as one of Employer's representatives to the MPAA's Classification and Rating Administration, the Employer's designated representative shall promptly advise the Director of any communications with the MPAA's Classification and Rating Administration. The Director shall be told fully and accurately of the MPAA CARA's concerns, and consulted in good faith with respect to any actions to be taken.

7-516 Circulation of Film Materials

The parties acknowledge the importance of limiting access to film materials during production and post-production of theatrical motion pictures. To that end, Employer will advise the Director of the individual(s) designated to view dailies and the means of distribution (*e.g.*, cassette, etc.). Employer will consult with the Director regarding the circulation of copies of cut material or of the Director's Cut, and the Director will not circulate copies of cut material or of the Director's Cut without the Employer's approval. When permitted by the Employer, security technologies such as encryption, watermarking or firewalls approved for use by the Employer may be used to identify the Director's work in progress and the Director's Cut to protect it from unauthorized alteration. This provision will not interfere with the Employer's need to provide material to marketing personnel, nor the Director's need to provide material to personnel needed to complete the film (*e.g.*, conferring with an optical house, conferring with a writer about added scenes, etc.).

7-517 Editing Theatrical Motion Pictures for Foreign Exhibition

If Employer licenses a theatrical motion picture for foreign theatrical exhibition to which footage not contained in the domestic theatrical version is added (whether the additional footage is already shot or is to be newly shot), and the Employer edits the motion picture at its facilities in the United States, the Director (subject to reasonable availability) shall supervise the editing necessitated by the addition of such footage into the motion picture at no additional compensation. The foregoing shall not apply in any case in which the exigencies of time do not permit. (If additional footage is to be shot for the foreign version, the Director shall be offered employment to do so at a daily compensation rate equal to the Director's initial compensation.)

7-518 Release of "Director's Cut"

Employer may not identify any version of a theatrical motion picture or a long-form television motion picture as the "Director's Cut" unless it has been so identified by the Director. (This definition of "Director's Cut" shall apply solely to this provision.)

7-519 Notice of Director's Editing/Consultation Rights

In the event that a theatrical motion picture or long-form television motion picture is to be edited for release as provided in Paragraph 7-509(b), (c), (d), (g), in Paragraph 7-510 or in Paragraph 7-517, and the Director has the right to participate in the editing process, the Employer shall notify the Guild, in writing, of the time and place at which the editing is to be done. With respect to a theatrical motion picture, such notice shall include, if known at the time of the notice, the amount of time to be added to or removed from the motion picture and any change to the aspect ratio. The Guild shall, in turn, promptly provide such written notice to the Director. Within five (5) business days after service of the Employer's notice upon the Guild, the Director shall notify the Employer in writing that the Director desires to perform such editing or to be consulted with reference to such editing.

7-520 Participation of Directors in Post-Production Process for One-Hour Series Television

The parties agree to convene meetings on an Employer-by-Employer basis to discuss the participation of Directors of one-hour series television in the post-production process. It is understood that the Employer will honor requests from the Guild to supply post-production schedules for its one-hour series in conjunction with the meeting with that Employer.

7-521 DVD Release of Theatrical Motion Pictures or Long-Form Television Motion Pictures

(a) Theatrical Motion Pictures

The Employer shall advise the Director of a theatrical motion picture of the schedule for release(s) of the domestic DVD as soon as determined. Employer shall consult with the Director, subject to Director's availability, concerning the content of the DVD release(s) in a timely manner to allow full consideration of the Director's input.

If a theatrical motion picture has been released domestically in its original theatrical version on DVD, and a different version of the motion picture which has not been approved by the Director is later released domestically on DVD, Employer will make the original theatrical version released on DVD available as well. This obligation will be satisfied by any arrangement which will allow an interested consumer ready access to a DVD copy of the original theatrical version, (*e.g.,* by allowing purchase through the studio's catalog).

(b) Long-Form Television Motion Picture

With respect to long-form television motion pictures, Employer shall advise Director of the release schedule of the domestic DVD as soon as it is determined. Employer shall consult with the Director concerning the content of the DVD release in a timely manner to allow full consideration of the Director's input.

7-522 Request for Label

In the event that a theatrical motion picture is to be exhibited domestically on pay or free television, basic cable, home video, in-flight exhibition or in New Media with a running time, format or aspect ratio different from that of the domestic theatrical release version, the Director may deliver to the Employer a written request of the licensee of the motion picture to display one of the following

labels, as applicable, prior to the commencement of the exhibition of the motion picture:

(a) *The format of this motion picture has been modified from its original version.*

(b) *This motion picture has been modified from its original version to run in the time allotted.*

(c) *The format and running time of this motion picture have been modified from the original version.*

The Employer agrees to forward the Director's request to the licensee of the theatrical motion picture.

Section 7-600 COPY OF MOTION PICTURE

7-601 With respect to theatrical motion pictures and television motion pictures ninety (90) minutes or longer in length, produced during the term hereof, which have had a general theatrical release or have been exhibited on television or released on videodiscs/videocassettes, as the case may be, in Los Angeles County, California, Employer agrees, upon the written request of the Guild, to make available to the Guild (without cost to the Guild) a copy of such originally released print (which shall be a 16mm print if in existence in the United States) for screening purposes only for the personal use of the Director of the motion picture. Such print shall be made available by the Employer to the Guild in Los Angeles, California, within two (2) weeks after such written request by the Guild. The print is to be returned to the Employer as soon as possible, but in no event later than five (5) days after receipt by the Guild. The Guild and the Director will execute any appropriate documents required by the Employer. With regard to motion pictures released prior to the execution date hereof, a previous originally released print will be so furnished, under like conditions, if one is available.

7-602 With respect to motion pictures produced during the term hereof, if the Employer goes out of business and there is no successor company, the Employer may, in the alternative, either (a) deliver to the Guild,

without cost to the Guild, a copy of a released print of such motion picture or (b) make other arrangements for such print to be available to the Guild, upon its request, for the screening purposes of the Director as above provided, or (c) if such print is not so available, to permit the Guild to purchase a print at its cost, to be made from the negative of such motion picture, for the purposes above provided. The Guild and the Director will execute any appropriate documents required to accomplish the purposes as above provided.

7-603 The Employer shall furnish the Director of the film, at no cost to the Director, a videocassette of the release print of any theatrical film, provided it is manufactured for sale on videocassettes. If it is not so manufactured, the Employer will keep a 16mm print (or videocassette) of the motion picture and make it available to the Director upon his or her request. If the Employer has no storage facility, the Employer shall transfer the motion picture to a 16mm print or videocassette and give such print or cassette to the Director who so requests and pays for such transfer.

7-604 Upon request, the Employer shall furnish the Director of an episode of a television series sixty (60) minutes or less in length, after the first television exhibition of the episode, a watermarked DVD copy of the final "air" version of that motion picture without commercials at no cost to the Director.

Section 7-700 PREVIEWS

7-701 With respect to theatrical motion pictures, the Employer will give the Director of the film five (5) business days advance notice, if possible, of the time and place of all previews (excluding press previews) at his or her last known address. If the Director cannot be reached, the Guild must be notified. The Employer will also give the Director reasonable advance notice of the time and place of the first trade-press preview which is held in either Los Angeles or in New York.

7-702 If the first preview (excluding press previews) is held outside of Los Angeles or Orange Counties, California, the Employer must provide the Director of the film, if he or she is available and has to travel to attend such preview, with transportation and lodging as provided in

Paragraph 4-104, from the place where the Director is then located in the United States to the place of such preview.

7-703 If the Employer fails to notify the Director of the film of a theatrical audience reaction preview (excluding press or marketing previews), the Director shall have the right to hold a special comparable preview at a comparable theater designated by the Employer at the Employer's expense.

7-704 With respect to all theatrical motion pictures covered by this BA, Employer will guarantee at least one (1) public or private showing. The choice of the public preview or private showing shall be within the discretion of the Employer; provided, however, that if a private showing is chosen by the Employer, it shall be with an audience of sufficient size and diversity to obtain adequate audience reaction.

7-705 The preview of the Director's Cut shall not be conducted using the "Avid-output" or other substandard process.

Section 7-800 COMPENSATION FOR CUTTING TIME

7-801 The Director shall not, by reason of the exercise of any of the rights above granted, for services performed in connection with matters described in the above provisions of Sections 7-200 through 7-700 above, be entitled to any additional or increased compensation. However, every Director of a theatrical motion picture who is (a) paid double minimum or less; (b) is closed on completion of photography; and (c) who does not refuse to view promptly the first assemblage of the film shall be paid one (1) week's pay after close of his or her engagement to the extent provided for in Article 3.

Section 7-900 COMPENSATION IN CASE OF LENDING (THEATRICAL MOTION PICTURES)

7-901 If the services of a Director are loaned to another employer, the terms of such loanout shall be deemed to include services of the nature mentioned in this Article 7 performed by such Director for the borrowing employer, and such Director shall be entitled to receive

from the lending Employer such compensation, if any, as is applicable to such services.

Section 7-1000 ADDITIONAL SCENES AND/OR RETAKES

7-1001 If the Director completes one hundred percent (100%) of the scheduled principal photography, he or she shall be entitled to direct any additional scenes and/or retakes to be photographed, subject only to his or her availability. If the Director of the film is not available, he or she shall be accorded the opportunity to consult with the substituting Director about such photography.

Section 7-1100 LOOPING AND NARRATION

7-1101 The looping of dialogue, including "wild tracking," for scenes already photographed and the recording of narration for any motion picture shall be directed by the Director of the film, provided the Director is available at the time and place and at the cost scheduled by the Employer and the Director receives no additional compensation for the direction of looping and/or narration.

7-1102 With respect to theatrical motion pictures, the Employer shall be required to send the Director of the film, if he or she is available, to the place of looping (including "wild tracking"), recording of narration and any other post-production dialogue recording unless it is minor in nature. The Employer's decision as to whether such work is minor shall be final, provided it is reasonable.

7-1103 Should the Director of the film be unavailable to attend such looping or narration recordings, as above provided, the Employer shall consult with the Director, if he or she is available, as to what person is available and fit to direct such loopings and narrations. The final decision in the selection of such person (who may, but need not be, a person subject to this BA) shall remain with the Employer, but the Director of the film shall be given the opportunity, if practicable, to explain to such person his or her ideas as to the content and qualities of the work to be done.

7-1104 If the Director of a long-form television motion picture is not sent to the place of looping, Employer will provide communication to the looping site through ISDN, T-1 line or a similar device if readily available at the place of looping.

Section 7-1200 THE DUBBING OF SOUND AND MUSIC

7-1201 The Director of the film, if available, shall participate in the spotting and dubbing of sound and music, provided that such participation does not necessarily increase costs.

Section 7-1300 FOREIGN VERSION

7-1301 Each Director shall have the right to a Director's Cut of the foreign version of any motion picture by a single Director (as distinguished from a combination of different films by different Directors) which is produced to be and is initially exhibited as such on television in the United States and which is then released theatrically in foreign countries. The Director shall make such cut within three (3) business days from the time it is made available to him. Provided, however, the Director shall not have such a right to such cut if the foreign version cut of such motion picture is made outside the United States or if such foreign version cut is done in the United States for foreign local acceptance.

If the motion picture as so exhibited is not recut for its foreign theatrical release, this provision shall not be applicable.

Section 7-1400 REPLACEMENT OF DIRECTOR

7-1401 No person assigned to or performing in a particular motion picture before the Director is replaced can replace the Director. The Director may be replaced only by a person who has never been assigned to or performed in the particular picture and who has theretofore directed a feature motion picture or not less than ninety (90) minutes of television programming, which has been exhibited in the United States, regardless of where produced. None of the above conditions shall apply in the case of a *bona fide* emergency, in which event a person employed on the shooting company may direct for a period not

in excess of five (5) shooting days pending arrival of a substitute Director. In the event the Employer claims such an emergency exists, Employer shall give the Guild notice of such emergency as soon as practical. If the Guild, within seventy-two (72) hours after receipt of notice from the Employer, disputes the existence of such an emergency, then, within twenty-four (24) hours after the Guild notifies the Employer of such dispute, an authorized representative of the Guild and the Employer shall meet in a good faith attempt to settle or resolve the issue of whether there was such an emergency. If the Guild does not give such notice to the Employer within such seventy-two (72) hour period, the claimed emergency shall be deemed to be a *bona fide* emergency.

In the event the parties fail to meet or otherwise fail to settle or resolve the dispute as to whether there was such an emergency, then, within twenty-four (24) hours of the last time period referred to above, only said dispute as to whether there was an emergency shall be submitted directly to Expedited Arbitration in accordance with the Expedited Arbitration procedure set forth in Section 2-400.

Notwithstanding the foregoing provisions of this Paragraph 7-1401, if the Director of a theatrical motion picture is physically incapacitated so that he or she is physically unable to direct, the Employer may employ a person already on the production to direct, provided:

(a) the Director is deceased; the Director's physical incapacity lasts for four (4) weeks or longer; the Director does not expect to recover from that incapacity for four (4) weeks or longer; or the Director is unable to communicate and his or her doctor does not expect the Director to recover within four (4) weeks;

(b) the person whom the Employer wishes to be the substituting Director has previously directed a theatrical motion picture which has been distributed in the United States;

(c) unless the physical condition of the [original] Director precludes his or her participation in the decision-making, he or she must approve the Employer's choice of substituting Director and have the opportunity to consult with the substituting Director; and

(d) the Employer notifies the Guild of its intention to replace the Director with someone assigned to or performing in the theatrical motion picture prior to the assignment of the substituting Director.

The parties agree to maintain their respective positions as to the applicability of this Paragraph 7-1401 to the shooting of added scenes and retakes in episodic television when the Director of the program is unavailable. These positions notwithstanding, the Guild agrees to waive any claim that it would be a violation of this provision (prohibiting replacement of a Director by someone already assigned to the production in another capacity) to assign the work of directing added scenes or retakes, if the original Director is unavailable, to a producer of the series who is a "Producer-Director," so long as the original Director agrees to the arrangement and is accorded the opportunity to consult with the individual assigned to direct the added scenes or retakes, and the Guild is notified as soon as practicable.

The term "Producer-Director" is defined, for purposes of this Paragraph 7-1401, as an experienced Director hired to be a producer on the series who has, among other duties, the responsibility for working with other Directors on the series to prepare their episodes, and has not been and will not be employed in any other capacity during that season of the series, except as a Director. The Producer-Director may not also be a writer or the individual responsible for the budget of the series (*i.e.*, a line producer) during that season of the series. For the purposes of Paragraph 7-1401 only, "experienced Director" shall be defined as an individual who has directed at least eight (8) episodes of television or High Budget SVOD programming, which has been exhibited in the United States, regardless of where produced.

In the event a Producer-Director is not employed or the Producer-Director on the series is not available to shoot added scenes and retakes for the episode, the DGA agrees to grant an administrative waiver to assign the work of directing the added scenes or retakes to someone already assigned to the production in another capacity only in the following circumstances:

(1) The Employer requests the waiver prior to the shooting of the material so the Guild can verify that: (i) the original Director is not available; (ii) either no Producer-Director is assigned to the series, or the Producer-Director assigned to the series is not available; and (iii) the original Director is accorded the opportunity to consult with the individual assigned to direct the added scenes or retakes.

(2) The added scenes and retakes may be directed by an individual with the title Writer/Executive Producer (for purposes of this provision, defined as the Executive Producer(s) in charge of the writing and creative oversight of the series) only if the Writer/Executive Producer has directed a commercially released feature motion picture or not less than ninety (90) minutes of television or High Budget SVOD programming, which has been exhibited in the United States, regardless of where produced. With respect to television and High Budget SVOD programming, the work must include episodes for at least two different series, one of which may be the series on which the individual is currently employed. An individual Writer/Executive Producer may only be granted this waiver to direct additional scenes and retakes for no more than thirty percent (30%) of the episodes during any season of the series.

(3) The added scenes and retakes may be directed by any other individual employed on the production if that individual has directed at least four (4) episodes of television or High Budget SVOD programming, which has been exhibited in the United States, regardless of where produced.

(4) No waiver will be granted to allow a Writer/Executive Producer to direct added scenes and retakes for an episode of a series if the "working draft" for that episode is delivered three (3) or more days late.

(5) This provision will sunset on June 30, 2023.

In addition, the Guild agrees to waive any claim based upon a Producer-Director directing, after the period of scheduled principal photography for a particular episode of the series, principal

photography for that episode that was scheduled, but not completed, by the original Director of the episode, provided that: (1) the original Director is not available; (2) the original Director is accorded the opportunity to consult with the individual assigned to direct such principal photography; (3) the Employer notified the Guild of the name of the Producer-Director at the start of the season; and (4) the Employer notifies the Guild as soon as practicable each time the Producer-Director directs such principal photography.

Section 7-1500 GENERAL PROVISIONS

7-1501 Employer's Decision Final

The Employer's decision in all business and creative matters shall be final, but this provision shall not release the Employer or the Director from their respective obligations hereunder.

7-1502 Third Party Agreements

The Employer shall not enter into an agreement with a third party, the terms of which require the Employer to breach its obligations under this Article 7 or the Director's personal services agreement. The implied promise of good faith and fair dealing is deemed an express provision of this Article 7.

The Employer agrees that it will not negotiate a provision in any other collective bargaining agreement that infringes upon the creative rights of the Director under this Agreement.

7-1503 No Retaliation

The Employer shall not discriminate or retaliate against a Director because the Director exercises or asserts his or her rights under this Article 7.

7-1504 Attendance at Casting Sessions

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 individual Producer, the Employer or the Director and all such persons shall have a reasonable purpose for attending.

7-1505 Electronic Transmissions

(a) 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.

(b) Notwithstanding subparagraph (a) above:

(i) The continuous, unrestricted electronic transmission of images and/or sounds throughout the workday (*e.g.*, a fixed "open mike") from the set, stage or control booth to a location outside the production area is prohibited on episodic series.

(ii) The Employer shall use its best efforts to prevent unauthorized recordings and transmissions from the set of any television motion picture, including the unauthorized use of iPhones or other recording devices on the set. It is understood that the foregoing does not apply when such recordings or transmissions are made for publicity or marketing purposes.

(c) During the 2020 Television Creative Rights negotiations, the DGA expressed concerns about electronic transmissions on episodic series, and the Employers acknowledged that technological advances have changed how electronic transmissions may be used on production and support the need for a discussion about those changes. Given that the issues surrounding electronic transmissions are complicated and

require a full and informed discussion, the parties agree that as soon as practicable before July 1, 2020, the 2020 Television Creative Rights Committee shall meet to develop best practices concerning the use of electronic transmissions on episodic series. The Committee is empowered to consider and, if agreement is reached, to implement rules about electronic transmissions during the term of the Agreement.

7-1506 Creative Rights Standing Committee

The parties have agreed that the Creative Rights Committee will continue its discussions of creative rights (non-economic) issues throughout the term of this Agreement. The Committee will be comprised of executives representing the Employers of the level ordinarily in attendance at the existing Creative Rights Committee meetings and ten (10) representatives of the Directors Guild of America. The Theatrical Committee will meet three (3) times per year, with meetings in February, June and October of each year. The Television Committee will meet twice per year, with meetings in January and August of each year. The parties may agree to meet at other times as well and to consider issues brought to the Committee by either party beyond those enumerated below.

In furtherance of the commitment expressed above, the Employer representatives to the Creative Rights Committee agree:

(a) to continue discussions with representatives of the DGA's Multi-Camera Subcommittee regarding the issue of instructions given to the Director of multi-camera shows by multiple persons;

(b) to discuss post-production and the Director's role in single-camera and multi-camera productions; and

(c) to continue discussions with regard to credits in outdoor advertisements with particular emphasis placed on the consideration of suggestions for reduction of the proliferation of credits in billing blocks, as well as addressing the Guild's concern regarding the visibility of the director's credit and the Company's need to promote a picture using the names of

persons associated with it which have importance for marketing purposes. These discussions shall also focus on: (i) the application of the rules set forth in Article 8 of this Agreement concerning credits in advertising (including the rule requiring that such advertising be submitted to the Guild) to DVD/videocassette distributors; and (ii) the application of the credit rules set forth in Article 8 of this Agreement to promotional items such as popcorn tubs and bags, buttons, pins, carry trays, drink cups, etc.

7-1507 Post-Production/VFX Committee

The parties have agreed to convene meetings with the goal of developing a set of preferred practices in connection with the use of visual effects (VFX). The meetings will include studio executives and directors who participated in the Creative Rights Committee, representatives of the Employers' VFX and Post-Production Departments, and others working in this area. Among the topics to be discussed are the working relationship of Directors and VFX Supervisors, appropriate staffing and equipment necessary to organize the VFX elements, and the use of pre-visualization tools.

ARTICLE 8

Directors' Credits

Section 8-100 GENERAL PROVISIONS

8-101 Guild to Determine Controversy Over Credits

Should more than one Director do work on a motion picture, the Guild and all such Directors (other than Directors of second units) 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 likewise notify the Employer in writing that he or she is so doing. The Guild may then determine the issue. Except as herein provided, the Employer agrees to be bound by such determination as to credits. If the Guild should fail to reach a decision and notify the Employer within fourteen (14) days in the case of a theatrical motion picture, and seven (7) days in the case of a television motion picture (such time to run from receipt by the Guild of the print of the film), the Employer shall determine the issue and its determination shall be final. In the event that the Guild's determination as to credit is given at too late a date to permit the giving of screen or advertising credit as indicated by the Guild, then credit shall be given in such manner as may have been designated by the Employer, but appropriate credit shall be given in any bulletin to be issued by the Guild or in such other bulletin as may be mutually agreed upon. In no event shall an Employer be obligated to delay the preparation or issuance of advertising matter or the release of any motion picture pending proceedings for the determination of credits.

8-102 Form of Director's Credit

The form of the Director's credit on screen, paid advertising, phonograph records, books, tapes, videodiscs, videocassettes and the containers thereof, when and as required, shall be “Directed by....” The words “Directed by” on screen shall be at least one-half the size of type used to accord credit to the Director's name.

Should a Director other than the Director, or one of the Directors, receiving credit on the motion picture have the same first and last name, the Guild shall determine whether or not such Director's credit must include his or her middle name, if any, or middle initial. The Directors involved shall be bound by such determination and the Employer shall also be bound, if notified thereof by the Guild in writing within a reasonable time before prints with the main titles are prepared but shall not be bound with respect to advertising, publicity or other material prepared prior to such notice.

8-103 Restriction on Use of Word "Director"

(a) The Employer 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 on screen, paid advertising, phonograph records, books, tapes (including the cover of the book, record or tape as well as any album, envelope, box or other container in which such record or tape is contained) which includes the word "Director," "Direction" or any derivation thereof, but the foregoing shall not apply to a guild or craft with which the Employer heretofore entered into an agreement requiring such credit.

(b) Except as required by agreements heretofore executed by the Employer, and agreements permitted by subparagraph (a) above to be hereafter executed, Employer will not grant to any individual, other than a Director, any credit which includes the word "Director," "Direction" or any derivation thereof.

8-104 Better Conditions

The foregoing provisions relating to credits are minimum provisions, and any Director shall have the right to negotiate for any credit in excess of minimum. It is the policy of the Employers to affirm the traditional right of each individual and management to negotiate freely for conditions above the minimum, including all forms of special credits. Subject only to present collective bargaining agreements, each Employer intends to exercise control over granting

of any special credits above the minimums on screen and in paid advertising.[5]

Section 8-200 CREDIT FOR DIRECTORS OF THEATRICAL MOTION PICTURES

8-201 Screen Credit

The Director of the film shall be accorded credit on all positive prints and all videodiscs/videocassettes of the film in size of type not less than fifty percent (50%) of the size in which the title of the motion picture is displayed or of the largest size in which credit is accorded to any other person, whichever is greater. No other credit shall appear on the card which accords credit to the Director of the film. Such credit shall be on the last title card appearing prior to principal photography. If more than one Director is given such credit, in accordance with the provisions of Paragraph 8-101, then such fifty percent (50%) may be reduced to thirty percent (30%) for each. The Employer shall furnish to the Guild copies of the main and end titles as soon as the same are prepared in final form but before the prints are made, for the purpose of checking compliance with the credit provisions of this BA. After such copies are furnished, 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.

8-202 Visibility of Director's Name

Because the Employer pledges to use its best efforts to improve the visibility of the Director's name in publicity, the Guild agrees to the following provision in Paragraph 8-203 relating to paid advertising. The provisions of Paragraph 8-203 shall be effective from July 1, 2020 to January 1, 2022 and thereafter unless and until the Guild gives the AMPTP six (6) months' written notice advising the AMPTP that Article 8 hereof is terminated. In the case of such notice, the Employer shall be bound thereafter by the provisions of Articles 8 and 12 of the DGA Basic Agreement of 1978. The Guild shall have

[5] See modifications to this Paragraph 8-104 in Sideletter No. 27 of this Agreement.

the right to serve such notice any time during the term of this BA after January 1, 2022.

8-203 Credits on Paid Advertising

The Employer shall accord credit for direction of a motion picture on all paid advertising issued or prepared by the Employer in the continental United States and prepared subsequent to final determination of directorial credit in the manner herein provided, it being understood that in such advertising prepared or issued prior to such final determination the Employer shall include such credit for direction as the Employer may in good faith believe to be proper, and if this varies from the credits as finally determined, then it will not be used subsequent to such determination, to the extent not theretofore distributed.

Copies of these credits as determined, with respect to motion pictures covered hereunder, shall be sent to all of the Employer's foreign sales and distribution offices, if any.

The foregoing obligations of Employer are subject to the following:

(a) Size and Location of Credit

Except as stated otherwise in this Section 8-200, the location of the Director's credit shall be discretionary with the Employer, and the size of type of the Director's credit shall be no less than fifteen percent (15%) of the size of type used for the title of the motion picture, but in no event less than the size and style of type for any credit accorded any persons other than actors.

(b) Title of Motion Picture

The name of any person in the title of the motion picture shall be considered a credit, except for (i) a name which forms part of the name of a corporate Employer in existence prior to the execution date of this agreement or (ii) a name which is part of the film's title if such name reflects the content of the film and is not a form of possessory credit.

(c) “One Sheets”

The Director shall receive credit on all “one sheets.”

The Guild agrees to issue waivers to allow “advance one-sheets” to be issued without the Director's credit, provided that no one other than starring actors receives credit on the "one-sheet" and, provided further, that the Director is given clearly visible and legible credit on “one-sheets” issued at the time of release of the motion picture.

The Guild agrees to issue such waivers so long as the Creative Rights Committee process, as described in Paragraph 7-1506, continues. It is understood that the Guild's right to withdraw such waivers is not subject to arbitration nor to judicial review. However, prior to a Guild determination to discontinue such waivers, the matter of termination will be discussed with the ongoing Creative Rights Committee.

(d) Outdoor-Type Advertising

Employer need not accord credit to the Director on an outdoor-type advertisement (including “24 sheets”), provided the advertisement contains no more than the title of the motion picture, key art (which may include likenesses or photographs of no more than two (2) starring actors), logos, the motion picture's rating and copyright notice, the name(s) of the subject(s) of a biographical motion picture and copy (which may include reviews and the name(s) of the reviewer(s), but may not include the name of any other person, whether or not connected with the production).

If the advertisement does not meet the foregoing requirements, the Director's credit must be included in a size of type no less than thirty-five percent (35%) of the size of type used for the title or of any individual credit, whichever is larger. If the name of the Writer or Producer appears in a presentation credit in addition to his or her other credit, the Director's credit must be boxed. If the advertisement contains five (5) or more personal credits (or mentions), the Director's credit shall be

boxed. If the advertisement contains six (6) or more personal credits (or mentions), the Director shall also be accorded an additional credit above the title in the form "A Film By" which shall not be smaller in size of type than the "Directed By" credit.[6] For the purpose of calculating the number of personal credits hereunder, credit to two (2) starring actors, and no more than two (2) actors, shall be deemed one (1) personal credit. Hyphenated credits (*e.g.*, "Produced and Written by...") count as separate credits.

Solely for the term of this Agreement, the Guild agrees to issue waivers to allow billboards and bus sides without a Director's credit when the billboard or bus side contains only the names and likenesses or photographs of no more than three (3) starring actors, the title of the motion picture, key art, logos and the motion picture's rating and copyright notice.

For outdoor-type advertisements other than billboards and bus sides, the Guild agrees to issue waivers to allow outdoor-type advertisements without a Director's credit when the advertisement contains only the name and either the likeness or photograph of one (1) starring actor, or likenesses or photographs of two (2) or more starring actors, as well as the title of the motion picture, key art, logos and the motion picture's rating and copyright notice. The Guild further agrees to give good faith consideration to requests for waivers of the restriction on the use of starring actors' names and likenesses (to enable additional starring actor(s) to be named and pictured in the advertisement), provided that the number of waivers, on an Employer-by-Employer basis, is limited.

The Guild agrees to issue such waivers so long as the Creative Rights Committee process, as described in Paragraph 7-1506, continues. It is understood that the Guild's right to withdraw such waivers is not subject to arbitration nor to judicial review. Before the Guild determines to discontinue such waivers,

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[6] See Sideletter No. 27 of this Agreement.

however, the matter of termination will be discussed with the ongoing Creative Rights Committee.

(e) "Trade Paper" Advertising

The Director shall receive credit in size of type not less than thirty percent (30%) the size of type used for the title of the motion picture in any United States motion picture industry trade paper advertisement.

(f) Advertising in Newspapers, Magazines and Other Periodicals

Employer need not accord credit to the Director in an advertisement of two hundred fifty (250) lines or less (or the equivalent in the Standard Advertising Unit system) in newspapers, magazines and other periodicals (excluding "trade papers"), provided that the advertisement mentions no person (excluding only the names of reviewers) other than two (2) starring actors. For the purpose of calculating the size of the advertisement, theater listings shall be excluded.

Employer need not accord credit to the Director in an advertisement of more than two hundred fifty (250) lines but not more than one thousand two hundred (1,200) lines (or the equivalent in the Standard Advertising Unit system) (approximately ⅛ to ½ page; ⅔ of a page in tabloid size papers) in newspapers, magazines and other periodicals (excluding "trade papers"), provided that the advertisement does not include: (1) more than thirty-five (35) words of copy (including reviews); (2) likenesses or photographs of more than three (3) starring actors; (3) any corporate name or logo; and/or (4) the name of any person other than reviewers and two (2) starring actors. The Guild will not unreasonably deny Employer's request that the provisions of this subparagraph be waived as to an advertisement which includes likenesses or photographs of more than three (3) starring actors, but otherwise does not require credit to the Director. For the purpose of calculating the size of the advertisement, theater listings shall be excluded. If the Employer places such advertising without the Director's credit, the Employer shall

box the Director's credit in all subsequent advertisements in which the Director's credit is required. Unless specifically negotiated in a subsequent collective bargaining agreement, the provisions of this paragraph shall automatically terminate, without notice, on June 30, 2020.

Employer need not accord credit to the Director in any advertisement which contains no more than the title of the motion picture, logos, key art (which may include likenesses or photographs of no more than two (2) starring actors), the motion picture's rating and copyright notice and copy of no more than twenty-five (25) words (which may not include reviews or the name of any person). The Guild will not unreasonably deny Employer's request that the provisions of this subparagraph be waived as to an advertisement which includes likenesses or photographs of more than two (2) starring actors but otherwise does not require credit to the Director.

Notwithstanding the foregoing provisions of this subparagraph (f), with respect to any theatrical advertising campaign in Los Angeles and/or New York utilizing advertisements larger than ten (10) column inches (or the equivalent in the Standard Advertising Unit system) in which the Director is not accorded credit pursuant to the preceding unnumbered paragraphs, the Director shall be accorded credit in advertisements on one weekend day (Friday, Saturday or Sunday) for three (3) consecutive weeks, provided the motion picture is in distribution in such cities during such weekends.

(g) Exceptions

(1) Subject to the provisions of subparagraph (2) below, none of the foregoing obligations under this Paragraph 8-203 shall apply:

(i) to group advertising, *i.e.*, more than one (1) motion picture is advertised;

(ii) to so-called "teaser" advertising, as that term is used in the motion picture industry;

(iii) to "trailer" advertising, as that term is used in the motion picture industry. Notwithstanding the foregoing, if credit is given for film or camera process (such as Panavision, Technicolor or DeLuxe), or if the individual producer or writer is mentioned, then the Director's name shall be mentioned; and

(iv) to other advertising on the screen, radio, or television, not to exceed one (1) minute.

(2) None of the exceptions under subparagraph (1) above shall apply and the name of the Director shall also be mentioned if the name of any person other than two (2) starring actors is mentioned, in any of the advertising listed above, with the exception only of congratulatory advertising or award advertising where no one is mentioned other than the person being congratulated or mentioned for the award.

8-204 Publicity

In any formal publicity released by the Employer, whenever the name of the picture is mentioned, the name of the Director, when known, shall also be mentioned.

8-205 Publicity Tours

The Employer, at its expense, shall send the Director of any motion picture on any domestic publicity tour, provided the Director is available and provided actors are also sent.

8-206 Phonograph Records, Books and Tapes

The Director shall be given credit on any book, phonograph record or tape identified with a motion picture hereunder or the container thereof, if credit is accorded to any other person who rendered services or performed in connection with the picture on which such book, record or tape is based. This Paragraph is applicable only to books, phonograph records, or tapes which the Employer distributes or licenses for distribution.

8-207 Theatrical and Souvenir Programs

The Director shall be given credit on souvenir programs and theatrical programs issued by the Employer.

8-208 Videodisc/Videocassette Containers

The Director of the film shall receive credit on the containers of all videodiscs and videocassettes which are shipped by the Employer. Such credit shall be in size of type no less than fifteen percent (15%) the size of type of the largest title on the container and in no event smaller in size and style of type than the credit accorded any person other than actors.

8-209 Distribution and Licensing Agreements

Employer shall provide in any contract with a distributor that the distributor shall be bound for the benefit of the Employees and the Guild to all of the provisions of the BA and the individual employment agreements relating to credit. Employer shall not be responsible to Employee or Guild for breach of contract by the distributor.

Employer will hereafter provide in its licensing agreements that credits of a motion picture, as provided for herein, shall not be changed or eliminated on theatrical or television exhibition.

8-210 Submission of Press Books and Advertising to Guild

All press books and paid advertising campaign material prepared by or under the supervision of the Employer or the Employer's distributor for use in the United States and Canada shall be submitted to the Guild for approval of Director's credit prior to public release thereof. At any time Employer or such distributor prepares advertising in addition to or in substitution for or in lieu of press books or advertising campaign material previously submitted, copies thereof shall likewise be submitted to the Guild if there is a change in the form, size or style of Director's credit prior to distribution thereof. Employer is not required to submit advertising which has the same credits, copy and artwork as a previously submitted advertisement, provided it is proportionate in size and the size and use of the advertisement does not invoke different credit requirements. Failure of the Guild to notify Employer or distributor within two (2) business days after receipt of any such material that it disapproves the form, size or style of Director's credit shall be deemed a waiver. In the event there are *bona fide* exigencies of time which interfere with the above procedure, Employer shall discuss the matter with a responsible officer of the Guild who may impose reasonable alternate conditions to those herein set forth.

8-211 Pseudonym

If a Director wishes to use a pseudonym in substitution of the Director's name on the screen, advertising, publicity and any other material in which credit, in any form whatsoever, is given for direction of the motion picture, the Director may invoke the following procedure:

(a) The Director may notify Employer and the Guild of his or her desire to use a pseudonym no later than five (5) business days following the Director's first viewing of the version of the film the Employer intends to release.

(b) The Directors Council of the Guild, utilizing the same stringent criteria it has used in the past, may grant the Director permission to use a pseudonym and, in such case, the Guild

shall notify the Employer, including notice of the provisions of subparagraphs (c) and (d) of this Paragraph 8-211, within five (5) business days following the Director's notice to the Employer.

(c) If the Employer fails to respond to the Guild within five (5) business days following the Guild's notice to the Employer as provided in subparagraph (b) above, the decision of the Directors Council shall be final and binding on the Employer.

(d) If the Employer responds to the Guild within five (5) business days following the Guild's notice to the Employer that it is unwilling to grant such request, a Panel comprised of an equal number of Guild and AMPTP representatives (including at least three (3) AMPTP representatives and three (3) Guild representatives who served on the Theatrical Creative Rights Negotiating Committee during the 2014 negotiations) may determine by majority vote that the Employer shall use a pseudonym. If three (3) AMPTP representatives are unavailable or unable for whatever reason to serve on the Panel, the AMPTP may instead designate a substitute or substitutes from a list of appropriate substitutes approved by the DGA to serve on the Panel.[7] No member of the Panel may have an interest in the outcome of the Panel's determination.

The Panel may also determine that the Director waives the right to receive contingent compensation, including residuals, should the Director or the Guild elect to demand that the Employer comply with the Panel's decision requiring the Employer to use a pseudonym. The decision of the Panel shall be final, and shall have the same status as an arbitration award.

By invoking the foregoing procedure, the Director is deemed to have agreed to refrain from publicly discussing the request for a

[7] Currently, the approved list of alternates is Bob Daly, Sidney Ganis and Sherry Lansing. It is understood that this list may be amended by mutual agreement of the DGA and the AMPTP.

pseudonym. As a condition for using a pseudonym, the Director must refrain from publicly criticizing the film.

Section 8-300 CREDIT FOR DIRECTORS OF TELEVISION MOTION PICTURES

8-301 Screen Credit

The Director shall be given credit in the form "Directed by" on television motion pictures, including such television motion pictures released on videodiscs and videocassettes, on a separate card which shall be the last title card before the first scene of the picture or the first title card following the last scene of the picture. However, in the case of split credits where credit is given to any person before the first scene of the picture, the Director shall be given the last solo credit card before the first scene of the picture. For the purpose of this clause, the credits of the established stars playing a continuing role in the series, or of well-established stars in the motion picture industry, or of a *bona fide* producing company credit shall not be considered credits of a person. (A loan-out company shall not be considered a *bona fide* producing company.) No commercial or other material shall intervene between the Director's credit card and the picture.

If any change is made during the term of this BA in any television motion picture subject to the 1984 or prior Basic Agreements which involves a change in the position of credits or involves other substantial changes which afford an opportunity to place the Director's credit in accordance with this Paragraph, such credit shall be so placed, it being understood that this obligation shall not apply with respect to a change of main title or replacement of commercials not also involving changes in credit positions or other substantial changes.

This BA as to credits will not affect any contractual obligation Employer may have as to credits under any existing contract which was in effect on July 1, 1990.

If 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.

8-302 Commercial and Other Material Not to Interfere with Director's Screen Credit

Employer shall not permit any commercial, promotional or advertising material, audio or visual, to appear on or before the Director's card either as background or otherwise, and shall contract for assumption of such obligation with any television network or distributor to whom exhibition or distribution of any television motion picture is licensed by Employer.

8-303 Size of Director's Screen Credit

The Director's name on the screen shall be no less than forty percent (40%) of the episode or series title, whichever is larger.

8-304 Visibility of Director's Screen Credit

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 for television motion pictures of less than two (2) hours duration; and not less than three (3) seconds in the clear for television motion pictures of two (2) hours duration or longer. In no event shall credit accorded to Director be displayed for a cumulative time less than the "produced by" credit.

8-305 Submission of Proposed Screen Credit Format to Guild

Employer shall submit to the Guild the proposed format for the final screen credit for each television episodic and anthology series (as distinguished from each segment), together with changes in such

format of credits, before prints are prepared. This provision likewise applies to each television special.

8-306 Advertising Credit

In all paid advertising, other than night-strip advertisements, of a non-series television motion picture ninety (90) minutes or longer, licensed by Employer to a national free television network, the Employer agrees to obligate the network to give the Director credit if the advertisement appears in a "TV Guide-type" or newspaper advertisement one-half page or larger. The obligation to give a Director credit under this subparagraph shall be no greater than it would be if the advertisement were prepared under the control of or at the direction of Employer.

In all paid advertising of a television motion picture prepared under the control of or at the direction of Employer, the Director shall be accorded credit in the largest size in which any person other than actors is accorded credit. Notwithstanding the preceding sentence, if the advertising relates solely to a television series directed by more than one (1) Director, the Employer shall not be obligated to accord credit to the Directors by reason of the fact that credit is accorded to two (2) producers who are the producers of the entire series and/or that credit is accorded to an author of the source material on which the series is based.

Except for the foregoing provisions of this Section 8-300, Director's credits in connection with television motion pictures shall be governed by the provisions of Paragraphs 8-202 and 8-203.

8-307 Assumption of Obligations

Employer shall specifically contract with its distributors and the television networks that they shall not cut, edit, move or omit the credit of the Director as placed by the Employer on the positive prints.

8-308 Publicity

In all formal publicity released by Employer in connection with a television motion picture in which the name of any person is mentioned, the name of the Director shall be mentioned. The foregoing shall not apply if the publicity relates to a series and the person or persons mentioned rendered services in connection with the entire series and the episodes thereof were directed by more than one (1) Director.

8-309 Publicity Tours

The Employer, at its expense, shall send the Director of any non-series television motion picture ninety (90) minutes or longer on any domestic publicity tour on which an actor is sent, provided the Director is available.

8-310 Director's Credit for Television Motion Pictures Released Theatrically

Screen and advertising credits for television motion pictures released theatrically shall be in accordance with the theatrical film provisions of this Article 8.

8-311 Pseudonym

The Director of a television motion picture ninety (90) minutes or longer (excluding an episode of an episodic series or serial) shall be entitled to request the use of a pseudonym pursuant and subject to the provisions of Paragraph 8-211.

8-312 Pilot Director Recognition

If a domestic DVD or an Internet web page is created for a series, the Employer must include the name, background and filmography of the Director of the pilot of a series, if such information about the "creator" of the series is included.

Employer will in good faith consider including information about the Director of the pilot in press kits for the television series, and inviting him or her to participate in events promoting the first year of the series at meetings of the Television Critics Association. The decision to invite the Director to such events shall rest entirely within the Employer's discretion. This Paragraph 8-312 is not subject to the grievance and arbitration provisions of Article 2 of this Agreement.

ARTICLE 9

Directors' Special Conditions

9-101 Underwater Work Allowance

When a Director, at the direction of Employer, while setting up or directing scenes of a picture, (a) performs diving using a diving mask, air helmet or diving suit, including skin diving in water ten feet or more in depth, or (b) descends in a submarine, such Director shall receive an allowance of $180.00 per dive with no maximum. (The $180.00 figure shall be increased to $185.00 on July 1, 2021.)

9-102 Aircraft Flight Allowance

A Director required to direct photographed scenes of a picture while flying in an aircraft as part of shooting shall receive $180.00 additional pay for each such flight with no maximum. (The $180.00 figure shall be increased to $185.00 on July 1, 2021.)

9-103 Accidental Death and Dismemberment Insurance

Employer will provide a minimum coverage of $200,000 of accidental death and dismemberment 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 and dismemberment insurance for each Employee so required to travel by air, and $350,000 of such accidental death and dismemberment insurance for each Employee when 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 motion picture (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 where it is required, Employer will use reasonable efforts to utilize the same if it is appropriate for the purpose. Employer shall cover each Employee engaging in underwater work with $350,000 of accidental death and dismemberment insurance.

In the event Employer is unable to provide coverage for regular commercial transportation through its insurance carrier, the Employee shall be informed of this fact, subject to the exigencies of the production, no later than two (2) days prior to the date of departure so that the Employee may obtain such insurance coverage. The Employer shall reimburse the Employee for the cost of the premium paid by Employee in order to obtain such coverage for such trip.

9-104 Reporting of Hospitalization

When a Director, while employed, requires hospitalization, the nature and place of hospitalization of all Directors requiring hospitalization shall be reported to the Guild immediately.

9-105 Distant Location Notice

Employer will give the Guild a twenty-four (24) hour notice of the departure of Directors to distant location.

9-106 Wearing Apparel

Employer shall provide suitable wearing apparel for abnormally cold or wet work.

9-107 Producing Directors (Television)

Employers will give good faith consideration to establishing a program to train experienced Directors in all aspects of producing series television, upon presentation to them by the Guild of a curriculum and program schedule. The DGA will give good faith consideration to participating in a joint program with the WGA which combines this program with the Showrunner Training Program.

ARTICLE 10

Minimum Salaries and Working Conditions of Directors Employed on "Free TV Pictures"

10-101 Minimum Salaries

The minimum salaries and working conditions of employment set forth in the following schedules and footnotes shall apply to Directors employed in the making of "free" television motion pictures:

Network Prime Time Shows*				
Length	**7/1/20**	**7/1/21**	**7/1/22**	****Guaranteed Days (Shooting/Prep)*** ******
½ hour	$28,452	$29,163	$29,892	7 (4/3)
1 hour	$48,318	$49,526	$50,764	15 (8/7)
1½ hours	$80,532	$82,545	$84,609	25 (13/12)
2 hours	$135,287	$138,669	$142,136	42 (27/15)

The rate applicable to all such services shall be that in effect on the starting date of employment.

For a double length episode of an episodic series or serial, Director may be employed at two hundred percent (200%) of minimum and two hundred percent (200%) of the guaranteed days appearing in the schedule above. For Network Prime Time programs in excess of two (2) hours, the minimum and guaranteed days shall be computed at the two (2) hour rate plus *pro rata* of the one (1) hour schedule and the additional days may be allocated between shooting and preparation time at Employer's discretion. For other than Network Prime Time programs, the following schedule shall apply, but in the event of the production of programs in excess of two (2) hours, minimum and guaranteed days shall be computed *pro rata*.

Non-Network or Network Non-Prime Time Shows*				
Type of Employment/ Length of Television Motion Picture	**7/1/20**	**7/1/21**	**7/1/22†**	****Guaranteed Days (Shooting/Prep)*****
Term Contract 20 out of 26 weeks or multiples thereof	$10,587 weekly	$10,852 weekly	$11,178 weekly	No Guarantee
Trailers and Promos	$10,587 weekly or $2,648 daily	$10,852 weekly or $2,714 daily	$11,178 weekly or $2,795 daily	Section 10-110
7 Minutes and under	$2,648	$2,714	$2,795	1 day (for each additional motion picture on such day - $2,414 effective July 1, 2020, increased to $2,474 effective July 1, 2021 and increased to $2,548† effective July 1, 2022)

† See text of footnote 3 on page 39.

Non-Network or Network Non-Prime Time Shows*				
Type of Employment/ Length of Motion Picture	**7/1/20**	**7/1/21**	**7/1/22†**	****Guaranteed Days (Shooting/Prep)*****
8-15 Minutes	$12,721	$13,039	$13,430	6 days (3/3). May do two (2) motion pictures during guaranteed period without additional pay. For third and each subsequent television motion picture, an additional three (3) days' *pro rata* compensation, for which Employer shall be entitled to an additional three (3) consecutive days per motion picture.
16-30 Minutes	$12,721	$13,039	$13,430	6 days (3/3)
1 Hour	$25,432	$26,068	$26,850	12 days (6/6)
90 Minutes	$38,161	$39,115	$40,288	18 days (9/9)
91-120 Minutes	$53,131	$54,459	$56,093	24 days (12/12)

Second Unit *****

The rate applicable to all such services shall be that in effect on the starting date of employment.

† See text of footnote 3 on page 39.

The *daily pro rata salary* shall be computed by dividing the minimum guarantee per show by the number of days guaranteed for such show.

The *weekly salary* shall be computed by multiplying the applicable daily *pro rata* salary by five (5) days.

The *salary for daily* employment, where permissible, shall be one-fourth (1/4) of such weekly salary.

Directors employed under term contract who, during such term, direct a Network Prime Time show(s) shall be adjusted to the Network Prime Time Show rate for the period of time spent in directing such show(s); provided, however, that Employer shall be entitled to offset against such adjustment all compensation paid under such term contract for the period of time the Director is not assigned to direct any motion picture hereunder.

The rates for "Network Prime Time Shows" shall be applicable to all television motion pictures hereunder, the network initial broadcast of which either begins or ends in prime time. There shall be excepted from the foregoing a television motion picture scheduled for non-Prime Time Network broadcast which appears all or in part in network prime time due to last minute rescheduling beyond the control of the network, such as national emergency or disaster.

If a television motion picture originally produced for non-Prime Time Network broadcast is initially broadcast on non-Network Prime Time and is then broadcast in Network Prime Time as aforesaid, 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 television motion picture is produced for non-Prime Time Network broadcast under a budget equivalent to that of a similar type of television motion picture produced within the last three years for Network Prime Time broadcast, the Director's salary shall be paid at the applicable Network Prime Time show rate.

* *The pro rata minimum weekly salary* shall be based on the one-hour show rate. (See Paragraph 10-102, "Compensation for Fractional Week," below.)

** *Guaranteed Period of Employment.* In the event of a change or substitution of a Director for reasons other than the incapacity of the Director, 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. However, there shall be no compounding of premium pay to such substituting Director for work performed on a holiday or for the sixth or seventh day worked in the Director's workweek.

In the event that a Director is replaced by reason of his or her own incapacity, the substituting Director shall only be guaranteed the greater of the number of guaranteed shooting days remaining under Paragraph 10-101 or the number of days actually remaining on the shooting schedule at the time such substituting Director begins the assignment. In addition, the substituting Director shall be guaranteed payment for prep time as follows: the guaranteed prep time shall bear the same relation to the number of days remaining on the shooting schedule at the time the substituting Director begins the assignment as the maximum preparation days provided in Paragraph 10-101 for a motion picture of that type bears to the maximum number of shooting days provided in Paragraph 10-101 for a motion picture of that type.

*** *Sixth and seventh days worked in the Director's workweek apply against guarantee.* Additional pay for the sixth day worked in the Director's workweek in the studio and for the seventh day worked in the Director's workweek and holidays worked shall be in accordance with Paragraph 4-107 above. Work on such days shall be defined, and counted as such, only when photographing is in progress under the supervision of the Director, or when the Director travels or prepares pursuant to the Employer's written instructions and direction.

**** *Guaranteed Days (Shooting/Prep) Time.* Total guaranteed days shown are the maximum allowed for the applicable rate. The first number in the parenthesis indicates the maximum number of shooting days allowed within the total number of guaranteed days.

***** *Second Unit Directors* will be compensated at the weekly rate applicable to the program for which he or she is employed (including programs defined in Paragraph 10-103), or on a daily basis at one-fourth (¼) the applicable weekly rate for each day so employed.

Preparation time shall be determined in accordance with Paragraph 4-102 of this BA.

****** *Specially-Skilled Director of a Non-Dramatic Television Program*. When a specially-skilled Director employed on a non-dramatic television program produced under another DGA collective bargaining agreement is concurrently employed to direct scenes for a dramatic television motion picture covered by the BA, the Employer may credit toward the fee(s) owed under the BA an amount equal to the scale payment (or the minimum daily rate, where applicable) that would apply to that Director's work on the concurrent non-dramatic television program were that program produced under the DGA Freelance Live & Tape Television Agreement. This right to credit will only apply when the specially-skilled Director is employed under the BA for no more than two (2) hours and the Director of the dramatic television motion picture is also present.

******* *Table Reads.* The following shall apply with respect to table reads for 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 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 twenty-five percent (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.

10-102 Compensation for Fractional Week

In computing compensation to be paid any freelance Director employed on a weekly basis for any period less than a week following the guaranteed period of employment, the weekly salary shall be prorated and for this purpose, the rate per day shall be one-fifth (1/5) of the Director's weekly rate.

10-103 Pilots and Spinoffs

(a) In connection with pilots or spinoff episodes for Network Prime Time, the Director shall be paid the following compensation and receive the following guarantees:

Length	7/1/20	7/1/21	7/1/22†	Maximum Guaranteed
½ hour	$80,532	$82,545	$84,609	14
1 hour	$107,372	$110,056	$112,807	24
1½ hours	$134,204	$137,559	$140,998	34
2 hours	$187,898	$192,595	$197,410	50

For each additional hour over two (2) hours, the applicable Network Prime Time minimum rate, based on the hour rate or fractions 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 $3,370 ($3,454 effective July 1, 2021 and $3,540† effective July 1, 2022) per day.

For non-network or network other than prime time pilots and spinoffs, the applicable amount will be sixty percent (60%) of the applicable Network Prime Time amount as follows:

Length	7/1/20	7/1/21	7/1/22†
½ hour	$48,319	$49,527	$50,765
1 hour	$64,423	$66,034	$67,684
1½ hours	$80,522	$82,535	$84,599
2 hours	$112,739	$115,557	$118,446

(b) De Facto Pilot If a television series is produced based upon characters in a television program not originally intended as a pilot or a spinoff episode, the Director of such 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

† See text of footnote 3 on page 39.

promptly after a new series containing such new characters is ordered. Only one (1) such payment shall be made for any new series. The Guild will determine allocation if there is more than one (1) Director entitled to the payment.

When a theatrical motion picture is used as a pilot for the sale of a television series (when no actual television pilot is produced), the Director of such theatrical motion picture, upon receipt by the Employer of the firm written license order for such series, is entitled to additional compensation as above set forth. If more than one theatrical motion picture is involved, only the Director of the first theatrical motion picture shall be so entitled. This provision shall not apply when such Director is paid the minimum theatrical rate plus double the minimum television rate for the actual series length. If the Director was paid in excess of theatrical minimum but less than the theatrical plus double such minimum television rate, then he or she shall be paid the difference between the amount set forth and the amount actually paid.

(c) Series Without Pilot In connection with the first produced television motion picture of an open-ended series which is ordered without a pilot, minimum shall be one hundred fifty percent (150%) of scale.

(d) Series Bonus If an open-ended series is sold subsequent to the production of a pilot in any of the forms above, or if such series is based on a theatrical motion picture, then the Director of the spinoff or pilot or of the television motion picture introducing the character(s) shall be entitled to an additional aggregate series bonus payment for each production year as follows:

	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 (1) set of series bonus payments pursuant to this subparagraph (d) need be made in connection with any one (1) series and, in case of a dispute between two (2) Directors who might be entitled to those payments, the Guild will determine the allocation.

(e) Presentations The following applies to prime time dramatic television programs:

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

A "presentation program" is a program, not 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 3 on page 39.

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

	7/1/20	7/1/21	7/1/22[†]	Maximum Guaranteed 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, (1) if the "presentation program" leads directly to the sale of the series (*i.e.*, there is no subsequent presentation or pilot produced); (2) 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 (3) 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.

(f) Workshops The parties reserve their respective positions with regard to "workshops."

[†] See text of footnote 3 on page 39.

10-104 Interchange of Assignment – Theatrical – Television

With respect to Directors, there may be complete interchange of assignment between production of theatrical films and television motion pictures. Whenever such interchange takes place, such Director shall receive not less than the respective minimum pay and working conditions pertaining to theatrical motion pictures or television motion pictures, whichever is applicable to the assignment on which the Director is employed at the time in question.

10-105 Other Provisions

For the provisions relating to "Travel," "Compensation on Recall for Particular Services" (however, the weekly rate shall be prorated in the manner provided in Paragraph 10-102, entitled "Compensation for Fractional Week"), "Holidays, Sixth and Seventh Days Worked in the Director's Workweek," "Deal Memorandum," "Personal Services Agreement," and "Prohibition Against Credits and Offsets," see Paragraphs 4-104, 4-105, 4-107, and 4-108 through 4-110, respectively. For "Directors' Minimum Conditions -- Preparation, Production and Post-Production," see Article 7.

10-106 Daily Employment

No Director shall be employed on a daily basis except in case of second units, trailers, promos, lead-ins, government, industrial, educational motion pictures, and talent tests, the type of services described in Paragraph 4-105, changes in photoplay, pictures seven (7) minutes or less in length, bridging or shooting added scenes for television motion pictures for theatrical release or bridging or shooting added scenes for theatrical motion pictures for television release. In each such case, the Director may be employed on a daily basis.

10-107 Adjustment of Term Directors

Directors employed under term contract who, during such term, direct a Network Prime Time show(s) shall be adjusted to the Network Prime Time show rate for the period of time spent in directing such show(s);

provided, however, that Employer shall be entitled to offset against such adjustment all compensation paid under such term contract for the period of time the Director is not assigned to direct any motion picture hereunder.

10-108 Preparation Allowance Time

With respect to a single television picture for which preparation time is allowed by the Employer, it shall be allowed before principal photography and the Director shall receive full salary for all days the Director is engaged in preparation at the Employer's direction. Once principal photography commences, shooting days shall be consecutive.

Notwithstanding the foregoing, if necessary to accommodate actor or location availability, the Employer may schedule principal photography during the Director's prep period as follows:

(a) If the Director is guaranteed three (3) prep days on a one-half hour program, the Employer may schedule principal photography on one (1) day during the Director's prep period, provided that the Director is given an additional prep day in place of the prep day that is used for photography;

(b) If the Director is guaranteed four (4) prep days on a one-half hour program, the Employer may schedule principal photography on one (1) day during the Director's prep period, provided that the Director is given an additional prep day in place of the prep day that is used for photography if the photography takes five (5) hours or more;

(c) If the Director is guaranteed five (5) or more prep days on a one-half hour program, the Employer may schedule principal photography on one (1) day during the Director's prep period; and

(d) On a one-hour program, the Employer may schedule principal photography on two (2) days during the Director's prep period, provided that shooting is not permitted on the first day of the Director's prep period and the Director must be given an

additional prep day in place of a prep day that is used for photography if the photography takes five (5) hours or more.

Employer will give notice to the DGA the day before principal photography occurs during the Director's prep period where practicable, but in no event later than two (2) business days after such photography occurs.

Except as specifically prohibited below, all preparation shall apply toward fulfillment of Employer's obligation on a Director's "guaranteed employment period." With respect to a single television picture, only preparation days which are consecutive with shooting days shall be applied against Employer's obligations for the guaranteed employment period, except as otherwise permitted above if necessary to accommodate actor or location availability and except that with respect to: (a) for 8-15 minute and 16-30 minute television motion pictures, one (1) non-consecutive day, subject to the Director's availability, prior to commencement of consecutive employment may be applied against Employer's obligation for the guaranteed employment period; (b) for 31-60 minute television motion pictures, two (2) such non-consecutive days, subject to the Director's availability, may be so applied. The parties agree that the DGA will continue to give good faith consideration to granting waivers on a case-by-case basis to expand the number of non-consecutive prep days for one-hour pilots and one-hour series from two (2) to three (3).

When the Director does not complete originally scheduled principal photography and the Director is also employed on the series in another capacity (*e.g.,* a Producer-Director, Director of Photography) during the period when any intervening days occur, the Employer shall not owe any payment for such intervening days under this Paragraph 10-108, provided that the Employer gives notice to the Guild when this circumstance arises.

The parties further agree that the DGA will not unreasonably deny waiver requests for the payment of intervening days under this provision when exigencies of production do not permit principal photography to be completed within the intended schedule. In no

event shall an Employer be obligated to pay more than five (5) intervening days under this provision.

Notwithstanding the foregoing, if an 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 Paragraphs 4-107 and 10-105.

In addition, at the Employer's election, the Director's preparation period may be suspended without pay during a one week planned hiatus on a single-camera one-half hour television motion picture, provided that the Director is notified of the hiatus at the time of engagement; the hiatus is noted in the Director's deal memo; and Directors of all episodes of the series in the same season are guaranteed at least four (4) prep days.

10-109 **Order of Shooting or Preparation of Consecutive Television Motion Pictures at Employer's Discretion**

When a Director has been employed for the making of two (2) or more television motion pictures consecutively and Employer has complied with the applicable guarantees as set forth in Paragraph 10-101 above, then Employer may require such Director to work on more than one (1) television motion picture during any period of his or her employment; the order of shooting, rehearsal, cutting and preparation being at the Employer's discretion.

Employer may cumulate both payments and time on a multi-part closed-end (mini) series and continuing story on any series as well as continuous employment on two (2) episodes of one (1) or more open-end series.

10-110 Trailers and Promos

(a) Trailers and promos are divided into two classes: (1) integrated and (2) all others. An "integrated trailer or promo" is one designed to be shown only with the entertainment motion picture or motion pictures of the series directed in whole or in part by the Director during his or her term of employment.

Integrated trailers and/or promos may be made without extra pay to the Director on any shooting day, or on any additional shooting day for which the Director is paid an additional day's compensation.

Other trailers and promos may be made without limitation or restriction on the kind or number of such, provided the Director is specifically employed by the week, by the day, or under a term contract, under the terms of the applicable minimum salary schedule set forth in Paragraph 10-101 above.

(b) If a term Director is on salary for any purpose, trailers and promos may be made by such Director on any day during the period he or she is on salary, without extra pay to the Director.

(c) In the event a Director is called specifically and only for the purpose of making trailers and/or promos, the Director shall receive the minimum salary (daily, weekly or term) provided for in the applicable minimum salary schedule in Paragraph 10-101 above, prorated on the basis of the applicable one hour rate.

(d) There shall be no limitation on the number of trailers and/or promos a Director may shoot in a day.

(e) If a Director is called specifically and only to do trailers, and/or promos, one day of preparation time shall be provided

regardless of the length of employment or number of shooting days; provided, however, if the Director is called for a single day's employment, and the shooting of trailers and/or promos 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.

(f) The inclusion of trailers or promos herein is not intended to change the present practice of making trailers or promos.

10-111 Options -- Notice to Director

Whenever the Employer exercises an option for an additional term under a term contract, the Director shall be given at least thirty (30) days' advance written notice.

10-112 Multiple Picture Commitments

Commitments for a Director to direct more than ten (10) one-half or five (5) one-hour television motion pictures within any consecutive twenty-six (26) week period will not be permitted without the written consent of the Guild unless the Director's salary for the total number of television motion pictures involved is at least $147,749 ($151,443 effective July 1, 2021 and $155,986[†] effective July 1, 2022). Any multiple picture commitment entered into prior to January 1, 1978 is governed by the 1973 BA.

10-113 Director Rest Period

In connection with television productions, in the event the time elapsing between company wrap on one day and the time the Director is required to be on the set on the following day or the call of the Director of Photography on the following day, whichever is later, is less than eleven (11) hours, then Employer shall make a contribution to the Directors Guild of America Educational and Benevolent Foundation in the sum of $750 for each such incursion into the rest period of the Director, but no payment shall be due hereunder unless

[†] See text of footnote 3 on page 39.

payment for forced call is in fact made to the Director of Photography of the picture.

10-114 [Deleted]

10-115 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 whose "local employment address" is in the United States or Canada 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. "Local employment address" means the residence address registered with the Guild by the Director.

10-116 First-Time Television Directors

When an Employer employs a "first-time Director" (as defined below) to direct an episode of a dramatic television or High Budget SVOD series, the individual must, prior to commencement of employment, attend the Television Director Orientation Course on Professional Standards for Episodic Directors ("Orientation Program") provided by the Guild.

The Employer shall notify the Guild no later than thirty (30) days prior to commencement of employment of the "first-time Director," unless the employment is scheduled to commence within fewer than thirty (30) days of the assignment, in which case notice shall be given as soon as practicable.

The Orientation Program, which shall be no more than one (1) day, shall be targeted towards educating participants about the responsibilities of a dramatic episodic television Director, and shall only be available to individuals who have been offered employment by an Employer as a "first-time Director." The curriculum shall be developed by the Guild with input from the Employers. The Orientation Program shall be taught principally by highly-experienced television Directors.

The Guild shall offer the Orientation Program at least six (6) times per year at the DGA offices in Los Angeles and at least four (4) times per year at the DGA offices in New York. Individuals who reside in Los Angeles or New York or who are employed in Los Angeles or New York shall attend the Orientation Program before their assignment as a "first-time Director." For others who are living outside Los Angeles and New York, or for whom no Orientation Program is available in Los Angeles or New York before their assignment, the DGA shall make accommodations, such as one-on-one mentoring with an experienced television Director or other substitute orientation. An Employer shall not be required to travel a "first-time Director" to attend the Orientation Program.

For purposes of this provision, a "first-time Director" means an individual who has not previously been employed as a Director of a dramatic motion picture, which includes a commercially released theatrical motion picture, an episode (including a pilot) of not less than twenty (20) minutes in length of a dramatic series (including a mini-series) made for free television, pay television or basic cable, a High Budget SVOD Program, a long-form television motion picture or a made-for home video production. Shorts, commercials and music videos shall not be considered a dramatic television motion picture.

ARTICLE 11

Additional Compensation to Directors for "Free" Television Motion Pictures

Section 11-100 ADDITIONAL COMPENSATION FOR RERUNS AND FOREIGN TELECASTS

11-101 Additional Compensation for Reruns

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

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

(b) If the Employer desires to telecast any television motion picture for more than one run in the United States, its territories and possessions, and Canada, the employment contract of each Director engaged therein shall contain a separate provision for additional compensation for reruns, which shall not be less than the amounts set forth in the applicable provisions of subparagraphs (1) through (6) below:[8]

[8] See modifications to this Paragraph 11-101 in Sideletter No. 34 re License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures, High Budget SVOD Programs or Motion Pictures Made for Home Video.

(1) Network Prime Time - Domestic Reruns

(i) Dramatic Programs

Length	**7/01/20 - 6/30/23**
½ hour	$13,254
1 hour	$24,963
1½ hours	$37,436
2 hours*	$49,443

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

(ii) Other than Dramatic Programs

Length	**7/1/20**	**7/1/21**	**7/1/22**[†]
½ hour	$16,299	$16,706	$17,207
1 hour	$30,696	$31,463	$32,407
1½ hours	$46,034	$47,185	$48,601
2 hours*	$60,795	$62,315	$64,184

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

[†] See text of footnote 3 on page 39.

(2) Base for Network Non-Prime Time and Syndication Residuals

Length	7/1/20	7/1/21	7/1/22
7 minutes and under	$3,070	$3,147	$3,226
8-15 minutes	$6,415	$6,575	$6,739
16-30 minutes	$15,897	$16,294	$16,701
1 hour	$28,729	$29,447	$30,183
1½ hours	$41,560	$42,599	$43,664
2 hours	$54,395	$55,755	$57,149

(3) Percentage of above Base Rate Payable for Domestic Residuals (other than Reruns in 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%

(Continued)

[9] See Paragraph 24-301 for residual base applicable to multi-camera prime time dramatic pilots and series.

(Continued)

	Network	Non-Network
13th Run and each subsequent Run in perpetuity	5%	5%

(4) (i) Notwithstanding the provisions of subparagraphs (b)(2) and (3) above, the Employer 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 Basic 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 agreement 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 subparagraphs (b)(2) and (3) 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. 10 of this BA.)

(ii) For the purposes of this Paragraph 11-101(b)(4), the term "Employer's gross" shall have the same meaning as it does in Article 18 with respect to pay television exhibition of a free television motion picture.

(iii) Payments due and payable hereunder shall be sent to the Guild within the time and in the manner required by subparagraphs (a), (c) and (d) of Paragraph 18-106.

(5) If an Employer licensed a television motion picture (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 Paragraph 11-101(b)(6) 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 Paragraph 11-108) 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 11. The foregoing applies to television motion pictures, whether produced under this BA or any prior BA, as to which residuals would otherwise be payable.

(6) <u>Broadcast Syndication Sales of Dramatic Programs Under a License Agreement Entered Into On or After July 1, 2020</u>

(i) Should an Employer enter into a license, on or after July 1, 2020, of a dramatic television motion

picture 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 Paragraph 11-108), whether such television motion picture or program or series is produced under this Agreement or any prior Basic Agreement and as to which a fixed residual or higher percentage residual would otherwise be payable.

The foregoing paragraph does not apply: (A) to dramatic programs or series made for broadcast syndication; (B) to residuals for reruns on The CW of dramatic programs made for The CW; (C) to residuals for the reuse of a "high budget pay television motion picture," as defined in Article 20-401(a)(4), on free television as provided in Paragraph 20-801(b); (D) to residuals for reruns of dramatic free television motion pictures in network prime time as provided in Paragraph 11-101(b)(1) of the Basic Agreement; and (E) 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 (E), 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 subparagraphs (a), (c) and (d) of Paragraph 18-106.

(iii) Employer will prepare an annual statement of the "Employer's gross" for dramatic television motion pictures, series and programs described in the first paragraph of Paragraph 11-101(b)(6)(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, series 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 Section 17-400 of the Basic Agreement.

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 pictures that were entered into during the immediately preceding inspection period.[10] In any subsequent semi-annual inspection, the Guild's designated employee or auditor may re-inspect any

[10] 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.

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 Paragraph 17-400 of the Basic Agreement, and appropriate arrangements will be made to safeguard the confidentiality of that information.

(7) The provisions of this Article 11 are not applicable to commercials or the "bridging" or shooting of added scenes for theatrical films for television release, or to second units, trailers or promos, for which there are no rerun payments.

(c) The Employer shall pay as provided herein for each respective rerun, not later than four (4) months after the first telecast of the respective rerun in any city in the United States or Canada, or upon the completion of the telecasting of the respective rerun in seventy (70) cities in the United States and Canada, whichever occurs earlier. However, in the event any rerun is telecast on a television network or on The CW, the Employer shall make the appropriate rerun payment not later than thirty (30) days after the telecast of such rerun.

(d) The telecasting of a picture over a television network shall mean the telecast of such picture over the network facilities of ABC, CBS, FBC, 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, except (1) pictures telecast on any single regional network presently established and (2) pictures telecast on any single regional network which may hereafter be established and which does not include New York, Chicago or Los Angeles.

(e) The above formula is a minimum formula and nothing herein shall preclude any Director from bargaining for better terms with respect to such reruns.

(f) Whenever a payment is due under the foregoing provisions of this Paragraph 11-101 for telecasts, after the effective date of this Agreement, of a television motion picture in a language or languages other than English, then in lieu of such payment, the payment due the Director(s) of such television motion picture shall be an aggregate amount equal to 1.2% of the Employer's "accountable receipts," as defined in Article 18, from the distribution of such television motion picture for such telecasts. Such payment shall not affect the Employer's obligation to make the applicable rerun payments for telecasts of a motion picture in English.

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

(g) 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.

(h) 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 Paragraph 11-101 nor Paragraph 11-108 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 Paragraph 11-101(b)(1) nor 11-101(b)(3) of this BA. Employer shall be obligated to report any such run to the Guild as required under this Article 11, notwithstanding the fact that no payment shall be due therefor.

11-102 Foreign Telecasting Payments

(a) If the Employer desires to telecast any television motion picture in any part of the world outside the United States and Canada, the Employer shall pay additional compensation for such foreign telecasting of not less than fifteen percent (15%) of the applicable "base amount" in effect on the date of commencement of principal photography, not later than thirty (30) days after the Employer obtains knowledge of the first foreign telecast.

(b) When the Distributor's Foreign Gross, as defined herein, of any such television motion picture has exceeded $7,000 for a one-half hour picture, $13,000 for a one-hour picture, or $18,000 if such picture is one and one-half hours or more in length, the Director shall be entitled to the additional payment of not less than ten percent (10%) of the applicable "base amount" in effect on the date of commencement of principal photography, not later than thirty (30) days after such Gross has been so exceeded.

(c) When the Distributor's Foreign Gross of any such television motion picture has exceeded $10,000 for a one-half hour picture, $18,000 for a one-hour picture, or $24,000 if such picture is one and one-half hours or more in length, the Director shall be entitled to the additional payment of not less than ten percent (10%) of the applicable "base amount" in effect on the date of the commencement of principal photography, not later than thirty (30) days after such Gross has been so exceeded.

(d) The "base amounts" referred to and the applicable payments under subparagraphs (a), (b) and (c) above are as follows:

Length of Program	7/1/20 Residual Base - % and Amount	7/1/21 Residual Base - % and Amount	7/1/22 Residual Base - % and Amount
7 minutes and under	$3,225 15% = $ 484 10% = $ 323 10% = $ 323	$3,306 15% = $ 496 10% = $ 331 10% = $ 331	$3,405† 15% = $ 511 10% = $ 341 10% = $ 341
8-15 minutes	$6,737 15% = $1,011 10% = $ 674 10% = $ 674	$6,905 15% = $1,036 10% = $ 691 10% = $ 691	$7,112† 15% = $1,067 10% = $ 711 10% = $ 711
16-30 minutes	$16,697 15% = $2,505 10% = $1,670 10% = $1,670	$17,114 15% = $2,567 10% = $1,711 10% = $1,711	$17,627† 15% = $2,644 10% = $1,763 10% = $1,763
31-60 minutes	$30,176 15% = $4,526 10% = $3,018 10% = $3,018	$30,930 15% = $4,640 10% = $3,093 10% = $3,093	$31,858† 15% = $4,779 10% = $3,186 10% = $3,186
61-90 minutes	$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
91-120 minutes*	$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 120 minutes, prorate payment based on one (1) hour rate.

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

† See text of footnote 3 on page 39.

(1) $365,000 in Distributor's Foreign Gross for one-half (½) hour programs;

(2) $730,000 in Distributor's Foreign Gross for one (1) hour programs;

(3) $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;

(4) $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;

(5) $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;

(6) $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;

(7) $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

(8) 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 (1) through (8) above, as applicable.

For the purpose of this subparagraph (e), 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 Paragraph 11-108, 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 (1) through (8) above.

The Director shall receive such additional monies pursuant to the payment provisions of Paragraph 18-106, 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.

(f) Notwithstanding the foregoing, for those one-hour network prime time dramatic television series referred to in 11-101(b)(4) above, the fifteen percent (15%), ten percent (10%) and ten percent (10%) of the applicable base amount referred to in subparagraphs (a) through (d) 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 Employer obtains knowledge of the first foreign telecast and in no event later than six (6) months after the first foreign telecast.

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

(h) As used herein, the term "Distributor's Foreign Gross" shall mean, with respect to any television motion picture, the absolute gross income realized by the distributor of such

picture 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:

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

(i) 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."

(A) Such television motion picture is "available" when the first of the following occurs:

(1) 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

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

(B) 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.

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

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

(2) 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.

(ii) 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.

(2) 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 picture 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.

(3) 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 picture subject to a foreign telecast payment under this BA shall also include motion pictures, 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 motion pictures which are subject to foreign telecast payment and such other pictures, time, facilities or material, and only the sums properly allocable to pictures

which are subject to a foreign telecast payment shall be included in the Distributor's Foreign Gross.

(i) 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.

11-103 Method of Payment; Guild Access to Records

All payments of additional compensation for reruns or foreign telecasts 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 Director. The Employer shall accompany such checks with a statement of the title and production date of the motion picture and the "run" or "runs" for which such payment is made. The Employer shall keep or have access (a) to complete records showing all cities in the United States and Canada in which all television motion pictures subject to this BA have been telecast and the number of telecasts in each such city, the television stations on which telecast, and the dates thereof; and (b) to records reflecting all pertinent gross sums collected from TV exhibition outside of the United States and Canada. The Guild shall have the right at all reasonable times to inspect such records and at its cost make copies of such records. If Employer fails to pay such additional compensation when due and payable, interest shall accrue at the rate of one percent (1%) per month from the date payment is due.

11-104 Reports for Foreign Telecasting

With respect to each television motion picture which is distributed for foreign telecasting, Employer shall furnish reports to the Guild showing Distributor's Foreign Gross derived from such motion picture until such picture has been withdrawn from distribution for foreign telecasting.

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

11-105 Television Motion Pictures and Contracts to Which Provisions Hereof Are Applicable

The provisions hereof shall apply to all existing employment contracts in effect on July 1, 2020, as well as future contracts and employments for television motion pictures on which principal photography was commenced on or after July 1, 2020.

11-106 Employer's Acquisition of Title

If a signatory Employer is not the actual producer of a television motion picture which was produced by a Guild signatory, but acquires title thereto by purchase, assignment, transfer, voluntary or involuntary, or by foreclosure of a chattel mortgage or security agreement or at a pledgee's sale, such signatory Employer shall be obligated to make the payments herein provided which become due thereafter when such picture is rerun on television or released for foreign telecasting or for theatrical exhibition, by or for the account of such signatory Employer.

11-107 [Deleted]

11-108 Basic Cable Exhibition

(a) Except as otherwise provided in Paragraph 11-101(h), upon release, on or after July 1, 2020, to basic cable of free television motion pictures, as to which free television residuals would otherwise be payable, Employer shall pay to the Director thereof the following percentage of the Employer's gross receipts obtained therefrom: With respect to free television motion pictures produced prior to July 1, 1984, said percentage shall be two and one-half percent (2.5%); with respect to free television motion pictures 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 the BA 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 18 with respect to pay television exhibition of a free television motion picture.

(b) 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 subparagraphs (a), (c) and (d) of Paragraph 18-106.

Section 11-200 ADDITIONAL COMPENSATION FOR THEATRICAL EXHIBITION

11-201 Additional compensation shall immediately accrue and be payable to the Director of a television motion picture when such motion picture is used for theatrical exhibition as follows (excepting the "bridging" of television motion pictures for theatrical release, trailers, promos or second units, for which there will be no additional compensation):

(a) If a television motion picture is exhibited theatrically outside of the United States and Canada, then upon the release of such television motion picture for theatrical exhibition, the Director shall be paid an amount equal to one hundred percent (100%) of the applicable theatrical minimum. If such television motion picture is released theatrically in the United States or Canada, the Director shall be paid one hundred fifty percent (150%) of such applicable theatrical minimum; provided, however, that the maximum payment under the provisions of this Paragraph 11-201 for theatrical release of a television motion picture shall be one hundred fifty percent (150%) of applicable theatrical minimum.

(b) In lieu of the payment prescribed by the foregoing paragraph:

(1) If one (1) or more episodes of a free television, pay television or basic cable series or one or more episodes of a High Budget SVOD series or mini-series (as defined

in Sideletter No. 35 to the Basis Agreement), either alone or in combination with another episode of the same or different series, or a long-form television motion picture made for free television, pay television or basic cable (but not one that is a High Budget SVOD Program), is exhibited theatrically with an admission charge after its initial exhibition on television (or, initial availability on a subscription consumer pay platform in the case of a High Budget SVOD series or mini-series), the Employer shall pay to the Director an amount equal to three percent (3%) of the Employer's gross (as defined in Paragraph 18-103(b)) 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:

(i) The theatrical exhibition shall take place at least twenty-four (24) hours after the episode's initial telecast (or, for a High Budget SVOD series or mini-series, at least twenty-four (24) hours after the episode has been made available for viewing on the streaming service) or at least thirty (30) days after the initial telecast of a long-form television motion picture;

(ii) 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;

(iii) 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 or High Budget SVOD motion picture.

(2) If one (1) or more episodes of a 30-minute or 60-minute free television, pay television or basic cable series or one or more episodes of a 20-35 minute or 36-65 minute High Budget SVOD 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, in the case of an episode of a High Budget SVOD series, no more than thirty (30) days in advance of or on the same date that it is made available for exhibition on a streaming service), the Employer shall pay to the Director an amount equal to three percent (3%) of the Employer's gross (as defined in Paragraph 18-103(b)) 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:

(i) The theatrical exhibition shall not exceed six (6) days, which need not be consecutive;

(ii) The episode, including the pilot, is part of a series order of at least six (6) episodes;

(iii) When Employer has reached an agreement in principle for theatrical exhibition prior to the completion of the Director's Cut of the episode or pilot, the Director shall be entitled to two (2) consecutive days added to the Director's Cut period provided in Paragraph 7-505 to complete his or her Director's Cut of the episode and the theatrical version at no additional salary;

(iv) When Employer has reached an agreement in principle for theatrical exhibition after the completion of the Director's Cut, the original Director, subject to his or her reasonable availability, shall be entitled to three (3) additional

days for editing for theatrical exhibition at no additional salary;

(v) The Director shall be offered employment to shoot any additional footage that may be required at the *pro rata* daily rate applicable to the episode(s) of the television series or High Budget SVOD motion picture.

(3) 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.

(4) The provisions of subparagraphs (b)(1) and (2) 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.

(5) In the case of dispute as to the manner of allocation of the payment between Directors, or as to which Director(s) will perform the editing services, the Guild will make the determination.

(6) The provisions of Paragraph 11-202 are superseded by this subparagraph (b).

(7) The theatrical use fee provided in subparagraph (a) of this Paragraph 11-201, less the amount of the percentage residual payment already paid, shall apply if the foregoing conditions are not met or if the television motion pictures or High Budget SVOD series or mini-series as theatrically exhibited are submitted for theatrical award consideration.

(8) The provisions of this subparagraph (b) shall apply to the use after July 1, 2020 of any television episode, High Budget SVOD Program or long-form television motion

picture for which a theatrical release payment is due, regardless of when produced.

(9) 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 motion picture. The information provided to the DGA will be treated as confidential pursuant to Basic Agreement Section 17-400.

(10) The provisions of this subparagraph (b) shall expire on the termination date of the 2020 Basic Agreement 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) When a motion picture is exhibited at a motion picture festival or a charitable event and an admission fee is charged, but no monies are paid to the Employer or the Employer's licensee in consideration of the use of the motion picture, no payment shall be due hereunder.

(d) 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. The following provisions shall apply to use of such a television excerpt:

(1) 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);

(C) Excerpt over two (2) minutes, $998 ($1,028 effective July 1, 2021) plus $402 ($414 effective

July 1, 2021) for each additional minute or fraction thereof.

(2) The provisions of this Paragraph 11-201 relating to the use of excerpts apply to the use after July 1, 2020 of any excerpt from a television motion picture, whenever produced.

(3) The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment, provided the company is signatory to this BA. Employer shall otherwise remain liable for the payment due.

(4) If two (2) or more Directors are entitled to share any payment, the Guild shall determine the allocation among the Directors.

11-202 Television Motion Picture Amplified or Combined

(a) If one (1) television motion picture is amplified or two (2) or more television motion pictures are combined into one (1) integrated motion picture and the same is released for theatrical exhibition, then, in that event, the additional payment due the Director or Directors shall be the sums referred to in Paragraph 11-201 above, ratably divided among them. When applicable, theatrical scale shall be computed based on the combined negative 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.

(b) Except as otherwise provided in Paragraph 11-201(b) above:

If Employer desires to combine two (2) or more complete television programs or episodes to make a new or expanded motion picture, the original Director (subject to reasonable availability) shall supervise any additional editing or be offered employment to shoot any additional footage required. The Employer shall notify the Director or Directors involved of its intent to amplify or combine the motion pictures no later than

five (5) days preceding the commencement of any required services herein. There shall be no compensation for up to one (1) week of editing supervision. Any additional editing supervision and any shooting of additional footage shall be compensated at a rate equal to the *pro rata* rate of the initial compensation paid to Director. If more than one (1) 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.

11-203 Television Motion Pictures to Which Additional Compensation Applicable

Additional compensation, as provided herein, for such theatrical release shall apply only to those television motion pictures for which principal photography is commenced on or after July 1, 2020, except as otherwise provided in Paragraph 11-201.

11-204 Time of Payment for Theatrical Release

(a) The amounts of additional compensation for theatrical exhibition of television motion pictures under Paragraph 11-201(a) shall be paid to the Director on the date the Employer releases the television motion pictures for theatrical exhibition unless payment was previously made in accordance with the provisions of Paragraph 4-110.

Subject to the provisions of Paragraph 4-110, Employer, at its option, may make any part or all of the total additional payments for theatrical exhibition provided in Paragraph 11-201(a) at the time of employment of the Director or prior to the time when the same is due.

(b) Payment for theatrical exhibition of a television motion picture or High Budget SVOD Program under Paragraph 11-201(b) shall be paid to the Director within sixty (60) days after the end

of the calendar quarter in which the "Employer's gross" is received by the Employer.

11-205 Method of Payment and Records of Theatrical Releases

All payments of additional compensation for theatrical release of television motion pictures shall be paid by the Employer by checks, payable to the order of the Directors entitled thereto, and mailed to the Guild at the address of the Guild first above written for forwarding to such Director, and such delivery to the Guild shall constitute payment to the Director. The Employer shall accompany such checks with a statement of the title of the television motion pictures and the manner and name of its use in theatrical release.

The Employer shall keep or have access to complete records showing the release or sale of television motion pictures for theatrical use. The Guild shall have the right at all reasonable times to inspect all such records.

11-206 [Deleted]

11-207 Excerpts From a Free Television Program

The use of an excerpt from a free television motion picture shall be deemed a run or foreign telecast of such television motion picture hereunder, except in the following circumstances:

(a) When used for promotional, trailer, news or review purposes; provided, however, that the length of such excerpt(s) shall not exceed five (5) minutes.

However, the maximum length of excerpts from a free television motion picture, other than a long-form television motion picture (*i.e.,* a television motion picture 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 motion picture 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 motion picture 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 this length limitation, 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 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.

(b) When used as a so-called “stock shot” (as customarily understood in the industry -- *i.e.*, shots excluding dialogue or identifiable characters).

(c) 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 (3) 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 $249.00 ($256.00 effective July 1, 2021) for each minute or portion thereof by which the recap exceeds such length limitation; and provided, further, that no such recap shall exceed (without being deemed a run or foreign telecast as set forth above) five (5) minutes.

(d) 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 program(s) from which the excerpts in the flashbacks were taken an aggregate, one-time-only sum equal to $249.00 ($256.00 effective July 1, 2021) for each minute or portion thereof by which the flashback exceeds such length limitation; and provided, further, that no such flashback shall exceed (without being deemed a run or foreign telecast as set forth above) five (5) minutes.

(e) For any use of excerpts which is not within the exceptions provided for in subparagraphs (a) - (d) above nor Paragraph 11-209 below, or if such excerpts are otherwise within subparagraphs (c) and (d) but the aggregate running time of such excerpts from a single program exceeds the maximum applicable footage lengths, 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:

(1) Ten (10) seconds or less of excerpts from such program -- $402 ($414 effective July 1, 2021); or

(2) 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

(3) 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

(4) 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 above rates.

(f) If an excerpt from a free television motion picture is used on pay television or videodiscs/videocassettes, as such terms are used in Article 20, or basic cable, such use shall be treated in the same manner as though the excerpt were used on free television.

(g) The provisions of this Paragraph 11-207 apply to the use after July 1, 2020 of an excerpt from a free television program, whenever produced.

(h) The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment required under this Paragraph provided the company is signatory to this BA. Employer shall otherwise remain liable for the payment due.

(i) 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.

(j) If an excerpt is used in a local program and the program is broadcast in no more than one (1) market, the payment for such use shall be fifty percent (50%) of the amount provided in this Paragraph 11-207. If the program is broadcast later in another market, the Director shall be paid the remaining fifty percent (50%).

(k) Notwithstanding the foregoing, no excerpt fee shall be payable to the Director of the program in which the excerpt is used if:

(1) 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;

(2) 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

(3) 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.

11-208 Motion Pictures Exhibited Without Admission Charge

If a television motion picture is exhibited other than on free television, New Media or in a supplemental market, 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 motion picture produced after July 1, 2020, 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 Section 11-200 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 Section 11-200. 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 Section 11-200. Conversely, if a theatrical release payment is made to the Director under the provisions of Section 11-200 other than under this provision, then no further sum shall be payable under this provision.

11-209 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 -- Employer will pay, for each use, to the Director(s) of the excerpted material contained in the compilation, 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 motion pictures from which the excerpts are taken. Payment pursuant to this Paragraph 11-209 relating to compilations shall not reduce or affect other payments which may become due to the Directors for use of the television motion pictures from which such excerpts are taken.

11-210 Lead-Ins

(a) 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. The term "lead-in," as used in this Paragraph 11-210, includes title sequences.

(b) In the case of a multiple times per week program, the payment specified above shall constitute payment for the week.

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

(d) Employer shall send lead-in payments to the Guild within thirty (30) days following the end of the television season during which the programs using the lead-in were initially exhibited. 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. The Guild shall forward such payments to the Director(s).

Section 11-300 GENERAL

11-301 No Director May Waive Minimum Salaries or Minimum Additional Compensation for Reruns or Theatrical Use of Television Motion Pictures

Since all minimums have been established by collective bargaining, no Employee may, in any event, agree to basic salary below the minimums set forth herein, including, without limitation, basic compensation and additional compensation for reruns or foreign telecasts, nor may he or she by agreement postpone any compensation due to him or her to a period beyond the applicable time provided in this BA.

11-302 Payment for Combined or Extended Television Motion Pictures

This Paragraph 11-302 shall apply when a previously-broadcast 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 (2) or more 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 Paragraph 11-302 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 Paragraph 11-302 shall not apply to the use of excerpts nor to "compilation" programs.

11-303 Excerpt From a Theatrical Motion Picture

Complete scenes or portions of any scenes from a theatrical motion picture may not be shown on television for purposes of advertising or exploiting the theatrical motion picture without the consent of the Guild, except that this limitation does not apply to such scenes or portion of a scene, as the case may be, which does not exceed ten (10) minutes. The foregoing shall not be deemed to prohibit the use of trailers advertising or exploiting the exhibition of the picture on television.

Notwithstanding the foregoing, in the event (a) Employer uses any excerpts from a theatrical picture in any television motion picture (other than a magazine or documentary program), including television motion pictures which consist substantially of excerpts of theatrical motion pictures, or (b) in the event Employer uses any excerpts from a theatrical motion picture, the principal photography of which commenced on or after July 1, 1984, in another theatrical motion picture, the Employer shall pay the following aggregate one-time-only sum to the Directors determined by and in the amounts prorated

and determined by the Guild: (1) thirty (30) seconds or less of excerpts - $282 ($290 effective July 1, 2021); (2) over thirty (30) seconds but not over two (2) minutes of excerpts - $805 ($829 effective July 1, 2021); (3) over two (2) minutes of excerpts - $805 ($829 effective July 1, 2021) for the first two (2) minutes and $203 ($209 effective July 1, 2021) for each minute or portion thereof in excess of two (2) minutes. In the event Employer uses any excerpts from a theatrical motion picture in any magazine or documentary program, including magazine or documentary programs which consist substantially of excerpts of theatrical motion pictures, the Employer shall pay the following aggregate one-time-only sum to the Directors determined by and in the amounts prorated and determined by the Guild: (1) thirty (30) seconds or less of excerpts - $266 ($274 effective July 1, 2021); (2) over thirty (30) seconds but not over two (2) minutes of excerpts - $761 ($784 effective July 1, 2021); (3) 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 or exhibition 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 or exhibition of excerpts for news or review purposes.

The provisions of this Paragraph 11-303 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.

The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment required under this Paragraph, provided the company is signatory to this BA. 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 11-303. If the program is broadcast later in another market, the Director shall be paid the remaining fifty percent (50%).

A one-time only fee in the amount of $2,785 ($2,869 effective July 1, 2021) is payable to the Director for the use in interactive programs, such as video games, of excerpts from a theatrical motion picture produced under this Agreement. The foregoing shall not apply when all or substantially all of the motion picture is used in the interactive program.

It is agreed that the $2,785 ($2,869 effective July 1, 2021) payment required above for use of excerpts in interactive programs does not cover payments, if any are due, for the use of excerpts on DVDs which are included with games such as "Scene-It." The parties agree that the negotiation of this new payment was not intended to affect the parties' rights and obligations with respect to uses of excerpts in other types of games and each party hereto expressly reserves its position with respect to whether payment is otherwise due for such uses under the provisions of Paragraph 11-303.

11-304 Special Work for Theatrical Release or Reruns

Salary which Employer may pay to any Director for combining or integrating existing footage, or shooting additional scenes for or re-editing television motion pictures for theatrical release, or for television reruns, shall not be a credit against the amount due for reruns or theatrical release to the Director or Directors who made the television motion pictures before adaptation. Employer may employ a Director for such purpose on a daily basis at his or her applicable daily rate as herein provided.

11-305 Reruns and Payments for Theatrical Release of Television Motion Pictures are Separate Additions to Minimum Salaries

It is understood that the additional compensation for reruns and foreign exhibition of television motion pictures and the additional

compensation for theatrical exhibition of television motion pictures constitute an addition to the salaries provided for television motion pictures.

ARTICLE 12

Pension and Health Plans

Section 12-100 GENERAL PROVISIONS

12-101 Trust Agreements

Employer and 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.

12-102 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.

12-103 Delinquent Contributions

The Employer specifically agrees to be bound by the provisions of the Trust Agreements referred to in this Section 12-100, 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.

12-104 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.

12-105 Loan-outs

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

(a) In its agreement with the loan-out company, the Employer shall separately state the compensation applicable to services covered by this BA. 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.

(b) Contributions shall be based on the amount the Employer pays the loan-out company for lending the Employee's covered services.

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

12-106 Claims Periods

(a) If, under any Basic Agreement prior to the 1990 Basic Agreement, a loan-out company, as defined therein, has failed to make the applicable pension and health and welfare contributions on behalf of the loaned-out Employee, Employer 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 Employer'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 Employer 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 Employer 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 Employer was notified of the loan-out company's failure to make the contribution.

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

(c) 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 (a) and (b) 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.

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

(e) The time limits in this Paragraph 12-106 shall be tolled to the same extent as statutes of limitations under California law.

Section 12-200 PENSION PLAN

12-201 Employer Contributions

Employer agrees to contribute to the Directors Guild of America–Producer Pension Plan, with respect to each employment of an Employee upon a theatrical or television motion picture under this BA, an amount equal to eight percent (8%)[11] (eight and one-half percent (8.5%) for such motion pictures, the principal photography of which commences on or after July 1, 2021) of the Employee's salaries earned by such Employee.[12] Such amounts shall be contributed to the Pension Plan as and when such salary is paid to such Employee. In the case of a personal service contract for a Producer-Director or other combination of a non-represented category and a DGA-represented category, there shall be a fair allocation of the total compensation for the directorial services rendered thereunder. Any dispute regarding such allocation may be submitted to arbitration for determination under the arbitration provisions herein.

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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 (1.0%) 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 BA, 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 contribution rate to the Directors Guild of America–Producer Pension Plan ("Pension Plan") or the Directors Guild of America–Producer Health Plan ("Health Plan") by giving notice thereof to the AMPTP not less than six (6) months prior to July 1, 2021 and July 1, 2022, respectively. The Guild provided notice of its election to allocate one-half percent (0.5%) to the Pension Plan effective July 1, 2021; as a result, the pension contribution rate increased by one-half percent (0.5%) effective July 1, 2021, and the increases in certain minimum salary rates and residual bases for the second year of this BA were reduced by one-half percent (0.5%). There was no allocation of the increases in the third year of this BA.

12-202 Definition of Salary

The term "salary," as used herein, means the gross salary agreed to be paid by the Employer for services of the Employees subject to this BA, including contract settlements, but shall not include:

(a) For pension contribution purposes, salaries of Directors in excess of $250,000, salaries of Unit Production Managers in excess of $200,000 and salaries of other Employees in excess of $200,000, in connection with any single theatrical motion picture; for health and welfare contribution purposes, salaries of Directors in excess of $400,000, salaries of Unit Production Managers in excess of $350,000, and salaries of other Employees in excess of $250,000, in connection with any single theatrical motion picture; (these ceilings shall also apply to a Director's salary payable under Section 11-200 for theatrical exhibition of a television motion picture).

Solely for pension purposes, but not for health or any other purpose, when a Director is entitled to compensation in excess of $250,000 for a single theatrical motion picture with an employment period commencing with preparation in one calendar year and ending with the delivery of the answer print in a subsequent calendar year, and when the Director will receive a salary of at least $150,000 in the first calendar year, the Employer shall contribute to the Pension Plans (*i.e.*, the Supplemental Plan and the Basic Plan) on the first $150,000 in salary paid to the Director in the first year and on the first $100,000 in salary paid to the Director in the immediately succeeding calendar year. With regard to contributions made in the second calendar year, a separate remittance form shall accompany said contributions and said contributions, and the Director shall receive credit in the Basic Plan as if said contributions were made to the Basic Plan.

Solely for pension purposes, but not for health or any other purpose, when a UPM or Assistant Director is entitled to compensation in excess of $200,000 for DGA-covered services on a single theatrical motion picture, the principal photography of which commences on or after July 1, 2020, with an

employment period commencing in one calendar year and ending in a subsequent calendar year, and when the UPM or Assistant Director will receive a salary of at least $50,000 in each calendar year for DGA-covered services, the Employer shall make the Employer pension contribution to the Plans (*i.e.*, the Supplemental Plan and the Basic Plan) on salary of at least $50,000 up to $150,000 paid to the UPM or Assistant Director for DGA-covered services in the first year and on the remaining salary paid to the UPM or Assistant Director for DGA-covered services, which shall be at least $50,000 in the next calendar year, and the UPM or AD shall receive credit in the Basic Plan for both years. The Employer shall complete a separate remittance form for this salary allocation. In no event shall the Employer be required to make contributions on salary amounts in excess of $200,000 for the project.

(b) A Director's salary (1) exceeding $250,000 for any one television motion picture ninety (90) minutes or longer or any one multi-part closed-end series, (2) exceeding $170,000 for any television pilot thirty (30) minutes or less, (3) exceeding $225,000 for any television pilot over thirty (30) minutes but less than ninety (90) minutes, or (4) exceeding the initial compensation actually paid for any other single television motion picture or two hundred fifty percent (250%) of applicable minimum compensation, whichever amount is greater. With respect to television motion pictures, all residual compensation shall be included until the ceiling is reached, if at all;

(c) Vacation, severance or completion of assignment pay;

(d) Penalties, allowances, distant location per diem, aircraft flight or underwater work allowances;

(e) Cost of transportation or living expenses paid to or on behalf of the Employee;

(f) Travel insurance.

12-203 Employee Contributions

Each Employee shall pay into such Pension Plan an amount equal to two and one-half percent (2½%) of salary, as computed above for the Employer's contributions, and such amount shall be deducted by the Employer from the salary of such Employee and paid directly to this Pension Plan on behalf of such Employee. The Employer shall notify the Guild in the event an Employee does not make his or her required contribution.

12-204 Loan-outs

Except as set forth in subparagraph 12-105(b) hereof, relating to loan-out companies as defined in subparagraph 17-203(e), if the Employee's services are loaned by the Employer, the amounts paid to the Employee by the Employer shall be the basis for the computation of the Employee's salary, and not the amounts received by the Employer from the borrower.

12-205 UPM/Producer

Employer shall make pension and health contributions on behalf of any Unit Production Manager who is also employed as a producer on a theatrical motion picture based on the salary paid for Unit Production Manager services, but in no event shall contributions be made on an amount less than $100,000 for the picture. However, the foregoing shall not apply to a producer/Unit Production Manager who is employed solely for the purpose of preparing budgets and/or storyboards; in that case, pension and health contributions shall be based on the total salary paid for such services.

Section 12-300 HEALTH PLAN

12-301 Employer Contributions

Employer shall pay to the Directors Guild of America–Producer Health Plan twenty-five dollars ($25.00) per full workweek or ten and one-half percent (10.5%) of the salary, as that sum is defined in Section 12-200 above, for Employees employed and paid by

Employer hereunder, whichever is the greater. Employer is to pay five dollars ($5.00) per day or ten and one-half percent (10.5%) of salary, whichever is greater, for each daily Employee employed and paid by Employer hereunder. Such payments shall be subject to the same salary ceiling limitations as provided in the pension provisions.[13]

In addition, Employer shall pay to the Directors Guild of America-Producer Health Plan fourteen and one-half percent (14.5%) of the vacation pay and Completion of Assignment Pay, as defined in Paragraphs 13-102, 13-103, 13-104, and 13-601 of this Agreement, for Unit Production Managers, Assistant Directors and Associate Directors employed hereunder.

12-302 Loan-outs

Except as set forth in subparagraph 12-105(b) hereof, relating to loan-out companies as defined in subparagraph 17-203(e), if the Employee's services are loaned by the Employer, the amounts paid to the Employee by the Employer shall be the basis for the computation of the Employee's salary, and not the amounts received by the Employer from the borrower.

12-303 Contributions Not Deemed Wages

Such contributions shall not constitute nor be deemed to be wages due to the individual Employees subject to this BA nor shall said contributions in any manner be liable for or subject to the debts, contracts, liabilities or torts of such Employees. Such contributions to the Health Plan referred to above shall be maintained in accordance with applicable provisions of law.

12-304 [Deleted]

12-305 [Deleted]

[13] See footnote 12 above.

ARTICLE 13

Minimum Salary Schedules and Working Conditions of UPMs, Assistant Directors and Associate Directors

Section 13-100 MINIMUM SALARIES

13-101 Minimum Salary Schedules and Conditions for UPMs, Assistant Directors and Associate Directors[14]

Employer agrees that the minimum salaries and conditions of employment set forth in the following Schedules and Paragraphs shall govern the employment of UPMs and Assistant Directors, likewise Associate Directors where specifically indicated. Term contracts shall be for a minimum of twenty-three (23) out of twenty-six (26) weeks or multiples thereof.

(a) Salary:

	Effective Dates		
	July 1, 2020	**July 1, 2021**	**July 1, 2022†**
Studio Workweek*			
UPM	$5,884/week	$6,031/week	$6,212/week
1st AD	$5,595/week	$5,735/week	$5,907/week
Key 2nd AD	$3,749/week	$3,843/week	$3,958/week
Second 2nd AD	$3,539/week	$3,627/week	$3,736/week
Add'l 2nd AD***	$2,154/week	$2,208/week	$2,274/week
Distant Location Workweek**			
UPM	$8,239/week	$8,445/week	$8,698/week
1st AD	$7,825/week	$8,021/week	$8,262/week
Key 2nd AD	$5,239/week	$5,370/week	$5,531/week
Second 2nd AD	$4,949/week	$5,073/week	$5,225/week
Add'l 2nd AD***	$3,021/week	$3,097/week	$3,190/week

[14] See Paragraph 24-403 for salary rates and production fees applicable to Unit Production Managers, Assistant Directors and Associate Directors employed on multi-camera prime time dramatic pilots, presentations and series.

† See text of footnote 3 on page 39.

* Studio Workweek - five (5) days (Freelance or Term)

** Distant Location Workweek - seven (7) days (Freelance or Term)

*** May not be employed unless a Key Second Assistant Director and Second Second Assistant Director or two Key Second Assistant Directors are also assigned.

(b) Production Fee:

In addition, Employer agrees to pay a production fee to all UPMs, First Assistant Directors and Key Second Assistant Directors working in conjunction with a shooting unit for all days except as specifically outlined below. Starting with commencement of principal photography or second unit photography, if separate, and continuing until completion of principal photography or second unit photography, as the case may be, the production fee shall be calculated on the basis of the weekly amounts set forth below. Production fee shall not be payable for those days on which photography is suspended or not in progress by reason of the following circumstances: (1) suspension of production for force majeure; (2) the seventh day in the Employee's workweek not worked; (3) the sixth day in the Employee's studio workweek not worked; (4) unplanned interruptions in photography of five (5) consecutive days or more; and (5) interruptions in photography 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.

	Effective Dates		
	July 1, 2020	**July 1, 2021**	**July 1, 2022**[†]
Studio Workweek*			
UPM	$1,276/week	$1,308/week	$1,347/week
1st AD	$1,038/week	$1,064/week	$1,096/week
Key 2nd AD	$ 790/week	$ 810/week	$ 834/week
Distant Location Workweek**			
UPM	$1,519/week	$1,557/week	$1,604/week
1st AD	$1,276/week	$1,308/week	$1,347/week
Key 2nd AD	$1,038/week	$1,064/week	$1,096/week

* Prorated at one-fifth (1/5) per day of the Studio Workweek production fee, including the sixth and seventh days in the Employee's workweek worked at the Employer's direction.

** Prorated at one-sixth (1/6) per day of the Distant Location Workweek production fee, including the seventh day in the Employee's workweek worked at the Employer's direction.

The production fee is not payable to any Second Second Assistant Director or Additional Second Assistant Director.

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.

(c) Daily Rate for Employees Employed on a Daily Rate:

Minimum payment shall be one-fourth (¼) of the applicable weekly studio or location rate including one-fourth (¼) of the

[†] See text of footnote 3 on page 39.

applicable production fee when payable pursuant to subparagraph 13-101(b) above.

13-102 Completion of Assignment Pay for Term Contract Assistant Directors and UPMs

(a) Any UPM or Assistant Director (excluding any Additional Second Assistant Director) employed on a twenty-three (23) out of twenty-six (26) week contract shall receive Completion of Assignment Pay in the amount of his or her salary for one (1) week for each contract term; provided, however, if the Assistant Director or UPM is not laid off and is carried on his or her salary continually and without interruption, no Completion of Assignment Pay shall accrue or be payable until he or she is laid off or until he or she is no longer carried on his or her salary, at which time Completion of Assignment Pay shall accrue and be payable and the amount due shall only be his or her salary for one week. It is further provided that if the Assistant Director or UPM is employed under a succeeding contract at not less than the salary of his or her former contract and for twenty-three (23) out of twenty-six (26) weeks, the term of which commenced immediately upon the expiration of the first contract, Completion of Assignment Pay shall not accrue and be payable until the expiration of the second of such contracts at which time Completion of Assignment Pay shall accrue and the amount due shall only be his or her salary for one (1) week. It is further provided that if the Assistant Director or UPM is laid off for four (4) weeks or more during the term of either the first or subsequent contract, the twenty-third week's pay due him or her under such contract shall offset Completion of Assignment Pay if the Assistant Director is employed under a succeeding contract.

(b) Notwithstanding the provisions of subparagraph (a) above, with respect to theatrical motion pictures, 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:

(1) unworked holiday pay is paid for Christmas and New Year's Day;

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

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

(c) The provisions of Paragraph 13-104(d) shall apply to this Paragraph 13-102.

13-103 Completion of Assignment Pay for Freelance First Assistant Directors, Freelance UPMs and Freelance Associate Directors

(a) Freelance First Assistant Directors and Freelance UPMs

All freelance First Assistant Directors and freelance UPMs, upon completion of an assignment, shall receive Completion of Assignment Pay of one (1) week's pay at their respective salary if employed two (2) or more consecutive weeks, and of two (2) and one-half days' pay if employed under two (2) weeks, except in the case of those employed on a daily basis for less than five (5) days.

In those cases in which such above-named Employees are employed on a daily basis for less than five (5) consecutive work days as a UPM continuously followed by employment on a daily basis of less than five (5) consecutive work days as a First Assistant Director, or vice versa, but aggregating five (5) or more work days of such continuous daily employment in all, the two and one-half (2½) days' Completion of Assignment Pay shall be computed on the average daily salary of the work days during such period.

(b) Freelance Associate Directors

Freelance Associate Directors employed for at least two (2) or more five-day workweeks between the commencement or resumption of employment and hiatus or layoff shall receive Completion of Assignment Pay of one (1) week's pay at their respective salary. Those not employed for two (2) five-day workweeks, but employed for five (5) or more days in the aggregate between the commencement or resumption of employment and hiatus or layoff, shall receive Completion of Assignment Pay of two and one-half (2½) days' pay at their respective salary.

(c) 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. Production fee and rest period invasion payments are not included for purposes of this computation.

If after completion of an assignment, any such above-named Employee either

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

(2) is assigned to another position (whether or not subject to this BA) at a salary not less than the minimum salary of a First Assistant Director, provided that if such subsequent assignment is to a theatrical motion picture or a television program ninety (90) minutes or longer, 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 the one (1) week or two and one-half (2½) days, as the case may be; the amount payable at that time to be not less than the amount due had such Employee completed his or her assignment in the highest

category (First Assistant Director or UPM) to which he or she was assigned.

(d) The provisions of Paragraph 13-102(b) shall apply to this Paragraph 13-103.

(e) The maximum number of completion of assignment payments required to be made by an Employer to a given Employee in any single program season is five (5) plus the final payment.

(f) The provisions of Paragraph 13-104(d) shall apply to this Paragraph 13-103.

13-104 <u>Completion of Assignment Pay for Freelance Second Assistant Directors</u>

(a) All freelance Second Assistant Directors (excluding Additional Second Assistant Directors), upon completion of an assignment, shall receive Completion of Assignment Pay of one (1) week's pay at their salary if employed for two (2) consecutive weeks or longer, and of two and one-half (2½) days if employed for less than two (2) weeks, except in the case of those employed on a daily basis for less than five (5) days. 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. Production fee and rest period invasion payments are not included for purposes of this computation.

If, however, after completion of an assignment, the Second Assistant Director either

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

(ii) is assigned to another position (whether or not subject to this BA) at a salary not less than the minimum salary of a Second Second Assistant Director, provided that if such subsequent assignment is to a theatrical motion picture

or a television program ninety (90) minutes or longer, Employer notifies the Second Assistant Director not later than ten (10) days before the end of the Second Assistant Director's then current assignment that he or she is to be assigned to another position,

no Completion of Assignment Pay accrues until completion of the final assignment and then only for the one (1) week or two and one-half (2½) days, as the case may be. The amount payable at that time shall be computed at not less than the minimum salary of a Second Assistant Director, except if there has been a permissible upgrading to a First Assistant Director or UPM in which case Completion of Assignment Pay shall be computed and paid in accordance with the following paragraphs:

(1) Second Assistant Directors -- Upgraded and Laid Off:

An eligible Second Assistant Director (as provided in Article 14) if upgraded to First Assistant Director and/or UPM (for a week or longer) and laid off after having continuously worked in one or both (as the case may be) of such upgraded positions, shall receive the applicable Completion of Assignment Pay due him or her for the highest paid category in which he or she worked. If such applicable Completion of Assignment Pay is two and one-half (2½) days in such highest paid category, he or she shall, in addition, receive two and one-half (2½) days' Completion of Assignment Pay of the next highest category in which he or she worked five (5) or more consecutive working days.

FOR EXAMPLE:

(i) An eligible Second Assistant Director employed as such for two (2) weeks is upgraded to a First Assistant Director for one (1) week; such employment is continuously followed by employment as a UPM for two (2) weeks or more and such Employee is then laid off. Such Employee would be entitled to one (1) week's

Completion of Assignment Pay as a UPM only and no Completion of Assignment Pay as a First or Second Assistant Director.

(ii) Assume Example (i) remains the same in all respects except that he or she was upgraded on February 2 to First Assistant Director for three continuous weeks. When laid off on July 2, he or she would be entitled to Completion of Assignment Pay of one (1) week as a First Assistant Director and no Completion of Assignment Pay as a Second Assistant Director.

(iii) Assume Example (i) above remains the same in all respects except that the employment as a UPM is for less than one (1) week. Such employee would be entitled to two and one-half (2½) days' Completion of Assignment Pay as a First Assistant Director and no Completion of Assignment Pay as a UPM.

(iv) Assume Example (i) above remains the same with respect to work as a Second Assistant Director but the employment as a First Assistant Director consists of less than one (1) week continuously followed by employment as a UPM for less than one (1) week (or vice versa), but such combined continuous employment aggregates one (1) complete week. Such employee would be entitled to two and one-half (2½) days' Completion of Assignment Pay computed on the average daily salary of the work days during such consecutive period of employment as a First Assistant Director and UPM (or vice versa), and two and one-half (2½) days' Completion of Assignment Pay as a Second Assistant Director.

(v) An Additional Second Assistant Director is upgraded to a Second Second Assistant Director, works as Second Second Assistant Director and is then laid off after working two (2) consecutive weeks or more as a Second Second Assistant Director. Such Employee would be entitled to one (1) week's Completion of

Assignment Pay computed on the basis of his or her salary as a Second Second Assistant Director.

(2) Second Assistant Director -- Upgrading and Downgrading

An eligible Second Assistant Director may be upgraded to First Assistant Director and/or UPM (for a week or longer) and then downgraded to a Second Assistant Director once within each successive period of four (4) months of continuous employment, commencing with the date of his or her employment as a Second Assistant Director, without payment of Completion of Assignment Pay at the time or times he or she is so downgraded. When subsequently laid off, such Second Assistant Director shall, at the time of his or her layoff, receive the applicable Completion of Assignment Pay of the highest category to which he or she had been upgraded, computed as described in subparagraph (1) above for each such upgrading but not to exceed a total of one (1) week's Completion of Assignment Pay.

FOR EXAMPLE:

(i) An eligible Second Assistant Director commences employment as a Second Assistant Director on January 2. He or she works continuously and on February 2 is upgraded to First Assistant Director. He or she works one (1) week as such and is then downgraded to a Second Assistant Director. He or she is laid off as such on July 2. He or she would be entitled to Completion of Assignment Pay of two and one-half (2½) days as a First Assistant Director and two and one-half (2½) days as a Second Assistant Director.

(ii) Assume Example (i) remains the same in all respects except that he or she was upgraded on February 2 to First Assistant Director for three (3) continuous weeks. When laid off on July 2, he or she would be entitled to Completion of Assignment Pay of one (1)

week as a First Assistant Director and no completion of assignment pay as a Second Assistant Director.

(iii) Assume Example (i) remains the same except that he or she was upgraded on February 2 to a First Assistant Director for less than one (1) week and such employment was continuously followed by employment as a UPM for less than one (1) week but such combined continuous employment aggregates one (1) complete week. He or she would be entitled to Completion of Assignment Pay of two and one-half (2½) days computed as in example (1)(iv), and Completion of Assignment Pay of two and one-half (2½) days as a Second Assistant Director.

(iv) Assume Example (i) remains the same except that on July 2 he or she is again upgraded, this time to a UPM, for one (1) week. He or she is then again downgraded to a Second Assistant Director and laid off as such on September 2. He or she would be entitled to Completion of Assignment Pay of two and one-half (2½) days as a UPM, two and one-half (2½) days as a First Assistant Director and no Completion of Assignment Pay as a Second Assistant Director.

If an eligible Second Assistant Director is so upgraded and downgraded more than once during any such four (4) month period, his or her Completion of Assignment Pay for the first such upgrading and downgrading during each four (4) month period shall be computed and paid at the date of his or her final layoff in accordance with the foregoing paragraph and examples. His or her Completion of Assignment Pay for service as a UPM or First Assistant Director during the second and each successive upgrading and downgrading in any such four (4) month period shall be paid to him or her at the respective times he or she is downgraded.

FOR EXAMPLE:

Assume Example (2)(i) above remains the same except that on March 1, he or she is upgraded again, this time to a UPM. He or she continues as such until April 1, at which time he or she is downgraded to a Second Assistant Director and continues as such until laid off on July 2. He or she would be entitled to Completion of Assignment Pay of one (1) week as a UPM on April 1. He or she would also be entitled to Completion of Assignment Pay of two and one-half (2½) days as a First Assistant Director payable when he or she was finally laid off on July 1.

(b) The provisions of Paragraph 13-102(b) shall apply to this Paragraph 13-104.

(c) The maximum number of completion of assignment payments required to be made by an Employer to a given Employee in any single program season is five (5) plus the final payment.

(d) The parties hereby clarify the Completion of Assignment Pay provisions as follows: Completion of Assignment Pay is not due when an Employee voluntarily resigns. Completion of Assignment Pay shall nevertheless be due when the Employee notifies the Employer that he or she will not return to work following a hiatus.

13-105 <u>Employment Contracts and Layoffs -- UPMs and Assistant Directors</u>

(a) UPMs and Assistant Directors, in addition to being employed on a freelance, daily or weekly basis as specified in Paragraph 13-101, may also be employed as term contract UPMs or Assistant Directors. UPMs' and Assistant Directors' term contracts shall be for a minimum period of twenty-three (23) out of twenty-six (26) weeks or multiples thereof.

(b) No layoff for a term contract UPM or term contract Assistant Director shall be for less than one (1) week at a time.

13-106 No Intent to Evade

It is not the intent of the parties to use layoffs, juggle or promiscuously interrupt the employment of First and Second Assistant Directors or UPMs, or to change the duties performed by them, for the express purpose of evading Completion of Assignment Pay or of depriving them of the benefits of this BA.

13-107 Deal Memorandum -- No Credit or Offset

Following the oral confirmation between Employer and a Freelance UPM, Assistant Director or Associate Director (or his or her agent) of the rate of compensation and the starting date for a proposed employment of the UPM, Assistant Director or Associate Director, the Employer will deliver a "deal memorandum" to the Guild and to the UPM, Assistant Director or Associate Director (or his or her agent) prior to his or her employment. Such "deal memorandum" shall set forth at least the information contained in Exhibit "C-4" or "C-5," as applicable, attached hereto. In no event is any UPM, Assistant Director or Associate Director to commence services before delivery of the "deal memorandum" to the Guild, except in cases of *bona fide* emergency. Employer may require the UPM, Assistant Director or Associate Director to sign a copy of the "deal memorandum" prior to permitting the UPM, Assistant Director or Associate Director to commence services. Overscale cannot be used to credit or offset in any manner any payments required to be made hereunder to the UPM, Assistant Director or Associate Director.

13-108 Payroll Week

The full payroll week shall be the established payroll week of the Employer from midnight Saturday until midnight Saturday.

13-109 Time of Payment

(a) Daily UPMs, Daily Assistant Directors, and Daily Associate Directors shall be paid on a daily basis as set forth in Paragraph 13-101. When such Employee is laid off and requests pay, he or she shall be paid at the time of layoff or the paycheck shall

be mailed within twenty-four (24) hours, excluding Saturday, Sunday and holidays.

(b) Weekly Employees shall be paid on the weekly basis for all full payroll weeks of employment, and on the fractional weekly basis (Paragraph 13-112) for other days of employment.

13-110 Extended Workday

(a) UPM and Additional Second Assistant Director. Any UPM or Additional Second Assistant Director who works more than sixteen (16) hours before being dismissed shall receive an additional day's salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours.

Unit Production Managers must submit claims for extended workday payments and/or dinner allowances no later than one (1) week after the UPM receives the paycheck covering the week for which the payment or allowance was due. Claims not submitted within that time period shall be waived.

(b) First Assistant Director. The following applies to the determination of First Assistant Directors' extended workday payments:

(1) The workday of a First Assistant Director working in conjunction with a shooting company is deemed to start at the general crew call and end at the time of camera wrap. When camera wrap occurs at a distant location or a "bus to" local location, actual travel time is added to the end of the workday.

(2) For other than multi-camera stage shows:

(i) A First Assistant Director whose workday as defined in subparagraph (b)(1) above is more than fourteen (14) hours but not more than sixteen (16) hours shall receive an additional one-half (½) day's salary.

(ii) In addition to any payment required by subparagraph (b)(2)(i) above, a First Assistant Director whose workday as defined in subparagraph (b)(1) above is more than sixteen (16) hours but not more than twenty (20) hours shall receive an additional one-half (½) day's salary.

(iii) In addition to any payment required by subparagraphs (b)(2)(i) and (ii) above, a First Assistant Director whose workday as defined in subparagraph (b)(1) above is more than twenty (20) hours shall receive an additional day's salary for each four (4) hour period or portion thereof by which the workday exceeds twenty (20) hours.

(3) On multi-camera stage shows, when the workday as defined in subparagraph (b)(1) above of a First Assistant Director working in conjunction with a shooting company exceeds sixteen (16) hours, such First Assistant Director shall receive an additional day's salary for each four (4) hour period or portion thereof by which the workday exceeds sixteen (16) hours.

(4) If a First Assistant Director works more than sixteen (16) hours other than in conjunction with a shooting company before being dismissed, subparagraphs (b)(1), (b)(2) and (b)(3) above do not apply, and he or she shall receive an additional day's salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours.

[15](c) Key Second Assistant Director and Second Second Assistant Director. The following applies to the determination of Key Second Assistant Directors' and Second Second Assistant Directors' extended workday payments:

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[15] See Paragraph 24-406(f) for application of this Paragraph 13-110(c) to multi-camera prime time dramatic pilots, presentations and series.

(1) The workday of a Second Assistant Director working in conjunction with a shooting company is deemed to start at the earlier of the general crew call, make-up personnel call or hairdressing personnel call. A Second Assistant Director's workday is deemed to end one-half (½) hour after camera wrap in the studio and is deemed to end one (1) hour after camera wrap at a distant location, a "bus to" local location or a "report to" local location. When camera wrap occurs at a distant location or "bus to" local location, actual travel time is added to the end of the workday.

(2) For other than multi-camera stage shows, on which only one (1) Second Assistant Director is employed, the following rules apply:

(i) At the studio or a "report to" local location, if the workday as defined in subparagraph (c)(1) above is more than thirteen (13) hours but less than sixteen (16) hours, such Second Assistant Director shall receive an additional one-half (½) day's salary.

(ii) At a distant location or a "bus to" local location, if the workday as defined in subparagraph (c)(1) above is more than fourteen (14) hours but less than sixteen (16) hours, such Second Assistant Director shall receive an additional one-half (½) day's salary.

(iii) In addition to any payment required by subparagraphs (c)(2)(i) or (ii) above, if such Second Assistant Director's workday as defined in subparagraph (c)(1) above exceeds sixteen (16) hours, such Second Assistant Director shall receive an additional day's salary for each four (4) hour period or portion thereof by which the workday exceeds sixteen (16) hours.

(3) For shooting units on which more than one (1) Second Assistant Director is employed, any Second Assistant Director whose workday as defined in subparagraph (c)(1) above exceeds sixteen (16) hours shall receive an additional day's salary for each four (4) hour period or portion thereof by which the workday exceeds sixteen (16) hours.

(4) Notwithstanding the foregoing provisions of this subparagraph (c), if more than one Second Assistant Director is employed, the Employer may stagger the hours worked of any or all Second Assistant Directors to avoid extended workday payments as long as there is a Key Second Assistant Director or a Second Second Assistant Director present at the start and at the end of the workday as defined in subparagraph (c)(1) above. If an Employer chooses to stagger the work shifts of Second Assistant Directors, such Second Assistant Directors' workdays shall be the actual time worked (including meal periods). In that event, only such Second Assistant Directors whose actual time worked exceeds sixteen (16) hours shall receive an additional day's salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours; provided that in calculating the actual time worked, no Second Assistant Director's start time shall be earlier than the start of the workday described in subparagraph (c)(1) above and no Second Assistant Director's end time shall be later than the end of the workday described in subparagraph (c)(1) above.

For example, on a day at the studio, the makeup/hair dressing personnel call is 4:00 a.m.; the general crew call is 7:00 a.m. and camera wrap is at 9:00 p.m. The workday, as defined in subparagraph (c)(1) above, is from 4:00 a.m. to 9:30 p.m. If a Key Second Assistant Director and a Second Second Assistant Director are employed, the Employer may assign the Second Second Assistant Director to come in at 4:00 a.m. and the Key Second Assistant Director to come in at 8:00 a.m. If the

Employer releases the Second Second Assistant Director at 4:00 p.m. and the Key Second Assistant Director remains until after camera wrap, the Second Second Director's workday would be from 4:00 a.m. to 4:00 p.m. and the Key Second Assistant Director's workday would be from 8:00 a.m. to 9:30 p.m. No extended workday pay would be due to either Second Assistant Director under this example.

(5) On multi-camera stage shows, when the workday as defined in subparagraph (c)(1) above of a Second Assistant Director working in conjunction with a shooting company exceeds sixteen (16) hours, such Second Assistant Director shall receive an additional day's salary for each four (4) hour period or portion thereof by which the workday exceeds sixteen (16) hours.

(6) If a Second Assistant Director works more than sixteen (16) hours other than in conjunction with a shooting company before being dismissed, subparagraphs (c)(1), (c)(2), (c)(3), (c)(4) and (c)(5) do not apply, and he or she shall receive an additional day's salary for each four (4) hour period or portion thereof worked beyond sixteen (16) hours.

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

(1) For Employees Who Report Within the Thirty (30) Mile Zone

When an employee (other than a Unit Production Manager) reports for work within the thirty (30) mile "report-to" zone in the New York metropolitan area as described in Paragraph 13-117, the employee's workday shall commence at general crew call or the make-up and hairdressing personnel call, whichever is applicable, at the location.

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

When an employee reports to work at a location which is outside the 30-mile report-to zone in the New York metropolitan area as described in Paragraph 13-117, other than a distant (overnight) location, such location shall be considered a "bus to" local location for purposes of determining the employee's extended work day. The workday of an employee (other than a Unit Production Manager) 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 this Paragraph 13-110 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 this Paragraph 13-110, based upon the workday starting at the time provided in the preceding paragraph and ending as provided in this Paragraph 13-110.

(e) Rate of Pay. As used in this Paragraph 13-110, a day's salary shall be in all cases one-fifth (1/5) the studio workweek rate, and all extended workday payments shall be excluded from all other computations.

(f) Meal Period. The meal period is included within the workday in all cases.

(g) No Compounding. The parties confirm that extended workday payments and payments for work starting on the previous day and continuing past 1:00 a.m. of the sixth or seventh day worked in an employee's workweek (as provided in Paragraphs 13-111 and 13-112) are not compounded. The Employer is instead obligated to pay the higher of the two payments.

13-111 Call for Daily UPM, Assistant Director and Associate Director

A Daily UPM, a Daily Assistant Director or a Daily Associate Director 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 UPM, a Daily Assistant Director, or a Daily Associate Director 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 UPM, Daily Assistant Director, or Daily Associate Director 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 UPM, Daily Assistant Director or Daily Associate Director 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.

13-112 Workweek, Partial Workweek, Prorating of Fractional Payroll Weeks, Work on the Sixth and Seventh Days in the Employee's Workweek and Shifts in the Employee's Workweek

(a) Studio Workweek: A full "studio workweek" for weekly Employees shall consist of seven (7) days with the sixth and seventh days as the regular days off at the "studio workweek rate" set forth in Paragraph 13-101 above. If a weekly UPM, weekly Assistant Director or weekly Associate Director is specifically instructed and required by Employer to perform work on six (6) days at a studio or a local location or on seven (7) days, under the direction and control of Employer, then such weekly Employee shall be compensated at the applicable following rate:

(1) For each sixth day worked in an Employee's studio workweek, Employee shall be paid one hundred fifty percent (150%) of: (i) his or her actual gross daily salary, in the case of daily employees; or (ii) one-fifth (1/5) of his or her actual gross weekly salary, in the case of weekly employees.

(2) For each seventh day worked in an Employee's workweek, Employee shall be paid two hundred percent (200%) of: (i) his or her actual gross daily salary, in the case of daily employees; or (ii) one-fifth (1/5) of his or her actual gross weekly salary, in the case of weekly employees.

(3) The production fee, if applicable, shall be included in the calculation of *pro rata* compensation for the purpose of calculating pay for the sixth day worked in an Employee's studio workweek or pay for the seventh day worked in an Employee's workweek or holiday pay.

The above provisions shall apply to any weekly UPM, Assistant Director or Associate Director, who, having commenced work on the previous day, continues to work past 1:00 a.m. on such sixth day worked in the Employee's studio

workweek or seventh day worked in the Employee's workweek, as the case may be, and worked at least fourteen (14) hours, including meal periods, before being dismissed on such sixth or seventh day worked, unless such Employee receives a thirty-three (33) hour rest period for one (1) day off or a fifty (50) hour rest period for two (2) days off.

Likewise, the above provisions shall apply to any daily Unit Production Manager, Assistant Director or Associate Director, who, having commenced work on the previous day, continues to work past 1:00 a.m. on such sixth day worked in the Employee's studio workweek or seventh day worked in the Employee's workweek, as the case may be, and works at least fourteen (14) hours, including meal periods, before being dismissed on such sixth or seventh day worked, unless the Employee is also employed on the first day of the workweek following the week in which the Employee worked into the sixth or seventh day and the Employee receives a thirty-three (33) hour rest period for one (1) day off or a fifty (50) hour rest period for two (2) days off.

In any event, UPMs, Assistant Directors, and Associate Directors who do not so work past 1:00 a.m. on such sixth or seventh day worked shall not be deemed to have worked on such day by reason of work between midnight and 1:00 a.m. of that day.

For the purpose of determining an Employee's premium pay for a sixth or seventh day worked, an unworked holiday shall count as a day worked.

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 that designated day off.

(b) Distant Location Workweek: A full "distant location workweek" for weekly Employees shall consist of seven (7) consecutive distant location days, with the seventh day as the regular day off at the "distant location workweek rate" provided in Paragraph 13-101 above. Said distant location workweek rate is computed at seven-fifths (7/5) of the minimum studio workweek rate, and such payment shall include the sixth day in the Employee's workweek worked on distant location. If Employee is instructed and required by Employer to perform work at a distant location on seven (7) days in his/her workweek, under the direction and control of the Employer, then such Employee shall be paid for such seventh day worked 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.

(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 Employer 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) The initial workweek of employment shall begin on a day designated in the Employee's deal memo. If no such day is designated in the deal memo, the initial workweek shall be deemed to begin on Monday.

(f) 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 Employer 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 Employer 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 Employer shall pay the appropriate premium for the sixth and/or seventh day worked in the workweek. In no case may the Employer shift the workweek to avoid paying for an unworked holiday.

(g) The AMPTP confirms that its existing contracts with the IATSE and SAG-AFTRA provide for premium payments on the sixth and seventh days worked in a workweek as defined

herein. If the AMPTP eliminates such premium payments during the life of this Agreement, DGA may notify the AMPTP that it wishes to bargain concerning the workweek. The parties agree to commence negotiations within thirty (30) days thereafter. If no agreement is reached within sixty (60) days after bargaining has commenced, DGA may terminate this Agreement.

13-113 Holidays -- Assistant Directors, UPMs and Associate Directors

(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:

(1) 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).

(2) 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 seventh day in the Employee's workweek worked on distant location).

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

(e) If the Employer in its 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.

13-114 Distant Location Days

UPMs and Assistant Directors shall receive, in addition to their current distant location rate, a distant location incidental allowance of $22.00 ($23.00 effective July 1, 2021) per day. The incidental allowance is payable at the same time and in the same manner as the per diem allowance.

13-115 Unworked Holidays - Assistant Directors, UPMs and Associate Directors

(a) Daily Employees: Daily UPMs, Assistant Directors and Associate Directors shall receive as compensation for unworked holidays 3.719% (4% effective January 1, 2022) 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 Employees' annual holiday compensation, computed as above.

(b) Weekly Employees (excluding Contract Assistants and UPMs): 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% (4% effective January 1, 2022) of such Employee's accumulated weekly earnings within the same period. The Employee shall be paid the amount by which such 3.719% computation (4% computation effective January 1, 2022) exceeds the amount of unworked holiday pay such Employee has received for such period.

The foregoing shall be subject to the following provisions:

(1) 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's 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.

(2) Vacation pay and Completion of Assignment Pay shall be excluded from the 3.719% computation (4% computation effective January 1, 2022).

(3) 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.

(4) The 3.719% computation (4% computation effective January 1, 2022) shall not be applicable to any Employee hereunder for any calendar year in which he or she is paid for nine (9) recognized holidays.

(5) It is agreed that as to an Employer producing a motion picture under a separate corporate set-up and not

intended to be a continuous producing company, a Freelance Assistant Director, UPM or Associate Director shall receive with his or her closing check, as compensation for unworked holidays, 3.719% (4% effective January 1, 2022) of his or her salary as provided in such subparagraph 13-115(b), subject to an offset of any unworked holiday pay such Employee has received for such period.

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

(c) See the provisions of Sideletter No. 21 of this Agreement for unworked holiday provisions applicable to pilots and new one-hour series.

13-116 Rest Period

Any UPM, Assistant Director, or Associate Director 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 Second Assistant Director, the rest period ends at the earlier of the first make-up call or the general crew call.

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.

(b) 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 UPM, Assistant Director or Associate Director working in conjunction with the shooting unit shall be entitled to additional payment based on the following formula:

(1) 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's salary for each hour that such rest period is less than nine (9) hours.

(2) 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's 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 the actual hours of rest given to Employee during the forced call.

(c) If such shooting unit has more than one UPM or more than one First Assistant Director or more than one Second Assistant Director, 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.

FOR EXAMPLE:

(Assume a studio location and a First Assistant Director)

	Shooting Day 1	**Shooting Day 2**	**Shooting Day 3**	**Shooting Day 4**
Shooting Call	8:00 p.m.	1:00 p.m.	9:00 a.m.	8:00 a.m.
(1 Hr. Prior)		12:00 noon	8:00 a.m.	7:00 a.m.
Company Wrap	3:00 a.m.	3:00 a.m.	8:00 p.m.	
(1 Hr. Later)	4:00 a.m.	4:00 a.m.	9:00 p.m.	

Example A: Rest period from 4:00 a.m. on Shooting Day 1 until 12:00 noon on Shooting Day 2 = 8 hours; invasion = 1 hour; Invasion Payment: One-quarter (¼) day's salary. (Rest period here is more than four and one-half (4½) hours, but less than nine (9) hours, so apply subparagraph (b)(1) above).

Example B: Rest period from 4:00 a.m. on Shooting Day 2 until 8:00 a.m. on Shooting Day 3 = 4 hours; invasion payment from 8:00 a.m. on Shooting Day 3 (the end of the rest period) until 9:00 p.m. on Shooting Day 3 (when the next full nine (9) hour rest period commences) = thirteen (13) hours; (*i.e.*, thirteen (13) quarter day's salary).

(Rest period here is less than four and one-half (4½) hours, so apply subparagraph (b)(2) above.)

Example C: Rest period from 9:00 p.m. on Shooting Day 3 until 7:00 a.m. on Shooting Day 4 = ten (10) hours; no rest period invasion.

(d) When an employee reports to work at a location which is outside the thirty (30) mile zone in the New York metropolitan area as described in Paragraph 13-117, such location shall be considered a "nearby location" (*i.e.,* a location other than a distant location which is outside the thirty (30) mile "report to" zone) for purposes of determining the employee's rest period.

13-117 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.

13-118 Wrap Supervision Allowance

Employer shall pay an allowance of $57.00 ($59.00 effective July 1, 2021) per day to the Second Assistant Director responsible for supervising wrap on a local location, a distant location, or in the studio when "loading out" to a local location or a distant location the following day. It is understood that the Employer's obligations under this provision shall not exceed one (1) such payment per production

day. The wrap supervision allowance shall be paid on series covered by Sideletter No. 21. The allowance shall be excluded from all other computations and shall not be subject to pension and health contributions.

Section 13-200 WORKING CONDITIONS

13-201 Weather Permitting Call

There shall be no weather permitting calls.

13-202 Employment Conditions[16]

(a) Assistant Directors. A First Assistant and Second Assistant Director shall be employed on each motion picture and television motion picture including, without limitation, trailers, talent tests and promos, non-theatricals, industrials and documentaries, westerns, serials and shorts, except as provided below. When a second accredited Director is assigned to a second unit, a First Assistant Director (or Second Assistant Director at the pay of a First Assistant Director in connection with such assignment) must be assigned to such second unit. If a First Assistant Director or anyone other than the accredited Director is assigned to direct the second unit, then a Second Assistant Director (or, at the option of the Employer, a First Assistant Director) must be assigned at the rate of pay of a First Assistant Director. A First Assistant Director and a Second Assistant Director must be assigned to all second units on which twenty (20) or more persons are employed to be photographed. The Employer shall not be required to employ a Second Assistant Director for trailers, talent tests or promos unless twenty (20) or more persons are employed to be photographed. The Employer shall not be required to employ a First Assistant Director for trailers and talent tests or promos unless there are more than eight (8) persons, excluding the

[16] See Paragraph 24-401 for staffing provisions applicable to multi-camera prime time dramatic pilots, presentations or series.

Director, employed by Employer for the particular production unit during such day.

An Additional Second Assistant Director shall not be employed on a production (including preparation therefor) unless one (1) Key Second Assistant Director and one (1) Second Second Assistant Director or two (2) Key Second Assistant Directors are also employed on the production. Additional Second Assistant Directors are not entitled to receive guaranteed preparation time, production fees or Completion of Assignment Pay.

(b) Request for Another Second Assistant Director. If the UPM or First Assistant Director determines that another Second Assistant Director is needed, he or she shall so recommend and the Employer will not unreasonably withhold its approval.

(c) Unit Production Managers. A UPM may be assigned to work concurrently on one or more productions, whether theatrical and/or television. A UPM shall be assigned to each feature motion picture and each television program or series except under the following conditions:

(1) Employer may assign the duties of a UPM on no more than one theatrical motion picture or television program or series of programs at a time to each staff production executive in its employ (regardless of such executive's title) who actually performs the UPM functions, provided that Pension and Health contributions are made on behalf of each such staff production executive to the Pension Plan and the Health Plan as provided herein. Such contributions shall be based on the actual salary of the UPM for the time that the staff production executive performs the duties of a UPM. Each production executive performing UPM functions must be on the Qualification List, unless such executive was “qualified” under the 1978 Basic Agreement. The Employer shall send the Guild a list of such "qualified" executives.

(2) When a picture is shooting predominantly in a studio or on a studio ranch with limited cast and sets under such circumstances that the First Assistant can function on the set to assist the Director and still discharge the off-the-set duties without assigning the same to persons not Employees, or when such duties may be performed in accordance with the provisions of Article 1 hereof by other persons who are qualified staff production executives.

(3) Employer may request from the Guild a waiver regarding the staffing of a UPM in any other instance when such staffing does not appear warranted. If the Guild fails to respond to the Employer's request for waiver within five (5) days after receipt by the Guild, the Employer may proceed as though a waiver had been given.

When no UPM is assigned to a production, the functions of a UPM shall be deemed included as part of the work of the First Assistant Director. Such UPM/First Assistant Director shall be paid no less than one hundred twenty-five percent (125%) of the applicable minimum compensation (including production fee when applicable) for a UPM.

When both UPMs and Assistant Directors are employed by an Employer, or when a UPM is occasionally employed on individual productions, the functions of the UPM relate substantially but not entirely to business functions, and those of Assistant Directors relate substantially but not entirely to functions more directly under or with the Director.

(d) Unit Production Managers, multi-camera film. The following shall apply to the assignment of Unit Production Managers on multi-camera sitcoms:

(1) Combination UPM/First Assistant Directors shall not be employed on multi-camera sitcoms.

(2) Subject to subparagraph (d)(1) above, a UPM and a First Assistant Director will be assigned to each multi-camera sitcom.

(3) The UPM shall be assigned no later than fifteen (15) days prior to the first day of camera blocking on the first episode of the first season of a series. For returning series, the UPM shall be assigned no later than thirteen (13) days prior to the first day of camera blocking on the first episode of each season. For pilots, the UPM shall be assigned no later than eight (8) days prior to the first day of camera blocking. On presentations 16-30 minutes in length, the UPM shall be assigned no later than five (5) days prior to the first day of camera blocking.

(4) Prior to the assignment of the UPM as provided in subparagraph (d)(3) above, the Employer may assign a staff production executive (regardless of Qualification List status) to prepare one or more projects.

(e) Trainees. Trainees shall not be subject to any of the provisions of this BA other than Section 14-100 and those provisions referred to in Paragraph 14-102.

13-203 Reporting of Hospitalization

When a UPM, Assistant Director, or Associate Director, while employed, requires hospitalization, the nature and place of hospitalization shall be reported to the Guild as soon as practicable.

13-204 Employees in the Armed Services

Recognizing the moral and legal responsibility to the Employees subject to this BA who have entered into the Armed Services, the Employer and the Guild agree that they have a joint responsibility (subject to the then-existing statutes) in the reinstatement of such Employees to the jobs such Employees held prior to their entry into the Armed Services.

13-205 Pay Adjustment for Work in Higher Classifications

(a) When a UPM or a First or Second Assistant Director is assigned as a Second Unit Director, or as a Director for one (1) complete day or longer, but fewer than five (5) consecutive working days (consisting of shooting days he or she directs and applicable preparation days, as provided in Paragraph 4-102), he or she shall be adjusted to the Director's minimum daily rate for the number of such working days; provided, however, if such Employee is so assigned for five (5) consecutive working days or more, he or she shall be adjusted to the Director's minimum weekly rate.

(b) When a Second Assistant Director is assigned (as provided in Article 14) as a First Assistant Director or a UPM, he or she shall be increased during the time he performs in such capacity to not less than the respective daily or weekly rate for First Assistant Directors or UPMs, as the case may be, specified in the Minimum Salary Schedule set forth in Paragraph 13-101, except when relieving the First Assistant or UPM from time to time for periods of less than one day.

(c) In the event a Second Assistant on a second unit takes the place of a First Assistant who has been elevated (and adjusted for shooting and preparation days as above provided) then, unless there is another First Assistant on the unit, such Second Assistant, in addition to being adjusted to First Assistant rate for the shooting day or days on which he or she performs as a First Assistant, as above provided, shall also be adjusted for one preparation day only, as a First Assistant.

13-206 Notice of Termination[17]

(a) An Assistant Director, UPM or Associate Director not personally notified that he or she is being taken off payroll by 4:00 p.m. on any work day (excluding holidays or the sixth or

[17] See Paragraph 24-406(d), (e) and (f) for application of this Paragraph 13-206 to multi-camera prime time dramatic pilots, presentations and series.

seventh day in the Employee's workweek) shall be considered as having been called to work on the following work day. In any event, such notification shall be given at the earliest time reasonably possible.

(b) If a UPM, First Assistant Director, Second Assistant Director or Associate Director is taken off payroll prior to the completion of production of any television or theatrical motion picture to which he or she has been assigned, the Employer shall provide the Guild, upon its request, in writing, the reasons for such removal from the Employer's payroll.

(c) The obligation of the Employer upon entering into an agreement for the employment of a UPM, Assistant Director or Associate Director to furnish employment during "guaranteed" periods of employment shall be wholly satisfied by the payment of the agreed salaries for the applicable minimum period. The provisions of Paragraph 6-105 of this BA shall apply to UPMs, First and Second Assistant Directors and Associate Directors.

(d) A Unit Production Manager, First Assistant Director or Key Second Assistant Director who is replaced without good cause after completing work on at least: (i) fifty percent (50%) of the episodes in a single television series order, excluding options, of thirteen (13) episodes or more; or (ii) fifty percent (50%) of the days of principal photography on a long-form television motion picture ninety (90) minutes or longer or theatrical film, shall be paid three (3) weeks' Completion of Assignment Pay in lieu of any Completion of Assignment Pay required under Paragraphs 13-102, 13-103 and 13-104. In the event that the Employer employs two (2) "alternating" First Assistant Directors on an episodic television series, and replaces such alternating First Assistant Director(s) without good cause, such Employee(s) shall receive the payment provided in this subparagraph (d) if:

(1) 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

(2) 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.

(e) This subparagraph (e) applies to Assistant Directors and Unit Production 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 this Agreement, 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. 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 subparagraph (e).

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

13-207 Jurisdictional Disputes -- Assistant Directors, UPMs and Associate Directors

The Guild agrees to cooperate in good faith with the Employer and other local unions in the industry in working out a method for the determination of jurisdictional disputes without work stoppages.

13-208 Duties of Assistant Directors and UPMs

(a) No one shall perform the customary and usual duties of a Second Assistant Director except a UPM (to the extent that such interchange is permissible under this BA) or a First or Second Assistant Director.

(b) No one shall perform the customary and usual duties of a First Assistant Director other than a Second Assistant Director who is qualified hereunder for interchange, a First Assistant Director or a UPM (to the extent that such interchange is permitted by the terms of this BA).

(c) No one shall perform the customary and usual duties of a UPM other than a UPM, First Assistant Director or a Second Assistant Director except as specifically provided in this BA.

13-209 Screen Credit for Assistant Directors and UPMs[18]

Employer shall accord credit in a "prominent place" on all positive prints of each feature or television motion picture, photography of which commences during the term hereof except as provided below,

[18] See Paragraph 24-406(c) for screen credit provisions applicable to multi-camera prime time dramatic pilots and series.

to the UPM, First Assistant Director and Key Second Assistant Director rendering their services for the production.

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 Director of Photography, the Art Director and the Film Editor.

The order of the names on such card or such crawl shall be UPM in the first position, First Assistant Director in the second position and Second Assistant Director in the third position and each of such names on the card or crawl shall be of the same size and style of type.

On a motion picture photographed in whole or in part in a foreign country on which Employer employs both UPMs and/or Assistant Directors subject to this BA and UPMs and/or Assistant Directors not subject to this BA, if either the UPM, First Assistant Director or Key Second Assistant Director subject to this BA works on such a production less than fifty percent (50%) of the shooting days, he or she will receive screen credit, either on a card immediately following the credit accorded to the foreign UPM, First Assistant Director or Key Second Assistant Director, as the case may be, or with the credits for the U.S. crew.

Any episodes produced hereunder of any television series, either new or continuing, shall conform to this Paragraph 13-209 for all seasons subsequent to those which started prior to July 1, 2017. This Paragraph 13-209 shall not be applicable to any theatrical or television motion picture whose titles were completed before or are in work on July 1, 2017.

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

In the event of a dispute as to the persons to be accorded credit or the manner of according credit, the matter shall be submitted to the Guild for determination.

13-210 Aircraft Flight Allowance

A First or Second Assistant Director required to and performing his or her regular assigned duties, as such, while flying in an aircraft in connection with a picture actually being photographed in such flight shall receive an allowance of $180.00 ($185.00 effective July 1, 2021) for each such flight. The Guild will cooperate with Employer to avoid payments for unreasonable claims -- *e.g.*, claims for separate payments in the course of one assignment for each time an aircraft makes a landing.

13-211 Underwater Work Allowance

The following allowance shall be paid when the work described below is done by First and Second Assistant Directors at the direction of the Employer: diving, in diving mask, air helmet, diving suit or artificial air helmet, in water ten (10) feet or more in depth, or descending in a submarine, an allowance of $180.00 ($185.00 effective July 1, 2021) per dive or descent. The Guild will cooperate with Employer to avoid payments for unreasonable claims -- *e.g.*, claims for separate payments in the course of one assignment for each time a diver surfaces.

13-212 Overscale Pay and Allowances

That portion of a First Assistant Director's or Second Assistant Director's salary paid in excess of the scheduled minimum salary rate for such First or Second Assistant Director may not be offset against aircraft flight and underwater work allowances.

13-213 Clothing for Hazardous Work

Employer shall provide each Employee with suitable clothing while he or she is performing work in abnormally cold or wet conditions.

13-214 Travel to Distant Location and Insurance

(a) 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.

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

(c) 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.

(d) All transportation to and from distant locations by means other than air travel, and meals and accommodations while on distant locations, for Unit Production Managers, Assistant Directors and Associate Directors shall be first class or the best obtainable if first class transportation, meals and accommodations are not available where and at the time required by the Employer.

(e) Employees shall not be required to drive Transportation vehicles nor use their vehicles for the purpose of transportation of talent, crew or equipment. Whenever Employees furnish their own transportation at the Employer's request, Employer shall pay mileage expense at the rate of thirty cents ($.30) per mile. If the Employer in the I.A.T.S.E. Basic Agreement hereafter increases the mileage expense rate, the same rate shall be deemed included hereunder.

(f) The provisions of Paragraph 9-103 shall apply to UPMs, Assistant Directors and Associate Directors.

(g) With respect to motion pictures produced in the Los Angeles area, Employees may be required to report, without any payment for mileage, to any point within the thirty (30) mile Los Angeles zone which is within a ten (10) mile radius designated by the Employer. Such designation shall be made no later than the start of the production in the case of a pilot, television motion picture more than one (1) hour in length, or theatrical motion picture or, in the case of a half-hour or one-hour television series, no later than the start of each season's production.

(h) The following areas shall be treated as within the thirty (30) mile Los Angeles zone: Agua Dulce, Castaic (including Lake Castaic), Leo Carillo State Beach, Moorpark, Ontario International Airport, Piru and Pomona (including the Los Angeles County Fairgrounds).

13-215 Meal Period

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

13-216 Dinner Allowance

Except on distant location, if a UPM, Assistant Director or Associate Director starts work on or before 9:00 a.m. and works after 7:30 p.m., he or she shall be paid a dinner allowance of $30.00 ($31.00 effective July 1, 2021) unless the Employer furnishes a dinner which starts no later than 9:00 p.m.

13-217 Casual Reassignment

Taking Assistant Directors off television motion picture shooting companies on the last day or two and substituting others is undesirable and shall not be done except in exceptional circumstances.

13-218 Production Reports, Call Sheets, and One Line Schedules

Employer shall make production reports available for inspection by the Guild upon the Guild's request. Employer shall make call sheets and one line schedules available for inspection by the Guild upon the Guild's request in connection with program audits.

13-219 Budget Disclosure

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

13-220 Offices

With respect to productions located at the studio:

(a) Employer shall use reasonable efforts to provide a private office, with desk and telephone, at the studio for the Unit Production Manager.

(b) Employer shall also use reasonable efforts to provide a private office, with desk(s) and telephone(s), at the studio to be shared by Assistant Directors.

13-221 Scenes from the Set or Location of a DGA-Covered Non-Dramatic Program - Other Employees

When a television or theatrical motion picture shoots one or more scenes on the set or location of a non-dramatic program produced under another DGA collective bargaining agreement, the Employer shall have no obligation to retain the services of any Employee employed on the non-dramatic television program.

Section 13-300 PREPARATION TIME[19]

13-301 Freelance or contract First and Second Assistant Directors shall be guaranteed preparation time not less than set forth in the following schedule:

Type and/or Length of Motion Picture	**Guaranteed Preparation* Days Per Motion Picture**	
	First Assistant Director	**Second Assistant Director**
****Television Motion Picture**		
15 minutes or less in length	1½ days	—
16 - 30 minutes	3 days	1 day (2 days for pilot or first episode of series)
31 - 60 minutes	6 days	2 days (3 days for pilot or first episode of series)
61 - 90 minutes	10 days	5 days
91 - 180 minutes	15 days	7 days
THEATRICAL		
Features	15 days	7 days
Shorts	2 days	1 day

* A replacement UPM or First Assistant Director is guaranteed five (5) days of preparation and a replacement Second Assistant Director is guaranteed two (2) days of preparation for a theatrical motion picture and a television motion picture ninety (90) minutes or longer. The foregoing sentence does not apply if the replacement UPM or Assistant Director was already assigned to the motion picture.

[19] See Paragraph 24-404 for prep time provisions applicable to multi-camera prime time dramatic pilots, presentations or series.

** Provided, however, that in the event a television motion picture or mini-series which is shot consecutively has a running time in excess of three (3) hours, then additional preparation time shall be allowed as follows:

(a) First Assistant Director: Two (2) days of preparation time shall be added for each hour of running time in excess of three (3) hours up to a maximum of ten (10) hours; and if the running time exceeds ten (10) hours, then one (1) day of preparation time shall be added for each hour of running time in excess of ten (10).

(b) Second Assistant Director: One (1) additional day of preparation for each hour of running time in excess of three (3) hours to a maximum of ten (10) hours of running time.

Preparation time, when applicable, shall be guaranteed only to the first-assigned First Assistant Director and the first-assigned Second Assistant Director, as the case may be, on any such motion picture, subject to the provision following the first asterisk above.

13-302 The amount of preparation, if any, granted for second units (except as provided below and in Paragraph 13-205) or "bridging" of any nature, or for the type of service referred to in Paragraph 4-105, shall be at the Employer's discretion.

A First Assistant Director on a second unit shall receive preparation time when the cast (excluding extras) and crew number twenty (20) or more or whenever stunts are to be performed. The preparation time shall be one (1) day for one (1) or two (2) days of shooting, and two (2) days for three (3) or more days of shooting. However, such First Assistant Director preparation requirement does not apply to any unplanned units, emergencies or when preparation time is not needed because the First Assistant Director assigned to the second unit work has been working on the production in a Guild capacity covered by the terms of this BA.

13-303 Preparation time shall be actually worked except when it is not possible or in case of an emergency. In each such case, the Guild shall be notified in detail as soon as possible, and an allowance equal to the preparation time provided hereunder shall be paid within one (1) week to the Assistant Director involved. However, in the event two (2) First Assistant Directors and one (1) Second Assistant Director (or their substitutes) are assigned as the regular staff to a television series which is in continuous production, and such First Assistant Directors are assigned on alternate programs, it shall be deemed to be "not possible" for such Second Assistant Director to actually work his or her preparation time, and an allowance equal to the preparation time provided hereunder shall be paid to the Second Assistant Director involved on or before the next regular pay day following the pay week in which it is earned. In the event such Second Assistant Director remains assigned to the same television series and on payroll, without working on any other project during a production hiatus of such television series, such time he or she remains on the payroll during such hiatus shall be deemed preparation time, to the extent of two (2) days per week, or the next succeeding programs of such television series up to a maximum of four (4) such programs.

If a Key Second Assistant Director and Second Second Assistant Director or two (2) Key Second Assistant Directors are employed on an episodic television motion picture for at least two (2) days, neither shall receive payment for unworked preparation time.

13-304 When the aggregate of the preparation days ends in a half-day, such half-days shall be treated as a full day.

13-305 **Rehearsal Days**

Rehearsal days shall be considered actual shooting days subject to the following:

(a) In instances when no one other than cast is used, rehearsal days shall be considered preparation, and not shooting days.

(b) For any rehearsal day that two (2) or more Assistant Directors are employed on a television motion picture, such day shall be considered a preparation day and not a shooting day.

13-306 Order of Assignment

It is understood that the order of assignment of Assistant Directors to photography or preparation shall be in the Employer's discretion.

13-307 Waivers (For Television Motion Pictures)

It is agreed that the Guild will consider Employer's request for special waivers to modify such above preparation time requirement for Assistant Directors. In such case, Employer shall request such waiver in advance of actual production and give pertinent facts with respect to the nature of the production. The Guild will act promptly upon such requests and, in the event it is found by the parties that the production does not reasonably require such preparation time, a waiver will be granted. Any waiver shall not constitute a precedent for other Employers or other television motion pictures or series of the same Employer; it being understood that each individual request for such waiver is to be considered on its own merits and particular circumstances.

13-308 Preparing the Script

No UPM or Assistant Director shall be required to prepare a script, written budget or written analysis unless he or she is on salary.

Section 13-400 GUARANTEED WRAP

13-401 UPMs on theatrical motion pictures, or television motion pictures sixty-one (61) minutes or longer, or the final episode of an episodic series, or on any pilot one (1) hour or longer are guaranteed five (5) days of wrap if that time is actually worked, and in the case of a pilot of less than sixty (60) minutes three (3) days of wrap if that time is actually worked. Wrap time for pilot programs does not apply to *de facto* pilots.

Section 13-500 CONTRACT EMPLOYEES

13-501 Except as herein otherwise provided, the minimums and working conditions provided herein for Assistant Directors, UPMs and Associate Directors shall be applicable to contract Assistant Directors, UPMs and Associate Directors.

Section 13-600 VACATIONS -- ASSISTANT DIRECTORS, UNIT PRODUCTION MANAGERS AND ASSOCIATE DIRECTORS

13-601 Except as otherwise provided in Sideletter No. 21 of this Agreement, each Assistant Director, UPM and Associate Director shall receive earned vacation pay at a rate of four percent (4%) of his or her salary upon layoff, dismissal or following a one-year period from the anniversary date of employment, whichever is the earliest.

Section 13-700 ADDRESS VERIFICATION FOR LOCAL HIRES ON DISTANT LOCATION

13-701 Employer shall obtain verification from an individual 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 have been placed on a Qualifications List. 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 subparagraph (b) is agreed subject to review by outside counsel for compliance with applicable state and federal law.

ARTICLE 14

Trainee Programs, Qualification Lists and Interchange

Section 14-100 TRAINEE PROGRAM

14-101 Administration

(a) The parties have established the Directors Guild–Producer Training Plan (herein referred to as the Trust Fund) which is a jointly-administered formal program for training a sufficient number of qualified Assistant Directors and UPMs to meet the needs of the industry. Such program provides the methods for placing such qualified persons as Assistant Directors.

(b) Effective July 1, 2020, the Trust Fund shall continue to be funded by Employer contributions during the term hereof to be made simultaneously with payments to the Pension Plan and to be paid to the Mellon Bank, as Corporate Trustee, or such other Corporate Trustee as the Trust Fund may from time to time designate, as follows:

Three-eighths (3/8) of one percent of the compensation of each First and Second Assistant Director and UPM employed on theatrical or television motion pictures subject to this BA in Los Angeles County or on location outside said county when transported by the Employer from Los Angeles to such location. Such compensation shall be computed on the same basis as the compensation is computed for contributions under the Directors Guild of America–Producer Pension Plan as provided in Article 12 of this BA. If, during the term of this Basic Agreement, the Trust Fund's cash surplus is less than $50,000, then the amount of contribution referred to in this subparagraph (b) shall be one-half of one percent (0.5%), until said surplus is increased to $50,000.

(c) The Trust Fund shall administer the formal training program through a Board consisting of at least fourteen (14) Trustees with Employers and Employees at all times equally represented. Such training program and Trust Fund shall be established and administered in accordance with all applicable laws and regulations, and such Trust Fund, subject to the above provisions, shall be established and administered in accordance with the applicable provisions contained in Article 12 of this BA relating to the Directors Guild of America–Producer Pension Plan Trust.

(d) Any money paid by Employer as a contribution hereunder shall not constitute or be deemed to be wages to the individual Employees, nor shall said money so paid be in any manner liable for or subject to the debts, contracts, liabilities or torts of such Employees.

14-102 Trainees covered by such program shall not be subject to the provisions of this BA, except the following provisions of this BA shall apply:

Section 1-100; Recognition
Paragraph 13-108; Payroll Week
Paragraph 13-601; Vacations
Paragraph 13-210; Aircraft Flight Allowance
Paragraph 13-211; Underwater Work Allowance
Paragraph 13-214; Travel Insurance

14-103 Trainees may be employed on a weekly basis (except that there may be a partial week at the end of any work period, in which case each day worked shall be paid for at the rate of one-fifth (1/5) of the applicable weekly guarantee rate).

Trainees may be employed on a daily basis, in which case each day worked shall be paid at the rate of one-fourth (¼) of the applicable weekly guarantee.

All such employment shall be subject to the following wage scale and working conditions:

*Weekly Guarantee - 54 Cumulative Hours Minimum Call - 8 Hours						
	----- 7/1/20 -----		----- 7/1/21 -----		----- 7/1/22[†]-----	
**	Regular Basic Hourly Rate	Weekly Guarantee	Regular Basic Hourly Rate	Weekly Guarantee	Regular Basic Hourly Rate	Weekly Guarantee
1st Period	$14.550	$888	$14.914	$910	$15.361	$937
2nd Period	$15.629	$953	$16.020	$977	$16.501	$1,007
3rd Period	$16.752	$1,022	$17.171	$1,047	$17.686	$1,079
4th Period	$17.870	$1,090	$18.317	$1,117	$18.867	$1,151

* (a) Employees under this schedule shall be paid at the scheduled Regular Basic Hourly Rate for the first forty (40) hours of the workweek and not less than one and one-half (1½) times such basic hourly rate of pay for all time over forty (40) hours in such workweek, with a guarantee that the Employee shall receive, for regular time and for such overtime as the necessities of the business may demand, a sum not less than the scheduled weekly guarantee for each workweek.

* (b) The guaranteed pay of weekly Employees who absent themselves without the Employer's consent may be reduced one-fifth (1/5) of the weekly guarantee for each day of absence.

* (c) A combination of studio and distant location employment may be used to fulfill the weekly guarantee.

[†] See text of footnote 3 on page 39.

* (d) If an Employer employs more than one (1) Trainee in any given week, the Trust Fund shall reimburse the Employer for twenty percent (20%) of the salary of each Trainee employed other than the first. Such reimbursement shall be based upon minimum weekly or daily salaries in this Paragraph 14-103.

** Each period shall consist of one hundred (100) cumulative days of actual on-the-job training.

14-104 The full payroll week shall be the established payroll week of the Employer, from midnight Saturday to midnight Saturday.

14-105 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. 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. For holidays not worked in the period of his or her weekly guarantee, the Trainee shall receive a worktime credit (but not training credit) equal to the specified minimum call. For each holiday worked, the Trainee shall be paid an additional one-fifth (1/5) of the weekly guarantee.

14-106 Travel time shall be paid for in accordance with the standard craft travel time provisions prevailing in the motion picture industry based in Hollywood, California.

14-107 Each Trainee shall be given a nine (9) hour rest period, which shall begin at time of dismissal and end at the Trainee's actual call time the following day. If the full rest period is not given, the Trainee shall be paid an additional straight time for the invaded hours or portion of hours of the rest period.

14-108 A Trainee must work under the supervision of a Second Assistant Director at all times. Employer may employ a Trainee on any motion picture on which at least one (1) Second Assistant Director is

employed. Employer may employ no more than one (1) Trainee on any motion picture, except that an additional Trainee may be employed if at least one (1) Second Second Assistant Director is employed on such motion picture.

14-109 Such Trainees shall be selected and trained as provided in the formal training programs as provided for in Paragraph 14-101.

14-110 It is the intent of the parties that these Trainees shall be employed to learn the art of becoming Assistant Directors and not for the purpose of replacing those Assistant Directors. The Employer is not required to employ a Trainee.

14-111 The Employer shall include Trainees in the list referred to in Paragraph 1-501 above.

14-112 Requirements for Trainee eligibility for placement on the Second Assistant Directors Qualification List are set forth at Paragraphs 14-302 and 14-402 below.

14-113 (a) There currently exists in New York an Assistant Directors Training Program administered by Trustees appointed by the Guild, the Association of Independent Commercial Producers and other producers signatory to the DGA Commercial Agreement and to this BA.

(b) Individuals enrolled in said program may be employed as Trainees on motion pictures based outside of Los Angeles County. On any motion picture on which a Trainee covered by the New York Area Assistant Directors Training Program is employed, Employer shall pay to the New York Area Assistant Directors Training Program contributions equal in amount to what would have been due pursuant to subparagraph 14-101(b) if that paragraph had been applicable. Contributions shall not be due under subparagraph 14-101(b) based upon any compensation for which contributions are made to the New York Training Program.

14-114 Additional Training

(a) The Guild and the Employers jointly recommend to the Board of Trustees of the Training Plan Trust Fund that the training program be expanded to include training for Unit Production Managers and Assistant Directors on new developments pertinent to their job, and safety training for all Employees covered by the DGA BA and FLTTA.

(b) The Guild and the AMPTP hereby instruct the Trustees to carry out such training.

(c) The Guild and the Employers will cooperate with the Training Plan to facilitate such training by, among other things, making available, at no cost to the Training Plan, speakers, facilities and in-kind services.

(d) 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: Unit Production Managers, Assistant Directors, 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 as of July 1, 2017 for the following individuals who are hired in the United States (other than California): Unit Production Managers, Assistant Directors, Associate Directors and Stage Managers. Such individuals shall have until December 31, 2017 or ninety (90) days from their initial date of employment (whichever is later) 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.

All Qualification Lists, Eligible to Work Lists and Employment Criteria Lists shall be updated to reflect an individual's successful completion of the Safety Passport Training Course. For individuals not on any Qualification List, Eligible to Work List or Employment Criteria List, the parties will devise a method to reflect the individual's successful completion of the Safety Passport Training Course.

Any Unit Production Manager, Assistant Director, 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 applicable Qualification List, Eligible to Work List, or Employment Criteria List until he or she completes successfully the training course. Upon successful completion of the Safety Passport Training Course, any such Unit Production Manager, Assistant Director, Associate Director or Stage Manager who was suspended from the applicable Qualification List, Eligible to Work List, or Employment Criteria List shall regain his or her status on the applicable list. Any individual not on a Qualification List, Eligible to Work List or 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 applicable Qualification List, Eligible to Work List or Employment Criteria List shall regain eligibility for employment.

Unit Production Managers, Assistant Directors, 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 Southern California Qualification Lists and Southern California Eligible to Work Lists shall be updated to reflect an individual's successful completion of such courses. For individuals not on any Qualification List, Eligible to Work List or Employment Criteria List, the parties will devise a method to reflect the individual's successful completion of such courses.

Section 14-200 QUALIFICATION LISTS

14-201 The Southern California Qualification Lists, administered by a DGA Contract Administration (DGACA), shall be maintained under this BA and administered in accordance with Paragraph 14-204 below. New York Area Qualification Lists administered by a DGA Contract Administration East (DGACA-East) have been established in accordance with Paragraph 14-204. In addition, there shall be Qualification Lists administered by DGACA for that area of the United States which is outside Southern California and outside the New York Area (referred to as "the Third Area"). In each area, there shall be a Second Assistant Directors' Qualification List, a First Assistant Directors' Qualification List and a UPMs' Qualification List. The UPM Multi-Camera Qualifications List ("UPM MCQL"), administered by DGACA, shall be maintained under this BA and administered in accordance with Section 14-600 below.

14-202 No person can be on any Southern California Qualification List and on any New York Area Qualification List simultaneously.

14-203 The employment required under this Article 14 for placement on a List may be satisfied by employment with signatory companies to any agreement with the Guild and/or with non-signatory companies, except that work performed under this BA for a signatory company by any person not employed as an Assistant Director or Unit Production Manager shall not be counted as qualifying experience for any purpose under this Article 14. All such employment must be performed in the United States or, if in another country, only on

motion pictures on which the employment of American First Assistant Directors would not have been prohibited by labor restriction, law or quota.

14-204 (a) The cost for maintaining and administering the Qualification Lists by DGACA and DGACA-East shall be funded by Employer contributions during the term hereof to be made simultaneously with payments to the Pension Plan and shall be paid as follows:

One-eighth (1/8) of one percent of the compensation of First and Second Assistant Directors and UPMs employed subject to this BA in the Southern California area shall be paid to DGACA. One-quarter (¼) of one percent of the compensation of First and Second Assistant Directors and Unit Production Managers employed subject to this BA in the New York Qualification area shall be paid to DGACA-East. Such compensation shall be computed on the same basis as the compensation is computed for contributions under the Directors Guild of America–Producer Pension Plan as provided in Paragraph 12-202 of this BA.

For purposes of this Article 14, "Southern California" means all of California from San Luis Obispo south to the California-Mexico border.

(b) Any money paid by Employer as a contribution hereunder shall not constitute or be deemed to be wages to the individual Employees nor shall said money paid be in any manner liable for or subject to the debts, contracts, liabilities or torts of such Employees.

(c) The DGACA and DGACA-East have been established by and on behalf of the Employers. They shall be administered in accordance with all applicable laws and regulations.

14-205 For the purposes of this Article 14 only, "motion pictures of the type covered hereunder" shall refer to theatrical motion pictures and television motion pictures (including videodisc/videocassette, pay

television and basic cable motion pictures) of the type covered by this BA or by the DGA Freelance Live and Tape Television Agreement and to "high budget" original or derivative dramatic New Media productions made for initial exhibition on a subscription consumer pay New Media platform that meet the definition of "high budget" as set forth in Sideletter No. 35 ("High Budget SVOD Programs"), the principal photography of which commenced on or after July 1, 2011. However, for the purpose of qualifying for preference of employment under subparagraphs 14-305(a) and 14-405(a), "motion pictures of the type covered hereunder" shall not include non-dramatic basic cable motion pictures.

14-206 Persons employed to perform services as either a First Assistant Director, Second Assistant Director or UPM who are not on the respective Qualification Lists for First Assistant Directors, Second Assistant Directors or UPMs, shall be eligible to be added to said respective Qualification Lists, as provided herein, upon the showing of the experience required by the terms of this Article 14.

Section 14-300 SOUTHERN CALIFORNIA QUALIFICATION LIST

14-301 Composition

The respective Southern California Qualification Lists for First Assistant Directors, Second Assistant Directors and UPMs, referred to above in Paragraph 14-201, shall be composed of those qualified and available persons who, as of July 1, 2020, were on the respective Qualification Lists as First Assistant Directors, Second Assistant Directors and UPMs, or who satisfy thereafter the eligibility provisions hereunder.

The parties confirm that work primarily as a location manager shall not be counted as qualifying experience for any purpose under Section 14-300.

14-302 Requirements for Placement

The following requirements shall determine eligibility of individuals applying for placement on the Southern California Qualification Lists after July 1, 2020.

Any individual who has been employed four hundred (400) days in work as a Second Assistant Director, First Assistant Director, Unit Production Manager or Associate Director in the production of motion pictures of the type covered hereunder shall be eligible to be placed on the Second Assistant Directors' Southern California Qualification List. Of such four hundred (400) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Likewise, Stage Managers or Associate Directors in the live and tape television industry employed four hundred (400) days in the production of motion pictures of the type covered hereunder, or six (6) years in the nationwide feed of television motion pictures, shall be eligible to be placed on the Second Assistant Directors' Southern California Qualification List.

Likewise, any individual who has been employed four hundred (400) days in the production of motion pictures of the type covered hereunder as a Director (at least two hundred sixty (260) days of which shall have been in directing the actual shooting of film or tape) shall be eligible to be placed on the Second Assistant Directors' Southern California Qualification List.

To be eligible to be placed on the Southern California Second Assistant Directors' Qualification List, a Trainee or Intern must complete four hundred (400) days of on-the-job training in the production of motion pictures of the type covered hereunder. Of such four hundred (400) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

If the work performed on a motion picture by a person, other than a person employed in a classification covered by this BA, consists solely of crowd control, then such work shall not be deemed

qualifying work for the purposes of placement on the Second Assistant Directors' Qualification List.

14-303 (a) A person qualifies for the Southern California First Assistant Directors' Qualification List if the person has been employed and has completed at least five hundred twenty (520) working days as a Second Assistant Director in the production of motion pictures of the type covered hereunder.

(b) A person qualifies for the Southern California First Assistant Directors' Qualification List if the person has been employed and completed at least five hundred twenty (520) working days either as a Second Assistant Director in the production of motion pictures of the type covered hereunder or as an Associate Director or Stage Manager in the production of dramatic and/or variety programs of the type covered hereunder.

(c) Of the working days described in subparagraphs (a) and (b) above, not more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Of the seventy-five percent (75%) spent with the actual shooting company, ten percent (10%) must be on location (distant or local).

(d) Also, any individual who has been employed four hundred (400) days in work as a First Assistant Director in the production of motion pictures of the type covered hereunder shall be eligible for placement on the Southern California First Assistant Directors' Qualification List. Of such working days, not more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Of the seventy-five percent (75%) spent with the actual shooting company, ten percent (10%) must be on distant location.

(e) An individual qualifies for the Southern California First Assistant Director Qualification List from which First Assistant Directors may be employed only on multi-camera stage shows if the person has been employed and completed at least five hundred twenty (520) working days either as a Second Assistant Director in the production of motion pictures of the type covered hereunder or as an Associate Director or Stage Manager in the production of dramatic and/or variety programs of the type covered hereunder with at least one hundred twenty (120) days worked as a First Stage Manager in the production of multi-camera dramatic motion pictures of the type covered hereunder.

Of the working days described above, at least seventy-five percent (75%) must be spent with the actual shooting company. For the purposes of this provision, employment on a multi-camera stage show will be deemed to be with the shooting company on every workday of a week in which shooting occurs.

DGACA shall maintain a list of individuals who are qualified for employment under this provision.

14-304 A First Assistant Director will qualify for the Southern California UPMs' Qualification List if such First Assistant Director has completed at least two hundred sixty (260) working days as a First Assistant Director in the production of motion pictures of the type covered hereunder. Of such working days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Of the seventy-five percent (75%) spent with the actual shooting company, ten percent (10%) must be on distant location.

Also, an individual who has completed four hundred (400) days in work as a Unit Production Manager in the production of motion pictures of the type covered hereunder shall be eligible for placement on the Southern California Unit Production Managers' Qualification List. Of such working days, not more than twenty-five percent (25%) may be spent in preparation or post-production and at least seventy-

five percent (75%) must have occurred during production. Of the seventy-five percent (75%), ten percent (10%) must be on location (distant or local). An individual's workdays on motion pictures on which someone else was employed as Unit Production Manager shall not be counted as qualifying workdays for any purpose under this Article 14 by virtue of the individual performing UPM functions delegated to him or her pursuant to Paragraph 1-302 of this BA.

An Assistant Director will qualify for the Southern California UPM Qualification List if the Assistant Director has completed at least six hundred (600) working days as a Unit Production Manager and/or a First Assistant Director and/or Second Assistant Director in the production of motion pictures of the type covered hereunder; two hundred (200) of these six hundred (600) days must be earned after the Assistant Director is placed on a Southern California Qualification List. Of such two hundred (200) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five (75%) must be spent with the actual shooting company.

14-305[20] (a) Employer shall give preference of employment as follows with respect to work in Southern California on theatrical and television motion pictures covered by this BA and High Budget SVOD Programs as defined in Sideletter No. 35:

(1) For Second Assistant Directors, to available individuals on the Southern California Second Assistant Directors' Qualification List who have worked at least four hundred (400) days in the production of motion pictures of the type covered hereunder as a Trainee, Intern, Second Assistant Director, First Assistant Director, Unit Production Manager or Associate Director.

(2) For First Assistant Directors, to available individuals on the Southern California Qualification List for First Assistant Directors who meet the qualifications set forth

[20] See Section 24-600 for preference of employment provisions applicable to multi-camera prime time dramatic pilots, presentations and series.

in subparagraph 14-303(a) or (d) and, on multi-camera stage shows, to available individuals on the Southern California Qualification List for First Assistant Directors who meet the qualifications in subparagraph 14-303(a), (d) or (e).

(3) For Unit Production Managers, to available individuals on the Southern California Qualification List for Unit Production Managers who meet the qualifications set forth in Paragraph 14-304.

For the purpose of qualifying for preference of employment under this subparagraph 14-305(a), "motion pictures of the type covered hereunder" shall not include non-dramatic basic cable motion pictures.

(b) On motion pictures covered by the introduction to subparagraph (a) above, if any individual described in the applicable part of subparagraph (a) is available for employment, Employer may employ only an individual on the respective Southern California Qualification List. However, Employer may employ any available individual on the respective Qualification List regardless of that individual's experience, or the availability of individuals on said Qualification List with greater experience. If no individual described in the applicable part of subparagraph (a) is available for employment, then Employer may hire from any source. No individual on the Qualifications List will be considered available in the unusual situation in which the job requires fluency in a foreign language or a demonstratively unique skill necessary to protect the safety of cast and crew, provided satisfactory proof thereof is submitted to the Guild, and no individual on the Qualifications List is available who has such language fluency or unique skill.

14-306 Notwithstanding anything to the contrary contained in Paragraph 14-305 above, it is understood and agreed that in the event there are no available persons who meet the qualifications set forth in subparagraph 14-305(a)(1) on the Southern California Second

Assistant Directors' Qualification List to perform the required services of a Second Assistant Director, the next preference in hiring of Second Assistant Directors shall be Trainees under the Plan referred to in Paragraph 14-101, if any are available. If no such Trainees are then available for employment as Second Assistant Directors, then Employer may hire Second Assistant Directors from any source. Days so worked by Trainees shall be counted towards fulfillment of their training time only.

14-307 An Employer shall not be required to hire any individual under Paragraphs 14-305 or 14-306 if doing so would result in the Employer paying any greater amount for travel and living expenses than the Employer would pay if the individual resided in Los Angeles.

14-308 For purposes of continuity, when principal photography of a motion picture is scheduled to take place outside Southern California, and the Employer has engaged a Unit Production Manager and/or First Assistant Director not on the Southern California Qualification List for employment on such motion picture, the Unit Production Manager and/or First Assistant Director so engaged shall be allowed to prep in Southern California, notwithstanding the provisions of Paragraph 14-305, provided that such individuals are on the Third Area or New York Area Qualification List(s) (or are eligible to work in the New York Area pursuant to Paragraph 14-408 and 14-409).

This provision shall not apply to anyone whose local employment address is in Southern California or who has not successfully completed mandatory Safety Passport Training.

The Employer must provide prior written notice to the DGA to utilize this provision. Inadvertent failure to comply with this notice provision shall not be subject to grievance and arbitration.

14-309 For purposes of continuity, when ninety percent (90%) of principal photography of a motion picture (or, in the case of a series, ninety percent (90%) of principal photography for that season of the series) is scheduled to take place outside Southern California, and the Employer has engaged a Unit Production Manager and/or Assistant

Director not on the Southern California Qualification List for employment on such motion picture, the Unit Production Manager and/or Assistant Director so engaged shall be allowed to work on originally-scheduled principal photography and necessary prep and wrap which takes place in Southern California, notwithstanding the provisions of Paragraph 14-305, provided: (a) such person is on the Third Area or New York Area Qualification List(s) (or is eligible to work in the New York Area pursuant to Paragraphs 14-408 and 14-409) and (b) the Southern California portion of the shoot constitutes no more than 10% of originally-scheduled photography up to a maximum of five (5) shooting days.

This provision shall not apply to anyone whose local employment address is in Southern California or who has not successfully completed mandatory Safety Passport Training.

The Employer must provide prior written notice to the DGA to utilize this provision. Inadvertent failure to comply with this notice provision shall not be subject to grievance and arbitration.

The DGA will give good faith consideration to requests for continuity waivers for circumstances that do not meet the criteria set forth herein.

Section 14-400 NEW YORK AREA QUALIFICATION LIST

14-401 Initial Composition

The respective New York Area Qualification Lists for First Assistant Directors, Second Assistant Directors and Unit Production Managers referred to in Paragraph 14-201 above shall be composed of those qualified and available persons who, as of July 1, 2020, were on the respective Qualification Lists as Second Assistant Directors, First Assistant Directors or Unit Production Managers, or who satisfy thereafter the eligibility provisions hereunder.

14-402 Requirements for Placement

Any individual who has been employed three hundred fifty (350) days in work as a Second Assistant Director, First Assistant Director, Unit Production Manager or Associate Director in the production of motion pictures of the type covered hereunder shall be eligible to be placed on the New York Area Second Assistant Directors' Qualification List. Of such three hundred fifty (350) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Likewise, Stage Managers or Associate Directors in the live and tape television industry employed three hundred fifty (350) days in the production of motion pictures of the type covered hereunder, or six (6) years in the nationwide feed of television motion pictures, shall be eligible to be placed on the New York Area Second Assistant Directors' Qualification List.

Likewise, any individual who has been employed three hundred fifty (350) days in the production of motion pictures of the type covered hereunder as a Director (at least two hundred sixty (260) days of which shall have been in directing the actual shooting of film or tape) shall be eligible to be placed on the New York Area Second Assistant Directors' Qualification List.

To be eligible to be placed on the New York Area Second Assistant Directors' Qualification List, a Trainee or Intern must complete three hundred fifty (350) days of on-the-job training in the production of motion pictures of the type covered hereunder. Of such three hundred fifty (350) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

If the work performed on a motion picture by a person, other than a person employed in a classification covered by this BA, consists solely of crowd control, then such work shall not be deemed qualifying work for the purposes of placement on the Second Assistant Directors' Qualification List.

14-403 (a) A Second Assistant Director shall qualify for the New York Area First Assistant Directors' Qualification List if such Second Assistant Director has been employed and completed at least five hundred twenty (520) working days as a Second Assistant Director in the production of motion pictures of the type covered hereunder. Of such working days, not more than twenty-five percent (25%) may be spent in preparation or office work, and at least seventy-five percent (75%) must be spent with the actual shooting company. Of the seventy-five percent (75%) spent with the actual shooting company, ten percent (10%) must be on distant location.

(b) Also, any individual who has been employed three hundred fifty (350) days in work as a First Assistant Director in the production of motion pictures of the type covered hereunder shall be eligible for placement on the New York Area First Assistant Directors' Qualification List. Of such working days, not more than twenty-five percent (25%) may be spent in preparation or office work, and at least seventy-five percent (75%) must be spent with the actual shooting company.

(c) An individual qualifies for the New York Area First Assistant Director Qualifications List from which First Assistant Directors may be employed only on multi-camera stage shows if the person has been employed and completed at least five hundred twenty (520) working days either as a Second Assistant Director in the production of motion pictures of the type covered hereunder or as an Associate Director or Stage Manager in the production of dramatic and/or variety programs of the type covered hereunder with at least one hundred twenty (120) days worked as a First Stage Manager in the production of multi-camera dramatic motion pictures of the type covered hereunder.

Of the working days described above, at least seventy-five percent (75%) must be spent with the actual shooting company. For the purposes of this provision, employment on a multi-camera stage show will be deemed to be with the shooting

company on every workday of a week in which shooting occurs.

14-404 (a) A First Assistant Director will qualify for the New York Area UPMs' Qualification List if such First Assistant Director has completed at least two hundred sixty (260) working days as a First Assistant Director in the production of motion pictures of the type covered hereunder. Of such working days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Of the seventy-five percent (75%) spent with the actual shooting company, ten percent (10%) must be on distant location.

(b) Also, an individual who has completed three hundred fifty (350) days in work as a Unit Production Manager in the production of motion pictures of the type covered hereunder shall be eligible for placement on the New York Area UPMs' Qualification List. Of such working days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

(c) An Assistant Director will qualify for the New York Area UPMs Qualification List if the Assistant Director has completed at least six hundred (600) working days as a Unit Production Manager and/or a First Assistant Director and/or Second Assistant Director in the production of motion pictures of the type covered hereunder; two hundred (200) of these six hundred (600) days must be earned after the Assistant Director is placed on a New York Area Qualification List. Of such two hundred (200) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

14-405[21] (a) Employer shall give preference of employment as follows with respect to work in the New York Area on theatrical and television motion pictures covered by this BA and High Budget SVOD Programs as defined in Sideletter No. 35:

(1) For Second Assistant Directors, to available individuals on the New York Area Second Assistant Directors' Qualification List who have worked at least three hundred fifty (350) days in the production of motion pictures of the type covered hereunder as a Trainee, Intern, Second Assistant Director, First Assistant Director, Unit Production Manager or Associate Director.

(2) For First Assistant Directors, to available individuals on the New York Area First Assistant Directors' Qualification List who meet the qualifications set forth in subparagraph 14-403(a) or (b) and, on multi-camera stage shows, to available individuals on the New York Area Qualifications List for First Assistant Directors who meet the qualifications in subparagraph 14-403(c).

(3) For Unit Production Managers, to available individuals on the New York Area UPMs' Qualification List who meet the qualifications set forth in Paragraph 14-404.

For the purpose of qualifying for preference of employment under this subparagraph 14-405(a), "motion pictures of the type covered hereunder" shall not include non-dramatic basic cable motion pictures.

(b) On motion pictures covered by the introduction to subparagraph (a) above, if any individual described in the applicable part of subparagraph (a) is available for employment, Employer may employ only an individual on the respective New York Area Qualification List. However,

[21] See Section 24-600 for preference of employment provisions applicable to multi-camera prime time dramatic pilots, presentations and series.

Employer may employ any available individual on the respective Qualification List regardless of that individual's experience, or the availability of individuals on said Qualification List with greater experience. If no individual described in the applicable part of subparagraph (a) is available for employment, then Employer may hire from any source. No individual on the Qualification List will be considered available in the unusual situation in which the job requires fluency in a foreign language or a demonstratively unique skill necessary to protect the safety of cast and crew, provided satisfactory proof thereof is submitted to the Guild, and no individual on the Qualification List is available who has such language fluency or unique skill.

14-406 Notwithstanding anything to the contrary contained in Paragraph 14-405 above, it is understood and agreed that in the event there are no available persons who meet the qualifications set forth in subparagraph 14-405(a) on the New York Area Second Assistant Directors' Qualification List to perform the required services of a Second Assistant Director, the next preference in hiring of Second Assistant Directors shall be Trainees under the Program referred to in Paragraph 14-112, if any are available. If no such Trainees are then available for employment as Second Assistant Directors, then Employer may hire Second Assistant Directors from any source. Days so worked by Trainees shall be counted toward fulfillment of their training time only.

14-407 An Employer shall not be required to hire any individual under Paragraphs 14-405 or 14-406 if doing so would result in the Employer paying any greater amount for travel and living expenses than the Employer would pay if the individual resided in the New York Area.

14-408 If an Employer, with respect to an employment opportunity which would normally be filled from the New York lists, after interviewing all persons on the New York lists eligible and available for employment in that position, is unaware of a person on said lists who in its sole judgment possesses the particular artistic or other qualifications desired, and wishes to employ a person not on said lists

who is not a minority or a woman, said Employer may do so with the written prior permission of the Guild. Prior to requesting the Guild's permission, the Employer shall document the individual's particular qualifications by presenting to the Guild declarations from at least two (2) Directors or Unit Production Managers who have worked with the individual on prior motion pictures, describing his particular qualifications. Since there are very large numbers of highly skilled white males on the New York lists, the Guild's permission will normally be given only if it is convinced that there is no person on said lists with said required artistic or other skills. This Paragraph shall in no way limit the Employer with respect to rights it may have which exist independently of this affirmative action provision.

14-409 Paragraph 14-408 is adopted in reliance upon the EEOC's Affirmative Action Guidelines, codified in 29 CFR Part 1608. The Employer and the Guild have conducted a reasonable self-analysis of employment conditions in the occupations covered by this BA. This analysis has indicated that with respect to minorities (defined for purposes of this affirmative action provision only as all persons not properly identified as "white (not Hispanic origin)" on EEO-1 reporting forms) and women, such persons constitute a far lower percentage of individuals qualified to work on the New York Qualification List than do white men. The Employer and the Guild desire to avoid unnecessary restrictions on any protected group's access to the employment opportunities covered by this BA. Based on said statistical analysis, the Employer and the Guild conclude that there is a reasonable basis to take affirmative action. This affirmative action will insure that all groups have access to said employment opportunities. This affirmative action plan is temporary, will be re-examined with each collective bargaining agreement, is not intended to maintain a racial balance, is not intended to require the employment of any particular person or a person of any particular race or national origin or sex for any particular employment opportunity, but is simply designed to create opportunities for persons of all races, national origins and sexes to be considered for employment opportunities, and to eliminate the statistical imbalance referred to above. This plan is voluntarily entered into by the Employer and the Guild. It is under no circumstances designed to require the Employer to hire unqualified persons.

14-410 Employer shall not be required to give preference of employment as provided in Paragraph 14-405 to Second Assistant Directors employed to manage locations in the New York Area on theatrical and television motion pictures, provided the Employer first gives consideration to individuals on the New York Area Second Assistant Director Qualification List who reside within the New York Area and have experience managing locations.

For purposes of this provision, the Employer shall be deemed to have given 'consideration' if it reviews the experience of those individuals identified by the Guild as possessing experience in managing locations in these areas.

For purposes of this provision, the New York Area shall be defined to include those locations within a seventy-five (75) mile radius of Columbus Circle, which, for purposes of this provision, shall include Suffolk County and the New Jersey shoreline to and including Atlantic City.

Section 14-500 THIRD AREA QUALIFICATION LISTS

14-501 Initial Composition

The respective Third Area Qualification Lists for Unit Production Managers, First Assistant Directors and Second Assistant Directors referred to in Paragraph 14-201 above shall be composed of those qualified and available persons who satisfy the eligibility provisions hereunder.

14-502 Requirements for Placement

The following requirements shall determine eligibility of individuals applying for placement on the Third Area Qualifications Lists after July 1, 2020.

Any individual who has been employed one hundred twenty (120) days in work as a Second Assistant Director, First Assistant Director, Unit Production Manager or Associate Director in the production of motion pictures of the type covered hereunder shall be eligible to be

placed on the Second Assistant Directors' Third Area Qualification List. Of such one hundred twenty (120) days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company. Likewise, Stage Managers or Associate Directors in the live and tape television industry employed one hundred twenty (120) days in the production of motion pictures of the type covered hereunder, or six (6) years in the nationwide feed of television motion pictures, shall be eligible to be placed on the Second Assistant Directors' Third Area Qualification List. Likewise, any individual who has been employed one hundred twenty (120) days in the production of motion pictures of the type covered hereunder as a Director (at least seventy-eight (78) days of which shall have been in directing the actual shooting of film or tape) shall be eligible to be placed on the Second Assistant Directors' Third Area Qualification List.

If the work performed on a motion picture by a person, other than a person employed in a classification covered by this BA, consists solely of crowd control, then such work shall not be deemed qualifying work for the purposes of placement on the Second Assistant Directors' Qualification List.

14-503 (a) A person qualifies for the Third Area First Assistant Directors' Qualification List if the person has been employed and completed at least two hundred forty (240) working days either as a Second Assistant Director in the production of motion pictures of the type covered hereunder or as an Associate Director or Stage Manager in the production of dramatic and/or variety programs of the type covered hereunder.

(b) Of the working days described in (a) above, not more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

(c) Also, any individual who has been employed one hundred twenty (120) days in work as a First Assistant Director in the production of motion pictures of the type covered hereunder

shall be eligible for placement on the Third Area First Assistant Directors' Qualification List. Of such working days, not more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

14-504 A First Assistant Director will qualify for the Third Area UPMs' Qualification List if such First Assistant Director has completed at least two hundred forty (240) working days as a First Assistant Director in the production of motion pictures of the type covered hereunder. Of such working days, no more than twenty-five percent (25%) may be spent in preparation or office work and at least seventy-five percent (75%) must be spent with the actual shooting company.

Also, an individual who has completed one hundred twenty (120) days in work as a Unit Production Manager in the production of motion pictures of the type covered hereunder shall be eligible for placement on the Third Area Unit Production Managers' Qualification List. Of such working days, not more than twenty-five percent (25%) may be spent in preparation or post-production and at least seventy-five percent (75%) must have occurred during production. An individual's workdays on motion pictures on which someone else was employed as Unit Production Manager shall not be counted as qualifying work days for any purpose under this Article 14 by virtue of the individual performing UPM functions delegated to him or her pursuant to Paragraph 1-302 of this BA.

14-505[22] (a) Employer shall give preference of employment as follows with respect to work in the Third Area on theatrical and television motion pictures covered by this BA and High Budget SVOD Programs as defined in Sideletter No. 35:

(1) For Key Second Assistant Directors, to available individuals on any of the three Qualifications Lists: the Southern California Second Assistant Director

[22] See Section 24-600 for preference of employment provisions applicable to multi-camera prime time dramatic pilots, presentations and series.

Qualification List, the New York Area Second Assistant Director Qualification List, or the Third Area Second Assistant Directors' Qualification List;

(2) For First Assistant Directors, to available individuals on any of the three Qualifications Lists: the Southern California First Assistant Directors Qualification List, the New York Area First Assistant Director Qualification List, or the Third Area Qualification List for First Assistant Directors;

(3) For Unit Production Managers, to available individuals on any of the three Qualifications Lists: the Southern California Unit Production Managers Qualification List, the New York Area Unit Production Managers Qualification List or the Third Area Qualification List for Unit Production Managers.

(b) With respect to work in the Third Area on theatrical and television motion pictures covered by this BA, if any individual described in the applicable part of subparagraph (a) is available for employment, Employer may employ only an individual on the applicable Qualification Lists. However, Employer may employ any available individual on the respective Qualification Lists regardless of that individual's experience, or the availability of individuals on said Qualification List with greater experience. If no individual described in the applicable part of subparagraph (a) is available for employment, then Employer may hire from any source. No individual on the Qualifications List will be considered available in the unusual situation in which the job requires fluency in a foreign language or a demonstratively unique skill necessary to protect the safety of cast and crew, provided satisfactory proof thereof is submitted to the Guild, and no individual on the Qualifications List is available who has such language fluency or unique skill.

14-506 Employer need not give preference of employment, as provided in Paragraph 14-505, in the following situations:

(a) to an individual assigned to work on no more than three (3) days of photography for additional scenes and/or retakes, provided Employer first gives consideration to Employees who are on the Third Area Qualification List and who reside within seventy-five (75) miles of the production office (or the location, if no production office) and, provided further, that the employed individual resides within said radius;

(b) to individuals residing within the seventy-five (75) mile radius employed as Second Second Assistant Directors or Additional Second Assistant Directors, provided Employer first gives consideration to individuals on the Third Area Key Second Assistant Director Qualification List who reside within said radius;

(c) During the first year of a television series produced in the Third Area, Employer may employ as the Key Second Assistant Director any individual who permanently resides within a seventy-five (75) mile radius of the production office (or the location, if no production office) and who meets the following qualifications:

(1) three (3) years of experience in any capacity in the film, television or commercial production industries; or

(2) thirty (30) days of on-set production experience on film or taped productions of the type covered by the Basic Agreement or Freelance Live & Tape Television Agreement and/or on regional or national film or tape commercials.

Provided, however, Employer must first give consideration to individuals who are on the Third Area Qualifications List who reside within said seventy-five (75) mile radius.

The Employer shall be deemed to have given "consideration" if it determines the identity of these Employees from the Guild (which shall be supplied by the Guild upon the request of the Employer) and ascertains their experience.

Section 14-600 UNIT PRODUCTION MANAGER MULTI-CAMERA QUALIFICATION LIST

14-601 Composition

The UPM MCQL shall be a national list. The UPM MCQL shall be in addition to the existing UPM Qualification Lists. The UPM MCQL shall be composed of those qualified and available persons who satisfy the eligibility provisions below.

14-602 Requirements for Placement

(a) The following persons shall be eligible for placement on the UPM MCQL and only the following rules shall govern placement on that List:

(1) Any Multi-Camera First Assistant Director or First Assistant Director already on a Qualification List who completes at least 200 shoot days as a First Assistant Director or as a Unit Production Manager/First Assistant Director on a multi-camera dramatic program shall be eligible to be upgraded to the UPM MCQL.

(2) Any individual who has been employed at least 275 shoot days in the production of videotape multi-camera dramatic programs performing the equivalent of Unit Production Manager duties on videotape shows. The individual must have been credited on a dramatic videotape show as either a Production Manager, Associate Producer, Producer, Supervising Producer, Coordinating Producer or Line Producer on the program for which qualifying days are being submitted. No more than two (2) individuals may submit days for a program.

(3) Any individual employed for 275 shoot days who performs Unit Production Manager duties on multi-camera dramatic programs.

(4) Any individual employed for 275 shoot days prior to June 30, 1999 as a "Line Producer" (as that term is commonly understood in the motion picture industry) on any multi-camera film sitcom. For the purpose of this provision only, a "multi-camera film sitcom" shall be defined as any one-half hour program intended to be an episode, pilot or presentation for a series in the genre commonly known as sitcoms, shot on film, which utilizes multiple cameras and typically shoots predominantly in a studio.

(5) Any individual employed for 275 shoot days as a "Line Producer" (as that term is commonly understood in the motion picture industry) or as an Associate Producer on any multi-camera dramatic program, provided that at least one (1) of such shoot days occurs on or after July 1, 1999.

(6) Any individual who has been employed as a studio production executive and supervised multi-camera television productions for not less than five (5) years.

(b) With respect to subparagraphs (a)(3), (4) and (5) above, only one individual per program may count days towards placement.

(c) Individuals may combine experience under subparagraphs (a)(2), (4) and/or (5) above in order to qualify for the UPM MCQL.

(d) Any individual applying for placement on the UPM MCQL pursuant to subparagraphs (a)(2), (3), (4) or (5) above must document that he or she performed some or all of the duties described in Paragraph 1-302.

(e) Individuals shall be allowed to count as "shoot days" any shooting or blocking day as well as the remaining work days in

a week during which there is one at least one (1) shoot day and one (1) camera blocking day. There shall be no location requirements.

(f) The verification process for counting days towards placement on the UPM MCQL shall include the following items, to the extent available: pay stubs; crew/staff lists; screen credit lists; and letters of verification from production company executives of the production company, but not members of the producing staff. All letters must specify the duties performed.

The parties agree to consider in good faith alternative verification documents.

(g) The employment required under this provision for placement on a MCQL may be satisfied by employment with signatory companies to any agreement with the Guild and/or with non-signatory companies.

14-603 Preference of Employment

Employer shall give preference of employment to available individuals on the UPM MCQL or, either the New York Area Unit Production Manager Qualification List, the Third Area UPM Qualification List, or the Southern California Unit Production Manager Qualification List (whichever is geographically applicable), when employing a Unit Production Manager on a multi-camera dramatic program.

Section 14-700 INTERCHANGE

14-701 Commercial Qualification Lists

(a) Any individual who has qualified for placement and who has been placed on the Commercial Qualification List as a Second Assistant Director, First Assistant Director, or Unit Production Manager, pursuant to Article III, Sections L.4(A), (B)(b) or (C) of the DGA Commercial Agreement of 1991, or any successor Agreement thereto, shall be eligible for placement on the New

York Area Second Assistant Directors' Qualification List. Any individual who has qualified for placement on the Commercial Qualification List as a First Assistant Director pursuant to Article III, Section L.4(A)a(i), (ii), (iii) or (iv) shall be eligible for placement on the Southern California Second Assistant Directors' Qualification List.

(b) Any individual who has qualified for placement and who has been placed on the Commercial Qualification List as a First Assistant Director pursuant to Article III, Sections L(7) or (9) of the DGA Commercial Agreement of 1991, or any successor Agreement thereto, and who has completed at least five hundred twenty (520) days as a First Assistant Director or a Second Assistant Director in commercials or in the production of motion pictures of the type covered hereunder, shall be eligible for placement on the Southern California or New York Area First Assistant Directors' Qualification List if:

(1) Since placement on the Southern California or New York Area Second Assistant Directors' Qualification List, he or she completes twenty (20) consecutive days of employment as a Second Assistant Director in the production of motion pictures of the type covered hereunder;

or

(2) Since placement on the Commercial Qualification List as a First Assistant Director, he or she completes one hundred (100) days (in addition to the five hundred twenty (520) referred to hereinabove) as a First Assistant Director in commercials or as a Second Assistant Director in the production of commercials or motion pictures of the type covered hereunder.

All of the above required days must include seventy-five percent (75%) shooting days of which ten percent (10%) must be on location (distant or local).

(c) Any individual who has qualified for placement and who has been placed on the Commercial Qualification List as a Unit

Production Manager pursuant to Article III, Section L(10) of the DGA Commercial Agreement of 1987, or any successor Agreement thereto, who has, since having been placed on the Commercial Qualification List as a UPM, completed sixty-five (65) days of actual work as a Unit Production Manager and at least sixty-five (65) days as a Second Assistant Director in the production of motion pictures of the type covered hereunder shall be eligible for placement on the New York Area Unit Production Managers' Qualification List.

14-702 **New York Area and Southern California Interchange**

On a theatrical or television motion picture covered by this BA based in the New York Area, an Employer may employ a Second Assistant Director, First Assistant Director or Unit Production Manager on a Southern California Qualification List in the respective capacity if the Employer in his or her discretion deems that person to have the required skills and ability. On a theatrical or television motion picture covered by this BA based in Los Angeles, Employer may employ a Second Assistant Director, First Assistant Director or Unit Production Manager on a New York Area Qualification List who is eligible for placement on the Southern California Qualification List in the respective capacity if the Employer in his or her discretion deems that person to have the required skills and ability. DGACA shall maintain a list of individuals who are qualified for employment under this provision. The Employer's exercise of discretion to employ an individual hereunder shall not be subject to grievance and arbitration hereunder, provided that individual is properly qualified hereunder.

14-703 Any Second Assistant Director, First Assistant Director or Unit Production Manager on the respective Southern California Qualification List who moves his or her domicile so that it is closer to New York than to Los Angeles shall be eligible to transfer to the respective New York Area Qualification List. Any Second Assistant Director, First Assistant Director or Unit Production Manager on the respective New York Area Qualification List who meets the qualifications for placement on the Southern California Qualification List and who moves his or her domicile so that it is closer to Los

Angeles than to New York shall be eligible to transfer to the respective Southern California Qualification List.

14-704 Interchange of Classifications

Subject to the provisions of Paragraph 14-602 above:

(a) Any person who is on the UPM Qualification List for a given Area (*i.e.*, Southern California, New York Area or Third Area) may be employed by Employer as a UPM, First Assistant Director or Second Assistant Director in that Area.

(b) Any person who is on the First Assistant Director Qualification List for a given Area may be employed by Employer as a First Assistant Director or Second Assistant Director in that Area.

(c) Any person who is on the Second Assistant Director Qualification List for a given Area may be employed by Employer as a Second Assistant Director in that Area.

(d) A First Assistant Director shall not be elevated to Unit Production Manager, nor shall a Second Assistant Director be elevated to First Assistant Director or Unit Production Manager unless he or she is on the applicable Qualification List, except (1) in the case of emergency, in which event the Guild shall be notified as soon as practicable, or (2) in case no individual entitled to preference of employment under subparagraphs 14-305(a), 14-405(a) or 14-505(a), whichever is applicable, is available.

Section 14-800 CONFLICT WITH LAWS

14-801 In the event that any provision of this BA relating to the Qualification Lists is affected by any legislation, decision of a court of competent jurisdiction, or decision of an administrative law judge of the National Labor Relations Board, so that such Qualification Lists are held invalid, then each of the parties hereto agrees that upon written notice from the other party setting forth the issues to be negotiated, they will renegotiate for modification of such issues so that such

issues will conform to such legislation, decision of a court of competent jurisdiction or decision of the administrative law judge of the National Labor Relations Board, as the case may be. If the parties are unable to arrive at an agreement within thirty (30) days after delivery of such notice, the matter shall be subject to arbitration in accordance with the terms of this BA.

14-802 Should any part of or any provision relating to the Qualification Lists be declared unlawful by any agency or tribunal of competent jurisdiction, the remainder of the provisions shall remain in full force and effect.

Section 14-900 BURDEN OF PROOF

14-901 Any person claiming to have fulfilled the Qualification Lists requirements herein must make a written application to DGACA or DGACA-East, as appropriate, to be so classified, no later than six (6) months following the completion of the last work assignment to be considered. Such person shall have the burden of establishing and proving any such claim by appropriate documentation.

In the event of any dispute hereunder, the decision of DGACA or DGACA-East shall be final and binding. Before placing any individual on a Qualification List, DGACA or DGACA-East shall notify the Guild of each application for placement. The Guild shall have thirty (30) calendar days from the date of such notice within which to file objections and the reasons therefor with DGACA or DGACA-East. Failure to file objections and the reasons therefor within said time period shall constitute a waiver of all objections. DGACA or DGACA-East shall consider in good faith any objections the Guild may have to the individual's placement.

All disputes between DGACA or DGACA-East and the Guild as to any alleged breach by DGACA or DGACA-East of its obligation to notify the Guild or to consider in good faith the Guild's objections to an individual's placement or to DGACA's or DGACA-East's interpretation of the provisions of Article 14 relating to such placement may be submitted to grievance and arbitration in accordance with Article 2 of this BA. Notwithstanding anything to

the contrary in Article 2, the following shall apply to such arbitrations. The only parties to such arbitration shall be DGACA or DGACA-East and the Guild. A single Arbitrator shall be appointed by mutual agreement of the AMPTP and the Guild to serve in New York to hear all such arbitrations involving DGACA-East in an expeditious manner; a single Arbitrator shall be appointed by mutual agreement of the AMPTP and the Guild to serve in Los Angeles to hear all such arbitrations involving DGACA in an expeditious manner. In the event the Arbitrator rules in favor of the Guild, the Arbitrator's authority shall be limited to suspending the placement on the Qualification List of the individual involved pending notification and/or good faith consideration by DGACA or DGACA-East of said objections. In the event the Arbitrator rules in favor of DGACA or DGACA-East, the Guild shall pay all costs and fees of the arbitration.

ARTICLE 15

Non-Discrimination

Section 15-100 POLICY

15-101 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.

15-102 Agreement by the Employer and the Guild to the provisions of this Article 15 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 15-200 EMPLOYMENT OF ETHNIC MINORITIES AND WOMEN

15-201 Directors

The Employer shall work diligently and make good faith efforts to increase the number of working racial and ethnic minority and women Directors.

15-202 UPMs, First Assistant Directors, Second Assistant Directors and Associate Directors

The Employer shall work diligently and make good faith efforts and the Guild will cooperate with the Employer to increase the number of working racial and ethnic minorities and women in the positions of Unit Production Managers, Assistant Directors and Associate Directors.

15-203 Television Director Development Programs

(a) Each of the major television studios (*i.e.*, ABC Signature, CBS, 20th Television, NBC, Sony Pictures Television, Warner Bros.

Television and Paramount Television Studios) (the "Major Television Studios") will establish and maintain a Television Director Development Program designed to expand opportunities for Directors in episodic television with an emphasis on increasing diversity.

Recognizing that each Major Television Studio has a unique creative culture, such programs will be developed and administered on a studio-by-studio basis and may take different forms; however, each Program will meet the following minimum criteria:

(1) Outreach to under-represented minorities and women, including those currently working in other capacities in episodic television, with potential for success in the Program;

(2) Foster relationships between Program Participants and creative executives to increase awareness of the talents of the Program Participants that may lead to future employment opportunities;

(3) Identify directorial opportunities, when available, for Program Participants; and

(4) Each Major Television Studio will work with the DGA to promote additional networking opportunities for Program Participants.

(b) The parties further agree that the Programs are intended to supplement the development of the Program Participants and are not required to provide full-time training or employment during the Program.

(c) At the request of a Major Television Studio, the DGA will commit to identify volunteer DGA Mentors, who will provide ongoing advice to Program Participants for a period of time during and following the completion of the Program. DGA Mentors should be DGA members actively working in episodic television.

(d) To enhance the effectiveness of the Television Director Development Program, the Employer shall obtain the consent of the Director in advance of assigning a Program Participant to shadow that Director.

(e) During the term of this Agreement, Amazon Studios, LLC and Apple Studios shall each establish and maintain a Television Director Development Program and comply with the provisions applicable to the "Major Television Studios" as described above in this Paragraph 15-203.

15-204 Theatrical Directors – Diversity and Inclusion Efforts

Each of the major theatrical motion picture studios (*i.e.*, Columbia Pictures Industries, Inc., Paramount Pictures Corporation, Walt Disney Pictures, Warner Bros. Pictures, Universal Pictures) (the 'Major Theatrical Studios') will designate one or more senior level creative executives to meet on an individual Employer basis at least twice per year with members of the DGA who have been designated by the Board of Directors of the DGA to discuss ongoing efforts to develop and expand opportunities for individuals from under-represented groups to direct theatrical motion pictures. The first meeting at each Major Theatrical Studio shall take place on or before September 30, 2020. Topics of discussion may include:

(a) Increasing outreach to theatrical Directors from under-represented groups;

(b) Increasing awareness of the talents of Directors from under-represented groups that may lead to future employment opportunities on theatrical motion pictures;

(c) Increasing employment opportunities for individuals from under-represented groups to direct theatrical motion pictures; and

(d) Enhancing the access of Directors from under-represented groups to senior level creative executives.

Each such meeting will be held at the request of the DGA or the Employer. Additional meetings may be scheduled by mutual agreement of the Employer and the Guild.

Section 15-300 REPORTS

15-301 Effective September 1, 2013, the Employer shall submit to the DGA, within forty-five (45) days following the close of principal photography of a theatrical motion picture, television motion picture ninety (90) minutes or longer, pilot, or presentation or wrap of the last episode of the season for an episodic television series, a report of the gender and ethnicity of persons employed on that specific motion picture or during the season of that specific episodic television series in the classifications hereunder.[23] If the Employer is unable to submit the report within forty-five (45) days, it may request an additional fifteen (15) business days within which to submit the report, which request the Guild will not unreasonably deny. 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 D of this BA. The Guild will acknowledge its receipt of the report from the Employer.

15-302 If an Employer has not submitted reports previously, the Guild will not unreasonably deny the Employer's request for an extension of time to submit the first report.

Section 15-400 REPRESENTATIVES

15-401 The Employer shall designate an individual who shall be responsible for the preparation and submission of reports, as provided in Section 15-300. The Employer shall notify the DGA in writing of the individual so designated and any change in the individual so designated under this paragraph.

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[23] If an Employer submitted a quarterly report of the gender and ethnicity of persons employed in the classifications hereunder on a specific motion picture before September 1, 2013, the Employer may continue to submit such reports on a quarterly basis for that motion picture.

15-402 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.

15-403 On ten (10) days' notice, the Guild or Employer may request a meeting between the individuals designated in Paragraphs 15-401 and 15-402 to discuss the Employer's compliance with the preparation and submission of reports required under Section 15-300.

Section 15-500 DIVERSITY MEETINGS

15-501 (a) 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.

(b) 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.

Section 15-600 ARBITRATION

15-601 The provisions in this Article 15 are not subject to arbitration except as provided in this Section 15-600.

15-602 Should the Employer fail to submit any report required under Section 15-300, the Guild may submit the matter to grievance pursuant to Article 2, 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 2, with the exception of expedited arbitration.

Should the Arbitrator determine that Employer did not comply with Section 15-300, 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.

15-603 If, without good cause, either the Employer or the Guild fails to comply with Section 15-400, the aggrieved party (*i.e.*, the Employer or the Guild) may submit the matter to grievance pursuant to Article 2, and if the respondent still does not meet as required or designate its representative under Paragraph 15-401 or 15-402, as applicable, within ten (10) working days thereafter, the aggrieved party may submit the matter to arbitration under Article 2, excluding expedited arbitration. Should the Arbitrator determine that the respondent breached Section 15-400, the Arbitrator shall award appropriate remedies and damages not to exceed $5,000.

15-604 The Guild may submit any alleged breach by the Employer of Section 15-200 and the Employer may submit any alleged breach by the Guild of Paragraph 15-202 to grievance and arbitration under Article 2, excluding expedited arbitration. Should the Arbitrator determine that the Employer failed to comply with the provisions of Section 15-200 or the Guild failed to comply with Paragraph 15-202, the Arbitrator's remedies shall be limited to (a) implementation of a mandatory access program and/or (b) damages payable to the Guild not to exceed $12,500. However, it is understood that any alleged breach involving Directors of theatrical motion pictures shall not be subject to any grievance and arbitration procedure.

15-605 The Guild may submit any alleged breach by Employer of Paragraph 15-501 to grievance and arbitration under Article 2. Should the Arbitrator determine that the Employer failed to comply with the provisions of Paragraph 15-501, the Arbitrator’s remedies shall be limited to requiring the Employer to (a) engage in a good faith

dialogue, as provided in Paragraph 15-501(b), and/or (b) attend a meeting with the Guild, as provided in Paragraphs 15-501(a) or (b), as applicable.

Section 15-700 DGA-AMPTP JOINT DIVERSITY AND INCLUSION ACTION COMMITTEES

15-700 In recognition of the need for the Guild and the Employers to cooperate in their efforts to promote diversity in the hiring of DGA-represented classifications, the parties shall establish a new DGA-AMPTP Joint Diversity Action Committee, which will meet at least once every four months. Initially, the main purpose of the Committee will be to ensure regular communication among the Guild and Employer representatives responsible for the Television Director Development Programs and other diversity initiatives, which will enable them to improve their existing programs. The Committee will also develop new initiatives, including but not limited to the following: (1) mechanisms for racial and ethnic minorities and women to gain access to writer-executive producers, director-producers and production executives responsible for hiring; (2) mechanisms for racial and ethnic minorities and women to gain access to agents; and (3) the development of criteria to evaluate the success of these efforts. The Committee will consist of appropriate representatives from the DGA and the Employers. The Guild and the Employers will each select an individual to co-chair the Committee with sufficient authority to advance the Committee's work.

15-701 In recognition of the parties' mutual desire to promote diversity and inclusion in the hiring of DGA-represented theatrical Directors, the parties shall establish a joint industry-wide action committee, which will meet during the third year of this Agreement to discuss strategies and best practices to increase directorial opportunities for under-represented groups. The committee will consist of appropriate representatives from the DGA and the Major Theatrical Studios, including senior level creative executives.

ARTICLE 16

Term of Agreement and Modifications of Term

Section 16-100 TERM

The term of this BA shall be from July 1, 2020 to June 30, 2023. The provisions of this BA shall be effective as of July 1, 2020, unless otherwise specifically provided herein.

The provisions of the 2017 BA apply to services of Employees performed on or after July 1, 2017, on motion pictures, the principal photography of which commenced before July 1, 2020.

With respect to initial compensation payable to Directors only, the minimum rate shall be the rate in effect on the date of commencement of the Director's preparation period. With respect to all employment agreements with Directors under term contract, if the original term or any option period of employment commenced prior to July 1, 2020, then the minimum compensation provisions applicable to Term Contract Directors shall not become effective until the effective date of the exercise of the new option to renew the employment period, or one (1) year from July 1, 2020, whichever is earlier.

Section 16-200 NEGOTIATIONS FOR A NEW AGREEMENT

The parties hereto agree to commence negotiations concerning a new agreement at least sixty (60) days prior to June 30, 2023, and to continue such negotiations diligently and in good faith.

ARTICLE 17

Miscellaneous Provisions

Section 17-100 COOPERATION BETWEEN EMPLOYER AND GUILD

17-101 No Strike, No Lockout Provisions

(a) The Guild agrees that during the term hereof it will not call or engage in or assist any strike, slow-down or stoppage of work affecting motion picture production against the Employer and, in return, the Employer agrees during the term hereof not to lock out Employees covered by the BA. The Guild agrees that it will use its best efforts in good faith to require its members to perform their services for the Employer, even though other persons or groups of persons may be on strike. The Guild and the Employer mutually agree that during the term of this BA they will endeavor to promote good will, mutual understanding and real cooperation between the Guild and the Employer.

(b) Notwithstanding the foregoing provision, it shall constitute a material violation of the BA for the Employer to attempt to impose discipline as the result of the refusal of any Employee to cross any primary picket line duly authorized by the Guild. Nothing in this subparagraph (b) shall prevent Employer from replacing any Employee who fails to cross the Guild primary picket line.

(c) In the event any Employee who is also a member of a collective bargaining organization or union other than the Guild ("union") is requested in writing by Employer to cross a picket line of such union, and the Employee crosses such picket line at the request of the Employer to perform services hereunder, then the Employer shall be deemed to have indemnified and held harmless such Employee from any monetary loss, such as, without limitation, fines or claims arising out of the defense of any disciplinary or court action by the union or its members suffered by such Employee as a result thereof including, but

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

17-102 Waiver of Liability Re Strike

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

17-103 Suspension of Services During Strike

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

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

17-104 Employer's Options re Strike

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

(a) As to any motion picture which is in production at the time any such strike is commenced, if the member has a contract to render services in connection with such motion picture, or if he or she is under a contract which permits him or her to be assigned to render services in connection with such motion picture and has been so assigned, he or she will, after the termination of such automatic suspension, and upon the Employer's request, report to the Employer and perform his or her services in connection with such motion picture at the same salary and upon the same terms and conditions as were agreed upon prior to the commencement of said strike, as modified, supplemented or extended by or pursuant to the provisions of Paragraphs 17-103, 17-104 and 17-105.

(b) At any time during such strike and/or during any further period of such automatic suspension, and/or within thirty (30) days (or within fifteen (15) days in the case of a commitment for one television motion picture only) after the termination thereof, the Employer, by written notice to a member, may extend the term of such member's employment contract, and/or extend the respective period of employment term under such employment contract which was current at the commencement of such strike, and/or postpone the commencement of any subsequent employment period under such employment contract and/or postpone all or any relevant starting days, option exercise dates and/or other dates under such member's employment contract, and/or extend the time within which any date or option is required under such member's employment contract to be designated or exercised by the Employer, and/or terminate the employment of such member under his or her employment

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

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

17-105 <u>Exercise of Rights</u>

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

17-106 Statute of Limitations

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

17-107 Right to Sue

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

17-108 Incorporated in Employment Contract

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

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

17-109 Guild's Obligation

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

17-110 [Deleted]

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

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

17-112 Employer to Effectuate this BA

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

17-113 Members of Guild to Comply with this BA

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

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

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

17-115 No Waiver of Minimum Terms

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

17-116 Guild Will Issue Waivers and Act Promptly Thereon

(a) Whenever any Employer is entitled hereunder to a waiver from the Guild, the Guild agrees to issue the same without cost or conditions and to act promptly upon the request for such waiver, and in the event that the Guild fails so to do, the Employer may proceed as though a waiver had been given.

(b) The Guild agrees to waive the preparation time guaranteed hereunder in case of emergency, it being understood that the necessity of change, substitution or partial substitution of the Director, or the Assistant Director, as the case may be, when the Employer is incurring substantial expense for the salary of cast actually assigned to the picture involved, or when photography has started or when such substantial expense will be incurred within the period prescribed for preparation time, shall be deemed an emergency and the Director or the Assistant Director, as the case may be, must in such case waive preparation time. In such event, the Guild shall be notified as soon as practicable. Under any other circumstances, the Director or the Assistant Director, as the case may be, may waive preparation time only after the Guild has in writing consented to such waiver.

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

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

17-118 Hold Harmless

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

(a) this Paragraph 17-118 shall not apply in any instance in which such injury, loss or damage is the result of or caused by, in whole or in part, the gross negligence or willful misconduct of such Employee;

(b) immediately upon such Employee, or his or her representative, being informed of any claim or litigation, he or she shall notify the Employer thereof and deliver to the Employer every demand, notice, summons, complaint or other process received by him or her or his or her representative; and

(c) the Employee shall cooperate fully in the defense of the claim or action, including the attending of hearings and trials, securing and giving evidence, and obtaining the attendance of witnesses.

(d) Employer agrees that it will arrange to have each Employee who renders services to Employer under the BA named or covered as an insured or an additional insured under its Errors and Omissions (Producer's Liability) Insurance.

(e) The Employer shall obtain and keep in force during the term of employment of any Employee insurance coverage insuring the Employee against any liability arising out of the performance by the Employee in the course and scope of his/her employment under this BA under the direction and control of

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

17-119 Proof of Performance

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

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

17-120 UPMs' and Assistant Directors' Residuals

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

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

17-121 Delay in Payment or Default

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

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

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

17-122 Guild Access to Premises

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

17-123 Morals Clause

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

17-124 Delegation of Authority

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

17-125 Waiver of New York City Earned 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); the Westchester County Earned Sick Leave Law (Section 585.01 *et seq.* of the Laws of Westchester County); Section 1-24-045 of the Municipal Code of Chicago; the Cook County Earned Sick Leave Ordinance (Ordinance No. 16-4229); the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to "paid sick leave" in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.0.1.e), 37.03, 37.07.a)1)B.ii. and 37.07.f)); the 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; 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; the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); 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.

Section 17-200 SCOPE AND INTENT OF THIS BA

17-201 Geographical Application of this BA

The provisions of this BA shall apply to work on motion pictures based in the United States and performed in the United States (including its territories and dependencies) and Canada; provided, however, that the provisions of this BA shall also apply to work performed by any Employee employed by the Employer in the United States, to direct, or to be a UPM or an Assistant Director or Associate Director on a motion picture based outside the United States (including its territories and dependencies). If the Director is so employed in the United States, as defined, for photographing of principal photography on a motion picture produced by Employer, then a First Assistant Director shall also be sent. However, no such First Assistant Director need be sent to any foreign production where an applicable foreign labor restriction, quota or law prohibits such an

assignment or when such assignment would result in a loss of a foreign production subsidy. The Employer shall give the Guild prompt written notice when a First Assistant Director cannot be taken due to any of the foregoing conditions.

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

17-202 BA to be Interpreted in Accordance with Law

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

17-203 BA Binding on Whom

(a) This BA, consistent with and subject to the provisions of Paragraph 17-201 above, shall be binding upon the Employer signatory hereto and upon its subsidiaries engaged in the production of theatrical motion pictures and television motion pictures produced anywhere in the world, in which subsidiaries Employer has a fifty percent (50%) or more financial interest, and upon all parties who by reason of mergers, consolidations, reorganizations, sale, assignment or the like shall succeed to or become entitled to a substantial part of the business of the

Employer. However, if with respect to a motion picture produced by an independent producer (whether or not such producer is a signatory to the BA) under a contract with Employer for the financing, production and distribution of such motion picture, Employer fails to give the Guild notice within ten (10) days, excluding Saturdays, Sundays or holidays, after the opening of the production account for such motion picture that such motion picture is not to be covered by this BA, then and in such event, Employer shall be obligated hereunder with respect thereto.

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

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

(c) When formal negotiations, following a commitment for employment, are conducted in the United States under the auspices of Employer for the employment of an Employee by a non-signatory producer, then Employer shall notify the Guild of such negotiations as soon as such negotiations come to the knowledge of the Employer's studio Executive Producer in Hollywood.

(d) The Employer agrees not to do indirectly that which it cannot do directly hereunder. For example, the Employer signator will be bound hereunder in connection with a motion picture produced abroad by a non-signator when the Director is employed in the United States by the non-signator and the Employer signator has a fifty percent (50%) or more financial interest in such motion picture. This provision shall apply regardless of whether the production financing is direct, or in advance of commencement of production of the motion picture by way of either a guarantee or by way of a negative pick-up.

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

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

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

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

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

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

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

17-204 Subcontracting

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

17-205 Change of Name by Employer

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

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

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

terminated for reasons other than the failure of such person to tender the applicable periodic dues and the initiation fees uniformly required as a condition for acquiring or retaining membership in the Guild.

17-207 Intent to Prevent Breach of Individual Contracts

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

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

17-208 Working Conditions Used in Interpretation

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

17-209 Guild's Right to Discipline Members

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

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

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

17-211 Assumed Obligations

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

17-212 Exclusions

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

17-213 Notices, How Given

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

17-214 Application

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

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

17-215 Motion Picture and Television Relief Fund

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

Section 17-300 EXPLANATION OF TERMS USED

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

(a) "Shorts," for the purpose of this BA, are defined as any picture which when released is twenty-seven hundred (2,700) lineal feet or less in length on 35mm film, or one thousand eighty (1,080) lineal feet or less in length on 16mm film, other than pictures known as newsreels, travelogues or news and sports commentations, if such pictures are originally made and originally distributed as such.

(b) For the purpose of this BA, members of the Guild in good standing are defined as persons who have tendered the initiation fee and periodic dues uniformly required of all members.

(c) The word "Year," unless the context clearly indicates otherwise, shall be construed to be a twelve (12) month period commencing with July 1, 2020, and each succeeding twelve (12) month period thereafter.

(d) "Distant Location" for an Employee is defined as a location on which such Employee is required by Employer to remain away from home and be lodged overnight. All days on which there is travel to or from the distant location shall be deemed distant location days.

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

17-302 Significance of Titles and Sub-Titles

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

17-303 Terms Used

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

Section 17-400 RESIDUALS AUDITS

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

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

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

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

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

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

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

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

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

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

Section 17-500 SAFETY

17-501 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) <u>Employer</u>

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 the Unit Production Manager (or other designee); however, the Employer always has the ultimate responsibility for ensuring a safe working environment and shall support the Unit Production Manager (or other individual designated by the

Employer)[24] in the implementation and administration of the Safety Program. To that end, the Employer shall designate and identify to the Unit Production Manager an individual (*e.g.*, a line producer or production executive) to serve as a point of contact in the event the Unit Production Manager 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 Unit Production Manager in the implementation and administration of the Safety Program and supporting the First Assistant Director 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 Unit Production Manager, the First Assistant Director, 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) Unit Production Manager

The Unit Production Manager has primary responsibility for the effective implementation and administration of the Safety Program for a given production with respect to all phases of production (*i.e.*, beginning with pre-production and continuing through post-production) during his or her period of employment. The First Assistant Director and all department

[24] The parties recognize that the Employer will typically delegate practical day-to-day responsibility for implementing and administering the Safety Program to the Unit Production Manager. Accordingly, the remainder of this section assumes that typical practice.

heads and supervisors shall report to the Unit Production Manager on safety issues, and the Unit Production Manager is responsible for ensuring that these individuals meet their responsibilities as set forth in the Safety Program. The Unit Production Manager may also delegate specific safety responsibilities as appropriate. In carrying out his or her safety responsibilities, the Unit Production Manager shall obtain guidance on safety matters from the First Assistant Director, department heads, supervisors, or other individuals with relevant safety expertise, as applicable, and may rely upon their advice. The Unit Production 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.

(d) First Assistant Director

The First Assistant Director reports to the Unit Production Manager on safety issues and is responsible for implementing and administering the Safety Program with respect to the cast and crew on set (whether on stage or on location), which may include during tech scouts, prep, camera tests, screen tests, rehearsals and filming. (By way of example, cast and crew members may always approach the Unit Production Manager with a safety concern, but they should ordinarily report safety concerns that arise on set to the First Assistant Director.) The First Assistant Director is responsible for coordinating on set safety, for conveying safety requirements to all cast and crew members and supporting department heads and supervisors in meeting their Safety Program responsibilities. In carrying out his or her safety responsibilities, the First Assistant Director 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 Assistant Director shall communicate with the Director, the Unit Production Manager and the Production Safety Department (if any) regarding any health and safety concerns that are identified prior to and during any production day. In addition, the First Assistant Director shall ensure that proper control measures have been implemented and communicated to

all involved, including by conducting safety meetings and including appropriate information on call sheets. The First Assistant Director 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.

(e) Second Assistant Director

The Second Assistant Director reports to the First Assistant Director on safety issues and shall assist the First Assistant Director in implementing and administering the Safety Program. (For example, the Second Assistant Director shall assist the First Assistant Director in coordinating on set safety, conveying safety requirements to all cast and crew members and supporting department heads and supervisors in meeting their Safety Program responsibilities.) The Second Assistant Director shall also assist the First Assistant Director in communicating with the Unit Production Manager 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. Additional responsibilities include maintaining documentation of safety meetings, crew notices and accident reports; including appropriate information on call sheets; and preparing accurate production reports.

When assigned to perform location managing duties in areas where such work is performed by Employees employed under this Agreement, the Second Assistant Director is also responsible for identifying production locations and bringing to the attention of the Unit Production Manager, First Assistant Director, Construction Coordinator, Transportation Coordinator, or any other applicable Department Head, and the Production Safety Department (if any), any apparent safety hazards so they may be evaluated and mitigated as appropriate.

(f) 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 Unit Production Manager and First Assistant Director of any environmental, health or safety issues identified prior to and during any production day, if known to the Production Safety Department.

17-502 The First Assistant Director may call a meeting to discuss safety issues involved with the continuation of production when members of the shooting crew have worked sixteen (16) hours from general crew call.

Section 17-600 ISAN NUMBERS

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

Section 17-700 CALIFORNIA SICK LEAVE

(a) Accrual. Eligible Employees (as described in paragraph (b) below) shall accrue one (1) hour of paid sick leave for every thirty (30) hours worked in California for the Employer, up to a maximum of forty-eight (48) hours or six (6) days. Employees are deemed to work forty (40) hours per week if they work on a weekly basis or eight (8) hours per day if they are employed on a daily basis or work for a partial workweek. (In lieu of the foregoing hourly accrual of paid sick leave, and provided that advance notice is given to the Employee, an Employer may elect to provide Employees, upon their eligibility to use sick leave as provided below (*i.e.*, upon working thirty (30) days in California for the Employer within a one (1) year period and after their ninetieth (90th) day of employment in California with the Employer (based on days worked or guaranteed)), with a bank of twenty-four (24) hours or three (3) days of sick leave at the beginning of each year, such year to be measured, as designated by the Employer, as either a calendar year or starting from the Employee's anniversary date. Under this elected option,

such banked sick leave days may not be carried over to the following year.) An Employee shall not forfeit sick leave earned during employment with the Employer before July 1, 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."[25] 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:

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

(2) include in the Employee's start paperwork the contact information for the designated Employer representative whom the Employee may contact to confirm eligibility and the amount of accrued sick leave available.

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

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

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[25] "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.

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

(h) Any dispute with respect to sick leave for Employees covered under this Agreement shall be subject to the grievance and arbitration procedures provided herein.

ARTICLE 18

Supplemental Markets - Theatrical and Free Television Motion Pictures

18-101 Motion Pictures Covered

The provisions of this Article 18 relate and apply only to theatrical and free television motion pictures which are:

(a) produced by the Employer or within the provisions of Paragraph 18-110;

(b) the principal photography of which commenced on or after July 1, 2020, which motion pictures are, either during the term hereof or at any time thereafter, released in supplemental markets (as defined below); and

(c) produced by Employer with Directors, UPMs and First and Key Second Assistant Directors employed by Employer under the terms of this BA or in the employ of the actual Producer as described in Paragraph 18-110 (to which employment the provisions of the Paragraph apply).

Such a motion picture is sometimes herein called "Such Picture."

18-102 Definitions

The term "Supplemental Markets," as used in this BA, means only: The exhibition of motion pictures by means of cassettes (to the limited extent provided in subparagraph (a) of this Paragraph 18-102) or pay television as those terms are hereafter defined in this Paragraph 18-102 and the exhibition of television motion pictures on any commercial carrier such as commercial airlines, trains, ships and buses (referred to herein as "in-flight").

(a) Cassettes: For the purposes of this Article 18, a cassette is any audio-visual device, including without limitation, cassette, cartridge, phonogram or other similar audio-visual device now

known or hereafter devised, containing a motion picture (recorded on film, discs, 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 "Supplemental Markets."

(b) 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:

(1) 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

(2) the subscriber pays for the motion picture or motion pictures selected (except that a motion picture or motion pictures selected for which only a token charge is made shall not be considered pay television);

and/or

(3) 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 18, shall also include the exhibition of motion pictures 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 theatres 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 motion picture 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 theatrical motion pictures 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 theatrical motion pictures. Wherever reference is made in this Article 18 to pay television, such reference shall be deemed to include only those uses of motion pictures 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 where the subscriber or viewer has the option, for a payment, to receive special programming over one or more special channels. Subject to Paragraph 11-108, the exhibition of motion pictures made for theatrical or free television exhibition on "basic cable" is considered free television exhibition as distinguished from "Supplemental Markets" exhibition.

With respect to theatrical motion pictures, the Employer has agreed to the inclusion of pay television in the "Supplemental Markets" because under the present pattern of distribution of theatrical motion pictures, pay television is supplemental to the primary market. The Employer reserves the right in future negotiations to contend that the pattern of release has changed so that pay television is no longer a "Supplemental Market" but constitutes or is a part of the primary market of distribution of theatrical motion pictures, and that therefore no additional payment pursuant to this Article should be made with respect to the release of theatrical motion pictures (including those covered by this BA) in said markets. The Guild reserves the

right to contend in future negotiations that the method of employment and payment provided for in this BA is applicable and appropriate to employment directly for motion pictures intended primarily for release on pay television or cassettes, and that the provisions of this BA with respect to all kinds of "Supplemental Markets," whether they are or have become primary markets or not, shall be improved for the benefit of Employees hereunder for said markets. Nothing herein shall limit the scope of negotiations on said subjects.

18-103 Supplemental Market Distribution Other Than By Cassettes

The following provisions of this Paragraph 18-103 apply to the distribution of any "Such Picture" in "Supplemental Markets" other than by means of cassettes as defined in subparagraph 18-102(a):

(a) 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 Picture. Except as otherwise provided in this subparagraph (a) below for multi-camera prime time dramatic series, 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 UPM, the First Assistant Director and the Key Second Assistant Director employed on such motion picture (such portion of such one-sixth (1/6) *pro rata* share to be based upon their respective minimum schedule wage rate hereunder).

For multi-camera prime time dramatic series for which a line cut is regularly recorded, 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 Pension Plan; and a *pro rata* share of one-sixth (1/6) of such amount to be to be divided as follows: twenty-eight percent (28%) to the UPM, twenty-seven percent (27%) to the First Assistant Director, nineteen percent (19%) to the Key Second Assistant Director, and twenty-six percent (26%) to the

Associate Director. The parties shall cooperate in identifying the title of any series for which a line cut is regularly recorded at the beginning of each season.

For all other multi-camera prime time dramatic series (other than an episode of a multi-camera prime time dramatic series covered by the following paragraph), 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 Pension Plan; and a *pro rata* share of one-sixth (1/6) of such amount to be divided as follows: thirty-one percent (31%) to the UPM, twenty-nine percent (29%) to the First Assistant Director, twenty percent (20%) to the Key Second Assistant Director, and twenty percent (20%) to the Associate Director.

The parties agree to form a committee immediately following the conclusion of negotiations for the 2011 Basic Agreement to discuss the allocation of Supplemental Markets payments among the Unit Production Manager, Assistant Directors and Associate Director in the event that a line cut is recorded for an episode of a dramatic series for which a line cut is not regularly recorded and the principal photography of such episode commences on or after July 1, 2011.

If more than one Director, UPM, First Assistant Director, Key Second Assistant Director or Associate Director renders services in connection with Such Picture, 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.

(b) 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 Picture (who may be the Employer or a distributor licensed by the Employer) from licensing the right to exhibit Such Picture in Supplemental Markets other than by means of cassettes; provided, however, that in the case of any Such Picture which is produced outside of the United States, if Such

Picture is subject to this BA 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 Picture or furnishes any other consideration for such production and a foreign distributor acquires one or more foreign territories for the distribution of Such Picture 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 Picture 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 Picture does not distribute Such Picture directly in Supplemental Markets, but employs a subdistributor to so distribute Such Picture, then the "Employer's gross" shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit Such Picture in Supplemental Markets. In case of an outright sale of the Supplemental Markets 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 "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 sales price which shall, for the purpose hereof, be the "Employer's gross." In reaching this determination, Employer may consider the current market value of Supplemental Markets exhibition rights in comparable motion pictures.

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 Supplemental Markets distribution rights to more than one (1) motion picture, Employer shall likewise allocate to each Such Picture 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 Picture. Nothing with respect to the price received on the outright sale of only supplemental markets distribution rights in a single Such Picture 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.

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 motion picture 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) Definition of "Accountable Receipts"

The term "accountable receipts," as used herein, means one hundred percent (100%) of the "Employer's gross."

(d) 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 Director, UPM, First or Second Assistant Director, 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 Picture 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 Picture and other motion pictures distributed by the distributor in Supplemental Markets in the same ratio that receipts derived from the distribution of Such Picture in Supplemental Markets within the foreign country bear to the total receipts derived from the distribution of Such Picture and all other motion pictures 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 remain 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.

(e) Allocation of License or Sales Fee

If any license or outright sale of exhibition rights to Such Picture in Supplemental Markets includes as a part thereof any filmed 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.

18-104 Supplemental Market Distribution on Cassettes

The following provisions of this Paragraph 18-104 apply to the distribution in Supplemental Markets of any Such Picture by means of cassettes as defined in subparagraph 18-102(a):

(a) 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. Except as provided in subparagraph (4) below for multi-camera prime time dramatic series, such percentage payments are to be divided as follows:

(1) 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 UPM, the First Assistant Director and the Key Second Assistant Director.

(2) 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 UPM, the First Assistant Director and the Key Second Assistant Director.

(3) The portion of the 1.5% and 1.8% percentage payment due the UPM, First Assistant Director and Key Second Assistant Director shall be divided among them in *pro rata* shares based upon their respective minimum wage rate hereunder.

(4) For multi-camera prime time dramatic series for which a line cut is regularly recorded, the portion of the 1.5% and 1.8% percentage payment due the UPM, First Assistant Director, Key Second Assistant Director and Associate Director shall be divided among them as follows: twenty-eight percent (28%) to the UPM, twenty-seven percent (27%) to the First Assistant Director, nineteen percent (19%) to the Key Second Assistant Director, and twenty-six percent (26%) to the Associate Director. The parties shall cooperate in identifying the title of any series for which a line cut is regularly recorded at the beginning of each season.

For all other multi-camera prime time dramatic series (other than an episode of a multi-camera prime time dramatic series covered by the following paragraph), the portion of the 1.5% and 1.8% percentage payment due the UPM, First Assistant Director, Key Second Assistant Director and Associate Director shall be divided among them as follows: thirty-one percent (31%) to the UPM, twenty-nine percent (29%) to the First Assistant Director, twenty percent (20%) to the Key Second

Assistant Director, and twenty percent (20%) to the Associate Director.

The parties agree to form a committee immediately following the conclusion of negotiations for the 2011 Basic Agreement to discuss the allocation of Supplemental Markets payments among the Unit Production Manager, Assistant Directors and Associate Director in the event that a line cut is recorded for an episode of a dramatic series for which a line cut is not regularly recorded and the principal photography of such episode commences on or after July 1, 2011.

If more than one Director, UPM, First Assistant Director, Key Second Assistant Director or Associate Director renders services in connection with Such Picture as provided above, 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.

(b) 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 Picture 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:

(1) 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);

(2) 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 motion picture 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) In the case of any Such Picture which is produced outside of the United States, if Such Picture is subject to this BA 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 Picture or furnishes any other consideration for such production and a foreign distributor acquires one or more foreign territories for the distribution of Such Picture 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 Picture 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 Picture by cassettes.

(c) 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 Director, UPM, First or Second Assistant Director, 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 Picture 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 Picture and other motion pictures distributed by the distributor in Supplemental Markets in the same ratio that receipts derived from the distribution of Such Picture in Supplemental Markets within the foreign country bear to the total receipts derived from the distribution of Such Picture and all other motion pictures 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 remain thereafter shall be included in 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.

(d) Allocation of License or Sales Fee

If any license or outright sale of exhibition rights to Such Picture in Supplemental Markets includes as a part thereof any filmed 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.

18-105 Participating Employees

If there is at least one (1) participating Employee (listed in subparagraph 18-101(c)) subject to the BA who performs services in connection with Such Picture, the Employer shall pay the full amount of the percentage payment. If there is more than one participating Employee in any of the job categories, the Guild shall determine the allocation of such payment among such participating Employees, provided that the Director(s), Unit Production Manager(s), First Assistant Director(s) or Key Second Assistant Director(s) subject to this BA shall receive no less than their share as set forth in subparagraphs 18-103(a) and 18-104(a).

If there are no participating Employees assigned to Such Picture 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 Paragraph 18-106 shall disclose the amount so paid to the Health Plan.)

If any Employee's services for Such Picture are performed for the Employer on a loan-out basis, then for the purposes of this Article 18, the Employer shall be deemed to be the employer, and the lender shall not have any responsibility hereunder with respect to Such Picture.

18-106 Reports and Manner of Payment

(a) 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 Picture 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).

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 check 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.

(b) A "non-returnable advance" is to be included in "Employer's gross" when Such Picture is "available" and "identifiable" and the amount of the advance payment is "ascertainable."

(1) Such Picture is "available" when the first of the following occurs:

(i) 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

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

(2) Such Picture 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.

(3) The amount of the advance payment is "ascertainable" if:

(i) the advance is for one motion picture, means of exhibition, and territory, or

(ii) the total amount of the advance is for more than one (1) 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 Picture 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 the BA 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 of 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.

(c) 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) for such Pension Plan or such respective individual. At the end of any calendar or fiscal year, however, any amounts due shall be paid to the Pension Plan and any participating Employee.

The foregoing paragraph shall apply to any prior Basic Agreement binding upon the Employer, notwithstanding anything to the contrary elsewhere in this Article 18.

(d) 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 Picture, 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 Picture 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 (1) picture is licensed in a single license agreement, the Employer shall

inform the Guild, at its request, of the identity of the pictures 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 terms of such license showing the titles of the pictures licensed under such agreement and the license fee for each such picture. Employer agrees to cooperate in responding to reasonable inquiries from the Guild as to whether any such picture 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 Paragraph 18-106 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 18.

18-107 **Charge for Late Payment**

If the Employer shall fail to make any payment provided for in this Article 18 when and as the same becomes due and payable, interest shall accrue at the rate of one percent (1%) per month on the unpaid balance thereof from the date payment is due.

18-108 The compensation payable under this Article 18 shall be excluded from the gross compensation upon which the Employer contributions are to be made to the Pension Plan and Health and Welfare Plan.

18-109 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 Picture, 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.

18-110 Employer's Acquisition of Title

If Employer was not the actual producer of Such Picture 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 Picture is exhibited in Supplemental Markets, unless such payment required hereunder has already been paid.

18-111 Production, Finance, Distribution Agreement

The obligation of the signatory Employer hereunder with respect to the payments provided for in this Article 18 shall also apply to any Such Pictures produced by an independent producer under a contract between the signatory Employer and such independent producer for the production of such motion picture, 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 Markets fees based on monies received by a foreign distributor under a foreign production deal as defined in subparagraphs 18-103(b) or 18-104(b)(3) 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 subparagraphs 18-103(b) or 18-104(b)(3) except if such foreign distributor is obligated to account to such signatory Employer pursuant to subparagraphs 18-103(b) or 18-104(b)(3) with respect to monies as therein provided.

18-112 Employer Continuing 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 Picture in Supplemental Markets, irrespective

of the assumption of such liability by any other person, firm or company as provided in Article 22, except as otherwise expressly provided in this BA.

18-113 Failure to Deliver Assumption Agreement

The failure of Employer to obtain and deliver an executed assumption agreement as provided in Article 22-101(a) and Article 22-301(a) shall be deemed a substantial breach of this BA.

18-114 Employer's Dissolution

If Employer dissolves and is no longer in the business of producing motion pictures and if a distributor assumes all of the obligations of the Employer under this Article 18 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 a member company of the Alliance of Motion Picture and Television Producers, Inc., or if any such member company is permanently liable to pay the Supplemental Markets fees provided for in this Article 18 with respect to the motion pictures for which the Employer is liable to make such payment of Supplemental Markets fees, then the financial responsibility of such distributor shall be conclusively deemed approved and Employer shall be released of any obligation with respect to any such payments.

18-115 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 Picture in Supplemental Markets or the buyer of the Employer's Supplemental Markets rights in Such Picture, as the case may be.

18-116 Trailers, Advertising, Stock Shots

The provisions of this Article 18 shall not apply to the distribution or exhibition in relation to Supplemental Markets of trailers or advertising a motion picture by shots, etc., substantially in the nature of a trailer, or the use of stock shots.

18-117 Termination of BA

Notwithstanding the sooner termination of this BA, the parties hereto agree that the terms and conditions of this Article 18 shall apply and remain in full force and effect and without change to Such Picture produced by the Employer, the principal photography 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 BA or of such period) Such Pictures are released in Supplemental Markets, and regardless of the terms or provisions of any BA which is a modification, extension or renewal of or substitution for this BA.

ARTICLE 19

Theatrical Motion Pictures, the Principal Photography of Which Commences after July 1, 1990[26] and Released to Free Television

19-101 Motion Pictures Covered

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 on television.

The provisions of this Article relate and apply only to theatrical motion pictures:

(a) produced by the Employer or within the provisions of Paragraph 19-110;

(b) the principal photography of which commenced between July 1, 2020 and June 30, 2023, inclusive, which motion pictures

[26] Note: With respect to theatrical motion pictures, the principal photography of which commenced after April 30, 1960, and (1) prior to May 1, 1968, see the Directors Guild Basic Agreements of 1960 and 1964; (2) between May 1, 1968 and May 1, 1973, see the Directors Guild Basic Agreement of 1968, as amended April 1, 1972; (3) between May 1, 1973 and December 31, 1977, see the Directors Guild Basic Agreement of 1973; (4) between January 1, 1978 and June 30, 1981, see the Directors Guild Basic Agreement of 1978; (5) between July 1, 1981 and June 30, 1984, see the Directors Guild of America Basic Agreement of 1981; (6) between July 1, 1984 and June 30, 1987, see the Directors Guild Basic Agreement of 1984; (7) between July 1, 1987 and June 30, 1990, see the Directors Guild Basic Agreement of 1987; (8) between July 1, 1990 and June 30, 1993, see the Directors Guild Basic Agreement of 1990; (9) between July 1, 1993 and June 30, 1996, see the Directors Guild Basic Agreement of 1993; (10) between July 1, 1996 and June 30, 1999, see the Directors Guild Basic Agreement of 1996; (11) between July 1, 1999 and June 30, 2002, see the Directors Guild Basic Agreement of 1999; (12) between July 1, 2002 and June 30, 2005, see the Directors Guild Basic Agreement of 2002; (13) between July 1, 2005 and June 30, 2008, see the Directors Guild Basic Agreement of 2005; (14) between July 1, 2008 and June 30, 2011, see the Directors Guild Basic Agreement of 2008; (15) between July 1, 2011 and June 30, 2014, see the Directors Guild Basic Agreement of 2011; (16) between July 1, 2014 and June 30, 2017, see the Directors Guild Basic Agreement of 2014; and (17) between July 1, 2017 and June 30, 2020, see the Directors Guild Basic Agreement of 2017.

are, either during the term hereof or at any time thereafter, released to free television; and

(c) produced by Employer with Directors employed by Employer under the terms of this BA or in the employ of the actual producer as described in Paragraph 19-110 (to which employment the provisions of this Article apply).

19-102 Percentage of Accountable Receipts Payable

As to each such motion picture, the Employer will pay (a) to the Directors Guild of America–Producer Pension Plan (herein referred to as the Pension Plan) an amount equal to one percent (1%) of the Employer's accountable receipts from the distribution of such motion picture on free television, computed as hereinafter provided, and (b) one percent (1%) of such accountable receipts to be paid the Director of the motion picture on a *pro rata* allocation to each Director when there is more than one Director. In the latter case, in the event of any controversy as to the *pro rata* allocation of such one percent (1%), the amount allocable to each Director shall be resolved by the Guild and each individual Director involved shall be bound thereby. The payment of the one percent (1%) to be paid to the Director or Directors shall be sent to the Guild for forwarding to such Director or Directors and compliance therewith shall constitute payment to the Director. Such two percent (2%) payment is hereinafter referred to as the "percentage payment." These payments are not subject to health and welfare or pension contributions. The above is subject to the following conditions:

19-103 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 motion picture (who may be the Employer or a distributor licensed by the Employer) from licensing the right to exhibit the motion picture on free television but shall not include:

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

(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 motion picture or on any monies to be remitted to or by the Employer or such other distributor, but there shall not be excluded from Distributor's gross receipts 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) Frozen foreign currency until the Employer shall either have the right to freely use such foreign currency or Employer or Distributor has the right to transmit to the United States to Employer or Distributor such foreign currency from the country or territory where it is frozen. If such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the rate of exchange at which such currency was actually transmitted to the United States as aforesaid, or if not actually transmitted, then at the prevailing free market rate of exchange at the time such right to use or to transmit occurs.

Such gross income realized in foreign currency in any reporting period required hereunder shall be deemed to be converted to United States dollars at the prevailing market rate of exchange at the close of such reporting period, except that when such gross income has actually been transmitted to the United States, it shall be deemed converted to United States dollars at the rate of exchange at which such foreign currency was actually so transmitted.

Frozen foreign currency shall be deemed to be unblocked on the basis of "first-in, first-out" unless otherwise allocated by local foreign fiscal authorities. Allocation of such unblocked funds, as between revenue which serves as the basis of determining payments hereunder and other revenue, shall be on a proportional basis, subject to different earmarking by local foreign fiscal authorities.

If the Distributor of the motion picture does not distribute the motion picture directly to free television, but employs a

subdistributor to so distribute the motion picture, then the Employer's gross shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit the motion picture on free television.

In case of an outright sale of the free 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 Employer's gross. If any such outright sale shall include free television exhibition rights and other rights, then (but only for the purpose of the computation required hereunder), the Employer shall allocate to the free television exhibition rights a fair and reasonable portion of the sales price which shall, for the purpose hereof, be the Employer's gross. In reaching such determination, Employer may consider the current market value of free television exhibition rights in comparable motion pictures.

If the Guild shall contend that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration as herein provided; and in the event the Arbitrator shall find that such allocation was not reasonable and fair, the Arbitrator shall determine the fair and reasonable amount to be so allocated.

If the outright sale includes free television distribution rights to more than one (1) motion picture, Employer shall likewise allocate to each motion picture a fair and reasonable portion of the sales price of the free 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, he or she shall determine the fair and reasonable amount to be so allocated to each motion picture. Nothing with respect to the price received on the outright sale of only free television distribution rights in a single motion picture 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. Sums paid to any advertising agency in connection with any exhibition of a motion picture on free television shall not be included in Employer's gross.

19-104 Definition of "Accountable Receipts"

The term "accountable receipts," as used herein, means the balance of the Employer's gross after deducting an arbitrary forty percent (40%) of the Employer's gross for distribution fees and expenses; except that in the case of an outright sale of free television distribution rights, there shall be deducted only an arbitrary ten percent (10%) of the Employer's gross for sales commissions and expenses of sale.

19-105 Accrual of Employer's Obligation; Charge for Late Payments

Employer's obligation shall accrue hereunder only after accountable receipts are received by the Employer. Payment of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided.

If the Employer shall fail to make any payment provided for in this Article 19 when and as the same becomes due and payable, interest shall accrue at the rate of one percent (1%) per month on the unpaid balance thereof from the date payment is due.

19-106 Allocation of License or Sales Fee

If any license or outright sale of exhibition rights to the motion picture on free television includes as a part thereof any filmed 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. If the Guild shall contend that the amount so allocated was not a reasonable amount, 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 a

reasonable amount, the Arbitrator shall determine the reasonable amount to be so allocated.

19-107 Participating Director

If the Director's services on the motion picture are performed for the Employer on a loan-out basis, then for the purpose of this BA, the Employer shall be deemed to be the employer, and the lender shall not have any responsibility hereunder with respect to the motion picture. If there is at least one (1) participating Director subject to this BA who performs services on the motion picture, the participating Director(s) shall receive full payment of the one percent (1%) of accountable receipts and the Pension Plan shall likewise receive full payment.

19-108 Reports and Manner of Payment

(a) Employer will furnish to the Guild written reports showing the Employer's gross received from the sale, lease, license and distribution (whether by Employer or a distributor or subdistributor to the extent Employer receives such information) of each motion picture on free television. Such reports shall be furnished quarterly during each fiscal year of 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 due the Pension Plan shall be made by check payable to the Pension Plan and all payments due the Director shall be made by check payable to the Director sent to the Guild. Each such quarterly statement shall designate the title of the motion picture involved.

(b) A “non-returnable advance” is to be included in “Employer's gross” when the motion picture is “available” and “identifiable” and the amount of the advance payment is “ascertainable.”

(1) The motion picture is “available” when the first of the following occurs:

(i) 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

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

(2) The motion picture 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.

(3) The amount of the advance payment is "ascertainable" if:

(i) the advance is for one motion picture, means of exhibition, and territory, or

(ii) the total amount of the advance is for more than one (1) 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 the motion picture 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 the BA 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 of 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.

(c) On request, Employer shall make available to the Guild or Pension Plan all accounting statements delivered by a distributor or by a subdistributor to the Employer, but only insofar as such statements relate to the Employer's gross. The Guild or Pension Plan shall have the right, at reasonable times, to examine the books and records of Employer insofar as they relate to Employer's gross. Employer shall not be required to furnish any quarterly statement hereunder with respect to the motion picture prior to Employer's receipt of any Employer's gross with respect to the motion picture, or for any quarterly period during which no Employer's gross from the motion picture is received by the Employer.

19-109 Crediting

If a participating Director's employment agreement with the Employer requires that the Director's compensation shall be based, in whole or in part, upon, or measured by a percentage of the gross receipts or revenues derived from the distribution of the motion picture, any payment due hereunder shall be credited *pro rata* against such percentage compensation. When all or a part of a Director's compensation is a specified sum of money, including what is commonly known and referred to as a "deferment," such specified sum of money may not be credited against amounts payable by the Employer hereunder.

19-110 Employer's Acquisition of Title

If Employer was not the actual producer of the motion picture, but such motion picture was produced by a signatory to this BA, and

Employer acquires the title to the motion picture by purchase, assignment, transfer (voluntary or involuntary) or on foreclosure of a chattel mortgage or at pledgee's sale, Employer shall be obligated to pay the amounts, if any, due under this Article 19 unless such other producer has theretofore made or theretofore become obligated to make such payments to the Pension Plan and the Director. The Guild agrees that the Pension Plan and Director shall not be entitled to any payments from the Employer under this Article 19 with respect to any motion picture for which, under an agreement with the Guild, any other party has theretofore made or theretofore become obligated to make any such payments.

19-111 Mortgage, Pledge or Lien

With respect to the motion picture, Employer agrees either to:

(a) include in any chattel mortgage, pledge or other lien or security agreement covering the motion picture, a provision made expressly for the benefit of the Pension Plan and Director, to the effect that the chattel mortgagee, pledgee, or lien or security holder agrees that if such mortgage, pledge, lien or security agreement is foreclosed, and such mortgagee, pledgee, lien or security holder thereby obtains title to the motion picture and subsequently exhibits the motion picture on free television, then in such event, after such mortgagee, pledgee, lien or security holder has recouped its loan so secured plus interest and all costs and expenses incident to foreclosure, such mortgagee, pledgee, lien or security holder will be bound by the provisions of this Article 19 with respect to payments to the Pension Plan and the Director thereafter becoming due and payable hereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee or lien or security holder who has acquired title to the motion picture from thereafter making a sale of the motion picture to a third party free and clear of any limitations or obligations whatsoever. Except as otherwise provided in this subparagraph (a), the rights of the Pension Plan and the Director hereunder shall be subordinate to the rights of such mortgagee, pledgee, lien or security holder; or

(b) in the alternative, be bound by the provisions of this Article 19 with respect to additional payments to the Pension Plan and the Director, if any, due after such foreclosure shall have been made. In the event Employer elects this alternative, the provisions of subparagraph (a) above shall be inapplicable, and if the provisions referred to in subparagraph (a) above are not included in such chattel mortgage, pledge, lien or security agreement, Employer shall be deemed to have elected the alternative provided for in this subparagraph (b).

In the event of a foreclosure referred to in subparagraph (a) above, should the Employer distribute the motion picture for such mortgagee, pledgee, lien or security holder, Employer shall be bound during the period of such distribution by the provisions of this Article 19 with respect to payments due hereunder, to the same extent as the mortgagee, pledgee, lien or security holder under subparagraph (a) above. Any such payments made by the Employer as the distributor shall be credited against any obligation of the mortgagee, pledgee, lien or security holder that may be due or become due to the Pension Plan under subparagraph (a) above, it being understood that the Pension Plan shall be entitled to such payments but once.

The foregoing provisions of this Paragraph 19-111 shall not apply to any motion picture subject to any security instrument in existence on September 10, 1962.

19-112 <u>Production, Finance, Distribution Agreement</u>

If, after July 1, 2020, the Employer enters into a contract with a so-called "independent producer" for the production and financing of a theatrical motion picture and the distribution thereof by the Employer (such contract being hereinafter referred to as an "independent contract"), Employer will include in such independent contract an agreement on the part of the independent producer, expressly for the benefit of the Pension Plan and the Director, that the independent producer will pay, in the manner herein provided, the amounts, if any, required to be paid under the provisions of this Article 19 with respect to such motion picture.

If such agreement on the part of the independent producer be not included in any independent contract prior to the exhibition of the motion picture on free television, the Employer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article 19 with respect to such motion picture. If such agreement on the part of the independent producer is included in the independent contract prior to exhibition of the motion picture on free television, then the Employer shall not be liable or responsible in any manner or to any extent with respect to the motion picture under the provisions of this Article 19. The Employer will notify the Pension Plan of any and all such independent contracts entered into by the Employer.

19-113 *Bona Fide* Theatrical Release

Anything to the contrary herein notwithstanding, it is agreed that the provisions of this Article 19 apply only if the motion picture is first exhibited on free television after such motion picture has had a *bona fide* theatrical release. For such purpose, the motion picture may be regarded as having been a *bona fide* theatrical release even though it has not fully completed, or shall not have been withdrawn from, its theatrical release, and even though a motion picture may not have been released theatrically in foreign countries or territories. If the motion picture is exhibited on free television prior to the time that it has had a *bona fide* theatrical release, then the release of the motion picture to free television shall be governed by the provisions herein, but only with respect to the provisions relating to additional compensation for television reruns on free television. The provisions of this Article 19 shall not apply to the televising of trailers or advertising a motion picture by shots, etc., substantially in the nature of a trailer, or to the use of stock shots.

19-114 Continuing Obligation Beyond Term of BA

Notwithstanding the sooner termination of this BA, the parties hereto agree that the terms and conditions of this Article 19 shall apply and remain in full force and effect, and without change, to theatrical motion pictures produced by the Employer, the principal photography of which commenced between July 1, 2020 and June 30, 2023, both inclusive dates, regardless of when (either during or at any time after

the expiration of the term of this BA or of such period) such motion pictures are released to free television, and regardless of the terms or provisions of any agreement which is a modification, extension or renewal of, or substitution for, this BA.

ARTICLE 20

Minimum Salaries and Residual Compensation for Directors of Motion Pictures Produced Mainly for the Pay Television and Videodisc/Videocassette Market[27]

Section 20-100 APPLICABILITY OF THIS ARTICLE

20-101 Covered Motion Pictures

This Article is applicable to the employment of Directors for motion pictures 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 motion pictures produced mainly for such market are covered only by Paragraph 20-905 of this Article 20: industrial and religious motion pictures, commercials, advertising shorts and trailers, educational, informational and instructional motion pictures and documentaries. A motion picture to which this Article is applicable is referred to herein as a "covered motion picture," but such term does not include motion pictures covered only by Paragraph 20-905.

20-102 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.

20-103 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:

[27] See modifications to this Article 20 in Sideletter No. 2 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 motion picture or motion pictures selected (except that a motion picture or motion pictures 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.

20-104 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 motion pictures on a pay television basis; in addition, the term "service" includes systems which have been licensed to exhibit the motion picture on a pay television basis other than through such a service. For the purposes of this Article 20, the term "subscribers" includes only pay television subscribers to services which make payments for the pay television exhibition of the covered motion picture (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 20.

20-105 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 (1) 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 motion picture during a subsequent exhibition year. Notwithstanding the foregoing, if the number of subscribers calculated as prescribed in Paragraph 20-401 is fewer than six million (6,000,000) for the first exhibition year of a covered motion picture, 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 motion picture (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 20-200 DIRECTORS' MINIMUM SALARIES

20-201 Initial Minimum

The initial minimum salary applicable to a Director employed in the making of a covered motion picture shall be determined in accordance with the provisions of this Section 20-200.

(a) "Network Prime Time"

The initial minimum salary for a covered motion picture of a type generally produced for network prime time television shall be as follows:

(1) 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 motion picture at the time the Director is employed.)

(2) 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.

(3) 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.

(4) 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 BA for a "Network Prime Time Show" of the same 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 motion picture 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) <u>"Non-Network or Network Non-Prime Time" - Other Than Local Distribution</u>

The initial minimum salary for a covered motion picture of a type not generally produced for network prime time shall be one hundred percent (100%) of the minimum salary set forth in the BA for a "Non-Network or Network Non-Prime Time Show" of the same length unless the motion picture 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 BA for a "Non-Network or Network Non-Prime Time Show" of the same length. The term "local distribution," as used in this Article, means exhibition in no more than two (2) markets.

20-202 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 20-202. Nothing in this BA shall be interpreted to prevent the prepayment of adjustments in the initial minimum.

If videodiscs or videocassettes of a motion picture 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 motion picture 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 motion picture 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 20-201. 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 twenty percent (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 motion picture 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 20-300 RESIDUAL COMPENSATION FOR PAY TELEVISION AND VIDEODISC/VIDEOCASSETTE EXHIBITION

The various methods of computing residual compensation for pay television and videodisc/videocassette exhibition are set forth in the following Sections:

(a) Section 20-400, pay television exhibition excluding (1) pay-per-view and (2) sports and non-staged event programs;

(b) Section 20-500, pay television exhibition (including pay-per-view) of sports and non-staged event programs;

(c) Section 20-600, pay-per-view exhibition other than sports and non-staged event programs; and

(d) Section 20-700, videodiscs/videocassettes.

20-301 Time and Method of Payment

Notwithstanding any provision to the contrary, all residual payments required under Article 20 (including, but not limited to, payments under Section 20-800) of this BA or any predecessor BA shall be paid to the Employee(s) and/or the Directors Guild of America-Producer Health Plan pursuant to Paragraph 20-910 not later than thirty (30) days following the end of each calendar quarter during which such payments become due.[28]

Payments to an Employee shall be made by check payable to the order of the Employee or 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.

[28] Prior to the 2017 BA, all residual payments required under Article 20 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 20 of this BA or any predecessor BA be paid pursuant to the procedure described herein.

Section 20-400 RESIDUAL COMPENSATION FOR PAY TELEVISION EXCLUDING (a) PAY-PER-VIEW AND (b) SPORTS AND NON-STAGED EVENT PROGRAMS

Residual compensation for pay television exhibition, other than pay-per-view, of covered motion pictures other than sports and non-staged events shall be computed in accordance with this Section 20-400.

20-401 Subscriber Residual

(a) Subscriber Residual for Services With Six Million (6,000,000) or More Subscribers for the First Exhibition Year of a Covered Motion Picture

A subscriber residual for a service with six million (6,000,000) or more subscribers for the first exhibition year of a covered motion picture shall be 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 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.

(1) The Exempt Run

For the purpose of calculating the subscriber residual, the exhibitions of a motion picture 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 motion picture, there shall be an exempt run on such system for each such service.

(2) Pay-Per-View Exhibition

If a motion picture covered by this Section 20-400 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.

(3) 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.

(4) Per Subscriber Rate

The per subscriber rate applicable to a service's first exhibition year shall be calculated by dividing the applicable residual base set forth below by thirty (30) million (30,000,000).

(i) Covered Motion Pictures of the Type Generally Produced for Network Prime Time Television (Other Than High Budget Pay Television Motion Pictures)

Length	**Applicable Residual Base Effective 7/1/20 - 6/30/23**
½ hour	$27,894
1 hour	$47,371
1½ hours	$78,953
2 hours	$132,634

(ii) Covered Motion Pictures of the Type Not Generally Produced for Network Prime Time Television (Other Than High Budget Pay Television Motion Pictures)

Length	**Applicable Residual Base Effective 7/1/20 - 6/30/23**
7 minutes and under	$2,583
8-15 minutes	$12,411
16-30 minutes	$12,411
1 hour	$24,812
90 minutes	$37,230
91-120 minutes	$51,835

(iii) High Budget Pay Television Motion Pictures

A "high budget pay television motion picture," as the term is used in this Article 20, 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 motion pictures 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 "E-1" setting forth the per subscriber rates for the various types of motion pictures.

(5) <u>One Year's Unlimited Exhibitions</u>

The compensation set forth in this subparagraph 20-401(a) 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 20-500, this subparagraph 20-401(a)(5) is applicable to non-pay-per-view exhibitions of sports and non-staged event programs.)

(6) Subscriber Residual Ceiling

Notwithstanding anything to the contrary above, no single exhibition year's residuals for a particular "covered motion picture" shall exceed the applicable residual base set forth in subparagraphs (4)(i), (ii) or (iii) above for the motion picture.

(b) Subscriber Residual for Services With Fewer Than Six Million (6,000,000) Subscribers for the First Exhibition Year of a Covered Motion Picture

A subscriber residual for services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered motion picture shall be due, to the extent required by this Article 20, if the "aggregate" number of subscribers to services which exhibit the motion picture, calculated as provided in subparagraph 20-401(b)(5), exceeds the subscriber window.

(1) Subscriber Window

The "subscriber window" is an aggregate of three million (3,000,000) subscribers.

(2) 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 motion picture 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 (1) 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 motion picture, there shall be an exempt run on such system for each such service.

(3) Pay-Per-View Exhibition

If a motion picture covered by Section 20-400 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.

(4) 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.

(5) 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 20-401(b)(4)) 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 subparagraph (iii) above shall continue until the conclusion of the "motion picture'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 20-402.)

(6) 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 motion picture which is a "high budget pay television motion picture." The applicable free television minimum is determined in the same manner as in Paragraph 20-201. A "high budget pay television motion picture," as the term is used in this Article 20, is defined as a motion picture 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 motion pictures," the theatrical minimum rather than the free television minimum is used for determining the per subscriber rate. (The minimum initial salary for such motion pictures 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 E-1 setting forth the per subscriber rates for the various types of motion pictures.

(7) One Year's Unlimited Exhibitions

The compensation set forth in this subparagraph 20-401(b) 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 20-500, this subparagraph 20-401(b)(7) is applicable to non-pay-per-view exhibitions of sports and non-staged event programs.)

(8) Notwithstanding anything to the contrary above, no single exhibition year's residuals for a particular "covered motion picture" shall exceed the Director's applicable minimum initial compensation for the picture.

20-402 Percentage Residual

A percentage residual shall be due, to the extent required by this Paragraph 20-402, only for services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered motion picture.

(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 20-402.

In determining whether the accountable receipts plateau has been reached, the following receipts shall be included: (1) accountable receipts from pay (other than pay-per-view) television (including receipts for the exempt run) and (2) 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 20-402(d) and (e) below, accountable receipts are exempt from assessment of the percentage residual if such receipts are:

(1) allocable to the "first year's receipts exemption;" or

(2) allocable to any service's exhibition year (other than an exhibition year the receipts of which are allocated as in subparagraph (1) above), the first six (6) months of which are completed prior to the motion picture reaching the accountable receipts plateau.

(b) Accountable Receipts Plateau

The "accountable receipts plateau" shall be as follows:

(1) For "high budget pay television motion pictures" as defined in this Article 20:

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

(2) For motion pictures of a type generally produced for prime time network television:

Motion Picture 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

(3) For motion pictures other than those covered by (1) or (2) above: when the applicable minimum initial compensation for a motion picture is less than the minimum initial compensation for a motion picture of the same length covered by (2) above, the accountable receipts plateau shall be proportionately reduced in accordance with the following formula:

$$\frac{\text{Applicable Free Television Minimum Initial Compensation for Motion Picture Covered by Subparagraph (3)}}{\text{Applicable Free Television Minimum Initial Compensation for Motion Picture of Same Length Covered by Subparagraph (2)}} = \frac{\text{Accountable Receipts Plateau for Motion Picture Covered by Subparagraph (3)}}{\text{Accountable Receipts Plateau for Motion Picture Covered by Subparagraph (2)}}$$

The accountable receipts plateaus for such types of motion pictures are set forth in Exhibit "E-2" attached hereto and have been computed in accordance with the foregoing formula.

(c) Motion Picture's First Exhibition Year

A "motion picture's first exhibition year" is a one (1) year period commencing with the first exhibition of the motion

picture 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 motion picture'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 20-402(d) and (e).)

(e) Exhibition Year Exemption

Any exhibition year of a service which reaches its six (6) month point prior to the motion picture 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 20-402(d). 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 20-402, means the worldwide total gross receipts derived by the distributor of a covered motion picture (who may be the Employer or a distributor licensed by the Employer) from

licensing the right to exhibit the picture (referred to in subparagraphs 20-402(f) and (g) as "such picture") on pay television; provided, however, that in the case of any such picture which is produced outside of the United States, if such picture is subject to this BA 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 picture or furnishes any other consideration for production and a foreign distributor acquires one (1) or more foreign territories for the distribution of such picture 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 picture 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 picture does not distribute the picture directly in pay television, but employs a subdistributor to so distribute such picture, then gross receipts shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit such picture 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 motion pictures.

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 (1) motion picture, Employer shall likewise allocate to each such picture 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 picture. Nothing with respect to the price received on the outright sale of only pay television distribution rights in a single such picture 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 motion picture 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 picture 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 picture and other motion pictures distributed by the distributor on pay television in the same ratio that receipts derived from the distribution of such picture on pay television within the foreign country bear to the total receipts derived from the distribution of such picture and all other motion pictures 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 remain 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 picture on pay television includes as a part thereof any filmed 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.

20-403 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 subparagraphs 20-402(f)-(h), except that for services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered motion picture, such residuals shall be calculated according to subparagraph 20-401(b) and Paragraph 20-402.

Section 20-500 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 motion picture of an event which would have occurred whether or not the event was being photographed, provided that the event is not substantially altered for the purpose of such photography.

Paragraph 20-402 shall not be applicable to such programs.

(a) For services with six million (6,000,000) or more subscribers for the first exhibition year of a covered program, subparagraph 20-401(a) shall apply with the following exceptions:

(1) 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 applicable residual base;

(2) for pay-per-view exhibitions of sports and non-staged event programs, subparagraphs 20-401(a)(1) ("The Exempt Run"), 20-401(a)(2) ("Pay-Per-View Exhibition") and 20-401(a)(5) ("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.

(b) For services with fewer than six million (6,000,000) subscribers for the first exhibition year of a covered motion picture, subparagraph 20-401(b) shall apply with the following exceptions:

(1) the subscriber residual cut-off in subparagraph 20-401(b)(5)(iv) shall not be applicable;

(2) 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 20-401(b)(6);

(3) the subscriber window for sports event programs shall be in the same proportion to (but not more than) the subscriber window set forth in subparagraph 20-401(b)(1) 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 20-200, are not affected by this subparagraph (3));

† See text of footnote 3 on page 39.

(4) for pay-per-view exhibitions of sports and non-staged event programs, subparagraphs 20-401(b)(2) ("The Exempt Run"), 20-401(b)(3) ("Pay-Per-View Exhibition") and 20-401(b)(7) ("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.

Section 20-600 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 20-402(a), 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 20-700 RESIDUAL COMPENSATION FOR VIDEODISCS/ VIDEOCASSETTES

(a) 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 one hundred thousand (100,000) units in the aggregate; except that if a covered motion picture 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 one hundred thousand (100,000) units, whichever occurs earlier.

(b) 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.

(c) 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 (1) 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 (2) 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 (2) above, or of the fee or other payment received by the production subsidiary, division, or other department in (1) 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 20-800 RESIDUAL COMPENSATION FOR EXHIBITION OF COVERED MOTION PICTURES IN OTHER MARKETS

This Section provides for the residual payments which are due for the exhibition of covered motion pictures in markets other than the pay television and/or videodisc/videocassette market.

20-801 Free Television Exhibition of Covered Motion Pictures

(a) (i) 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 prior to July 1, 2020, the Employer shall pay compensation as and when required pursuant to Article 11 of this BA and shall send to the Guild reports of such exhibitions as and when required by Article 11. For purposes of the payments required under this subparagraph (a), the first domestic telecast of a covered motion picture 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.[29]

(ii) If a covered motion picture (other than a "high budget pay television motion picture") is broadcast on free television pursuant to a new license entered into on or after July 1, 2020, the Employer shall pay compensation as and when required pursuant to Paragraph 11-101(b)(6) of this BA. The foregoing applies to a covered motion picture (other than a "high budget pay television motion picture") produced under this Agreement or any prior Basic Agreement as to which a fixed residual or higher percentage residual otherwise would be payable.

(b) If a "high budget pay television motion picture" is broadcast on free television, Employer shall make payments in an amount

[29] See modification to this subparagraph in Sideletter No. 34 re License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures, High Budget SVOD Programs or Motion Pictures Made for Home Video.

computed in accordance with Article 18 of the BA as though the "high budget pay television motion picture" were a free television motion picture distributed in "supplemental markets." No amount of the one and two-tenths percent (1.2%) of accountable receipts shall be paid to the Pension Plan.

(c) As an alternative to the foregoing, if an Employer licenses a covered motion picture produced mainly for the pay television market for exhibition in syndication only in Canada, 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 18) 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 due under this Paragraph 20-801. The foregoing applies to covered motion pictures produced mainly for the pay television market, whether produced under this BA or any prior BA, as to which residuals would otherwise be payable.

20-802 Basic Cable Exhibition of Covered Motion Pictures

If a covered motion picture 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 18. Exhibitions of a covered motion picture on foreign basic cable are considered free television.

20-803 Theatrical Exhibition of Covered Motion Pictures

Paragraph 11-201 of this BA shall be applicable to covered motion pictures. If a covered motion picture is exhibited theatrically, payment therefor shall be due and payable on the date the Employer releases the motion picture for such exhibition.

20-804 Supplemental Market Exhibition of Covered Motion Pictures

If a covered motion picture is licensed for exhibition in other supplemental markets (such as "in-flight"), Employer shall make payments in an amount computed in accordance with Article 18. No amount thereof shall be paid to the Pension Plan.

20-805 Other Exhibition of Covered Motion Pictures

Paragraph 11-208 of this BA shall be applicable to covered motion pictures exhibited other than on television or in supplemental markets.

Section 20-900 MISCELLANEOUS PROVISIONS

20-901 License Covering More than One Motion Picture

If a license agreement includes the right to exhibit more than one (1) motion picture 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 motion picture. 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.

20-902 License Covering More than One Market

If a license agreement includes the right to exhibit a covered motion picture in more than one (1) 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.

20-903 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 20, 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 the 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 Paragraph 20-910. Payments to an Employee shall be made by check, payable to the order of the Employee or 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 motion picture until the amount due for the respective covered motion picture has accumulated to an amount equal to or more than one hundred dollars ($100.00). An inadvertent failure to comply with the reporting provisions of this Paragraph 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.

20-904 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 motion picture 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 motion picture, and if such information is not extensive in nature, the Employer will forward such information 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 motion picture has been licensed and the dates of exhibition by such services insofar as such dates are pertinent to determining payments under this Article 20, and (b) to records reflecting all pertinent receipts. If a covered motion picture is released in free television pursuant to Paragraph 20-801(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 motion picture 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 motion picture is broadcast on free television pursuant to Paragraph 20-801(a)(ii) above, the Employer's obligations, and the Guild's right to audit, shall be governed by Paragraph 11-101(b)(6)(iii). The Employer shall keep or have access to complete records showing the release or sale of covered motion pictures for theatrical use.

20-905 **Future Negotiations**

With respect to production by the Employer of the types of motion pictures covered only by this Paragraph 20-905, as provided in Paragraph 20-101, *i.e.*, industrial and religious motion pictures, commercials, advertising shorts and trailers, educational, informational and instructional motion pictures, 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 BA) 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 BA. The Guild agrees to make appropriate accommodations in its initiation

fees in recognition of the economics of such programming. Employer 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 the BA.

(b) (1) 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.

(2) 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.

(3) 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.

20-906 Charge for Late Payment

If Employer fails to pay initial compensation required under Article 20 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 Employer fails to make any other payment required by Article 20 when due, interest shall accrue at the rate of one percent (1%) per month from the date payment is due.

20-907 Second Unit, Etc.

The residual provisions of this Article 20 are not applicable to (a) "bridging" or (b) shooting of added scenes for theatrical films for television release or for motion pictures covered by this Article 20 for free television release or (c) to second units, for which there are no residual payments.

20-908 No Waiver of Minimum Terms

No Employee may agree to compensation below the minimums set forth in this Article 20 or agree to postpone any compensation due him or her to a period beyond the applicable time provided in this BA; however, nothing herein shall preclude the Employee from bargaining for better terms.

It is understood that the residual compensation required to be paid under this Article 20 constitutes an addition to the salaries provided under Section 20-200 herein.

20-909 Excerpts From a Pay Television Program

(a) If an excerpt from a pay television motion picture is used on television or videodiscs/videocassettes, and such use falls within Paragraph 11-209 or the exceptions in subparagraphs 11-207(a), (b), (c) or (d), 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 subparagraphs 11-207(a), (b), (c) or (d)

but the aggregate running time of such excerpts from a single program exceeds the maximum applicable time limits, the Employer shall pay the following:

(1) Ten (10) seconds or less of excerpts from the program -- $402 ($414 effective July 1, 2021); or

(2) Over ten (10) seconds but not more than two (2) minutes of such excerpts -- $1,201 ($1,237 effective July 1, 2021); or

(3) 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.

Notwithstanding the foregoing, the Employer may use up to ten (10) minutes of excerpts from a motion picture made for home video for promotional purposes without payment of excerpt fee(s).

(b) The provisions of this Paragraph 20-909 apply to the use after July 1, 2020 of an excerpt from any motion picture, produced at any time mainly for the pay television and/or the videodisc/videocassette market.

(c) The actual production company which produces the program or motion picture containing the excerpt requiring payment is obligated to make the payment required under this Paragraph, provided the company is signatory to this BA. Employer shall otherwise remain liable for the payment due.

(d) 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.

(e) 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 20-909. If the program is broadcast later in another

market, the Director shall be paid the remaining fifty percent (50%).

(f) Notwithstanding the foregoing, no excerpt fee shall be payable to the Director of the program in which the excerpt is used if:

(1) 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;

(2) 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

(3) 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.

20-910 Except as otherwise specified in Article 20-801(c), all residuals paid pursuant to this Article 20 are divided as follows: 83.3% of such amount to be paid to the Director; 6.5% of such amount to be paid to the Unit Production Manager(s); 6.2% of such amount to be paid to the First Assistant Director(s); and 4.0% of such amount to be paid to the Key Second Assistant Director(s).

If more than one Employee in one of the categories mentioned above renders services, subject to the BA, 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 20-1000 EMPLOYER'S ACQUISITION OF TITLE

If a signatory Employer is not the actual producer of a covered motion picture which was produced by a Guild signatory, but acquires title thereto by purchase, assignment, transfer, voluntary or involuntary, or by foreclosure of a chattel mortgage or security agreement or at pledgee's sale, such signatory Employer shall be obligated to make the payments of residual compensation and adjustments of minimum compensation required under this Article 20 when such motion picture is exploited in a manner referred to in this Article 20 by or for the account of such signatory Employer.

Section 20-1100 APPLICATION OF "FREE TELEVISION" PROVISIONS

20-1101 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 motion picture for the right to prepay residuals due under Article 20 of this BA 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 any part of the Director's 83.3% share of the residuals, as permitted by this Paragraph, the share of the

residuals due the UPM(s), First Assistant Director(s) and Key Second Assistant Director(s) shall nonetheless be paid to them.

20-1102 Not earlier than January 1, 2022, either the AMPTP or the Guild may terminate application of the provisions of Section 8-300 (excluding those relating to screen credits) to covered motion pictures, provided the AMPTP or the Guild sends the other sixty (60) days' written notice of its intention to terminate such provisions and provided representatives of the AMPTP and the Guild meet within sixty (60) days to negotiate in good faith provisions in substitution of those being terminated.

20-1103 As the terms are used in Article 10, "Network Prime Time Show" or "Network Prime Time program" means "motion picture of a type generally produced for network prime time television;" "Non-Network or Network Non-Prime Time Show" means a "motion picture of a type not generally produced for network prime time." The three unnumbered paragraphs of Paragraph 10-101 on page 128 preceding the asterisks on page 129 are not applicable to covered motion pictures. Paragraphs 3-108 and 10-103 do not apply to covered motion pictures. The provisions of Articles 10 and 11 are not applicable to covered motion pictures to the extent they apply to trailers, promos or government, industrial or educational motion pictures.

20-1104 The only provisions of Article 11 applicable to covered motion pictures are Paragraphs 11-202, 11-203, 11-209, 11-210, 11-302, 11-303 and 11-304. (Paragraphs 11-101(b)(6), 11-201 and 11-208 are not listed in this Paragraph since they are included in Section 20-800.)

20-1105 Article 18 is not applicable to covered motion pictures except to the extent and in the manner specifically provided elsewhere in this Article 20.

20-1106 Article 19 is not applicable to covered motion pictures.

ARTICLE 21

Copyright Royalty Tribunal

Section 21-100

Monies received by the Employer from distributions by the Copyright Royalty Tribunal for theatrical motion pictures produced on or after July 1, 2020 shall be subject to the payment formula set forth in Article 19 of the Basic Agreement.

If, with respect to a particular free television motion picture released on or after July 1, 2020, the Employer has paid residuals pursuant to the percentage residual formula set forth in Paragraph 11-101(b)(4), (5) or (6), then any monies received by the Employer from distributions by the Copyright Royalty Tribunal for such television motion picture shall be subject to that percentage residual formula.

ARTICLE 22

Responsibility for Residual Payments

Section 22-100 EMPLOYER'S RESPONSIBILITY AND DISTRIBUTOR'S LIABILITY

With respect to all theatrical motion pictures produced under this Directors Guild of America Basic Agreement (hereinafter referred to as the "DGA BA" or the "BA"), the principal photography of which commences on or after July 1, 2020, which are released to free television or which are released to Supplemental Markets or New Media, the following provisions shall be applicable:

22-101 Distributor's Assumption Agreement for Theatrical Motion Pictures -- Television, Supplemental Markets and New Media

(a) Prior to the commencement of principal photography of each such motion picture in which one (1) or more Employees covered by this Agreement renders services, if the Employer is not also the Distributor of such motion picture on free television or in Supplemental Markets or New Media (as applicable), Employer shall obtain from the Distributor having such free television, Supplemental Markets or New Media distribution rights (as applicable) 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 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 motion picture on free television or in Supplemental Markets or New Media (as applicable), 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 said 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 motion picture presently entitled

_____

_____

(the "Picture")

is subject to the Directors Guild of America Basic Agreement of 2020 covering theatrical motion pictures and particularly to the provisions of Articles 18 and 19 and Sideletter No. 15 thereof (strike those of the following clauses (1), (2) or (3) which are not applicable):

(1) Article 18 thereof, pertaining to additional payments to Employees and the Pension Plan when theatrical motion pictures are released in Supplemental Markets; and

(2) Article 19 thereof, pertaining to additional payments to Employees and the Pension Plan when theatrical motion pictures are released to free television.

(3) Sideletter No. 15 thereof, pertaining to additional payments to Employees and the Pension Plan when theatrical motion pictures are released in New Media.

Distributor is distributing or licensing the Picture 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

_____Home Video

_____Pay Television

_____Free Television

_____New Media

_____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 DGA" or "the Guild," as representative of the Employees who rendered services on the Picture, and for the benefit of the Pension Plan, when the Picture is telecast on free television or exhibited in Supplemental Markets or New Media (as applicable), to make the additional payments required thereby, if any, with respect to the territories, media and term referred to above as provided in the applicable Articles and/or Sideletter 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 Picture for exhibition on free television or in Supplemental Markets or New Media (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television or in Supplemental Markets or New Media (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 and/or Sideletter. 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 Picture and related collateral as defined in the DGA–Security Agreement ("DGA Security Interest"), Distributor agrees and acknowledges that Distributor's rights in the Picture 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 DGA agrees that so long as Residuals with respect to the Picture for the territories, media and term referred to above are timely paid in accordance with said applicable Articles and/or Sideletter that the DGA 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 Picture 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 Picture, only to a transferee which agrees in writing to be bound by the Guild's obligations under this Assumption Agreement.

Within a reasonable time after the expiration of each calendar quarter, but not exceeding sixty (60) days, Distributor 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 the Picture by Distributor on free television or in Supplemental Markets or New Media (as applicable), with respect to which Distributor is required to make payments hereunder, (whether distributed by the Distributor or through another distributor).

Distributor shall also make available for inspection by the DGA all Distributor's statements delivered to Employer insofar as they relate to such "Employer's gross." The Guild shall have the right at reasonable times and on reasonable notice to examine the books and records of Distributor as to such "Employer's gross" pertaining to such distribution on free television or in Supplemental Markets or New Media (as applicable) of the Picture. If Distributor shall fail to make such payments required under Articles 18 and 19 as and when due and payable, interest shall accrue at the rate of one percent (1%) per month on the unpaid balance thereof commencing to accrue from the date payment is due.

In the event of any sale, assignment or transfer of Distributor's distribution or exhibition rights in the Picture, 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 the Guild is notified that such purchaser, assignee or transferee is a Qualified Distributor, as that term is defined in Paragraph 22-103, then 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 Distributor. Nothing herein shall release Employer of its obligations under the Basic 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. Such obligations shall be subject to Section 22-200 of the Basic Agreement. The Distributor shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the provisions of Article 2 of the Basic Agreement, 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 the Basic 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:

_____

(b) An inadvertent failure on the part of any such Distributor to comply with any of the reporting provisions of subparagraph (a) above 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.

(c) 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.

22-102 Financial Assurances

With respect to any such motion picture produced hereunder, the Guild, prior to the commencement of principal photography of such motion picture, 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:

(a) If the Guild shall require financial assurances from the Employer in the form of a security agreement for a security interest in the Picture, so long as the Residuals are timely paid with respect to all territories, media and term acquired by the Distributor in accordance with Article 18, Article 19 and/or Sideletter No. 15 of the Basic 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 Picture 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.

(b) If any "Qualified Distributor," as that term is defined in Paragraph 22-106, assumes in perpetuity under the Distributor's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Picture or guarantees in a written form satisfactory to the Guild (which shall include the Standard

Letter of Guaranty set forth in Exhibit "B-1" of this Agreement) 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.

(c) If any "Qualified Distributor" acquires rights to distribute the Picture in specific territories and media (but not all territories and media) in perpetuity, and thereby 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 "B-1" of this Agreement) all of such obligations thereunder, then if the Employer has granted or thereafter grants a security interest in favor of the Guild in the Picture and related collateral as defined in the DGA Security Agreement, the Guild: (1) agrees to modify the definition of the collateral in the DGA Security Agreement to exclude those territories and media acquired by such Qualified Distributor; and (2) acknowledges Distributor's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Picture.

(d) If any "Qualified Distributor" acquires rights to distribute the Picture in specific territories and media for a limited period of time, and thereby 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 "B-1" of this Agreement) all of such obligations thereunder, then any security agreement or security interest obtained by the Guild from the Employer in connection with the Picture shall remain in effect, but the Guild agrees: (1) 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 Distributor, including renewals and extensions; and (2) acknowledges Distributor's continuing rights of full, unlimited but non-exclusive access to and

use of any and all physical items and elements relating to the Picture.

22-103 Qualified Distributors

(a) In addition to those distributors who have been deemed "Qualified" by the Guild due to their past bargaining relationship and/or Residuals payment history, the term "Qualified Distributor" shall mean a Distributor who satisfies the requirements set forth in subparagraphs (1) and (2) below:

(1) 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 Pictures being distributed.

(2) 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 DGA contracts in five (5) consecutive years immediately prior to seeking Qualified Distributor status.

(b) A Qualified Distributor must agree to assume Residuals obligations, or guarantee the payment of Residuals in accordance with the Qualified Distributor/Buyer Letter of Agreement, as set forth in Exhibit "A-1" of this Agreement, for each Picture produced under this Basic Agreement for the territories, media and term for which it has distribution rights and must execute the Qualified Distributor's Agreement.

(c) In the event of a dispute as to qualifications of an applicant for Qualified Distributor 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 Picture 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 the Basic 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.

(d) Any information submitted to the Guild in order to determine whether a distributor is entitled to status as a Qualified Distributor shall, at the Distributor's discretion, be subject to reasonable confidentiality arrangements.

(e) In the event that a Qualified Distributor, 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 Distributor, the Guild shall have the right to terminate the Distributor's Qualified Distributor 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 Distributor's status shall be considered terminated. The Guild agrees that it will not terminate a Qualified Distributor'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 the Basic Agreement or other financial information discloses that the Qualified Distributor no longer meets the aforementioned standards for qualification, the Guild may initiate an arbitration pursuant to the Basic Agreement to terminate the Qualified Distributor's status.

22-104 **Buyer's Assumption Agreement - Television, Supplemental Markets and New Media**

(a) If the Employer shall sell, transfer or assign its rights to exhibit on free television or distribute in Supplemental Markets or New Media any of the motion pictures produced hereunder in which one (1) or more Employees covered by this Basic Agreement renders services, it shall obtain from buyer, transferee or assignee

a separate agreement, made expressly for the benefit of Directors Guild of America as representative of the Employees involved and 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 to the DGA Pension Plan by reason of the exhibition of such motion pictures on free television or the distribution of such motion pictures in Supplemental Markets or New Media (as applicable), when and as the same become due. Such agreement shall be in substantially 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 motion picture covered by this agreement ("the Picture") (identified in the attached Exhibit "A") is subject to the Directors Guild of America Basic Agreement of 2020 and particularly to the provisions of Articles 18 and 19 and Sideletter No. 15 thereof (strike those of the following clauses (1), (2) or (3) which are not applicable):

(1) Article 18 thereof, pertaining to additional payments to Employees and the Pension Plan when motion pictures which are covered by said Article are released in Supplemental Markets; and

(2) Article 19 thereof, pertaining to additional payments to Employees and the Pension Plan when motion pictures which are covered by said Article are released to free television.

(3) Sideletter No. 15 thereof, pertaining to additional payments to Employees and the Pension Plan when motion pictures which are covered by such Sideletter are released in New Media.

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

_____Home Video

_____Pay Television

_____Free Television

_____New Media

_____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 Picture, and for the benefit of the Pension Plan, when the Picture is telecast on free television or exhibited in Supplemental

Markets or New Media (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, as provided in the applicable Article(s) and/or Sideletter 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 Picture for exhibition on free television or in Supplemental Markets (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television or in Supplemental Markets or New Media (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 Article(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 Picture and related collateral as defined in the DGA–Producer Security Agreement ("DGA Security Interest"), Buyer agrees and acknowledges that Buyer's rights to the Picture 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 the Basic 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 Picture for all the territories and media referred to above are timely paid in accordance with said applicable Article(s) and/or Sideletter, that 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 Picture 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 Picture, only to a transferee which agrees in writing to be bound by the Guild's obligations under this Assumption Agreement.

Within a reasonable time after the expiration of each calendar quarter, but not exceeding sixty (60) days, Buyer 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 the Picture by Buyer on free television or in Supplemental Markets or New Media (as applicable) with respect to which Buyer is required to make payments hereunder (whether distributed by Buyer or through another distributor).

Buyer shall also make available for inspection by the Guild all distributor's statements delivered to Buyer insofar as they relate to such "Employer's gross." The Guild shall have the right at reasonable times to examine the books and records of Buyer as to such "Employer's gross" pertaining to such distribution on free television or in Supplemental Markets or New Media (as applicable) of the Picture. If Buyer shall fail to make such payments required under Articles 18 and 19 as and when due and payable, interest shall accrue at the rate of one percent (1%) per month on the unpaid balance thereof commencing to accrue from the date payment is due.

In the event of any sale, assignment or transfer of Buyer's distribution or exhibition rights in the Picture, 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 any other agreement between Employer and the Guild relating to the Picture, unless the Employer has been relieved of liability as elsewhere provided in Article 22.

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 the Basic 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.

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

_____

(b) 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 motion picture, with the name and address of the purchaser or assignee.

(c) Any inadvertent failure on the part of the Buyer to comply with any of the reporting provisions of this Paragraph 22-104(a) 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.

(d) 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 Articles and/or Sideletter, it being agreed that the purchaser, assignee or transferee shall solely be liable therefor.

(e) 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 Buyer, 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 2 of the Basic Agreement, 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.

22-105 Security Interests -- Buyer's Rights

To the extent that Employer has granted a security interest in favor of the Guild in the Picture and related collateral as defined in any DGA Security Agreement, Buyer's rights in the Picture acquired pursuant to the Purchase Agreement shall be subject to the following:

(a) So long as the Buyer timely pays Residuals for the Picture with respect to all territories and media in which Buyer has distribution rights in accordance with Article 18, Article 19 and/or Sideletter No. 15 of the Basic 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 Picture 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.

(b) If any "Qualified Buyer" assumes in perpetuity under the Buyer's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Picture or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit "B-1" of this Agreement) 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.

(c) If any "Qualified Buyer" acquires rights to distribute the Picture in specific territories and media (but not all territories and media) in perpetuity, and thereby 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 "B-1" of this Agreement) all of such obligations thereunder, then if the Employer has granted a security interest in favor of the Guild in the Picture and related collateral as defined in the DGA Security Agreement, the Guild: (1) agrees to modify the definition of the collateral in the DGA Security Agreement to exclude those territories and media acquired by such Qualified Buyer; and (2) acknowledges Buyer's continuing rights of full, unlimited but non-exclusive access to and use of any and all physical items and elements relating to the Picture.

22-106 Qualified Buyer

(a) 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 Buyer" shall mean a Buyer who satisfies the requirements set forth in subparagraphs (1) and (2) below:

(1) 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 Pictures being distributed.

(2) 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.

(b) A Qualified Buyer must agree to assume Residuals obligations, or guarantee the payment of Residuals in accordance with the Qualified Distributor/Buyer Letter of Agreement for each picture produced under this Basic Agreement for the territories and media for which it has distribution rights and must execute the Qualified Buyer's Agreement.

(c) In the event of a dispute as to qualifications of an applicant for Qualified Buyer 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 Picture 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 the Basic 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.

(d) Any information submitted to the Guild in order to determine whether a Buyer is entitled to status as a Qualified Buyer shall, at the Buyer's discretion, be subject to reasonable confidentiality arrangements.

(e) In the event a Qualified Buyer, 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 Buyer, the Guild shall have the right to terminate the buyer's Qualified Buyer status. The Buyer shall have the right to invoke the arbitration procedures described above to challenge such termination. Pending the resolution of such challenge, the Qualified Buyer's status shall be considered terminated. The Guild agrees that it will not terminate a Qualified Buyer'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 Basic Agreement or other financial information discloses that the Qualified Buyer no longer meets the aforementioned standards for qualification, the Guild may initiate an arbitration pursuant to the Basic Agreement to terminate the Qualified Buyer's status.

Section 22-200 DISTRIBUTOR'S LIABILITY

With respect to any such motion picture, the principal photography of which commences on or after July 1, 2020, in which one (1) or more Employees covered by this BA renders services, the following provisions shall be applicable to the Distributor of such motion picture for telecasting on free television or (if applicable) for distribution in Supplemental Markets:

When the Distributor has provided or guaranteed any of the financing for the production of such motion picture, the Distributor shall be obligated to pay all Residuals which accrue under Article 18 and/or Article 19 of

the Basic Agreement (as applicable) during the term and in the territories and media for which it was granted distribution rights, including renewals and extensions, notwithstanding the termination of such distribution agreement or any foreclosure of a chattel mortgage, security agreement, pledge or lien on such motion picture. In the case of foreclosure, should such mortgagee, pledgee or security holder or a third party, who is neither the Employer nor Distributor, acquire title to such motion picture and execute the Buyer's Assumption Agreement and other documents customarily required by the Guild and, upon condition that the Guild, at its discretion, approves in writing such purchaser's financial responsibility, then, when the Distributor ceases to be the Distributor of such motion picture for telecasting on free television or (if applicable) for distribution in Supplemental Markets, the Distributor shall thereupon be released from any and all further obligations under said Article 18 and/or Article 19, as the case may be, with respect to such motion picture. Should any third party (other than in connection with any such foreclosure) acquire the rights of such Distributor to the distribution of such motion picture on free television or (if applicable) in Supplemental Markets and execute a Distributor's Assumption Agreement pursuant to which it is liable in perpetuity to make the payments under said Article 18 and/or Article 19, as the case may be, then, upon condition that the Guild, in its discretion, approves such third party's financial responsibility, such Distributor shall thereupon be released from any and all further obligations under said Article 18 and/or Article 19, as the case may be, with respect to such motion picture. In any event, such Distributor shall not be liable for the payment of any television fees or Supplemental Markets use payments based on monies received under a "foreign production deal," as defined in Paragraph 18-103(b) and 18-104(b)(3), with respect to which such foreign distributor or producer is not obligated to account to such Distributor.

Section 22-300 RESPONSIBILITY FOR PAYMENT OF RESIDUALS - DISTRIBUTOR'S LIABILITY AND EMPLOYER'S LIABILITY

With respect to all television motion pictures, the principal photography of which commences on or after July 1, 2020, produced under the Directors Guild of America Basic Agreement (hereinafter referred to as the "DGA BA" or the "BA"), which are rerun on free television or which

are released to basic cable, in Supplemental Markets or New Media, for foreign telecasting or for theatrical exhibition, the following provisions shall be applicable:

22-301 **Television Distributor's Assumption Agreement -- Television Reruns, Basic Cable Exhibition, Foreign Television Exhibition, Theatrical Exhibition, Supplemental Markets Use and New Media Use**

(a) Prior to the commencement of principal photography of each such television motion picture in which one (1) or more Employees covered by this Agreement renders services, if the Employer is not also the Distributor of such motion picture for free television, basic cable, foreign television exhibition, theatrical exhibition or in Supplemental Markets or New Media (as applicable), Employer shall obtain from the Distributor having such distribution rights and deliver to the Guild a separate written agreement herein called "Television 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 motion picture on free television, basic cable, foreign television, theatrically or in Supplemental Markets or New Media (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:

Exhibit "B"

TELEVISION DISTRIBUTOR'S ASSUMPTION AGREEMENT

In consideration of the execution of a DISTRIBUTION AGREEMENT between _____("Employer") and the undersigned Distributor, Distributor agrees that the motion picture presently entitled _____(the "Picture") is subject to the Directors Guild of America Basic Agreement of 2020 covering television motion pictures and particularly to the provisions of Articles 11, 18, 20, 23 or 24 or Sideletter No. 15 (strike those of the following clauses (1), (2), (3), (4), (5), (6), (7) or (8) which are not applicable):

(1) Paragraph 11-101 thereof, pertaining to additional compensation payable to Directors when television motion pictures are rerun on free television in the United States and Canada (including as modified in Section 24-300 thereof) and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required;

(2) Paragraph 11-102 thereof, pertaining to additional compensation payable to Directors when television motion pictures are telecast outside the United States and Canada and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required;

(3) Paragraph 11-108 thereof, pertaining to additional compensation payable to Directors when television motion pictures are released to basic cable and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required;

(4) Paragraph 11-201 thereof, pertaining to additional compensation payable to Directors when television motion pictures are exhibited theatrically and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required; and

(5) Article 18 thereof, pertaining to additional payments to Employees and the Pension Plan when television motion pictures are released in Supplemental Markets;

(6) Article 20 thereof, pertaining to additional compensation payable to Employees when motion pictures produced mainly for the pay television and videodisc/videocassette market are exhibited as provided in Sections 20-300, 20-400, 20-500, 20-600, 20-700 and 20-800 thereof; and

(7) Paragraph 23-104 thereof, pertaining to additional compensation payable to Directors when high budget dramatic programs one-half hour or more in length made primarily for the basic cable market are exhibited as provided therein and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required.

(8) Sideletter No. 15 thereof, pertaining to additional payments to Employees and the Pension Plan when motion pictures are released in New Media.

Distributor is distributing or licensing the Picture 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

____ New Media

____ 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 Picture 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 Picture is exhibited on free television, foreign television, basic cable or theatrically or in Supplemental Markets or New Media (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 Paragraphs, Sections, Articles and/or Sideletter 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 Picture for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets or New Media (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets or New Media (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 Picture and related collateral as defined in the DGA – Employer Security Agreement ("DGA Security Interest"), Distributor agrees and acknowledges that Distributor's rights in the Picture 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 Picture for the territories, media and term referred to above are timely paid in accordance with said applicable Paragraphs, Sections, Articles and/or Sideletter, 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 Picture 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 Picture, 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 Pictures 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 Picture(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 Picture 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 Picture in Supplemental Markets or New Media. 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, Supplemental Market use and New Media 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 Basic Agreement, if any.

With respect to motion pictures produced mainly for the pay television and videodisc/videocassette market, Distributor shall comply with Paragraphs 20-903 and 20-904 to the extent they apply to Distributor's distribution of the motion picture.

If Distributor has acquired the rights to distribute the Picture on free television, Distributor shall give the Guild prompt written notice of the date on which the Picture 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 Picture is distributed for foreign telecasting and if Distributor has acquired the rights to distribute the Picture for foreign telecasting, Distributor shall furnish reports to the Guild showing Distributor's Foreign Gross derived from the Picture until (i) the Picture has been withdrawn from distribution for foreign telecasting; or (ii) the Director(s) of the Picture has (have) received the full additional payments for such foreign telecasting to which they are entitled pursuant to the Basic Agreement. Such reports shall be rendered to the Guild on a

quarterly basis during the first three (3) years in which the Picture 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 Picture is distributed in Supplemental Markets and if Distributor has acquired the rights to distribute the Picture 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 Picture is distributed theatrically and if Distributor has acquired the rights to exhibit the Picture theatrically, the Distributor shall give prompt written notice to the Guild of the date on which the Picture 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 Picture is distributed on basic cable and if Distributor has acquired the rights to distribute the Picture 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 Picture is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets or New Media. 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 Picture, Distributor shall remain liable for the Residuals unless Distributor obtains an executed Television 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 the Basic 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 TELEVISION 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 2 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 the Basic 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 TELEVISION 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 Television 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:

_____

(b) An inadvertent failure on the part of any such Distributor to comply with any of the reporting provisions of this Paragraph 22-301(a) 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.

(c) In the event of the expiration or termination of any distribution agreement, the obligation of Employer to obtain and deliver to the Guild such Television 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 Television Distributor's Assumption Agreement within ten (10) days after the execution of each such subsequent distribution agreement.

22-302 Financial Assurances

With respect to any such motion picture produced hereunder, the Guild, prior to the commencement of principal photography of such motion picture, 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:

(a) If the Guild shall require financial assurances from the Employer in the form of a security agreement for a security interest in the Picture, so long as the Residuals are timely paid with respect to all territories, media and term acquired by the Distributor in accordance with Articles 11, 18, 20, 23, 24 and/or Sideletter No. 15 of the Basic 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 Picture and receive all revenues from such distribution, provided that such Distributor has executed and delivered a Television Distributor's Assumption Agreement to the Guild and is in compliance with the terms thereof.

(b) If any "Qualified Residual Payor," as that term is defined in Paragraph 22-303, assumes in perpetuity under the Television Distributor's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Picture or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit "B-2" of this Agreement) 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 a Employer shall not be released thereby.

(c) If any "Qualified Residual Payor" acquires rights to distribute the Picture 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 Television 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 "B-2" of this Agreement) all of such obligations thereunder, then if the Employer has granted or thereafter grants a security interest in favor of the Guild in the Picture and related collateral as defined in the DGA Security Agreement, the Guild: (1) 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 (2) 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 Picture.

(d) If any "Qualified Residual Payor" acquires rights to distribute the Picture 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 Television 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 "B-2" of this Agreement) all of such obligations thereunder, then any security

agreement or security interest obtained by the Guild from the Employer in connection with the Picture shall remain in effect, but the Guild agrees: (1) 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 (2) 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 Picture.

22-303 Qualified Residual Payor

(a) 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 subparagraphs (1) and (2) below:

(1) 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 Pictures being distributed.

(2) 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.

(b) A Qualified Residual Payor shall have the right to elect, with respect to each DGA Picture 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, as set forth in Exhibit "A-2" of this 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.

(c) 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 Picture 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 the Basic 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.

(d) 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.

(e) 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 the Basic 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 the

Basic Agreement to terminate the Qualified Residual Payor's status.

22-304 Television Buyer's Assumption Agreement

(a) If the Employer shall sell, transfer or assign its rights to exhibit on free television, basic cable or foreign television any of the motion pictures produced hereunder, or its rights to distribute theatrically or in Supplemental Markets or New Media any of the motion pictures 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 motion pictures on free television, basic cable or foreign television or the distribution of such motion pictures theatrically or in Supplemental Markets or New Media (as applicable), when and as the same become due. Such agreement shall be substantially in the following form:

TELEVISION 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 motion picture covered by this agreement ("the Picture") (identified in the attached Exhibit "A") is subject to the Directors

Guild of America Basic Agreement of 2020 covering television motion pictures and particularly to the provisions of Articles 11, 18, 20, 23, 24 and/or Sideletter No. 15 thereof (strike those of the following clauses (1), (2), (3), (4), (5), (6), (7) or (8) which are not applicable):

(1) Paragraph 11-101 thereof, pertaining to additional compensation payable to Directors when television motion pictures are rerun on free television in the United States and Canada (including as modified in Section 24-300 thereof) and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required;

(2) Paragraph 11-102 thereof, pertaining to additional compensation payable to Directors when television motion pictures are telecast outside the United States and Canada and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required;

(3) Paragraph 11-108 thereof, pertaining to additional compensation payable to Directors when television motion pictures are released to basic cable and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required;

(4) Paragraph 11-201 thereof, pertaining to additional compensation payable to Directors when television motion pictures are exhibited theatrically and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required; and

(5) Article 18 thereof, pertaining to additional payments to Employees and the Pension Plan when television motion pictures are released in Supplemental Markets;

(6) Article 20 thereof, pertaining to additional compensation payable to Employees when motion pictures produced mainly for the pay television and videodisc/videocassette market are exhibited as provided in Sections 20-300, 20-400, 20-500, 20-600, 20-700 and 20-800 thereof; and

(7) Paragraph 23-104 thereof, pertaining to additional compensation payable to Directors when high budget dramatic programs one-half hour or more in length made primarily for the basic cable market and exhibited as provided therein and Article 12 thereof, pertaining to applicable pension and health contributions, if any are required.

(8) Sideletter No. 15 thereof, pertaining to additional payments to Employees and the Pension Plan when television motion pictures are released in New Media.

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

_____New Media

_____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 Picture 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 or New Media (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 Paragraphs, Sections, Articles and/or Sideletter 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 Picture for exhibition on free television, foreign television, basic cable, theatrically or in Supplemental Markets or New Media (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television, foreign television, basic cable, theatrically or in Supplemental Markets or New Media (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 Picture and related collateral as defined in the DGA – Employer Security Agreement ("DGA Security Interest"), Buyer agrees and acknowledges that Buyer's rights to the Picture 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 the Basic 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 Picture for all the territories and media referred to above are timely paid in accordance with said applicable Paragraphs, Sections, Articles and/or Sideletter, 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 Picture 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 Picture, 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 Pictures 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 Picture(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 Picture 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 Picture in Supplemental Markets and New Media. 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, Supplemental Market and New Media use for so long as such Residuals may be due or payable. With respect to motion pictures produced mainly for the pay television and videodisc/videocassette market, Buyer shall comply with Paragraphs 20-903 and 20-904 to the extent they apply to Buyer's distribution of the motion picture. 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 the Basic Agreement, if any.

In the event of any sale, assignment or transfer of Buyer's distribution or exhibition rights in the Picture, Buyer shall remain liable for the Residuals, with respect to the territories, media and term referred to above, unless Buyer obtains an executed Television 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 the Basic Agreement or any other agreement between Employer and the Guild relating to the Picture, unless the Employer has been relieved of liability pursuant to the provisions of this Paragraph 22-304.

If the Guild does not approve in writing the financial responsibility of the party obtaining such rights, this Television 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 2 of the Basic 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 Picture on free television, Buyer shall give the Guild prompt written notice of the date on which the Picture 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 Picture is distributed for foreign telecasting and if Buyer has acquired the rights to distribute the Picture for foreign telecasting, Buyer shall furnish reports to the Guild showing "Buyer's Foreign Gross" derived from the Picture until the Picture has been withdrawn from distribution for foreign telecasting. Such reports shall be rendered to the Guild on a quarterly basis during the first three (3) years in which the Picture 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 Picture is distributed in Supplemental Markets and if Buyer has acquired the rights to distribute the Picture 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 Picture is distributed theatrically and if Buyer has acquired the rights to exhibit the Picture theatrically, the Buyer shall give prompt written notice to the Guild of the date on which the Picture 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 Picture is distributed on basic cable and if Buyer has acquired the rights to distribute the Picture 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 Picture is currently being rerun on television, distributed for foreign telecasting, on basic cable, theatrically or in Supplemental Markets or New Media. 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 TELEVISION 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 Television 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

_____

(b) The Employer agrees to deliver to the Guild an executed copy of the above referred to Television Buyer's Assumption Agreement within thirty (30) days after the sale, assignment or transfer of such motion picture, with the name and address of the purchaser or assignee.

(c) Any inadvertent failure on the part of the Buyer to comply with any of the reporting provisions of this Paragraph 22-304(a) 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.

(d) Upon delivery of such Television 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.

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 2 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.

22-305 Financial Security

To the extent that Employer has granted a security interest in favor of the Guild in the Picture and related collateral as defined in any DGA Security Agreement, Buyer's rights in the Picture acquired pursuant to the Purchase Agreement shall be subject to the following:

(a) So long as the Buyer timely pays Residuals for the Picture with respect to all territories and media in which Buyer has distribution rights in accordance with Articles 11, 18, 20, 23, 24 and/or Sideletter No. 15 of this Basic 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 Picture and receive all revenues from such distribution, provided that such Buyer has executed and delivered a Television Buyer's Assumption Agreement to the Guild and is in compliance with the terms thereof.

(b) If any "Qualified Residual Payor," as that term is defined in Paragraph 22-306, assumes in perpetuity under the Television Buyer's Assumption Agreement the obligation to pay the Residuals for all territories and media with respect to the Picture or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit "B-2" of this Agreement) 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.

(c) If any "Qualified Residual Payor" acquires rights to distribute the Picture 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 Television Buyer's Assumption Agreement or guarantees in a written form satisfactory to the Guild (which shall include the Standard Letter of Guaranty set forth as Exhibit "B-2" of this Agreement) all of such obligations thereunder, then if the Employer has granted a security interest in favor of the Guild in the Picture and related collateral as defined in the DGA Security Agreement, the Guild: (1) 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 (2) 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 Picture.

22-306 <u>Qualified Residual Payor</u>

(a) 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 (1) and (2) below:

(1) 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 Pictures being distributed.

(2) 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.

(b) A Qualified Residual Payor shall have the right to elect, with respect to each DGA Picture 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.

(c) 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 Picture 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 the Basic 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.

(d) 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.

(e) 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 the Basic 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 the Television Agreement to terminate the Qualified Residual Payor's status.

Section 22-400 EMPLOYER'S DISSOLUTION

If Employer dissolves and if a Distributor assumes all of the obligations of the Employer for the payment of Residuals, and the financial responsibility of the Distributor is approved by the Guild in its discretion, then Employer shall thereupon be released of any obligation with respect to any payments due hereunder.

Section 22-500 ASSUMPTION AGREEMENT NOT REQUIRED

No television network, station, sponsor or advertising agency shall be required to execute any Television Distributor's Assumption Agreement or Television Buyer's Assumption Agreement, unless it is the distributor of such television motion picture or the buyer of the Employer's television rights in such motion picture, as the case may be.

ARTICLE 23

Programs Made Primarily for the Basic Cable Market

Section 23-100 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 made primarily for the basic cable market which are one-half (½) hour or more in length:[30]

23-101 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 7/1/08	Effective 7/1/11*	Effective 7/1/14**
30 minutes	$ 476,749	$ 550,000	$ 550,000
60 minutes (but more than 30)	$ 893,904	$1,000,000	$1,200,000
61 - 120 minutes	$2,383,744	$2,750,000	$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	$2,750,000 for the first 2 hours plus $1,375,000 for each additional hour or portion thereof

[30] See Article 24 for terms and conditions applicable to multi-camera prime time dramatic pilots, presentations and series, which programs are "high budget" programs within the meaning of Paragraph 23-101 and are one-half hour or more in length.

*The "high budget" figures in effect as of July 1, 2008 shall remain in effect for those dramatic programs at or above such budget figures as of June 30, 2011.

** Prior to the start of the season of a high budget dramatic basic cable series, the Employer shall provide the Guild with the pattern budget amount in lieu of providing the budget information in the Director's Deal Memorandum (Television Exhibit "C-2"). The "high budget" figure in effect as of July 1, 2011 shall remain in effect for a one-hour dramatic series in existence as of July 1, 2014.

23-102 Initial Compensation and Included Days -- Directors

(a) (1) Initial compensation for Directors employed on one-half (½) 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 as follows:

Budget Tier:	**7/1/20 - 6/30/21**	**7/1/21 - 6/30/22**	**7/1/22 - 6/30/23†**	**Guaranteed Days (Shooting/ Prep)**
$550,000 or more but less than $1,575,000 ($1,610,000 effective July 1, 2022)	$12,721	$13,039	$13,430	6 (3/3)
$1,575,000 or more ($1,610,000 or more effective July 1, 2022) but less than $2,060,000 ($2,120,000 effective July 1, 2022)	$16,046	$16,447	$16,940	7 (4/3)
$2,060,000 or more ($2,120,000 effective July 1, 2022)	$18,732	$19,200	$19,776	7 (4/3)

† See text of footnote 3 on page 39.

The foregoing shall not apply to the first season of one-half (½) hour dramatic programs made for basic cable. The minimum rates for those programs shall be determined in accordance with Paragraph 23-102(d).

(2) Table Reads The following shall apply with respect to episodes of single-camera one-half hour television series made for basic cable:

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.

(b) Initial compensation for Directors employed on one (1) hour dramatic programs made for basic cable with a budget of $2,900,000 or more ($3,000,000 or more effective July 1, 2022) shall be:

Season:	**7/1/20 - 6/30/21**	**7/1/21 - 6/30/22**	**7/1/22 - 6/30/23**†	**Guaranteed Days (Shooting/ Prep)**
First season	$26,177	$26,831	$27,636	12 (6/6)
Second or subsequent season	$36,371	$37,280	$38,398	14 (7/7)

The minimum rates for Directors employed on one (1) hour high budget dramatic programs made for basic cable with a budget of less than $2,900,000 (less than $3,000,000 effective July 1, 2022) shall be determined in accordance with Paragraph 23-102(d).

(c) Initial compensation for Directors of two (2) hour high budget dramatic programs shall be $91,193 ($93,473 effective July 1,

† See text of footnote 3 on page 39.

2021 and $96,277† effective July 1, 2022), for which there will be 42 included days (27 shoot days and 15 prep days, provided the 15 prep days are guaranteed actual prep days).[31]

(d) All other minimums, including the base rates for computing residuals, will be as provided in Article 10 of this Agreement for programs produced for syndication.

23-103 Initial Compensation -- Other Employees

On those one-half (½) hour film dramatic programs budgeted at $937,660 or less effective July 1, 2020, those one (1) hour dramatic programs budgeted at $1,493,500 or less, those two (2) hour dramatic programs budgeted at $4,635,000 or less, and those dramatic programs exceeding two (2) hours in length budgeted at a figure which is the sum of $4,635,000 plus an additional $1,493,500 for each hour or portion thereof in excess of two (2) hours, all compensation for Employees other than the Director shall be 85% of the minimums provided in Article 13 or Article 24 of this Agreement in the first production season of the program, 90% of the minimums provided in Article 13 or Article 24, as applicable, of this Agreement in the second and third production seasons of the program and 100% of the minimums provided in Article 13 or Article 24, as applicable, of this Agreement in the fourth and subsequent production seasons of the program.

Employer may pay 85% of the minimums provided in Article 13 or Article 24, as applicable, of this Agreement 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 Paragraph 23-103. 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

[31] 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.

Paragraph 23-103, 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 13 or Article 24, as applicable, of this Agreement.

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 Paragraph 23-103 of the 2014 DGA Basic Agreement shall be compensated at 83.5% of the minimums provided in Article 13 or Article 24, as applicable, of this Agreement. If, however, such program exceeds the budget threshold set forth in the 2014 DGA Basic Agreement, Employer may no longer pay 83.5% of the minimums and the program will be subject to the terms of the then-current Basic Agreement. 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 13 or Article 24, as applicable, of this Agreement.

The special conditions set forth in Sideletter No. 21 are not applicable to an Employee of a program for which the Employer is paying less than 100% of the minimums provided in Article 13 or Article 24, as applicable, of this Agreement pursuant to this Paragraph 23-103.

23-104 **Residual Compensation**[32]

(a) Residuals for basic cable re-use in the United States and Canada will be the following percentages of the applicable residual base:[33]

[32] See modifications to this paragraph in Sideletter No. 34 re License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures, High Budget SVOD Programs or Motion Pictures Made for Home Video and Sideletter No. 7 re Second or Subsequent License of High Budget Dramatic Programs Made for Basic Cable to the Same or a Different Basic Cable Service.

[33] Applicable to television motion pictures, the principal photography of which commences on or after July 1, 2020.

Run	Percentage of Residual Base
2nd	17.0%
3rd	12.0%
4th	11.0%
5th	10.0%
6th	6.0%
7th	4.0%
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 agreement 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, then 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 agreement 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, then the residuals for such free television runs must be paid according to the percentages contained in Paragraph 11-101(b)(3) of this Agreement. The first run of the program on domestic free television shall be deemed the second run under Article 11 of this Agreement.

As an alternative to the foregoing, if an Employer licenses a high budget dramatic motion picture made for the basic cable market for exhibition in syndication only in Canada, it shall have the option to elect to pay to the Director thereof four

percent (4%) of the "Employer's gross receipts" (as defined in Paragraph 11-108) 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 23. The foregoing applies to programs, whether produced under this Basic Agreement or any prior Basic Agreement, as to which residuals would otherwise be payable.

(d) Whenever a payment is due under the provisions of this Paragraph 23-104 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 motion picture 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 motion picture 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 BA or any prior BA, 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 18 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) <u>Broadcast Syndication Sales of Dramatic Basic Cable Programs Under a License Agreement Entered Into On or After July 1, 2020</u>

(i) Should an Employer enter into a license, on or after July 1, 2020, of a dramatic basic cable program for exhibition in broadcast syndication in the United States and/or Canada, the Employer shall pay to the Director a percentage residual of two percent (2%) of "Employer's gross" (as defined in Paragraph 11-108), whether such television motion picture is produced under this Agreement or any prior Basic Agreement 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 includes an option to license for broadcast syndication of 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 subparagraphs (a), (c) and (d) of Paragraph 18-106.

(iii) Employer will prepare an annual statement of the "Employer's gross" for dramatic basic cable programs described in subparagraph (g)(i) 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 Section 17-400 of the Basic Agreement.[34]

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

[34] 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.

pictures that were entered into during the immediately preceding inspection period. In any 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 Paragraph 17-400 of the Basic Agreement, and appropriate arrangements will be made to safeguard the confidentiality of that information.

(h) 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 23-200 TERMS AND CONDITIONS FOR LOW BUDGET DRAMATIC PROGRAMS ONE (1) HOUR OR LONGER MADE PRIMARILY FOR THE BASIC CABLE MARKET

The provisions of Paragraph 1-102(b)(1) shall apply to dramatic programs one (1) hour or longer made primarily for the basic cable market produced in the United States under budgets less than the "high budget" figures provided in Paragraph 23-101.

Section 23-300 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 23) shall be subject to the provisions of Paragraph 1-102(b).

ARTICLE 24

Terms and Conditions for Multi-Camera Prime Time Dramatic Pilots, Presentations and Series

24-101 Programs Covered

Except as otherwise provided herein, this Article 24 covers 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 either:

(i) for free television;

(ii) for the pay television/videocassette market and is of a type generally produced for network prime time; or

(iii) for basic cable, is one-half hour or more in length and is "high budget" within the meaning of Paragraph 23-101 of this Agreement or Article 31.A.1. of the Freelance Live and Tape Television Agreement.

All other multi-camera programs shall be covered by existing Agreements.

Live broadcasts of programs, including those that would otherwise be covered under the preceding paragraph, are not covered by this Article 24, but are instead covered by the FLTTA.

Prime time dramatic television programs shot "single camera style" are not covered under this Article 24 and are instead subject to the other terms and conditions of this Agreement. However, the foregoing sentence does not apply to the use of "single camera style"

shooting to record scenes in a program or an episode of a series otherwise covered under this Article 24, provided that the predominant style of shooting remains "multi-camera style." All other single camera programs shall be covered by existing Agreements. The parties agree to discuss in good faith issues that may arise due to production changes as a result of use of digital cameras.

Section 24-200 TERMS AND CONDITIONS APPLICABLE TO EMPLOYEES EMPLOYED ON COVERED PROGRAMS

Except as otherwise provided or modified herein, the terms and conditions of the Basic Agreement shall apply to any program or series covered by this Article 24. The terms of this Article 24 shall prevail over any inconsistent provision in the Basic Agreement.

Section 24-300 TERMS AND CONDITIONS APPLICABLE TO DIRECTORS EMPLOYED ON COVERED PROGRAMS

24-301 Base for Residual Payments for Reruns on Free Television Other than in Network Prime Time

The base for residual payments due for programs produced under this Article 24 and rerun on free television other than in network prime time pursuant to Paragraph 11-101(b)(2) shall be as follows:

Length	7/1/20	7/1/21	7/1/22
30 minutes	$14,127	$14,480	$14,842
1 hour	$25,672	$26,314	$26,972
1½ hours	$38,414	$39,374	$40,358
2 hours*	$48,854	$50,075	$51,327

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

Section 24-400 TERMS AND CONDITIONS APPLICABLE TO CLASSIFICATIONS OTHER THAN DIRECTORS (*i.e.*, FOR "BELOW-THE-LINE" EMPLOYEES) EMPLOYED ON COVERED PROGRAMS

24-401 Staffing

Staffing of classifications other than Directors shall be as provided in Paragraph 13-202 of the BA, except that on any program otherwise covered by this Article 24 for which a line cut is recorded for purposes of editing and/or delayed broadcast, an Associate Director shall be employed and the employment of a Key Second Assistant Director shall be at the Producer's discretion, based on duties.

Consistent with the BA, the Employer may, at its discretion, employ an Associate Director (formerly known as "Technical Coordinator") on "film style" programs.

24-402 Definitions/Duties

(a) Unit Production Managers

The duties of Unit Production Managers employed on programs covered by this Article 24 are as set forth in Paragraph 1-302 of the BA.

(b) First Assistant Directors

The following duties shall apply to First Assistant Directors employed on programs covered by this Article 24 in lieu of the provisions of Paragraph 1-303:

The First AD performs his/her duties subject to the supervision and control of the Producer, Production Executive or UPM. The First AD is involved in preparing a shooting schedule. During production, he or she assists the Director with respect to on-set production details, coordinates and supervises crew and cast activities and facilitates an organized flow of production activities. The First Assistant Director may be assigned responsibilities of the UPM. His or her prime responsibility is

to assist the Director. The duties of the First AD include, but are not limited to, supervision of or participation in the following:

(1) Administer Company policies, Guild and Union contracts and government regulations.

(2) Break down the script into all elements for shooting and coordinate schedules for rehearsal, camera blocking and shooting. Arrange school and work schedules when minors are employed. Prepare the schedule, to keep within the time limitations imposed by the budget, cast availability and script requirements. Assist the Director in conducting production meetings.

(3) Prepare the call sheets and production reports and determine cast and crew calls and communicate advance schedules to cast and crew.

(4) Conduct a safety meeting on the set with cast and crew as required by the Company. Inspect the set daily for potential safety violations and report any such problems. Prepare accident reports as assigned.

(5) Order extra performers through casting agency and wardrobe requirements. Give call to casting agency.

(6) Inform make-up and hair personnel of script requirements; coordinate approval of wigs, special make-up, body make-up, tattoos, etc., facilitate the scheduling of all hair and make-up personnel.

(7) On camera days, cue actors' entrances, receive Director notes and relay them to actors. Call camera repos. Communicate Producer and Director instructions to the department heads.

(8) If requested to do so, inform warm-up personnel of show procedure, pre-recorded scenes and unusual elements in

the episode and coordinate his/her technical requirements.

(9) Direct background action and supervise crowd control. Block extra performers for cameras. Coordinate with the UPM and/or Producer any financial adjustments needed for extras.

(10) Coordinate wardrobe fittings for talent and integrate into rehearsal schedules.

(11) Maintain a quiet and orderly set.

(12) Execute dressing room assignments per actors' contracts and secure keys.

(13) Prepare production boards when appropriate.

(14) When shooting off the stage, if delegated by the UPM or Producer, oversee and/or aid in the search, survey, and management of such locations as may affect the production and ascertain the specific requirements. The First AD, when possible, will be sent to each off-stage location site sufficiently before commencement of shooting to perform adequately his or her duties. When shooting off-stage, the First AD assigns trailers and honeywagons, checks weather reports and supervises any traffic and crowd control, catering, police and fire details. In addition, the First AD may aid in scheduling food, lodging and other facilities.

(c) Second Assistant Directors

The following duties shall apply to Second Assistant Directors employed on programs covered by this Article 24 in lieu of the provisions of Paragraph 1-304:

The Second AD performs his/her duties subject to the supervision and control of the Producer, Production Executive or UPM, and under the direct supervision of the First AD. The

Second AD is assigned by the Employer as an assistant to the First AD in conducting the business of the set or the location site. The term "Second AD" includes Key Second ADs, Second Second ADs, and Additional Second ADs. First ADs may perform the Second AD's duties listed below and the Second AD may perform the duties of the First AD. The duties of the Second AD include, but are not limited to, the supervision of or participation in the following:

(1) Assist the First AD in all aspects of managing the set.

(2) Prepare call sheets, handle extra performers' requisitions, and other required documents for approval by the First AD, UPM or the production office.

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

(4) Distribute scripts and script changes and production schedules to cast and crew on set.

(5) Distribute call sheets and schedules to cast and crew on set.

(6) Distribute and collect I-9s, W-4s, time cards, and other required paperwork, when requested to do so.

(7) Arrange to unlock dressing rooms and trailers, mark rooms with actor's names, make sure heat and/or air are on in dressing rooms and on stage.

(8) Assist in the inspection of the set for safety. Inform the First AD of any potential safety problems. Insure that fire aisles are kept clear.

(9) Check that make-up, hair and wardrobe have arrived and are setting up. Make sure each has a schedule of the day's shooting order.

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

(11) Arrange for ND meals as needed.

(12) Inform actors when to go to make-up and hair and when to get into wardrobe. Inform actors when and where the Company will serve meals. Sign cast members in and out.

(13) Supervise the set-up of an area for the background performers. Check in background performers, distribute appropriate paperwork and coordinate make-up, hair and wardrobe.

(14) Bring performers to the set when needed.

(15) Assist the First AD in giving stage cues.

(16) Assist the First AD in the direction and placement of background action and supervision of crowd control.

(17) At the end of day, distribute call sheets for the next day. Collect and sign background performer's vouchers and/or paperwork. Notify cast and crew members of any changes for the next day.

(18) When shooting off the stage, assist the First AD and UPM in the performance of the duties described in the First AD section (14).

(19) Supervise and direct the work of any DGA Trainee assigned to the production.

(d) The foregoing descriptions of First Assistant Director and Second Assistant Director duties and the description of Associate Director duties set forth in Paragraph 1-305 of this BA are not intended, nor shall they be construed, either to

enlarge or diminish the duties of UPMs, First and Second Assistant Directors, and Associate Directors or other personnel as such duties are presently and were heretofore customarily performed on multi-camera prime time dramatic television programs.

(e) Associate Directors

The following duties shall apply to Associate Directors employed on programs covered by this Article 24 for which a line cut is recorded for purposes of editing and/or delayed broadcast:

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

(1) Assist the Director in planning and conducting the production meeting with all department heads. Outline all visual, audio and technical camera requirements.

(2) Break down the script to determine all technical and shooting requirements.

(3) Attend rehearsals and mark all blocking of actors as stated by the Director. During rehearsals, follow through on any special needs that may be added in subsequent script drafts.

(4) Assist the Director in working out shots; mark all shots into the script.

(5) Upon delivery of final shoot script, mark a final script including all camera shots, audio, video, special effects, music, special lighting and SFX cues. Assign all camera shots sequential numbers.

(6) Prepare the technical director's script. Before camera rehearsal, conduct a meeting with camera operators to explain and assign all camera shots. Conduct meeting with Audio to review all cues and blocking for audio coverage.

(7) During camera rehearsal and shooting of the show, communicate with the technical director, camera operators, lighting, audio and video departments to explain all shot and blocking changes.

(8) During camera rehearsal and shooting, call shot numbers to prepare camera operators. Responsible for the accuracy of all camera shots. Watch camera coverage for all corrections and duplication.

(9) Confer with audio on placement of microphones on set. Supervise the timing and editing of all music and sound effects for playback and integration into the show. Ensure that all audio, including music and effects, is suitable for use in production and post-production.

(10) Communicate music, audio, special effects, Director pick-up cues, blocking changes and cues for actors when needed, through a headset to stage manager.

(11) During production, supervise the integration of visual and electronic special effects, including but not limited to, green screen, ADR, matte processes, including additional footage, graphics, animation, photos, art work and pre-recorded material.

(12) Participate in determination of ISO shots (additional camera coverage) for use in post-production. Be aware of potential assembly of show and adjust coverage for possible tape cuts, performance changes and tightening.

24-403 Salary Rates and Production Fees

(a) Unit Production Managers, Assistant Directors and Associate Directors

The minimum salary rates and production fees for Unit Production Managers, Assistant Directors and Associate Directors employed on programs covered by this Article 24 are as follows:

(1) Salary Rates

Studio Workweek	**7/1/20**	**7/1/21**	**7/1/22**†
Unit Production Manager	$5,342	$5,476	$5,640
First Assistant Director	$5,077	$5,204	$5,360
Key Second Assistant Director	$3,526	$3,614	$3,722
Second Second Assistant Director	$3,346	$3,430	$3,533
Additional Second Assistant Director	$2,048	$2,099	$2,162
Associate Director (line cut programs)	$4,833	$4,954	$5,103

Distant Location Workweek	**7/1/20**	**7/1/21**	**7/1/22**†
Unit Production Manager	$7,479	$7,666	$7,896
First Assistant Director	$7,098	$7,275	$7,493
Key Second Assistant Director	$4,841	$4,962	$5,111

(Continued)

† See text of footnote 3 on page 39.

(Continued)

Distant Location Workweek	**7/1/20**	**7/1/21**	**7/1/22**†
Second Second Assistant Director	$4,585	$4,700	$4,841
Additional Second Assistant Director	$2,812	$2,882	$2,968
Associate Director (line cut programs)	$6,761	$6,930	$7,138

(2) Production Fee (per week):

Studio Workweek	**7/1/20**	**7/1/21**	**7/1/22**†
Unit Production Manager	$1,160	$1,189	$1,225
First Assistant Director	$938	$961	$990
Key Second Assistant Director	$718	$736	$758
Associate Director (line cut programs)	$894	$916	$943

Distant Location Workweek	**7/1/20**	**7/1/21**	**7/1/22**†
Unit Production Manager	$1,378	$1,412	$1,454
First Assistant Director	$1,160	$1,189	$1,225
Key Second Assistant Director	$938	$961	$990
Associate Director (line cut programs)	$1,100	$1,128	$1,162

† See text of footnote 3 on page 39.

(b) Associate Directors

The minimum salary rates for Associate Directors employed on programs covered by this Article 24 are as follows:

Associate Directors	**7/1/20**	**7/1/21**	**7/1/22**[†]
Daily	$1,260	$1,292	$1,331
Three (3) Day	$3,441	$3,527	$3,633
Weekly	$5,056	$5,182	$5,337

An Associate Director employed on the 3-day rate may perform services for multiple episodes during the guaranteed period; an Associate Director employed on a weekly basis may perform services on multiple episodes or on more than one series. The daily rate may be utilized for a replacement Associate Director or for work outside the guaranteed period of employment.

24-404 Prep Time

(a) On programs on which a line cut is recorded for purposes of editing and/or delayed broadcast, the First Assistant Director shall be guaranteed not less than two (2) days of prep time. With respect to other programs covered under this Article 24, the First Assistant Director shall be guaranteed not less than three (3) days of prep time.

(b) On programs on which a line cut is recorded for purposes of editing and/or delayed broadcast, there shall be no guaranteed prep period for the Key Second Assistant Director. With respect to other programs covered under this Article 24, the Key Second Assistant Director shall be guaranteed not less than one (1) day of prep time.

(c) On programs on which a line cut is recorded for purposes of editing and/or delayed broadcast, the Associate Director

[†] See text of footnote 3 on page 39.

assigned shall be guaranteed not less than one (1) prep day for a half-hour program.

24-405 Completion of Assignment Pay

Completion of assignment ("COA") pay shall be paid at fifty percent (50%) of the current rate for all hiatus periods. The final COA payment for the season (or of employment) is at one hundred percent (100%). There shall be no cap on the number of completion of assignment payments for programs produced under this Article 24.

All payments of completion of assignment pay hereunder to First and Key Second Assistant Directors, other than the final payment for the season (or of employment), shall be treated as salary and, as such, shall be subject to pension and health contributions and to vacation and unworked holiday pay. The payment of said amounts shall constitute compensation for work performed by any such employee during the hiatus period, unless the Employer requires the employee to report to the production office or a location on more than two (2) days of the hiatus period.

24-406 Other Working Conditions

Working conditions (other than those specifically addressed herein) for Unit Production Managers, First Assistant Directors, Second Assistant Directors and Associate Directors employed on programs covered by this Article 24 shall be as set forth in the Basic Agreement, except as provided below:

(a) Paragraph 13-216 regarding dinner allowances does not apply.

(b) The following additional provisions shall apply:

(1) When the Unit Production Manager, First Assistant Director, Second Assistant Director or Associate Director 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 Unit Production Manager, First Assistant

Director, Second Assistant Director or Associate Director duties must be exclusively performed by members of the bargaining unit covered by such previously-existing agreement, then the Employer shall not be required to assign a Unit Production Manager, First Assistant Director, Second Assistant Director or Associate Director. 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 Unit Production Manager, non-Guild Assistant Director or non-Guild Associate Director.

(2) If the Employer utilizes the live/tape services of any existing facility (*e.g.,* ABC, KTTV) which has traditionally supplied personnel not covered by the BA or the FLTTA to perform duties covered under this Article 24, then this Article 24 shall not preclude the Company from using such personnel to perform such duties while utilizing the live/tape services of such facility.

(c) With respect to screen credit on programs for which a line cut is recorded for purposes of editing and/or delayed broadcast, the Employer shall accord credit as provided in Paragraph 13-209 of the Basic Agreement, except that the classifications UPM, Associate Director and First Assistant Director (First Stage Manager) shall be substituted for UPM, First Assistant Director and Key Second Assistant Director.

(d) With respect to Employees (other than Associate Directors) employed on a three-day per week minimum guarantee, and to the extent that Paragraph 13-206(d) applies, the amount payable pursuant to that provision shall be seven and one-half (7½) days of completion of assignment pay (three (3) times two and one-half (2½) days) (in lieu of any other completion of assignment pay).

(e) Paragraph 13-206(d) does not apply to Associate Directors.

(f) Paragraphs 13-110(c) and 13-206(e) shall be applicable to Associate Directors.

(g) If a screen credit is accorded to an Associate Director, it shall be in the form "Associate Director," notwithstanding anything to the contrary in Paragraph 8-103.

24-407 Preference of Employment and Eligibility for Placement on Multi-Camera Qualification Lists

Preference of employment for Unit Production Managers, Assistant Directors, and Associate Directors employed on programs covered by this Article 24 shall be governed by the provisions of Section 24-600. Eligibility for placement on the Multi-Camera Qualification Lists shall be governed by the provisions of Section 24-500.

Section 24-500 ELIGIBILITY FOR PLACEMENT ON MULTI-CAMERA QUALIFICATION LISTS

The Multi-Camera Qualification Lists ("MCQLs") shall be in addition to the existing AD and UPM Qualifications Lists. The MCQLs will be national lists. The MCQLs shall be composed of those qualified and available persons who satisfy the eligibility provisions below.

24-501 Requirements for Placement

Only the following rules shall govern placement on the MCQLs:

(a) All qualifying days must be obtained on multi-camera television motion pictures (including videodisc/videocassette, pay television and basic cable motion pictures) of the type covered by the Basic Agreement or by the DGA Freelance Live and Tape Television Agreement or on multi-camera High Budget SVOD Programs as defined in Sideletter No. 35. The employment required under this provision for placement on a MCQL may be satisfied by employment with signatory companies to any agreement with the Guild and/or with non-signatory companies.

(b) Seventy-five percent (75%) of the qualifying days must be "shoot days." For purposes of the MCQLs only, individuals may count any shooting or blocking day on a multi-camera program as well as the remaining work days in a week during which there is at least one (1) shoot day and one (1) camera blocking day. Twenty-five percent (25%) of the total days may include prep and wrap days.[35]

(c) There shall be no location requirements.

(d) The verification process for counting days for placement on the MCQLs should include, to the extent possible, payroll records; pay stubs; crew/staff lists; screen credit lists; and letters of verification from production company executives. All letters must specify the duties performed.

The parties agree to consider in good faith alternative verification documents.

(e) Any person who desires to be placed on a MCQL must meet the eligibility criteria for the applicable category in which placement is sought, as set forth below.

24-502 <u>Eligibility Criteria for MCQL for Second Second Assistant Directors and Additional Second Assistant Directors</u>

The following persons shall be eligible for placement on the Second Second Assistant Director/Additional Second Assistant Director Multi-Camera Qualification List:

(a) Any individual who has worked at least 100 days as an Assistant Director, Unit Production Manager, Stage Manager and/or Associate Director on multi-camera programs other than news or sports programs; and

[35] The provisions of Paragraph 24-501(b) do not apply to qualifying days obtained on news or sports programs.

(b) Any individual who has worked at least 200 days as a Stage Manager or Associate Director on multi-camera news or sports programs.

24-503 Eligibility Criteria for MCQL for Key Second Assistant Directors

The following persons shall be eligible for placement on the Key Second Assistant Director Multi-Camera Qualification List:

(a) Any Second Second Assistant Director/Additional Second Assistant Director already on a Qualification List who works an additional 100 days as an Assistant Director, Associate Director, Stage Manager and/or UPM on multi-camera programs other than sports or news programs;

(b) Any individual who has worked at least 200 days as an Assistant Director, Associate Director, Stage Manager and/or Unit Production Manager on multi-camera programs other than sports or news programs; and

(c) Any individual who has worked at least 300 days as a Stage Manager or Associate Director on multi-camera news and sports programs.

24-504 Eligibility Criteria for MCQL for First Assistant Directors

The following persons shall be eligible for placement on the First Assistant Directors Multi-Camera Qualification List:

(a) Any Key Second Assistant Director already on a Qualification List or any Associate Director who works an additional 200 days as an Assistant Director, Stage Manager, Associate Director and/or UPM on multi-camera programs other than sports or news programs;

(b) Any individual who has worked at least 400 days as an Assistant Director, Stage Manager, Associate Director and/or Unit Production Manager on multi-camera programs other than sports or news programs;

(c) Any individual who has worked at least 275 days as an First Assistant Director or as a First Stage Manager on multi-camera programs other than sports or news programs; and

(d) Any individual who has worked at least 500 days as an Associate Director or Stage Manager on multi-camera news and sports programs.

24-505 Eligibility Criteria for MCQL for Unit Production Managers

Persons shall be eligible for placement on the UPM MCQL as provided in Paragraphs 14-601 and 14-602 of this BA.

Section 24-600 PREFERENCE OF EMPLOYMENT

(a) Employer shall give preference of employment to persons on the appropriate MCQL or, either the applicable New York Area Qualification List, the applicable Third Area Qualification List, or the applicable Southern California Qualification List (whichever is geographically applicable), when employing UPMs and Assistant Directors on multi-camera prime time dramatic programs covered under Article 24 or multi-camera High Budget SVOD Programs as defined in Sideletter No. 35.

(b) Employer may employ any person as an Associate Director on a multi-camera prime time dramatic program covered under Article 24 if such person meets the employment criteria set forth in Article 10, Part 3, Section A. of the FLTTA, except that the guarantee in subparagraph 1. of that provision shall be modified to twenty-seven (27) days of employment within nine (9) consecutive production weeks.

(c) Notwithstanding the foregoing:

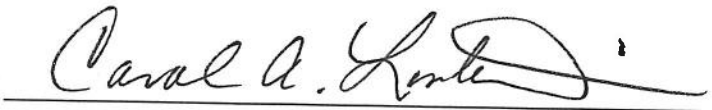
(1) Any individual who has worked as an Associate Director, Stage Manager, Assistant Director or UPM on any multi-camera program for a minimum of thirty (30) days within the past five (5) years shall be eligible for employment on multi-camera prime time dramatic programs covered under Article 24, or multi-camera High Budget SVOD Programs covered under

Sideletter No. 35, in that category and in any other category which requires fewer qualifying days under the provisions of Article 24-500. Such additional experience shall constitute qualified days for placement on the QL. Employer shall verify the employee's eligibility for employment pursuant to this provision. DGACA and DGA will use best efforts to establish a list of such employees.

(2) Employer may employ any person as a Second Second or Additional Second Assistant Director on a multi-camera prime time dramatic program covered under Article 24, or a multi-camera High Budget SVOD Program covered under Sideletter No. 35, or as a Second Second Assistant Director or Additional Second Assistant Director on a multi-camera prime time dramatic program covered under Article 24, or a multi-camera High Budget SVOD Program covered under Sideletter No. 35, on which there is a line cut, if such person is guaranteed twenty-seven (27) days of employment within nine (9) consecutive production weeks.

IN WITNESS WHEREOF, the parties hereto have caused this Producers–Directors Guild of America Basic 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

EXHIBIT "A-1"

QUALIFIED DISTRIBUTOR/BUYER
LETTER OF AGREEMENT

As of July 1, 2020

Dear _____:

Reference is made to the provisions of Article 22 of the Directors Guild of America Basic Agreement of 2020 ("BA").

The Directors Guild of America ("DGA") hereby agrees that the undersigned Company satisfies the requirements for Qualified Distributor/Buyer status, subject to the following conditions:

1. With respect to each theatrical motion picture, the principal photography of which commences on or after July 1, 2020, produced under a DGA contract ("DGA Picture") for which the undersigned Company, or any of the additional companies identified below, has distribution rights, the undersigned Company agrees 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 shall adhere or guarantee adherence to all other provisions in Article 22(a) of the Basic Agreement including, without limitation, the arbitration provisions.

2 The undersigned Company shall, promptly after acquisition, notify the Guild in writing of the territories, media and term of distribution rights in any DGA Picture which the undersigned Company, or any of the companies identified below, hereafter acquires.

3. As to each DGA Picture, the undersigned Company shall be afforded all of the rights, and assume all of the obligations, of a Qualified Distributor/ Buyer under the Basic Agreement.

4. With respect to any DGA Picture for which the undersigned Company is acting as a guarantor, it agrees to execute and deliver, in a form acceptable to the Guild (which shall include the Standard Letter of Guaranty set forth in Exhibit "B-2" of this Agreement), an unconditional guarantee of payment of all Residuals and any obligations related to the reporting or payment of Residuals under the Basic Agreement.

5. With respect to any DGA Picture for which the undersigned Company has agreed to guarantee the payment of Residuals and performance of all other obligations of a Qualified Distributor/Buyer, the undersigned Company also agrees that the Guild may arbitrate against it disputes under this Letter of Agreement or under the Basic Agreement 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 Picture. 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 Basic Agreement. 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 Distributor/Buyer 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.

6. THIS QUALIFIED DISTRIBUTOR'S/BUYER'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.

7. The undersigned Company acknowledges and agrees that the Guild may revoke its Qualified Distributor/Buyer status pursuant to the provisions of the Basic Agreement. Likewise, the Guild agrees that the undersigned Company may, after an initial term of not less than two (2) years, rescind its Qualified Distributor/Buyer status upon ninety (90) days notice to the Guild. Any DGA Picture for which the Qualified Distributor/Buyer holds distribution rights which has commenced principal photography prior to the expiration of such ninety (90) day notice period shall be subject to the provisions of this Letter of Agreement.

8. In the event of revocation by either the Guild or the Qualified Distributor/Buyer, the undersigned Company agrees that it shall continue to be bound to the obligations of this Letter of Agreement with respect to all DGA Pictures distributed or guaranteed by the Qualified Distributor/Buyer prior to revocation.

9. 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.

10. This Letter of Agreement does not create, and shall not be construed as creating, any rights enforceable by the Employer of any Guild Picture or by any other person not a party to this Agreement.

11. 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.

12. 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

EXHIBIT "A-2"

QUALIFIED RESIDUAL PAYOR
LETTER OF AGREEMENT

As of July 1, 2020

Dear _____:

Reference is made to the provisions of Article 22(b) of the Directors Guild of America Basic Agreement of 2020 ("Basic Agreement").

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 motion picture produced under a DGA contract 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 22(b) of the Basic Agreement including, without limitation, the arbitration provisions ("Such Picture"), 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 Picture which the undersigned Company, or any of the companies identified below, hereafter acquires.

2. As to Such Picture, the undersigned Company shall be afforded all of the rights, and assume all of the obligations, of a Qualified Residual Payor under the Basic Agreement.

3. With respect to any Such Picture 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), an unconditional guarantee of payment of all Residuals and any obligations related to the reporting or payment of Residuals under the Basic Agreement.

4. With respect to any Such Picture 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 Basic Agreement 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 Picture. 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 Basic Agreement. 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 Basic Agreement. 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 Picture for which the Qualified Residual Payor holds distribution rights which has commenced principal photography 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 Pictures 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 Picture 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

EXHIBIT "B-1"

STANDARD LETTER OF GUARANTY FOR QUALIFIED DISTRIBUTORS/BUYERS

Date:

Re: (Identify Picture and Employer)

Dear _____:

1. This is to confirm that _____ _____ ("Guarantor"), a Qualified Distributor/Buyer which is a signatory to the Qualified Distributor/Buyer 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 Basic Agreement ("Basic Agreement") and the Qualified Distributor/Buyer Letter of Agreement (set forth in Exhibit "A-1" of this Agreement and incorporated herein by this reference) which becomes payable under DGA's jurisdiction with respect to the motion picture entitled "_____" ("the Picture"), as a result of the distribution, exhibition or exploitation of the Picture in _____ [describe media, territories and term].

2. The undersigned further agrees to comply with all record-keeping and reporting obligations under the Basic Agreement with respect to the exhibition, distribution or exploitation of the Picture, 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 Basic Agreement with respect to the distribution, exhibition or exploitation of the Picture 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 Picture 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 Basic Agreement. 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 Distributor under the Qualified Distributor/Buyer Letter of Agreement. By the same token, Guarantor shall be entitled to all of the rights and benefits accorded to a Qualified Distributor.

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 Distributor/Buyer 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 Basic Agreement or Distributor's Assumption Agreement sent by the Guild to Employer with respect to the Picture 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 90046-0907
Attention: Daniel Bush
Facsimile: (310) 289-2031

By: _____
Authorized Officer

_____
(Please type in name)

EXHIBIT "B-2"

STANDARD LETTER OF GUARANTY FOR QUALIFIED RESIDUAL PAYORS

Date:

Re: (Identify Picture 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 Basic Agreement ("Basic Agreement") and the Qualified Residual Payor Letter of Agreement (set forth in Exhibit "A-2" of this Agreement and incorporated herein by this reference) which becomes payable under DGA's jurisdiction with respect to the motion picture entitled "_____" ("the Picture"), as a result of the distribution, exhibition or exploitation of the Picture in _____ [describe media, territories and term].

2. The undersigned further agrees to comply with all record-keeping and reporting obligations under the Basic Agreement with respect to the exhibition, distribution or exploitation of the Picture, 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 Basic Agreement with respect to the distribution, exhibition or exploitation of the Picture 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 Picture 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 Basic Agreement. 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 Basic Agreement or Distributor's Assumption Agreement sent by the Guild to Employer with respect to the Picture 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 90046-0907
Attention: Daniel Bush
Facsimile: (310) 289-2031

By: _____
Authorized Officer

_____
(Please type in name)

EXHIBIT "C-1"

DIRECTOR DEAL MEMORANDUM (THEATRICAL)

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.#:_____

Salary (U.S. dollars): $_____ ☐ per Film ☐ per Week ☐ per Day

Additional Time: $_____ ☐ per Week ☐ per Day

Start Date (on or about):_____

Guaranteed Period: _____ ☐ Days ☐ Weeks

If the Director's compensation will be $250,000 or more, is it contemplated that the Director's services on the project will span two (2) calendar years (*i.e.*, commence in one calendar year and finish in a subsequent calendar year) between commencement of preparation and delivery of answer print? ☐ Yes ☐ No

PROJECT INFORMATION

Project Title:_____

Check (if applicable): ☐ Second Unit Director
☐ Freelance Shorts & Documentaries

Individual having final cutting authority over the film is: _____

Other Conditions (include 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 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.

THE UNDERSIGNED RESERVES THE RIGHT TO DISCHARGE THE EMPLOYEE AT ANY TIME SUBJECT ONLY TO THE OBLIGATION TO PAY THE BALANCE OF ANY COMPENSATION DUE, TO THE EXTENT REQUIRED BY THE DGA BASIC AGREEMENT, TO WHICH THIS EMPLOYMENT IS SUBJECT.

Accepted and Agreed:

Signatory Employer (Company Name):_____
(print)

Signatory Employer Representative Signature: _____

Date: _____

Employee Signature:_____ Date:_____

EXHIBIT "C-2"

DIRECTOR DEAL MEMORANDUM
(TELEVISION AND HIGH BUDGET SVOD PROGRAMS PER SIDELETTER NO. 35 TO BA)

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. dollars): $_____ ☐ per Program ☐ per Week ☐ per Day

Additional Time: $_____ ☐ per Week ☐ per Day

Check, if applicable: ☐ Second Unit Director ☐ Segment
☐ Added Scenes/Retakes

Other Conditions (include credit above minimum): _____

_____

PROJECT INFORMATION

Project Title:_____

Episode #:____ Episode/Segment Title:_____

Length of Television Program: ☐ 30 min ☐ 60 min ☐ 90 min ☐ 120 min
☐ Other:_____

Length of High Budget SVOD Program:
☐ 25-35 min ☐ 36-65 min ☐ 66-95 min ☐ 96 min or more

Is this a Pilot? ☐ Yes ☐ No

Produced Primarily for initial exhibition/availability:

A. Where (*Please check only one of the following boxes.*)

☐ Network TV	☐ Non-Network Free TV
☐ Basic Cable	☐ Pay TV
☐ Home Video	☐ High Budget SVOD (as defined in Sideletter No. 35 of BA)

B. When (Complete this Subsection B. only for a picture made for initial Network TV, Non-Network Free TV, or Pay TV exhibition).
(*Please check only one of the following boxes.*)
☐ Prime Time ☐ Non-Prime Time

Type of Production: ☐ Multi-Camera ☐ Single Camera

If High Budget SVOD Program, please also indicate name of platform for which program is made:_____

INDIVIDUAL having final cutting authority over the film is:_____

The Employee hereby authorizes the Employer to deduct from his or her salary the amount specified in the Directors Guild of America Basic 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.

THE UNDERSIGNED RESERVES THE RIGHT TO DISCHARGE THE EMPLOYEE AT ANY TIME SUBJECT ONLY TO THE OBLIGATION TO PAY THE BALANCE OF ANY COMPENSATION DUE, TO THE EXTENT REQUIRED BY THE DGA BASIC AGREEMENT, TO WHICH THIS EMPLOYMENT IS SUBJECT.

Accepted and Agreed:

Signatory Employer (Company Name):_____
(print)

Signatory Employer Representative Signature: _____

Date:_____

Employee Signature:_____ Date:_____

EXHIBIT "C-3"

POST-PRODUCTION ADDENDUM TO
DIRECTOR DEAL MEMORANDUM
(Theatrical and Long-Form Television)

Director:_____

Project Title:_____

Director's Cut Start Date:_____ Director's Cut Finish Date:_____

Dates of Special Photography and Processes (if any):_____

Delivery of Answer Print Date:_____

Theatrical Release Date:_____ Television Broadcast Date:_____

Company Representative (signature): _____

Representative Name (please print): _____

Name of Company (please print): _____

Contact Phone #: _____

EXHIBIT "C-4"

UNIT PRODUCTION MANAGER, ASSISTANT DIRECTOR, ASSOCIATE DIRECTOR – WEEK-TO-WEEK OR DAILY DEAL MEMORANDUM

This confirms our agreement to employ you on the project described as follows:

AD/UPM INFORMATION

Name:_____ SSN# (last 4 digits):_____

Loan-out:_____ FID#:_____

Address:_____ Tel.#:_____

_____

Category:

☐ Unit Production Manager
☐ First Assistant Director
☐ Key Second Assistant Director
☐ 2nd Second Assistant Director
☐ Additional Second Assistant Director
☐ 2nd Second Assistant Director - Location Manager (in NY/Chicago only)
☐ Associate Director (line cut)
☐ Associate Director (no line cut)

Start Date (on or about):_____

Guaranteed Period: _____ ☐ One Day ☐ Three Days ☐ One Week

Salary (U.S. Dollars): Studio: $_____ Distant Location: $_____
☐ per Day ☐ per 3 Days ☐ per Week, and shall be prorated thereafter.

Only if specifically hired for second unit or added scenes/retakes, check:
☐ Second Unit ☐ Added Scenes/Retakes

Other Conditions:_____

_____

PROJECT INFORMATION

Series or Project Title:_____

Episode #:_____ Episode/Segment Title:_____

Type of Production: ☐ Feature ☐ Multi-Camera Prime Time Dramatic
☐ Single-Camera ☐ Other Television
☐ High Budget SVOD Program (as defined in Sideletter No. 35 of the BA)

If High Budget SVOD Program, please also indicate:
Name of platform for which program is made:_____

Length of High Budget SVOD Program:
☐ 20-35 min ☐ 36-65 min ☐ 66-95 min ☐ 96 min or more

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 ≤ $1,493,500	☐ > $1,493,500
61-120 minutes:	☐ < $2,750,000	☐ ≥ $2,750,000 and ≤ $4,635,000	☐ > $4,635,000

This employment is subject to the provisions of the Directors Guild of America, Inc., Basic Agreement.

Accepted and Agreed:

Signatory Employer (Company Name):_____
(print)
Signatory Employer Representative Signature:_____

Date:_____

Employee Signature:_____ Date:_____

EXHIBIT "C-5"

UNIT PRODUCTION MANAGER, ASSISTANT DIRECTOR, ASSOCIATE DIRECTOR – TERM DEAL MEMORANDUM

This confirms our agreement to employ you on the project described as follows:

AD/UPM INFORMATION

Name:_____ SSN# (last 4 digits):_____

Loan-out:_____ FID #:_____

Address:_____ Tel.#:_____

Category:

□ Unit Production Manager
□ First Assistant Director
□ Key Second Assistant Director
□ 2nd Second Assistant Director
□ Additional Second Assistant Director
□ 2nd Second Assistant Director - Location Manager (NY/Chicago only)
□ Associate Director (line cut)
□ Associate Director (no line cut)

Start Date (on or about):_____ Guaranteed Period:_____ Weeks

Salary (U.S.): $_____ and shall be prorated thereafter at the rate of $_____□ per Week □ per 3 Days □ per Day

Other Conditions:_____
_____

PROJECT INFORMATION

Series or Project Title:_____

Episode #:_____ Episode/Segment Title:_____

Type of Production: ☐ Feature ☐ Multi-Camera Prime Time Dramatic
☐ Other Television
☐ High Budget SVOD Program (as defined in Sideletter No. 35 of the BA)

If High Budget SVOD Program, please also indicate:
Name of platform for which program is made:_____

Length of High Budget SVOD Program:
☐ 20-35 min ☐ 36-65 min ☐ 66-95 min ☐ 96 min or more

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 ≤ $1,493,500	☐ >$1,493,500
61-120 minutes:	☐ < $2,750,000	☐ ≥ $2,750,000 and ≤ $4,635,000	☐ >$4,635,000

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., Basic Agreement.

Accepted and Agreed:

Signatory Employer (Company Name):_____
(print)

Signatory Employer Representative Signature:_____

Date:_____

Employee Signature:_____ Date:_____

EXHIBIT "D"

INSTRUCTIONS

The minority codes utilized in this report represent the following:

W - WHITE

AF - AFRICAN-AMERICAN

H - HISPANIC

A - 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						

UNIT PRODUCTION MANAGER						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

FIRST ASSISTANT DIRECTOR						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

SECOND ASSISTANT DIRECTOR						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

FIRST TIME DIRECTORS						
	W	**AF**	**H**	**AS**	**NA**	**UNKNOWN**
MALE						
FEMALE						

EXHIBIT "E-1"- PART A

SUBSCRIBER RATES FOR MOTION PICTURES MADE FOR PAY TELEVISION SERVICES WITH FEWER THAN 6,000,000 SUBSCRIBERS IN THE FIRST EXHIBITION YEAR OF THE MOTION PICTURE

Motion Pictures of a Type Generally Produced for Network Prime Time

Length	7/1/20	7/1/21	7/1/22
1/2 Hour	.001897	.001944	.001993
1 Hour	.003221	.003302	.003384
1-1/2 Hours	.005369	.005503	.005641
2 Hours	.009019	.009245	.009476

Motion Pictures of a Type Not Generally Produced for Network Prime Time

Length	7/1/20	7/1/21	7/1/22
7 Minutes and Under	.000177	.000181	.000186
8 - 15 Minutes	.000848	.000869	.000895
16 - 30 Minutes	.000848	.000869	.000895
31 - 60 Minutes	.001695	.001738	.001790
61 - 90 Minutes	.002544	.002608	.002686
91 - 120 Minutes	.003542	.003631	.003740

"Double Length Episodes" and Motion Pictures in Excess of Two Hours

See Paragraph 10-101 as to "double length" episodes and programs in excess of two hours.

EXHIBIT "E-1" - PART B

SUBSCRIBER RATES FOR MOTION PICTURES MADE FOR PAY TELEVISION SERVICES WITH 6,000,000 OR MORE SUBSCRIBERS IN THE FIRST EXHIBITION YEAR OF THE MOTION PICTURE

Motion Pictures of a Type Generally Produced for Network Prime Time

Length	7/1/20	7/1/21	7/1/22
1/2 Hour	.000930	.000930	.000930
1 Hour	.001579	.001579	.001579
1-1/2 Hours	.002632	.002632	.002632
2 Hours	.004421	.004421	.004421

Motion Pictures of a Type Not Generally Produced for Network Prime Time

Length	7/1/20	7/1/21	7/1/22
7 Minutes and Under	.000086	.000086	.000086
8 - 15 Minutes	.000414	.000414	.000414
16 - 30 Minutes	.000414	.000414	.000414
31 - 60 Minutes	.000827	.000827	.000827
61 - 90 Minutes	.001241	.001241	.001241
91 - 120 Minutes	.001728	.001728	.001728

"Double Length Episodes" and Motion Pictures in Excess of Two Hours

See Paragraph 10-101 as to "double length" episodes and programs in excess of two hours.

EXHIBIT "E-2"

ACCOUNTABLE RECEIPTS PLATEAUS

High Budget Motion Pictures

$10,000,000 plus $1,000,000 for each additional $1,000,000 of production costs over $5,000,000.

Motion Pictures 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 2-hour plateau for each additional ½ hour or fraction thereof that the motion picture exceeds 2 hours in length.

Motion Pictures of a Type Not Generally Produced for Network Prime Time

Length	Plateau
7 Minutes and Under	$ 80,000
8 - 15 Minutes	$ 410,000
16 - 30 Minutes	$ 410,000
31 - 60 Minutes	$ 960,000
61 - 90 Minutes	$1,300,000
91 - 120 Minutes	$1,370,000

For motion pictures over one hundred twenty (120) minutes, apply the formula in Paragraph 20-402(b)(3) to determine the accountable receipts plateau.

SIDELETTER NO. 1

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 MVPDs

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 through 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.A. of Sideletter No. 15 to the Basic Agreement and the analogous provisions of Sideletter No. 14 to the FLTTA 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.A.(3), (5) and 4 of Sideletter No. 15 to the Basic Agreement and the analogous provisions of Sideletter No. 14 to the FLTTA re: Exhibition of Motion Pictures Transmitted via New Media.

   d. The fixed residual payment applicable under Section 3.A.(4) of Sideletter No. 15 to the Basic Agreement (and the analogous provisions of Sideletter No. 14 to the FLTTA) 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.A. of Sideletter No. 15 to the Basic Agreement and the analogous provisions of Sideletter No. 14 to the FLTTA 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 an MVPD 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 Paragraph 18-103(b)), 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.A. and 4 of Sideletter No. 15 to the Basic Agreement and the analogous provisions of Sideletter No. 14 to the FLTTA 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. 15 to the Basic Agreement (and the analogous provision of Sideletter No. 14 to the FLTTA), 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. 35 re: Programs Produced for New Media.

Sincerely,

Carol A. Lombardini

AGREED:

Russell Hollander

SIDELETTER NO. 2

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 Paragraph 20-403.

When a subscription fee is charged for the 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 Paragraph 20-403.

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. 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:

Reference is made to the Directors Guild of America, Inc. Basic Agreement of 1990 (BA).

This will confirm our agreement that the term "New York area" is used in Article 14 of the BA without reference to definitions of the term in the DGA Basic Agreement of 1973, Basic Agreement of 1978, Commercial Agreement of 1979, or side letters thereto.

Sincerely,

Glenn J. Gumpel
National Executive Director

Agreed:

J. Nicholas Counter III

SIDELETTER NO. 4

As of July 1, 2002

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 subparagraph 2-304(d).

If any Arbitrator on the list of Arbitrators in subparagraph 2-304(a) 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

ACCEPTED AND AGREED:

J. Nicholas Counter III

SIDELETTER NO. 5

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 Basic Agreement that have not had an initial release.

The provisions of this Sideletter are experimental and shall expire on the termination date of the 2020 Basic Agreement.

Sincerely,

Carol A. Lombardini

AGREED:

Russell Hollander

SIDELETTER NO. 6

Mr. Glenn J. Gumpel
National Executive Director
Directors Guild of America, Inc.
7950 Sunset Boulevard
Los Angeles, California 90046

Dear Mr. Gumpel:

Employer recognizes the concern of the Guild regarding security of Employees working at a studio in situations where parking is not provided on the studio lot, and Employees must work after sunset or before sunrise.

Employer 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 studio lot after dark, or allowing the Employees to leave work and bring their own cars onto the studio lot.

Sincerely,

J. Nicholas Counter III

Agreed:

Glenn J. Gumpel

SIDELETTER NO. 7

As of July 1, 2017
As of July 1, 2020

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

Re: Second or Subsequent License of High Budget Dramatic Programs Made for Basic Cable to the Same or Different Basic Cable Service

Dear Mr. Hollander:

Reference is made to the provisions of Paragraph 23-104 of the 2017 and 2020 DGA Basic Agreements.

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 Paragraph 23-104, 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 Paragraph 11-108), 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 Basic Agreement or any prior Basic Agreement, 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

SIDELETTER NO. 8

Glenn Gumpel
National Executive Director
Directors Guild of America, Inc.
7950 Sunset Boulevard
Los Angeles, California 90046

Dear Glenn:

Reference is made to Paragraphs 14-302 (second unnumbered paragraph), 14-402 (first paragraph), 14-403(b) and 14-404(b) of the 1993 Directors Guild of America Basic Agreement. Language was added in each of the provisions of the 1990 Basic Agreement which correspond to these provisions specifying that at least 75% of the days needed to qualify for placement on the Qualifications List must be spent with the actual shooting company.

This will confirm that the addition of this language was not intended to, and should not be construed as, a substantive change, but is instead consistent with, and intended to clarify, the meaning of those provisions as both parties have interpreted them in the past.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Glenn Gumpel

SIDELETTER NO. 9

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

Dear Glenn:

There currently exists in New York a New York Area Amendment to this Basic Agreement. That Amendment is in full force and effect and binding upon any signatory hereto that also chooses to execute, specifically and in writing, such Amendment.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

Glenn Gumpel

SIDELETTER NO. 10

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 (b)(iv) of Paragraph 11-101.

(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.

(2) 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. 11

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 22 of the Directors Guild of America Basic Agreement of 1996 relating to responsibility for residuals. As part of the agreement reached during the 1996 negotiations, portions of Articles 11, 18, 19 and 20 and all of Exhibits "A" and "B" were deleted and Article 22 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 motion picture 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. 12

As of July 1, 2002;
Renewed as of July 1, 2005;
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: Experiment in Syndication of Half-Hour Series in Markets Representing 50% or Fewer of U.S. Television Households

Dear Mr. Hollander:

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

While the DGA expressed concern that an accommodation might be subject to abuse or otherwise reduce overall syndication residuals, the parties agreed to an experiment for the term of the 2002 Agreement, to be reviewed each successive term, to determine its effectiveness and whether or not it should be extended. The parties have agreed to renew the experiment for an additional term commencing July 1, 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 "base rate" pursuant to Paragraph 11-101(b)(2) for each such run but shall not constitute a "run" for purposes of Paragraph 11-101(b)(3).

If the series is further syndicated 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 Paragraph 11-101(b)(2) and (3) 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.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander
National Executive Director

SIDELETTER NO. 13

As of July 1, 1996;
Revised as of July 1, 1999;
Revised as of July 1, 2014

Jay D. Roth
National Executive Director
Directors Guild of America, Inc.
7920 Sunset Boulevard
Los Angeles, California 90046

Dear Jay:

This will confirm the Guild's agreement to issue waivers to allow directors to be employed on distant location to shoot scenes for multiple episodes of one-hour series, such as *"NYPD Blue," "E.R."* and *"Party of Five,"* or one-half hour single camera episodic television series, under the following terms and conditions:

(1) In the case of a one-hour series, no individual episode will contain more than the lesser of five (5) minutes or ten percent (10%) footage from a director other than the principal director of the episode. In the case of a one-half hour series, no individual episode will contain more than three (3) minutes of footage from a director other than the principal director of the episode.

(2) The principal director of the episode shall be given the option to direct the distant location scenes for the episode, if he or she is available.

(3) In any event, the principal director of the episode shall have a right to consult with the director(s) of the distant location scenes.

(4) The director(s) filming the distant location scenes must either have previously directed an episode of the series or must be committed to direct an episode in the future.

(5) The director(s) filming the distant location scenes must not have been employed on the series in any capacity other than as "director;" however, the Guild agrees to recommend that the Western Directors' Council waive this restriction for experienced directors who work on the series in another capacity. If the Council intends to deny a request for such a waiver, it shall so advise the AMPTP and, thereafter, the parties agree to convene the Creative Rights Committee as soon as possible to discuss the matter.

(6) Any director employed pursuant to this sideletter shall be paid at a rate equal to one hundred fifty percent (150%) of the applicable daily rate for each shooting day.

(7) There shall be one (1) day of prep time for each day of shooting which exceeds five (5) hours. Prep days shall be paid at one hundred percent (100%) of the applicable daily rate.

(8) The director filming the distant location scenes may be employed for no more than fourteen (14) hours on any such shooting day.

(9) The director(s) filming the distant location scenes may direct scenes for up to three (3) episodes in a given day.

(10) If a director is employed to shoot scenes only for episodes which that director has directed or will direct, then such director shall be paid at one hundred fifty percent (150%) of the director's *pro rata* daily salary for each location day of shooting. In all other respects, the foregoing conditions shall apply to such director.

(11) Paragraphs (2) and (3) above are only applicable when the distant location scenes to be shot are done after the director(s) of the episode(s) in which they will be used is (are) hired.

If the Guild intends to deny a request for such a waiver, it shall so advise the AMPTP and, thereafter, the parties agree to convene the Creative Rights Committee as soon as possible to discuss the matter.

The foregoing waivers will be continued as long as the creative rights process continues. It is understood that the Guild's right to withdraw such waivers is not subject to arbitration nor to judicial review. However, prior to a Guild determination to discontinue such waivers, the matter of termination will be discussed with the ongoing Creative Rights Committee.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Jay D. Roth

SIDELETTER NO. 14

As of July 1, 1996;
Revised as of July 1, 1999;
Revised 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

Ms. Carol A. Lombardini
Alliance of Motion Picture and
Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: DGA–Producers Pension and Health Plans, Inc.

Dear Ms. Lombardini:

Reference is made to the provisions of Sections 12-200, 12-300, 14-100 and 14-200 of the Directors Guild of America Basic 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. 14 ("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 Sections 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 its deposits as agent of Employers ("agent deposits") for a particular period of twelve (12) calendar months were either less than what could be earned when invested for 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 expenses, professional fees, and office supplies for a particular period of at least twelve (12) calendar months were either greater than fifteen percent (15%) above the average of the last five (5) years or 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 remains 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 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, 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 fifteen (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 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 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 remains 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 will be effective 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
Lisa Read, President

SIDELETTER NO. 15

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

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

Re: Exhibition of Motion Pictures Transmitted via New Media

Dear Mr. Hollander:

This Sideletter confirms the understanding of the Guild and the Employers (collectively "the parties") concerning the application of the BA 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 theatrical and television motion pictures or programs, the principal photography 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 motion picture 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 picture in New Media.[3]

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[1] See Sideletter No. 1 for the residuals treatment applicable to a covered television program when exhibited on a virtual multichannel video programming distributor ("vMVPD")

[2] See Sideletter No. 2 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 motion picture 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 motion picture for a fixed and limited period of time or limited number of exhibitions. For example, if Columbia Pictures, through Columbia-TriStar Home Entertainment, licenses to Moviefly the right to exhibit a Columbia Pictures film, the residuals shall be based upon 100% of the license fee paid by Moviefly to Columbia-TriStar Home Entertainment for such picture.

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 motion pictures.

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 BA provisions (subject to conforming changes as necessary):

1. Paragraph 18-103(a) (other than the first sentence of the first paragraph) (*pro rata* shares)
2. Paragraph 18-103(d) (foreign receipts)
3. Paragraph 18-105 (participating employees)
4. Paragraph 18-106 (reports and manner of payment; non-returnable advances)
5. Paragraph 18-107 (charge for late payment)
6. Paragraph 18-108 (exclusion from pension and health requirements)
7. Paragraph 18-109 (gross participations)
8. Paragraphs 18-110, 18-111, 18-112, 18-113 (transfer and assumption)
9. Paragraph 18-117 (continuing obligations); and
10. Article 22 (financial responsibility).

2. Paid Permanent Downloads (aka "Download-To-Own" Or "Electronic Sell Through" ("EST")).

The following shall apply to motion pictures released on or after July 1, 2008:

When the consumer pays for an EST copy of a theatrical motion picture, the Employer shall pay residuals at the rate of 1.8% of 20% of "Employer's gross" on the first 50,000 units and at the rate of 3.25% of 20% of "Employer's gross" thereafter.

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 BA-covered pictures and programs, the above percentages shall be payable as follows: 66.67% to the Director; 5.20% to the Unit Production Manager; 4.93% to the First Assistant Director; 3.20% to the Key Second Assistant Director; and 20% to the DGA-Producer Pension Plan. BA Paragraph 18-105 shall apply.

3. Advertiser-Supported Streaming.

The following shall apply to the streaming of theatrical and television motion pictures on a free-to-the-consumer basis on advertiser-supported services transmitted via the Internet or mobile device.

A. Television Motion Pictures

(1) Free Streaming Windows

(a) Simultaneous/Live Linear Free Streaming Windows

The Employer shall be entitled to stream or otherwise transmit a television motion picture, whether produced under the 2017 BA or any prior BA, 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.

(b) Initial Exhibition Free Streaming Windows

The Employer shall be entitled to stream a television motion picture without payment during the following free streaming windows applicable to the initial exhibition of the television motion picture on television (hereinafter referred to as the "initial exhibition free streaming window" or "initial exhibition free streaming windows"):

(i) Library Product. For television motion pictures, 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. 15 of the 2011 BA. For television motion pictures, 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.(1)(b)(ii) of Sideletter No. 15 of the 2014 BA. For television motion pictures, 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.(1)(b)(ii) of Sideletter No. 15 of the 2017 BA.

(ii) Current Product. For television motion pictures, 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:

(A) 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 motion picture; and

(B) 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 (ii) may be divided between the period immediately prior to and immediately following the initial exhibition of the motion picture 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.

(c) Broadcast Television Rerun Free Streaming Windows

The Employer shall be entitled to a free streaming window for any television motion picture produced for initial exhibition on broadcast television, the principal photography of which commenced on or after July 1, 1971, whether produced under the 2020 BA or any prior BA, as to which free television residuals are still payable, of seven (7) consecutive days for each rerun of the television motion picture 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 television motion picture 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.

(2) Availability on an MVPD AVOD Service During Free Streaming Windows.[4] The Employer shall be entitled to make television motion pictures, 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.(1)(b)(ii) and (c) above of this Section 3, without any additional payment.

(3) Use of Excerpts During Free Streaming Windows. The Employer shall be entitled to stream excerpts of television motion pictures in New Media or on an MVPD AVOD service during any free streaming window described in Paragraph A.(1) or (2) above of this Section 3, without any additional payment.

[4] For convenience, the parties have agreed to address in this Sideletter the use of television motion pictures, 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.

(4) Residuals for Streaming Outside All Free Streaming Windows.

(a) Library Product. For television motion pictures, 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. 15 of the 2011 BA. For television motion pictures, 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.A.(4) of Sideletter No. 15 of the 2014 BA. For television motion pictures, 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.A.(4) of Sideletter No. 15 of the 2017 BA.

(b) Current Product

For television motion pictures, the principal photography of which commences on or after July 1, 2020:

(i) If the Employer makes such television motion picture available for streaming outside the free streaming window(s) provided in Paragraph A.(1) 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:

(A) If the Employer makes the television motion picture 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 Section 3.A.(4)(b)(i)(D) below for a twenty-six (26) consecutive week period beginning on the first day that the television motion picture is made available for streaming following the expiration of the free streaming window and within the one-year period following the television exhibition.

(B) If the Employer makes the television motion picture 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 residual base applicable to the television motion picture for a twenty-six (26) consecutive week period beginning on the first day that the television motion picture is made available for streaming during such twenty-six (26) consecutive week period.

(C) 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 motion picture 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 motion picture 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.

(D) Residual Base.

a) The residual base for dramatic programs other than multi-camera prime time dramatic 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 shall be as follows:

Length	**7/1/2020**	**7/1/2021**	**7/1/2022**
30 Minutes	$14,776	$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

(ii) 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 motion picture 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 motion picture 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 motion picture on television.

(iii) Revenues derived from foreign streaming shall be included in "Distributor's Foreign Gross," as provided in Paragraph 11-102 of the BA.

(5) 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 A.(4)(b) above shall also entitle the Employer to use excerpts from that television motion picture 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.

B. Theatrical Motion Pictures

If the Employer should make available for streaming a theatrical motion picture, the principal photography of which commenced on or after July 1, 1971, then the Employer shall pay residuals at the rate of one and two-tenths percent (1.2%) of "Employer's gross," as defined in Section 5 of this Sideletter.

One-half of such residual shall be paid to the Director, or if there is more than one Director, on a *pro rata* allocation to each Director; the remaining one-half shall be paid to the DGA-Producer Pension Plans.

4. Use of Excerpts in New Media or on an MVPD AVOD Service.

A. In addition to the use of excerpts permitted in Paragraph A.(3) and (5) of Section 3 above, Employer may use an excerpt or excerpts from a television motion picture (other than a long-form television motion picture) 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 motion picture, from a motion picture made for the home video market or from a theatrical motion picture 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 theatrical or television motion picture or series or a motion picture 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 motion picture, 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 theatrical or television motion picture or series or a motion picture made for home video, and the availability of the picture in home video is referenced.[5]

(3) When used to promote the theatrical exhibition of a motion picture, 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.

[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 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).

(4) When used to promote the exhibition of a theatrical motion picture, motion picture made for home video or television motion picture or series in New Media in conjunction with the availability of an electronic copy of the motion picture 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 motion picture or series 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 motion picture or series can be rented, purchased, or streamed, or when used to promote the exhibition of a television motion picture or series on an MVPD AVOD service and instructions are included for viewing the television motion picture or series on the MVPD AVOD service.

(5) When used for "viral" promotion in New Media of any use or exhibition of a theatrical or television motion picture or series or a motion picture 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 motion picture, 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 motion picture 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 A.(4)(a) and/or (b) of Section 3 of this Sideletter, then payment for the 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 motion picture is used on a free-to-the-consumer New Media platform or 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 motion picture is not otherwise permitted or paid for under Paragraphs A.(4)(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 motion picture 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 theatrical motion picture or a motion picture made for home video and is used on a free-to-the-consumer New Media platform or on an MVPD AVOD service, the Employer shall pay one and two-tenths percent (1.2%) of "Employer's gross," as defined in Section 5 of this Sideletter.

(5) If an excerpt(s) from a theatrical or television motion picture 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

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[6] If the television motion picture 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 window, 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 motion picture on television.

[7] The "applicable New Media program fee" for television motion pictures is the applicable fee for the use of the entire program in New Media as provided in Paragraphs A.(4)(a) and (b) of Section 3 of this Sideletter.

[8] If the television motion picture 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 window, 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 motion picture on television.

gross," as defined in Section 5 of this Sideletter, for theatrical and television motion pictures. 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 theatrical motion picture, a television motion picture or a motion picture made for home video shall not require any payment hereunder if the use would not require a payment under the theatrical or television excerpt provisions, as applicable, of the BA or FLTTA.

5. "Employer's Gross"

A. Definition

The term "Employer's gross," for purposes of all reuses in New Media 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 BA Paragraph 18-103(b).[9] "Employer's gross" shall also include amounts derived from making available a motion picture, 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 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

[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.

DGA and the Employer shall discuss and agree upon a method of making available to the DGA the information required by this Paragraph C.

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 BA Section 17-400 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 BA, including, but not limited to BA Article 2 and BA Section 17-400, shall apply; in the event of a conflict, the terms and condition 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 BA 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 theatrical motion pictures and television motion pictures or 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 theatrical and television motion pictures, and that, therefore, no additional payment pursuant hereto should be made with respect to the exhibition of theatrical or television motion pictures (including those covered by the 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 exhibitors are or have become part of the primary market, residual provisions for motion pictures so exhibited should be improved.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander

SIDELETTER NO. 16

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

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

Re: <u>Los Angeles and New York Panels of Arbitrators for Major Studios and Networks</u>

Dear Mr. Hollander:

Reference is made to the provisions of Paragraph 2-304(a)(1) of the 2020 DGA Basic 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 Paragraph 2-304(a)(1).

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.

[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 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

ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS
15301 Ventura Boulevard, Building E, Sherman Oaks, CA 91403
Tel: 818.995.3600 • Fax: 818.285.4450 • www.amptp.org

Carol A. Lombardini
President

Direct: 818.935.5930
carol@amptp.org

December 23, 2016

Jay Roth
National Executive Director
Directors Guild of America, Inc.
7920 Sunset Blvd.
Los Angeles, California 90046

Re: **PlayStation Plus and PlayStation Vue Subscriber Count**

Dear Jay:

The parties agree that PlayStation Plus and PlayStation Vue shall each be considered to have fewer than one million (1,000,000) domestic subscribers for the term of the 2017 DGA Basic Agreement.

Sincerely,

Carol A. Lombardini

CAL:vwl

ACCEPTED AND AGREED:
DIRECTORS GUILD OF AMERICA, INC.

By: _____
Jay Roth
National Executive Director

SIDELETTER NO. 19

CONSERVATION COLLECTION SIDELETTER

As of November 1, 2000;
Revised 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 applies to: (a) any theatrical motion picture covered under the 2020 Directors Guild of America Basic Agreement which is released in the domestic theatrical market; and (b) any theatrical motion picture covered under the 2020 Directors Guild of America Basic Agreement intended for domestic theatrical release for which the Employer has not located a domestic theatrical distributor within six (6) months following the completion of post-production.

1. Objectives of the Conservation Collection

During the term of the 1999 Directors Guild of America Basic Agreement, the Directors Guild of America, Inc. ("DGA") and the Alliance of Motion Picture and Television Producers ("the AMPTP"), on behalf of the Employers it represented in the 1999 DGA negotiations for a successor agreement to the 1996 DGA Basic Agreement (referred to individually as "the Employer" and collectively as "the Employers"), established an archival collection, for conservation purposes, of 35 millimeter release prints of feature films. The collection is named "The Directors Guild of America–Motion Picture Industry Conservation Collection at the UCLA Film and Television Archive" ("the Collection")[1] and is housed at the Southern Regional Library Facility of the Film and Television Archive at the University of California at Los Angeles ("the Archive") in Los Angeles, California.

The objective in establishing the Collection was the conservation of release prints of the theatrical motion pictures described above so that they may be used as masters should the original film elements not survive in good condition or otherwise to assist in the restoration of films when necessary. Films in the Collection may also be used on an extremely limited basis for select non-commercial screenings, as is further provided in Paragraph 4, below. The Collection will help ensure that motion pictures survive for the cultural awareness and enjoyment of future generations.

[1] Should other entertainment entities become active participants in the establishment and/or funding of the Collection, the parties agree to give good faith consideration to renaming the Collection to include those entities.

2. The Role of the UCLA Film and Television Archive

The Collection is housed in temperature- and humidity-controlled vaults at the Southern Regional Library Facility of the Archive. The Collection is maintained by the Archive's staff in accordance with accepted techniques for the long-term storage of film and digital video elements.

The DGA and/or its representative(s) are responsible for raising the funds needed to pay the costs of administering the Collection, as specified in the separate agreement between the Archive, on the one hand, and the AMPTP and the DGA, on the other hand ("the Archive Agreement"). It is understood that the Archive will provide the DGA with a proposed budget for each calendar year not later than October 31st of the preceding year and that the final budget for each calendar year will be subject to negotiation between the DGA and the Archive. The proposed budget for each year must fall within a reasonable and expected range, given the Archive's budget for the preceding year. If the DGA deems that the budgetary increases proposed by the Archive are neither reasonable nor expected, the DGA and/or its representative may opt to discontinue its obligation to raise funds to support the Collection's administration. In that event, the Agreement between the Archive, on the one hand, and the DGA and the AMPTP, on the other hand, shall be deemed terminated and the Archive shall return each print in the Collection to the Employer which deposited the print, or to the holder of domestic theatrical rights to the picture.

The Archive will be responsible for receiving, inventorying, storing, insuring, and ensuring the ongoing quality, safety and security of the Collection, as well as any related administrative duties. The Archive will make certain that the highest standards are maintained to ensure minimal risk of damage to prints in the Collection. The Archive will also administer the approval process for loan requests, including maintaining and annually updating the list of authorized persons who may approve requests to borrow and/or exhibit prints.

The AMPTP, on behalf of the Employers, shall have the right to audit and inspect the Archive, at any time during regular business hours, for the purpose of assuring the Employers that the Archive is taking appropriate safety and security measures to prevent loss or damage to or piracy of the prints in the Collection. In the event the AMPTP finds that such safety and/or security measures are inadequate, the AMPTP shall have the unilateral right to discontinue this sideletter and the Archive Agreement upon not less than sixty (60) days written notice to the DGA and the Archive. During the sixty (60) day period following such notice, the AMPTP will consider any solutions proposed by the DGA and/or the Archive to remedy the inadequate safety and/or security measures. However, in the event that such notice is given, and the Archive fails, within the sixty (60) day period, to implement corrective measures satisfactory to the AMPTP (or fails, within the sixty (60) day period, to devise corrective measures satisfactory to the AMPTP with an appropriate plan and timetable for implementation), then each print in the Collection shall be returned to the Employer which deposited the print, or to the holder of domestic theatrical rights to the picture.

In addition to the foregoing, the DGA and AMPTP may discontinue their agreement with the Archive upon 180 days' written notice to the Archive. The Collection will otherwise remain at the Archive, which cannot opt to discontinue housing the Collection, as long as appropriate funding, as is more particularly described in the Archive Agreement, is available.

3. Print Deposit Guidelines

Each Employer shall be obligated to deposit with the Archive one (1) new, first class 35mm print, preferably a show print, of each theatrical motion picture described in the first paragraph of this sideletter. Each print must be delivered in the same format as was used for its first run release, preferably a quad print. Prints must be delivered to the Archive either on cores, in cans, or on reels in ICC cases, in accordance with the Archive Agreement. The Employer will deposit or cause to be deposited a print of each such theatrical motion picture within thirty (30) days after its release in the domestic videocassette, DVD, or laserdisc market. If the theatrical motion picture has not been released in the domestic videocassette, DVD or laserdisc market within one (1) year following its theatrical release, the DGA may, at any time thereafter, request that a print be deposited with the Archive and the Employer agrees not to unreasonably deny the DGA's request. The Employer will bear the costs associated with obtaining and delivering a print to the Archive.

Each print should be pre-screened by the Employer prior to delivery to the Archive. The Archive will perform quality control checks on newly-deposited prints to the greatest extent possible.

At the time that it deposits the print with the Archive, the Employer shall designate in writing the name(s) of its representative(s), or the name(s) of the representative(s) designated by the entity which holds the Employer's domestic theatrical rights ("the domestic theatrical rights holder"), who shall be authorized to act on requests to borrow the print of the theatrical motion picture. The Employer or the domestic theatrical rights holder may, at any time, give the Archive notice of a change in the identity of those representatives and the Archive shall, following receipt of such written notice, contact the newly-designated representative(s) in connection with any request to borrow the print of the theatrical motion picture. The Archive will update the list of all representatives annually and, upon request of the DGA, furnish a copy of the list to the DGA.

In the event that the Employer is not also the distributor of the theatrical motion picture, the Employer shall bind the distributor holding domestic theatrical rights to the foregoing obligations.

The DGA will review its records of completed signatory films on a quarterly basis and notify the AMPTP and the respective Employer or its domestic theatrical rights holder of any films which have not been deposited as required.

4. Guidelines for the Use of Prints in the Collection

Any request to borrow a Collection print for exhibition or for use in the restoration process shall be made in writing to the Archive. The Archive shall forward a copy of the request to the DGA and to the authorized representative of the Employer or the domestic theatrical rights holder whose theatrical motion picture is the subject of the request. The decision to grant or deny such a request shall be within the sole discretion of the Employer which produced the film in question or the domestic theatrical rights holder. However, all such requests must be considered in light of the objectives set forth above and in keeping with these guidelines.

The Collection is not a print exchange. Prints will be loaned for exhibition only if all of the following conditions are satisfied:

a. the screening is non-commercial and in connection with a retrospective of the work of one or more of the key creators involved in making that film;

b. the screening is at a major venue or theater operated by one of the talent guilds, the Academy of Motion Picture Arts and Sciences, the Archive, the National Film Archive at the Library of Congress, Eastman House, the Museum of Modern Art, or any other venue approved by the parties; provided that prints will be loaned only to those venues which meet the projection standards outlined in the standard Archive Loan Agreement; and

c. a print of adequate quality is not practically or readily available from any other source.

Prints in the Collection are not available for study or other use at film schools and universities. Prints in the Collection may not be copied, onto videotape or otherwise, except in connection with mutually approved restoration efforts.

The Archive will provide the DGA and the AMPTP with an annual report listing all loan requests, approvals and denials.

5. Approval Procedures

After receiving a request for print usage, the Archive will seek written confirmation or approval of one of the representative(s) designated by the signatory Employer or the domestic theatrical rights holder, who has the authority to act upon such requests. The decision to grant or deny a request shall rest solely within the discretion of the Employer or the domestic theatrical rights holder. However, the Employer, or the domestic theatrical rights holder, must consider every such request in good faith and may not unreasonably withhold its consent. The actions of the Employer and the domestic theatrical rights holder must be consistent with the objectives of the

Collection. The Archive shall be responsible for processing all requests for print usage, including communicating the decision to approve or deny the request.

The Archive will keep a log of all requests for print usage, and whether the requests were granted or denied.

6. Terms and Conditions of Use of Prints in the Collection

All expenses incurred in connection with the exhibition or other approved use of a Collection print will be borne by the borrower. No print will be loaned to a borrower which does not have adequate liability insurance in place and the Archive must be made an additional named insured on any such policy before a print is released to the borrower. In lieu of insurance, the borrower may post a bond or cash deposit or otherwise escrow funds sufficient to replace the print before it will be released to the borrower. Should a print be so badly damaged that it cannot be repaired and must be replaced, and the borrower does not have sufficient insurance coverage or other resources to fund replacement of the damaged reel or print, then the Employer, or the domestic theatrical rights holder, is encouraged to replace the damaged reel or entire print, but the cost of doing so shall be borne by the borrower.

When a print from the Collection is loaned for exhibition or for restoration purposes, the borrower must make the following acknowledgments, as appropriate:

- written credit in the program material;
- verbal acknowledgment during the actual program; and
- screen credit in the case of a restoration or use of clips.

In each instance, the borrower must refer to the Collection as "The Directors Guild of America–Motion Picture Industry Conservation Collection at the UCLA Film and Television Archive."

7. Reporting Procedure and Dispute Resolution Process

The DGA and the AMPTP will each designate an individual to serve on a subcommittee which will have the authority to resolve any problems regarding print use or any other matter arising under or pertaining to this Sideletter.

Except as provided in the following sentence, disputes arising under this sideletter shall not be subject to grievance nor arbitration, but shall instead be referred exclusively to the bargaining party subcommittee referred to in the preceding paragraph for resolution.

Disputes arising under Paragraph 3 of this sideletter shall be subject to grievance and arbitration under Article 2 of the Basic Agreement, but the authority of the arbitrator shall be limited to ordering the Employer and/or the domestic theatrical rights holder to deposit immediately with the Archive a print of the motion picture that is the subject of the dispute.

ACCEPTED AND AGREED:

Carol A. Lombardini

Russell Hollander

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, 2002 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, 2005;
Revised as of July 1, 2008;
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: Special Conditions for Pilots and New One-Hour and New Single Camera Half-Hour Series

Dear Ms. Lombardini:

Reference is made to the parties' discussions during the negotiations for the 2005, 2008 and 2017 BA concerning the need for special conditions for pilots and new one hour and new single camera half-hour series.[1]

With respect to all Unit Production Managers, Assistant Directors and Associate Directors assigned to any episode of a new one-hour or new single camera half-hour dramatic series produced during the first two production seasons of the series or assigned to any pilot, the applicable rates and production fees shall be those in effect a year previously.

With respect to the assignment of Unit Production Managers and Assistant Directors on a pilot (other than a multi-camera pilot) or an episode of a new one-hour or new single camera half-hour series produced during the first production season, the unworked holiday pay shall be 50% of the rates specified in Paragraph 13-115 and vacation pay shall be two percent (2%) instead of four percent (4%) as specified in Paragraph 13-601.

Sincerely,

Russell Hollander
National Executive Director

AGREED:

Carol A. Lombardini

[1] The special conditions set forth in this Sideletter are not applicable to a program made for basic cable for which the Employer is paying less than 100% of the minimums provided in Article 13 or Article 24, as applicable, of the 2020 BA pursuant to Paragraph 23-103.

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, 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

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

[Deleted]

SIDELETTER NO. 26

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.

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 Paragraph 11-209 of the BA, 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.

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 BA 11-101.

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 territories. 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
Initial Compensation Schedule

1. Initial Compensation

(a) Network Prime Time (Includes FBC) - BA Paragraph 10-101, Paragraph 20-201(a) and Article 24.

	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

(b) Non-Network or Non-Prime Time - BA Paragraph 10-101, Article 23 (Basic Cable) (excluding "Supersized" episodes of 30-minute programs made for basic cable in their second or subsequent season with a budget of $1,575,000 ($1,610,000 effective July 1, 2022) or more and of 60-minute programs made for basic cable with a budget of $2,900,000 or more ($3,000,000 or more effective on or after July 1, 2022)) and Article 24.

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/20	30 Min.	$12,721	6	$2,120	$2,650
	45 MIN.	**19,077**	**9**	**2,120**	**2,650**
	60 Min.	25,432	12	2,119	2,649
	75 MIN.	**31,797**	**15**	**2,120**	**2,650**
	90 Min.	38,161	18	2,120	2,650
7/1/21	30 Min.	13,039	6	2,173	2,716
	45 MIN.	**19,554**	**9**	**2,173**	**2,716**
	60 Min.	26,068	12	2,172	2,715
	75 MIN.	**32,592**	**15**	**2,173**	**2,716**
	90 Min.	39,115	18	2,173	2,716
7/1/22[†]	30 Min.	13,430	6	2,238	2,798
	45 MIN.	**20,140**	**9**	**2,238**	**2,798**
	60 Min.	26,850	12	2,238	2,798
	75 MIN.	**33,569**	**15**	**2,238**	**2,798**
	90 Min.	40,288	18	2,238	2,798

[†] See text of footnote 3 on page 39.

(c) "Supersized" episodes of: (1) 30-minute programs made for basic cable in their second or subsequent season with a budget of $1,575,000 ($1,610,000 effective July 1, 2022) or more but less than $2,060,000 ($2,120,000 effective July 1, 2022); or (2) 60-minute programs made for basic cable in their first season and with a budget of $2,900,000 or more ($3,000,000 or more effective July 1, 2022).

	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.	**21,112**	**10**	**2,111**	**2,639**
	60 Min.	26,177	12	2,181	2,726
	75 MIN.	**32,169**	**17**	**1,892**	**2,365**
7/1/21	30 Min.	16,447	7	2,350	2,938
	45 MIN.	**21,639**	**10**	**2,164**	**2,705**
	60 Min.	26,831	12	2,236	2,795
	75 MIN.	**32,973**	**17**	**1,940**	**2,425**
7/1/22[†]	30 Min.	16,940	7	2,420	3,025
	45 MIN.	**22,288**	**10**	**2,229**	**2,786**
	60 Min.	27,636	12	2,303	2,879
	75 MIN.	**33,962**	**17**	**1,998**	**2,498**

[†] See text of footnote 3 on page 39.

(d) "Supersized" episodes of 30-minute programs made for basic cable in their second or subsequent season with a budget of $2,060,000 ($2,120,000 effective July 1, 2022) or more or of 60-minute programs made for basic cable in their second or subsequent season and with a budget at $2,900,000 or more ($3,000,000 or more effective July 1, 2022).

	Running Time	Minimum Compensation	Guaranteed Days	Compensation for Days Beyond Guarantee	Daily Rate (Where Permitted)
7/1/20	30 Min.	$18,732	7	$2,676	$3,345
	45 MIN.	**27,552**	**10**	**2,755**	**3,444**
	60 Min.	36,371	14	2,598	3,248
	75 MIN.	**37,266**	**17**	**2,192**	**2,740**
7/1/21	30 Min.	19,200	7	2,743	3,429
	45 MIN.	**28,240**	**10**	**2,824**	**3,530**
	60 Min.	37,280	14	2,663	3,329
	75 MIN.	**38,198**	**17**	**2,247**	**2,809**
7/1/22†	30 Min.	19,776	7	2,825	3,531
	45 MIN.	**29,087**	**10**	**2,909**	**3,636**
	60 Min.	38,398	14	2,743	3,429
	75 MIN.	**39,343**	**17**	**2,314**	**2,893**

† See text of footnote 3 on page 39.

Supersized Episodes

2. Residual Compensation - Basic Agreement

(a) Network Prime Time Rerun of Dramatic Programs - Paragraph 11-101(b)(1)(i)

Running Time	7/1/2020	7/1/2021	7/1/2022
30 Min.	$13,254	$13,254	$13,254
45 Min.	**19,109**	**19,109**	**19,109**
60 Min.	24,963	24,963	24,963
75 Min.	**31,200**	**31,200**	**31,200**
90 Min.	37,436	37,436	37,436

(b) Network Prime Time Rerun of Other than Dramatic Programs - Paragraph 11-101(b)(1)(ii)

Running Time	7/1/2020	7/1/2021	7/1/2022†
30 Min.	$16,299	$16,706	$17,207
45 Min.	**23,498**	**24,085**	**24,807**
60 Min.	30,696	31,463	32,407
75 Min.	**38,365**	**39,324**	**40,504**
90 Min.	46,034	47,185	48,601

(c) Base for Network Non-Prime Time and Syndication Residuals - Paragraph 11-101(b)(2)

Running Time	7/1/2020	7/1/2021	7/1/2022
30 Min.	$15,897	$16,294	$16,701
45 Min.	**22,313**	**22,871**	**23,442**
60 Min.	28,729	29,447	30,183
75 Min.	**35,145**	**36,023**	**36,924**
90 Min.	41,560	42,599	43,664

† See text of footnote 3 on page 39.

3. Residual Compensation - Basic Agreement and ISA

(a) Foreign Budget Plateaus - Paragraph 11-102 (a), (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

(b) Base for Residual Payments for Reruns of New Multi-Camera Prime Time Dramatic Pilots, Presentations or Series Other than in Network Prime Time - Paragraph 24-301

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 - Paragraph 11-102 (e) and Article 24 programs

Running Time	7/1/2020
30 Min.	$365,000
45 Min.	**547,500**
60 Min.	730,000
75 Min.	**1,295,000**
90 Min.	1,860,000

SIDELETTER NO. 27

As of July 1, 2005

J. Nicholas Counter III
President
Alliance of Motion Picture and Television Producers
15503 Ventura Blvd.
Encino, CA 91436

Re: Possessive Credit

Dear Nick:

Reference is made to Paragraph 8-104 of the Directors Guild of America Basic Agreement of 2005 ("BA").

1. Notwithstanding the provisions of BA §8-104, no possessive credit in any form may be accorded to a Director on his or her first feature film, unless the Director was responsible for bringing to the Employer the literary property upon which the film is based and the Director performed substantial services in development of the property. Employer reaffirms that there are no conflicting provisions in any other collective bargaining agreements which prevent or limit the negotiation and according of possessive credits to Directors.

2. The following sentence in BA §8-203(d) is deleted: "If the advertisement contains six (6) or more personal credits (or mentions), the Director shall also be accorded an additional credit above the title in the form 'A Film By' which shall not be smaller in size of type than the 'Directed By' credit."

3. The DGA may terminate this Sideletter at any time upon ninety (90) days written notice.

Sincerely,

Jay D. Roth
National Executive Director

Agreed:

J. Nicholas Counter III

SIDELETTER NO. 28

[Deleted]

SIDELETTER NO. 29

[Deleted]

SIDELETTER NO. 30

[Deleted]

SIDELETTER NO. 31

As of July 1, 2008;
Revised as of July 1, 2014

Ms. Carol A. Lombardini
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Geographic Scope Committee

Dear Ms. Lombardini:

During the negotiations for the 2014 Basic Agreement and FLTTA, the DGA discussed its concerns regarding the geographic scope of the Basic Agreement. Following negotiations, the parties will establish a Geographic Scope Committee for the purpose of discussing issues related to work performed by non-U.S. resident Directors outside the United States and Canada on theatrical motion pictures with the Committee to meet no later than October 1, 2014. The Employers also agree to conduct individual company meetings at the request of the DGA, with such meetings to occur within a reasonable time after the DGA's request and to be attended by the president of production and/or senior executives who are responsible for the selection of Directors employed on theatrical motion pictures and senior labor relations executives.

Sincerely,

Jay D. Roth
National Executive Director

ACCEPTED AND AGREED:

Carol A. Lombardini

SIDELETTER NO. 32

[Deleted]

SIDELETTER NO. 33

[Deleted]

SIDELETTER NO. 34

As of July 1, 2014;
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: License to Secondary Digital Channels of Free Television, Basic Cable or Pay Television Motion Pictures, High Budget SVOD Programs or Motion Pictures Made for Home Video

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 Paragraph 11-108) for any license to a secondary digital channel of any free television or pay television dramatic motion picture, non-dramatic program, High Budget SVOD Program, motion picture made for home video or any basic cable program not subject to Paragraph 23-104(b) of the Basic Agreement, 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.

The foregoing applies to motion pictures, whether produced under the 2020 Basic Agreement or any prior Basic Agreement 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.,* Paragraph 11-101(b)(6) of the 2020 Basic Agreement.)

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Russell Hollander
National Executive Director

SIDELETTER NO. 35

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 Ms. Lombardini:

When the parties entered into the 2014 negotiations, they mutually understood that the economics of New Media production were uncertain and that greater flexibility in terms and conditions of employment was beneficial. The parties understood that if one or more business models developed such that New Media production became an economically viable medium, then the parties would mutually recognize that fact in future agreements.

During the 2020 negotiations, in recognition of emerging subscription video-on-demand services exhibiting high budget dramatic productions, the parties agreed to modify the terms and conditions for "high budget" dramatic productions made for subscription consumer pay New Media platforms (hereinafter "subscription consumer pay platforms") as provided in Sections D. and E.3. below.

A. Terms and Conditions for "Derivative New Media Productions" (Other Than "High Budget" Dramatic Productions Made For a Subscription Consumer Pay Platform).

A "Derivative New Media Production" hereunder is a production for New Media based on an existing television motion picture or program that was produced under the Basic Agreement 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. The Employer 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 Employer, 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. UPMs and Assistant Directors employed on the Original Production may be assigned to the Derivative New Media Production as part of their regular workday on the Original Production. The work for the Derivative New Media Production shall be considered part of the workday for the UPMs and ADs on the Original Production and shall trigger extended workday payments or overtime if work on the Derivative New Media 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 UPM or Assistant Director duties exclusively for a Derivative New Media 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 Employer 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 BA incorporated herein by reference in Paragraph a. below. DGA agrees that it will not interfere in any such negotiations between the Employee and the Employer.

a. The following provisions of the BA are incorporated herein. To the extent the provisions herein are inconsistent with the BA, the provisions of this sideletter control.

(1) Article 1, Recognition and Guild Shop.

Notwithstanding the Guild Shop provisions set forth in Paragraph 1-401 of the Basic Agreement, 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 Employers for which the Director works. The above provision applies only to Directors who are not, and have not previously been, members of the DGA and only to work performed on covered New Media productions.

(2) Article 2, Grievance and Arbitration.

(3) Article 12, Pension and Health Plans.

(4) Although the provisions of Section 1-300 are not applicable, it is understood that the Employer 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 BA.

(5) Article 17, Miscellaneous Provisions, except that (1) the second, third, and fourth sentences of Paragraph 17-201 shall not apply, and (2) Paragraph 17-501

shall not apply, and if no First Assistant Director is employed, the meeting described in Paragraph 17-502 may instead be called by the person who is designated as the safety officer.

b. The Employer 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 Employer 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 E. 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" Dramatic Motion Pictures and Dramatic Series Productions (Other Than "High Budget" Dramatic Productions Made For a Subscription Consumer Pay Platform).

A Director must be employed. All terms and conditions of employment, including initial compensation and deferred compensation, if any, will be subject to negotiation between the Employer 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 BA incorporated herein by reference in Paragraph 1. below. DGA agrees it will not interfere in any such negotiations between the Employee and the Employer.

1. The following provisions of the BA are incorporated herein. To the extent the provisions herein are inconsistent with the BA, the provisions of this sideletter control.

a. Article 1, Recognition and Guild Shop.

Notwithstanding the Guild Shop provisions set forth in Paragraph 1-401 of the Basic Agreement, 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 Employers for which the Director works. The above provision applies only to Directors who are not, and have not previously been, members of the DGA and only to work performed on covered New Media productions.

b. Article 2, Grievance and Arbitration.

c. Article 12, Pension and Health Plans.

d. Although the provisions of Section 1-300 are not applicable, it is understood that the Employer 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 BA.

e. Subparagraph 14-114(d).

f. Article 17, Miscellaneous Provisions, except that (1) the second, third, and fourth sentences of Paragraph 17-201 shall not apply, and (2) Paragraph 17-501 shall not apply, and if no First Assistant Director is employed, the meeting described in Paragraph 17-502 may instead be called by the person who is designated as the safety officer.

2. The Employer shall advise DGA of the employment of any Employee by forwarding to DGA a copy of a deal memorandum, signed by both the Employer and the

Employee, which shall set forth at least the information required by Exhibits 1(A) and (B) attached to this agreement no later than the start of principal photography.

3. 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.

4. Reuse - Refer to Section E. below.

5. DGA agrees to make appropriate accommodations in its initiation fees in recognition of the economics of Made for New Media Productions.

D. Terms and Conditions for "High Budget" Original and Derivative Dramatic Productions Made For a Subscription Consumer Pay Platform.

1. "High Budget SVOD Programs" Defined.

The terms and conditions set forth in Section D.2. and the reuse provisions set forth in Section E.3. of this Sideletter shall be applicable only to original and derivative dramatic New Media productions made for initial exhibition on a subscription consumer pay platform which meet the following "high budget" criteria (hereinafter "High Budget SVOD Programs") and are not "grandfathered" as provided in Sections D.1.a. through c. below:

Length of Program as Initially Exhibited*	**"High Budget" Threshold**
20-35 minutes	$1,000,000 and above ($1,030,000 and above effective July 1, 2022) (See Section D.1.a. for certain programs or series budgeted at less than $1,300,000 as of June 30, 2020)
36-65 minutes	$1,700,000 and above ($1,750,000 and above effective July 1, 2022) (See Section D.1.a. for certain programs or series budgeted at less than $2,500,000 as of June 30, 2020)
66 minutes or more	$3,000,000 and above
* Programs less than 20 minutes are not considered "high budget" for purposes of this Sideletter.	

a. The terms and conditions set forth in Section D.2. and the reuse provisions set forth in Section E.3. of this Sideletter shall not apply to any program or series

budgeted at less than $1,300,000 for a 20-35 minute program or less than $2,500,000 for a 36-65 minutes program as of June 30, 2020 that would otherwise qualify as a "High Budget SVOD Program" under the 2020 Basic Agreement, and, instead, shall be subject to Sections A. and E.1. of Sideletter No. 35 of the 2020 BA if a "Derivative New Media Production (other than a 'High Budget SVOD Program')" or Sections C. and E.2. of Sideletter No. 35 of the 2020 BA if an "Original New Media Production (other than a 'High Budget SVOD Program')," if:

(1) principal photography of the program, or the first episode in the case of a series, commences prior to July 1, 2020; or

(2) principal photography of the program, or the first episode in the case of a series, commences on or after July 1, 2020 pursuant to a license agreement entered into prior to July 1, 2020.[1, 2]

b. The terms and conditions set forth in Section D.2. and the reuse provisions set forth in Section E.3. of this Sideletter also shall not apply to a High Budget SVOD series that continues in production on or after July 1, 2020 and was grandfathered, and continues to be grandfathered, pursuant to Section D.1. of Sideletter No. 35 of the 2017 Basic Agreement (*i.e.*, it is subject to Sideletter No. 35 of the 2014 Basic Agreement or 2011 Basic Agreement, as applicable). Such High Budget SVOD series shall not be subject to Sideletter No. 35 of the 2020 Basic Agreement, except that the minimum salary rates for Directors shall be as set forth in

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[1] If the licensee orders additional programs or episodes of the series, the principal photography of which will commence on or after July 1, 2020, pursuant to a license agreement entered into prior to July 1, 2020, and the Employer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then the program or episodes of the series shall be subject to the terms and conditions set forth in Section D.2. and the reuse provisions set forth in Section E.3. of this Sideletter No. 35 to the 2020 Basic Agreement.

[2] The Employer shall notify the DGA of any such license agreement that it enters into prior to July 1, 2020. The notice shall include the name of the licensee, the term of the license agreement, the license fee, the number of programs or the number of minutes of programming to be produced under the license agreement, the anticipated start date of principal photography, the anticipated date of delivery of the program or series, and whether the licensee has an option to order additional programs or series under the license agreement and, if so, whether the material terms and conditions applicable to such additional programs or series are fixed in the license agreement or are subject to negotiation. At the DGA's request, the Employer must make an unredacted license agreement available for inspection at the Employer's office in Los Angeles subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

Section D.1.d.(1) and (2) below; the minimum salary rates for Employees other than Directors shall be as set forth in Section D.2.b. below and the fringe rates shall be as set forth in the 2020 Basic Agreement.

c. Subject to the next paragraph, any High Budget SVOD Program which commences principal photography on or after July 1, 2020 and any episodes of a High Budget SVOD series (other than those referred to in Sections D.1.a. or b. above) which commence principal photography on or after July 1, 2020 pursuant to a license agreement entered into prior to July 1, 2020[3, 4] shall be subject to grandfathering (*i.e.*, Sideletter No. 35 to the 2017 Basic Agreement shall apply instead of Sideletter No. 35 to the 2020 Basic Agreement), except that (1) the minimum salary rates for Directors shall be as set forth in Section D.1.e.(1) and (2) below, (2) the minimum salary rates for Employees other than Directors shall be as set forth in Section D.2.b. below and (3) the fringe rates shall be as set forth in the 2020 Basic Agreement.

"Grandfathering" as set forth in Section D.1.c. above is eliminated for any new season of a High Budget SVOD series for which principal photography of the first episode of the season commences on or after July 1, 2021. All episodes of that season and any subsequent seasons of the series shall be subject to the terms and conditions applicable during the contract year in which they were produced (*i.e.,* the terms and conditions set forth in Section D.2. and 3. below and the reuse provisions set forth in Section E.3. of this Sideletter). Examples of "grandfathering" scenarios are set forth below:

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[3] If the licensee orders additional High Budget SVOD Programs or episodes of a High Budget SVOD series, the principal photography of which will commence on or after July 1, 2020, pursuant to a license agreement entered into prior to July 1, 2020, and the Employer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then the High Budget SVOD Program or episodes of the High Budget SVOD series shall be subject to the terms of this Sideletter No. 35 to the 2020 Basic Agreement.

[4] The Employer shall notify the DGA of any such license agreement that it enters into prior to July 1, 2020. The notice shall include the name of the licensee, the term of the license agreement, the license fee, the number of programs or the number of minutes of programming to be produced under the license agreement, the anticipated start date of principal photography, the anticipated date of delivery of the program or series, and whether the licensee has an option to order additional programs or series under the license agreement and, if so, whether the material terms and conditions applicable to such additional programs or series are fixed in the license agreement or are subject to negotiation. At the DGA's request, the Employer must make an unredacted license agreement available for inspection at the Employer's office in Los Angeles subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

Examples of High Budget SVOD "Grandfathering"

Example 1:

A license for a High Budget SVOD series is first entered into on June 1, 2016.

- Season 1 is produced between July 1, 2016 and June 30, 2017;
- Season 2 is produced between July 1, 2017 and June 30, 2018;
- Season 3 is produced between July 1, 2018 and June 30, 2019;
- Season 4 is produced between July 1, 2019 and June 30, 2020;
- Season 5 is produced between July 1, 2020 and June 30, 2021; and
- Season 6 is produced between July 1, 2021 and June 30, 2022.

In this example, the entire series would remain grandfathered and subject to the terms of Sideletter 35 of the 2014 Basic Agreement, and not subject to Sideletter No. 35 of the 2020 Basic Agreement, except that the minimum salary rates and fringe rates would be as set forth in the 2020 Basic Agreement.

Example 2:

A license for a High Budget SVOD series is first entered into on June 1, 2018.

- Season 1 is produced between July 1, 2018 and June 30, 2019;
- Season 2 is produced between July 1, 2019 and June 30, 2020;
- Season 3 is produced between July 1, 2020 and June 30, 2021; and
- Season 4 is produced between July 1, 2021 and June 30, 2022.

Seasons 1 and 2 were produced under the terms of the 2017 Basic Agreement, and those terms would remain applicable. Season 3 would be grandfathered, and would be subject to Sideletter No. 35 of the 2017 Basic Agreement, except that the minimum salary rates and fringe rates would be as set forth in the 2020 Basic Agreement. Season 4 would not be grandfathered, and would be subject to Sideletter No. 35 of the 2020 Basic Agreement.

Example 3:

A license for a High Budget SVOD series is first entered into on March 1, 2020.

- The pilot is produced in March 2020.
- Season 1 is produced between July 1, 2020 and June 30, 2021; and
- Season 2 is produced between July 1, 2021 and June 30, 2022.

The pilot was produced under the terms of the 2017 Basic Agreement, and those terms would remain applicable. Season 1 would be grandfathered, and would be subject to Sideletter No. 35 of the 2017 Basic Agreement, except that the minimum salary rates and fringe rates would be as

set forth in the 2020 Basic Agreement. Season 2 would not be grandfathered, and would be subject to Sideletter No. 35 of the 2020 Basic Agreement.

d. (1) The minimum salary shall be as follows for a Director employed on a grandfathered High Budget SVOD Program under Section D.1.b. that is intended for initial exhibition on a subscription consumer pay platform with 15 million or more subscribers in the United States and Canada:

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22†	Guaranteed Days (Shooting/ Prep)
20-35 minutes	(1) $2,100,000 or more	$ 29,446	$ 30,182	$ 31,087	7 (4/3)
	(2) $1,300,000 or more but less than $2,100,000	$ 16,046	$ 16,447	$ 16,940	7 (4/3)
36-65 minutes	(1) $3,800,000 or more	$ 50,005	$ 51,255	$ 52,793	15 (8/7)
	(2) $2,500,000 or more but less than $3,800,000	$ 32,093	$ 32,895	$ 33,882	14 (7/7)
66-95 minutes	(1) $4,000,000 or more	$ 83,342	$ 85,426	$ 87,989	25 (13/12)
	(2) $3,000,000 or more but less than $4,000,000	$ 38,161	$ 39,115	$ 40,288	18 (9/9)
96 minutes or more	(1) $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	$140,008	$143,508	$147,813	42 (27/15)
	(2) $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	$ 91,193	$ 93,473	$ 96,277	42 (27/15)

† See text of footnote 3 on page 39.

(2) The minimum salary shall be as follows for a Director employed on a grandfathered High Budget SVOD Program under Section D.1.b. that is intended for initial exhibition on a subscription consumer pay platform with fewer than 15 million subscribers in the United States and Canada:

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22†	Guaranteed Days (Shooting/ Prep)
20-35 minutes	(1) $2,100,000 or more	$18,732	$19,200	$19,776	7 (4/3)
	(2) $1,300,000 or more but less than $2,100,000	$16,046	$16,447	$16,940	7 (4/3)
36-65 minutes	(1) $3,800,000 or more	$37,464	$38,401	$39,553	14 (7/7)
	(2) $2,500,000 or more but less than $3,800,000	$32,093	$32,895	$33,882	14 (7/7)
66-95 minutes	(1) $4,000,000 or more	$38,161	$39,115	$40,288	18 (9/9)
	(2) $3,000,000 or more but less than $4,000,000	$38,161	$39,115	$40,288	18 (9/9)
96 minutes or more	(1) $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	$91,193	$93,473	$96,277	42 (27/15)
	(2) $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	$91,193	$93,473	$96,277	42 (27/15)

† See text of footnote 3 on page 39.

e. (1) The minimum salary shall be as follows for a Director employed on a grandfathered High Budget SVOD Program under Section D.1.c. that is intended for initial exhibition on a subscription consumer pay platform with 20 million or more subscribers in the United States and Canada:

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22	Guaranteed Days (Shooting/ Prep)
20-35 minutes	(1) $2,100,000 or more	$ 28,452	$ 29,163	$ 29,892	7 (4/3)
	(2) $1,300,000 or more but less than $2,100,000	$ 16,046	$ 16,447	$ 16,940	7 (4/3)
36-65 minutes	(1) $3,800,000 or more	$ 48,318	$ 49,526	$ 50,764	15 (8/7)
	(2) $2,500,000 or more but less than $3,800,000	$ 32,093	$ 32,895	$ 33,882	14 (7/7)
66-95 minutes	(1) $4,000,000 or more	$ 80,532	$ 82,545	$ 84,609	25 (13/12)
	(2) $3,000,000 or more but less than $4,000,000	$ 38,161	$ 39,115	$ 40,288	18 (9/9)
96 minutes or more	(1) $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	$135,287	$138,669	$142,136	42 (27/15)
	(2) $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	$ 91,193	$ 93,473	$ 96,277	42 (27/15)

(2) The minimum salary shall be as follows for a Director employed on a grandfathered High Budget SVOD Program under Section D.1.c. that is intended for initial exhibition on a subscription consumer pay platform with fewer than 20 million subscribers in the United States and Canada:

Program Length	**Budget Tier**	**7/1/20**	**7/1/21**	**7/1/22**[†]	**Guaranteed Days (Shooting/ Prep)**
20-35 minutes	(1) $2,100,000 or more	$18,732	$19,200	$19,776	7 (4/3)
	(2) $1,300,000 or more but less than $2,100,000	$16,046	$16,447	$16,940	7 (4/3)
36-65 minutes	(1) $3,800,000 or more	$37,464	$38,401	$39,553	14 (7/7)
	(2) $2,500,000 or more but less than $3,800,000	$32,093	$32,895	$33,882	14 (7/7)
66-95 minutes	(1) $4,000,000 or more	$38,161	$39,115	$40,288	18 (9/9)
	(2) $3,000,000 or more but less than $4,000,000	$38,161	$39,115	$40,288	18 (9/9)
96 minutes or more	(1) $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	$91,193	$93,473	$96,277	42 (27/15)
	(2) $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	$91,193	$93,473	$96,277	42 (27/15)

[†] See text of footnote 3 on page 39.

2. Minimum Compensation.[5]

a. Directors.

(1) The minimum salary for a Director employed on a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay platform with 20 million or more subscribers in the United States and Canada shall be as follows:

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22	Guaranteed Days (Shooting/ Prep)
20-35 minutes	(1) $2,100,000 or more	$ 28,452	$ 29,163	$ 29,892	7 (4/3)
	(2) $1,000,000 or more ($1,030,000 or more effective July 1, 2022) but less than $2,100,000	$ 16,046	$ 16,447	$ 16,940	7 (4/3)
36-65 minutes	(1) $3,800,000 or more	$ 48,318	$ 49,526	$ 50,764	15 (8/7)
	(2) $1,700,000 or more ($1,750,000 or more effective July 1, 2022) but less than $3,800,000	$ 32,093	$ 32,895	$ 33,882	14 (7/7)
66-95 minutes	(1) $4,000,000 or more	$ 80,532	$ 82,545	$ 84,609	25 (13/12)
	(2) $3,000,000 or more but less than $4,000,000	$ 38,161	$ 39,115	$ 40,288	18 (9/9)

(Continued)

[5] For purposes of determining the applicable compensation and other terms and conditions under Sections D.2. and D.3. of the Sideletter, the parties agree that an episode of a High Budget SVOD series may exceed the "program length" which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of a High Budget SVOD series is between 20 and 35 minutes, a given episode of such series which is 38 minutes in length will still be subject to the compensation and terms and conditions applicable to a program between 20 and 35 minutes in length.) The parties further confirm that this applies to High Budget SVOD Programs produced under Sideletter No. 35 to the 2014 and 2017 DGA Basic Agreements.

(Continued)

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22	Guaranteed Days (Shooting/ Prep)
96 minutes or more	(1) $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	$135,287	$138,669	$142,136	42 (27/15)
	(2) $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	$ 91,193	$ 93,473	$ 96,277	42 (27/15)

(2) The minimum salary for a Director employed on a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay platform with fewer than 20 million subscribers in the United States and Canada shall be as follows:

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22†	Guaranteed Days (Shooting/ Prep)
20-35 minutes	(1) $2,100,000 or more	$18,732	$19,200	$19,776	7 (4/3)
	(2) $1,000,000 or more ($1,030,000 or more effective July 1, 2022) but less than $2,100,000	$16,046	$16,447	$16,940	7 (4/3)
36-65 minutes	(1) $3,800,000 or more	$37,464	$38,401	$39,553	14 (7/7)
	(2) $1,700,000 or more ($1,750,000 or more effective July 1, 2022) but less than $3,800,000	$32,093	$32,895	$33,882	14 (7/7)

(Continued)

† See text of footnote 3 on page 39.

(Continued)

Program Length	Budget Tier	7/1/20	7/1/21	7/1/22†	Guaranteed Days (Shooting/ Prep)
66-95 minutes	(1) $4,000,000 or more	$38,161	$39,115	$40,288	18 (9/9)
	(2) $3,000,000 or more but less than $4,000,000	$38,161	$39,115	$40,288	18 (9/9)
96 minutes or more	(1) $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	$91,193	$93,473	$96,277	42 (27/15)
	(2) $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	$91,193	$93,473	$96,277	42 (27/15)

b. Other Employees.

Compensation for Employees employed on a High Budget SVOD Program other than the Director shall be at the rates applicable to programs made for basic cable.[6] For purposes of determining applicable minimum compensation for such Employees, a High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget SVOD Program between 36 and 65 minutes in length shall be treated as a 60-minute program; a High Budget SVOD Program between 66 and 95 minutes in length shall be treated as a 90-minute program; and a High Budget SVOD Program 96 minutes or longer shall be treated as a 120-minute program.

† See text of footnote 3 on page 39.

[6] For purposes of applying Sideletter No. 21 re Special Conditions for Pilots and New One Hour and New Single Camera Half-Hour Series to High Budget SVOD Programs in the first year of the 2020 Basic Agreement, the phrase "the applicable rates and production fees shall be those in effect a year previously" means the rates and production fees applicable to programs made for basic cable in effect on July 1, 2019.

3. Other Terms and Conditions.

Except as otherwise provided herein, the terms and conditions applicable to High Budget SVOD Programs in Budget Tier (1) intended for initial exhibition on a subscription consumer pay platform with 20 million or more subscribers in the United States and Canada shall be those applicable to programs made for network prime time, and the terms and conditions applicable to all other High Budget SVOD Programs shall be those applicable to programs made for basic cable, subject to the following clarifications and modifications:

a. For purposes of the provisions applicable to programs made for basic cable, a High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget SVOD Program between 36 and 65 minutes in length shall be treated as a 60-minute program; a High Budget SVOD Program between 66 and 95 minutes in length shall be treated as a 90-minute program; and a High Budget SVOD Program 96 minutes or longer shall be treated as a 120-minute program.

b. Paragraph 7-304 of the BA shall not apply to any High Budget SVOD Program in Budget Tier (2).

c. Paragraph 10-103 shall apply to High Budget SVOD pilots, *de facto* pilots, spinoffs, presentations and the first produced High Budget SVOD Program of an open-ended series without a pilot. The rates in Paragraph 10-103 applicable to pilots or spinoff episodes for network prime time shall apply to High Budget SVOD pilots or spinoff episodes in Budget Tier (1) intended for initial exhibition on a subscription consumer pay platform with 20 million or more domestic subscribers. The rates in Paragraph 10-103 applicable to pilots or spinoff episodes for non-network or network other than prime time shall apply to High Budget SVOD pilots or spinoff episodes in Budget Tier (2) that are intended for initial exhibition on a subscription consumer pay platform with 20 million or more domestic subscribers, as well as High Budget SVOD pilots or spinoffs intended for initial exhibition on a subscription consumer pay platform with fewer than 20 million domestic subscribers.

d. In recognition that programs made for New Media may involve a new and evolving form of production and may not be subject to the same production model and delivery requirements as apply to traditional television motion pictures, thereby rendering possible the use of alternative preparation, shooting and post-production methods and schedules, the DGA agrees to consider in good faith requests for waivers to facilitate the use of such alternative methods and schedules on High Budget SVOD Programs when appropriate.

e. The Employer 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 Employer and the Employee, which shall set forth at least the information required by Exhibits C-2 and C-4 of the 2020 Basic Agreement no later than the start of principal photography.

4. Feature-Length High Budget SVOD Program Budgeted at $30 Million or More on Subscription Consumer Pay Platform with 20 Million or More Domestic Subscribers.

The Guild shall have the right to negotiate with the Employer over terms and conditions, including residuals, for a High Budget SVOD Program that is 85 minutes or longer with a budget of $30 million or more and made for a subscription consumer pay platform with 20 million or more domestic subscribers, in accordance with the following procedure:

a. Employer shall notify the Guild of its intention to produce a High Budget SVOD Program 85 minutes or longer with a budget of $30 million or more that is made for a subscription pay platform with 20 million or more domestic subscribers at least thirty (30) days prior to commencement of production.

b. The Guild may, at any time, notify the Employer that it wishes to bargain concerning different rates and other conditions of employment, including residuals, to be applicable to such High Budget SVOD Program. The parties agree to commence such negotiations within fifteen (15) days of receipt of such notice.

c. If no agreement is reached within fifteen (15) days after bargaining has commenced, the Guild may, upon written notice to Employer, instruct its members to refuse to render services with respect to such High Budget SVOD Program. If no agreement is reached, Employer shall not be bound by this Basic Agreement with respect to that Program.

d. If an Employer fails to provide timely notice of its intention to produce such a High Budget SVOD Program as provided herein, then subparagraph c. above shall not apply and the Guild may, not earlier than twenty-four (24) hours after written notice to the Employer, instruct its members to refuse to render services with respect to such High Budget SVOD Program.

E. Reuse of Productions Made for New Media.

1. <u>Derivative New Media Productions (Other Than High Budget SVOD Programs)</u>.

The provisions below apply to the reuse of Derivative New Media Productions which do not satisfy the definition of a "High Budget SVOD Program" set forth in Section D.1. above and which are not grandfathered as set forth in Section D.1. above.

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.

(1) 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:

For a Derivative New Media Production that is derivative of a dramatic television motion picture or program of the type covered by the BA, 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.

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) 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 E.1.b.(1) 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 E.1.b.(1) 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.

(3) 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. 15 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. 15 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 BA formulas, including Paragraph 11-101(b)(6) concerning broadcast syndication sales under a license agreement entered into on or after July 1, 2020.

(1) 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 Paragraph 11-101(b) 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 Paragraph 11-101(b). 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.

(i) As an example, suppose that a five (5) minute dramatic Derivative New Media Production is exhibited for the first time in network prime time. The applicable residual base is the residual base used for dramatic programs seven (7) minutes and under in length exhibited in syndication ($3,070 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 $1,535 (as of July 1, 2020).

(ii) If the same Derivative New Media Production were exhibited a second time on the network, that run would generate a residual payment of $1,228 ($3,070 x 40%) as of July 1, 2020.

(b) 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 Paragraph 11-101(b). The fixed residual payment shall be the amount payable under the BA 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.

(i) For example, if a dramatic Derivative New Media Production twenty (20) minutes in length is exhibited in network prime time, the residual payment is $13,254 (as of July 1, 2020), the same payment applicable to the rerun of a 30 minute dramatic program in network prime time.

(ii) As another example, if a dramatic Derivative New Media Production forty-three (43) minutes in length is exhibited in network prime time, the residual payment is $24,963 (as of July 1, 2020), the same payment applicable to the rerun of a 60 minute dramatic program in network prime time.

(2) 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 Paragraph 18-103 of the BA. For home video exploitation, the Employer shall pay residuals pursuant to Paragraph 18-104 of the BA. For exhibition on basic cable, the Employer shall pay residuals pursuant to Paragraph 11-108 of the BA.

2. Original New Media Productions (Other Than High Budget SVOD Programs).

The provisions below apply to the reuse of Original New Media Productions which do not satisfy the definition of a "High Budget SVOD Program" set forth in Section D.1. above.

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.

(1) 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.

(2) 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. 15 re Exhibition of Motion Pictures Transmitted via New Media, attributable to the period beyond the twenty-six (26) consecutive week use period.

(3) 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 BA formulas, including Paragraph 11-101(b)(6) concerning broadcast syndication sales under a license agreement entered into on or after July 1, 2020.

(1) 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 Paragraph 11-101(b) 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 Paragraph 11-101(b). 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.

(i) As an example, suppose that a five (5) minute dramatic Original New Media Production is exhibited for the first time in network prime time. The applicable residual base is the residual base used for network non-prime time dramatic programs seven (7) minutes and under in length exhibited in syndication ($3,070 as of July 1, 2020). That figure is multiplied by 50%, the percentage applicable to a second run on a network, for a residual payment of $1,535 (as of July 1, 2020).

(ii) If the same Original New Media Production is exhibited a second time on the network, that run would generate a residual payment of $1,228 (3,070 x 40%) (as of July 1, 2020).

(b) 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 on free television under Paragraph 11-101(b). 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.

(i) For example, if a dramatic Original New Media Production twenty (20) minutes in length is exhibited in network prime time, the residual payment is $13,254 (as of July 1, 2020), the same payment applicable to the rerun of a thirty (30) minute dramatic non-network or network non-prime time program in network prime time under the BA. If the Original New Media Production is run a second time in network prime time, the same payment ($13,254) would be due.

(ii) As another example, if a dramatic Original New Media Production 43 minutes in length is exhibited in network prime time, the residual payment is $24,963 (as of July 1, 2020), the same payment applicable to the rerun of a sixty (60) minute dramatic non-network or network non-prime time program in network prime time under the BA. If the Original New Media Production is run a second time in network prime time, the same payment ($24,963) would be due.

(2) For exhibition on pay television, the Employer shall pay residuals equal to 1.2% of "Employer's gross" pursuant to Paragraph 18-103 of the BA. For home video exploitation, the Employer shall pay residuals pursuant to Paragraph 18-104 of the BA. For exhibition on basic cable, the Employer shall pay residuals pursuant to Paragraph 11-108 of the BA.

3. High Budget SVOD Programs.

The provisions below apply to the reuse of High Budget SVOD Programs subject to the 2020 Basic Agreement, as defined in Section D.1. above and not grandfathered as provided in Section D.1.a. through c. above.

a. What Initial Compensation Covers.

Initial compensation paid to the Director of a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay platform constitutes payment for ninety (90) days of use worldwide on such platform (including any related or affiliated foreign subscription consumer pay platform), commencing with the first day that the High Budget SVOD Program is available on such subscription consumer pay platform(s).

b. Subsequent Use on the Domestic Subscription Consumer Pay Platform on Which the High Budget SVOD Program Was Initially Exhibited.

For use on the subscription consumer pay platform in the United States and Canada on which the High Budget SVOD Program is initially exhibited during the first Exhibition Year after the ninety (90) day period following the initial availability of the Program on such platform, and for each year of domestic use thereafter, the Employer shall pay residuals calculated by multiplying the applicable residual base set forth in subparagraph (1) below by the applicable percentage for the period of use set forth in subparagraph (2) below and by the subscriber factor set forth in subparagraph (3) below.

(1) Base for High Budget SVOD Program Residual.

(a) The following residual base is applicable at the start of principal photography of a one-time High Budget SVOD Program or an episode of a High Budget SVOD series and shall apply in perpetuity to that program or episode:

Length	Effective 7/1/20	Effective 7/1/21
20-35 minutes	$14,961	$16,083
36-65 minutes	28,177	30,290
66-95 minutes*	42,256	45,245
96 minutes or more*	55,809	59,995

* See subparagraph (b) below for base applicable to High Budget SVOD Program that is 85 minutes or longer with a budget of $13 million or more on a subscription consumer pay platform with 20 million or more domestic subscribers.

(b) The residual base for a High Budget SVOD Program that is 85 minutes or longer with a budget of $13 million or more but less than $30 million and made for a subscription consumer pay platform with 20 million or more domestic subscribers shall be $67,002 ($68,676 effective July 1, 2021 and $70,736[†] effective July 1, 2022), which amount equals twenty five (25%) of the theatrical minimum set forth in Paragraph 3-101 of this Agreement. The residual base for a High Budget SVOD Program that is 85 minutes or longer with a budget of $13 million or more and made for a subscription consumer pay platform with fewer than 20 million domestic subscribers shall be as provided in the chart above in this subparagraph 3.b.(1)(a) of Section E.

As provided in Section D.4. above, the Guild shall have the right to negotiate with Employer over terms and conditions, including residuals, for a High Budget SVOD Program that is 85 minutes or longer with a budget of $30 million or more and made for a subscription consumer pay platform with 20 million or more domestic subscribers.

[†] See text of footnote 3 on page 39.

(2) Percentage of Above Base Rate Payable for Residuals.

Exhibition Year*	**Percentage of Applicable High Budget SVOD Program Residual Base**
Year 1*	45.0%
Year 2	40.0%
Year 3	35.0%
Year 4	25.0%
Year 5	20.0%
Year 6	15.0%
Year 7	10.0%
Year 8	8.0%
Year 9	5.0%
Year 10	4.5%
Year 11	3.0%
Year 12	2.5%
Each Year thereafter	1.5%

* Exhibition Year 1 shall commence on the first day that the High Budget SVOD Program is made available for exhibition on the subscription pay platform following ninety (90) days after the initial exhibition date. Each Exhibition Year thereafter shall commence with the first day that the High Budget SVOD Program is made available for exhibition on the subscription consumer pay platform following the conclusion of the prior one-year use period.

(3) Subscriber Factor

Subscriber Tier	**Domestic Subscribers**	**Subscriber Factor**
1	Under 1 million	20%*
2	1 million to 5 million	40.0%
3	Over 5 million but fewer than 20 million	65.0%
4	20 million to 45 million	100.0%
5	Over 45 million	150.0%

* No residual shall be owed for the first year of exhibition of a High Budget SVOD Program or series produced for initial exhibition on a subscription consumer pay platform with fewer than 1,000,000 domestic subscribers.

(4) Allocation of High Budget SVOD Program Residuals.

The residual payments provided in subparagraphs E.3.b. above and c. and d. below are to be allocated as follows: five-sixths (5/6) of such amount is to be paid to the Director and a *pro rata* share of one-sixth (1/6) of such amount is to be paid to the Unit Production Manager, First Assistant Director and Key Second Assistant Director employed on the High Budget SVOD Program (such portion of such one-sixth (1/6) *pro rata* share to be based upon their respective minimum wage rate hereunder).

(5) Payment

Payment for each Exhibition Year shall be due sixty (60) days after the end of the calendar quarter in which the High Budget SVOD Program was first made available in that Exhibition Year.

c. Use on a Foreign Subscription Consumer Pay Platform Related to or Affiliated with the Domestic Subscription Consumer Pay Platform.[7, 8]

(1) Foreign Subscription Consumer Pay Platforms Related to or Affiliated with a Domestic Subscription Consumer Pay Platform with Over 45 Million Subscribers.

(a) When an Employer licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with over 45 million subscribers and also licenses SVOD rights for use on its related or affiliated foreign subscription consumer pay platform(s), the Employer shall pay a fixed residual for each Exhibition Year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial availability on the domestic subscription consumer pay platform) that is thirty-five percent (35%) of the domestic residual set forth in Section E.3.b. above. Payment of the additional fixed residual above shall cover worldwide use of the High Budget SVOD Program on all foreign subscription consumer pay platforms for the applicable Exhibition Year.

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[7] Residuals shall also be payable under this provision when the Employer is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform.

[8] It is understood that this provision also applies when a subscription consumer pay platform that holds foreign exhibition rights sublicenses those rights.

(b) However, when the Employer's license includes the SVOD rights for use on the related or affiliated foreign subscription consumer pay platform(s) of such domestic subscription consumer pay platform only in foreign territories which constitute fifteen percent (15%) or less of the value of all foreign markets (*i.e.*, outside the United States and Canada),[9] then gross receipts-based residuals for such foreign SVOD licensing shall be paid pursuant to subparagraph (2)(b) below in lieu of the foreign fixed residual in subparagraph (1)(a) above. In that case, the Employer shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription consumer pay platform(s) have exhibition rights, and make a residual payment equal to 1.2% of such allocated amount.[10, 11] If the Guild contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

(2) Foreign Subscription Consumer Pay Platforms Related to or Affiliated with a Domestic Subscription Consumer Pay Platform with 45 Million or Fewer Subscribers.

(a) When an Employer licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with 45 million or fewer subscribers and also licenses "worldwide" SVOD rights to its related or affiliated foreign subscription consumer pay platform(s), the Employer shall pay a fixed residual for each Exhibition Year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial exhibition on the domestic subscription consumer pay platform) that is an additional percentage of the domestic residual set forth in Section E.3.b. above according to the schedule in subparagraph (1)(a) above.

(b) When an Employer licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with 45 million or fewer subscribers and also licenses foreign SVOD rights other than "worldwide" to its related

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[9] The parties shall meet promptly to discuss how to measure the fifteen percent (15%) valuation set forth in this subparagraph (2)(b).

[10] If the Employer is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform, the allocation shall be measured by the exhibitor's payments to unrelated or unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Employer from unrelated and unaffiliated exhibitors in arms' length transactions, or, if none, a comparable exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs.

[11] At the DGA's request, the Employer must make an unredacted license agreement available for inspection at the Employer's office subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

or affiliated foreign subscription consumer pay platform(s), the Employer shall make a residual payment equal to 1.2% of "Employer's gross" as defined in Section 5 of Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media. For purposes of this provision, when the license includes both the right to exhibit a High Budget SVOD Program on a domestic subscription consumer pay platform and on its related or affiliated foreign consumer pay platform(s), the Employer shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription consumer pay platform(s) have exhibition rights, and then make the residual payment provided herein of such allocated amount.[12, 13] If the Guild contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

d. Use on a Subscription Consumer Pay Platform Other Than the Domestic Platform on Which the High Budget SVOD Program Was Initially Exhibited and its Related or Affiliated Foreign Platforms.

For exhibition of a High Budget SVOD Program on any subscription consumer pay platform other than the domestic subscription consumer pay platform on which the program was initially exhibited and its related or affiliated foreign subscription consumer pay platform(s), the Employer shall make a residual payment equal to 1.2% of the "Employer's gross" as defined in Section 5 of Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

e. Use on Other Consumer Pay Platforms (*i.e.*, Transactional VOD).

For exhibition of a High Budget SVOD Program on any consumer pay platform other than a subscription consumer pay platform (*i.e.*, for exhibition on a transactional consumer pay platform involving download-to-own or download-to-rent transactions), the Employer shall make a residual payment equal to 1.2% of the "Employer's

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[12] If the Employer is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform, the allocation shall be measured by the exhibitor's payments to unrelated or unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Employer from unrelated and unaffiliated exhibitors in arms' length transactions, or, if none, a comparable exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs.

[13] At the DGA's request, the Employer must make an unredacted license agreement available for inspection at the Employer's office subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

gross" as defined in Section 5 of Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

f. Use on Advertiser-Supported Platforms.

(1) Except as provided in subparagraphs (2) and (3) below, for exhibition of a High Budget SVOD Program on any free-to-the-consumer advertiser-supported platform, the Employer shall make a residual payment equal to 2% of the "Employer's gross" as defined in Section 5 of Sideletter No. 15 re Exhibition of Motion Pictures Transmitted via New Media.

(2) Except as provided in subparagraph (3) below, for exhibition of a High Budget SVOD Program on any free-to-the-consumer advertiser-supported platform that is related to or affiliated with the SVOD platform for which the Program was originally made, the Employer shall make a residual payment pursuant to Paragraph 3.A.(4)(b) of Sideletter No. 15 of this Basic Agreement as if such High Budget SVOD Program were a television motion picture, except that:

(a) The twenty-six (26) consecutive week periods described in Paragraph 3.A.(4)(b)(i) of Sideletter No. 15 shall be measured from the date the High Budget SVOD Program is first made available on the SVOD platform.

Likewise, the one (1) year period described in Paragraph 3.A.(4)(b)(i) shall be measured from the date the High Budget SVOD Program is first made available on the related/affiliated SVOD platform.

(b) The residual base for calculating the fixed residual under Paragraph 3.A.(4)(b)(i) shall be the applicable "Base for High Budget SVOD Program Residual" under Paragraph E.3.b.(1) of Sideletter No. 35 to this Basic Agreement.

(c) The residual described in Paragraph 3.A.(4)(b)(ii) (*i.e.*, two percent (2%) of "Employer's gross") shall be payable if the High Budget SVOD Program is made available on the related/affiliated AVOD platform after the expiration of the one (1) year period following the date the High Budget SVOD Program is first made available on the related/affiliated SVOD platform.

(3) Notwithstanding subparagraphs (1) and (2) above, the Employer shall have the right to exhibit a High Budget SVOD Program (including any one-time program or the first three (3) episodes of a new series), without any additional payment, on free-to-the-consumer advertiser-supported platforms for a period of seven (7) consecutive days for the purpose of promoting the High Budget SVOD Program.

g. Use in Traditional Media.

The Employer shall pay residuals for the use of a High Budget SVOD Program in "traditional media" (*e.g.*, theatrical exhibition, free television, basic cable, pay television, home video) under existing BA formulas, including Paragraph 11-101(b)(6) concerning broadcast syndication sales of a High Budget SVOD Program under a license agreement entered into on or after July 1, 2020.

F. Subscriber Count for High Budget SVOD Programs.

1. The number of domestic subscribers shall be determined as of July 1st of each year of the Agreement and shall apply for all purposes under Sections D. and E.3. of this Sideletter to a High Budget SVOD Program or episode of a High Budget SVOD series, the principal photography of which commences on or after July 1st of the measuring year but not later than June 30th of the following year. The number of domestic subscribers so determined shall apply to the Program or the episode of the High Budget SVOD series in perpetuity.

2. The parties shall agree upon a methodology to determine the number of domestic subscribers whose subscription includes a video-on-demand platform for which a High Budget SVOD Program is made and other services, such as gaming, music or free shipping.

3. In addition to any other exclusion agreed to by the parties, the subscriber count for any subscription consumer pay platform shall exclude subscribers during any 'free trial period' of no more than thirty (30) days.

4. The following shall apply to a new subscription consumer pay platform that launches on or after July 1, 2020:

a. Such platform is encouraged to enter into good faith discussions with the Guild prior to launch to reach agreement on the number of domestic subscribers to be attributed to that platform for purposes of applying the provisions of Sideletter No. 35 of the 2020 Basic Agreement pertaining to High Budget SVOD Programs.

b. The number of domestic subscribers to a new subscription consumer pay platform shall be determined ninety (90) days after launch, and shall apply for the remainder of the measuring year (*i.e.*, until the July 1st immediately following launch). Thereafter, the number of domestic subscribers shall be determined as of July 1st of each year of the Agreement as provided in subparagraph F.1. above.

c. Absent any agreement to the contrary between the new subscription consumer pay platform and the Guild:

(1) Initial compensation and other terms and conditions for a High Budget SVOD Program that commences principal photography prior to the ninetieth (90th) day after the launch of a new subscription consumer pay platform shall be those that are applicable to a High Budget SVOD Program made for a subscription consumer pay platform with fewer than 20 million domestic subscribers.

(2) Residuals for High Budget SVOD Programs that commence principal photography prior to the ninetieth (90th) day after launch shall be calculated according to the number of domestic subscribers to the subscription consumer pay platform as of ninety (90) days after launch.

G. Agreements.

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[14] to all unredacted license, distribution, and other agreements pertaining to exploitation of covered motion pictures on domestic and foreign New Media platforms 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.

The provisions of this Section G. do not apply to agreements relating to a multichannel video programming distributor ("MVPD") or any similar service that currently exists or may hereafter be developed.

H. 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, the provisions of Sections E.1. and 2. and E.3.c. of this Sideletter expire on the termination date of the 2020 BA 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

[14] Full access includes access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters, exhibits, addenda, and other ancillary documents.

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.

The terms and conditions herein applicable to High Budget SVOD Programs shall apply and remain in full force and effect, and without change, to High Budget SVOD Programs produced by the Employer hereunder, regardless of the terms or provisions of any agreement which is a modification, extension or renewal of, or substitution for, this Sideletter.

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 (specify)_____

Other conditions (including credit above minimum):
_____
_____

You hereby authorize Employer to deduct from the salary payable to you 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 your behalf.

Exhibit 1-A continued

Accepted and Agreed:

Employee: _____ Signatory Employer (print):_____

By:_____

Date:_____ 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:

_____
_____
_____
_____

Exhibit 1-B continued

You hereby authorize Employer to deduct from the salary payable to you 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 your behalf.

Accepted and Agreed:

Employee: _____

Date:_____

Signatory Employer (print):_____

By:_____

Date:_____

SIDELETTER NO. 36

[Deleted]

SIDELETTER NO. 37

As of July 1, 2014;
Revised as of July 1, 2017;
Revised as of July 1, 2020

Ms. Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Casting

Dear Carol:

During the negotiations for the 2020 Basic Agreement, the parties discussed issues regarding casting in episodic television. The parties agreed that, once per year, the Employer's representative on the Television Creative Rights Committee, or if none, an equivalent high-level Creative Executive of the Employer will provide a notice addressed to the individual Executive Producer(s) of each television pilot and episodic television series with a copy to the Casting Department, reminding them of the provisions in the DGA Basic Agreement concerning the participation of the Director in casting decisions, as set forth below. After distribution, the Employer shall send a copy of the Casting Notice(s) to the DGA.

"From: [Senior Creative Executive]
To: [Executive Producer(s)]
Copy: Casting Department
Subject: Episodic Television Director's Participation in Casting Decisions

"As we prepare for the upcoming television production season *[modify as applicable]*, we thought it important to bring to your attention the provisions of the DGA Basic Agreement regarding the participation of an episodic television Director in casting decisions.

"The Basic Agreement provides that once the Director is employed, the Director shall be informed as soon as practicable of any proposed casting and, if reasonably available, shall participate in all decisions with respect to proposed casting. The Director's advice and suggestions are to be considered in good faith.

"It is important to us that Directors be advised of and participate in casting decisions as reflected above. During the Director's preparation period, the Director must be informed no later than the first day of his or her preparation period of any casting procedures or casting schedule for the episode, if known. In addition, the Director shall be invited to participate in any 'casting concept call' for casting the episode that takes place during his or her preparation period.

"Further, we gain valuable feedback when Directors participate in in-person casting sessions. We support in-person casting sessions as appropriate and ask that those sessions be scheduled to include the Director when practicable.

"When casting transmits information related to making casting decisions by electronic link during the Director's prep period, the Director must be included on the distribution of those links at the same time they are sent to the Writer/Executive Producer or any other producer.

"Except when time constraints do not permit, the Director, during his or her preparation period, must be afforded a reasonable opportunity to provide his or her casting input to the Writer/Executive Producer before casting recommendations or decisions are communicated to the studio and/or network.

"The Director should be informed of the final casting decisions as soon as possible. We value the involvement of Directors throughout the television casting process and appreciate the insights that Directors bring to casting decisions."

Sincerely,

Russell Hollander
National Executive Director

ACCEPTED AND AGREED:

Carol A. Lombardini

SIDELETTER NO. 38

As of July 1, 2020

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

Re: Training

Dear Mr. Hollander:

During the 2020 negotiations, the parties discussed the funding and provision of safety and harassment prevention training for Employees. The parties agreed agree to continue their discussions and implement any mutually-agreed upon changes during the term of the Basic Agreement and FLTTA, including changes to the contributions to and operation of DGACA and DGACA-East.

Sincerely,

Carol A. Lombardini

AGREED:

Russell Hollander

SIDELETTER NO. 39

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 & Tape Television Agreement.

Sincerely,

Jay D. Roth
National Executive Director

Agreed:

Carol A. Lombardini

SIDELETTER NO. 40

As of July 1, 2014;
Renewed as of July 1, 2020

Ms. Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403-5885

Re: Remote Editing

Dear Carol:

During the negotiations for the 2020 Basic Agreement, the parties discussed the issue of remote editing of episodic television series. The parties will establish a committee during the term of this Agreement to discuss remote editing for episodic television series. The committee shall be comprised of appropriate representatives from the DGA and the Employers.

Sincerely,

Russell Hollander
National Executive Director

ACCEPTED AND AGREED:

Carol A. Lombardini