PRODUCER – SAG-AFTRA CODIFIED BASIC AGREEMENT OF 2014

THIS AGREEMENT is made by and between the SCREEN ACTORS GUILD – AMERICAN FEDERATION OF TELEVISION AND RADIO ARTISTS, hereinafter called the "Union" or "SAG-AFTRA," and the ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS, hereinafter also referred to as the "AMPTP" or "Alliance," acting on behalf of Producers who have authorized said Alliance to act on their behalf, a list of which is attached hereto as Exhibit A, all of which constitute a multi-employer bargaining unit, each hereinafter called "Producer" and collectively referred to as "Producers."

WITNESSETH:

In consideration of the mutual agreements hereinafter contained, it is agreed as follows:

GENERAL PROVISIONS

1. <u>RECOGNITION AND SCOPE OF AGREEMENT</u>

A. <u>Recognition</u>

The Union is recognized by Producer as the exclusive collective bargaining agent for performers in the production of motion pictures in the motion picture industry within the territorial limits of the United States of America. The term "performer" means those persons covered by the terms of this Agreement and includes performers, professional singers, stunt performers, airplane and helicopter pilots, dancers covered under Schedule J of this Agreement, stunt coordinators, puppeteers and body doubles. Background actors are not considered "performers."

The Union is also recognized by Producer as the exclusive bargaining agent for background actors covered by the terms of this Agreement and employed in the production of motion pictures in the motion picture industry in the Hawaii, Las Vegas, Los Angeles, New York, San Diego, San Francisco and Sacramento Zones, as defined in Schedule X, Part I and Schedule X, Part II.

The term "motion pictures," as used herein and in all prior Agreements between the parties, means and includes, and has always meant and included, motion pictures whether made on or by film, tape or otherwise, and whether produced by means of motion picture cameras, electronic cameras or devices, tape devices or any combination of the foregoing or any other means, methods or devices now used or which may hereafter be adopted.

B. <u>Scope</u>

(1) When Producer has its base of production in the United States or any commonwealth, territory or possession of the United States, the Basic Contract shall apply, excluding the Union Security provisions in Alaska or any commonwealth, territory or possession of the United States until the Union establishes a Branch in such area.

(2) When Producer has its base of production as provided in (1) above and goes on location in Canada, the Basic Contract, excluding the Union Security provisions, shall apply to all performers hired by Producer at such location.

(3) When Producer employs a performer in the United States and transports him anywhere outside of the United States for a motion picture, the terms of the Basic Contract shall apply. If a performer whose services are utilized is a permanent resident of the United States but is temporarily resident abroad and negotiations are carried out in the United States by the performer's attorney, agent or other representative (including the Union) in the United States, such agreement for the services of the performer shall be within the scope and coverage of this Agreement. The foregoing test of coverage shall be met as long as the representative, agent or attorney of the performer 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 Producer who is not within the United States during all or any part of said negotiation.

(4) Only the provisions of Schedule X, Part I shall apply to the employment of background actors in the Los Angeles, Las Vegas, Sacramento, San Diego, San Francisco and Hawaii Zones. Only the provisions of Schedule X, Part II shall apply to background actors employed in the New York Zone.

2. <u>UNION SECURITY</u>

A. Every performer hereafter employed by any Producer, whether by contract or otherwise, or who acts before the camera, or who makes sound track within the Union's jurisdiction, for any Producer, shall be a member of the Union in good standing. As defined and applied in this Section, the term "member of the Union in good standing" means a person who offers to pay (and, if the Union accepts the offer, pays) union initiation fees and dues as financial obligations in accordance with the requirements of the National Labor Relations Act.

Each Producer shall give the Union full opportunity to check B. performance by such Producer of its agreement under this Section including access to sets, but the Union's checking shall be done in such a manner as not to interfere with production. The Union agrees that it will accept as a member of the Union any performer the Producer wishes to employ, but the Union may refuse such admission or, if it sees fit, admit on terms, performers suspended or expelled by the Union or by any branch of the Associated Actors and Artistes of America or by any other performers' union. Nothing herein shall limit the right of the Union to discipline, suspend or expel a member or to refuse to re-admit him. The Union agrees, however, that if it suspends or expels a member who is under contract to a Producer, or if a member resigns, the suspension, expulsion or resignation shall not affect the performer's obligation to perform any existing contract or contracts with such Producer or such Producer's right to demand performance, unless the Producer otherwise consents. Subject to the qualifications hereinafter set forth, the Producer agrees that in every future contract it enters into with a performer, the performer shall agree that the performer shall be a member of the Union in good standing and shall remain so for the duration of the contract. Any non-member of the Union and any suspended or expelled member whom the Producer may be lawfully entitled to employ under this Agreement shall be paid the same minimum salary and shall be given the same working conditions as are provided in this Agreement. No breach by a member of the Union of his obligation to the Union shall give such member a defense to any Producer's right to enforce an existing contract against such member.

The foregoing subsections A. and B., requiring as a condition C. of employment membership in the Union, shall not apply until on or after the thirtieth day following the beginning of such employment or the effective date of this Agreement, whichever is the later; the Union and the Producers interpret this sentence to mean that membership in the Union cannot be required of any performer by a Producer as a condition of employment until thirty (30) days after his first employment as a performer in the motion picture industry; "first employment" meaning the first employment as a performer in the motion picture industry on or after August 10, 1948. The foregoing sentence shall be deemed inoperative if any of the following events shall occur: (a) if the Labor Management Relations Act of 1947 is repealed; or (b) if the provision of such Act to which the foregoing sentence has reference is repealed or modified so the foregoing sentence is unnecessary to comply with such Act; or (c) if such Act or such provision is held unconstitutional by the

Supreme Court of the United States. The Producer shall not be held to have violated this paragraph if it employs a performer who is not a member of the Union in good standing, if the Producer has reasonable grounds for believing that membership in the Union was not available to such performer on the same terms and conditions generally applicable to other members, or if the Producer has reasonable grounds for believing that membership in the Union was denied to such performer or such performer's membership in the Union was terminated for reasons other than the failure of the performer to tender the periodic dues and the initiation fee uniformly required as a condition of acquiring or retaining membership in the Union; provided, however, the Producer shall not be deemed to have such reasonable grounds for believing until it has made inquiry of the Union as to the facts. The preceding sentence shall be deemed inoperative if any of the following events shall occur: (a) if the Labor Management Relations Act of 1947 is repealed; or (b) if the provision of such Act to which the preceding sentence has reference is repealed or modified so the preceding sentence is unnecessary to comply with such Act; or (c) if such Act or such provision is held unconstitutional by the Supreme Court of the United States.

D. The Producer agrees to report to the Union, in writing, within fifteen (15) days of the first employment of a non-member of the Union, (or within twenty-five (25) days of the first employment of a non-member of the Union on an overnight location), giving the non-member's name, Social Security number and his first date of employment. An inquiry by any Producer to the Union as to the first date on which a performer has been employed in the industry shall be answered by the Union, and its answer shall bind the Union, and the Producer, if it acts in good faith, shall not be liable for acting on such answer, but the Producer who failed to report shall be liable to the Union for such failure to report. The inquiry provided for in the preceding sentence may be made before, on or one (1) business day after the date of employment.

E. The interpretation contained in the first sentence of subsection C. of this Section 2 has been approved by an advisory opinion of the General Counsel of the National Labor Relations Board. If such approval of such sentence is changed by a ruling of such General Counsel, then the new ruling of such General Counsel shall prevail, until the same is overruled by the Board or a court of competent jurisdiction. If the Board or a court of competent jurisdiction shall change said ruling in a proceeding in which the Union is a party, then the new ruling or opinion shall prevail, until the same is reversed by a court of competent jurisdiction.

F. The Producer shall pay to the Union as liquidated damages for each employment of a performer in violation of the provisions of this Section 2 the sum of \$500, it being agreed that the actual damages suffered by the Union for such breach would be incapable of ascertainment.

G. The Union agrees that it will not impose unreasonable dues or assessments. If Producer claims a violation by the Union of the provisions of this subsection G., such question shall be handled by conciliation and, if necessary, by arbitration in accordance with the provisions of Section 9 hereof. It is the intention of the parties to prevent the Union from closing its books so as to prevent any person who wishes to act in motion pictures from joining the Union. Nothing in the preceding sentence shall limit the right of the Union to discipline or suspend or expel a member or to refuse to re-admit him.

H. It is agreed that children under four (4) years of age are not subject to the Union Security provisions of this Agreement.

I. Whenever any Producer is entitled hereunder to a permit or waiver from the Union, the Union agrees to issue the same without cost.

J. Any breach of the provisions of this Section shall be subject to arbitration between the Union and the Producer under Section 9 of these General Provisions.

3. <u>STRIKES</u>

A. <u>No-Strike Clause</u>

The Union agrees that, during the effective term hereof, it will not call or engage in a strike affecting motion picture production against any Producer signatory hereto.

B. <u>Rights and Duties of Union Members and Producers</u>

(1) If, after the expiration or other termination of the effective term of this Agreement, the Union shall call a strike against any Producer, then each respective contract of members of the Union with such Producer shall be deemed automatically suspended, both as to service and compensation, while such strike is in effect, and each such member of the Union shall incur no liability for breach of his respective contract by respecting such strike call, provided such member shall promptly, upon the termination of such strike, and on the demand of the Producer, perform as hereinafter in this paragraph provided, and the member shall be deemed to have agreed as follows:

(a) That as to any motion picture which is in production at the time any such strike is commenced, if he has a contract to do such motion picture, or if he is under a contract which permits him to be assigned to act in such motion picture and has been so assigned, he will, after the termination of such strike and upon the request of the Producer, report to the Producer and perform his services in such photoplay at the same salary and upon the same terms and conditions as were agreed upon prior to the commencement of said strike;

(b) That he will immediately, after the termination of such strike and upon the request of the Producer, execute a new contract on the same terms and conditions and at the same salary as provided in the contract which was in effect at the time the strike commenced, except that such new contract shall be for a period or periods, including options, equivalent to the unexpired term of the contract which was in effect when such strike was commenced;

(c) That he will, in lieu of (b), after the termination of such strike, at the option of the Producer, and upon its demand, execute an agreement in writing with the Producer extending the term or period of such personal service contract in effect when such strike was commenced for a period of time equal to the period of any suspension by such strike.

If the member shall fail to perform the foregoing, or if he shall fail actually to finish his services in the motion picture mentioned in (a), as provided in (a) (except by reason of his death, physical disability or default by the Producer), then the waiver of liability by the Producer heretofore given shall be null and void.

The member further agrees that the statute of limitations as a defense to any action by the Producer against the member for his failure to perform during such strike is extended by a period equivalent to the duration of such strike. 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 seven (7) year statute), which claim or defense is based in whole or in part on the lapse of time during such strike, the waiver by the Producer is ineffective thereupon, and the statute of limitations as to the Producer's rights is waived by the member automatically.

(2) The automatic suspension provisions of this Section 3 shall not affect the Producer's right to sue any individual performer for breach of contract arising during the period of such strike, unless such performer shall have complied with his obligations under the provisions of this Section 3.

(3) The provisions of this Section 3 shall be deemed included in all contracts between performers and Producer which are now in effect and all such contracts which shall be entered into during the effective term of this collective bargaining agreement.

(4) The Union agrees that it will take such affirmative action as may be necessary and lawful in order to require its members to perform their respective obligations under the provisions of this Section 3.

(5) Notwithstanding the expiration or other termination of the effective term of this collective bargaining agreement, by termination or otherwise, the provisions of this Section 3 shall be and remain in full force and effect for a period of seven (7) years following the termination of any such strike, unless this covenant be sooner terminated by the written consent of Producer and Union.

C. <u>Limitation on Liability</u>

The Union is a corporation. Nothing in this Section shall enlarge the liability of its officers, directors, agents and members, this Section being an additional limitation thereon. The Union will not be held liable for unauthorized acts of its officers, directors, agents or members; neither the Union, nor its officers, directors, agents or members not participating in the actions hereinafter mentioned shall be liable for any strike, slowdown or work stoppage, unless the same be authorized by the Union in accordance with its by-laws, but the foregoing exemption of this sentence shall not apply unless the Union, upon request from the Producer affected thereby, shall proclaim promptly and publicly that such strike, slowdown or work stoppage is unauthorized and follows such pronouncement within a reasonable time thereafter, if requested so to do by the Producer affected, with disciplinary proceedings in accordance with its by-laws against the participants in such unauthorized action.

4. THEATRICAL MOTION PICTURES, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED BETWEEN JANUARY 31, 1960 AND JULY 21, 1980 RELEASED TO FREE TELEVISION

Theatrical motion pictures produced under a prior Producer-Screen Actors Guild Codified Basic Agreement, the principal photography of which commenced between January 31, 1960 and July 21, 1980 and which are released to free television, shall be governed by the provisions relating to additional compensation payable to performers for exhibition of theatrical motion pictures on free television of the applicable Codified Basic Agreement under which such pictures were produced.

5. TELEVISION EXHIBITION OF THEATRICAL MOTION PICTURES, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED AFTER OCTOBER 6, 1980¹

A. With respect to theatrical motion pictures, the principal photography of which commenced after October 6, 1980 and released to free television anywhere in the world, Producer agrees to pay to SAG-AFTRA a deferred compensation, for rateable distribution to the performers appearing in such pictures, equal to six percent (6%) of the worldwide total gross receipts from the distribution of such pictures on free television, after deducting a flat amount of forty percent (40%) of such total gross receipts for distribution fees and expenses. Said compensation shall include pension and health contributions. Such pension and health contributions shall be at the rate provided in and subject to the ceiling and other provisions of Section 34 hereof or of the "Pension and Health Plans" provision of the Agreement under which such picture was produced, whichever is applicable.

When the Producer does not itself so distribute such picture, but effects its distribution through another distributor, the percentage paid shall be based on such distributor's gross receipts from such distribution of such picture on free television, after deducting said flat amount of forty percent (40%) from such total gross receipts, payable only after they are received by the Producer, and after such forty percent (40%) deduction. When Producer is paid advances by a distributor, the above percentage shall likewise be payable on the amount of such advances. When Producer sells outright the right to exhibit on free television, SAG-AFTRA shall be paid promptly the above percentage on the gross amounts actually received by Producer for such free television exhibition rights, after deducting a flat amount of ten percent (10%) of such gross amounts so received by Producer from such outright sale of free television exhibition rights, for sales commission and expenses of sale.

If any such outright sale shall include both free television exhibition rights and other rights with respect to one or more pictures, the Producer shall allocate, to the free television exhibition rights covered by such sale, a fair and reasonable portion of the sale price (but only for the purpose of determining the percentage payment due hereunder) based on the sale of free television exhibition rights in

¹ The Screen Actors Guild was on strike against the Producers during the period July 22, 1980 through and including October 5, 1980. The terms of an interim agreement may be applicable to performers who were employed in motion pictures produced during that period.

comparable pictures. If SAG-AFTRA shall contend that the amount so allocated in any such outright sale for free television exhibition rights was not fair and reasonable as aforesaid, then such claim shall be submitted to arbitration as herein provided. In the event the arbitrator shall find that such allocation was not reasonable and fair as aforesaid, he shall determine the fair and reasonable amount to be so allocated. When the sale is of the free television exhibition rights only in a group of pictures, Producer shall likewise make an allocation of a portion of the sale price to each picture. If SAG-AFTRA contends that allocation is not fair and reasonable, the matter may be similarly submitted to arbitration, as above provided. In the event the arbitrator shall find that such allocation was not reasonable and fair, as aforesaid, he shall determine the fair and reasonable amount to be so allocated.

The provisions of the preceding paragraph shall not apply to any sale of free television exhibition rights only in a single picture.

The term "performer" means those persons covered by this Agreement and includes performers, professional singers, stunt performers, airplane and helicopter pilots, dancers,² stunt coordinators³ and puppeteers, but excludes body doubles.

B. Distribution Formula

The amount received by SAG-AFTRA under the formula set forth in Paragraph A. above shall be distributed as follows:

Units will be assigned to performers entitled to participate as follows:

(1) Time Units

With respect to each performer, units for time worked shall be computed as follows:

Each day = one-fifth (1/5) unit Each week = one (1) unit

No more than five (5) time units may be credited to any

performer.

² Only dancers employed under Schedule J of this Agreement are entitled to participate in the monies payable pursuant to this Section.

³ Stunt coordinators employed under this Agreement are entitled to participate in the monies payable pursuant to this Section. All compensation paid for stunt coordinating services and any other services covered by the Agreement shall be combined in calculating salary units under subsection B.(2) hereof.

(2) Salary Units

With respect to each performer, units for total compensation received from the film shall be credited as follows:

(a) Day Performer: Each multiple of daily scale equals one-fifth (1/5) unit. A fraction of daily scale, when more than one-half $(\frac{1}{2})$, shall be credited as another one-fifth (1/5) unit.

(b) All Other Performers: Each multiple of weekly scale equals one (1) unit. A fraction of a multiple, when more than one-half $\binom{1}{2}$ of weekly scale, shall be credited as another weekly unit.

(c) No more than ten (10) salary units may be credited to any performer.

(3) Computation

Each performer shall be credited with the sum of time and salary units as computed above, and each performer will receive that rateable proportion of the monies as the performer's number of units bears to the total number of units for the entire cast.

C. With respect to such pictures made outside of the United States, when part of the cast is composed of performers subject to this Agreement and part of the cast of performers is not subject to this Agreement, then sums payable hereunder shall be prorated based on the proportion which the salaries and the time worked payable to the performers subject to this Agreement bear to the total performers' salaries and time worked for the picture. If records reflecting time worked are not reasonably available, then the aforementioned proration may be based on salaries alone.

D. Application to Pictures Initially Released Theatrically

The provisions of this Section 5 regarding additional compensation for free television exhibition apply only to a theatrical motion picture which is exhibited on free television after it has had a *bona fide* theatrical release. Such motion picture exhibited on free television that has not had a *bona fide* theatrical release shall be governed by the SAG-AFTRA Television Agreement then in effect, but only with respect to the provisions relating to additional compensation for reruns and foreign telecasts, or as may otherwise be agreed upon between the Producer and the Union. The provisions of this Section 5 shall not apply to the televising of trailers or advertising a motion picture by shots, etc., substantially in the nature of a trailer, subject to the limitations provided in Section 18 hereof.

E. <u>Time and Method of Payments</u>

With respect to the initial payment due hereunder for network television exhibition, such payment shall be due and payable within thirty (30) days after the initial broadcast of such motion picture on a network.

With respect to the initial payment due hereunder for television exhibition, other than network television, such payment shall be due and payable within four (4) months after the initial broadcast of such motion picture on free television other than network television.

All such payments hereunder shall be made by check, payable to the order of the performer entitled thereto, and delivered to the Union for forwarding to such performer. Producer 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 Section 5. Compliance herewith shall constitute payment to the performer.

(1) Network

Except as provided in Section E.(3) below, with respect to network television exhibition, in the event Producer shall fail to pay such additional compensation when and as the same becomes due and payable, the Producer shall pay a late payment charge in the amount provided in Section 31.B. hereof until such additional compensation is paid.

(2) Syndication and Foreign Telecasting

Except as provided in Section E.(3) below, with respect to syndication and foreign telecasting, in the event Producer fails to pay such additional compensation within ten (10) days from the date of a notice in writing to Producer from the Union, a late payment penalty shall accrue at the rate of one percent (1%) per month from the date of delinquency. (3) The late payment charges set forth in Section E.(1) and(2) shall not apply:

(a) To motion pictures produced by Qualified Residual Payors, Qualified Distributors and Qualified Buyers, and motion pictures, the residuals for which are guaranteed or assumed by a Qualified Residual Payor, Qualified Distributor or Qualified Buyer. These motion pictures shall continue to be subject to the rules on payment of liquidated damages set forth in the 1995 Agreement;

(b) To residuals payable in connection with the purchase of libraries. The Producer shall give notice to the Union in such cases. The Producer shall assist the Union in its endeavor to obtain compliance with any residual obligations which accrued prior to the date of the purchase. The Union shall cooperate with the Producer in furnishing records or verifying previous payments to enable the Producer to begin making residual payments accruing on and after the date of the purchase as expeditiously as possible;

(c) To performers omitted from the final cast list. As to these performers, the Producer shall investigate and respond to a claim from the Union that a performer has been omitted from the cast list with a final position within thirty (30) days following receipt of notice of the claim from the Union. If, as a result of its investigation, the Producer determines that the performer is owed the residual payment, payment shall also be made within said thirty (30) day period. If payment is due and the Producer fails to pay within the thirty (30) day period, then late payment liquidated damages shall accrue as of the date of the original notice from the Union initiating the claim.

(d) In the event of *bona fide* disputes. In such event, there will be no late payment charge during the pendency of the dispute provided that the Producer pays the undisputed amount on time.

In no event shall the total late payment penalty with respect to any performer exceed one hundred percent (100%) of the amount owing to such performer.

As used herein, the term "network exhibition" shall mean the telecasting of such picture over the network facilities in the United States of ABC, CBS, Fox Broadcasting Company ("FBC") and NBC, or any other entity which qualifies as a network under Section 73.662(f) of the rules of the Federal Communications Commission, unless the FCC determines that such entity is not a network for purposes of such Section. A motion picture shall not be deemed telecast over a television network when it is telecast (i) on any single regional network presently established and (ii) when it is telecast on any single regional network which may hereafter be established and which does not include New York, Chicago or Los Angeles.

(4) The foregoing provisions shall not preclude the Producer from recovering an erroneous payment. If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

F. Effect of Performer's Individual Contract

When compensation is payable to any performer in connection with any such picture released to free television, pursuant to an individual contract between such performer and Producer, and such compensation is based, in whole or in part, upon a percentage of Producer's gross receipts, then such percentage compensation may be credited against such performer's share of the monies payable by Producer to SAG-AFTRA hereunder or, on the other hand, such performer's share of the monies payable hereunder may be credited against the percentage compensation due under the performer's personal service contract, depending upon which such payment was made first. Notwithstanding the foregoing, any compensation payable to such performer under an individual contract under which such compensation is a specified sum of money commonly known as a "deferment," as distinguished from a participation in the gross of a picture, may not be credited against the monies payable by Producer to SAG-AFTRA hereunder.

G. <u>Reporting</u>

Producer shall furnish to the Union, with respect to each motion picture produced covered under this Section 5, a complete cast list of actors covered by this Agreement including the name of each actor, Social Security number, type of employment contract, length of employment and the payments for free television exhibition which will become payable to or for the account of each actor with respect to such motion picture. Such cast list shall be furnished to the Union one hundred twenty (120) days after completion of principal photography or ninety (90) days after completion of each such motion picture, whichever is sooner. Producer will thereafter furnish a revised or final list when necessary.

Producer shall furnish to SAG-AFTRA written reports showing the gross receipts from the sale, lease, license and distribution

of such picture on free television (whether distributed by the Producer or through another distributor) with respect to which the Producer is required to make payments hereunder. Such reports shall be furnished at least quarterly during each calendar year, except in the case of an outright sale. No such report need be furnished by Producer as to any such picture until such Producer shall have first exhibited such picture on free television. Concurrently with the furnishing of such report, the Producer shall pay the percentages due. Producer shall also make available for inspection by SAG-AFTRA all distributors' statements delivered to Producer, insofar as they relate to such gross receipts. SAG-AFTRA shall have the right, at reasonable times, to examine the books and records of Producer as to such gross receipts pertaining to such distribution of such pictures. Producer also agrees that any agreement entered into by it for the lease, license or distribution of any such pictures on free television shall contain a provision made expressly for the benefit of SAG-AFTRA and the performers involved in such pictures, by which such lessee, licensee or distributor agrees to assume and pay the percentage amounts payable hereunder to SAG-AFTRA when and as the same become due; and copies of all such provisions contained in such agreements, with a statement of the name and address of the Producer and the lessee, licensee or distributor and the date of execution shall be delivered to SAG-AFTRA promptly upon the execution thereof. In the event any lessee, licensee or distributor executes such assumption agreement and a copy thereof is delivered to SAG-AFTRA as above provided, Producer shall be relieved of any further obligation or liability with respect to such payment on condition that SAG-AFTRA has approved, in writing, the financial responsibility of such lessee, licensee or distributor.

An inadvertent failure to comply with the reporting provisions of this Section 5 shall not constitute a default by Producer hereunder, provided said failure is cured promptly after notice thereof from SAG-AFTRA is received by Producer. Producer hereby authorizes television stations to make available to representatives of the Union their station logs to verify the station plays of theatrical motion pictures. Regarding a possible system of coding product which appears on television, a joint Producer-Union Committee will be established to consider any workable system when it is available, and such committee shall investigate and make recommendations, which will be given consideration by the Producers.

H. Advances

A "non-returnable advance" is to be included in "worldwide total gross receipts" when a theatrical motion picture is "available" and "identifiable" and the amount of the advance payment is "ascertainable." (1) Such theatrical motion picture is "available" when the first of the following occurs:

(a) 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

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

(2) Such theatrical motion picture is "identifiable" when the Producer 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.

- if:
- (3) The amount of the advance payment is "ascertainable"

(a) the advance is for one theatrical motion picture, means of exhibition, and territory, or

(b) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer 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 the "worldwide total gross receipts" for that quarter. The Producer shall notify the Union of its allocation when the report of "worldwide total gross receipts" which includes the advance, is to be filed. The Union 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 theatrical 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 Producer does not provide the Union with the information required by this Agreement and applicable law, then the advance shall be deemed includable in "worldwide total gross receipts" no later than six (6) months after the Producer receives it.

An advance received by a Producer's parent, subsidiary or any other related or affiliated entity or successor-in-interest, or by any other entity to which the advance payment is directed by the Producer or license or distribution agreement, shall be considered as an advance payment received by the Producer.

I. <u>Favored Union Clause</u>

If, during the term of this Agreement, any union, through its collective bargaining agreement negotiated with the Producers, obtains an increase in its present percentage "participation of the gross" for television exhibition of theatrical motion pictures, then, in such event, the Union will be entitled to a comparable increase in the rates provided for in this Section.

J. <u>Release Without Exhibition</u>

In the event the Producer actually receives payment for the release of a theatrical motion picture hereunder for exhibition on free television, the applicable fees provided hereunder shall be payable whether or not such motion picture is in fact exhibited on free television. This provision shall not apply in the case of a license of films when a picture is "dropped out" of such license.

K. SAG-AFTRA shall not be entitled to payments hereunder with respect to blocked foreign revenue except by transfer of blocked funds and then only if permission for such transfer can be obtained by SAG-AFTRA from local fiscal authorities. Blocked funds shall be deemed to be unblocked on the basis of "first in, first out," unless allocated to specific periods by local fiscal authorities. Allocation of unblocked funds, as between the revenue due hereunder and other revenue, shall be on a proportional basis, subject to different earmarking by local fiscal authorities. Accounting shall be on the basis of net funds remitted or converted to exportable properties. Producer shall not be responsible for losses of blocked revenue resulting from matters beyond its control.

L. The references herein to payment to SAG-AFTRA shall mean payments to SAG-AFTRA for rateable distribution to the performers involved.

5.1 SUPPLEMENTAL MARKETS EXHIBITION OF THEATRICAL MOTION PICTURES, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED AFTER JUNE 30, 1971 BUT PRIOR TO JULY 21, 1980

Theatrical motion pictures produced under a prior Producer–Screen Actors Guild Codified Basic Agreement, the principal photography of which commenced after June 30, 1971 but prior to July 21, 1980, which are released by Producer for exhibition in Supplemental Markets anywhere in the world, shall be governed by the provisions relating to additional compensation payable to performers for exhibition of theatrical motion pictures in Supplemental Markets of the applicable Codified Basic Agreement under which such pictures were produced. However, the provisions of subsection D. of Section 5.2 of this Agreement, relating to the definition of "Supplemental Markets," and the provisions of subsection E. of Section 5.2 of this Agreement, relating to the definition of "Distributor's gross receipts" derived from release of such motion pictures in Supplemental Markets, shall apply to such pictures.

5.2 SUPPLEMENTAL MARKETS EXHIBITION OF THEATRICAL MOTION PICTURES, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED AFTER OCTOBER 6, 1980⁴

A. <u>Schedule of Payments</u>

With respect to each theatrical motion picture produced under a Producer–Screen Actors Guild Codified Basic Agreement, the principal photography of which commenced after October 6, 1980 but prior to July 1, 1984, which is released by Producer for exhibition in Supplemental Markets anywhere in the world, Producer agrees to pay to SAG-AFTRA, for rateable distribution to the performers appearing in said pictures, deferred compensation equal to three and six-tenths percent (3.6%) of the "Distributor's gross receipts," as defined herein.

With respect to each theatrical motion picture produced under a Producer–Screen Actors Guild Codified Basic Agreement or hereunder, the principal photography of which commenced on or after July 1, 1984, which is released by Producer for exhibition in Supplemental Markets anywhere in the world, Producer agrees to pay to SAG-AFTRA, for rateable distribution to the performers appearing in said pictures, deferred compensation equal to:

(1) From the distribution of such pictures to "Pay Television," as defined herein, three and six-tenths percent (3.6%) of "Distributor's gross receipts," as defined herein; and

(2) From the distribution of such pictures on "cassettes," as defined herein, four and five-tenths percent (4.5%) of the first one million dollars (\$1,000,000) of "Distributor's gross receipts," and five and four-tenths percent (5.4%) of "Distributor's gross receipts" thereafter.

⁴ The Screen Actors Guild was on strike against the Producers during the period July 22, 1980 through and including October 5, 1980. The terms of an interim agreement may be applicable to performers who were employed in motion pictures produced during that period.

The foregoing amounts shall include pension and health contributions. Such contributions shall be at the rate provided in and subject to the ceiling and other provisions of Section 34 hereof or the "Pension and Health Plans" provision of the Agreement under which the picture was produced, whichever is applicable, except that the pension and health contribution rate will remain at thirteen and one-half percent (13.5%), notwithstanding the increase in the pension and health contribution rates as of July 1, 2014, in connection with Supplemental Markets payments for the distribution on "cassettes," as that term is defined herein, of any theatrical or television motion picture, the principal photography of which commences on or after July 1, 2014.

The term "performer" means those persons covered by this Agreement and includes performers, professional singers, stunt performers, airplane and helicopter pilots, dancers,⁵ stunt coordinators⁶ and puppeteers, but excludes background actors and body doubles. The provisions of this Section 5.2 shall not apply with respect to any performer in connection with use in Supplemental Markets if no part of the performer's performance is used in the film as released in Supplemental Markets.

B. <u>Distribution Formula</u>

The amount received by SAG-AFTRA under the formula set forth in Paragraph A. above shall be distributed as follows:

Units will be assigned to performers entitled to participate as follows:

(1) Time Units

With respect to each performer, units for time worked shall be computed as follows:

Each day = one-fifth (1/5) unit Each week = one (1) unit

No more than five (5) time units may be credited to any

performer.

⁵ Only dancers employed under Schedule J of this Agreement are entitled to participate in Supplemental Markets monies.

⁶ Stunt coordinators employed under this Agreement are entitled to participate in Supplemental Markets monies. All compensation paid for stunt coordinating services and any other services covered by this Agreement shall be combined in calculating salary units under this provision.

(2) Salary Units

With respect to each performer, units for total compensation received from the film shall be credited as follows:

(a) Day Performer: Each multiple of daily scale equals one-fifth (1/5) unit. A fraction of daily scale when more than one-half (1/2) shall be credited as another one-fifth (1/5) unit.

(b) All Other Performers: Each multiple of weekly scale equals one (1) unit. A fraction of a multiple, when more than one-half $\binom{1}{2}$ of weekly scale, shall be credited as another weekly unit.

(c) No more than ten (10) salary units may be credited to any performer.

(3) Computation

Each performer shall be credited with the sum of time and salary units as computed above, and each performer will receive that rateable proportion of the monies as the performer's number of units bears to the total number of units for the entire cast.

C. With respect to such pictures made outside of the United States, when part of the cast is composed of performers subject to this Agreement and part of the cast of performers is not subject to this Agreement, then sums payable hereunder shall be prorated based on the proportion which the salaries and the time worked payable to the performers subject to this Agreement bear to the total performers' salaries and time worked for the picture. If records reflecting time worked are not reasonably available, then the aforementioned proration may be based on salaries alone.

D. Definition of Supplemental Markets

The term "Supplemental Markets," as used in this Agreement, means: The exhibition of theatrical motion pictures by means of cassettes (to the limited extent provided in paragraph (l) of this subsection D.), or Pay Television, as those terms are hereafter defined in this subsection D.

(1) <u>Cassettes</u>

For the purposes of this Section, 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 theatrical motion picture (recorded on film, disc, tapes or other material) and designed for replay through a television receiver or comparable device. The sale or rental of cassettes for replay through a television receiver or comparable device in the home or in closed-circuit use, such as in hotel rooms, constitutes "Supplemental Markets" for the purposes of this provision, insofar as cassettes are concerned.

(2) <u>Pay Television</u>

The term "pay television," as used in this Section, shall mean exhibition of theatrical motion pictures on a television screen by means of telecast, cable, closed-circuit, satellite to home or CATV, for which substantially all systems to which the program is licensed meet the following tests:

(a) a separate channel is provided for which the subscriber pays a separate fee (which fee is a major 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 major 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 Section, shall also include the exhibition of theatrical motion pictures through a television receiver or comparable device by means of a 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 theatrical motion picture by cassette or otherwise over a television broadcast station or in theatrical exhibition and, for this purpose, "theatrical exhibition" includes 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, other than the specific home use hereinabove defined as "Supplemental Markets" for cassettes.

Whenever reference is made in this Section to Pay Television, such reference shall be deemed to include only those uses of theatrical motion pictures as to which a charge is actually made to the subscriber for the program viewed, or for which the subscriber has the option, by additional payment, to receive special programming over one or more special channels. When no program charge or special channel charge is made to the subscriber in addition to the general charge, the transmission of theatrical motion pictures by the CATV or television facility, including programming originated by the CATV or television facility, is free television exhibition for the purposes of this Agreement, and such exhibition shall not be considered Supplemental Markets exhibition.

The Producers have 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 theatrical market. The Producers reserve 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 should be made with respect to the release of theatrical motion pictures (including those covered by this Agreement) in said markets. Nothing herein shall limit the scope of negotiations on said subject.

E. <u>Definition of Distributor's Gross Receipts</u>

(1) In applying the formula set forth in subsection A. of Section 5.2, Distributor's gross receipts from the Supplemental Markets (if applicable) shall be included in the formula at one hundred percent (100%) of the Distributor's gross received from Supplemental Markets after June 30, 1979.

(2) For purposes of calculating Supplemental Market fees due under this Section 5.2 arising from the distribution of theatrical motion pictures to "Pay Television," as defined above," the term

"Distributor's gross receipts" shall mean the worldwide total gross receipts derived by the distributor (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit such picture on "pay television," as defined above; 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 Agreement and if such production is under an arrangement (herein referred to as a "foreign production deal") pursuant to which a foreign producer or distributor provides or guarantees any of the financing for the production of such 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 "Distributor's gross receipts" except to the extent such foreign producer or foreign distributor is obligated to account to Producer 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 "Distributor's gross receipts" 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 "Distributor's gross receipts." 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 Producer 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 "Distributor's gross receipts." In reaching this determination, Producer may consider the current market value of Supplemental Markets or exhibition rights in comparable motion pictures.

If the Union 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 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, Producer shall likewise allocate to each such picture a fair and reasonable portion of the sales price of the Supplemental Market; and if the Union contends that such allocation is not fair and reasonable, the question may be determined by submission to arbitration as provided herein. 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 Producer to the Union as having been received by the Producer on such outright sale is less than the amount actually received by the Producer on such outright sale.

(3) For purposes of calculating Supplemental Markets fees due under this Section 5.2, arising from the distribution of theatrical motion pictures on "cassettes," as defined above, the term "Distributor's gross receipts" is defined as follows:

(a) If the Producer is the Distributor or the Distributor is owned by or affiliated with the Producer, the "Distributor's gross receipts" 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 "Distributor's gross receipts." 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.

(b) If the Distributor is not the Producer and is not owned by or affiliated with the Producer, the "Distributor's gross receipts" shall be one hundred percent (100%) of the fees received by the Producer from licensing the right to distribute such picture by cassette.

(c) In the case of any such picture which is produced outside of the United States, if such picture is subject to this Agreement and if such production is under an arrangement (herein referred to as a "foreign production deal") pursuant to which a foreign producer or distributor provides or guarantees any of the financing for the production of such 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 foreign territory shall be included in "Distributor's gross receipts" except to the extent such foreign producer or foreign distributor is obligated to account to Producer 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.

(d) 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 "Distributor's gross receipts." 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 Producer 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 "Distributor's gross receipts." In reaching this determination, Producer may consider the current market value of Supplemental Markets or exhibition rights in comparable motion pictures.

(4) The "Distributor's gross receipts," as that term is used herein, 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) Rebates, credits or repayments for cassettes returned (and, in this connection, the Producer shall have the right to set up a reasonable reserve for returns);

(c) 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 Producer 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 Producer or such Distributor on its net income or for the privilege of doing business;

(d) Frozen foreign currency until the Producer shall either have the right to freely use such foreign currency or Producer or Distributor has the right to transmit to the United States to Producer 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.

(5) 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.

(6) If any agreement for distribution on free television or (if applicable) in Supplemental Markets or for such foreign territorial sale includes more than one motion picture, the Producer shall allocate a portion of the monies payable under such agreement to each motion picture covered by such agreement. If any distribution agreement or foreign territorial sale agreement includes any two (2) or more of free television rights, Supplemental Markets rights and other rights, the Producer shall allocate a portion of the monies payable under such agreement to each of the rights covered by such agreement. Such allocations shall be for the purpose of determining payments due hereunder, shall be made in good faith and, if so made, shall be binding and conclusive for purposes of this Agreement. If the Union contends that such allocation has not been made in good faith, then such claim shall be submitted to arbitration under Section 9 hereof.

For determination as to the proper allocation, the provisions of this Section 5.2 E.(6) shall not apply to any such agreement relating only to the free television exhibition rights or to Supplemental Markets rights in a single motion picture.

(7) A "non-returnable advance" is to be included in "Distributor's gross receipts" when a theatrical motion picture subject to the Supplemental Markets provisions of this or any prior Codified Basic Agreement is "available" and "identifiable" and the amount of the advance payment is "ascertainable."

(a) Such theatrical 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.

Such theatrical motion picture is "identifiable" when the Producer 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.

(b) The amount of the advance payment is "ascertainable" if:

(i) the advance is for one theatrical motion picture, means of exhibition, and territory, or

(ii) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer 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 the "Distributor's gross receipts" for that quarter. The Producer shall notify the Union of its allocation when the report of "Distributor's gross receipts" which includes the advance, is to be filed. The Union 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 theatrical 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 Producer does not provide the Union with the information required by this Agreement and applicable law, then the advance shall be deemed includable in "Distributor's gross receipts" no later than six (6) months after the Producer receives it.

An advance received by a Producer's parent, subsidiary or any other related or affiliated entity or successor-in-interest, or by any other entity to which the advance payment is directed by the Producer or license or distribution agreement, shall be considered as an advance payment received by the Producer. F. The provisions of this Section 5.2 shall not apply to the exhibition in Supplemental Markets of trailers or advertising a motion picture by shots, etc., substantially in the nature of a trailer, subject to the limitations provided in Section 18 hereof.

G. <u>Time and Method of Payments</u>

With respect to the initial payment due hereunder for Supplemental Markets use, such payment shall be due and payable within four (4) months after initial exhibition of such motion picture in Supplemental Markets.

All such payments hereunder shall be made by check, payable to the order of the performer entitled thereto, and delivered to the Union for forwarding to such performer. Producer 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 Section 5.2. Compliance herewith shall constitute payment to the performer.

In the event Producer fails to pay such additional compensation within ten (10) days from the date of a notice in writing to Producer from the Union, a late payment penalty shall accrue at the rate of one percent (1%) per month from the date of delinquency, except:

(1) For motion pictures produced by Qualified Residual Payors, Qualified Distributors and Qualified Buyers, and motion pictures, the residuals for which are guaranteed or assumed by a Qualified Residual Payor, Qualified Distributor or Qualified Buyer. These motion pictures shall continue to be subject to the rules on payment of liquidated damages set forth in the 1995 Agreement;

(2) For residuals payable in connection with the purchase of libraries. The Producer shall give notice to the Union in such cases. The Producer shall assist the Union in its endeavor to obtain compliance with any residual obligations which accrued prior to the date of the purchase. The Union shall cooperate with the Producer in furnishing records or verifying previous payments to enable the Producer to begin making residual payments accruing on and after the date of the purchase as expeditiously as possible;

(3) For performers omitted from the final cast list. As to these performers, the Producer shall investigate and respond to a claim from the Union that a performer has been omitted from the cast list with a final position within thirty (30) days following receipt of notice of the claim from the Union. If, as a result of its investigation, the Producer determines that the performer is owed the residual payment, payment shall also be made within said thirty (30) day period. If payment is due and the Producer fails to pay within the thirty (30) day period, then late payment liquidated damages shall accrue as of the date of the original notice from the Union initiating the claim.

(4) In the event of *bona fide* disputes. In such event, there will be no late payment charge during the pendency of the dispute provided that the Producer pays the undisputed amount on time.

In no event shall the total late payment penalty with respect to any performer exceed one hundred percent (100%) of the amount owing to such performer.

The foregoing provisions shall not preclude the Producer from recovering an erroneous payment. If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

H. Effect of Performer's Individual Contract

When compensation is payable to any performer in connection with any such picture released in Supplemental Markets, pursuant to an individual contract between such performer and Producer, and such compensation is based, in whole or in part, upon a percentage of Producer's gross receipts, then such percentage compensation may be credited against such performer's share of the monies payable by Producer to SAG-AFTRA hereunder or, on the other hand, such performer's share of the monies payable hereunder may be credited against the percentage compensation due under the performer's personal service contract, depending upon which such payment was made first. Notwithstanding the foregoing, any compensation payable to such performer under an individual contract when such compensation is a specified sum of money commonly known as a "deferment," as distinguished from a participation in the gross of a picture, may not be credited against the monies payable by Producer to SAG-AFTRA hereunder.

I. <u>Reporting</u>

Producer shall furnish to the Union with respect to each motion picture produced, covered under this Section 5.2, a complete cast list of actors covered by this Agreement including the name of each actor, Social Security number, type of employment contract, length of employment and the payments for Supplemental Markets use which will become payable to or for the account of each actor with respect to such motion picture. Such cast list shall be furnished to the Union one hundred twenty (120) days after completion of principal photography or ninety (90) days after completion of each such motion picture, whichever is sooner. Producer will thereafter furnish a revised or final list when necessary.

Producer shall furnish to SAG-AFTRA written reports showing the gross receipts from the sale, lease, license and distribution of such picture in Supplemental Markets (whether distributed by the Producer or through another distributor) with respect to which the Producer is required to make payments hereunder. Such reports shall be furnished at least quarterly during each calendar year, except in the case of an outright sale. Concurrently with the furnishing of such report, the Producer shall pay the percentages due. Producer shall also make available for inspection by SAG-AFTRA all distributors' statements delivered to Producer, insofar as they relate to such gross receipts. SAG-AFTRA shall have the right, at reasonable times, to examine the books and records of Producer as to such gross receipts pertaining to such distribution of such pictures. Producer also agrees that any agreement entered into by it for the lease, license or distribution of any such pictures in Supplemental Markets shall contain a provision made expressly for the benefit of SAG-AFTRA and the performers involved in such pictures, by which such lessee, licensee or distributor agrees to assume and pay the percentage amounts payable hereunder to SAG-AFTRA when and as the same become due; and copies of all such provisions contained in such agreements, with a statement of the name and address of the Producer and the lessee, licensee or distributor and the date of execution, shall be delivered to SAG-AFTRA promptly upon the execution thereof.

An inadvertent failure to comply with the reporting provisions of this Section 5 shall not constitute a default by Producer hereunder, provided said failure is cured promptly after notice thereof from SAG-AFTRA is received by Producer.

J. <u>Reopening Rights</u>

If the member companies of the Alliance of Motion Picture and Television Producers make a "better deal" with the Directors Guild of America, Inc. or the Writers Guild of America, west, Inc., with reference to payments for the release to "Supplemental Markets" of theatrical motion pictures, the principal photography of which commenced prior to July 1, 1971, the Union shall have the right to reopen this Agreement with respect to that subject (*i.e.*, payment for the release of such theatrical motion pictures to the Supplemental Markets) or to accept the "better deal" on that subject. Any dispute as to whether or not a "better deal" has been made on that subject with either of said Unions shall be subject to arbitration pursuant to Section 9 hereof. In the event that no agreement is reached in such negotiations within a period of thirty (30) days after such reopening, either the Union or the Alliance, on behalf of all its members, may, upon a thirty (30) day written notice to the other party, terminate this Agreement.

5.3 <u>COPYRIGHT ROYALTY TRIBUNAL</u>

Monies received by the Producer from distributions by the Copyright Royalty Tribunal for theatrical motion pictures produced on or after January 1, 1988 shall be subject to the payment formula set forth in Section 5 of this Agreement or the corresponding provisions of prior Codified Basic Agreements.

With respect to a free television motion picture covered under the sideletters waiving the provisions of Section 18(b)(2) of the Television Agreement (*i.e.*, Sideletters B and B-1), any monies received by the Producer from distributions by the Copyright Royalty Tribunal for such television motion picture shall be included in the numerator of the multiplier contained in the sideletter waiving the provisions of Section 18(b)(2).

6. <u>RESPONSIBILITY FOR PAYMENTS</u>

With respect to all theatrical motion pictures produced hereunder or under a Producer–Screen Actors Guild Codified Basic Agreement, the principal photography of which commenced on or after October 6, 1980, and which are released to free television or which are released to Supplemental Markets, to the extent those motion pictures are not subject to a Distributor's Assumption Agreement executed before July 1, 2014, the following provisions shall be applicable:

A. <u>Distributor's Assumption Agreement – Television and</u> <u>Supplemental Markets</u>

Prior to the commencement of principal photography of each such motion picture in which one or more performers covered by this or any prior Agreement renders services, if the Producer is not also the Distributor of such motion picture on free television or in Supplemental Markets (as applicable), Producer shall obtain from the Distributor having such free television distribution rights or Supplemental Markets distribution rights (as applicable) and deliver to SAG-AFTRA a separate written agreement herein called "Distributor's Assumption Agreement," made expressly for the benefit of SAG-AFTRA as representative of the performers involved, 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 (as applicable), when and as the same become due.

In the event such Distributor is a signatory Producer, 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 ______ ("Producer") and the undersigned Distributor, Distributor agrees that the motion picture presently entitled _______ (the "Picture") is subject to the Producer – SAG-AFTRA Codified Basic Agreement of 2014 or the Producer – Screen Actors Guild Codified Basic Agreements of 2011, 2009, 2005, 2001 (including the Extension Agreement dated July 1, 2004), 1998, 1995, 1992, 1989, 1986, 1983 or 1980 (strike those which are not applicable) ("Basic Agreement") covering theatrical motion pictures and particularly to the provisions of (strike those of the following clauses (1), (2) or (3) which are not applicable):

(1) Section 5 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after October 6, 1980 and which are covered by said Section, are released to free television, and Section 34 pertaining to applicable pension and health contributions, if any are required;

(2) Section 5.1 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after June 30, 1971 but prior to July 21, 1980 and which are covered by said Section, are released in Supplemental Markets and Section 34 pertaining to applicable pension and health contributions, if any are required;

(3) Section 5.2 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after

October 6, 1980 and which are covered by said Section, are released in Supplemental Markets and Section 34 pertaining to applicable pension and health contributions, if any are required.

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
	Other (please describe):
	See description, attached hereto as Exhibit "A" and incorporated herein by reference.

Distributor hereby agrees, expressly for the benefit of SAG-AFTRA, as representative of the performers whose services are included in the Picture, when the Picture is telecast on free television or exhibited in Supplemental Markets (as applicable), to make the additional compensation 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 Sections referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Distributor, for and on behalf of the Producer, 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 (as applicable), or to exhibit or cause or permit the Picture to be exhibited on free television or in Supplemental Markets (as applicable), shall be subject to and conditioned upon the prompt payment of Residuals with respect to the territories, media and term referred to above in accordance with said applicable Sections. It is agreed that SAG-AFTRA, 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 Producer has executed a security agreement and financing statement in SAG-AFTRA's favor in the Picture and related collateral as defined in the SAG-AFTRA – Producer Security Agreement ("SAG-AFTRA 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 SAG-AFTRA Security Interest. SAG-AFTRA 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 Sections that SAG-AFTRA will not exercise any rights under the SAG-AFTRA 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.

SAG-AFTRA 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 SAG-AFTRA'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 SAG-AFTRA a written report showing the gross receipts during the preceding quarter from the distribution of the Picture by Distributor on free television or in Supplemental Markets (as applicable), with respect to which Distributor is required to make payments hereunder, (whether distributed by the Distributor or through another distributor), and showing the date of the first exhibition on television or in Supplemental Markets (as applicable), and whether such exhibition was on network television and, if so, whether in prime time.

Distributor shall also make available for inspection by SAG-AFTRA all Distributor's statements delivered to Producer insofar as they relate to such gross receipts. SAG-AFTRA shall have the right at reasonable times and on reasonable notice to examine the books and records of Distributor as to such gross receipts pertaining to such distribution on free television or in Supplemental Markets (as applicable) of the Picture. If Distributor shall fail to make such payments as and when due and payable, Distributor shall pay late payment damages as specified in Section 5, 5.1 or 5.2, whichever is applicable, of the Basic Agreement.

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 SAG-AFTRA approves in writing the financial responsibility of the party obtaining such rights. SAG-AFTRA agrees that it will not unreasonably withhold its approval of the financial responsibility of any such purchaser, assignee or transferee. In the event SAG-AFTRA is notified that such purchaser, assignee or transferee is a Qualified Distributor, then the financial responsibility of such purchaser, assignee or transferee shall be deemed automatically approved on the date SAG-AFTRA receives written notice of the assumption of obligations hereunder by the Qualified Distributor. Nothing herein shall release Producer of its obligations under the Basic Agreement or any other agreement between Producer and SAG-AFTRA.

If SAG-AFTRA 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 6.C. 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 Section 9 hereof, the issue of whether SAG-AFTRA has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

Distributor and SAG-AFTRA hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than SAG-AFTRA'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 SAG-AFTRA 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. SAG-AFTRA 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, SAG-AFTRA, at its option, may bring a legal action or proceeding outside California under the following circumstances: (a) if Distributor has no principal place of business in California; or (b) 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:

An inadvertent failure on the part of any such Distributor to comply with any of the reporting provisions of this subsection A. shall in no event constitute a default by the Producer or such Distributor or a breach of this Agreement, provided that such failure is cured promptly after notice in writing thereof from SAG-AFTRA.

In the event of the expiration or termination of any distribution agreement, the obligation of Producer to obtain and deliver to SAG-AFTRA such Distributor's Assumption Agreement shall apply as well to any subsequent distribution agreement entered into by Producer, and Producer shall obtain and deliver an executed Distributor's Assumption Agreement within ten (10) days after the execution of each such subsequent distribution agreement.

With respect to any such motion picture produced hereunder, SAG-AFTRA, prior to the commencement of principal photography of such motion picture, may require such financial assurances from Producer as it deems advisable to insure performance of Producer's obligations to pay the Residuals, including without limitation, the execution of security agreements, guarantees or other protective agreements, subject, however, to the following:

If SAG-AFTRA shall require financial assurances from the Producer 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 Sections 5, 5.1 and/or 5.2 of the Basic Agreement, as applicable, SAG-AFTRA 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 SAG-AFTRA and is in compliance with the terms thereof.

If any "Qualified Distributor" 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 SAG-AFTRA all of such obligations thereunder, SAG-AFTRA will release and cause to be discharged of record all such security interests, liens, charges or encumbrances entered into by or obtained from such Producer and will not require further financial assurances from such Producer; provided, however, the Producer's primary liability as a Producer shall not be released thereby.

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 SAG-AFTRA all of such obligations thereunder, then if the Producer has granted or thereafter grants a security interest in favor of SAG-AFTRA in the Picture and related collateral as defined in the SAG-AFTRA Security Agreement, SAG-AFTRA: (i) agrees to modify the definition of the collateral in the SAG-AFTRA Security Agreement to exclude those territories and media acquired by such Qualified Distributor; and (ii) acknowledges Distributor's continuing rights of full, unlimited but nonexclusive access to and use of any and all physical items and elements relating to the Picture.

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 SAG-AFTRA all of such obligations thereunder, then any security agreement or security interest obtained by SAG-AFTRA from the Producer in connection with the Picture shall remain in effect, but SAG-AFTRA agrees: (i) to modify the definition of the collateral in the SAG-AFTRA Security Agreement to exclude those territories and media for the term of the rights acquired by Distributor, including renewals and extensions; and (ii) acknowledges Distributor's continuing rights of full, unlimited but nonexclusive access to and use of any and all physical items and elements relating to the Picture.

In addition to those distributors who have been deemed "Qualified" by SAG-AFTRA 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 Paragraphs A. and B. below:

A. Distributor has the financial history, liquidity, net earnings before interest, taxes and amortization, assets, and net worth to establish its present and future ability to pay Residuals arising from the exploitation of the SAG-AFTRA Pictures being distributed.

B. The Distributor has been in business for five (5) or more years and has a history of prompt and proper payment of Residuals pursuant to SAG-AFTRA contracts in five (5) consecutive years immediately prior to seeking Qualified Distributor status.

A Qualified Distributor must agree to assume Residuals obligations, or guarantee the payment of Residuals in accordance with the Qualified Distributor's Letter of Agreement, for each Picture produced under a SAG-AFTRA collective bargaining agreement for the territories, media and term for which it has distribution rights and must execute the Qualified Distributor's Agreement.

In the event of a dispute as to qualifications of an applicant for Qualified Distributor status, Producer shall provide such financial assurances as SAG-AFTRA 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 SAG-AFTRA's request, furnish to SAG-AFTRA all relevant financial or corporate information relating thereto as SAG-AFTRA may reasonably require.

Any information submitted to SAG-AFTRA 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.

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, SAG-AFTRA 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. SAG-AFTRA 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 SAG-AFTRA, if the Distributor has otherwise timely reported and paid Residuals. In addition to the above, if a SAG-AFTRA audit conducted pursuant to the Codified Basic Agreement or other financial information discloses that the Qualified Distributor no longer meets the aforementioned standards for qualification, SAG-AFTRA may initiate an arbitration pursuant to the Basic Agreement to terminate the Qualified Distributor's status.

B. <u>Buyer's Assumption Agreement</u>

If the Producer shall sell, transfer or assign its rights to exhibit on free television any of the motion pictures produced hereunder or under a Producer–Screen Actors Guild Codified Basic Agreement, the principal photography of which commenced on or after October 6, 1980, or its rights to distribute in Supplemental Markets any of the motion pictures produced hereunder or under a Producer–Screen Actors Guild Codified Basic Agreement, the principal photography of which commenced on or after October 6, 1980, in which one (1) or more performers covered by the Basic Agreement renders services, to the extent those motion pictures are not subject to a Buyer's Assumption Agreement executed before July 1, 2014, it shall obtain from such buyer, transferee or assignee a separate agreement, made expressly for the benefit of SAG-AFTRA as representative of the performers involved, requiring such buyer, transferee or assignee to comply with the provisions of this Agreement with respect to additional compensation to performers and pension and health contributions by reason of the exhibition of such motion pictures on free television or the distribution of such motion pictures in Supplemental Markets (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 PRODUCER)

that each motion picture covered by this agreement ("the Picture") identified in the attached Exhibit "A") is subject to the Producer – SAG-AFTRA Codified Basic Agreement of 2014 or the Producer – Screen Actors Guild Codified Basic Agreements of 2011, 2009, 2005, 2001 (including the Extension Agreement dated July 1, 2004), 1998, 1995, 1992, 1989, 1986, 1983 or 1980 (strike those which are not applicable) (hereinafter "Basic Agreement") covering theatrical motion pictures and particularly to the provisions of (strike those of the following clauses (1), (2) or (3) which are not applicable):

(1) Section 5 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after October 6, 1980 and which are covered by said Section, are released to free television and Section 34 pertaining to applicable pension and health contributions;

(2) Section 5.1 thereof, pertaining to additional compensation payable to performers when theatrical motion pictures, the principal photography of which commenced after June 30, 1971 but prior to July 21, 1980, and which are covered by said Section, are released in Supplemental Markets and Section 34 pertaining to applicable pension and health contributions.

(3) Section 5.2 thereof, pertaining to additional compensation payable to performers when theatrical motion

pictures, the principal photography of which commenced after October 6, 1980 and which are covered by said Section, are released in Supplemental Markets and Section 34 pertaining to applicable pension and health contributions.

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	
	Other (please describe):	
	See description, attached hereto as Exhibit "A" and incorporated herein by reference.	

Buyer hereby agrees, expressly for the benefit of SAG-AFTRA, as representative of the performers whose services are included in the Picture when telecast or when exhibited in Supplemental Markets (as applicable), to assume and be bound by Producer's obligation thereunder to make the additional compensation 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 Section(s) referred to hereinabove (all such payments are collectively hereinafter referred to as "Residuals"). Buyer, for and on behalf of the Producer, 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 (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 SAG-AFTRA, 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 Producer has executed a security agreement and financing statement in SAG-AFTRA's favor in the Picture and related collateral as defined in the SAG-AFTRA-Producer Security Agreement ("SAG-AFTRA 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 SAG-AFTRA 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 SAG-AFTRA's discretion to continue the SAG-AFTRA Security Interest. SAG-AFTRA 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 Section(s), that SAG-AFTRA will not exercise any rights under the SAG-AFTRA 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.

SAG-AFTRA 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 SAG-AFTRA'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 SAG-AFTRA a written report showing the gross receipts during the preceding quarter from the distribution of the Picture by Buyer on free television or in Supplemental Markets (as applicable) with respect to which Buyer is required to make payments hereunder (whether distributed by Buyer or through another distributor), and showing the date of the first exhibition on television or in Supplemental Markets (as applicable), and whether such exhibition was on network television and, if so, whether in prime time.

Buyer shall also make available for inspection by SAG-AFTRA all distributor's statements delivered to Buyer insofar as they relate to such gross receipts. SAG-AFTRA shall have the right at reasonable times to examine the books and records of Buyer as to such gross receipts pertaining to such distribution on free television or in Supplemental Markets (as applicable) of the Picture. If Buyer shall fail to make such payments as and when due and payable, Buyer shall pay late payment damages as specified in Section 5, 5.1 or 5.2, whichever is applicable, of the Basic Agreement.

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 SAG-AFTRA from such purchaser, assignee or transferee and SAG-AFTRA approves in writing the financial responsibility of the party obtaining such rights. SAG-AFTRA 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 Producer of its obligations under any other agreement between Producer and SAG-AFTRA relating to the Picture, unless the Producer has been relieved of liability pursuant to the provisions of this Section 6.B.

If SAG-AFTRA 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 SAG-AFTRA hereby agree that all disputes based upon, arising out of or relating to this Assumption Agreement, other than SAG-AFTRA'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 SAG-AFTRA 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. SAG-AFTRA 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, SAG-AFTRA, at its option, may bring a legal action or proceeding outside California under the following circumstances: (a) if Buyer has no principal place of business in California; or (b) 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

The Producer agrees to deliver to SAG-AFTRA 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.

Any inadvertent failure on the part of the Buyer to comply with any of the reporting provisions of this subsection B. shall in no event constitute a default by the Producer or such Buyer or a breach of this Agreement, provided that such failure is cured promptly after notice in writing thereof from SAG-AFTRA.

Upon delivery of such Buyer's Assumption Agreement and other documents from Buyer required under this Assumption Agreement and on condition that SAG-AFTRA approves in writing the financial responsibility of the purchaser, assignee or transferee, Producer 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.

SAG-AFTRA 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 SAG-AFTRA, within twenty-one (21) days of receipt of written notice of any such sale, assignment or transfer, has not advised the Producer that it disapproves the financial responsibility of such purchaser, assignee or transferee, SAG-AFTRA 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 SAG-AFTRA advises the Producer within such twenty-one (21) day period that it disapproves the financial responsibility of any such purchaser, assignee or transferee and Producer disputes such disapproval, the Producer shall have the right, at its election, to cause to be immediately submitted to arbitration, pursuant to the provisions of Section 9 hereof, the issue of whether SAG-AFTRA has unreasonably withheld the approval of the financial responsibility of such purchaser, assignee or transferee for payments due hereunder.

To the extent that Producer has granted a security interest in favor of SAG-AFTRA in the Picture and related collateral as defined in any SAG-AFTRA Security Agreement, Buyer's rights in the Picture acquired pursuant to the Purchase Agreement shall be subject to the following:

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 Section 5, 5.1 and/or 5.2 of the Basic Agreement, as applicable, SAG-AFTRA 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 SAG-AFTRA and is in compliance with the terms thereof.

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 SAG-AFTRA all of such obligations thereunder, SAG-AFTRA will release and cause to be discharged of record all such security interests, liens, charges or encumbrances entered into or obtained from such Producer and will not require further financial assurances from such Producer.

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 SAG-AFTRA all of such obligations thereunder, then if the Producer has granted a security interest in favor of SAG-AFTRA in the Picture and related collateral as defined in the SAG-AFTRA Security Agreement, SAG-AFTRA: (i) agrees to modify the definition of the collateral in the SAG-AFTRA Security Agreement to exclude those territories and media acquired by such Qualified Buyer; and (ii) 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.

In addition to those buyers who have been deemed "Qualified" by SAG-AFTRA 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 Paragraphs A. and B. below:

A. Buyer has the financial history, liquidity, net earnings before interest, taxes and amortization, assets, and net worth to establish its present and future ability to pay all Residuals arising from the exploitation of the SAG-AFTRA Pictures being distributed. B. The Buyer has been in business for five (5) or more years and has a history of prompt and proper payment of Residuals pursuant to SAG-AFTRA contracts in five (5) consecutive years immediately prior to seeking Qualified Buyer status.

A Qualified Buyer must agree to assume Residuals obligations, or guarantee the payment of Residuals in accordance with the Qualified Distributor's Letter of Agreement, for each Picture produced under a SAG-AFTRA collective bargaining agreement for the territories and media for which it has distribution rights and must execute the Qualified Buyer's Agreement.

In the event of a dispute as to qualifications of an applicant for Qualified Buyer status, Producer shall provide such financial assurances as SAG-AFTRA 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 SAG-AFTRA's request furnish to SAG-AFTRA all relevant financial or corporate information relating thereto as SAG-AFTRA may reasonably require.

Any information submitted to SAG-AFTRA 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.

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, SAG-AFTRA 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. SAG-AFTRA agrees that it will not terminate a Qualified Buyer's status when there is a bona fide dispute over whether Residuals are due to SAG-AFTRA, or a bona fide dispute as to the amount of Residuals due to SAG-AFTRA, if the Distributor has otherwise timely reported and paid Residuals. In addition to the above, if a SAG-AFTRA audit conducted pursuant to the Codified Basic Agreement or other financial information discloses that the Qualified Buyer no longer meets the aforementioned standards for

qualification, SAG-AFTRA may initiate an arbitration pursuant to the Basic Agreement to terminate the Qualified Buyer's status.

C. Distributor's Liability

With respect to any such motion picture, the principal photography of which commenced on or after October 6, 1980 in which one (1) or more performers covered by the Basic Agreement 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 Section 5, 5.1 or 5.2 (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 Producer nor Distributor, acquire title to such motion picture and execute the Buyer's Assumption Agreement and other documents customarily required by SAG-AFTRA and, upon condition that SAG-AFTRA, 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 Section 5, 5.1 or 5.2, 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 Section 5, 5.1 or 5.2, as the case may be, then, upon condition that SAG-AFTRA, in its discretion, approves such third party's financial responsibility, such Distributor shall thereupon be released from any and all further obligations under said Section 5, 5.1 or 5.2, 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 or pension and health contributions based on monies received by a foreign distributor under a "foreign production deal," as defined in Section 5.1, 5.2 E.(2) and 5.2 E.(3)(c), with respect to which such foreign distributor or independent producer is not obligated to account to such Distributor.

D. Acquisition of Title by Producer

If Producer was not the actual producer of such picture which was produced by a Union signatory, 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, Producer shall nevertheless be obligated to make the payments herein provided when such picture is exhibited on free television or (if applicable) in Supplemental Markets, unless such payment required hereunder has already been paid.

E. Financing-Distribution Agreement by Producer

The obligation of the signatory Producer hereunder with respect to the payments provided for in Section 5 or 5.2, as the case may be, shall also apply to motion pictures, the principal photography of which commenced on or after October 6, 1980 and in which performers covered by the Basic Agreement render services, produced by an independent producer under a contract between the signatory Producer and such independent producer for the production of such motion picture, and for the financing and distribution thereof by the signatory Producer. However, such signatory Producer shall not be liable for the payment of any television fees, Supplemental Markets use payments, or pension and health contributions, if any are required, based on monies received by a foreign distributor under a foreign production deal, as defined in Section 5.2 E.(2) and 5.2 E.(3)(c) with respect to which such foreign distributor or such independent producer is not obligated to account to such signatory Producer; nor shall such signatory Producer be obligated to obtain any Distributor's Assumption Agreement from any foreign distributor referred to in said Section 5.2 E.(2) and 5.2 E.(3)(c) except if such foreign distributor is obligated to account to such signatory Producer pursuant to Section 5.2 E.(2) and 5.2 E.(3)(c) with respect to monies as therein provided.

F. <u>Producer Liability</u>

It is expressly understood and agreed that Producer shall in all events remain bound hereunder to make the payments due by reason of the exhibition of each picture on free television or (if applicable) in Supplemental Markets, irrespective of the assumption of such liability by any other person, firm or company, as hereinabove provided, except as otherwise expressly provided in this Agreement.

G. Failure to Deliver Assumption Agreement

The failure of Producer to obtain and deliver an executed assumption agreement, as provided in Sections 6.A. and 6.B. hereof, shall be deemed a substantial breach of this Agreement.

H. <u>Producer's Dissolution</u>

If Producer dissolves and is no longer in the business of producing motion pictures and if a Distributor assumes all of the obligations of the Producer under Section 5 or 5.2, whichever is applicable, and the financial responsibility of the Distributor is approved by the Union in its discretion, then Producer shall thereupon be released of any obligation with respect to any payments due hereunder.

I. <u>Network and Television Stations</u>

No television network, station, sponsor or advertising agency shall be required to execute any Distributor's Assumption Agreement under Section 6.A. hereof or Buyer's Assumption Agreement under Section 6.B., except if it is the distributor of such motion picture on free television or (if applicable) in Supplemental Markets or the buyer of the Producer's free television rights or (if applicable) Supplemental Markets rights in such motion picture.

J. <u>Notice to Union</u>

On written request by the Union, Producer shall promptly notify the Union, in writing, whether it has entered into a distribution or a financing and distribution agreement with an independent producer with respect to a particular motion picture or pictures.

6.1 <u>RESIDUALS AUDITS</u>

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

In connection with such an audit, the Producer shall be deemed to have asserted that license agreements or other business records contain highly sensitive, competitive, confidential and proprietary information. Without the Union conceding that such assertions are necessarily appropriate in all instances, the Union and the Producers agree as follows:

Prior to the date of audit entry, the Union 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 Producer. The Union's representatives will be persons with a need to know audit-related information.

The Union 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 Union representatives except: (i) to review, investigate or enforce claims against the audited Producer arising under this Agreement or the SAG-AFTRA Television Agreement or applicable law, (ii) pursuant to legal process, or (iii) after obtaining the Producer's consent, which will not be unreasonably withheld. Any notes taken and/or workpapers prepared by the auditors also shall be subject to these provisions; however, the Union may assert a claim of privilege as to such notes and/or workpapers.

Employees and representatives of the Union may in their discretion discuss the audit findings, including the Producer's position, if known, with SAG-AFTRA-represented performers. By doing so, the Union would not be violating a duty of confidentiality, if any, owed to the Producer so long as the Union's communications are related to its obligation to review, investigate or enforce claims against the audited Producer arising under the Codified Basic Agreement or SAG-AFTRA Television Agreement or applicable law, pursuant to legal process, or after obtaining the Producer's consent, which will not be unreasonably withheld.

If the Union is required by legal process to disclose information obtained in a residuals audit, the Union shall provide prompt written notice to the Producer to permit the Producer to object or to seek an appropriate protective order.

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

In consideration of the foregoing agreements in this Section, the Producer agrees not to require the Union 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 shall not apply to residuals audits conducted by the Union for which (1) the date of audit entry is prior to July 1, 2014, and (2) there is a written confidentiality agreement executed by the Producer, the Union and/or its auditors.

7. THEATRICAL MOTION PICTURES, THE PRINCIPAL PHOTOGRAPHY OF WHICH COMMENCED PRIOR TO FEBRUARY 1, 1960

As to all theatrical motion pictures, the principal photography of which commenced prior to February 1, 1960, the Union does not and will not make any claim for compensation for the exhibition of such motion pictures on television.

8. ORIGINAL EMPLOYMENT - PAY TELEVISION, VIDEODISC/VIDEOCASSETTE MARKETS

The provisions applicable to the employment of performers on entertainment programs of the type historically produced under the SAG Agreement when produced primarily for the pay television and/or the videodisc/videocassette markets appear in Section 78 of the SAG-AFTRA Television Agreement.

9. <u>ARBITRATION</u>

Disputes shall be arbitrable only as hereinafter in this Section set forth.

A. Disputes involving or relating to injunctive relief are not arbitrable.

B. Disputes involving or relating to the right of termination of a performer's individual employment contract are not arbitrable (1) except with respect to day performers, stunt performers, stunt coordinators, airplane pilots, singers, dancers employed under Schedule J, puppeteers, body doubles and freelance performers whose guaranteed compensation is less than \$100,000 per picture and \$10,000 a week, and (2) except as provided in subsection C.(4)(a) below.

C. Individual Disputes between Performer and Producer

Subject to the provisions of subsections A. and B. above and subsection E. below, only the following disputes between a performer and Producer are arbitrable:

(1) As to a day performer, stunt performer, stunt coordinator, airplane pilot, singer, dancer employed under Schedule J, puppeteer, body double or either a freelance performer or a multiple-picture performer whose guaranteed compensation is less than \$100,000 per picture and \$10,000 per week, the issue of whether a contract was entered into and any dispute involving the interpretation, performance, non-performance or an alleged breach of a term or condition of the performer's contract, including claims for compensation at scale or overscale, and all disputes arising under the applicable terms of the collective bargaining agreement relating to such performer;

(2) As to a contract performer receiving a weekly rate of compensation up to and including \$8,000 per week, any dispute arising under the applicable terms of the collective bargaining agreement relating to such performer and any dispute arising under the performer's individual employment contract concerning the payment of compensation at scale or overscale;

(3) As to all performers not expressly covered in (1) and (2) above, and except as provided in paragraph (4)(a) of this subsection C., only disputes arising under the applicable terms of the collective bargaining agreement shall be arbitrable. Except as provided in said paragraph (4)(a), disputes arising under the individual employment contract of such performers, including claims for compensation therein provided, shall not be arbitrable;

(4) With respect to contract performers receiving \$8,000 per week or less, multiple-picture performers guaranteed less than \$100,000 per picture and \$10,000 per week, and freelance performers guaranteed less than \$100,000 for the picture and \$10,000 per week, the following provisions shall apply when a dispute as to any such performer arising under his individual employment contract or the collective bargaining agreement involves both a claim of compensation and the issue of termination:

(a) When the Producer claims to have terminated or seeks a termination of the performer's individual employment contract:
(i) if the total amount of money claimed by the performer is under \$250,000, the entire dispute shall be arbitrable, it being agreed that the performer's entire claim shall be presented in a single arbitration; (ii) if

the total amount of money claimed by the performer is \$250,000 or over, the dispute shall not be arbitrable, in whole or in part.

(b) When the performer claims to have terminated or seeks a termination of his individual employment contract, the dispute shall not be arbitrable, in whole or in part.

(c) If either party claims to have terminated or seeks a termination of the performer's individual employment contract, such party shall so notify the other, in writing, at any time prior to the expiration of the ten (10) days following delivery of the written statement of grievance provided for in subsection E.(3) of this Section.

D. <u>Disputes between Union and Producer</u>

(1) Starting Date - Freelance Performers

Any dispute between the Union and any Producer with respect to the issuance of any waiver referred to in the provisions of Section 4.C. of Schedules B and C of this collective bargaining agreement shall be determined, at the request of either party, by arbitration.

(2) "Phantom Stages"

The Union has heretofore, upon request, issued waivers permitting the giving of weather-permitting calls for work on certain stages, such as the so-called "Phantom Stage" at Universal City Studios where rain, wind or hail rendered sound recording unusable. Similarly, waivers have been granted authorizing weather-permitting calls when caused by fog, wind, rain or hail on uncovered, tarpaulin-covered or open structures. It is agreed that weather-permitting calls within the limits provided by the Agreement may be given to performers on such or similar stages and on open or uncovered structures when the making of usable sound track is rendered impossible because of rain, wind or hail, or when usable photography on an uncovered structure is rendered impossible by fog, wind, rain or hail. Disputes which may arise hereunder are subject to arbitration.

(3) All disputes between the Union and a Producer as to the interpretation of this collective bargaining agreement shall be arbitrable.

E. Any dispute described in Section B. or C. above shall be arbitrable only if the amount in controversy on a per performer, per project, per dispute basis is \$250,000 or less; if the amount in controversy on a per performer, per project, per dispute basis is more than \$250,000, the dispute shall not be arbitrable, in whole or in part. Any dispute described in Section D. above, other than a dispute over residuals, shall be arbitrable only if the amount in controversy is \$250,000 or less; if the amount in controversy is more than \$250,000, the dispute shall not be arbitrable, in whole or in part. There shall be no monetary limit on the amount in controversy in connection with disputes over residuals under Section D. above.

Any performer whose dispute involves an amount in controversy which exceeds the monetary limits set forth in Section B., C. or E. above may waive his/her claim to those amounts exceeding the limitations in order to make the claim subject to arbitration. If the performer does so waive the excess amount, arbitration shall be the exclusive remedy for such claim and the performer shall waive the right to commence court proceedings.

No performer shall be permitted to split a claim in order to come within the foregoing arbitration limits.

F. <u>Procedure</u>

(1) Whenever any dispute arises which is arbitrable under the provisions of this Agreement, a representative of the Union and a representative of the Producer involved shall meet within ten (10) days after a request is made for conciliation by either party and endeavor to conciliate such dispute.

The filing of a formal claim by the Union or the Producer shall be deemed an automatic request for conciliation.

Claims hereunder (other than residuals claims, claims concerning screen credit, and claims for upgrades of background actors) shall be filed not later than the later of: (i) six (6) months after the occurrence of the facts upon which the claim is based; or (ii) within six (6) months after the employee or the Union, or the Producer, as the case may be, has had a reasonable opportunity to become aware of the occurrence. Otherwise, such claims shall be deemed waived. The time period for filing claims shall be tolled while discussions to resolve the matter are taking place between the Producer and the performer's agent.

Claims concerning screen credit (Section 25) must be filed within one (1) year after the first theatrical release of a theatrical film or within one (1) year of the first television broadcast of a television film. Residuals claims shall be filed not later than the later of: (i) one (1) year after the occurrence of the facts upon which the claim is based; or (ii) within one (1) year after the employee or the Union, or the Producer, as the case may be, has had a reasonable opportunity to become aware of the occurrence.

Claims for the upgrade of background actors shall be filed not later than three (3) months after the occurrence of the facts on which the claim is based.

(2) In the event Producer has authorized an employer association to represent Producer, Producer shall have the right to have a representative of the appropriate employer association present at such conciliation.

(3) In the event of a failure to settle the dispute under the applicable procedure provided above, or if a party fails or refuses to meet after a request for conciliation, then, in either of such events, the Union or Producer shall deliver to the other a written demand for arbitration setting forth the material facts concerning the dispute.

The demand for arbitration shall be filed not later than one (1) year after the date of filing of the grievance. A demand for arbitration may be filed prior to initiation or conclusion of the conciliation proceeding if it reasonably appears that the conciliation proceedings will not be concluded in sufficient time to permit the arbitration proceeding to be commenced in time.

The demand for arbitration shall be served upon the other party by first class mail addressed to the representative of the Union or the Producer designated to receive such service at such party's last-known address or by personal service within or without the state where the proceeding is to be held. The other party may file a written reply within ten (10) days following the delivery of the demand for arbitration.

The arbitrator shall be selected within fifteen (15) days of the date the arbitration demand is served from a predetermined list of eleven (11) arbitrators mutually agreed upon by the Union and the AMPTP. The Union and the AMPTP have agreed upon a panel of arbitrators for Los Angeles and a panel of arbitrators for New York.

The parties shall attempt to mutually agree upon an arbitrator to hear and determine the dispute. If the parties cannot agree upon the arbitrator to be appointed, then each party shall have the right to alternately strike one name from the list until such time as one arbitrator is left. A coin toss shall determine the party who is to strike first. The arbitrator who is left shall be appointed as the arbitrator in the proceedings.

In the event that the Producer fails to participate in the selection process and the Producer is a member of an employer association, the Union will contact the association, which will participate in the selection process of behalf of the Producer within ten (10) days of notification from the Union. In those instances in which the employer association fails to select on behalf of the Producer or in which the Producer who is not a member of an employer association fails to participate in the selection process, the Union may unilaterally select the arbitrator from the panel. The Producer shall unilaterally select the arbitrator from the panel if the Union fails to participate in the selection process.

The arbitration hearing will be commenced within sixty (60) days of the date that the arbitrator is selected. The arbitration award will be issued within thirty (30) days of the date of submission.

All of the time periods herein may be extended in any particular case upon the written agreement of the parties.

Nothing herein contained shall be deemed to deprive any party of the right to assert at any time and in any proceeding, or otherwise, that the matter in question was not arbitrable hereunder.

(4) All arbitrations hereunder, which are not instituted by Producer, shall be brought by and in the name of the SAG-AFTRA, whether such arbitration is on its own behalf or on behalf of a performer and, in the latter case, the Union may, but shall not be required to, represent the performer. The Union may, however, in its discretion, permit a performer to bring an arbitration in the name of the performer. It shall, however, be solely within the discretion of the Union whether or not the claim of a performer shall be brought to arbitration.

(5) The cost and expenses of the arbitrator shall be shared equally by the Union and the Producer involved.

(6) The arbitrator's decision and award shall be in writing and shall be final and binding on the Producer, the Union, the performer or performers involved and, when applicable, the performer's loan-out company.

(7) The arbitrator shall only have authority to determine the dispute presented by the written demand for arbitration, and then only to

the extent and in the manner as expressly provided by the applicable provisions of this collective bargaining agreement, as limited by the provisions of this Section 9. The arbitrator shall have no power or authority to make a finding or an award relating to the termination or right of termination of an individual employment contract of a performer, except as otherwise expressly provided in this Section 9. Nor shall the arbitrator have any power or authority to make a finding or award for or against injunctive relief. Nor shall the arbitrator have any power or authority to reform any contract involved in the arbitration.

(8) Termination or expiration of this collective bargaining agreement shall not affect the application of the arbitration provisions of this Agreement to arbitrable disputes arising during the term of this Agreement.

G. Recognizing that, in some cases, a dispute may involve one or more matters which are arbitrable hereunder, and one or more matters which are not arbitrable hereunder, it is agreed that no award in an arbitration hereunder shall affect, be used or be admissible in any other action or proceeding relating to matters which are not arbitrable hereunder; and no judgment or order in any other action or proceeding shall affect, be used or be admissible in any arbitration hereunder, but it is expressly agreed that an arbitration award made in accordance with the provisions of this Section 9 shall not be affected by any court action or proceeding; but nothing herein shall preclude any court of competent jurisdiction from confirming, setting aside, or modifying any arbitration award hereunder, in any proceeding brought for any such purpose, in accordance with applicable law.

H. In no case may any arbitration hereunder or any award therein affect any rights of the Producer or performer in or to or with respect to the results and proceeds of the performer's services or in or to or with respect to the use of the performer's name, voice or likeness.

I. All references in this Section to the termination of an individual employment contract shall include a termination of the performer's employment under such contract or with respect to one or more pictures thereunder.

10. <u>NEWSREELS, TRAVELOGUES, NARRATIONS, ETC.</u>

Newsreels, travelogues, news and sports commentators, and persons rendering similar services in short subjects are exempt from the operation of this Agreement. However, narrators rendering services in travelogues and persons rendering similar services in short subjects shall be deemed within the coverage of this collective bargaining agreement. Educational, religious and industrial motion pictures are not covered by this Agreement.

11. AGREEMENT AND SCHEDULES INCORPORATED IN <u>PERFORMER'S CONTRACT – WAIVERS</u>

A. There are attached hereto and made a part of this collective bargaining agreement the following Schedules of wage scales and working conditions:

<u>Schedule A</u> -- Day performers.

<u>Schedule B</u> -- Television freelance performers whose weekly guaranteed salary is \$4,800 or less per week (\$5,000 or less per week for contracts entered into on or after July 1, 2015) and who are guaranteed less than \$32,000 per television picture and theatrical freelance performers whose weekly guaranteed salary is \$6,200 or less per week and who are guaranteed less than \$65,000 per theatrical picture.

Schedule C -- Television freelance performers whose weekly guaranteed salary is more than \$4,800 per week (\$5,000 per week for contracts entered into on or after July 1, 2015) and who are guaranteed less than \$32,000 per television picture and theatrical freelance performers whose weekly guaranteed salary is more than \$6,200 per week and who are guaranteed less than \$65,000 per theatrical picture.

<u>Schedule D</u> -- Television multiple picture performers receiving \$4,650 or less per week (\$5,000 or less per week for contracts entered into on or after July 1, 2015) and guaranteed less than \$32,000 per television picture and theatrical multiple picture performers receiving \$6,000 or less per week (\$6,200 or less per week for contracts entered into on or after July 1, 2015) and guaranteed less than \$60,000 per theatrical picture.

<u>Schedule E</u> -- Television contract performers whose weekly guaranteed salary is \$4,650 or less per week (\$5,000 or less per week for contracts entered into on or after July 1, 2015) and theatrical contract performers whose weekly guaranteed salary is \$6,000 or less per week (\$6,200 or less per week for contracts entered into on or after July 1, 2015).

<u>Schedule F</u> -- Television contract performers whose weekly guaranteed salary is in excess of \$4,650 per week (\$5,000 per week for contracts entered into on or after July 1, 2015) and theatrical contract performers whose weekly guaranteed salary is in excess of \$6,000 per week (\$6,200 per week for contracts entered into on or after July 1,

2015); television multiple picture performers receiving more than \$4,650 per week (\$5,000 per week for contracts entered into on or after July 1, 2015) or who are guaranteed \$32,000 or more per television picture; theatrical multiple picture performers receiving more than \$6,000 per week (\$6,200 per week for contracts entered into on or after July 1, 2015) or who are guaranteed \$60,000 or more per theatrical picture; performers employed under television "deal contracts," or otherwise, who are guaranteed \$32,000 or more per television picture; performers employed under theatrical "deal contracts," or otherwise, who are guaranteed \$65,000 or more per television picture; performers employed under theatrical "deal contracts," or otherwise, who are guaranteed \$65,000 or more per theatrical picture; performers employed in multi-part closed-end pictures receiving more than \$4,650 per week and who are guaranteed \$40,000 or more for the multi-part picture.

<u>Schedule G-I</u> -- Professional singers employed by the day.

<u>Schedule G-II</u> -- Professional singers employed by the week on television at \$4,650 or less per week (\$5,000 or less per week for contracts entered into on or after July 1, 2015) and professional singers employed by the week on theatrical productions at \$6,000 or less per week (\$6,200 or less per week for contracts entered into on or after July 1, 2015).

<u>Schedule H, Part I</u> -- Stunt performers employed by the day.

<u>Schedule H, Part II</u> -- Stunt performers employed by the week on television at \$4,650 or less per week (\$5,000 or less per week for contracts entered into on or after July 1, 2015) and stunt performers employed by the week on theatrical productions at \$6,000 or less per week (\$6,200 or less per week for contracts entered into on or after July 1, 2015).

<u>Schedule H, Part III</u> -- Stunt performers employed by the week on television at more than \$4,650 per week (\$5,000 per week for contracts entered into on or after July 1, 2015) and stunt performers employed by the week on theatrical productions at more than \$6,000 per week (\$6,200 per week for contracts entered into on or after July 1, 2015).

Schedule I -- Airplane pilots.

Schedule J -- Dancers.

<u>Schedule K, Part I</u> - Stunt coordinators employed by the day at less than the "flat deal" minimum.

<u>Schedule K, Part II</u> - Stunt coordinators employed by the week at less than the "flat deal" minimum.

<u>Schedule K, Part III</u> - Stunt coordinators employed under "flat deal" contracts.

<u>Schedule X, Part I</u> -- Background actors employed in the Los Angeles, San Diego, San Francisco, Las Vegas, Hawaii and Sacramento Zones.

<u>Schedule X, Part II</u> -- Background actors employed in the New York Zone.

The salary Schedule under which a performer is originally employed shall not be changed merely because a change occurs in the money break tests of the salary Schedules during such performer's employment.

Individual employment contracts, entered into under a preceding collective bargaining agreement, which continue during the term of this Agreement, shall be subject to the Schedules of Wage Scales under said preceding collective bargaining agreement.

B. The applicable provisions of this Agreement and the provisions contained in the appropriate Schedule shall be deemed incorporated in the individual contract of employment between Producer and each performer; the Producer, the Union and the individual performer shall each be bound thereby. Each class of performer is intended to be covered by the appropriate Schedule; if the classification of any performer is not expressly included in one of such Schedules, he shall receive the working conditions and minimums most nearly applicable to him.

C. Producer agrees that no waiver by any performer of any term of this Agreement, including the appropriate Schedule, shall be requested of the performer or effective unless the consent of the Union is first had and obtained. Such consent may be oral, but the Union agrees that all oral waivers will be confirmed by it in writing. The Union further agrees that, upon being notified by any Producer that a company is going on location, it will appoint a deputy to be with the company on location, with full power to grant waivers. The Union further agrees that it will maintain a twenty-four hour (24) service at Los Angeles, California, for the giving of waivers in accordance with the provisions of this subsection. D. Whenever the Producer is entitled to a permit or a waiver from the Union, the Union agrees to issue the same without cost.

12. <u>BETTER TERMS AND CONDITIONS</u>

Nothing contained in this Agreement shall prevent any individual from negotiating and obtaining from Producer better conditions and terms of employment than those herein contained. This Agreement shall not affect any of the terms or conditions of employment contained in any individual personal service contract which are better than those herein contained.

The parties acknowledge that, for the Producers, the essence of the agreement recognizing the Union as the exclusive collective bargaining representative of stunt coordinators is to allow the Producer to reuse stunt footage upon payment of the minimum day performer rate and without bargaining with stunt performers regarding such reuse. Accordingly, and notwithstanding the preceding paragraph, stunt performers may not negotiate, pursuant to the "better conditions" clause, to preclude the Producer from reusing stunt footage without first bargaining with the stunt performer.

13. <u>UNDIRECTED SCENES - PUBLIC EVENTS</u>

A. This Agreement, in Schedule X, Part I and in Schedule X, Part II, covers the employment of background actors in and around Hollywood and New York, respectively, and provides for the photographing of undirected scenes and public events without violating the preference or union security clauses of those Schedules. The parties recognize the production value of such public events and that, in practice, the photography of such scenes and events produces work for persons to be later hired to appear in the motion picture in which such photography will be used.

It is agreed:

(1) That when the participants in the event are not professional entertainers, Producer may freely photograph such scenes, including the event; for example, an automobile race, including particularly the drivers and vehicles participating therein;

(2) That when the participants in such event are professional entertainers, Producer may photograph the same, provided the approval of the Union is first obtained; provided, however, that such approval of the Union shall not be required when such professional entertainers do not take part in the public event by arrangement with the Producer, are not under the direction and control of the Producer and are not performing in their capacity as professional performers;

(3) It is expressly agreed that no photograph of stunt performers at a rodeo will be made and used under the provisions of this Section without first applying to and receiving from the Union a waiver therefor.

B. To qualify under the terms of this Section, the public event shall be open to the general public with or without payment of an admission fee; the crowd in attendance must number at least one thousand (1,000) or more persons; the event must be publicized or advertised and not staged for motion picture purposes; and the event must not be directed by or be under the control of Producer.

14. PREFERENCE OF EMPLOYMENT

A. In recognition of the services performed by professional performers, Producer agrees that in the hiring of:

(1) day performers, stunt performers, singers, puppeteers, dancers employed under Schedule J, and airplane and helicopter pilots employed by the day for work to be performed within the three hundred (300) mile, one hundred fifty (150) mile, one hundred (100) mile or fifty (50) mile zone, as the case may be, referred to in subsection C. of this Section, and

(2) freelance performers and three-day performers (in each case, other than those whose guaranteed compensation for the engagement at a salary rate which is equal to at least double the minimum scale salary rate for the applicable type of employment) employed for work to be performed within the three hundred (300) mile, one hundred fifty (150) mile, one hundred (100) mile or fifty (50) mile zone, as the case may be, referred to in subsection C. of this Section, preference will be given to qualified professional performers in each such zone who are reasonably and readily available in such zone.

A "qualified professional performer," for the purpose of this Section, is a person who has had prior employment as a motion picture performer at least once during the period of three (3) years prior to the date of the proposed employment.

B. The obligation of the Producer to give preference to qualified professional performers, as defined in this Section, shall require the employment of a qualified professional performer, as so defined, in every hiring of such a performer employed by the day and in every

hiring of freelance and three-day performers (other than those excluded pursuant to subparagraph (2) of subsection A. of this Section), unless no qualified professional performer of the type required is reasonably and readily available to the Producer through the use of the present hiring practices generally and customarily followed by the motion picture industry in the employment of such performers. If a qualified professional performer is reasonably and readily available to the Producer for employment in the locality where the Producer's studio is based, he shall be deemed available regardless of the place within the three hundred (300) mile, one hundred fifty (150) mile, one hundred (100) mile or fifty (50) mile zone, as the case may be, at which the services are to be performed.

C. For purposes of this Section, the preference zones shall be as follows:

(1)	Albuquerque	100 miles
(2)	Atlanta	100 miles
(3)	Boston	100 miles
(4)	Chicago	100 miles
(5)	Dallas	100 miles
(6)	Denver	100 miles
(7)	Detroit	100 miles
(8)	Hawaii	100 miles
(9)	Houston	100 miles
(10)	Kissimmee, Florida	100 miles
(11)	Las Vegas	100 miles
(12)	Los Angeles	300 miles
(13)	Miami	100 miles
(14)	Nashville	100 miles
(15)	New York	300 miles
(16)	Orlando	100 miles
(17)	Philadelphia	100 miles
(18)	Phoenix	150 miles^7
(19)	San Diego	100 miles
(20)	San Francisco	100 miles
(21)	Tucson	150 miles^7
(22)	Washington, D.C.	100 miles
(23)	One hundred (100) miles from any new Union branch	
	office.	

(24) Fifty (50) miles from any production location site utilized by Producer in the United States.

 $^{^{7}}$ During the 1983 negotiations, the parties agreed to increase the Phoenix and Tucson zones from one hundred (100) miles to one hundred fifty (150) miles, with the understanding that no transportation or lodging will thereby be required.

For purposes of this Section, the above Los Angeles three hundred (300) mile zone is the area within the radius of three hundred (300) miles from the intersection of Beverly Boulevard and La Cienega Boulevard in Los Angeles, California; the above New York three hundred (300) mile zone is the area within a radius of three hundred (300) miles from the center of Columbus Circle in New York; the above one hundred fifty (150) mile zones are the areas within the radius of one hundred fifty (150) miles from the center of the designated city; the above one hundred (100) mile zones are the areas within the radius of one hundred (100) miles from the center of the designated city or the location of the Union Branch office, whichever the case may be; and the fifty (50) mile zone is the area within the radius of fifty (50) miles from such applicable production location site.

D. There shall be automatically excluded from the provisions of this Section the following:

(1) Members of a group which is recognized in the trade or by a significant segment of the public as a "name" specialty group;

(2) A person portraying himself, or persons portraying themselves; the exception will apply, in effect, to important, famous, well-known or unique persons or persons of special skills or abilities who portray themselves;

lines;

(3) Background actors who are adjusted for non-script

(4) Military or other governmental personnel, when governmental restrictions prevent use of non-military or non-governmental personnel, as the case may be, in restricted areas or in the handling of governmental property or equipment; however, the use of military or other governmental pilots or aircraft shall not be the subject of an automatic waiver, but the facts shall be presented to the Union and the waivers will be granted in accordance with the previously established custom in the motion picture industry;

(5) Persons having special skills or abilities, or special or unusual physical appearance, when such skills, abilities or appearance are required by and are used in the production of the motion picture, if professional performers having such required skills or abilities or physical appearance are not reasonably or readily available to the Producer through the use of hiring practices generally and customarily followed by the motion picture industry in the employment of such performers; (6) The first employment within the studio zone of a person with respect to whom the Producer presents in writing to the Union facts showing that the employee (a) has had sufficient training and/or experience so as to qualify for a career as a professional motion picture performer, and (b) that such employee intends currently to pursue the career of a motion picture performer and intends to be currently available for employment in the motion picture industry;

(7) Children under the age of eighteen;

(8) The owner of special or unique vehicles or equipment, or an operator appointed by the owner, if such vehicle or equipment is not available to the Producer without employing the owner or such operator;

- (9) Persons employed as stunt coordinators; and
- (10) Body doubles.

If a performer is employed under one or more of the exceptions provided for in subparagraphs (1), (2), (3), (4) and (5) of this subsection D., the obligation of the Producer to give preference to qualified professional performers in the cases provided in subsection A. of this Section shall nevertheless be applicable to any subsequent employment of such performer by Producer.

Producer agrees to promptly report to the Union each hiring under the provisions of this subsection D. together with the reasons why the person so employed comes within the provisions of this subsection.

A joint Producer-Union Committee shall be appointed to resolve claims arising under this Section between Producers who are members of the Alliance of Motion Picture and Television Producers and the Union. If such Committee cannot agree, the claim shall be subject to arbitration pursuant to Section 9 hereof.

E. It is expressly understood and agreed that nothing in this Section contained shall alter or modify Producer's exclusive right to cast any and all performers performing services for Producer.

F. It is understood that it would be impossible to accurately fix the actual damages suffered by the Union by reason of a breach by the Producer of the provisions of this Section. It is therefore agreed that the Producer will pay to the Union, as liquidated damages, the sum of \$500 for each breach by the Producer of any of the provisions of this Section in the case of performers employed by the day; \$600 for each breach by

the Producer of any of the provisions of this Section in the case of employment of three-day performers; and \$800 for each breach by the Producer of any of the provisions of this Section in the case of employment of freelance performers. The applicable liquidated damages shall be doubled in any case of willful misrepresentation or falsification of facts by the Producer. The hiring by a Producer of a person other than a qualified professional performer, as herein defined, in violation of the provisions hereof shall be deemed a single breach, regardless of the number of days of employment involved in the hiring; but each separate hiring of the same person in violation hereof shall be deemed a separate breach.

The liquidated damages provided for in this subsection F. shall not be compounded with the liquidated damages provided for in Section 2.F. hereof.

G. All disputes under this Section shall be determined by arbitration in accordance with Section 9 hereof.

15. <u>APPLICATION TO EXISTING CONTRACTS</u>

The provisions of this Agreement with respect to, and only to, services rendered on or after the effective date hereof shall be deemed incorporated in all contracts of employment now in effect or hereafter entered into to which such provisions are applicable.

16. <u>CONTRACTS DELIVERED ON SET</u>

Employment contracts may be delivered to any performer while such performer is on the set, not later than during the first day of employment. Performers may not be required to sign such contracts on the set. Delivery of a contract to the performer's agent constitutes delivery to the performer.

17. INDUSTRY-UNION COOPERATIVE COMMITTEE

A committee is hereby established to be known as the "Industry-Union Cooperative Committee." The Cooperative Committee shall consist of five (5) Producer representatives, and two (2) alternates, and five (5) Union representatives, and two (2) alternates, to be named. The names of the initial members of the Cooperative Committee shall be provided by the Producers above-named and the Union, respectively, by written notice to the other, as soon as practicable following the execution of this Agreement. Upon written notice by the Alliance of Motion Picture and Television Producers or the Union, respectively, any such Producer committee member or alternate may be replaced at any time by the Alliance of Motion Picture and Television Producers and any Union committee member or alternate may be replaced at any time by the Union.

The Committee shall meet from time to time, upon request of either party, and may establish such regular meetings as it may deem proper. In order for the Committee to act, a quorum must be present. A quorum shall consist of at least four (4) Industry and four (4) Union representatives. The Committee shall have the following functions:

A. To discuss, investigate and make recommendations as to the solution of problems arising in the construction, interpretation and administration of this Agreement and, as to any abuses or grievances which arise during the term hereof affecting performer-Producer relationships generally and for which no remedy is provided for hereunder;

B. To make every effort to prevent and remedy abuses arising under this Agreement; to eliminate tensions; to promote cooperation and to assist in a mutual understanding of the problems of employer and employee;

C. To discuss, investigate and make recommendations with respect to any and all other matters affecting the operation and application of this Agreement and which will aid in promoting harmonious performer-Producer relationships;

D. To review and make recommendations with respect to revisions and standardization of production time reports and other appropriate records subject to this Agreement;

E. To act pursuant to the authority provided in Section 34.A. with respect to an allocation of prospective pension and health contributions;

F. To act as a committee on fair employment practices as set forth herein;

G. To establish a safety education program and safety standards at all studios with respect to the employment of performers;

H. It shall act pursuant to the provisions herein with respect to coding;

I. It shall study and review the appropriateness of the Section relating to *per diem* rates;

J. If either the Producer or the Union claims a case of deliberate misconduct of any individual, such claim may be brought before the Cooperative Committee. Such Committee shall endeavor to resolve the matter and use every effort to persuade the parties to immediately correct such conduct. Nothing herein shall affect the legal rights of any party;

K. The assurance of compliance with General Provisions, Section 44, and to hear complaints of any violations; however, referral of any complaint to the Cooperative Committee by the Union or any individual performer shall not constitute a waiver of any other available remedy.

18. TRAILERS AND PROMOTIONAL FILMS

A. <u>Trailers</u>

(1) Full day performer rates shall be paid to performers employed in each trailer, with right of Producer to use on television and in theatres. Producer shall have the right to make a "teaser" trailer in addition to the full-length trailer for theatrical use only.

(2) The foregoing shall not apply to a performer who appears as a star or featured performer in a theatrical motion picture or to a term contract performer who, during his employment period, performs in a trailer or trailers for such motion picture. The foregoing provisions as to term contract performers shall not be used to willfully subvert the provisions of this Section.

(3) No additional compensation shall be payable for the use of any portion of a motion picture, or for the use of scenes photographed simultaneously with a separate camera (behind-the-scenes shots), utilized as a trailer.

(4) The above provisions refer to trailers to be used for theatrical exhibition, television exhibition or a combination of both.

(5) Any trailer when exhibited over television shall be limited to ten (10) minutes containing one (1) or more scenes from a theatrical motion picture.

(6) Editing

Changes may be made only in the tag ending of a trailer to show time and place of exhibition of the advertised picture, and performer shall be paid a premium rate of twenty-five percent (25%) for each tag made beyond the first.

(7) A performer employed to perform services in connection with the production of a television trailer for advertising a theatrical motion picture made outside of the geographic scope of this Agreement, or by a party who was not a signatory hereto, shall be paid for such services in accordance with the provisions of the current applicable SAG-AFTRA Commercials Contract.

The foregoing shall not apply to a star, featured performer or term contract performer who was employed under the Basic Agreement to perform services in the motion picture, in which case the foregoing provisions of this Section 18.A. shall apply.

B. <u>Thirty (30) Minute (or less) Promotional Films for Theatrical</u> and Television Motion Pictures

(1) The Producer may negotiate at the time of employment with any performer to appear in "behind-the-scenes" photography to be used in such promotional films for no additional compensation.

(2) The Producer may use clips from the motion picture being promoted in such promotional films without the payment of compensation to any performer.

(3) Performers receiving \$25,000 or more for the motion picture: Compensation to such performers for appearing in such promotional films shall be a matter of individual bargaining. The performer may agree to make such promotional films without compensation.

(4) Term contract performers acting in such promotional films during their employment under such contracts: Compensation for such services shall be a matter of individual bargaining. The performer may agree to make such promotional films during the term contract employment without compensation.

(5) All other performers appearing in such promotional films: At the time of employment, Producer may bargain with performer to appear in such promotional films, but the minimum compensation payable shall be day performer minimum scale.

(6) Such promotional films may not be combined to make "specials."

19. FURNISHING REPORTS

A. Producer shall furnish to the Union, upon request, copies of call sheets. In cases of grievances, disputes or alleged disputes, Producer shall make available to the Union for inspection, upon demand, all production reports and performers' contracts.

B. Producer shall furnish to the Union reports indicating the compensation paid, up to a maximum of \$500,000, to performers covered hereunder.

20. PROHIBITION AGAINST CREDITING

No compensation paid to a performer for his services in excess of the minimum may be credited against overtime, penalties or any other compensation otherwise due the performer.

21. DRESSING ROOMS AND OTHER FACILITIES

A. (1) Producer shall provide dressing room and toilet facilities which are clean, in repair and accessible in studios and on locations.

(2) Seats shall be available for all performers in the dressing rooms and on the stage.

(3) There shall be no more than one (1) performer to a dressing room in a studio. On location with ten (10) or fewer performers, there shall be no more than one (1) performer to a dressing room. On a location where there are more than ten (10) performers, there shall be no more than two (2) performers to a dressing room.

(4) The foregoing provisions shall not apply to Schedule H nor to Schedule K performers.

B. Producer shall provide to stunt performers dressing room facilities which are clean, in repair and accessible in studios and on locations. The Producer shall take into consideration the type of work involved for the stunt performer and the location of the production in order to insure that such dressing room facilities provide the stunt performers with reasonable comfort and privacy.

By way of example, on location no more than two (2) stunt performers per room in Teardrop trailers, campers, rooms in honeywagon units nor more than four (4) stunt performers in Winnebagos or motor homes. C. Producer shall designate a person responsible to implement the foregoing.

Such dressing rooms shall be provided with adequate locks and Producer shall provide facilities for checking normal personal belongings.

In the studio, the dressing room obligation may be met by permanent studio facilities or temporary mobile quarters, such as trailers, if permanent facilities are not available. On locations, the requirements may be met by temporary or mobile quarters, such as trailers. Heaters or fans shall be provided, as needed, in all dressing rooms.

In the event compliance with the foregoing is not feasible because of space, physical or legal limitations or location practicalities, the matter shall be discussed with the Union. Waivers shall not be unreasonably withheld under such circumstances.

Whenever a performer is required by Producer to make a change of wardrobe on the set, Producer shall provide suitable facilities affording privacy for such purpose. A private canvas dressing room will be deemed a "suitable facility" for this purpose.

22. <u>REUSE OF PHOTOGRAPHY OR SOUND TRACK</u>

A. No part of the photography or sound track of a performer shall be used other than in the picture for which he was employed, without separately bargaining with the performer and reaching an agreement regarding such use. The foregoing requirement of separate bargaining hereafter applies to reuse of photography or sound track in other pictures, television, theatrical or other, or the use in any other field or medium. Bargaining shall occur prior to the time such reuse is made, but performer may not agree to such reuse at the time of original employment. The foregoing shall apply only if the performer is recognizable and, as to stunts, only if the stunt is identifiable. See subsection F. of this Section. No reuse may be made of nude photography without the performer's written consent.

The day performer rate shall be the minimum for purposes of the bargaining referred to above with respect to such use of such material in any motion picture other than the one for which performer was employed. As to any other use of photography or sound track referred to above, the bargaining shall be subject to the minimum wages and residuals provided for in the collective bargaining agreement, if any, applicable in the field in which the photography or sound track is used, unless compensation for such other use is already provided by this Agreement.

The provisions of this subsection A. shall not limit Producer's right to use photography or sound track in exploiting the picture, or in trailers, promotional films thirty (30) minutes (or less) in length for theatrical and television motion pictures, or in advertising, as provided in this Agreement.

The Union may, in its discretion, grant waivers of the requirements of this Section with respect to the reuse of photography and sound track in public service, educational and like programs and will follow a liberal policy in granting such waivers.

B. If Producer fails to separately negotiate as provided in subsection A. hereof, the performer shall be entitled to damages for such unauthorized use, equivalent to three (3) times the amount originally paid the performer for the number of days of work covered by the material used. If the Producer is unable to find the performer, it shall notify SAG-AFTRA, and if SAG-AFTRA is unable to find the performer within a reasonable time, the Producer may use the photography or sound track without penalty.

C. If Producer and the performer negotiate for such use and are unable to reach an agreement, and all performers involved have agreed to compensation for such use except a single performer who, Producer claims, is unreasonably refusing to accept an equitable sum, Producer may submit the matter to SAG-AFTRA's Board of Directors for determination and both Producer and performer shall be bound by the determination so made, if the material is used. In all other cases in which Producer and the performer are unable to reach an agreement, Producer shall be prohibited from making such reuse of the material, and in case of violation, or in a case in which the Producer fails to obtain the performer's written consent to reuse nude photography, the performer shall be entitled, at his option, to either accept damages as provided in subsection B. hereof, or to arbitrate his claim hereunder, or to take legal proceedings in a court of competent jurisdiction.

D. If the performer is employed under a term contract and the use occurs during the time he is still under contract with Producer, the performer shall not be entitled to additional compensation; but if such reuse occurs at a time when the performer is no longer under contract with Producer, the provisions of subsections A., B. and C. hereof shall apply.

E. Neither Producer nor SAG-AFTRA waive their respective claims with respect to the reuse of photography of performers employed under "deal contracts."

F. Notwithstanding the foregoing, the reuse of stunt work is subject to the following:

(1) With respect to any stunt which was contained in any theatrical motion picture, the production of which commenced prior to February 1, 1956, the Producer may reuse the photography containing such stunt in other theatrical motion pictures without limitation or any liability for additional compensation.

(2) With respect to any stunt which was contained in any theatrical motion picture, the production of which commenced prior to August 1, 1948, the Producer may reuse the photography containing such stunts in any television motion picture without limitation or additional compensation.

(3) With respect to any stunt which was photographed but not used in the motion picture for which it was made, the Producer may use such stunt once in another theatrical motion picture without limitation or additional compensation.

(4) Producer shall have the right to reuse photography or sound track of identifiable stunts which would otherwise be subject to an obligation to bargain prior to being reused (including stunts in motion pictures which were produced under prior SAG Agreements which restricted the reuse of such photography or soundtracks) in the media specified below upon payment of the day performer minimum or, if a different amount is specified below, upon payment of the amount so specified to the stunt performer(s) appearing in the footage. It is not necessary for the Producer to bargain with the stunt performer before reusing the stunt footage.

The foregoing shall apply with respect to the use of stunt footage in:

(a) other theatrical motion pictures, free television motion pictures, motion pictures made for the pay television/ videocassette market, and motion pictures made for basic cable;

(b) commercials, but the required payment shall be the applicable commercial session fee and residuals. As to commercial tie-ins, the following shall apply: (i) commercial tie-in advertising of a motion picture which is available for sale at the same point of purchase as the other product being advertised shall be considered to "exploit the motion picture" and, thus, may be done without negotiation or payment; and

(ii) tag line-type advertising (brief tag or mention of a different product appended to or included in a commercial promoting motion picture) shall be considered to "exploit the motion picture" and, thus, may be done without negotiation or payment.

(c) standard openings and closing of television shows, but payment must be made on the same basis as is required under Exhibit A of the SAG-AFTRA Television Agreement for performers;

(d) theme parks (other than uses that are promotional or exploit the motion picture, for which no bargaining or payment is required) for a period of five years. (If a longer term of use is desired, an additional payment of then-current day performer minimum would be required for each subsequent five year period.) In the alternative, Producer may obtain such rights in perpetuity upon payment to the stunt performer(s) appearing in the footage of a sum equal to three (3) times the then-current day performer minimum; and

(e) in games and interactive videos.

Payment as provided above shall be made for each "excerpt" of photography or sound track which is reused. However, more than one excerpt of stunt photography or sound track may be reused upon payment of a single day performer minimum payment in the following circumstances: (i) if the reused stunts were performed by the same stunt performer in a single day; or (ii) if a stunt sequence is intercut with live action as part of a scene which includes footage on a television screen, movie theater screen or other similar viewing device.

Such payments shall be made within sixty (60) business days from the exhibition of the permitted reuse. In the event that the Producer fails to issue payment to the stunt performer within that period, the Producer shall pay a late payment charge equal to the day performer minimum, in addition to the payment due for the reuse, in lieu of the amount prescribed by this subsection F.(4) or by Section 31.B.(2).

(5) The provisions of subsections A., B., C., D. and E. above shall apply to the reuse of stunt footage in:

(a) music videos other than those which promote, advertise or exploit the motion picture from which the footage was

taken. (Stunt footage may continue to be used without bargaining or payment in music videos which promote, advertise or exploit the picture from which the footage is taken, so long as the use meets the contractual criteria for which bargaining is unnecessary.)

(b) "compilation" stunt programs (*i.e.*, shows comprised substantially of stunt footage).

G. The above provision for payments for reuse of stunts shall only apply to stunt performers the Union can identify and establish as having performed the stunt in question. The Producer may rely upon the Union's designation of any stunt performer as the person who performed such stunt and payment by the Producer to such stunt performer shall be final and conclusive and shall relieve the Producer of any further obligations for the reuse or rerun of such stunt as herein provided.

H. Producer will not publicly exhibit nor license for public exhibition blooper reels without the appropriate consent of the recognizable performer(s) involved, including individual voice-overs.

I. Except as otherwise provided herein, the late payment provisions of Section 31.B.(2) herein shall apply to reuse of photography payments, except that the time for payment shall be thirty (30) business days from exhibition.

J. The provisions of this Section shall not limit the Producer's right to use or authorize the use of clips from theatrical pictures, without bargaining or making additional payment: (1) within regularly-scheduled news programs; and in connection with other news and review purposes under the same circumstances as in the past; and (2) in Oscar Award programs, which includes the Oscar Award program itself as well as any pre- or post-Oscar Award program that is exhibited from the date that nominations are announced until eight (8) days following the Oscar Awards program, provided that any clip used in such a program is limited to ten (10) minutes containing one (1) or more scenes.

With respect to uses which would otherwise require payment pursuant to this Section 22, a star performer may, at the time of use, waive payment for the use of theatrical film clips containing such performer's voice or likeness, it being understood that such waiver shall not affect other performers entitled to payment hereunder.

K. Both the Union and the Networks expressly reserve their respective positions concerning the use of footage, including stunt footage, in network promotional announcements containing tie-ins (*e.g.*,

CBS promotionals with K-Mart tie-in which promote the fall season program line-up).

L. This Section 22 is not applicable to stunt coordinators, except as it applies to stunt performer work performed by a stunt coordinator under a "flat deal" contract.

23. <u>AIR TRAVEL AND FLIGHT INSURANCE</u>

A. Producer shall provide accidental death and dismemberment insurance in a principal sum not less than \$100,000.00 to the performer or the performer's designated beneficiary when performer is required to travel by plane at the request of Producer, or \$250,000.00 when performer is required to travel by helicopter at the request of Producer.

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

C. When air travel is required by the Producer, Producer shall use commercial flights when practical, available and feasible.

D. Producer acknowledges the right of performer to refuse to fly on a charter flight, except, however, prior to employment, Producer may obtain the consent of the performer to fly on a charter flight.

24. <u>INDEPENDENT PRODUCTION</u>

With respect to a motion picture produced by an independent producer under a contract with Producer for the financing, production and distribution of such motion picture, if Producer gives the Union ten (10) days' advance notice before principal photography commences that such motion picture is not to be covered by this Agreement, then Producer shall not be obligated hereunder with respect to such picture except as otherwise provided in Sections 4, 5 and 6 hereof.

If Producer does not give the Union such notice, then Producer shall be obligated hereunder with respect to such motion picture.

This provision applies only to motion pictures produced within the geographical jurisdiction of the Union hereunder.

This provision applies to signatory or non-signatory independent companies.

25. <u>SCREEN CREDITS</u>

A. Producer agrees that a cast of characters on at least one (1) card will be placed at the end of each theatrical feature motion picture, naming the performer and the role portrayed. All credits on this card shall be in the same size and style of type, with the arrangement, number and selection of performers listed to be at the sole discretion of the Producer. All such credits shall be in a readily readable color, size and speed. The Union will not unreasonably withhold waivers in connection with the foregoing. Any performer identified by name and role elsewhere in the picture need not be listed in the cast of characters at the end of the picture.

Producer shall send the Union a copy of the complete version of the closing credits of each theatrical motion picture covered hereunder upon completion of the answer print of such picture.

B. <u>Feature Motion Pictures</u>

In all feature motion pictures with a cast of fifty (50) or less, all performers shall receive credit. In all other feature motion pictures, not less than fifty (50) shall be listed in the cast of characters required at the end of each feature motion picture in connection with theatrical exhibition, excluding performers identified elsewhere in the picture. Stunt performers need not be identified by role. The Union, and only the Union, may seek to arbitrate an alleged violation of this subsection B. pursuant to the arbitration procedures set forth in this Section 25.C.(3).

C. <u>Billing</u>

(1) Producer shall honor individually-negotiated billing for the screen as to placement, size and description as agreed upon in performer's individual contract.

(2) In its distribution and licensing agreements with exhibitors, distributors, broadcasters, etc., Producer will include a provision prohibiting the licensee from eliminating or changing the billing as it appears on the positive prints of the motion picture.

(3) Disputes as to whether agreed-upon screen credit has been accorded shall be arbitrable. A panel of arbitrators for this purpose shall be agreed upon. A single arbitrator shall hear and determine the dispute. The cost of such arbitrator shall be shared equally by the Union and Producer. The decision and award shall be in writing and shall be final and binding on the parties and performers involved.

(4) The provisions hereof shall not apply to Schedule F performers or when termination of a contract is involved as provided by Section 9.C.(4)(b) of the arbitration provisions.

(5) Liquidated Damages

As to Schedule A and B performers, if a breach occurs and the facts are not in dispute or if breach is found by an arbitrator, damages in the following amounts shall be payable:

(a) In the case of a day performer, his daily rate, but not in excess of the amount payable under (c) of this subparagraph (5).

(b) In the case of a three (3) day performer in television, his three (3) day rate, but not in excess of the amount payable under (c) of this subparagraph 5.

(c) In the case of a weekly freelance performer, his weekly rate (not exceeding the limits of Schedule B). Such liquidated damages shall be the exclusive remedy for such performers.

(6) As to all other performers subject to the provisions hereof, the arbitrator shall have the authority to award appropriate relief consisting of damages, correction of prints subject to subparagraph (7) below, or both.

- (7) Correction of Prints
 - (a) Theatrical Motion Pictures

Correction of prints may be awarded by the arbitrator, in his discretion, if Producer received notice of the claimed breach in sufficient time to make such correction before release. If correction is awarded, Producer shall be obligated to make such corrections as soon as is practical, consistent with existing distribution commitments and, in any event, before any reissue. For this purpose, television release of the film shall be considered a reissue.

(b) Television Motion Pictures

Correction of television prints with respect to the first broadcast or first rerun may be awarded by the arbitrator if Producer

received notice of the alleged breach in sufficient time to make the necessary correction for the applicable run.

(8) Inadvertent oversight by Producer shall not be a defense to any claim of breach hereunder, but may be considered with respect to the issue of appropriate relief.

(9) All claims must be filed within one (1) year after the first theatrical release of a theatrical film or within one (1) year of the first television broadcast of a television film.

D. The foregoing provisions of this Section do not apply to body doubles.

26. POLICY OF NON-DISCRIMINATION AND DIVERSITY

A. <u>Policy</u>

(1) The parties hereto reaffirm their commitment: (a) to a policy of non-discrimination and fair employment in connection with the engagement and treatment of performers on the basis of sex, race, color, creed, national origin, age, marital status, disability, sexual orientation or gender identity, in accordance with applicable state and federal law; and (b) to continue the active promotion of diversity, as set forth herein, in all categories of employment covered by this Agreement.

(2) In accordance with the foregoing policy, the Union reaffirms its policy of non-discrimination with respect to admission to membership and rights of membership.

(3) The Producer shall cast performers in accordance with the policy set forth in Section A.(1) above in all types of roles, having due regard for the requirements of, and suitability for, the role so that, for example, the American scene shall be portrayed realistically.

(4) Consistent with the foregoing, every effort shall be made to include minorities, women, performers with disabilities (defined as those covered under the employment provisions of the Americans with Disabilities Act) and performers aged 40 or over who are protected under the Age Discrimination in Employment Act in the casting of each motion picture, thereby creating fair and equal employment opportunity and eliminating stereotyping in casting.

When a role being cast depicts a person with a specific disability, the Producer agrees to include that fact in the casting

specifications so as to enhance the opportunity for performers with similar disabilities to audition for the role.

(5) When applicable, and with due regard to the safety of the individuals, cast and crew, women and minorities shall be considered for doubling roles and for descript and non-descript stunts on a functional, non-discriminatory basis. In furtherance of this policy, Producer shall furnish a copy of the following policy statement to each stunt coordinator engaged by Producer:

(a) Stunt coordinators shall endeavor to cast performers with physical disabilities for descript and non-descript stunts for which they are qualified and with due regard to safety, in roles portraying their particular disability, such as wheel chair stunts or stunts involving the use of other adaptive devices, *e.g.*, crutches, prostheses, etc. The Union's skills and talent bank is among the resources that can be utilized in ascertaining the availability of such performers.

(b) When the stunt performer doubles for a role which is identifiable as female and/or Black/African American, Latino/Hispanic, Asian/Pacific Islander or Native American and the race and/or sex of the double is also so identifiable, stunt coordinators shall endeavor to cast qualified persons of the same sex and/or race involved. When the stuntperson is not identifiable, stunt coordinators shall endeavor to increase the employment of qualified women and minorities for such stunts. To achieve the objectives set forth in this paragraph, stunt coordinators should endeavor to identify and recruit qualified minority and female stuntpersons and qualified stuntpersons with disabilities prior to the commencement of production.

(6) In furtherance of the policies expressed in this Section:

(a) There will be no pre-employment inquiries as to the performer's marital status, sexual orientation, age (except such lawful inquiries as may relate to the age of a minor), creed, disability (except such lawful inquiries as may relate to the ability of the performer to fulfill the requirements of the engagement, subject to the limitations imposed on such inquiries by the Americans with Disabilities Act), national origin nor ancestry of the performer except when the same is a *bona fide* occupational qualification for a role.

(b) Representation by an agent or other performer's representative shall not be required as a condition for an audition.

(c) Producer shall include the following statement in script breakdowns circulated by Producer to agents:

"Producer is committed to diverse, inclusive casting. Submissions for non-descript roles will be accepted for all performers, regardless of age, sex, ethnicity, disability, race, color, national origin, sexual orientation or gender identity."

Producer will make good faith efforts to insure that outside casting services, breakdown services and agents with whom it does business include the same statement in breakdowns circulated by them. It is understood that inclusion of such statement on a breakdown is intended to encourage the implementation of the policies expressed in this Section throughout the community, but it is recognized that Producer may have legitimate casting objectives, dictated by such matters as the script, historic or geographic setting, creative concepts, etc., which may limit the appropriateness of certain submissions for particular roles and/or productions.

In order to encourage the implementation of the policies expressed in this Section, the AMPTP has agreed to meet with representatives of SAG-AFTRA to discuss the casting of performers when members of classes protected by applicable federal and state antidiscrimination laws are substantially underrepresented.

(d) The Producer agrees that each performer's INS I-9 form will be maintained in the manner required under the Immigration Reform and Control Act. The Producer further agrees that it will use the information contained in any performer's INS I-9 form solely for the purpose of verifying his/her eligibility to work in the United States. In no case will the form be used to discriminate against any performer on the basis of sex, race, national origin, age or disability.

(e) The practice known as "painting down" is presumptively improper; the Producers will continue their dialogue with SAG-AFTRA and the stunt community on this issue.

(7) It is understood that the provisions of this Agreement dealing with dressing rooms, transportation, lodging and access to the casting process apply to performers with disabilities so that with respect to facilities under the control of the Producer, including but not limited to studios and location sets, reasonable accommodation under all the circumstances will be made when applying such provisions to performers with disabilities, in accordance with and to the extent required by the employment provisions of the Americans with Disabilities Act.

(8) In accordance with the employment provisions of the Americans with Disabilities Act of 1990, the Producer agrees to provide reasonable accommodations for hearing-impaired and/or visually-impaired performers during interviews, auditions and any engagement.

B. Data

Within twenty (20) days after the end of each calendar (1)quarter, Producer will submit to the Union a report of the sex, ethnicity and age of performers employed by Producer under this Agreement on each motion picture produced by Producer on which principal photography was completed during such quarter. The report will be submitted on the form attached hereto as Exhibit B, it being understood that a report produced by Producer's data processing system which furnishes the same information as required in this form shall be acceptable. A separate quarterly report shall be submitted to the Union for stunt performers, containing data on the sex, ethnicity and age of stunt performers, stunt performer totals and whether the stunt is descript, non-descript or unknown. The report will be submitted on the form attached hereto as Exhibit B-1, it being understood that a report produced by Producer's data processing system which furnishes the same information as required in this form shall be acceptable. The parties will cooperate in devising a method for compiling employment data as to performers with disabilities, which may include data from the Union's skills and talent bank, and pension and health records. When a method for compiling employment data with respect to performers with disabilities has been agreed upon, Producer shall report such employment data in one of the reporting forms provided above.

(2) In the event that Producer fails to submit the report within the time specified in paragraph (1) above, the Union may send a written notice of delinquency to the Producer requesting submission of the report within ten (10) working days of receipt of the notice.

If there is a substantial breach of the foregoing reporting requirements with respect to any individual quarterly report, liquidated damages in the amount of \$600 shall be payable to the Union; in the event there is a dispute as to whether or not a substantial breach has occurred, the matter may be referred to arbitration. With respect to the data furnished on age and ethnicity and any data furnished on performers with disabilities, it is recognized that, while Producers shall be obligated to make reasonable efforts to ascertain such information, subject to any legal restriction applicable thereto, there may be individual circumstances in which Producer will be unable to secure the data or vouch for its accuracy. It is understood that as to employment data on performers with disabilities, such liquidated damages shall apply only to the extent that the parties have devised a method for compiling employment data for performers with disabilities.

(3) The data which is furnished by Producer in accordance with this Section shall be for the purpose of facilitating the meeting which the Union may request pursuant to subsection C. below, and is in no way intended to abridge the Producer's creative rights in the production of films.

C. Meetings With Producer Representatives

(1) On ten (10) days notice, the Union or Producer may request a meeting to discuss any matter relating to discrimination, fair employment, the policy expressed herein, its further implementation, the data submitted or any other matter relevant to equal employment opportunity for performers. If particular scripts or script breakdowns are relevant to the subject matter of the requested meeting, the Union may request the Producer to furnish such scripts and/or breakdowns to a designated Union official for review prior to the meeting. When the Producer utilizes market research data to support its contention that in a particular production the American scene has been portrayed realistically, the Union may request to review such data at the meeting.

(2) If the Union has information which is the basis for a genuine concern that the policies expressed in this Section are being violated, and the matter is of such a nature that the procedures outlined in paragraph (1) above are not adequate to handle the immediacy of the situation, the Union may request the type of meeting specified in paragraph (1) above on three (3) working days notice. Such request may be made before, during or after the casting of the production.

(3) The script breakdowns referred to in paragraph (1) are those that are prepared and circulated by outside services for casting purposes or those prepared by Producer and circulated to agents, and it is understood that such services or procedures might not be utilized by all Producers. Scripts and breakdowns will be treated as confidential, will not be copied while in the possession of the Union official and will be returned to the Producer at the conclusion of the meeting. Consistent with subsection B.(3) above, nothing in this subsection C. will require a Producer to furnish scripts or breakdowns prior to the completion of casting for any particular production. (4) If the Producer has an official with responsibilities for matters involving equal opportunity, the Union's request for a meeting shall be referred to such person who shall then be responsible for arranging the meeting with the appropriate Producer representatives. If the Producer has no such person on staff, the Producer will designate such a person for the purpose of arranging the requested meeting, and the Union will be notified in writing of the person so designated.

If, following the procedures set forth above in this Section 26.C., the Union makes a good faith determination that a Producer has not made reasonable and satisfactory progress in providing employment opportunities for women and minorities, particularly in the casting and employment of such persons in non-descript roles and in portraying the American scene in a realistic manner as required by this Agreement, the following procedures shall be followed:

(a) For a Producer represented by the Alliance, the Union shall notify the Alliance and the Producer in writing and provide copies of any available statistics on employment that are available to the Union.

(b) The Alliance, represented by its chief executive, and the Union, represented by its National Executive Director, shall meet with such Producer within fifteen (15) days after such notice. The Producer shall participate in such meeting and shall include persons with appropriate executive and creative authority involved or responsible for casting and employing actors. If it is determined in such meeting that specific plans and programs are necessary to provide such employment opportunities, then Producer will implement same.

(c) If the Producer has failed to make such good faith efforts within six (6) months after such meeting, the Union shall again confer with the Producer and the Alliance. Thereafter, if the Union is able to demonstrate that the Producer has not made good faith efforts in this regard, it shall have the right, upon giving the Producer ten (10) days written notice, to publicly release all statistics and data in the possession of the Union relating to the employment practices of the Producer.

(d) For non-Alliance Producers, the above procedure shall apply, except that the representatives of the Alliance shall not be involved.

(5) In addition, each Producer will designate one or more high level creative, production or programming executives to meet on an individual Producer basis at least once per year with members of SAG-AFTRA who have been designated by the Board of Directors of SAG-AFTRA. Each such meeting will be held at the request of SAG-AFTRA or the Producer, and any subject that SAG-AFTRA or Producer executives wish to discuss relating to diversity will be suitable for discussion. The agenda for any such meeting may include issues relating to background actors in addition to issues relating to performers. Additional meetings may be scheduled by mutual agreement of the Producer and the Union. Upon mutual agreement, the parties may seek the involvement and participation of the WGA and the DGA.

(6) The parties agree to create a Task Force comprised of performers with disabilities, senior level union staff representatives and Producers' representatives, including casting executives and labor relations executives, to develop ways to: (a) promote awareness of the available resources at SAG-AFTRA and other advocacy groups to search for and recruit performers with disabilities for auditions for both descript and non-descript roles; and (b) improve access to casting opportunities for performers with disabilities.

D. Arbitration

Except as provided in subsection B. above with respect to the submission of data, the matters covered in this Section are not subject to the provisions of Section 9 herein. It is understood that as to data on performers with disabilities, the provisions with respect to arbitration shall only apply when a method for compiling such data has been devised by the parties.

E. Industry-Union Cooperative Committee

An Industry-Union Cooperative Committee shall be established for the purpose of providing a forum for the discussion and resolution of disputes relating to the provisions of Section 26.A.

Either Producer or Union may submit a request, which shall be in writing, that a dispute under Section 26.A. be brought before the Industry-Union Cooperative Committee. The Cooperative Committee shall convene within sixty (60) days after receipt by the non-moving party of such written notice, except that the parties may, by mutual agreement, extend such sixty (60) day period. If the meeting is not held due to the failure of the non-moving party to attend such meeting, the moving party may refer the matter to a non-binding mediation with an independent mediator. Producer and Union agree to seek funding for the mediation program from the IACF.

27. TOURS AND PERSONAL APPEARANCES

Transportation shall be provided to all performers on tours and personal appearances in accordance with the terms of Section 35.D. of the General Provisions and the applicable Schedules; reasonable expenses shall be paid to all performers on tours and personal appearances.

Producer shall cooperate to ensure that performers on tour and personal appearances are allowed adequate rest periods.

28. INJURIES TO PERSONS OR PROPERTY DURING PERFORMANCE; SAFETY

A. <u>Injuries</u>

Subject to the provisions of subparagraphs (2), (3) and (1)(4) hereof, in the event any other member of the cast, production staff, crew or any other person, firm or corporation shall suffer injury to his or her person and/or property, of any kind whatsoever, by reason of or as a result of the performance by any performer, stunt performer or stunt coordinator (hereinafter in this Section called "performer") of a stunt or act in the course and scope of his or her employment under this collective bargaining agreement, under the direction and control of the Producer, Producer shall at all times indemnify and save the performer harmless from and against all liability, loss, damages and costs, including counsel fees, which the performer may, for any cause, at any time, sustain or incur by reason of such performance. In the event legal action is taken against the performer, either jointly with the Producer or alone, the Producer shall, at its own cost and expense and without undue delay, provide the defense of the performer in all such litigations.

In the event of such an injury in the course of employment which results in medical attention, Producer will prepare and send to the Union as soon as practicable a report setting forth the date, time, place, circumstances and nature of the injury claimed.

(2) The performer shall notify the Producer promptly, in writing, in case knowledge shall come to the performer of any claim or litigation arising out of such performance and thereafter deliver to the Producer every demand, notice, summons, complaint or other process received by him or his representative relating thereto.

(3) The performer shall cooperate fully in the defense so provided by Producer of such claim or action and, upon the Producer's request, shall attend hearings and trials and, whenever possible, assist in (i) securing and giving evidence, and (ii) obtaining the attendance of witnesses at such hearings and trials.

(4) The performer shall not make any settlement or compromise of any such claim or litigation without the prior written consent of the Producer. Any settlement or compromise by the performer without Producer's prior written consent of any such claim or litigation shall nullify Producer's obligation under subparagraph (1) above.

The Producer shall obtain and keep in force during the (5)term of employment of the performer a policy of comprehensive public liability insurance insuring the performer against any liability arising out of the performance by the performer in the course and scope of his employment under this collective bargaining agreement, under the direction and control of the Producer. Such insurance shall be in the amount of not less than \$1,000,000 for injury to or death of one person in any one accident or occurrence and in an amount not less than \$2,000,000 for injury to or death of more than one person in any one accident or occurrence. Such insurance shall further insure performer against liability for property damage of at least \$250,000. Upon request of the performer, Producer shall provide evidence of such insurance coverage before performer shall be required to perform any stunt or act. Upon request of the Producer, the Union shall waive the requirements of this subparagraph (5) upon a showing satisfactory to the Union of adequate financial responsibility of the Producer. Producer will extend this insurance coverage to stunt performers and stunt coordinators whether or not performing a stunt, if such coverage is obtainable.

(6) Nothing herein contained shall be construed to: (i) deprive Producer of any lawful defense to such claim or action including the defense that such claim arose by reason of performer's acts outside the scope of his or her employment; or (ii) expand Producer's liability to any person under the applicable worker's compensation law.

(7) As to performers under this Agreement, legible accident reports and production reports shall be supplied promptly to SAG-AFTRA with information as to the name of the Producer, director, first assistant director, unit production manager, stunt coordinator, studio, show title and episode, production number and a full description of the accident involved.

B. <u>Protection of Performers; Safety</u>

It shall be the policy of the parties to this Agreement that performers employed hereunder shall, to the extent possible, not be placed in circumstances hazardous or dangerous to the individual. In furtherance of this policy, it is agreed:

(1) When Producer requires script or non-script stunts or stunt-related activity of a performer, an individual qualified by training and/or experience in the planning, setting up and/or performance of the type of stunt involved shall be engaged and present on the set. No performer without such requisite training and/or experience shall be required to perform a stunt or stunt-related activity without an opportunity for prior consultation by the performer with such individual. The foregoing provisions of this paragraph (1) shall not apply to a stunt performer who both plans and performs a stunt which does not involve other performers.

(2) No performer shall be required to work with an animal which a reasonable person would regard as dangerous in the circumstances, unless an animal handler or trainer qualified by training and/or experience is present.

(3) If a performer is rigged with any type of explosive charge (including squibs), such performer shall be permitted prior consultation with the stunt coordinator and the qualified special effects person.

(4) The performer's consent shall be a requisite precondition to performing stunts or other hazardous activity. The performer's consent shall be limited to the stunt or activity described to the performer at the time consent was given. In the case of a minor, written consent to perform a stunt must be given by the minor's parent or guardian.

Violation of this provision shall be subject to liquidated damages in the amount of \$900.

C. <u>Protection of Stunt Performer; Safety</u>

(1) All reasonable requests and requirements for safety equipment in connection with the performance of stunts shall be complied with by Producer or Producer's representatives on the set or location. (2) Equipment provided by Producer, for example, autos, cycles, wagons, etc., shall be in suitable repair for the safe and proper performance of the stunt.

(3) Persons involved in the planning and execution of a stunt shall be entitled to inspect any vehicle, mechanical device and/or equipment to be used in the stunt on the day prior to its use, provided it is available. In any event, such persons shall have reasonable time for such inspections. No payment shall be due for any inspection.

D. Protection of Performers and Stunt Performers; Safety

A person qualified under the circumstances to administer medical assistance on an emergency basis shall be present or readily available at all rehearsals and all performances during which hazardous actions or work under hazardous conditions is planned. Such person will have visible identification. The Producer will provide readily accessible first aid equipment necessary to administer such medical assistance. In such circumstances, transportation to the nearest medical facility providing emergency services shall be readily available. When such action or work is planned on location, the production company shall determine the nearest emergency medical facilities and capabilities thereof and communication therewith and assure that transportation to such facilities is readily available at all times during the performance of such work. The transportation vehicle referred to above shall be capable of accommodating a stretcher and first aid equipment. The parties agree to recommend that the Industry-wide Labor/Management Safety Committee develop appropriate guidelines as to first aid equipment and visible identification for the aforementioned person qualified to administer medical assistance on an emergency basis.

E. The performer's consent shall be required for flying in a helicopter. If the performer intends to withhold consent, he or she must notify the Producer of such intent prior to engagement.

F. Notice of Scripted Stunts

Producer shall instruct stunt coordinators to notify the Union of scripted stunts involving non-stunt performers, which notice shall include the date, location and Producer involved, to the extent known.

G. <u>Safety Guidelines</u>

The Producer shall obtain copies of all safety guidelines issued by the Industry-wide Labor/Management Safety Committee. Copies of such guidelines shall be available at the offices of the Alliance of Motion Picture and Television Producers and SAG-AFTRA. The Alliance of Motion Picture and Television Producers and SAG-AFTRA agree to cooperate in disseminating such guidelines to Producers as they are formulated during the course of this Agreement.

H. <u>On-Camera Vehicle Driving</u>

When any of the following conditions is planned as part of a driving sequence and special expertise is necessary in order to perform such driving sequence in a safe manner, the on-camera driver shall qualify as a stunt performer under Schedule H of this Agreement:

- (1) When any or all wheels will leave the driving surface.
- (2) When tire traction will be broken, *e.g.*, skids, slides, etc.

(3) Impaired vision - when the driver's vision will be substantially impaired by:

- (a) Dust
- (b) Spray (when driving through water, mud, etc.)
- (c) Blinding lights
- (d) Restrictive covering over the windshield
- (e) Smoke
- (f) Any other conditions which will substantially restrict the driver's normal vision.

(4) The speed of the vehicle will be greater than normally safe for the conditions of the driving surface, or when other conditions such as obstacles or difficulty of terrain will exist or off-road driving, other than normal low-speed driving for which the vehicle was designed, will occur.

(5) When any aircraft, fixed-wing or helicopter is flown in close proximity to the vehicle creating a hazardous driving condition.

(6) Whenever high speed or close proximity of two (2) or more vehicles create conditions dangerous to the drivers, passengers, film crew or vehicles.

Nothing herein shall require the performer to be doubled when the performer has the special expertise to perform the sequence in a safe manner.

I. <u>Stunt Doubling</u>

When, for safety reasons, a performer is doubled on-camera as the driver of a vehicle, the double shall qualify as a stunt performer under Schedule H of this Agreement. This would also apply to passengers in a vehicle who must be doubled for their safety.

29. <u>LOAN-OUTS</u>

When Producer "borrows" a performer, whether from a domestic or foreign company, and whether or not the lending company is a signatory to a SAG-AFTRA collective bargaining agreement, and such performer is used by Producer within the jurisdiction of this Agreement, Producer guarantees to the Union that the performer who is so borrowed shall receive the same working conditions as provided herein, except the Union Security provisions; provided, however, that the Union Security provisions shall apply when the lending company is a signatory to a SAG-AFTRA collective bargaining agreement (whether such lending company is a domestic or foreign corporation) and the performer is used by the borrowing Producer within the jurisdiction of this Agreement; provided further, that the obligation to make the payment of pension and health contributions shall be subject to Section 34.K. Producer shall give reasonable advance written notice to the Union, prior to the commencement of the term of the loan-out, when Producer borrows a performer from a company, foreign or domestic, which is not a signatory to a SAG-AFTRA collective bargaining agreement, to render services within the jurisdiction of this Agreement.

30. <u>PRODUCTION STAFF</u>

A. Persons employed as members of Producer's casting or production staff will neither be engaged nor utilized as performers in any pictures on which they also render any services on Producer's casting or production staff without the express consent of the Union.

B. The only exceptions shall be the following:

(1) animal handlers (appearing in a scene in which they handle animals);

(2) performer/directors, performer/writers, or performer/producers engaged in written contract as such prior to the commencement of principal photography of a motion picture; (3) in an "emergency" on location. "Emergency" is defined as a situation, on location, in which a member of the cast cannot perform because of unavailability for any reason.

C. Violations of the foregoing shall require payment of liquidated damages, as follows:

Day Performers:	\$500.00
Three-Day Performers:	\$600.00
Freelance Performers:	\$800.00

31. PRODUCTION TIME REPORTS, LATE PAYMENTS, OVERWITHHOLDING AND PAYROLL AND <u>UNEMPLOYMENT INSURANCE INFORMATION</u>

A. <u>Production Time Reports</u>

(1) It shall be the required custom and practice to proffer a production time report made out in ink to all performers at the end of each day, which report may include other performers in the cast (working that day), and which reflects time in and out, time of meal periods (including non-deductible breakfasts), and travel (including the total number of miles round trip for studio zone locations) for such performer. Such report shall not be offered in blank. The performer shall initial or sign such report. A performer may object to the accuracy of the information contained in the report. Signing or initialing of the report by the performer shall not constitute acceptance of the report, and the performer shall not be deemed to have waived any right to file a timely claim.

(2) Producer shall deliver a copy of the report for the previous week to the Union no later than the end of the following week.

(3) In the event there is a substantial breach of the foregoing requirements, liquidated damages in the amount of \$275 shall be payable to the Union for each day of such substantial breach. In the event there is a dispute as to whether or not a substantial breach has occurred, the dispute shall be referred to and determined by the Cooperative Committee. In the event the Cooperative Committee cannot determine the dispute, the matter may be referred to arbitration.

(4) With reference to stunt performers, the amount of stunt adjustment shall be noted on the production time report or time card and shall be initialed by the stunt performer and an authorized representative of the Producer.

B. Late Payments

(1) The time of payment for day performers shall be five (5) days, excluding Saturday, Sunday and holidays. If the company is on location, checks mailed on the fifth day shall be deemed to constitute timely payment. Time of payment for all other performers shall be as provided in this Agreement.

(2) There shall be a \$10 per day per performer late payment charge, excluding Saturdays, Sundays and holidays, for late payment applicable to all Schedules from the time payment becomes due (excluding *bona fide* emergencies of which the Union shall be given prompt notice within the time specified for payment hereunder), for a period not to exceed twenty (20) days, excluding Saturdays, Sundays and holidays, to a maximum of \$200 per violation.

Upon receipt by Producer of a written notice by the Union or the performer that Producer is still delinquent, Producer shall have five (5) business days to issue the payment, including the late payment charges.

In the event payment is not made within said five (5) day period of the entire amount due, further late payment charges in the amount of \$2.50 per day retroactive to the date of receipt of notice of non-payment shall be due and shall continue to accrue, without limitation, until the delinquent payment, together with late payment charges, is fully paid.

Such charges for late payment shall be in addition to all other remedies which the Union may have against Producer under the contract.

Late payment charges shall accrue commencing ten (10) business days after the settlement of a disputed claim.

No late payment shall be due to any performer who fails to provide the Producer with completed forms and documentation required for employment and/or payment (*i.e.*, I-9s, vouchers, W-4s, or start paperwork indicating the correct name, address, Social Security Number, or tax identification number (for loan-outs) of the performer), provided that the Producer supplies the forms to the performer and makes reasonable efforts to collect those forms by notifying the performer that the forms are incomplete or missing. (3) If there is a dispute over the amount due the performer, and Producer pays the undisputed amount on time, or if there is a *bona fide* dispute as to the Producer's liability therefor, there will be no late payment charge during the pendency of the dispute.

C. <u>Overwithholding</u>

(1) The "Part-Year Employment Method" of withholding, as currently set forth in Section 31.3402(h)(4)-1(c) of the Internal Revenue Code Regulations or any applicable successor regulations, shall be utilized for any performer upon request of the performer and the form of declaration for each such use shall be attached to the performer's employment contract.

(2) The withholding of taxes on a weekly basis rather than on a daily basis for day performers, as then currently set forth in Internal Revenue Code Regulation Section 31.3402(c)-(1)(d)(2) or any applicable successor regulations, shall be utilized on the request of the day performer and the form of declaration for such use shall be attached to employment contracts of day performers.

(3) The obligation of the Producer to permit the election of the foregoing alternative withholding formulae shall be effective during such time as the Internal Revenue Code Regulations permit such alternatives.

D. <u>Payroll and Unemployment Insurance Information</u>

Upon request of a performer, Producer shall supply the following information, in writing, to the performer:

(1) The name, address and state identification number of the employer of record; and

(2) The state in which unemployment insurance is filed.

32. INDUSTRY ADVANCEMENT AND COOPERATIVE FUND

The parties have agreed to establish an Industry Advancement and Cooperative Fund, the proceeds of which are earmarked for the administration of programs such as the following: Seminars to enhance awareness of the casting and non-discrimination mandates contained in the Agreement, performers' safety, work in smoke, use of animals in motion pictures, providing showcases, proper screening procedures and verification of performers' eligibility to work in the United States. The parties have worked out the structure and details of the fund, which is comprised of both labor and management trustees.

Funding shall be provided by an employer contribution of threetenths of one percent (.3%) of "gross compensation," as defined in Section 34.A. of the General Provisions of this Agreement and Section 22(c) of the SAG-AFTRA Television Agreement, and subject to the ceilings set forth in Section 34.A. of the General Provisions of this Agreement and Sections 22(a)(1)a)(ii) and 22(c) of the SAG-AFTRA Television Agreement, paid to performers covered under this Agreement or the SAG-AFTRA Television Agreement. It is understood that no IACF contributions shall be due in connection with the percentage payments due to performers pursuant to Sections 5, 5.1 and 5.2 of this Agreement and payments due to performers pursuant to Sections 18.1, 20 and 20.1 of the SAG-AFTRA Television Agreement, nor in connection with compensation paid on behalf of performers employed in television motion pictures covered under Sideletter K of the SAG-AFTRA Television Agreement.

The parties also agree to recommend the following to the Trustees of the IACF:

(a) That a study be conducted of the methods by which Producers and SAG-AFTRA will be assisted in implementation of the Basic and Television Agreements by electronic reporting of compensation, production information and residuals reporting by media and territory;

(b) To establish a program designed to improve administration and enforcement of applicable laws and collective bargaining agreements governing the employment of minors in states other than California. The minors' study shall include the feasibility of a program including set visitations;

(c) That a method for reimbursing Producers for payment of certain claims arising out of inadvertent omissions from final cast lists on theatrical motion pictures be examined;

(d) That the issues relating to disbursement of funds to beneficiaries be examined with the goal of decreasing existing administrative burdens;

(e) Examination of a method for reimbursing Producers for payment of certain claims arising out of inadvertent omissions from the final cast list due to unidentifiable performances;

(f) That a study be conducted of appropriate standards for dance floors and the method for implementing such industry standard; and

(g) Examination of a method for reimbursing Producers for certain claims arising out of inadvertent omissions from final cast lists and other cast list adjustments occasioned by either the change in the rateable distribution formula for television motion pictures or by the change in the residual payment formula under Section 18.1 of the SAG-AFTRA Television Agreement; and

(h) That the IACF and the AFTRA Industry Cooperative Fund ("AICF") be merged during the term of the 2014 SAG-AFTRA Codified Basic Agreement. In the event that the Trustees of the IACF and the AICF approve a merger of the IACF and the AICF during the term of the 2014 SAG-AFTRA Codified Basic Agreement, Producers agree to make the required contributions to the successor Fund to the IACF and the AICF. The parties shall consider reducing the overall number of Trustees in the event of a merged Fund.

33. <u>SUBCONTRACTING</u>

Producer agrees that if Producer engages an independent contractor to photograph any footage to be used as part of a motion picture being produced hereunder by Producer, or to make still photographs or record sound tracks, then, with respect to such performers employed by such independent contractor whose employment would have been covered by the Basic Agreement had Producer employed them directly, Producer shall remain responsible under this Agreement for wages, hours and work standards provided hereunder. This shall not apply to the acquisition by Producer of stock film footage.

34. PENSION AND HEALTH PLANS

A. The Producer-Screen Actors Guild Pension and Health Plans, established in 1960, shall be funded by contributions made by Producers under SAG-AFTRA collective bargaining agreements providing for such payments to the Plans. With respect to employment covered hereunder on motion pictures, the principal photography of which commences on or after July 1, 2014, Producer shall pay to said Plans contributions in an amount equal to seventeen percent (17.0%) of all gross compensation, as and when paid by Producer to all employees covered hereunder.

The aforementioned seventeen percent (17.0%) shall be allocated seven and thirty-one hundredths percent (7.31%) of contributions to the Health Plan and nine and sixty-nine hundredths percent (9.69%) of contributions to the Pension Plan effective July 1, 2014. The allocation of such seventeen percent (17.0%) contribution rate between the Health Plan and Pension Plan may be changed at any time during the term hereof by the Boards of Trustees of the Pension Plan and the Health Plan, based on actuarial studies.

The term "gross compensation," as used in this subsection A., means all salaries and other compensation or remuneration, including compensation payable under Section 5 and 5.2 hereof, but only to the extent provided in said Sections, and excluding meal penalties, payments for rest period violations, traveling, lodging or living expenses, interest on delinquent payments, reimbursement for special hairdress or for wardrobe damage, but without any other deductions whatsoever. Such term also includes amounts paid to an employee with respect to services as a performer (including compensation paid as salary settlements) whether or not any services were performed.

However, and subject to the provisions of the next paragraph of this Section 34.A. relating to exclusivity monies, holding fees and option monies, with respect to motion pictures covered hereunder, when a performer is paid compensation at a rate in excess of \$232,000 per picture, such percentage shall be paid on the first \$232,000 only of such performer's compensation for such picture. Subject to the foregoing sentence, the percentage to be paid shall apply to the performer's gross compensation without any deduction whatsoever.

Amounts paid in consideration of exclusivity, for a "hold" on a performer and/or an option for acting services shall be subject to pension and health contributions up to a maximum of \$40,000. If all or a portion of the exclusivity/hold/option money is creditable against the fee due for acting services and the option is exercised, the amount so creditable shall be applied toward the \$232,000 ceiling on contributions, computed as above provided. If the exclusivity/hold/option money is not creditable against the fee due for acting services and the option is exercised, then up to one-half ($\frac{1}{2}$) of the exclusivity/ hold/option money, not to exceed \$20,000, shall be applied against the pension and health contribution ceiling. This paragraph shall apply to all claims for pension and health contributions on exclusivity/hold/option monies outstanding on July 1, 1995 and to exclusivity/hold/option agreements entered into after July 1, 1995.

In addition to the foregoing money ceiling of \$232,000, the following money ceilings for term contract performers shall be applicable to contributions to the Pension and Health Plans:

(1) Combination Term Contract

With respect to compensation for services in television motion pictures under such a contract, the appropriate ceilings set forth in the applicable Producer – SAG-AFTRA Television Agreement shall apply.

(2) Theatrical Term Contract

The \$232,000 per picture ceiling referred to above with respect to the application of the pension and health contribution shall be computed as follows:

If the performer's individual employment contract contains a restriction on the number of theatrical pictures he may do in the period to which the restriction applies, then his total compensation for such period divided by that number determines his gross compensation per picture.

If there is no limitation on the number of pictures the performer may be required to do in the current contract term, then his total compensation for such term divided by the number of pictures in which he actually performed determines his gross compensation per picture.

If, on the expiration of any contract term, the performer is engaged in performing services in a picture and the Producer does not extend such current contract term, but exercises an option for the succeeding term and completes the production of such picture during such succeeding term, then, for the purpose of computing gross compensation paid to the performer for such picture, all gross compensation paid to the performer during the period such services are rendered in the completion of such picture shall be deemed to have been paid the performer during such contract term, and such picture shall be deemed to have been completed during such current contract term.

If the performer does not perform in any theatrical picture during any contract term, then there is no ceiling with respect to such contract term.

In each instance in which a "contract term" is referred to in this subparagraph (2), the same shall be deemed to include all extensions thereof.

B. Each Plan shall be administered by thirty-six (36) Trustees, eighteen (18) appointed by the Alliance of Motion Picture and

Television Producers and ANA-AAAA Joint Policy Committee on Broadcast Talent Union Relations, in accordance with the allocation described below, and eighteen (18) appointed by the Union. The appointing authority shall also have the right at any time to remove any Trustee appointed by it and to substitute another Trustee.

The number of Trustees to be allocated to the respective employer associations shall be subject to review every three (3) years following the establishment of the Plans. At such times, the Trustees to be allocated to each employer association for the ensuing three (3) year period shall be determined in accordance with the proportion which the total cumulative contributions to the Plans for the preceding three (3) year period, made by the members of each such employer association, bear to the total contribution to the Plans made by members of all such employer associations during such period.

The references in this Section 34 to any employer association shall apply to any employer association which may be or become a successor thereto.

C. The Pension and Health Plans shall be industry-wide and open to all Producers signatory to any of SAG-AFTRA's collective bargaining agreements which provide for payments to the Plans, as above set forth. By signing a letter of adherence to the Trust Agreement (hereinafter described), and upon acceptance by the Trustees, such other Producers shall be deemed to be parties to the Plans and to have appointed the Producers' Trustees previously appointed.

D. The funds contributed under the Pension Plan (hereinafter referred to as the "Pension Plan") and the Health Plan (hereinafter referred to as the "Health Plan") shall each constitute a separate Trust Fund created by a Trust Agreement to be executed by the parties to this Basic Agreement and adopted by the Trustees. The Trust Fund for the Pension Plan shall be used solely for the purpose of providing pension benefits, and for expenses connected with the establishment and administration of the Plan. The Trust Fund for the Health Plan shall be used solely for the purpose of providing health benefits for employees covered by SAG-AFTRA's collective bargaining agreements in the motion picture industry, who are eligible for such benefits under the Plan and, in the discretion of the Trustees, for their families and for expenses connected with the establishment and administration of the Plan.

E. The Trustees shall determine the form, nature and amount of pension and health benefits, respectively, the rules of eligibility for such benefits and the effective dates of such benefits. The health benefits may include, in the discretion of the Trustees, any one or more of the

following benefits: death, accidental death, injury, disability, hospitalization, surgical expense and medical expense, and any other benefits permitted by law.

F. The Pension Plan and the Health Plan provided for herein, including the respective plans of benefits thereunder, shall be subject to the approval of the Internal Revenue Service as qualified Plans and as an appropriate business expense. If any part of either Plan is not so approved by the Internal Revenue Service, such Plan shall be modified by the Trustees, to such form as is approved by the Internal Revenue Service.

G. The Agreement and Declarations of Trust shall provide that no portion of the contributions thereunder may be paid or revert to any Producer.

H. Each Producer shall furnish the Trustees, upon request, with the required information pertaining to the names, job classification, Social Security numbers and wage information for all persons covered by this Agreement, together with such information as may be reasonably required for the proper and efficient administration of the Pension and Health Plans. Upon the written request of SAG-AFTRA to the Producer, such information shall be made available to SAG-AFTRA.

I. These provisions for the Pension and Health Plans are in addition to, and not in substitution, in whole or in part, for any other existing pension and/or health plan covering any of the performers coming under this Agreement; and no performer shall lose, in whole or in part, any of his rights or privileges under such other pension and/or health plan by virtue of receiving or being entitled to receive benefits under the Pension and Health Plans. No payments, rights or privileges available to a performer under the Pension and Health Plans may be credited to any payments, rights or privileges to which such performer may be entitled under any other pension and/or health plan, and vice versa. However, the Health Plan may provide for a non-duplication of benefits with respect to persons coming under both this Health Plan and the AFTRA Health Plan.

J. No part of the Producers' contributions to the Plans may be credited against the performer's overscale compensation or against any other remuneration that the performer may be entitled to, no matter what form such other remuneration may take, nor shall it be subject to any talent agency commissions or other deductions; nor shall such contributions constitute nor be deemed to be wages due to the individual employees subject to this Agreement, nor in any manner be liable for or subject to the debts, contracts, liabilities or torts of such employees.

K. Loan-outs

The following shall apply with respect to the payment of pension and health contributions due when a Producer borrows the services of a performer from a loan-out company, as defined herein, and such performer is used by Producer within the jurisdiction of this Agreement. For purposes of this provision, a loan-out company is defined as a company, whether or not signatory to this Agreement, which is controlled by the loaned-out performer who is performing work covered by this Agreement.

(1) Pension and health contributions, subject to the ceilings, shall be based on the loan-out price for the performer's covered acting services.

(2) When other than covered acting services are being provided by the loan-out company, Producer agrees to separately state the compensation for covered acting services. If there is a dispute over the portion of the loan-out price allocated to the performer's acting services, the performer's "customary salary" shall be given substantial consideration in resolving such dispute.

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

L. <u>Audits</u>

(1)If, under the 1983 or any prior SAG Agreement, a loanout company, as defined above, has failed to make the applicable pension and health contributions on behalf of the loaned-out performer pursuant to the provision corresponding to Section 36.K.(3)(b) of the 1986 SAG Agreement, Producer shall not be liable for such contributions if the loan-out company failed to pay such contributions more than four (4) 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 Producer'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. The foregoing limitation shall apply to claims for contributions on behalf of loaned-out performers arising under the 1986 and 1989 Agreements, provided that the notice requirements set forth in Section 36.K.(3)(b) of the 1986 Agreement (or the corresponding provision of the 1989 Agreement) have been met. In the event that the Plan(s) conclude, based on an audit of a loan-out

company's records, that there exists a claim for unpaid contributions, the Plan(s) or the Union must give the borrowing Producer 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 Producer be liable for any such unpaid contributions which were due from the loan-out company more than four (4) years prior to the date that the borrowing Producer was notified of the loan-out company's failure to make the contribution.

(2) Claims against Producer pursuant to subsection K.(3) above for pension and health contributions on behalf of performers borrowed from a loan-out company, or claims against Producer on behalf of performers employed directly by the Producer, must be brought within four (4) years from the date of filing of the compensation remittance report covering such performers.

(3) Any claim for contributions not brought within the four(4) year periods referred to in subsections L.(1) and (2) above shall be barred.

M. <u>Adherence to Plans</u>

By signing this Agreement, Producer thereby applies to become a party to and agrees to be bound by the Screen Actors Guild–Producers Pension Plan Trust Agreement and the Pension Plan adopted thereunder; and the Screen Actors Guild-Producers Health Plan Trust Agreement and the Health Plan adopted thereunder, if the Producer is not already a party to said Agreements and Plans.

Producer further hereby accepts and agrees to be bound by all amendments and supplements heretofore and hereafter made to the foregoing Agreements and documents.

Producer hereby accepts the Producer Plan Trustees under said Trust Agreements and their successors designated as provided therein.

N. <u>Crediting Residuals Earnings in Excess of Contractually-</u> Established Ceilings

The parties jointly recommend that the Trustees of the Producers-Screen Actors Guild Pension and Health Plans take appropriate measures to address the problem of crediting residual earnings in excess of the contractually-established ceilings to performers who receive such earnings and who are not otherwise eligible for health coverage or pension vesting credit.

O. <u>Pension and Health Contributions for U.S. Performers</u> Engaged under ACTRA or UBCP Contracts

During the 1998 negotiations, the Producers agreed to facilitate payment of pension and health contributions to the SAG plans based on SAG contribution rates and ceilings when U.S. performers are engaged under the Alliance of Canadian Cinema Radio and Television Artists (ACTRA) and Union of British Columbia Performers (UBCP) contracts. Based upon the joint efforts of the Producers and SAG, appropriate contract provisions to this effect have been added to the ACTRA and UBCP contracts.

P. <u>Potential Merger of SAG Health Plan and AFTRA Health</u> <u>Fund</u>

During the 2014 negotiations, the parties discussed that (1)the Trustees of the SAG Health Plan and the AFTRA Health Fund are in the process of studying a merger of the SAG Health Plan and the AFTRA Health Fund. For purposes of this provision, the reference to "merger" of the health plans includes considerations of other possibilities, including creating a new health plan and the complete or partial termination of an existing health plan and the redirection of contributions to the other existing health plan. Should a vote of the Trustees of the SAG Health Plan, in which all AMPTP-appointed Trustees participated, result in the approval of the merger of the SAG Health Plan and AFTRA Health Fund, the parties shall either eliminate or modify Sections 34.B. and 34.D. of the General Provisions of the Producer – SAG-AFTRA Codified Basic Agreement of 2014 (and the identical provisions in Sections 22(d) and 22(f) of the 2014 SAG-AFTRA Television Agreement) as necessary to effectuate the terms of the merger. If the parties agree that the Producer – SAG-AFTRA Codified Basic Agreement of 2014 and/or the 2014 SAG-AFTRA Television Agreement contain other provisions that would prevent the effectuation of the merger, either party may, upon thirty (30) days' written notice, re-open negotiations for the sole purpose of removing such impediment from the Producer - SAG-AFTRA Codified Basic Agreement of 2014 and/or the 2014 SAG-AFTRA Television Agreement.

(2) <u>Successor Plan(s)</u>

(a) Producers that are required to make contributions to the SAG Health Plan under the Producer – SAG-AFTRA Codified Basic Agreement of 2014 or the 2014 SAG-AFTRA Television Agreement agree to become parties to any successor entity of the SAG Health Plan on the condition that all AMPTP-appointed Trustees participated in a vote of the Trustees of the SAG Health Plan which resulted in the approval of the merger of the SAG Health Plan and AFTRA Health Fund.

(b) Producers that are required to make contributions to the AFTRA Health Fund under the 2014 SAG-AFTRA Television Agreement agree to become parties to any successor entity of the AFTRA Health Fund on the condition that all management-appointed Trustees participated in a vote of the Trustees of the AFTRA Health Fund which resulted in the approval of the merger of the SAG Health Plan and AFTRA Health Fund.

35. <u>ADDITIONAL PROVISIONS</u>

A. <u>Evasion</u>

It is the policy of the Producer not to intentionally evade the provisions of this Agreement by acquiring pictures produced in the United States and which are made under terms and conditions less favorable than those provided herein.

- B. <u>Overnight Locations</u>
 - (1) Notification

Performers shall be notified by Producer at the time of engagement, to the extent such information is then known, whether the engagement requires overnight location work and, if so, the approximate time and duration of such location work.

(2) *Per Diem*

All performers shall be entitled to a basic *per diem* allowance for meals on overnight locations, which shall be as follows:

Breakfast	\$12.00
Lunch	18.00
Dinner	30.00
TOTAL:	\$60.00

The foregoing *per diems* are minimums only and are subject to individual bargaining at not less than the indicated *per diem* rate.

Producers recognize that, on some locations, the prevailing reasonable cost for meals exceeds the foregoing amounts and, in such instances, Producer will adjust the *per diem* rates accordingly.

Regardless of the time of call, the first major meal (either lunch or dinner) served shall be deducted at the lunch rate.

The Producer shall have the right to deduct from the *per diem* the appropriate amount for each such meal furnished.

The Producer shall issue *per diem* checks to day performers before the start of each workday and to weekly performers before the start of each workweek.

(3) Holidays on Overnight Location

Saturday holidays may be recognized on Saturday on overnight location.

(4) Check Cashing Facilities

When a production company is on an overnight location for two (2) weeks or more, Producer shall make arrangements with a local bank for the cashing of compensation and *per diem* checks issued to performers working on such location, unless the bank(s) in the locale will not make such arrangements. The performer shall not be charged a check-cashing fee.

(5) Payday

Friday shall be the regular payday on overnight

locations.

C. <u>Maintenance of Telephone</u>

Producer shall maintain a telephone within a reasonable distance on all locations where practical.

D. <u>Transportation by Air</u>

Business class transportation shall be provided on commercial airlines when the performer is required to fly at the request of the Producer, except that coach class air travel shall be permissible in the following circumstances: (1) for domestic flights that are less than 1,000 airline miles when the flight is non-stop from the departure point to the final destination; (2) for non-stop flights between Los Angeles and Vancouver; (3) for non-stop flights that are less than 1,000 miles between the United States and Vancouver or between the United States and Toronto; (4) if a substantial number of the company is being transported; (5) if six or more performers travel together in the same class on the same flight; or (6) for auditions and interviews. The foregoing shall apply to jet flights as well as to prop-driven aircraft. Charter flights may be used which provide substantially equivalent accommodations.

When the Producer requires the performer to travel by coach class, Producer shall provide elevated coach class travel (*e.g.*, Economy Plus, Extended Leg Room, etc.) when available. Performers who travel by coach class shall be reimbursed by Producer for baggage fees and costs of in-flight meals, provided that the performer submits to the Producer a request for reimbursement with appropriate receipts within thirty (30) days after the flight.

If a performer covered under this Agreement would be required to travel in coach class, but another employee employed on the same production by the same Producer is traveling on the same flight 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 performer covered under this Agreement shall be upgraded to the same class of transportation as is afforded to the other employee. The foregoing shall not apply when the travel is pursuant to subsections (4), (5) or (6) of the first paragraph of this Section 35.D.

If business class transportation is not available and coach class travel is not permissible as described above, then the Producer shall provide first class transportation to the performer.

E. When Producer makes payments consistently late as a course of conduct, SAG-AFTRA, in addition to its other rights, shall be entitled to recover damages to be determined by arbitration.

36. TERM AND EFFECTIVE DATE

A. The term of this Agreement shall commence on July 1, 2014 and shall terminate on June 30, 2017, but continue thereafter until terminated by either party on at least sixty (60) days written notice.

B. This Agreement is intended as a codification of: (1) the Producer–Screen Actors Guild Codified Basic Agreement of 2011 and (2) the 2014 Memorandum of Agreement Between the Alliance of Motion Picture and Television Producers and the Screen Actors Guild – American Federation of Radio and Television Artists for successor agreements to the Producer–Screen Actors Guild Codified Basic Agreement of 2011, the 2011 Screen Actors Guild Television Agreement, the 2011 SAG Basic Cable (Live Action) Agreement, Exhibit A to the 2011 AFTRA National Code of Fair Practice for Network Television Broadcasting ("AFTRA Network Code") and The CW Supplement to Exhibit A to the 2011 AFTRA Network Code. Services rendered under previous Agreements, and motion pictures subject to those respective Agreements, shall be governed by such Agreements, respectively.

C. The effective date of this Agreement shall be July 1, 2014. Except as specifically otherwise provided, the provisions hereof relating to wage increases and working conditions shall be effective on and after July 1, 2014, and shall apply to services rendered on and after such date under existing contracts of employment and contracts of employment entered into on or after said date, and to motion pictures whose principal photography commenced after such effective date.

37. UNION'S ARTICLES AND BY-LAWS

The Union agrees that if there is anything in its Articles of Incorporation or its by-laws which will prevent it from performing its obligations hereunder, it will take proper steps to amend such Articles or by-laws so as to correct any such defect, and the Union further agrees that, during the term of this Agreement, it will not adopt any code for performers or any amendment to its Articles or by-laws which will be in conflict with its obligations under this Agreement. The Union states that its by-laws provide that each of its members is bound by the provisions of this Agreement.

38. <u>SEPARATE AGREEMENT AS TO EACH PRODUCER</u>

A. This Agreement is a separate agreement as to each Producer and is not joint and several, and shall be construed as a separate agreement between the Union and each Producer signatory hereto.

B. This Agreement may be executed in any number of counterpart originals, each counterpart to have the same effect as an original, or by letter accepting all terms and conditions hereof.

C. This Agreement shall be binding on the signatories hereto and 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 production business of any signatory. Each Producer agrees that its signature to this Agreement shall likewise bind subsidiary and controlled companies engaged in the production of motion pictures to the terms of this Agreement.

39. OTHER PRODUCERS MAY BECOME PARTIES

Any person or corporation now or hereafter engaged in the business of producing motion pictures in the United States of America shall be afforded the opportunity of becoming a party to this Agreement.

40. PURPOSES OF CODIFICATION - SAVING CLAUSE - <u>TITLE</u>

A. The purpose of this Codified Agreement is to present in a more convenient and usable form the effective provisions contained in the Producer–Screen Actors Guild Codified Basic Agreement of 2011, as modified by the 2014 Memorandum of Agreement Between the Alliance of Motion Picture and Television Producers and the Screen Actors Guild – American Federation of Radio and Television Artists for successor agreements to the Producer–Screen Actors Guild Codified Basic Agreement of 2011, the 2011 Screen Actors Guild Television Agreement, the 2011 SAG Basic Cable (Live Action) Agreement, Exhibit A to the 2011 AFTRA National Code of Fair Practice for Network Television Broadcasting ("AFTRA Network Code") and The CW Supplement to Exhibit A to the 2011 AFTRA Network Code, without in any manner changing the intent or meaning of said provisions.

B. In the event that the Union or any Producer shall discover that any effective provision contained in the foregoing Agreements has been unintentionally omitted from this codification, such party may request its inclusion herein; the Union and the Alliance of Motion Pictures and Television Producers agree to promptly discuss the request and, if they determine that the provision was unintentionally omitted, then the parties agree to include such provision in this codification.

C. Except as otherwise provided, these provisions cover new or increased minimum scale compensation for services (including such new or increased compensation resulting from new or different working conditions), new or increased minimum payments or contributions based upon compensation, and new or increased rerun and residual payments to be paid to the employees covered by the terms of the Agreement.

D. This Agreement may be referred to as the **PRODUCER** – **SAG-AFTRA CODIFIED BASIC AGREEMENT OF 2014.**

41. <u>RULES OF CONSTRUCTION</u>

A. The language in all parts of this Agreement shall in all cases be construed simply according to its fair meaning, and not strictly for or against the Union or the several Producers. Unless otherwise specifically defined herein, the terms used shall be given their common meaning in the motion picture industry.

B. The headings of Sections or subsections are not a part of this Agreement and shall not be construed as altering the meaning of the text of this Agreement.

C. If any portion of this Agreement shall be held illegal, such portion shall be ineffective, but if such portion is a major provision of this Agreement, either party may thereupon terminate this Agreement on ninety (90) days' written notice to the other party.

42. <u>SERVICE OF NOTICES</u>

Any notice which either party may desire to serve upon the other may be served personally in Los Angeles County upon a corporate officer of such party or by registered mail, postage prepaid, addressed to such party at its principal place of business in Los Angeles County. The Union agrees that a copy of any such notice shall be delivered or mailed, as aforesaid, to the Alliance of Motion Picture and Television Producers at its office in Los Angeles County.

43. <u>NUDITY</u>

A. The Producer's representative will notify the performer (or his representative) of any nudity or sex acts expected in the role (if known by management at the time) prior to the first interview or audition. The performer shall also have prior notification of any interview or audition requiring nudity and shall have the absolute right to have a person of the performer's choice present at that audition. Total nudity shall not be required at such auditions or interviews; the performer shall be permitted to wear "pasties" and a G-string or its equivalent.

B. During any production involving nudity or sex scenes, the set shall be closed to all persons having no business purpose in connection with the production.

C. No still photography of nudity or sex acts will be authorized by the Producer to be made without the prior written consent of the performer. D. The appearance of a performer in a nude or sex scene or the doubling of a performer in such a scene shall be conditioned upon his or her prior written consent. Such consent may be obtained by letter or other writing prior to a commitment or written contract being made or executed. Such consent must include a general description as to the extent of the nudity and the type of physical contact required in the scene. If a performer has agreed to appear in such scenes and then withdraws his or her consent, Producer shall have the right to double, but consent may not be withdrawn as to film already photographed. Producer shall also have the right to double children of tender years (infants) in nude scenes (not in sex scenes).

44. HUMANE TREATMENT OF ANIMALS - STATEMENT OF POLICY

The Producers believe that they have a highly commendable record of protecting animals and of preventing their abuse during production of motion picture and television films. They believe that this has been a responsibility most filmmakers have accepted and exercised with diligence over the years.

Producers believe that trained animals are available which can perform with realism and without danger of injury or death and, in addition, as part of a long-term policy, Producers have cooperated with the Hollywood office of the American Humane Association. Producers believe it is important for this liaison to continue in the interest of assuring responsible, decent and humane treatment of animals.

Producer shall not utilize any performer to perform in a scene for any motion picture in which an animal is intentionally tormented or killed, except that the photography of animals being killed pursuant to the provisions of a legal hunting season shall be excluded.

The Producer shall notify the American Humane Association prior to the commencement of any work involving an animal or animals and advise it of the nature of the work to be performed. Script scenes involving animals shall be made available to the American Humane Association.

Representatives of the American Humane Association may be present at any time during the filming of a motion picture when any animals are used.

45. <u>VIDEOTAPE</u>

All of the terms and conditions of this Agreement shall apply to the employment of performers in videotaped programs.

46. <u>VERIFICATION - CODING</u>

Producer shall submit to the Union, for motion pictures produced under this Agreement, the International Standard Audiovisual Number ("ISAN"), if any, when known by the Producer.

47. <u>CASTING</u>

A. Casting which is done outside the studio shall be conducted on a business-like basis, with regular business hours and telephone service.

B. At least once per month, Producer will send a casting director, if one is then engaged, to the showcases jointly sponsored by the Union and Casting Society of America. Such casting director may instead expend a comparable amount of time holding general interviews.

48. FAVORED NATIONS CLAUSE

If, during the term of this Agreement, any union through its collective bargaining agreement negotiated with the Alliance of Motion Picture & Television Producers obtains a "Cost of Living Escalation Clause" with respect to minimum rates, then, in such event, the Union will be entitled to the benefits of such clause commencing with the third year of this collective bargaining agreement.

49. PHOTOGRAPHY OF STAGE PERFORMANCE (INSTANT MOVIES)

Producer will give the Union at least sixty (60) days' advance notice of the employment of any performer in a motion picture to be made from a currently running legitimate stage play, ballet, opera, or other legitimate stage performance (all being referred to in this Section for convenience as a "play"), or a play which has closed within eight (8) weeks of the commencement of the production of such motion picture, and which play, staged substantially as presented on the legitimate stage and utilizing substantially the same cast as the play, is to be photographed as a motion picture. Producer and the Union agree to meet within thirty (30) days from receipt of such notice for the purpose of negotiating with respect to the terms and conditions of such employment. If no agreement is reached with respect thereto within such sixty (60) day period, the Union may instruct its members to withhold services with respect to the production in such motion picture only.

This provision shall not apply to a motion picture produced from a screenplay written for such motion picture, based on such play, and photographed in a normal motion picture manner as distinguished from a recordation, as such, of the play.

50. <u>EMPLOYMENT OF MINORS</u>

A. <u>Preamble</u>

(1) The Producers and Union, recognizing the special situation that arises when minor children are employed, have formulated the following provisions in addition to those contained in other Sections of this Agreement to ensure that:

(a) The environment in which the performance is to be produced is proper for the minor;

(b) The conditions of employment are not detrimental to the health, morals and safety of the minor; and

(c) The minor's education will not be neglected or hampered by his or her participation in such performance.

(2) Engagement

Upon employment of any minor, Producer shall notify the minor's parent or guardian of the terms and conditions of employment, including the name of the Producer, place and duration of location work, if any, and special abilities required.

Upon the employment of any minor in any areas outside of California, Producer shall notify the Union of such employment and the area where such employment will take place.

B. It is recognized that when minors are employed in the State of California or taken from the State of California pursuant to a contractual arrangement made in the State of California, the applicable California laws and regulations shall regulate such employment.

When minors are hired and employed within states other than California, the Producer shall be required to determine and comply with the prevailing law governing and defining minors. In addition to these legal requirements for minors not employed in the State of California or not taken from the State of California pursuant to a contractual arrangement made in the State of California, the Producer and the Union agree to the following provisions of Section 50 herein for the employment of minors:

C. Definition of Minor

The term "minor," as used herein, means any performer under the age of eighteen (18) years, except that it shall not include any such performer if: (1) the performer has satisfied the compulsory education laws of the state governing the performer's employment; (2) the performer is married; (3) the performer is a member of the armed forces; or (4) the performer is legally emancipated, in which case it is agreed that both the Producer and the minor shall comply fully with the legal terms of the minor's emancipation.

D. <u>Education</u>

(1) (a) If a minor is guaranteed three (3) or more consecutive days of employment, Producer agrees to employ a teacher, from the first day of such employment, whenever the minor is engaged on any day during which the primary or secondary school regularly attended by the minor is in session. The same shall apply when the Producer's production schedule for a given production plans for scenes to be photographed with the minor on three (3) or more consecutive days. When the minor is employed in scenes planned on the production schedules for only two (2) consecutive days and it is subsequently determined that additional calls will be necessary, Producer shall use its best efforts to provide a teacher on the third consecutive day of such employment or, at the latest, on the fourth consecutive day of such employment and thereafter.

(b) On any day a minor is employed but is not otherwise entitled to have a teacher, the minor shall nevertheless be taught if the primary or secondary school such minor regularly attends is in session and Producer has employed a teacher to instruct another performer engaged on the same production.

(c) If Producer employs a minor for post-production work, no teacher need be provided if the minor's call for such work is after the minor's regular school has been dismissed for the day.

(d) Producer shall provide schooling as required by this Agreement during Producer's workweek for the production.

(2) Such teacher shall have proper teaching credentials appropriate to the level of education required (*i.e.*, primary or secondary level) from Washington D.C. or any state within the United States, but need not be credentialed by or a resident of the state wherein the minor's employment occurs unless otherwise required by law.

(3) The teacher's remuneration shall be paid by Producer.

(4) Producer shall provide a ratio of not more than ten (10) minors per teacher, except that up to twenty (20) minors may be taught per teacher if the minors are in not more than two (2) grade levels.

(5) A teacher may not serve more than one (1) production in any one (1) day, except in an emergency and except as provided in subsection D.(1)(c) above.

(6) If the minor's regular instruction is primarily in a language other than English, teaching in that language will be provided whenever feasible.

(7) However, on any day that the minor is not required to report to the set, the minor may attend his or her regular school, but Producer shall not count more than three (3) hours of the hours attended per day at the minor's regular school as school time for purposes of this Agreement. If the minor's parent or guardian does not choose to have the minor attend regular school on such day, Producer may elect to either teach the minor on the set or in the minor's home or in the home of the teacher employed by Producer, but only if there are no other minors present in the home who are not also being taught by the teacher.

(8) Producer agrees to provide a school facility, such as a schoolhouse, classroom, trailer schoolhouse or other schooling area, which closely approximates the basic requirements for classrooms, especially with respect to adequate lighting, heating, desks and chairs. Stationary buses or cars are not adequate school facilities unless used exclusively for the minors during instruction. A moving car or bus shall never be used as a school facility; minors must not be taught while being transported to or from local locations.

(9) Producer shall provide schooling equipment and supplies. However, the minor's parent or guardian must, if permitted by the minor's regular school, secure school assignments and the minor's school books for use at the place of employment.

(10) No one shall be allowed in an area being utilized by Producer as a school facility except the teacher and those minors being taught.

(11) The teacher shall determine the required number of hours to be devoted to instruction during a day, but the minor must be taught an average of at least three (3) hours per day, no period of less than twenty (20) minutes duration being acceptable as school time. The maximum number of hours that may be set aside for the minor's instruction in any one (1) day shall be as follows: for kindergarten, four (4) hours; for grades one (1) through six (6), five (5) hours; and for grades seven (7) through twelve (12), six (6) hours.

(12) Producer shall require the teacher to prepare a written report for each minor covering attendance, grades, etc. These reports shall be given to the minor's parents or guardian to deliver to the minor's regular school at the end of each assignment or at such intervals as required by such school.

E. <u>Supervision</u>

(1) On days when the minor's regular school is in session, Producer must require the minor to report to the teacher immediately upon arrival at the place of employment. When school is in session, the teacher has primary responsibility for the education and supervision of the minor.

(2) Presence of the teacher does not relieve parents, however, of the responsibility of caring for their own children. A parent or guardian must be present at all times while a minor is working, and shall have the right, subject to filming requirements, to be within sight and sound of the minor, except as restricted herein by subsection D.(10).

(3) When a parent is working at the minor's place of employment but not at the scene of employment, either the other parent or a guardian must be present with the minor.

(4) A guardian, as that term is used in this Section, must be at least eighteen (18) years of age, have the written permission of the minor's parent(s) to act as a guardian, and show sufficient maturity to be approved by Producer (and teacher, if teacher is present).

(5) No minor may be sent to wardrobe, make-up, hairdressing, or employed in any manner unless under the general supervision of a teacher, parent or guardian.

(6) If Producer engages any minor under the age of fourteen (14), Producer must designate one (1) individual on each set to coordinate all matters relating to the welfare of the minor and shall notify the minor's parent or guardian and teacher, when one is present, of the name of such individual.

(7) Parents and guardians are not permitted to bring other minors not engaged by Producer to the place of employment without Producer's specific permission.

F. Working Hours

(1) Minors less than six (6) years of age are permitted at the place of employment for six (6) hours (excluding meal periods, but including school time, if any).

(2) Minors who have reached the age of six (6) years but who have not attained the age of nine (9) years may be permitted at the place of employment for eight (8) hours (excluding meal periods, but including school time).

(3) Minors who have reached the age of nine (9) years but who have not attained the age of sixteen (16) years may be permitted at the place of employment for nine (9) hours (excluding meal periods, but including school time).

(4) Minors who have reached the age of sixteen (16) years but who have not attained the age of eighteen (18) years may be permitted at the place of employment for ten (10) hours (excluding meal periods, but including school time).

(5) The work day for a minor shall begin no earlier than 5:00 a.m. and shall end no later than 10:00 p.m. on evenings preceding school days. On evenings preceding non-school days, the minor's work day shall end no later than 12:30 a.m. on the morning of the non-school day.

(6) If a minor is at location, the minor must leave location as soon as reasonably possible following the end of his or her working day, and may not be held for transportation.

(7) Interviews and fittings for children who are attending school shall be held outside of school hours. Such interviews and fittings shall be held not later than 9:00 p.m.

At least two (2) adults shall be present at all times during a fitting.

(8) A minor shall not work more than six (6) consecutive days. However, for this purpose, a day of school only or travel only shall not be counted as one of said consecutive days.

(9) Producer shall set the first call at the beginning of the minor's employment and dismissal on the last day of the minor's employment so as to ensure that the minor will have a twelve (12) hour rest period prior to and at the end of the employment. For example, if a minor's last day of employment is Wednesday, and the minor will be attending school at 8:30 a.m. on Thursday, the minor must be dismissed by 8:30 p.m. on Wednesday.

G. <u>Dressing Rooms</u>

No dressing rooms shall be occupied simultaneously by a minor and an adult performer or by minors of the opposite sex.

H. <u>Play Area</u>

A safe and secure place for minors to rest and play must be provided by Producer.

I. <u>Medical Care and Safety</u>

(1) The minor's parent or guardian must provide Producer a certificate signed by a doctor licensed to practice medicine within the state wherein the minor resides or is employed, stating that the minor has been examined within six (6) months prior to the date he or she was engaged by Producer and has been found to be physically fit.

(2) Prior to a minor's first call, Producer must obtain the written consent of the minor's parent or legal guardian for medical care in the case of an emergency. However, if the parent or legal guardian refuses to provide such consent because of religious convictions, Producer must at least obtain written consent for external emergency aid, provided that the obtaining of such consent is not contrary to the aforementioned religious convictions.

(3) No minor shall be required to work in a situation which places the child in clear and present danger to life or limb. If a minor believes he/she would be in such danger, the parent or guardian may have the teacher and/or stunt coordinator, if either or both are present, discuss the situation with the minor. If the minor persists in his/her

belief, regardless of its validity, the minor shall not be required to perform in such situation.

(4) When a minor is asked to perform physical, athletic or acrobatic activity of an extraordinary nature, the minor's parent or guardian shall first be advised of the activity and shall represent that the minor is fully capable of performing the activity. Producer will comply with reasonable requests for equipment that may be needed for safety reasons.

J. <u>Child Labor Laws</u>

(1) A summary of the applicable state child labor laws governing the employment of the minor shall be kept in the Producer's production office if such summary is readily available.

(2) Any provision of this Section which is inconsistent and less restrictive than any child labor law or regulation in applicable state or other jurisdictions shall be deemed modified to comply with such laws or regulations.

K. Inconsistent Terms

The provisions of this Section shall prevail over any inconsistent and less restrictive terms contained in any other Sections of this Agreement which would otherwise be applicable to the employment of the minor, but such terms shall be ineffective only to the extent of such inconsistency without invalidating the remainder of such Sections.

L. Arbitration

Any dispute between performer and Producer with respect to any provision contained in this Section shall be arbitrable, regardless of the amount of compensation paid or guaranteed to the performer. Any such dispute between the Union and Producers shall likewise be arbitrable. The procedures for such arbitrations shall be those contained in Section 9 hereof.

M. Overnight Location - Expenses

When state law or this Agreement requires that a parent or guardian of a minor be present while such minor is working and such minor is employed on an overnight location under the terms of this Agreement, Producer will, in conjunction with its negotiation for the minor's services, also negotiate in good faith with respect to expenses incurred by the parent or guardian for transportation, lodging and meals that may be required for the assignment and such expenses must be approved in advance. In the case of air transportation, Producer will endeavor to provide for the parent or guardian the same class of transportation, on the same flight as the minor, if reasonably available. In the case of lodging, Producer shall endeavor to provide a room for the parent or guardian in the same facility and adjacent to the minor's room, if reasonably available, provided that a minor under eleven (11) years old may be required to share his/her room with his/her parent or guardian, and a minor eleven (11) years to sixteen (16) years old may be required to share his/her room with a parent of the same sex.

N. <u>Time Cards</u>

On production time reports or time cards submitted to the Union, Producer shall designate minors with a "K" next to the minor's name.

51. ALCOHOLISM AND DRUG ABUSE PROGRAM

Producers and the Union recognize alcoholism and drug abuse as conditions which impact upon the productivity and safety of the motion picture industry. The parties agree to cooperate in an effort to establish a functioning alcoholism and drug abuse program to benefit the motion picture industry.

52. TRANSLATION

Performer may not be required to translate another performer's dialogue into any language other than that in which a script is written. However, performer may bargain separately for such non-covered services.

53. TEMPORARY EMPLOYMENT - NON-RESIDENT ALIEN PERFORMERS

Whenever the Producer files a petition for temporary employment with a governmental agency on behalf of a non-resident alien performer whose employment would be covered under this Agreement, Producer shall also inform the Union of the role to be portrayed by the performer, the salary to be paid and the performer's prior acting experience. The Union shall keep such information confidential.

The Union agrees to cooperate with the Producer and the governmental agency to expedite the petition process. The Union shall support any petition filed on behalf of a non-resident alien performer who has previously been granted such a permit for temporary employment for work covered under this Agreement and whose contemplated employment would be covered under Schedule F of the Codified Basic Agreement. As to petitions filed on behalf of all other performers, the Union shall make a good faith determination of support or non-support for such petitions, based upon the agency's criteria for granting such petitions.

54. **DEFINITION OF NETWORK**

The term "network," as used in this Agreement, means ABC, CBS, Fox Broadcasting Company ("FBC") and NBC, or any other entity which qualifies as a "network" under Section 73.662(f) of the rules of the Federal Communications Commission, unless the FCC determines that such entity is not a "network" for purposes of such Section.

55. STUNT COORDINATORS

This Agreement covers stunt coordinators performing stunt coordinating work, whether or not other services are rendered under this Agreement. However, the addition of the stunt coordinator classification to those covered under the Agreement is not intended, nor shall it be construed, either to require the employment of stunt coordinators in circumstances in which persons other than stunt coordinators are presently or have heretofore performed the functions of stunt coordinators nor to diminish the employment of stunt coordinators by assigning stunt coordinating work to persons in positions in which such work has not customarily been performed.

56. <u>BODY DOUBLES</u>

Body doubles employed in scenes requiring nudity or conduct of a sexual nature shall be principal performers, except that the provisions relating to residuals, screen credit, consecutive employment and preference of employment shall not apply to such persons. Notwithstanding the foregoing:

A. Body doubles shall be paid for intervening days on an overnight location when required to remain at such location by the Producer; and

B. When employed to work in the Background Actor Zones covered by Schedule X, Part I, the preference of employment provisions thereof (*i.e.*, Section 42 of Schedule X, Part I) shall apply to the employment of body doubles; when employed in the Background Actor Zones covered by Schedule X, Part II, the preference of employment

provisions thereof (*i.e.*, Section 43 of Schedule X, Part II), shall apply to the employment of body doubles.

57. <u>DUBBING</u>

With respect to theatrical motion pictures produced under this Agreement, the principal photography of which commences on or after July 1, 2014, the sound track of which is dubbed by Producer, or by a contractor engaged by Producer, in the United States, into a language other than English, Producer agrees that the dubbing performers shall be accorded substantially equivalent economic terms to those provided in the Screen Actors Guild Modification (Dubbing) Agreement of 2001 ("Dubbing Agreement").

58. WORK IN SMOKE

A principal performer shall be advised at the time of booking and/or audition that work in smoke will be required, if known, and if not so advised, will be given prior notification when smoke is scheduled to be created on any set on which the performer is scheduled to work. If the performer is not so advised, then the performer may refuse to work in smoke for *bona fide* personal health reasons and shall receive a half day's pay or pay for time actually worked, whichever is greater. Whenever possible, such notice shall be given by stating on the call sheet that smoke is to be used.

When smoke is used on an interior set, the stage shall be periodically ventilated or exhausted, vertically or laterally, or all performers shall be allowed to be away from the stage in a smoke-free environment at appropriate intervals.

Producer shall make the applicable Material Safety Data Sheet ("MSDS") available on the set on any day on which smoke is used. Upon request of a performer, Producer shall furnish a copy of the MSDS to the performer.

59. PROJECT INFORMATION

The following shall apply only to Qualified Residual Payors, Qualified Distributors and Qualified Buyers and to those signatory production companies for which a Qualified Residual Payor, Qualified Distributor or Qualified Buyer has agreed to assume the obligation to pay residuals or to guarantee the payment of residuals for that motion picture: The Producer shall furnish a notice containing the following information to a designated representative of the Union at or prior to the time that the Producer clears performers through Station 12 on each theatrical motion picture, long-form television motion picture, one-time program and episodic series:⁸

- the name, address and telephone number of the production company;
- the type of production involved;
- the working title of the production; and
- the principal location at which photography is scheduled to occur.

Both the Union and the Producer shall designate a representative for the other party to contact in the event of questions concerning the foregoing.

The parties agree to convene the Contract Adjustment Committee to examine the necessity for this report after this requirement has been in effect for at least twelve (12) months, but not later than eighteen (18) months.

All other Producers shall continue to provide information prior to the start of principal photography as substantially set out in the Unions' Production Information Sheet.

60. <u>WAIVER OF NEW YORK CITY EARNED SICK TIME ACT</u> <u>AND OTHER SIMILAR LAWS</u>

The Union expressly waives, to the full extent permitted by law, the application of the New York City Earned Sick Time Act of 2013, the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W), the Newark Sick Leave for Private Employees Ordinance (City Ordinance 13-2010) and the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698), to all performers employed under this Agreement.

⁸ Only one such notice need be given for any episodic series.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day and year first herein written.

On behalf of the Producers in the multi-employer unit listed on Exhibit A hereto represented by THE ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS:

By:

Carol A. Lombardini President AMPTP

Date: June 4, 5017

SCREEN ACTORS GUILD – AMERICAN FEDERATION OF RADIO AND TELEVISION ARTISTS

By:

Date:

David P. White National Executive Director SAG-AFTRA

EXHIBIT A

COMPANIES IN THE MULTI-EMPLOYER UNIT REPRESENTED BY THE ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS

100 Ft Journey Productions, LLC1555 Filmworks Inc.2006 Film Services, LLC300 Pictures, Inc.533 Kids Productions, LLC

ABC Signature Studios, Inc. Abominable Pictures, Inc. Acacia Productions, Inc. ACOD Inc. Acts of Witness Pictures, LLC Adobe Pictures, Inc. Agora Productions, Inc. Albermarle Productions, Inc. Alive and Kicking, Inc. Alleged Industries, Inc. Allenford Productions, Inc. Alpine Productions, Inc. American Summer Productions, Inc. Anger Productions, Inc. Another Film Fund LLC Appleton Productions, Inc. Arlington Productions, Inc. Asgard Productions II LLC Ashland Productions, Inc. Aspect Ratio, Inc. Assembled Productions II, LLC Atom Productions, Inc. Avery Pix, Inc.

Baby Steps Entertainment, Inc. Back Breaker Films, Inc. Bad Wolf Productions, LLC Battle Investments, Inc. Beard Collins Shores Productions, LLC Belleville Productions, Inc. Big Beach, LLC Big Boss Creative, Inc. Big Minyan Films LLC Blanc-Biehn Productions Blaze Films, Inc. Bleecker Production Services, Ltd. Blithe Hollow, LLC Bonanza Productions Inc. Book of Esther, LLC Boss Productions, Inc. BOT Productions, Inc. Breakup Productions, Inc. Bridge and Tunnel Film, LLC **Bro-Boyz** Productions, Inc. **Bromley Productions LLC** Buck McDonald Productions, LLC **Buckeye Pictures, LLC Bumper Car Films LLC** C4 Productions. Inc. Canada Premiere Pictures Inc. Canterbury Productions, Inc. Carrie Bantin Cartoon Network Studios. Inc. Cary Anderson Productions LLC Castle Rock Pictures, Inc. Catalina Films, Inc. Cavemen, LLC CBS Films Inc. CBS Studios Inc. CD2 Pictures Inc. Chained Productions, LLC **Charlestown Productions LLC** Chime Productions, LLC Cigarette Soup LLC Circeo Films LLC Classic Films Inc. **Clowntinuum Productions LLC** Columbia Hybrid Productions, Inc. Columbia Pictures Industries, Inc. The Company Productions, LLC **Computer Chess LLC Comstock Movie Studios LLC** Constant Alchemy Productions, Inc. Cordova Training Company Corporate Management Solutions, Inc. Corsica Productions, Inc. Cosmic Light Productions, LLC Cotton Film LLC CPT Holdings, Inc.

Crown City Pictures Inc.

Daniel & The Lions Den LLC Darguad Media Corp. Dark Country Productions, Inc. Dead Duck Productions, LLC Dean River Productions, Inc. Deeds Productions, Inc. dick clark film group, inc. dick clark productions, inc. Dirty Poet Films, LLC **DLP Media LLC Dogwood Pictures** Doll & Em Productions LLC DreamWorks II Productions Co., LLC DreamWorks Animation LLC Dude Productions, Corp. **Dutch Boy Productions, LLC DVG Productions, LLC** DW Dramatic Television L.L.C. DW SKG TV L.L.C. DW Studios Productions L.L.C.

Earlham Productions, Inc. Eat Pray Love Productions, Inc. Ecosse Films Limited Edell Film Fund 1, LLC ELP Communications Emerald City Pictures, LLC Emergency Films, LLC Endemol Studios E.O.B. Productions, Inc. Eye Productions Inc.

Factual Productions, Inc. Faith Street Film Partners, LLC Famous Players, Inc. Featured Artists Productions, Inc. Fifth Estate Productions, LLC Film 49 Productions, Inc. Film McQueen LLC Film One, LLC Film Roman, LLC Finding Normal, LLC First Pick Productions, LLC Floresta Productions, Inc. Foodles Production (US) Inc. Fox Square Productions, Inc. FRB Productions, Inc. Frog Pond Movie, LLC Frontier Productions LLC FTP Productions, LLC Full Circle Show, LLC

Galaxy Three Productions, Inc. Garden Films, Inc. GGX Productions, Inc. Glenhill Productions, Inc. **GOE Productions. LLC** Good Luck Productions, LLC Goosebumps Productions, LLC Gotta Dance, Inc. Gotta Step Productions, Inc. Gradual Elevate Media, Inc. Gramercy Productions LLC Grand Slam Productions, Inc. Grucitta Productions, LLC GT Films Inc. GVB, LLC **GWave Productions**, LLC

H2 Films LLC Hard Breaker Productions, Inc. Harlan Films LLC Harmony Gold, USA Inc. Harrington Productions Ltd., LLC Hazardous Productions, LLC Hearthlight Pictures, Inc. Hemisphere Entertainment, Inc. HHG Productions, LLC dba Bonefide Productions High Wide and Handsome, Inc. Hillard Productions, Inc. Hithertofore Films, Inc. Hollyvista Productions, Inc. Horizon Scripted Television Inc. Hostage Productions, Inc. How Do You Know Productions, Inc. Hudson Productions, Inc.

I.B.C.C. Films, Inc. Icontent Inc. I Like Pie, Inc. Infinity Productions LLC Informant Productions LLC Interpol Pictures, LLC Isotropic Films LLC IV3D Productions, Corp.

Jack & Jill Productions, Inc. Jeanne Starr Enterprises, Inc. Jessabelle Productions, Inc. Josh Hetzler Productions, Inc. Julia Movie Production, LLC Julius Galacki dba Burning Ball of Ice Productions Jump 21 Productions, Inc. Jump Films, LLC Just Rewards Productions, Inc.

Katy Mac Session Productions Kelley Productions, Inc. dba David E. Kelley Productions Kerner Films, LLC Kiki Tree Pictures Inc. K-Kid Productions, Inc. Killer Films, Inc.

Lady Prison Productions, Inc. Lafitte Productions, Inc. Lake Hartwell Productions. Inc. Lakefront Productions, Inc. Lakeshore Entertainment Group LLC Lakeshore Entertainment, LLC La Mesa Productions, Inc. Larry George Pictures LLP Last Productions, Inc. Laura Durkay Productions LDL, Inc. Legendary Pictures Productions, LLC Lennox House Pictures Inc. Leverage Productions, Inc. Lexmond Inc. Liberty Pictures, Inc. Lily Dog Productions, LLC Lonely Boy Production, Inc. Lost Lambs Productions, Inc. Louisiana Premiere Productions, LLC Love Lessons Productions, Inc.

Madison Productions, Inc. Mardi Gras Louisiana, LLC Marvel Eastern Productions LLC McFarlane Productions, Inc. MCM Productions, Inc. Measure, the Film LLC Memory Productions LLC Mesquite Productions, Inc. Metch-Kangmi Pictures, Inc. Metro-Goldwyn-Mayer Pictures Inc. MFV Productions, Inc. MGM Television Entertainment Inc. Midnight Special Pictures, LLC Midnight Special Productions Inc. Miles Deep Productions, Inc. Monarch Consulting dba PAEINC Monica Joy Zaffarano Inc. Monogram Pictures, LLC Monster House, Inc. Montrose Productions, Inc. Moonlight Productions Inc. Mountainair Films Inc. Music City Productions, Inc. Mustard Productions, Inc. Mutiny Pictures, Inc.

Navy Street Productions, LLC Needlestick LLC Nerd Monster, LLC Net 2.0 Productions, Inc. New Horizons Picture Corp. New Line Productions, Inc. New Regency Productions, Inc. New York Challenge Productions, Inc. Nferno Productions, LLC NFS Productions, LLC Ninja Production Services, LLC Ninjutsu Pictures, Inc. Northern Entertainment Productions LLC Not Specific Productions, Inc. NS Pictures, Inc. Nurse Productions, Inc.

October Holdings, Inc. On the Brink Productions, Inc. Open 4 Business LLC Oren Jacoby Productions Inc. d/b/a Storyville Films Origin:L LLC

Pacific 2.1 Entertainment Group, Inc. Panther Film Productions US, Inc. Paramount Pictures Corporation Parkville Movie, Inc. Passenger, LLC Perdido Productions, Inc. Pet II Productions Inc. Phantom Media, Inc. **Pixar Talking Pictures** Planet B-Boy Productions, Inc. Plaza Productions, Inc. Pool Mate Pictures, LLC Post-Industrial Pictures, LLC Prairie View Pictures, Inc. Pressing Pictures, LLC Pretend Wife Productions. Inc. Private Number, LLC Produced Bayou, Inc. Prom Productions, Inc. **Ptown Productions LLC** Pym Particles Productions, LLC

Quick Productions, Inc.

R2 Productions, Ltd. Rain Forest Productions, LLC Random Pictures Inc. Readcrest Productions, Inc. Recifilms Redbud Pictures, LLC Red Compass Media Inc. Redemption Pictures, Inc. **RedField Thomas IV** RedLove Film LLC Red Zone Pictures, Inc. Remote Broadcasting, Inc. **Reservation Road LLC Restless Productions, Inc. Restoration Films, LLC** Retro, Inc. Retromedia Entertainment, Inc. Return to Sender, LLC **Revolver Pictures, LLC**

Riot of Colour, Inc. **Riverboat Productions, LLC** Riverside Actors Holdings, Inc. **Rocking Frog Productions, LLC** Rose City Pictures, Inc. Rosecrans Productions, Inc. **Rosey Film Productions LLC** Rozar Pictures, LLC S&K Pictures, Inc. Saint Productions, Inc. Salty Pictures, Inc. Sample Size, Inc. San Vicente Productions, Inc. SC2 Prods, LLC Scope Productions, LLC Scrambled Entertainment, Inc. Screen Gems Productions, Inc. SDI Productions, Inc. Seneca Productions, Inc. Seven Pounds Productions, Inc. Shalonda Shaw Shedding Productions, LLC Sherri Show, Inc. (The) Shouldn't Throw Stones, Inc. **Sleeper Productions Limited SLO Productions Inc.** SMC Productions, Inc. **Smiley Face Productions LLC** Smoked Gouda, LLC **Smuffking Productions** Snake and Mongoose Productions, LLC Sneak Preview Productions, Inc. Somma Productions, Inc. Sony Pictures Animation, Inc. Sony Pictures Television, Inc. Southward Films, LLC Spot Up Shooter Productions, LLC Sprodco, Inc. Squirrels to the Nuts, Inc. SS1 Productions, Inc. St. Giles LLC Stage 6 Films, Inc. Stage 16 Pictures, LLC Stalwart Films, LLC StarTroop Pictures, Inc.

Stewie Productions, Inc. Stillking Films, SPOL S.R.O. Stol'n Heart Productions d/b/a Craig Young Straw Dogs Louisiana, Inc. Stu Segall Productions, Inc. SU5 Productions, Inc. Subconscious Productions Inc. Sub-Urban Productions, Inc. Sunday Show Pictures, Inc. Sunny Television Productions Inc. Sunrise Motion Pictures Inc. Sydney Productions, Inc. Synthetic Filmwerx, LLC Synthetic Filmwerx, LLC

Take Root Productions, Inc. Talent Court Productions Inc. Talent Solutions, Inc. TAO of Surfing, LLC TCT Productions, Inc. TeleStranger Productions, Inc. Thai Sniper, Inc. Thai Vampire, Inc. The Butler Did It Productions LLC The FKPS Company The SKPS Company Theoretical Pictures, Inc. Things You Shouldn't Say, LLC Third Act Pictures Inc. Tibernia Productions, Inc. Tim and Eric, Inc. dba Absolutely Productions Tiny Tot Productions, Inc. **TJ Productions LLC** Toluca Holdings, Inc. Topanga Productions, Inc. Touchstone Television Productions, LLC dba ABC Studios Towerlight Films LLC Triage Entertainment, LLC TriStar Productions, Inc. TriStar Television, Inc. **TRW Productions, LLC** Turner Films, Inc. **Tuxedo Terrace Films LLC** TVM Productions, Inc. Twentieth Century Fox Film Corporation TWMS, LLC

Two Strings, LLC

UFO Pictures LLC Ultra-Vi Productions, Inc. Undiscovered North American Ape Pictures, Inc. Unforseen Productions, Inc. United Performers' Studio Co. Universal Animation Studios LLC Universal City Studios LLC Universal Network Television LLC Universal Transmission Media Inc. UPI Films LLC Upside Down Productions Inc. U.R.O.K. Productions, Inc.

Vampires-R-Us, Inc. Vasanta Productions, Inc. Vedaware, LLC d/b/a Lovemakers Velvet Hell Productions, Inc. Victory Angel Films, LLC Vinyl Foote Productions LLC Voxage, LLC

WAG Pictures Inc. Walt Disney Pictures Warner Bros. Animation Inc. Warner Bros. Pictures Warner Bros. Television Warner Specialty Productions Inc. Warner Specialty Video Productions Inc. Westendthemovie, LLC Westholme Productions, Inc. West Lake Boulevard Productions LLC What Were We Thinking Films, Inc. WHYoming Productions, Inc. WigTVFilms, LLC Williams Street Productions LLC Woodridge Productions, Inc. WTE Productions, Inc.

X-Mas Hollywood Films, Inc.

Yandr Productions, LLC

Zoya Shybkouskaya

See Room or For Instructions STUUTS ON THIS FORM MUST BE COMPLETED FOR EACH MOTION PICTURE AND EACH EPISODE OF EACH SERIES PRODUCED FOR THE QUARTER IN WHICH PRINCIPAL PHOTOGRAPHY WAS COMPLETED SAG-AFTRA CASTING DATA REPORT 7) CHECK IF APPROPRIATE TELEPHONE NUMBER 6) DATA SUBMITTED BY EMAIL ADDRESS. TOTAL NO. OF DAYS OF PRODUCTION (Principal Photography Only). 4) DESCRIPTION (Feature, M.O.W., TV Series, etc.) _____ SAG-AFTRA. 3) PROJECT (Title, Prod. No., etc.) 1) PRODUCTION COMPANY 2) QUARTER AND YEAR

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EXHIBIT B INSTRUCTIONS

- 1. Indicate the Production Company (e.g., "THE XYZ COMPANY").
- 2. Indicate the quarter/year (*e.g.*, "1st quarter, 2012").

The quarters consist of:	January	-	March	(1st)
	April	-	June	(2nd)
	July	-	Septemb	er (3rd)
	October	-	Decembe	er (4th)

- 3. Indicate the <u>name</u> of the film for which you are reporting.
- 4. Indicate the <u>type</u> of project (movie, television series).
- 5. Use a number to respond to this question.
- 6. Indicate the name of the person completing this form and the telephone number and e-mail address for same.
- 7. Two separate reports are required, one for <u>performers</u> only and one for <u>stunt performers and stunt coordinators</u> only. If there were no stunt performers or stunt coordinators employed on the film, check the "No Stunt" box. If stunt performers or stunt coordinators were employed, complete the casting data report form for stunt performers and stunt coordinators.
- 8. Indicate the total number of males and females in each category.
- 9. Use numbers only to indicate the total number of days worked by <u>all</u> the performers in male and female category.
- 10. Use numbers only to indicate how many performers were in each age group.

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NATIVE AMERICAN																		
OTHER/UNKNOWN																		

<u>EXHIBIT B-1 INSTRUCTIONS</u> (STUNT PERFORMERS AND COORDINATORS ONLY)

- 1. Indicate the Production Company (e.g., "THE XYZ COMPANY").
- 2. Indicate the quarter/year (<u>e.g.</u>, "1st quarter, 2012").

The quarters consist of:	January	_	March	(1st)
	April	_	June	(2nd)
	July	—	Septemb	er (3rd)
	October	—	Decembe	er (4th)

- 3. Indicate the <u>name</u> of the film for which you are reporting.
- 4. Indicate the <u>type</u> of project (movie, television series).
- 5. Use a number to respond to this question.
- 6. Indicate the name of the person completing this form and the telephone number and e-mail address for same.
- 7. Indicate the name of the stunt coordinator.
- 8. Indicate the total number of male and female stunt performers in each category.
- 9. Use numbers only to indicate the total number of days worked by <u>all</u> stunt performers in each category.
- 10. Use numbers only to indicate how many stunt performers were in each age group.
- 11. Indicate the stunts as descript or non-descript.

Alliance of Motion Picture & Television Producers 14144 Ventura Boulevard Sherman Oaks, California 91423 (818) 995-3600

J. NICHOLAS COUNTER III PRESIDENT

As of July 1, 1983

Kendall Orsatti National Executive Secretary Screen Actors Guild, Inc. 7750 Sunset Boulevard Los Angeles, California 90046

Re: Payroll Data

Dear Ken:

This letter will confirm that in the 1983 negotiations, the parties agreed that the Screen Actors Guild, Inc. and the Alliance of Motion Picture & Television Producers will mutually cooperate to develop a procedure for providing the following information to performers expeditiously as needed:

1. Breakdown of payment as to base pay, overtime, premiums, allowance, reimbursements and other deductions; and

2. Actual day(s) worked; whether check is for supplemental, residual or foreign use.

Sincerely Nicholas Counter III

ACCEPTED AND AGREED:

By Kendall Orsatti

National Executive Secretary

JNC:sjk