

XXXIV. Loan-outs

The Producer may utilize the services of an employee on a loan-out basis for work covered by the Basic Agreement, the Videotape Agreement and the West Coast Studio Local Agreements (Applicable Agreements) under the following conditions:

(a) All seniority rights and terms of the Industry Experience Roster of the Basic Agreement and Paragraph 68 of the Local Agreements shall be fully applicable to the use of the services of the employee on loan-out.

(b) With respect to compensation and conditions under the Applicable Agreements, the Producer shall provide at least the minimum compensation and conditions under the Applicable Agreements to the loan-out company, but shall not be responsible for payment by the loan-out company to its employee.

(c) Any claims or disputes between the employee on loan-out and the Producer regarding salaries or terms and conditions of employment that would be covered by the grievance and arbitration provisions of the Applicable Agreements if the employee had been hired directly by the Producer shall be subject to such grievance and

arbitration provisions with the right of the IATSE and the Local Unions to file grievances on behalf of employee on loan-out.

(d) With respect to pension and health and contract services administration, during such time as an employee is engaged by a borrowing Producer through the employee's loan-out company, the borrowing Producer shall make pension and health and CSATF contributions directly to the Motion Picture Industry Health Plan and the Motion Picture Industry Pension Plan on behalf of the employee so employed based upon hours worked or guaranteed, whichever is greater. Contributions may not be made by loan-out companies.

(e) A Producer who borrows an employee from a loan-out company under this section, whose employment if directly by the Producer would have been covered by the Applicable Agreements, shall, within ten (10) days after the execution of the agreement covering the loan-out transaction, give the IATSE a written notice of the transaction including the names of the loan-out company and the employee loaned out to the Producer. An inadvertent failure by the Producer to give such notice shall not be deemed to be a breach of the Applicable Agreements.

"Loan-out company" for purposes of this Article is defined as a company controlled by the loaned out employee, who is the only employee of the loan-out company who performs work covered by the Applicable Agreements.