

**XXVIII.A. Special Residual Formula for Theatrical Motion Pictures Licensed to Free Television, Supplemental Markets and/or New Media for which a Minimum Guarantee or Non-Returnable Advance is Payable**

Should a Producer enter into a license agreement on or after August 1, 2015 with respect to theatrical motion pictures covered under this Basic Agreement or under any prior Basic Agreement that requires Post '60s or Supplemental Market payments, which license agreement provides a minimum guarantee or non-returnable advance to the Producer in exchange for theatrical distribution rights as well as distribution rights of the theatrical motion picture in free television, Supplemental Markets and/or New Media (hereinafter referred to as a "qualifying transaction"), the provisions of Articles XIX and XXVIII and the Sideletter re Exhibition of Motion Pictures Transmitted Via New Media to this Agreement shall apply, except as provided below:

(a) The percentage payment to the Motion Picture Industry Pension and Health Plans shall be four and one-half percent (4.5%) of "Producer's gross" which, as used herein, means the total license fees (including overage payments) received by the Producer in connection with the qualifying transaction described above. (Subparagraph (3) of Article XIX(b) shall not apply to such percentage payment.) Such amount shall be in lieu of any percentage payment otherwise due to the Plans under the Post '60s and Supplemental Markets provisions of this Agreement (Articles XIX and XXVIII), or of any prior Basic

Agreement, and under the Sideletter re Exhibition of Motion Pictures Transmitted Via New Media to this Agreement or any prior Basic Agreement with respect to the market(s) included in such transaction (*i.e.*, it shall satisfy all residual payment obligations in connection with all residual-bearing markets covered by the transaction).

(b) Of the total contribution due to the Plans under subparagraph (a) above, thirty percent (30%) shall be allocated as provided in subparagraphs (i) through (vii) of Article XIX(b)(1), and seventy (70%) shall be allocated as provided in subparagraphs (i) through (v) of Article XXVIII(b)(4).

(c) Once during the term of each IATSE Basic Agreement that succeeds the 2015 IATSE Basic Agreement, the parties will re-examine the blended contribution rate set forth in subparagraph (a) above.

(d) This Article XXVIII A. shall not apply to feature length primarily animated motion pictures.