

May 4, 2017

**MEMORANDUM OF AGREEMENT FOR THE
2017 WGA THEATRICAL AND TELEVISION BASIC AGREEMENT**

This Memorandum of Agreement (“this Agreement”) is entered into between the Writers Guild of America, West, Inc. and the Writers Guild of America, East, Inc. (collectively “WGA” or “the Guild”), on the one hand, and the Alliance of Motion Picture and Television Producers, Inc. (“AMPTP”), on behalf of the Companies listed in the attached Exhibit “A,” and American Broadcasting Companies, Inc., an indirect wholly-owned subsidiary of ABC, Inc., CBS Broadcasting Inc., NBCUniversal Media, LLC and Universal Television LLC (“the Networks”), on the other hand.

The provisions of the 2014 WGA – AMPTP Theatrical and Television Basic Agreement (“the 2014 WGA – AMPTP MBA”) (including all sideletters), as amended by this Memorandum of Agreement and subject to conforming changes, and as such provisions may be amended pursuant to Article 62, “Contract Adjustment Committee” thereof, shall together constitute and be known as the “2017 Writers Guild of America – Alliance of Motion Picture and Television Producers Theatrical and Television Basic Agreement” or “the 2017 WGA – AMPTP MBA.” The provisions of the 2014 WGA – Network Theatrical and Television Basic Agreement (“the 2014 WGA – Network MBA”) (including all sideletters), as amended by this Memorandum of Agreement and subject to conforming changes, and as such provisions may be amended pursuant to Article 62, “Contract Adjustment Committee” thereof, shall together constitute and be known as the “2017 Writers Guild of America – Network Theatrical and Television Basic Agreement” or the “2017 WGA – Network MBA.” The terms of this Agreement shall prevail over any inconsistent terms of the 2014 WGA – AMPTP MBA or the 2014 WGA – Network MBA. Contract language in this Agreement is indicated by quotation marks or by a notation that the provision is written in contract language.

The terms and conditions set forth in this Memorandum of Agreement shall be effective as of May 2, 2017 (except when another effective date is specified), provided that the memberships of both WGA, West, Inc. and WGA, East, Inc. ratify this agreement no later than May 31, 2017.

1. Term of Agreement (WGA Proposal No. 30)

Three-year term: May 2, 2017 to May 1, 2020.

The term of the 2017 MBA shall commence on May 2, 2017 and shall continue to and including May 1, 2020.

Revise Article 2 to read as follows:

“ARTICLE 2 - TERM AND EFFECTIVE DATE OF AGREEMENT

“A. GENERAL

- “1. The term of this Basic Agreement shall commence on May 2, ~~2014~~ 2017 and shall continue to and include May 1, ~~2017~~2020.
- “2. With respect to all employment agreements with writers in effect on May 2, ~~2014~~ 2017, the terms of this Basic Agreement relating to minimum compensation and to rights in material shall apply only to services performed and literary material written under such employment contracts where the date of actual employment (*i.e.*, the commitment date) was on or after May 2, ~~2014~~ 2017, except as specifically otherwise provided herein in Article 2, Section B. or Section C.
- “3. With respect to literary material licensed or acquired from professional writers (as described herein), the terms of this Basic Agreement relating to minimum compensation and rights in material shall apply only to unpublished and unexploited literary material licensed or acquired from such professional writers on or after May 2, ~~2014~~ 2017. Options of unpublished and unexploited literary material obtained from professional writers on or after May 2, ~~2014~~ 2017 shall be subject only to the provisions of this Basic Agreement relating to options (*i.e.*, third paragraph of Article 13.A., Article 13.B.1.a., Article 16.A.3.d. and Article 16.B.3.i.), and then only to the extent applicable. Disputes relating to the options provisions listed in the preceding sentence shall be subject to grievance and arbitration as provided in Articles 10, 11 and 12 of this Agreement.
- “4. Company or Guild may, by written notice to the other served not earlier than ninety (90) days nor later than sixty (60) days prior to the expiration date of this Basic Agreement, signify its desire to negotiate a new collective bargaining agreement which shall become effective upon a date determined by mutual agreement between the Company and the Guild. Such notice shall set forth in detail the proposals or recommendations of the party serving such notice. If such notice is served, the parties agree to commence negotiations covering the proposals or recommendations in the notice, and the proposals and recommendations of the party receiving such notice, within thirty (30) days after the receipt of such notice and to continue such negotiations diligently and in good faith. It is understood

and agreed that the existing Basic Agreement shall continue in full force and effect until the termination date above provided.

- “5. [Deleted] (~~See the fourth and fifth paragraphs of Article 17.C.1. for provisions relating to the diversion of salary increases to Health Fund contributions and vice versa.~~)
- “6. [Appeared as Article 2.A.5. in predecessor Basic Agreements.] Nothing herein contained shall be deemed to modify or affect the terms or conditions of any existing contract which are more favorable to the writer than the terms and conditions of this Basic Agreement.

“B. THEATRICAL

- “1. With respect to all theatrical employment agreements with writers under term or deal contracts which were in effect on May 2, ~~2014~~ 2017, the new minimum compensations, conditions and Theatrical Schedule A as herein contained shall not in any manner be applicable for the period prior to, nor effective until:
- “a. in the case of a term contract, the effective date of the exercise of the next option which occurs after May 2, ~~2014~~ 2017, for the renewal of the employment period, or six (6) months after the effective date of the commencement of the current employment period, whichever occurs first, but in no event prior to May 2, ~~2014~~ 2017.
- “b. in the case of a deal contract, the effective date of the next step of such deal contract which commences after May 2, ~~2014~~ 2017.
- “2. Any contractual obligation by Company, in effect on December 12, 1966, to give credit for source material or story in connection with a photoplay; shall not in any manner be affected by the provisions of Theatrical Schedule A contained herein.

“C. TELEVISION

- “1. With respect to television employment agreements with writers on a term or week-to-week contract basis in effect on May 2, ~~2014~~ 2017, the terms of this Basic Agreement relating to rights in material shall apply only to literary material written pursuant to assignments made on or after May 2, ~~2014~~ 2017.

“2. Notwithstanding any other provisions of this Article, the terms of this Basic Agreement relating to rights in material shall not apply to literary material written pursuant to any agreement in effect on May 2, ~~2014~~ 2017 if the granting or reserving of such rights, as herein provided, would conflict with any contractual obligation of the Company to any third party entered into prior to the effective date of this Basic Agreement; provided that the Company does not have a right to require the removal or elimination of the conflict created by such contractual obligation to the third party.”

Make conforming changes as needed.

2. Minimums (WGA Proposal No. 1)

a. All minimum rates listed in this subparagraph “a.” below shall be increased in each year of the 2017 MBA on a compounded basis, as follows:

Two percent (2.0%) effective May 2, 2017;
Two and one-half percent (2.5%) effective May 2, 2018; and
Two and one-half percent percent (2.5%) effective May 2, 2019.

ARTICLE 13

- 13.A.1.a. Flat Deal Screen Minimums
- 13.A.2. Narration - Rate Schedule A
- 13.A.10. Week-to-Week, Term, Flat Deal
- 13.A.15. Minimum Weekly Compensation
(Week-to-Week or Term Contracts)
- 13.B.7.a. Story Minimums - Other Than Network Prime Time or
Serials Covered by Article 13.B.7.e.(1) or e.(3)
- 13.B.7.b. Teleplay Minimums - Other Than Network Prime Time or
Serials Covered by Article 13.B.7.e.(1) or e.(3)
- 13.B.7.c. Story and Teleplay - Other Than Network Prime Time or
Serials Covered by Article 13.B.7.e.(1) or e.(3)

- 13.B.7.e.(3) Serial Rates - Prime Time
- 13.B.7.g. Plot Outline - Narrative Synopsis of Story Minimums
- 13.B.7.h.(1) Rewrite Minimums
- 13.B.7.h.(2) Polish Minimums
- 13.B.7.m.(1) Format Minimums
- 13.B.7.m.(2) Bible Minimums
- 13.B.7.m.(3) Rewrite or Polish of Format or Bible
- 13.B.7.n. Narration Rate Schedules A, B, C
- 13.B.7.p. Non-Commercial Openings and Closings
- 13.B.7.s.(2) Week-to-Week and Term Employment

ARTICLE 14

- 14.G. Program Fees
- 14.K. Minimum Compensation - Rate Per Week

ARTICLE 15

- 15.B.14.a.(1) and (2) Additional Compensation for Certain Use of Material to Which Separated Rights Do Not Apply
- 15.B.14.c. Additional Compensation for Certain Use of Material to Which Separated Rights Do Not Apply - Radio
- 15.B.14.h.(1), (2) and (3.2) Character Payments
- 15.B.14.1.(1) and (2) Teleplay as Basis of Pilot

ARTICLE 16

16.A.5.c. Sequel Payments for Programs Other than Programs Made
1st paragraph Principally for the Videodisc/Videocassette Market

16.B.2.a. Sequel Payments

ARTICLE 38

38.F.2.a. Trainee Rates

APPENDIX A

13.B.2.a. Comedy-Variety -- Per Program Minimum Compensation

13.B.2.b.(1) Comedy-Variety Programs -- Minimum Variety Show
Commitment

13.B.2.b.(3) Comedy-Variety Programs - Aggregate Minimum
Compensation Per Weekly Unit of Five Programs

13.B.2.g. Comedy-Variety Programs -- Pre-Production Periods

13.B.3. Comedy-Variety Programs -- Self-Contained Portions of
Programs

13.B.4.a. and b. Quiz and Audience Participation Programs

13.B.6.a.(1)(a) Once Per Week or Less, Non-Dramatic Programs

13.B.6.a.(1)(b)(i) Minimum Series Commitment

13.B.6.b.(1)(a),
13.B.6.b.(1)(c) Non-Dramatic Strip Programs

13.B.7.d.(2) Assigned Outlines

13.B.8.b.(1) Documentary Programs - Story and Telescript

13.B.8.b.(2) Documentary Programs - Story Only

13.B.8.b.(3) Documentary Programs - Telescript Only

- 13.B.8.c.(1) Narrative Synopsis of Story
- 13.B.8.d. Rewrite or Polish Minimum Compensation

APPENDIX C

- Paragraph 2.b.(1) Made For Basic Cable One-Hour High Budget Dramatic Programs or Series In Their Second or Subsequent Season

SIDELETTER ON LITERARY MATERIAL WRITTEN FOR PROGRAMS MADE FOR NEW MEDIA

- Paragraph 2.a. Initial Compensation for “Derivative New Media” Productions

- Paragraph 3.b.(5)(c) Sequel Payments for “Original New Media Productions”

- Para. 4.c.(1) – Tier 2 Only Initial Compensation for High Budget SVOD Programs intended for initial exhibition on a subscription consumer pay new media platform with 20 million or more subscribers in the United States and Canada – Tier 2 Only

- Para. 4.c.(2) Initial Compensation for High Budget SVOD Programs intended for initial exhibition on a subscription consumer pay new media platform with fewer than 20 million subscribers in the United States and Canada

- b. Increase the minimum rates for network prime time dramatic programs (Article 13.B.7.d.) and High Budget SVOD Programs intended for initial exhibition on a subscription consumer pay new media platform with 20 million or more subscribers in the United States and Canada in the Tier 1 budget tiers (Paragraph 4.c.(1) for Tier 1 Only in the Sideletter on Literary Material Written For New Media in the 2017 MBA) in each year of the 2017 MBA on a compounded basis, as follows:
 - i. One percent (1%) effective May 2, 2017;
 - ii. One percent (1%) effective May 2, 2018; and

- iii. One percent (1%) effective May 2, 2019.
- c. The minimum rates for daytime serials (Appendix A, Article 13.B.5.a.(1), (2), (5) and (8) and Article 16.B.2.a.(5)) shall be increased in each year of the 2017 MBA on a compounded basis, as follows:
 - i. One percent (1%) effective May 2, 2017;
 - ii. One percent (1%) effective May 2, 2018; and
 - iii. One percent (1%) effective May 2, 2019.
- d. The minimum rates for news programs (Appendix A, Article 13.B.8.b.(4)) shall be increased in each year of the 2017 MBA on a compounded basis, as follows:
 - i. One and one-half percent (1.5%) effective May 2, 2017;
 - ii. Two percent (2%) effective May 2, 2018; and
 - iii. Two percent (2%) effective May 2, 2019.
- e. Establish a new residual base in Article 15.B.1.b.(2)(c) for reruns in network non-prime time, syndication and basic cable based on the rates in Article 13.B.7.a., b. and c. as of May 1, 2017, increased in each year of the 2017 MBA on a compounded basis, as follows:
 - i. One-half percent (0.5%) effective May 2, 2017;
 - ii. One percent (1%) effective May 2, 2018; and
 - iii. One percent (1%) effective May 2, 2019.
- f. The rates for network prime time reruns (Article 15.B.1.b.(2)(a)) shall remain the same as those in effect on May 1, 2017.
- g. The residual payment provided in Paragraph 2.b.(4)(A) of the Sideletter on Exhibition of Television Motion Pictures Transmitted Via New Media for AVOD and other uses shall be as set forth in Item 4 below.
- h. The residual bases for High Budget SVOD Programs shall be as set forth in Item 5 below.

- i. Excerpt Payments (Article 15.A.3.j., Article 15.B.10.c., d. and dd., and Article 15.B.13.j.). The rates for excerpt payments shall increase by two and one-half percent (2.5%) effective May 2, 2018.
- j. Sequel Payments for Programs Made Principally for the Videodisc/Videocassette Market (Article 16.A.5.c., 2nd para.). The sequel payment for programs made principally for the videodisc/videocassette market shall increase by one percent (1%) effective May 2, 2018.
- k. Publication Fee (Article 16.A.10.). The Article 16.A.10. publication fee shall remain the same as the fee in effect on May 1, 2017.
- l. Upset Price (Article 16.B.5.). The upset price figures in Article 16.B.5. shall increase by one percent (1%) effective May 2, 2018.
- m. Article 25. The rate in Article 25 shall increase in the same manner as in the 2014 MBA.

3. Article 14.K. (WGA Proposal No. 3)

Modify Article 14.K. as follows:

“K. MINIMUM COMPENSATION

- “1. The minimum compensation for week-to-week and term employment for writers also employed in additional capacities shall be the following:

		Rate per week		
		5/02/14- 5/01/15 <u>5/02/17-</u> <u>5/01/18</u>	5/02/15- 5/01/16 <u>5/2/18-</u> <u>5/1/19</u>	5/02/16- 5/01/17 _ <u>5/2/19-</u> <u>5/1/20</u>
“a.	Week-to-week & term employment up to and including 9 weeks	\$8,256 <u>\$8,847</u>	\$8,462 <u>\$9,068</u>	\$8,674 <u>\$9,295</u>
“b.	Term employment 10 weeks through 19 weeks	6,880 <u>7,373</u>	7,052 <u>7,557</u>	7,228 <u>7,746</u>
“c.	Term employment 20 weeks or over	6,187 <u>6,631</u>	6,342 <u>6,797</u>	6,501 <u>6,967</u>

“The Company may employ a writer on a guaranteed episode basis. When such writer's initial guarantee is at least five (5) episodes, the minimums provided in Article 14.K.~~b. or c. 2. or 3.~~ shall apply to such initial guarantee based on the number of weeks such writer actually works.

“2. With respect to contracts entered into on or after May 2, 2018, the overall employment period covered by the episodic guarantee for each writer employed on a guaranteed episode basis (including an ‘all episodes produced’ guarantee) under this Article 14.K., other than a writer employed as a story editor or other contractually equivalent title, on a dramatic episodic series or serial made for television, or a High Budget SVOD series or serial, for which the full season order (including the pilot) is fourteen (14) or fewer episodes (or twelve (12) or fewer episodes for broadcast television), shall not exceed a number of weeks equal to two and four-tenths (2.4) multiplied by the number of episodes paid or guaranteed to the writer.

“The writer shall be paid an additional episodic fee for each additional period worked of two and four-tenths (2.4) weeks, prorated for any period less than two and four-tenths (2.4) weeks, in excess of the overall employment period covered by the episodic guarantee. In no event shall the writer be paid less than the applicable Article 14.K. minimum for each week worked in the entire employment period.

“The overall employment period shall not include any weeks during which a writer’s employment is suspended pursuant to Article 26 or any weeks not worked by the writer during a hiatus.

“The foregoing shall not apply to: (1) any writer who receives at least \$350,000, excluding script fees, for the then-current contract year; (2) any writer employed pursuant to Article 14.E.2.; (3) any writer employed on a ‘series’ described in Article 14.J. (i.e., a one-time program, including but not limited to a movie-of-the-week, or development deals for specific television programs); and (4) any writer employed on a multi-part closed-end series.”

Make conforming changes as needed.

4. **Reuse of Traditional Programs Via New Media / AVOD (WGA Proposal No. 9(A))**

Modify the Sideletter on Exhibition of Motion Pictures Transmitted via New Media as follows:

“2. If the Consumer Does Not Pay

* * *

“b. Television

* * *

“(4) (A) If the Company makes available the television motion picture, the literary material for which is written on or after May 2, 2017~~4~~, for streaming outside the applicable streaming window provided above, but within one (1) year of the expiration of the streaming window described in Paragraph 2.b.(1), on a free-to-the-consumer, advertiser-supported service transmitted via the internet or mobile or other device or on the advertiser-supported video-on-demand service (‘AVOD’) of a multichannel video programming distributor (‘MVPD’) or any similar service that currently exists or may hereafter be developed, then the Company shall make a residual payment equal to ~~five~~four percent (~~5~~4%) ~~effective May 2, 2014 (four and one-half percent (4.5%) effective May 2, 2015 and five and one-half percent (5.5%) effective May 2, 2018~~6) of the applicable minimum for the television motion picture under Article ~~13.B.7.a., b., or c.~~15.B: (or under Appendix A, where applicable) for a twenty-six (26) consecutive week period beginning on the first day that the television motion picture is available for streaming following the expiration of the streaming window. ~~The applicable minimum for dramatic programs shall be no more than the network prime time residual base in Article 15.B.1.b.(2)(a).~~

“If the Company makes available the television motion picture for streaming for all or any part of the twenty-six (26) consecutive week period immediately following the twenty-six (26) consecutive week period described in the preceding paragraph, but within one (1) year of the expiration of the streaming window described in Paragraph

2.b.(1), and outside the streaming window described in Paragraph 2.b.(2), then the Company shall make a residual payment equal to ~~five~~four percent (~~5~~4%) ~~effective May 2, 2014~~ (four and one-half percent (4.5%) ~~effective May 2, 2015~~ and five and one-half percent (5.5%) effective May 2, 2018~~6~~) of the applicable minimum for the television motion picture under Article ~~13.B.7.a., b., or c.~~~~15.B.~~ (or under Appendix A, where applicable) for a twenty-six (26) consecutive week period beginning on the first day that the television motion picture is available for streaming during such twenty-six (26) week period.”

Make conforming changes as needed.

5. High Budget SVOD Programs (WGA Proposal No. 10)

a. *Modify Paragraph 4 of the Sideletter on Literary Material Written For Programs Made for New Media as follows:*

“4. Terms and Conditions for ‘High Budget’ Derivative and Original Dramatic New Media Productions Made for Initial Exhibition on a Subscription Consumer Pay Platform

“a. The terms and conditions set forth in this Paragraph 4 shall not apply to any program or series that was grandfathered, and remains grandfathered, pursuant to subparagraphs (1) and (2) of Paragraph 4.a. of the Sideletter on Literary Material Written For Programs Made for New Media of the 2014 MBA.

“In addition, the terms and conditions set forth in this Paragraph 4 shall not apply to a High Budget SVOD Program or episodes of a High Budget SVOD series, the literary material for which is written on or after May 2, 2017 pursuant to a license agreement entered into prior to May 2, 2017 (and which program or series is not otherwise grandfathered as provided

above).^{1,2} For such Programs or episodes, Paragraph 4 of the Sideletter on Literary Material Written for Programs Made for New Media to the 2014 MBA shall apply instead, except that: (1) footnote 3 of this Sideletter applies; (2) the minimum initial compensation shall be increased in each year of the 2017 MBA on a compounded basis by two percent (2%) effective May 2, 2017, by an additional two and one-half percent (2.5%) effective May 2, 2018 and two and one-half percent (2.5%) effective May 2, 2019; and (3) the applicable residual base shall be the network prime time residual base in Article 15.B.1.b.(2)(a) of the 2017 MBA.

~~“The terms and conditions set forth in this Paragraph 4 shall be applicable prospectively only. They shall not apply to:~~

~~“(1) any program or series that would otherwise qualify as a “High Budget SVOD Program” within the meaning of this Sideletter, for which the principal photography of the program, in the case of a one-time program, or the principal photography of the first episode, in the case of a series, commenced prior to May 2, 2014, or~~

~~“(2) any program or series that would otherwise qualify as a “High Budget SVOD Program” within the meaning of this Sideletter for which the principal photography of the program or the first episode of the series commenced after May 2, 2014, if such program or~~

¹ If the licensee orders additional High Budget SVOD Programs or episodes of a High Budget SVOD series, the literary material for which is written on or after May 2, 2017, pursuant to a license agreement entered into prior to May 2, 2017, and the Company has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then the High Budget SVOD Program or episodes of the High Budget SVOD series shall be subject to the terms of this Sideletter on Literary Material Written for Programs Made for New Media to the 2017 MBA.

² The Company shall notify the WGA of any such license agreement entered into prior to May 2, 2017. The notice shall include the name of the licensee, the term of the license agreement, the license fee, the number of programs or the number of minutes of programming to be produced under the license agreement, the anticipated start date of principal photography, the anticipated date of delivery of the program or series, and whether the licensee has an option to order additional programs or series under the license agreement and, if so, whether the material terms and conditions applicable to such additional programs or series are fixed in the license agreement or are subject to negotiation. At the WGA’s request, the Company must make an unredacted license agreement available for inspection at the Company’s office in Los Angeles subject to a confidentiality agreement equivalent to those governing new media license agreement inspections.

~~series was produced pursuant to the terms of a *bona fide* license agreement with fixed and definite terms entered into by the Company prior to May 2, 2014.² However, if such license agreement is entered into subject to conditions precedent, then all such conditions must be satisfied prior to May 2, 2014.~~

~~“Any program or series described in subparagraphs (1) or (2) above shall continue to be subject to the terms of the Sideletter on Literary Material Written for Programs Made for New Media of the 2011 WGA Theatrical and Television Basic Agreement. However, with respect to any such program or series described in subparagraphs (1) or (2) above, if the licensee orders additional programs or episodes pursuant to the terms of the license agreement after May 2, 2014 and the Company has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then such additional programs or episodes shall be subject to the terms of this Sideletter.~~

~~“Notwithstanding the foregoing, the Company shall not reduce the terms and conditions of employment previously provided to WGA-represented employees on programs or series covered by subparagraphs (1) or (2) above.~~

“b. ‘High Budget SVOD Programs’ Defined

The terms and conditions set forth in this Paragraph 4 shall be applicable only to derivative and original dramatic new media productions made for initial exhibition on a subscription video-on-demand consumer pay platform which meet the following ‘high budget’ criteria (hereinafter ‘High Budget SVOD Program(s)’):

²~~The Company shall notify the WGA of any such license agreement that it enters into prior to May 2, 2014. The notice shall include the name of the licensee, the term of the license agreement, the license fee, the number of programs or the number of minutes of programming to be produced under the license agreement, the anticipated start date of principal photography, the anticipated date of delivery of the program or series, and whether the licensee has an option to order additional programs or series under the license agreement and, if so, whether the material terms and conditions applicable to such additional programs or series are fixed in the license agreement or are subject to negotiation. At the WGA’s request, the Company must make an unredacted license agreement available for inspection at the Company’s office in Los Angeles subject to a confidentiality agreement equivalent to those governing new media license agreement inspections.~~

Length of Program as Initially Exhibited*	“High Budget” Threshold
20-35 Minutes	\$1,300,000 and above
36-65 Minutes	\$2,500,000 and above
66 Minutes or more	\$3,000,000 and above

“* Programs less than 20 minutes are not considered ‘high budget’ for the purpose of this Sideletter, regardless of their budgets.

“c. Minimum Initial Compensation for Story and Teleplay

- (1) Minimum initial compensation for writers employed on a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay new media platform with ~~20~~15 million or more subscribers in the United States and Canada shall be as follows:

Program Length	Budget Tier	Rate
20-35 Minutes	Tier 1: \$2,000,000 or more (\$2,100,000 or more effective May 2, 2016)	Article 13.B.7.d.
	Tier 2: \$1,300,000 or more but less than \$2,000,000 (\$2,100,000 effective May 2, 2016)	Article 13.B.7.a., b. or c., as applicable
36-65 Minutes	Tier 1: \$3,700,000 or more (\$3,800,000 or more effective May 2, 2016)	Article 13.B.7.d.
	Tier 2: \$2,500,000 or more but less than \$3,700,000 (\$3,800,000 effective May 2, 2016)	Article 13.B.7.a., b., or c., as applicable
66-95 Minutes	Tier 1: \$4,000,000 or more	Article 13.B.7.d.
	Tier 2: \$3,000,000 or more but less than \$4,000,000	Article 13.B.7.a., b., or c., as applicable

Program Length	Budget Tier	Rate
96 Minutes or more	Tier 1: \$4,500,000 (plus \$2,250,000 for each additional 35 minutes or portion thereof) or more	Article 13.B.7.d.
	Tier 2: \$3,000,000 or more but less than \$4,500,000 (plus \$2,250,000 for each additional 35 minutes or portion thereof) or more	Article 13.B.7.a., b., or c., as applicable

“(2) Minimum initial compensation for writers employed on a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay new media platform with fewer than 20 15-million subscribers in the United States and Canada shall be as provided in Article 13.B.7.a., b., or c., as applicable.

“(3) For purposes of determining applicable minimum compensation under subparagraphs (1) and (2) above, a High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget SVOD Program between 36 and 65 minutes shall be treated as a 60-minute program; a High Budget SVOD Program between 66 and 95 minutes shall be treated as a 90-minute program; and a High Budget SVOD Program 96 minutes or longer shall be treated as a 120-minute program.³

“d. Other Terms and Conditions for High Budget SVOD Programs

“Except as otherwise provided herein, the terms and conditions applicable to High Budget SVOD Programs in Tier 1 intended for initial exhibition on a subscription consumer pay new media platform with 20~~15~~-million or more subscribers in the United States and Canada shall be those applicable

³ For purposes of determining the applicable minimum compensation and other terms and conditions under Paragraph 4 of this Sideletter, the parties agree that an episode of a High Budget SVOD series may exceed the ‘program length’ which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of a High Budget SVOD series falls in the 20-35 minute category, a given episode of such series which is 38 minutes in length will still be subject to the compensation and terms and conditions applicable to a program between 20 and 35 minutes in length.) The parties further confirm that this applies to High Budget SVOD Programs produced under the Sideletter on Literary Material Written for New Media to the 2014 MBA.

to programs made for network prime time, and the terms and conditions applicable to all other High Budget SVOD Programs shall be those applicable to programs made for basic cable, subject to the following clarifications and modifications:

- “(1) Article 13.B.7.r. shall not apply to any High Budget SVOD Program.
- “(2) Article 14.G. shall not apply to any High Budget SVOD Program.
- “(3) Article 20.B.3.e. shall not apply to any High Budget SVOD Program.
- “(4) A High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget SVOD Program between 36 and 65 minutes shall be treated as a 60-minute program; a High Budget SVOD Program between 66 and 95 minutes shall be treated as a 90-minute program; and a High Budget SVOD Program 96 minutes or longer shall be treated as a 120-minute program.³

“e. Residual Compensation

- “(1) Initial compensation paid to the credited writer(s) of a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay new media platform ~~with 15 million or more subscribers in the United States and Canada~~ constitutes payment for ninety (90) days~~one year~~ of use worldwide on such platform (including any related or affiliated foreign subscription consumer pay platform(s)), commencing with the first day the High Budget SVOD Program is available on such subscription consumer pay platform(s).

“Company shall pay to such credited writer(s) residual compensation as set forth below.

- “(2) Subsequent Use on the Domestic Subscription Consumer Pay Platform on Which the High Budget SVOD Program Was Initially Exhibited.

~~For each year of use of such programs on the subscription consumer pay platform (including any related or affiliated foreign subscription consumer pay platform(s)) beyond the initial one-year~~

use period, the Company shall make a fixed residual payment based on the applicable network prime time residual base (Article 15.B.1.b.(2)(a)), according to the following schedule:

Exhibition Year*	Percentage of Applicable Network Prime Time Residual Base (Article 15.B.1.b.(2)(a))
Year 2	30.0%
Year 3	30.0%
Year 4	25.0%
Year 5	20.0%
Year 6	15.0%
Year 7	10.0%
Year 8	8.0%
Year 9	5.0%
Year 10	4.5%
Year 11	3.0%
Year 12	2.5%
Each Year thereafter	1.5%
* Each Year shall commence with the first day that the High Budget SVOD Program is made available for exhibition on the subscription consumer pay platform following the conclusion of the prior one-year use period.	

Initial compensation paid to the credited writer(s) of a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay new media platform with fewer than 15 million subscribers in the United States and Canada constitutes payment for one year of use on the domestic subscription consumer pay platform on which it is first exhibited and on any related or affiliated foreign subscription consumer pay platform(s); commencing with the first day that the High Budget SVOD Program is available on such subscription consumer pay platform. For all use of such High Budget SVOD Program on the domestic subscription consumer pay platform and on any related or affiliated foreign subscription consumer pay platform(s) beyond the initial

~~one-year use period, the Company shall make a fixed residual payment for each subsequent one-year period according to the schedule set forth above, but the residual base shall be 65% of the applicable network prime time residual base (Article 15.B.1.b.(2)(a)).~~

“For use on the subscription consumer pay platform in the United States and Canada on which the High Budget SVOD Program is initially exhibited during the first exhibition year after the ninety (90) day period following the initial availability of the Program on such platform, and for each year of domestic use thereafter, the Company shall pay residuals calculated by multiplying the applicable residual base set forth in subparagraph (a) below by the applicable percentage for the period of use set forth in subparagraph (b) below and by the subscriber factor set forth in subparagraph (c) below.

“(a) Base for High Budget SVOD Program Residual.

“The following residual bases are applicable to a one-time High Budget SVOD Program or an episode of a High Budget SVOD series, the literary material for which is written on or after May 2, 2017, and shall apply in perpetuity to that program or episode:

“(i) Story

<u>Program Length in Minutes</u>	<u>As of 5/1/17</u>	<u>Effective 5/2/17</u>
<u>20-35 minutes</u>	\$ 5,406	\$ <u>5,649</u>
<u>36-65 minutes</u>	9,822	<u>10,264</u>
<u>66-95 minutes*</u>	14,762	<u>15,426</u>
<u>96 minutes or more*</u>	19,345	<u>20,216</u>

“(ii) Teleplay

<u>Program Length in Minutes</u>	<u>As of 5/1/17</u>	<u>Effective 5/2/17</u>
<u>20-35 minutes</u>	\$ 8,778	\$ <u>9,173</u>

<u>Program Length in Minutes</u>	<u>As of 5/1/17</u>	<u>Effective 5/2/17</u>
<u>36-65 minutes</u>	17,012	<u>17,778</u>
<u>66-95 minutes*</u>	26,167	<u>27,345</u>
<u>96 minutes or more*</u>	34,707	<u>36,269</u>

“(iii) Story and Teleplay

<u>Program Length in Minutes</u>	<u>Current</u>	<u>Effective 5/2/17</u>
<u>20-35 minutes</u>	\$ 13,511	<u>\$14,119</u>
<u>36-65 minutes</u>	24,558	<u>25,663</u>
<u>66-95 minutes*</u>	36,906	<u>38,567</u>
<u>96 minutes or more*</u>	48,365	<u>50,541</u>

“*See subparagraph (iv) below for base applicable to a High Budget SVOD Program that is 85 minutes or longer with a budget of \$13 million or more and made for a subscription consumer pay platform with 20 million or more domestic subscribers.

“(iv) The residual base for a High Budget SVOD Program that is 85 minutes or longer with a budget of \$13 million or more and made for a subscription consumer pay platform with 20 million or more domestic subscribers shall be the applicable minimum as set forth in Article 13.B.7.a., b. and c. for a program length in minutes of either ‘90 or less (but more than 75)’ or ‘120 or less (but more than 90),’ as applicable.

“(b) Percentage of Above Base Rate Payable for Residuals.

<u>Exhibition Year*</u>	<u>Percentage of Applicable High Budget SVOD Program Residual Base</u>
<u>Year 1*</u>	<u>35.0%</u>
<u>Year 2</u>	<u>30.0%</u>
<u>Year 3</u>	<u>30.0%</u>
<u>Year 4</u>	<u>25.0%</u>
<u>Year 5</u>	<u>20.0%</u>
<u>Year 6</u>	<u>15.0%</u>
<u>Year 7</u>	<u>10.0%</u>
<u>Year 8</u>	<u>8.0%</u>
<u>Year 9</u>	<u>5.0%</u>
<u>Year 10</u>	<u>4.5%</u>
<u>Year 11</u>	<u>3.0%</u>
<u>Year 12</u>	<u>2.5%</u>
<u>Each Year thereafter</u>	<u>1.5%</u>

“*Exhibition Year 1 shall commence on the first day that the High Budget SVOD Program is made available for exhibition on the subscription pay platform following ninety (90) days after the initial exhibition date. Each Exhibition Year thereafter shall commence with the first day that the High Budget SVOD Program is made available for exhibition on the subscription consumer pay platform following the conclusion of the prior one-year use period.

“(c) Subscriber Factor.

<u>Subscriber Tier</u>	<u>Domestic Subscribers</u>	<u>Subscriber Factor</u>
<u>1</u>	<u>Under 1 million</u>	<u>20%*</u>
<u>2</u>	<u>1 million to 5 million</u>	<u>40.0%</u>
<u>3</u>	<u>Over 5 million but fewer than 20 million</u>	<u>65.0%</u>

<u>Subscriber Tier</u>	<u>Domestic Subscribers</u>	<u>Subscriber Factor</u>
<u>4</u>	<u>20 million to 45 million</u>	<u>100.0%</u>
<u>5</u>	<u>Over 45 million</u>	<u>150.0%</u>

“*No residual shall be owed for the first year of exhibition of a High Budget SVOD Program or series produced for initial exhibition on a subscription consumer pay platform with fewer than 1,000,000 domestic subscribers.

“The number of domestic subscribers shall be determined as of July 1st of each year of the Agreement. For a High Budget SVOD series, the number of domestic subscribers that applies to the first episode of the season shall apply to the entire season in perpetuity.

“(d) Payment

“Payment for each Exhibition Year shall be due sixty (60) days after the end of the calendar quarter in which the High Budget SVOD Program was first made available in that Exhibition Year.

“(3) Use on a Foreign Subscription Consumer Pay Platform Related to or Affiliated with the Domestic Subscription Consumer Pay Platform.^{4,5}

“(a) Foreign Subscription Consumer Pay Platforms Related to or Affiliated with a Domestic Subscription Consumer Pay Platform with Over 45 Million Subscribers.

“(i) When Company licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with over 45 million

⁴ “Residuals shall also be payable under this provision when the Company is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform.

⁵ “It is understood that this provision also applies when a subscription consumer pay platform that holds foreign exhibition rights sublicenses those rights.

subscribers and also licenses SVOD rights for use on its related or affiliated foreign subscription consumer pay platform(s). Company shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial availability on the domestic subscription consumer pay platform) that is an additional percentage of the domestic residual set forth in subparagraph 4.e.(2) above according to the following schedule:

<u>Exhibition Year</u>	<u>Percentage of Domestic Residual</u>
<u>Year 1</u>	<u>35.0%</u>
<u>Year 2</u>	<u>35.0%</u>
<u>Year 3</u>	<u>35.0%</u>
<u>Year 4</u>	<u>25.0%</u>
<u>Year 5</u>	<u>25.0%</u>
<u>Year 6</u>	<u>25.0%</u>
<u>Year 7</u>	<u>20.0%</u>
<u>Year 8</u>	<u>20.0%</u>
<u>Year 9</u>	<u>20.0%</u>
<u>Year 10</u>	<u>15.0%</u>
<u>Year 11</u>	<u>15.0%</u>
<u>Year 12</u>	<u>15.0%</u>
<u>Each Year thereafter</u>	<u>10.0%</u>

“Payment of the additional fixed residual above shall cover worldwide use of the High Budget SVOD Program on all foreign subscription consumer pay platforms for the applicable exhibition year.

- “(ii) However, when Company’s license includes the SVOD rights for use on the related or affiliated foreign subscription consumer pay platform(s) of such domestic subscription consumer pay platform in foreign territories which constitute fifteen percent (15%) or less of the value of all foreign markets (i.e., outside the United States and Canada), then

gross receipts-based residuals for such foreign SVOD licensing shall be paid pursuant to subparagraph 4.e.(2)(b)(ii) below in lieu of the foreign fixed residual in subparagraph 4.e.(2)(a)(i) above. In that case, the Company shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription consumer pay platform(s) have exhibition rights, and make a residual payment equal to 1.2% of such allocated amount.^{6, 7} If the Guild contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

“(b) Foreign Subscription Consumer Pay Platforms Related to or Affiliated with a Domestic Subscription Consumer Pay Platform with 45 Million or Fewer Subscribers.

“(i) When a Company licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with 45 million or fewer subscribers and also licenses ‘worldwide’ SVOD rights to its related or affiliated foreign subscription consumer pay platform(s), the Company shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window

⁶ “If the Company is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform, the allocation shall be measured by the exhibitor's payments to unrelated or unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Company from unrelated and unaffiliated exhibitors in arms' length transactions, or, if none, a comparable exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs.

⁷ “At the Guild's request, the Company must make an unredacted license agreement available for inspection at the Company’s office subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in the Sideletter on the Exhibition of Motion Pictures Transmitted Via New Media.

measured from initial exhibition on the domestic subscription consumer pay platform) that is an additional percentage of the domestic residual set forth in subparagraph 4.e.(2) above according to the schedule in subparagraph 4.e.(3)(a)(i) above.

“(ii) When a Company licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with 45 million or fewer subscribers and also licenses foreign SVOD rights other than ‘worldwide’ to its related or affiliated foreign subscription consumer pay platform(s), the Company shall make a residual payment equal to 1.2% of ‘accountable receipts’ as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media. For purposes of this provision, when the license includes both the right to exhibit a High Budget SVOD Program on a domestic subscription consumer pay platform and on its related or affiliated foreign consumer pay platform(s), the Company shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription consumer pay platform(s) have exhibition rights, and then make the residual payment provided herein of such allocated amount.^{8,9} If the Guild contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that

⁸ “If the Company is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform, the allocation shall be measured by the exhibitor’s payments to unrelated or unaffiliated entities in arms’ length transactions for comparable programs, or, if none, then the amounts received by the Company from unrelated and unaffiliated exhibitors in arms’ length transactions, or, if none, a comparable exhibitor’s payments to comparable unrelated and unaffiliated entities in arms’ length transactions for comparable programs.

⁹ “At the Guild’s request, the Company must make an unredacted license agreement available for inspection at the Company’s office subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

“This subparagraph 4.e.(3) shall expire upon the termination of the 2017 MBA and shall be of no force and effect thereafter. However, these provisions will apply and remain in full force and effect to High Budget SVOD Programs subject to the terms and conditions of this Paragraph 4, regardless of the terms or provisions of any subsequent agreement which is a modification, extension or renewal of, or substitution for, this Sideletter.

- “(42) For subsequent exhibition of a High Budget SVOD Program on any subscription consumer pay new media platform other than the domestic subscription consumer pay platform on which the program was initially exhibited and any of its related or affiliated foreign subscription consumer pay platform(s) (other than on a foreign subscription consumer pay platform for which the fixed residual has been paid pursuant to subparagraphs 4.e.(3)(a)(i) or 4.e.(3)(b)(i) above), the Company shall make a residual payment equal to 1.2% of Company’s ‘accountable receipts’ as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.
- “(53) For subsequent exhibition of a High Budget SVOD Program on any consumer pay new media platform other than a subscription consumer pay platform (*i.e.*, on a transactional consumer pay platform involving download-to-own or download-to-rent transactions), the Company shall make a residual payment equal to 1.2% of Company’s ‘accountable receipts’ as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.
- “(64) Except as provided in the next paragraph, for subsequent exhibition of a High Budget SVOD Program on any free-to-the-consumer/advertiser-supported new media platform, the Company shall make a residual payment equal to 2% of Company’s ‘accountable receipts’ as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

“Notwithstanding the foregoing, the Company shall have the right to exhibit a High Budget SVOD Program (including any one-time program or the first three (3) episodes of a new series), without any additional payment, on free-to-the-consumer/advertiser-supported new media platforms for a period of seven (7) consecutive days for the purpose of promoting the High Budget SVOD Program.

“(75) When the Company’s ‘accountable receipts’ derived from any such licensing of High Budget SVOD Programs are received from a related or affiliated entity that acts as the exhibitor/retailer of the program, then the Company’s ‘accountable receipts’ received by the Company from the licensing of such rights shall be measured by the exhibitor/retailer’s payments to unrelated and unaffiliated entities in arms’ length transactions for comparable programs or series or, if none, the amounts received by the Company from unrelated and unaffiliated exhibitors/retailers in arms’ length transactions for comparable programs or series, or, if none, a comparable exhibitor/retailer’s payments to comparable unrelated and unaffiliated entities in arms’ length transactions for comparable programs or series.

“(86) For use of a Derivative High Budget SVOD Program in traditional media (e.g., free television, basic cable, pay television or home video), the Company shall pay residuals as a supplemental use as set forth in Paragraph 2.b.(4)(e) of this Sideletter; for use of an Original High Budget SVOD Program in traditional media, the Company shall pay residuals as a supplemental use as set forth in Paragraph 3.b.(4)(c) of this Sideletter.

* * *

Make conforming changes as needed.

- b. *Agree to the following unpublished sideletter regarding grandfathering of High Budget SVOD Programs:*

“As of May 2, 2017

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

“Re: **Grandfathering High Budget SVOD Programs**

“Dear Carol:

“During the 2017 negotiations, the parties agreed to grandfather High Budget SVOD Programs or episodes of a High Budget SVOD series under the Sideletter on Literary Material Written for Programs Made for New Media to the WGA Theatrical and Television Basic Agreement when those Programs or episodes are ordered pursuant to a license agreement entered into prior to May 2, 2017 and the Company does not have the right to negotiate with respect to the material terms and conditions of the license for

additional Programs or episodes ordered. It is understood and agreed by the parties that negotiations concerning cost increases incurred as items of breakage do not constitute the renegotiation of material terms of the license agreement that would result in the loss of grandfather status.

“WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young
Executive Director, WGAW”

c. *Agree to the following unpublished sideletter regarding the number of domestic subscribers to PlayStation Plus and PlayStation Vue:*

“As of May 2, 2017

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

“Re: **PlayStation Plus and PlayStation Vue Subscriber Count**

“Dear Carol:

“The parties agree that PlayStation Plus and PlayStation Vue shall each be considered to have fewer than one million (1,000,000) domestic subscribers for the term of the 2017 WGA MBA.

“WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young
Executive Director, WGAW”

- d. *Agree to the following unpublished sideletter regarding the number of domestic subscribers to Amazon Prime:*

“As of May 2, 2017

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

“Re: **Amazon Prime Subscriber Count**

“Dear Carol:

“The parties agree that Amazon Prime shall be considered to have between twenty million (20,000,000) and forty-five million (45,000,000) domestic subscribers for the term of the 2017 WGA MBA.

WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young
Executive Director, WGAW”

- e. *Agree to the following unpublished sideletter regarding “bundled” subscription consumer pay platforms:*

“As of May 2, 2017

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

“Re: ‘Bundled’ Subscription Consumer Pay Platforms

“Dear Carol:

“During the negotiations for the 2017 Theatrical and Television Basic Agreement (‘MBA’), the parties discussed the difficulty of determining the number of domestic subscribers to a subscription consumer pay platform that provides video on demand and other services, such as gaming, music, or free shipping, (*e.g.*, Amazon Prime, PlayStation Plus, PlayStation Vue). Ultimately, the parties reached agreement on the number of domestic subscribers that certain of those platforms (*i.e.*, Amazon Prime, PlayStation Vue and PlayStation Plus) will be considered to have for the term of the MBA.

“Should an issue arise during the term of the MBA as to the number of domestic subscribers to a subscription consumer pay platform that provides video on demand and other services, the parties will enter into good faith discussions to reach agreement on the number of domestic subscribers to be attributed to that platform for purposes of applying the provisions of the Sideletter on Literary Material Written for Programs Made for New Media to the 2017 MBA pertaining to High Budget SVOD Programs. In such discussions, the parties shall be guided by their previous agreements reached with respect to Amazon Prime, PlayStation Vue and PlayStation Plus.

“If the parties cannot reach agreement on the number of domestic subscribers for that platform, the issue will be submitted to a ‘best offer’ arbitration (that is, each party shall submit to the arbitrator its offer for the number of domestic subscribers and the arbitrator shall choose from the two figures offered). The parties will meet to discuss the list of potential arbitrators to decide this issue within sixty (60) days of the effective date of the 2017 MBA. If the parties cannot agree upon the list of potential arbitrators, the arbitrator shall be selected utilizing the procedure in Article 11.C.2. of the MBA and using the Los Angeles list of arbitrators.

WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young
Executive Director, WGAW”

6. Pay Television Residuals (WGA Proposal No. 11)

a. Modify Appendix B as follows:

“C. Compensation for Covered Programs (other than Dramatic Programs of a Type Generally Produced for Prime Time Network Television Which are Produced Principally for Pay Television and other than Comedy-Variety Programs Produced Principally for Pay Television)

“1. Initial Compensation

“The minimum initial compensation for a writer employed for a covered program shall be the same as the applicable minimum initial compensation set forth in Article 13.B. or Article 14 or Appendix A for the program category involved. Covered programs, for purposes of this Section C.1., do not include:

“a. educational or instructional programs; ~~and~~

“b. dramatic programs of a type generally produced for prime time network television which are produced principally for pay television (see Section D.1. below); ~~and-~~

“c. comedy-variety programs as defined in Article 1.C.22. of Appendix A which are produced principally for pay television (see Section D.1. below).”

...

“2. What Initial Compensation Covers

...

“c. Break amounts for material to which Appendix A applies shall be computed in accordance with the foregoing formula, using one or more of the following rules when applicable:

“(1) Aggregate Minimums

(a) When an aggregate minimum initial compensation applies (~~e.g., to comedy-variety programs produced pursuant to a minimum variety show commitment, or~~ to serials for other than prime time broadcast five (5) times per week), the aggregate applicable minimum initial compensation for such programs (prorated when the aggregate applies to more than one program) shall be used to compute the applicable break amount for such program. Said aggregate applicable minimum shall include any additional minimum initial compensation applicable to writing services on such program, ~~viz., for sketches and lyrics.~~

(b) ~~If more than one writer is employed on a comedy-variety program broadcast once per week or less which is not subject to a minimum variety show commitment, the break amount shall be computed in the aggregate pursuant to subparagraph (a) above as though such commitment applied, i.e., shall be increased by fifty percent (50%) for the first additional writer and an additional twenty-five percent (25%) for each writer thereafter.~~

...

“3. Additional Compensation (Residuals)

“a. In addition to initial compensation, for use in the pay television and/or videodisc/videocassette markets of a covered program, other than a dramatic program of a type generally produced for prime time network television which is produced principally for pay television or a comedy-variety program as defined in Article 1.C.22. of Appendix A which is produced principally for pay television, the Company shall pay as additional compensation (hereafter "residuals") to the credited writer(s) an aggregate total of two percent (2%) of the "Company's Receipts" which exceed the applicable break amount. In no event shall the Company be required under the provisions of this Section C.3. to pay more than a total of two percent (2%) of the "Company's Receipts" to the writers. Such residuals shall be subject to Pension Plan and Health

Fund contributions pursuant to Article 17. Company's Receipts consist of:

* * *

“D. Compensation for Dramatic Programs of a Type Generally Produced for Prime Time Network Television which are Produced Principally for Pay Television and Comedy-Variety Programs

“1. Initial Compensation

“a. The minimum initial compensation for a writer employed for a dramatic program of a type generally produced for prime time network television which is produced principally for pay television shall be the same as the applicable minimum initial compensation set forth in Article 13.B. or Article 14.¹⁰ Notwithstanding the foregoing provisions of this subparagraph 1., the second paragraph of Article 13.B.7.r. shall not apply to such programs.

“b. The minimum initial compensation for a writer employed for a comedy-variety program, as defined in Article 1.C.22. of Appendix A, shall be the same as the applicable minimum initial compensation set forth in Article 13.B.2. or 3. of Appendix A.

“2. What Initial Compensation Covers

“For dramatic programs of a type generally produced for prime time network television which are produced principally for pay television and for comedy-variety programs as defined in Article 1.C.22. of Appendix A, the minimum initial compensation set forth in Section D.1.a. or b. above, as applicable, shall constitute payment in full for ten (10) exhibition days for a program (with no limit on the number of broadcasts commenced in any calendar day) over all services in the United States and Canada to which the program is licensed in the pay television market within a period of one (1) year from the initial exhibition on each such service, but on no more than one (1) United States national pay television subscription service. For this purpose, commonly-owned pay television services, such as HBO/Cinemax/Festival and Showtime/The Movie Channel, shall each be

¹⁰The minimum initial compensation will be the Network Prime Time minimum for a program that is in the nature of a Network Prime Time program (e.g., *Sex and The City*, *Soul Food*, *The Sopranos*, *OZ*, *Rated X*). The Network Prime Time minimums will apply even if the program is intended for mature audiences.

considered a single service. However, with respect to programs produced primarily for play specifically relating to the holidays set forth below, the period shall be ten (10) exhibition days in three (3) consecutive holiday seasons:

“New Year's Day, Valentine's Day, St. Patrick's Day, Easter, Passover, Independence Day (July 4th), Halloween, Thanksgiving, Chanukah and Christmas.

“If a writer is engaged for a holiday program, it shall be so stated in his/her contract of employment.

“An exhibition day shall commence at one second after midnight and end at midnight, unless any exhibition of a program shall commence prior to midnight and continue past midnight, in which case the exhibition day shall be deemed to begin when the program commenced.

“The initial compensation shall also include payment for the first one hundred thousand (100,000) net unit sales, in the aggregate, except that the 100,000 unit figure shall be reduced to 75,000 units in the case of one-half hour and one-hour programs, in the videodisc/videocassette worldwide market.

“3. **Additional Compensation (Residuals)**

“In addition to initial compensation, for use in the pay television and/or videodisc/videocassette markets of a covered dramatic program of a type generally produced for prime time network television which is produced principally for pay television or a covered comedy-variety program as defined in Article 1.C.22. of Appendix A, the literary material for which is written on or after May 2, 2017, the Company shall pay as additional compensation (hereafter “residuals”) to the credited writer(s) the following:

“a. Pay Television - For such programs released in the pay television market:

“(1) For exhibition days on any pay television service in the United States and Canada, either in excess of ten (10) or subsequent to one (1) year from the date of the initial exhibition on such service (the “first exhibition year”), the Company shall pay to the credited writer(s) for each of the three (3) exhibition years beyond the first exhibition year, starting with the first exhibition day of the second or any

subsequent exhibition year, an amount in the aggregate equal to:

“~~\$4,200~~~~\$4,625~~ (\$4,850 for literary material written on or after May 2, 2018) for one-half hour programs;

“~~\$7,200~~~~\$7,925~~ (\$8,325 for literary material written on or after May 2, 2018) for one hour programs;

“~~\$6,500~~~~\$7,150~~ (\$7,500 for literary material written on or after May 2, 2018) for ninety minute programs; and

“~~\$8,500~~~~\$9,350~~ (\$9,825 for literary material written on or after May 2, 2018) for programs two hours or more in length;

“provided that such payment shall be due only if the covered program is actually exhibited during the subsequent exhibition year.

“For a fifth exhibition year or any subsequent exhibition year beyond the fifth, the Company shall pay to the credited writer(s), for each such exhibition year, an amount in the aggregate equal to:

“~~\$—750~~~~\$825~~ (\$875 for literary material written on or after May 2, 2018) for one-half hour programs;

“~~\$1,000~~~~\$1,100~~ (\$1,150 for literary material written on or after May 2, 2018) for one hour programs;

“~~\$1,125~~~~\$1,250~~ (\$1,325 for literary material written on or after May 2, 2018) for ninety minute programs; and

“~~\$1,250~~~~\$1,375~~ (\$1,450 for literary material written on or after May 2, 2018) for programs two hours or more in length.

“Such amount(s) shall be paid not later than one hundred twenty (120) days after the first exhibition day of the second or any subsequent exhibition year. Such residuals shall be

subject to Pension Plan and Health Fund contributions pursuant to Article 17.

“(2) For exhibitions on foreign (*i.e.*, other than the United States and Canada) pay television, or for exhibitions on a second or subsequent United States national pay television subscription service, Company shall pay two percent (2%) of the ‘Producer’s gross,’ as defined in Article 51.C.1.a. of this Agreement, from such other exhibitions. Such residuals shall be subject to Pension Plan and Health Fund contributions pursuant to Article 17.

“(3) [Deleted]

“(4) [Deleted]

“b. Videodisc/Videocassette Market

“(1) For sales of such a program in the videodisc/videocassette market, the Company shall pay two percent (2%) of the fee or other payment actually received by the Company from net unit sales in excess of one hundred thousand (100,000) units in the aggregate, except that the 100,000 unit figure shall be reduced to 75,000 units in the case of one-half hour and one-hour programs. Such residuals shall be subject to Pension Plan and Health Fund contributions pursuant to Article 17.

“(2) The term ‘disc,’ as used in this Section D.3.b., shall have the same meaning as in Section C.3.a.(2)(a) above.

“(3) The provisions of Section C.3.a.(2)(b) shall also apply to programs for which residuals are paid pursuant to this Section D.3.

* * *

“F. **Distribution Formula**

“The residuals payable under Section D. hereof shall be remitted by the Company to the Guild on a quarterly basis according to the provisions of Article 51.C.6. For a covered dramatic program of a type generally produced for prime time network television which is produced principally for pay television, ~~S~~said monies shall be distributed by the Guild to the writer(s) entitled to share in such residuals in accordance with the method set forth in Article 51.C.5., except that the

proportional distribution shall be in the ratio of two (2) for the teleplay to one (1) for the story. For a covered comedy-variety program, said monies shall be distributed by the Guild to the writer(s) entitled to share in such residuals in accordance with the method set forth in Appendix A, Article 15.B.1.c.(2) and (3), except that the reference to ‘rerun and foreign telecast’ shall be deleted from the first sentence of Appendix A, Article 15.B.1.c.(2) and ‘exhibition year’ shall replace the references to ‘applicable rerun or foreign telecast’ in the last sentence of Appendix A, Article 15.B.1.c.(2).”

- b. The Guild waives and forever relinquishes any and all claims (including but not limited to withdrawing all pending grievances), arising before May 2, 2017, relating to the exhibition of pay television motion pictures on over-the-top services of pay television providers.

Make conforming changes as needed.

7. Health Fund (WGA Proposal No. 13)

- a. The parties agree that the Trustees of the Health Fund shall implement plan design changes which shall reduce costs in an amount not less than \$7 million, as estimated by the consultants to the Health Fund, during calendar year 2018. The Management Trustees shall not unreasonably object to the Guild Trustees’ proposed plan design changes.
- b. *Modify Article 17.C. as follows:*

“C. HEALTH FUND

“The health fund, established and known as the ‘Writers Guild-Industry Health Fund,’ is funded and administered as follows:

- “1. Company agrees to contribute to the Health Fund amounts equal in the aggregate to ~~eight and one-half percent (8.5%)~~^{††} ten and one-half

¹¹ “~~Effective May 2, 2015, the Trustees of the Writers Guild – Industry Health Fund exercised their authority to divert one-half percent (0.5%) from the salary increases for the period May 2, 2015 through May 1, 2016, and to increase the Health Fund contribution rate by one-half percent (0.5%), resulting in a Health Fund contribution rate of nine percent (9.0%) for the same period.~~”

“~~Effective May 2, 2016, the Trustees of the Writers Guild – Industry Health Fund exercised their authority to divert one-half percent (0.5%) from the salary increases for the period May 2, 2016 through May 1, 2017, and to increase the Health Fund contribution rate by one-half~~

percent (10.5%) (eleven percent (11%) effective May 2, 2018 and eleven and one-half percent (11.5%) effective May 2, 2019) of all ‘gross compensation’ earned and paid or due to writers for services covered by and subject to this Agreement performed on or after the effective date hereof, in an employment capacity (to which employment the provisions of this Basic Agreement apply).

“In connection with the purchase of literary material from a professional writer, if the Company also employs the writer under this Basic Agreement for at least one rewrite or polish (as required in Articles 16.A.3.c. and 16.B.3.h., or otherwise), the Company shall contribute to the Health Fund for such rewrite or polish an amount equal to ~~eight and one-half percent (8.5%)~~ ten and one-half percent (10.5%), eleven percent (11%) effective May 2, 2018, and eleven and one-half percent (11.5%) effective May 2, 2019) of the sum of the purchase price, up to the [Internal Revenue Code] Section 401(a)(17) limit, plus the amount paid for such rewrite or polish, but in no event shall the Company be required to make such contributions on sums in excess of the ceiling set forth in Article 17.B.1.e. or this Article 17.C.1.

“Such amounts shall be contributed as and when the compensation is paid to the writer. The term ‘gross compensation’ is used in Article 17.C. as defined in Article 17.B. and is subject to the same ceilings and exceptions provided for in said Article 17.B., except that for purposes of Health Fund contribution ceilings, ‘gross compensation’ shall not include compensation in excess of \$250,000, or \$500,000 in the case of a team of three (3) writers, in connection with any single theatrical motion picture or non-episodic, non-serial television motion pictures or multi-part closed-end series, which motion pictures or series are 120 minutes or more in length; it being understood that any percentage for Health Fund contributions shall be paid only on the first \$250,000 of a writer’s gross compensation, or the first \$500,000 in the case of a team of three (3) writers, in connection with any such motion picture.

~~“The Trustees of the Health Fund shall have the authority to divert up to one-half percent (0.5%), in increments of not less than one-quarter percent (0.25%), from the salary increases provided for the second and third periods of this Agreement, if they determine that~~

~~percent (0.5%), resulting in a Health Fund contribution rate of nine and one-half percent (9.5%) for the same period.~~

~~such increase is needed to maintain the level of benefits in existence on May 2, 2014. If the Trustees determine that an increase in Health Fund contributions is needed for this purpose for any such period, the increases in minimums for that period shall be reduced by a percentage equivalent to the percentage increase in the Health Fund contribution rate for that period. The Trustees shall advise the AMPTP, ABC, CBS, NBC and the Guild of any such determination not less than sixty (60) days prior to the first day of the period in which the increase in the Health Fund contribution rate is to take effect.~~

~~“The Trustees of the Health Fund shall also have the authority to reduce the contribution rate to the Health Fund by up to one-half percent (0.5%), in increments of not less than one-quarter percent (0.25%), for the second and third periods of the Agreement, if they determine that such additional contributions are not needed to maintain the level of benefits in existence on May 2, 2014. If the Trustees determine that a reduction in the Health Fund contribution rate is appropriate for any such period, then the increases in minimums provided in this Agreement for that period shall be adjusted upward by a percentage equivalent to the percentage reduction in the Health Fund contribution rate for that period. The Trustees shall advise the AMPTP, ABC, CBS, NBC and the Guild of any such determination not less than sixty (60) days prior to the first day of the period in which the reduction in the Health Fund contribution rate is to take effect.~~

~~“Any motion to divert to or from or to reduce the Health Fund contribution rate as prescribed by the preceding two paragraphs shall be presented to the Board of Trustees for discussion and shall be voted upon by the Board of Trustees.”~~

Make conforming changes as needed.

8. Article 14.E.2. (WGA Proposal No. 16)

Modify Article 14.E.2. as follows:

- “2. All formats, stories and teleplays written by such writers during their employment as writers also employed in additional capacities shall be separately compensated, without any offset, credit or allocation of any kind against or by any other compensation of any kind due said individual. Notwithstanding the foregoing, with respect to any writer hereunder who is guaranteed compensation of at least

one hundred thousand dollars (\$100,000.00) for up to fifty-two (52) weeks of employment for both writing and non-writing services, the Company shall have the right to credit such compensation freely against the compensation which otherwise would be due to said writer for the writing of any literary material during such employment (but not against residuals or the program fees provided for in Paragraph G. below) or for non-writing services. In the event of such crediting, the applicable minimum compensation for writing services set forth in Paragraph K. below shall be credited at no less than one hundred ten percent (110%) thereof, and the compensation for the writing of stories and teleplays for non-pilot one-time programs ninety (90) minutes or longer shall be credited at no less than one hundred fifty percent (150%) of the applicable minimum therefor (but this provision shall not be construed to increase the writer's compensation for any other purpose under this Basic Agreement, such as, but not limited to reruns and theatrical uses). In such event, the base amount upon which the Company shall compute Pension and Health contributions with respect to such employment shall be two hundred fifty thousand dollars (\$250,000.00) for contracts entered into on or after May 2, 2017 and two hundred seventy-five thousand dollars (\$275,000.00) for contracts entered into on or after May 2, 2018, except that the base amount shall remain at two hundred fifty thousand dollars (\$250,000.00) for writers employed under this Article 14.E.2. and guaranteed compensation of two hundred fifty thousand dollars (\$250,000.00) or less.⁸ If the period of guaranteed employment is longer than fifty-two (52) weeks, the applicable base amount for computation of contributions referred to above shall be increased proportionately. If the period of guaranteed employment is shorter than fifty-two (52) weeks, the applicable base amount for computation of contributions shall be decreased proportionately. As to contracts in effect on March 1, 1985, the Company may elect to pay pension and health contributions according to the formula set forth above or according to the formula in the 1981 MBA.”

Make conforming changes as needed.

9. Options & Exclusivity (WGA Proposal No. 18)

Revise Article 67 as follows:

“ARTICLE 67 - OPTIONS AND EXCLUSIVITY (TELEVISION)

“The following shall apply to an agreement between a writer and the Company for employment under Article 13.B.7.s. or under Article 14 on an episodic series or serial, which agreement is entered into on or after May 2, 2017~~January 1, 2015~~:

⁸ “See Sideletter to Article 14.E.2 - Pension Plan and Health Fund Contributions for Article 14.E.2. writers on page 576.”

“A. Company may freely bargain with respect to options and exclusivity with any writer (other than a writer of children’s programming) who is guaranteed or who earns at least ~~\$200,000~~\$210,000 (which amount shall be increased to \$275,000 with respect to any such agreement entered into on or after May 2, 2018, and ~~by five percent (5%)~~ to \$280,500 ~~\$210,000~~ with respect to any such agreement entered into on or after May 2, 2019 ~~January 1, 2016~~) for the performance of writing services and/or for the performance of services as a writer also employed in additional capacities during the then-current contract year (which shall not exceed twelve (12) months). With respect to a writer of children’s programming, Company may freely bargain with respect to options and exclusivity with a writer who is guaranteed or who earns at least \$210,000 (which amount shall be increased to \$250,000 with respect to any such agreement entered into on or after May 2, 2018).”

Make conforming changes as needed.

10. Parental Leave (WGA Proposal No. 20)

Add a new Article 68, “Parental Leave,” to the MBA as follows (and make conforming changes):

“ARTICLE 68 - PARENTAL LEAVE

“A. A writer employed on a term deal on an episodic series or serial made for television or new media shall be entitled to up to eight (8) consecutive weeks of unpaid leave to bond with a newborn child, newly adopted child or newly placed foster child. The leave must be taken within one year of the birth, adoption or placement of the writer's child. A writer shall request such leave at least 30 days in advance of the start of the leave, unless such notice is impracticable, in which case the writer shall make the request within a reasonable time in advance of the leave.

“B. In the event Company engages a replacement writer to fill in for a writer on leave, the Company may request from the Guild a waiver of a contractual guarantee that would otherwise apply to the replacement writer, which request the Guild shall not unreasonably deny.

“C. Any writer who takes a leave of absence hereunder shall be entitled to be reinstated to his or her original position on the series upon conclusion of the leave, provided that such position continues to exist at the end of the leave. The writer shall have no greater employment right than if the writer had been continuously employed during the leave of absence.

“D. The leave provided for hereunder shall run concurrently with any other leave entitlement.”

11. Showrunner Training Program (WGA Proposal No. 22)

Revise the second paragraph of Article 66, "Training Program for Episodic Television Writers" to increase funding from \$200,000 to \$250,000 each year of the MBA as follows:

"ARTICLE 66 - TRAINING PROGRAM FOR EPISODIC TELEVISION WRITERS

* * *

"The Companies and the Networks (the latter consisting collectively of American Broadcasting Companies, Inc., CBS Broadcasting Inc., National Broadcasting Company, Inc. and NBC Studios, Inc.) will contribute in the aggregate the following sums to the WGA-supervised fund, to be used as funding for the purpose of implementing the Training Program described herein: (A) a payment of ~~\$200,000~~ \$250,000 to be made within thirty (30) days following ratification of this ~~2014~~ 2017 WGA Theatrical and Television Basic Agreement or within thirty days after May 2, ~~2014~~ 2017, whichever is later, and (B) thereafter, two additional payments in the amount of ~~\$200,000~~ \$250,000 each, to be paid upon the effective date of the second and third regularly-scheduled minimum increase during the term of this Basic Agreement."

Make conforming changes as needed.

12. Work Lists in New Media (WGA Proposal No. 24)

Add a new Paragraph 5 to the Sideletter on Literary Material Written for Programs Made for New Media to provide as follows:

"5. Work Lists

"With respect to Derivative and Original New Media Productions covered under this Sideletter which are 30 minutes or more in length as exhibited, the Company each week shall send the Guild a list of the names of writers in the employ of the Company, and/or the names of professional writers from whom previously unexploited literary material has been purchased, at any time during the preceding week. The Company may submit such list to the Guild via email."

Make conforming changes as needed.

13. Tri-Guild Audit Program (WGA Proposal No. 25, Producers' Proposal No. 34)

- a. Contingent on the joint agreement of the WGA, DGA and SAG-AFTRA to the following, the Producers agree to renew the funding provided in the 2014

Unpublished Sideletter re Funding of Tri-Guild Audit Program and make conforming changes therein.

- b. The Guild waives and forever relinquishes any and all claims (including but not limited to withdrawing all pending grievances), arising before May 2, 2017 concerning payments related to slotting fees.

Make conforming changes as needed.

14. Definition of “Professional Writer” (WGA Proposal No. 29)

- a. *Modify Article 1.B.1.b. to provide as follows:*

- “b. The term ‘*professional writer*’ means a person who on or after May 2, ~~2017~~²⁰¹⁴, sells, licenses or options to the Company the ownership of or rights to use literary material written by such writer, for use in the production of a motion picture, which literary material had not prior to such sale, license or option been published or exploited in any manner or by any medium whatsoever, and who at such time:

- “(1) has received employment for a total of thirteen (13) weeks, which need not be consecutive, as a motion picture and/or television writer, or radio writer for dramatic programs, or writer on a ‘High Budget SVOD Program’ (as defined in the Sideletter on Literary Material Written for New Media); or

- “(2) has received credit on the screen as a writer for a television or theatrical motion picture or ‘High Budget SVOD Program’ (as defined in the Sideletter on Literary Material Written for New Media); or

- “(3) has received credit for three (3) original stories or one (1) teleplay for a program one-half hour or more in length in the field of live television; or

- “(4) has received credit for three (3) radio scripts for dramatic radio programs one-half hour or more in length; or

- “(5) has received credit for one (1) professionally produced play on the legitimate stage, or one (1) published novel.

“The Company may rely on the statement of the writer with respect to whether or not the material had theretofore been published or otherwise exploited.”

Make conforming changes as needed.

b. *Modify Article 1.C.1.b. to provide as follows:*

“b. A ‘professional writer’ means any person who has (1) received employment for a total of thirteen (13) weeks as a television, motion picture or radio writer or writer on a ‘High Budget SVOD Program’ (as defined in the Sideletter on Literary Material Written for New Media), or (2) has received credit on the screen as a writer for a television or theatrical motion picture or on a ‘High Budget SVOD Program’ (as defined in the Sideletter on Literary Material Written for New Media), or (3) has received credit for three (3) original stories or one (1) teleplay for a program one-half hour or more in length in the field of live television, or (4) has received credit for three (3) radio scripts for radio programs one-half hour or more in length, or (5) has received credit for one (1) professionally produced play on the legitimate stage or one (1) published novel.”

Make conforming changes as needed.

15. Expand Sales Opportunities in Broadcast Syndication (Producers’ Proposal No. 1)

Modify the Sideletter to Article 15.B., Appendix A, Appendix B and Appendix C re: License of Free Television, Basic Cable or Pay Television Pictures to Secondary Digital Channels to provide as follows:

“During the 2017~~4~~ negotiations, the parties discussed the residual formula for exhibition of television motion pictures on certain secondary digital channels.

“The parties agreed that instead of a fixed residual formula, the Company shall pay a percentage residual formula of two percent (2%) of ‘accountable receipts’ (as defined in Article 51.C. of the MBA) for any license to a secondary digital channel of any free television motion picture, pay television motion picture, High Budget SVOD Program (as defined in the Sideletter on Literary Material Written for Programs Made for New Media), motion picture made for home video or basic cable program as to which a fixed residual would otherwise be payable, provided that such program is out of production, that (i) has been out of production for at least three years and (ii) has not been exhibited under a fixed residual formula in syndication (except in the non-lead market) or pay television for at least three years in the case of a free television or pay television program or has not been exhibited under a fixed residual formula in syndication (except in the non-lead market), pay television or basic cable for at least three years in the case of a basic cable program. However, for any free television series consisting of sixty-eight (68) or fewer episodes or any basic cable or pay television series consisting of forty (40) or fewer episodes, the series need only have been out of production for at least two years and not been exhibited under a fixed residual formula on basic cable, pay or free television (except syndication in

~~the non-lead market) for at least one year. For purposes of the foregoing, ‘out of production’ means that all of the following have occurred: the program has been cancelled; the final episode of the final season has aired or been made available; no options remain for the continued employment of any above-the-line talent on the series in question; and no exhibitor has licensed rights to additional original episodes of the series at the time the series becomes available for exhibition under the license to the secondary digital channel.~~

* * *

“Notwithstanding the foregoing, the minimum payment pursuant to this provision for any program, except non-dramatic programs, licensed to a related or affiliated entity shall be an aggregate amount for all credited writers of ~~\$7550.00~~ for a 30-minute program, ~~\$150400.00~~ for a 60-minute program, ~~\$200450.00~~ for a 90-minute program, and ~~\$250200.00~~ for a 120-minute program; and the minimum payment pursuant to this Sideletter for any non-dramatic program licensed to a related or affiliated entity shall be \$50.00 for a 30-minute program, \$100.00 for a 60-minute program, \$150.00 for a 90-minute program or \$200.00 for a 120-minute program, as applicable.

“The pro rata share payable to each credited writer shall be the same as provided in Article 51.C.5.

“The foregoing applies to motion pictures, whether produced under the ~~2017~~ 2014 MBA or any prior MBA, as to which free television residuals would otherwise be payable.

“This sideletter shall also apply to the following secondary digital networks: Antenna TV, Bounce TV, Cozi TV, Live Well, ME TV, Movies!, getTV, This TV and any other similar secondary digital network so long as such secondary digital network has (i) an overall average Nielsen NTI rating (9am to 2am) of 1.0 or less (HHL Live+7, as measured by the previous calendar year) and (ii) the majority of such network's broadcast station affiliates in the top 100 Nielsen markets comprising the network are not full-power primary digital channels.

“The residual formula provided under this sideletter shall not apply to any license agreement entered into more than 90 days after the end of a measuring year in which such Nielsen rating is greater than 1.0 or after a majority of such network affiliates in such markets become full-power primary digital channels.

“In no event shall Ion or MyNetworkTV qualify as secondary digital networks for purposes of applying the terms of this sideletter; however, Qubo and ION Life shall qualify as secondary digital networks for purposes of applying the terms of this sideletter.”

Make conforming changes as needed.

16. **Second or Subsequent Sale to Basic Cable (Appendix C) (Producers' Proposal No. 2)**

Modify paragraph 2.b.(6) of Appendix C as follows:

“(6) Residual Formula for Second or Subsequent Basic Cable License of High Budget Dramatic Programs Made for Basic Cable

“When Company elects to apply the provisions of subparagraph 2.b.(2) (the 'Sanchez formula'), Company shall pay a percentage residual of two percent (2%) of 'accountable receipts' (as defined in Article 51.C. of the MBA) for any license of a 'high budget' dramatic program or series made for basic cable, for which a fixed residual is otherwise payable under 'the Sanchez formula,' to any basic cable service once the program or series is out of production, that is not the service to which the program or series was originally licensed; provided that for a second or subsequent sale to the same basic cable service to which the program or series was originally licensed, all runs licensed under the license agreement for the initial basic cable exhibition which are subject to a fixed residual have been exhausted. Company shall be deemed to have exhausted all unused runs under the initial license agreement upon payment under the run-based residual formula of a number of runs under the second license to the same basic cable service equal to the number of all unused runs under the initial license. the program or series (i) has not been in production for at least two years and (ii) has not been exhibited under a fixed residual formula on basic cable or free television (except syndication in the non-lead market) for at least eighteen (18) months. Company shall allocate the 'accountable receipts' for the second license to the same basic cable service evenly across all runs licensed under the second license.

“For purposes of the foregoing, 'out of production' means that all of the following have occurred: the program has been cancelled; the final episode of the final season has aired; no options remain for the continued employment of any above-the-line talent on the series in question; and no exhibitor has licensed rights to additional original episodes of the series at the time the series becomes available for exhibition under the license to the basic cable service.”

* * *

"The foregoing applies to motion pictures, whether produced under the 2017~~4~~ MBA or any prior MBA, as to which residuals would otherwise be payable. For purposes of this provision, a 'high budget' dramatic program or series made for basic cable means: (a) any program or series made for basic cable before August 8, 1988; or (b) a program or series made for basic cable on or after August 8, 1988."

Make conforming changes as needed.

17. Percentage Residual for Exhibition on a Foreign Language Basic Cable Service (Appendix C) (Producers' Proposal No. 3)

Add a new subparagraph (5) to Paragraph 2.b. of Appendix C (and renumber the existing subparagraph (5)) as follows:

“(5) Whenever a payment is due under subparagraphs (2) or (3) above for exhibition of an English language ‘high budget’ dramatic program made for basic cable that is subsequently exhibited on a foreign language basic cable channel in a language or languages other than English (dubbed, not subtitled) in the United States or Canada, the payment due to the credited writer(s) of such program shall be an amount equal to two percent (2%) of the ‘accountable receipts’ derived from the distribution of such basic cable program for such exhibition. This payment shall not affect the Company’s obligation to make the applicable rerun payments for the basic cable exhibition of the motion picture in English.

“When the ‘accountable receipts’ derived from such exploitation are received from a related or affiliated entity that acts as the Distributor or exhibitor of the program, then the ‘accountable receipts’ received by the Company from the licensing of such rights shall be measured by the Distributor/exhibitor’s payments to unrelated and unaffiliated entities in arms’ length transactions for comparable programs, or, if none, then the amounts received by the Company from unrelated and unaffiliated Distributors/exhibitors in arms’ length transactions for comparable programs or series, or, if none, a comparable Distributor/exhibitor’s payments to comparable unrelated and unaffiliated entities in arms’ length transactions for comparable programs or series.

“Notwithstanding any of the foregoing, the minimum payment pursuant to this subparagraph for any program licensed to a related or affiliated entity shall be \$50 for a 30-minute program, \$100 for a 60-minute program, \$150 for a 90-minute program, or \$200 for a 120-minute program, as applicable.

“This subparagraph will apply to all basic cable programs produced under this 2017 MBA or any prior MBA, as to which residuals otherwise would be payable.”

Make conforming changes as needed.

18. Additional Compensation for Limited Theatrical Exhibition with Admission Charge of Series Episode(s) or MOWs (Producers' Proposal No. 4)

Add a new Sideletter to Article 15.B.13., Appendices A, B and C and to the Sideletter on Literary Material Written for Programs Made for New Media as follows:

**“SIDELETTER TO ARTICLE 15.B.13.; APPENDICES A, B AND C AND THE
SIDELETTER ON LITERARY MATERIAL WRITTEN FOR
PROGRAMS MADE FOR NEW MEDIA**

“As of May 2, 2017

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

**“Re: Limited Theatrical Exhibition with Admission Charge of Series Episode(s) or
MOWs**

“Dear Carol:

“During the 2017 negotiations, the parties agreed that for limited theatrical exhibitions with an admission charge of series episode(s) or MOWs as described below, the following shall apply in lieu of the payments required for theatrical exhibition under Article 15.B.13., Appendices A, B and C and the Sideletter on Literary Material Written for Programs Made for New Media:

- “(1) If one or more episodes of a free television, pay television or basic cable series or one or more episodes of a High Budget SVOD series or mini-series (as defined in the Sideletter on Literary Material Written for Programs Made for New Media), either alone or in combination with another episode of the same or different series, or a long-form television motion picture made for free television, pay television or basic cable (but not one that is a High Budget SVOD Program), is exhibited theatrically with an admission charge after its initial exhibition on television (or initial availability on a subscription consumer pay platform in the case of a High Budget SVOD series or mini-series), the Company shall pay to the credited writer(s) an amount equal to three percent (3%) of the Company's 'accountable receipts' (as defined in Article 51.C.1.a. of the MBA) derived from licensing the theatrical exhibition rights and, for this purpose, shall include the fair market value of any in-kind consideration, provided that:
 - “(a) The theatrical exhibition shall take place at least twenty-four (24) hours after the episode’s initial telecast (or, for a High Budget SVOD series or mini-series, at least twenty-four (24) hours after the episode has been made available for viewing on the streaming service) or at least thirty (30) days after the initial telecast of a long-form television motion picture;
 - “(b) The theatrical exhibition shall not exceed eight (8) days, which need not be consecutive, unless the initial theatrical exhibition takes place more than

one year after the initial telecast or streaming availability, in which case there is no limit on the length of the theatrical exhibition;

- “(2) If one or more episodes of a 30-minute or 60-minute free television, pay television or basic cable series or one or more episodes of a 20-35 minute or 36-65 minute High Budget SVOD series, either alone or in combination with another episode of the same or different series, is exhibited theatrically with an admission charge no more than thirty (30) days in advance of or simultaneous with its exhibition on television (or, in the case of an episode of a High Budget SVOD series, thirty (30) days in advance of or on the same date that it is made available for exhibition on a streaming service), the Company shall pay to the credited writer(s) an amount equal to three percent (3%) of the Company’s “accountable receipts” (as defined in Article 51.C.1.a. of the MBA) derived from licensing the theatrical exhibition rights and, for this purpose, shall include the fair market value of any in-kind consideration, provided that:
- “(a) The theatrical exhibition shall not exceed six (6) days, which need not be consecutive;
- “(b) The episode, including the pilot, is part of a series order of at least six (6) episodes.
- “(3) Company shall provide the Guild with notice of any theatrical exhibition covered hereunder as soon as possible after an agreement in principle has been reached for the theatrical exhibition.
- “(4) The provisions above also apply to a double-length episode, a pilot of any length for which a series has been ordered and any ‘supersized’ episode of a series.
- “(5) In the case of a dispute as to the manner of allocation of the payment between credited writer(s), the Guild will make the determination.
- “(6) The theatrical use fee provided in Article 15.B.13.a. or b., less the amount of the percentage residual payment already paid, shall apply if the foregoing conditions are not met or if the television motion picture(s) or High Budget SVOD series or mini-series as theatrically exhibited are submitted for theatrical award consideration.
- “(7) The provisions above shall apply to the use after May 2, 2017 of any television episode, High Budget SVOD Program or long-form television motion picture for which a theatrical release payment is due, regardless of when produced.
- “(8) Within ten days of a request by the Guild, the Company shall provide for inspection by the Guild’s designated employee(s) or auditor(s), at Company’s

premises, full access to all unredacted agreements related to the theatrical exhibition of the television motion picture. The information provided to the Guild will be treated as confidential pursuant to Article 53.B.

- “(9) The above provisions shall expire on the termination date of the 2017 MBA and will be of no force and effect thereafter; however, the terms of this Sideletter shall continue to apply to any license agreement entered into before May 2, 2020.

“Sincerely,

WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young

“ACCEPTED AND AGREED:

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

By: /s/ Carol A. Lombardini
Carol A. Lombardini”

Make conforming changes as needed.

22. Virtual MVPD (vMVPD) Services (Producers’ Proposal No. 6)

Add a new Sideletter regarding Virtual MVPD Services as follows:

“SIDELETTER REGARDING VIRTUAL MVPD SERVICES

“As of May 2, 2017

“David J. Young
Executive Director
Writers Guild of America, West
7000 W. Third Street
Los Angeles, CA 90048

“Re: Virtual MVPD Services

“Dear David:

“During the course of the 2017 negotiations, the parties discussed how the landscape of the free television marketplace has evolved from the past – when the exhibition of a given television program was only available to the viewer in the home on a television set on a linear channel at a specific scheduled time – to the current marketplace, commonly referred to as ‘TV everywhere’ where the viewing public, in addition to viewing a program on a linear channel at a scheduled time, is also provided the time-shifted option to view the same program on a variety of digital devices on a video-on-demand (‘VOD’) basis. In addition, in the past, the bargaining parties agreed that television exhibitions on a linear channel provided through an MVPD, whether such channel was a free broadcast channel or a basic cable channel, were considered exploitation of free television rights even though the consumer paid a monthly fee to access such programming.

“Consistent with the above, the bargaining parties agree that with respect to new internet-delivered ‘virtual MVPD’ services, such as Sling TV and Sony’s PlayStation Vue, and other like services, such as CBS All Access, (collectively referred to hereafter as ‘vMVPD Services’), any VOD rights which are associated with exhibition of the program on a linear channel on the vMVPD Service (commonly referred to as ‘stacking rights’) shall be considered exploitation of free television rights and not a form of pay or subscription television. Such ‘stacking rights’ shall be treated the same as if such programs were exhibited on traditional MVPDs.

“Under this framework, the parties clarified the treatment of covered television motion pictures⁹ on vMVPD Services as described below. It is understood that in order to qualify as a ‘vMVPD Service’ under this Sideletter, such service must include at least one network or basic cable linear channel that is non-exclusive to that service and is generally made available for exhibition on other traditional and/or virtual MVPD services.

- “1. When the License for Linear Channel Exhibition of the Covered Television Motion Picture or Series on the vMVPD Service Includes On-Demand Availability
 - “a. When a linear channel on an MVPD is also offered on an vMVPD Service (such as when ABC is offered on Sling TV), no additional payment is required for the linear channel availability on the vMVPD Service.
 - “b. When a covered television motion picture is available on demand on the vMVPD Service pursuant to a license agreement with a channel or network

⁹ It is understood by the parties that the provisions set forth herein apply to television motion pictures, the principal photography of which commenced on or after July 1, 1971, whether produced under the 2017 MBA or any prior MBA, as to which free television residuals are still payable.

that includes the right to exhibit the covered television motion picture or other episodes of the same series on a linear channel on the vMVPD Service, the same free streaming windows and residual formulas that apply to the on-demand availability of a covered television motion picture on an MVPD are applicable. (See Paragraph 2.b. of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.)

- “c. The use of excerpts from a covered television motion picture on the vMVPD Service pursuant to a license agreement with a channel or network that includes the right to exhibit the covered television motion picture or other episodes of the same series on a linear channel on the vMVPD Service shall likewise be governed by the provisions of Paragraphs 2.b.(5) and 2.1 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.
- “d. The fixed residual payment applicable under Paragraph 2.b.(4) of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media covers on demand availability on a free-to-the-consumer, advertiser-supported new media service and on an MVPD (or any similar service that exists or may hereafter be developed) and vMVPD Service.
- “e. The on-demand availability provisions under Paragraph 2.b. of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media apply regardless of whether there are advertisements.
- “f. When the Company directly licenses the right to exhibit a covered television motion picture on a linear channel available only on a vMVPD Service(s), the supplemental exhibition on such channel, as well as any associated stacking rights and the use of excerpts, shall be treated in the same manner as a license of a free television motion picture to basic cable. The exhibition rights on the linear channel shall be subject to a residual formula of two percent (2%) of “accountable receipts” (as defined in Article 51.C.1.a. of the MBA), and the stacking rights and use of excerpts shall be subject to the same free streaming windows and residual formulas that apply to the on-demand availability and use of excerpts of a covered television motion picture pursuant to Paragraphs 2.b.(5) and 2.1 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

“2. When the License Is for On-Demand Availability on the vMVPD Service

“By contrast, when the Company licenses the right to exhibit a covered television motion picture, or one or more episodes of a covered television series, on an on-demand basis on the vMVPD Service, and such rights are not associated with the right to exhibit the motion picture or episodes of the series on a linear channel

on the vMVPD Service, the parties agree that Paragraph 1.a. of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media, which governs licenses to consumer pay new media platforms for a limited period or fixed number of exhibitions, shall apply.

“In addition, when a program is made exclusively for on-demand availability on an vMVPD Service, it shall be treated as having been made for a subscription consumer pay new media platform subject to the provisions of the Sideletter on Literary Material Written for Programs Made for New Media.”

“Sincerely,

By: /s/ Carol A. Lombardini
Carol A. Lombardini
President, AMPTP

“ACCEPTED AND AGREED:

WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young
Executive Director, WGAW”

19. Over-the-Top (“OTT”) Service of Pay Television Service (Producers’ Proposal No. 7)

Modify the MBA, either by Sideletter or otherwise, to provide as follows:

“The parties confirm that when a pay television service (such as HBO, Showtime or Starz) also provides to subscribers, without an additional subscription fee, over-the-top (“OTT”) services (such as HBO Go, Showtime Anytime or Starz Play), the OTT service shall be treated as part of the linear pay television service for all purposes under the MBA. Likewise, when a pay television service only provides OTT services (such as HBO Now and the OTT subscription services of Showtime and Starz), such OTT service, whether or not such service includes a linear channel of the pay television service, shall also be treated as part of the linear pay television service for all purposes under the MBA.

“It is understood that foreign sales of traditional pay television will be combined with foreign sales of OTT pay television for purposes of applying the two percent (2%) formula set forth in Section D.3.a.(2) of Appendix B.

“To the extent that a pay television program is exhibited on both the linear pay television service and the OTT service, the residual payment set forth in Appendix B shall cover exhibition on both the linear pay television service and the OTT service. To the extent that a pay television program is exhibited on the OTT service, but not the linear pay television service, residuals are due for such exhibition under the existing formulas in Appendix B.

“For example, if a one hour dramatic program of a type generally produced for prime time network television is produced for HBO and exhibited during its second exhibition year on both HBO and HBO Now, the aggregate residual payment to the credited writer(s) would be \$7,925 effective May 2, 2017. In the event that the program is available on HBO Now and not HBO during the third exhibition year, the aggregate residual payment of \$7,925 would still be due to the credited writer(s), even though the exhibition is solely on HBO Now.”

20. Excerpts on AVOD Service of MVPD or Similar Service (Producers’ Proposal No. 8)

- a. *Clarify that exhibition on an advertiser-supported video-on-demand service of multichannel video programming distributor ("MVPD AVOD") does not fall within the definition of exhibition on a New Media platform by adding the following footnote to Paragraph 2.b.(3) of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media:*

“For convenience, the parties have agreed to address in this Sideletter the use of television motion pictures, the literary material for which is written on or after May 2, 2014, on an advertiser-supported video-on-demand service of a multichannel video programming distributor (hereinafter referred to as an “MVPD AVOD service”), even though exhibition on an MVPD AVOD service does not fall within the definition of an exhibition on a New Media platform.”

- b. *Clarify that the use of excerpts on an advertiser-supported video-on-demand service of a multichannel video programming distributor ("MVPD AVOD") or any similar service that currently exists or may hereafter be developed is treated the same as the use of excerpts on a free-to-the-consumer service transmitted via the internet or mobile or other device as provided in Paragraphs 2.b.(5) and 2.1 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media as follows:*

“2. If the Consumer Does Not Pay

* * *

“b. Television

* * *

“(5) During the streaming window, or during any of the twenty-six (26) consecutive week periods described in Paragraph 2.b.(4) above, the Company may allow excerpts of those television motion pictures that are being streamed to be used on free-to-the-consumer, advertiser-supported services transmitted via new media or on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed without any additional payment therefor.

* * *

“2.1 Use of Excerpts in New Media

“a. In addition to the use of excerpts permitted in Paragraph 2.b.(5) above, Company may use an excerpt or excerpts from a television motion picture (other than a television motion picture ninety (90) minutes or more in length) in new media or on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed for the purpose of promoting the television motion picture, provided that such excerpt(s) does not exceed five (5) minutes in length. Company may use an excerpt or excerpts from a television motion picture ninety (90) minutes or more in length, from a motion picture made for the home video market or from a theatrical motion picture in new media or on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed for the purpose of promoting the picture, provided that such excerpt(s) does not exceed ten (10) minutes in length.

“b. The following uses of an excerpt or excerpts in new media or on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed shall be considered ‘promotional’ and shall require no payment, whether or not the Company receives revenue in connection therewith:

* * *

“(5) For promotion of the exhibition of a television motion picture on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed, the use of an excerpt shall not require compensation if the excerpt promotes the exhibition on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed and instructions are included for viewing the television motion picture or series on the MVPD AVOD service or any similar service that currently exists or may hereafter be developed.

“(56) For ‘viral’ promotion on new media of any use or exhibition of a theatrical or television motion picture, no payment is required if the excerpt is circulated non-commercially to multiple websites or made available for individuals to circulate. The fact that the viral excerpt is exhibited on a revenue-generating site owned by or affiliated with the Company shall not render this exception inapplicable, provided that the excerpt is released without payment to other sites.

* * *

“d. If the use of an excerpt or excerpts in new media or on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed is not within one of the promotional provisions in subparagraph b. above, or if the excerpt(s) used exceeds the length limitations set forth in subparagraph a. above:

“(1) If the excerpt is from a television motion picture and is used on a free-to-the-consumer platform or on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed outside the streaming window, but within one (1) year following expiration of the streaming window described in Paragraph 2.b.(1), and the use is not otherwise permitted or paid for under Paragraph 2.b.(4) or (5) above, or if the excerpt is from a theatrical motion picture and is used on a free-to-the-consumer platform, the Company shall pay for such use as follows:

* * *

“For use of excerpts from a television motion picture on free-to-the-consumer platforms or on an MVPD AVOD

service or any similar service that currently exists or may hereafter be developed, the applicable residual is as provided in Paragraph 2.b. of this Sideletter.

* * *

“(2) For any other use of an excerpt(s) from a television motion picture, the literary material for which was written prior to May 2, 2017, on a free-to-the-consumer platform, including the use of excerpts from television motion pictures, the literary material for which was written prior to May 2, 2014, or any other use of an excerpt(s) from a television motion picture, the literary material for which was written on or after May 2, 2017, on a free-to-the-consumer platform or an MVPD AVOD service or any similar service that currently exists or may hereafter be developed, the Company shall pay two percent (2%) of Company’s ‘accountable receipts’ as defined in Paragraph 3 below for such use. Notwithstanding the foregoing, if the television motion picture has not been streamed during the one (1) year period following initial exhibition on television, or if it has been streamed only during the streaming windows provided above, then the foregoing payment shall apply beginning one (1) year after initial exhibition of the television motion picture on television.

* * *

“e. Notwithstanding the foregoing:

“(1) If excerpts from the current season of a series and excerpts from past seasons of the series are used together on an ad-supported free to the consumer basis, including on an MVPD AVOD service or any similar service that currently exists or may hereafter be developed, then the percentage of ‘accountable receipts’ payment set forth in Paragraph 2.b.(7) of this Sideletter shall apply to all such excerpts.”

Make conforming changes as needed.

21. Sideletter to Article 13.B.7.o. (Producers’ Proposal No. 11)

Modify the Sideletter to Article 13.B.7.o. as follows:

“SIDELETTER TO ARTICLE 13.B.7.o.

“As of February 13, 2008
“Revised as of May 2, 2011
“Revised as of May 2, 2014
“Revised as of May 2, 2017

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

“Reference is made to the provisions of Article 13.B.7.o. of the 2017~~4~~ WGA Theatrical and Television Basic Agreement and to the corresponding provisions of prior MBAs. The parties agreed to codify an alternative payment formula for deals entered into on or after May 2, 2017~~4~~ for foreign remakes of television formats and scripts and foreign remakes of a television motion picture ninety (90) minutes or longer (‘MOW’), irrespective of whether the Company licensing the format rights is also a participant in the production. Where a Company sells or licenses the right to remake the format and/or episodes of an MBA-covered television series or MOW to be produced outside the United States in a language other than English for initial exhibition in a specific foreign market, Company may apply the provisions below as an alternative to Article 13.B.7.o.:

“(1) For any sale or license of literary material for ~~such~~ a remake of the format and/or episodes of an MBA-covered television series, Company will pay to the credited writer(s) of the literary material and to the writer accorded “Created by” credit on the related television series, if any, thirty percent (30%) of the license fee paid to the Company for the literary material used for each remade episode of the series. Alternatively, Company may allocate the foregoing payment (and residuals, if any) evenly among all episodes subject to the license agreement. Payment shall be made to the Guild’s Residuals Department no later than sixty (60) days after Company receives such license fee. The Guild shall distribute such payment to the writer(s) who received final writing credit when the episode was originally produced (“Credited Writer(s)”) and to the writer(s) who received “Created by” credit when the series was originally produced (“Creator(s)”) as follows:

“a. Remade episode on which Credited Writer(s) received “Written by” credit:

Payee	Total % Due	Allocation
Credited Writer(s)	88%	73.95% - writer 6.29% - pension <u>7.76% - health</u>
	Total: 88.00%	

<u>Creator</u>	<u>12%</u>
TOTAL	100%

“b. Remade episode on which Credited Writer(s) received separate “Teleplay by” and “Story by” credit:

Payee	Total % Due	Allocation
Credited Writer(s) - Teleplay	55.3%	46.47% - writer 3.95% - pension <u>4.88% - health</u>
		Total: 55.30%

Credited Writer(s) - Story	34.7%	29.16% - writer 2.48% - pension <u>3.06% - health</u>
		Total: 34.70%

<u>Creator(s)</u>	<u>10%</u>
TOTAL	100%

“c. Original episode for remade series (i.e., no pre-existing episode on which the WGA determined the final writing credit):

Payee	Total % Due	Allocation
Creator	100%	100%

“(2) For any sale or license of literary material for a remake of an MBA-covered MOW, Company will pay to the credited writer(s) of the literary material thirty percent (30%) of the license fee paid to the Company for the literary material used for the remake of the MOW. Payment shall be made to the Guild’s Residuals Department no later than sixty (60) days after Company receives such license fee. The Guild shall distribute such payment to the writer(s) who received final writing credit when the MOW was originally produced (“Credited Writer(s)”) as follows:

“a. Remade MOW on which Credited Writer(s) received “Written by” credit:

Payee	Total % Due	Allocation
<u>Credited Writer(s)</u>	<u>100%</u>	<u>84.03% - writer</u> <u>7.14% - pension</u> <u>8.82% - health</u>
		Total: 100.00%

“b. Remade MOW on which Credited Writer(s) received separate “Teleplay by” and “Story by” credit:

<u>Payee</u>	<u>Total % Due</u>	<u>Allocation</u>
<u>Credited Writer(s) - Teleplay</u>	<u>75%</u>	<u>63.03% - writer</u> <u>5.36% - pension</u> <u>6.62% - health</u>
	<u>Total: 75.00%</u>	
<u>Credited Writer(s) - Story</u>	<u>25%</u>	<u>21.01% - writer</u> <u>1.79% - pension</u> <u>2.21% - health</u>
	<u>Total: 25.00%</u>	

~~(2)~~(3) In addition to the payments in (1) and ~~(2)~~ above:

“a. Should the Company distribute the remade episode or remade MOW in foreign markets, separate and apart from the license described in (1) and ~~(2)~~ above, Company shall pay one and two-tenths percent (1.2%) of Company’s “accountable receipts,” as that term is defined in Article 51.C.1.a., from foreign distribution of the remade episode(s) or remade MOW. Such payments shall be due and payable in accordance with the provisions of Article 51.

“b. Should the Company exhibit the remade episode or remade MOW in the United States or Canada, the provisions of Article 15.B.1.c.(1) shall apply, and two percent (2%) of Company’s “accountable receipts” shall be due.

~~“(3)~~(4) Except as set forth in ~~(2)~~(3)a. and b. above, no residuals shall be due or payable for reuse of any of the episodes of the remade series or remade MOW.

~~“(4)~~(5) Pension Plan and Health Fund contributions are payable on the residuals provided for in ~~(2)~~(3)a. and b. above, pursuant to the provisions of Article 17.

~~“(5)~~(6) Credits on such remade episodes or remade MOW shall be governed by the following subparagraphs a. through f.:

“a. The credited writer(s) of each episode of the original series or the original MOW shall receive the same on-screen credit on the remade episode or remade MOW as he/she/they received on the original series episode or original MOW.

“b. The Guild-determined “Created by” credit shall appear on the screen on all episodes of the remade series, i.e., remade and original episodes.

- “c. As soon as practicable, Company will provide the Guild with the list of episodes to be remade (or, if the Company has elected to allocate evenly among all episodes, a list of the episodes subject to the license) and their writing credits as provided by Company to the foreign licensee. It is not necessary to provide the Guild with the writing credits as they appear (in a foreign language, or translated from the foreign language) in the remade episodes.
- “d. The Guild will allow a “Script Associate” credit (or other similar kind of credit) to be accorded to the foreign production company employee who conforms the remade episodes or the remade MOW for the foreign language market.
- “e. Except as provided in this paragraph ~~(5)~~(6), no other writing credit shall be accorded on the remade episodes or remade MOW without the approval of the Guild, which approval shall not be unreasonably withheld.
- “f. All of the provisions of this paragraph ~~(5)~~(6) shall be subject to any laws or rules and regulations of the broadcast regulatory agency and/or country in which the remade series or remade MOW is produced.

“~~(6)~~(7) Except as provided herein, all other terms and conditions of the WGA MBA, including, but not limited to, separation of rights and additional compensation, will apply to the remade episodes or remade MOW.”

“Sincerely,

WRITERS GUILD OF AMERICA, WEST, INC.,
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.

By: /s/ David J. Young
David J. Young

“ACCEPTED AND AGREED:

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

By: /s/ Carol A. Lombardini
Carol A. Lombardini”

Make conforming changes as needed.

22. Timing of Payment of Program Fees (Producers' Proposal No. 15)

Add the following to the end of Article 14.G.:

“Program fees for all episodes of a particular season of a series shall be due thirty (30) days after the completion of principal photography of the final episode of the season.”

Make conforming changes as needed.

23. Relief from Obligations Imposed by Letters of Adherence When Reacquisition (Producers' Proposal No. 17.b.)

Add a new paragraph “f” to Article 16.A.8. to provide as follows:

“It is understood that when a writer reacquires rights in literary material as provided in this Article 16.A.8., and at such time as the writer sells or licenses the literary material to a third party and obligates such third party to reimburse the Company (or buyer, if applicable), upon commencement of principal photography, for the direct costs, as described in Article 16.A.8.d.(3)(b), Company shall not be further liable to the Guild or any writer for the keeping of any records or for the payment of additional compensation, or for compliance with credit obligations under the MBA. Upon such sale or purchase, the Guild agrees instead to look exclusively to the third party purchaser or licensee for the keeping of such records, payment and compliance with credit obligations. The foregoing supersedes any other agreement with Company to the contrary, including but not limited to any Letter of Adherence. This provision shall not release the Company from any obligation related to an encumbrance or commitment the Company has failed to disclose to the writer and the Guild pursuant to Article 16.A.8.d.(1)(c).”

Make conforming changes as needed.

24. Notice of Tentative Writing Credits (Paragraph 11 of Theatrical Schedule A and Television Schedule A) (Producers' Proposal No. 18)

Revise Paragraph 12 of Theatrical Schedule A as follows:

“12. The notice specified in Paragraph 11 hereof will be sent by email, telegraph to writers outside of the Los Angeles area or by telegram, messenger, or special delivery certified mail or a trackable service such as FedEx, UPS or DHL to the Guild and to all participating writers in such area. In the case of a remake, the Company shall not be under any obligation to send any notice to any writer

contributing to the screenplay or story of the original production unless such writer received screen credit in connection with such original production.

“Notices may be sent by certified mail, return receipt requested; by a trackable service such as FedEx, UPS or DHL mail, telegram or by personal delivery as above provided. If the notices are mailed, registered or certified mail shall be used, with return receipt requested; the fFailure of the addressee to sign or return the receipt on a notice sent via certified mail shall not invalidate the notice.

“Notices may be sent to a participating writer by email only if the writer’s representative is also given email notice and the writer’s personal services contract (or an amendment thereto) contains all of the following: (1) the writer’s express agreement to receive notices by email; (2) the writer’s email address; and (3) the email address of at least one of the writer’s representatives. The email address of the writer’s representative must be an individual address, not a general company mailbox, and must appear on the face of the notice. Company shall retain the record of the email transmission, reflecting the date and time that the notice was sent to the writer and the writer’s representative, for one (1) year following the final determination of credits.”

Revise Paragraph 12 of Television Schedule A as follows:

- “12. The notice specified in Paragraph 11 hereof will be sent by email, telegram to writers outside of the Los Angeles or New York area, depending on the place of production, or by telegram, messenger, or special delivery certified mail or a trackable service such as FedEx, UPS or DHL to the Guild and to all participating writers in such areas. No notice will be sent to writers outside of the United States or writers who have not filed a forwarding address with the Company. In case of remakes, the Company shall not be under any obligation to send any notice to any writer contributing to the teleplay or story of the original production, unless the writer has received credit.

“Notices may be sent by certified mail, return receipt requested; by a trackable service such as FedEx, UPS or DHL mail, telegram or by personal delivery as above provided. If the notices are mailed, registered or certified mail shall be used, with return receipt requested; the fFailure of the addressee to sign or return the receipt on a notice sent via certified mail shall not invalidate the notice.

“Notices may be sent to a participating writer by email only if the writer’s representative is also given email notice and the writer’s personal services contract (or an amendment thereto) contains all of the following: (1) the writer’s express agreement to receive notices by email; (2) the writer’s email address; and (3) the email address of at least one of the writer’s representatives. The email address of the writer’s representative must be an individual address, not a general company

mailbox, and must appear on the face of the notice. Company shall retain the record of the email transmission, reflecting the date and time that the notice was sent to the writer and the writer's representative, for one (1) year following the final determination of credits."

Make conforming changes as needed.

25. Television Credit of "Written for Television by" (Television Schedule A) (Producers' Proposal No. 21)

Modify Paragraph 1 of Television Schedule A as follows:

"2.b. When the teleplay is based upon source material, no story authorship credit may be given to the television writer (except pursuant to subparagraphs c. and d. below). In that circumstance, the credit for teleplay authorship may be given in the form 'Written for Television by.' Subject to contractual commitments in effect on June 19, 1960 with source material authors, the source material author may not be given 'Story by' credit. It is understood and agreed, however, that the Company may give the source material author any appropriate credit other than the two words 'Story by,' and that the credit given to source material authors may include, but shall not be limited to, the source material credits referred to in subparagraph c. below."

Make conforming changes as needed.

26. Compilation Television Programs (Appendix A, Article 15.B.5.) (Producers' Proposal No. 23.A.)

Revise Appendix A, Article 15.B.5. ("Application of Article 15.B.10.e. – Compilation Programs") as follows:

"A program that is the fifth episode in a week of a four-day-per-week non-dramatic strip program that regularly has four (4) new episodes per week, or the sixth episode in a week of a five-day-per-week non-dramatic strip program that regularly has five (5) new episodes per week, and the fifth or sixth episode consists mainly of excerpts from that week's other episodes, shall not be considered a 'compilation' television program. For a compilation television program that is the sixth episode in a week of a five-day-per-week non-dramatic strip program that regularly has four (5) new episodes per week and consists mainly of excerpts from that week's programs; Instead, the writer(s) of the selected material shall be paid, in lieu of the foregoing compilation fee all other compensation, an aggregate sum equal to the applicable minimum compensation for a fifth or sixth episode of the program, as applicable, prorated as determined by the Guild. The fifth or sixth episode shall be treated as a regular episode of the series, and will be subject to reuse fees as would any other episode. This provision shall be available only to series produced for broadcast in syndication."

27. **West Coast Rerun of Awards Program (Appendix A, Article 15.B.) (Producers' Proposal No. 25)**

Add a new paragraph to Article 15.B. of Appendix A to provide:

“In the event of a limited West Coast rerun of an awards program which has aired live and then is rerun beginning on the same day as the live broadcast, the residual payment shall be one-third of what would otherwise be payable.”

28. **California Sick Leave (Producers' Proposal No. 30)**

Add a new Article 69 to the MBA (which is also to be applicable to Appendices A, B and C) as follows:

"ARTICLE 69 - California Sick Leave

“A. ACCRUAL

“Commencing May 2, 2017, eligible writers (as described in subparagraph B. below) shall be entitled to accrue paid sick leave on an up-front basis or hourly basis as follows:

“1. Provided that advance notice is given to the writer, a Company may elect to provide writers, upon their eligibility to use sick leave as provided below (i.e., upon working thirty (30) days in California for the Company within a one (1) year period and after their ninetieth (90th) day of employment in California with the Company (based on days worked or guaranteed)), with a bank of twenty-four (24) hours or three (3) days of sick leave at the beginning of each year, such year to be measured, as designated by the Company, as either a calendar year or starting from the writer's anniversary date. Under this elected option, such banked sick leave days may not be carried over to the following year.

“2. Alternatively, eligible writers shall accrue one (1) hour of paid sick leave for every thirty (30) hours that the writer renders services in California for the Company, up to a maximum of forty-eight (48) hours or six (6) days. Absent an agreement to the contrary (such as if a writer is employed for fewer than five (5) days a week or on a part-time basis), writers are deemed to work forty (40) hours per week.

“A writer shall not forfeit sick leave earned during employment with the Company before May 2, 2017; however, such sick leave shall be counted

towards the maximum accrued sick leave set forth above. Nothing herein alters the administration of any sick leave accrued before May 2, 2017.

- “B. To be eligible to accrue paid sick leave, the writer must have been employed to perform writing services for the Company for at least thirty (30) days in California within a one (1) year period, such year to be measured, as designated by the Company, as either a calendar year or starting from the writer's anniversary date. Sick leave may be used in minimum increments of four (4) hours upon oral or written request after the eligible writer has been employed by the Company in California for ninety (90) days (based on days worked or guaranteed), such period to be measured, as designated by the Company, as either a calendar year or starting from the writer's anniversary date. Reasonable advance notification of the need for sick leave is required if the use is foreseeable; otherwise, notice is required as soon as practicable. Sick days accrued on an hourly basis shall carry over to the following year of employment; however, the Company may limit the use of such accrued time to no more than twenty-four (24) hours or three (3) days during each year of employment as defined by the Company in advance.
- “C. For writers employed on a weekly basis under Article 13.B.7.s. or Article 14.K. or Appendix A, a day of sick leave pay shall be equal to one-fifth (1/5th) of the writer's minimum weekly rate provided therein (or fifty percent (50%) thereof for a four (4) hour increment of sick leave taken). For other writers not employed on a weekly basis, there shall be no deduction from compensation for the use of accrued sick leave provided herein.
- “D. Sick leave may be taken for the diagnosis, care or treatment of an existing health condition of, or preventive care for, the writer or the writer's ‘family member.’¹⁰ Sick leave also may be taken by a writer who is a victim of domestic violence, sexual assault or stalking.
- “E. Accrued, unused sick leave is not paid out on termination, resignation or other separation from employment. If a writer is rehired by the Company within one (1) year of the writer's separation from employment, the writer's accrued and unused sick leave shall be reinstated, and the writer may begin

¹⁰ “‘Family member’ means any of the following: (1) a biological, adopted or foster child, stepchild, legal ward or a child to whom the Employee stands *in loco parentis*; (2) a biological, adoptive or foster parent, stepparent or legal guardian of the Employee or the Employee's spouse or registered domestic partner or a person who stood *in loco parentis* when the Employee was a minor child; (3) a spouse; (4) a registered domestic partner; (5) a grandparent; (6) a grandchild; or (7) a sibling.”

using the accrued sick leave upon rehire if the writer was previously eligible to use the sick leave or once the writer becomes eligible as provided above.

“F. At the Company's election, the Company shall either:

“1. Show the amount of available paid sick leave on the writer's pay stub or a document issued together therewith; or

“2. Include in the writer's deal memo or contract the contact information for the designated Company representative whom the writer may contact to confirm eligibility and the amount of accrued sick leave available.

“Company shall notify writer with respect to the year period (i.e., calendar year or the writer's anniversary date) that the Company selected to measure the thirty (30) day and ninety (90) day eligibility periods and the cap on accrual set forth in subparagraph B. above or, alternatively, if the Company elected to provide writers with an up-front sick leave bank, the year period (i.e., calendar year or the writer's anniversary date) that the Company selected for the up-front bank of three (3) sick days as provided in subparagraph A.1. above.

“G. Any Company that has a sick leave policy, or paid leave or paid time off policy that permits the use of paid sick time and exceeds or substantially meets the requirements of this Article 68, as of May 1, 2017, may continue such policy in lieu of the foregoing. Nothing shall prevent an Company from negotiating a sick leave policy with better terms and conditions. There shall be no discrimination or retaliation against any writer for exercising his or her right to use paid sick leave.

“H. Any dispute with respect to sick leave for writers covered under this Agreement shall be subject to the grievance and arbitration procedures provided herein.”

Make conforming changes.

29. Waiver of Sick Time Laws (Producers' Proposal No. 31)

Add a new Article to the MBA to provide as follows:

“The Guild expressly waives, to the full extent permitted by law, the application of the following to all Employees employed under this Agreement: the New York City Earned Sick Time Act of 2013; Section 1-24-045 of the Municipal Code of Chicago; the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W);

the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to “paid sick leave” in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.0.1.e), 37.03, 37.07.a)1)B.ii. and 37.07.f)); the Oakland Sick Leave Law (Municipal Code Section 5.92.030.); Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509); the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698); Chapter 18.10 of Title 18 of the Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); Article 8.1 of Title 23, Chapter 2 of the Arizona Revised Statutes; Chapter 160 of the Ordinances of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the Paid Sick Time for Private Employees Ordinance of East Orange, New Jersey (Ordinance No. 21-2014; East Orange Code Chapter 140, Section 1 *et seq.*); the Paid Sick Time Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal Code); Chapter 8.56 of the Revised General Ordinances of the City of New Brunswick, New Jersey; Chapter 8, Article 5 of the Municipal Code of the City of Plainfield, New Jersey; the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Morristown, New Jersey (Ordinance No. O-35-2016); Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412) and Trenton, New Jersey (Ordinance No. 14-45); and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the Guild and the AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.”

30. Sexual Harassment Prevention Training (Producers’ Proposal No. 32)

During the 2017 negotiations, the parties reached an understanding that the Companies will be implementing a mandatory online sexual harassment prevention training program during the term of the successor agreement to the 2014 MBA.

31. Sunset Clauses (Producers’ Proposal No. 33)

Except as otherwise proposed by the Companies during the 2017 negotiations, all of the provisions of the 2014 WGA MBA shall continue and all sunset clauses renewed for the term of the successor agreement. The foregoing includes, but is not limited to, Sideletter No. 2 to Article 15.B.1.b.(2)(c), “Experiment in Syndication of Half-Hour Series in Markets Representing 50% or Fewer of U.S. Television Households,” and Sideletter No. 1 to Article 15.B.1.b.(2)(c).

Make conforming changes as needed.

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AGREED AND ACCEPTED:

**WRITERS GUILD OF AMERICA, WEST, INC.
on behalf of itself and its affiliate,
WRITERS GUILD OF AMERICA, EAST, INC.**

**The named respective signatory companies
represented by the ALLIANCE OF MOTION
PICTURE AND TELEVISION PRODUCERS, INC.**

**AMERICAN BROADCASTING COMPANIES, INC.,
an indirect wholly-owned subsidiary of ABC, Inc.**

CBS BROADCASTING INC.

**NBCUNIVERSAL MEDIA, LLC
and UNIVERSAL TELEVISION LLC**
