

**AMERICAN FEDERATION OF MUSICIANS**  
**BASIC THEATRICAL MOTION PICTURE AGREEMENT OF 2015**

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**AMERICAN FEDERATION OF MUSICIANS**  
**BASIC THEATRICAL MOTION PICTURE AGREEMENT OF 2015**

**THIS AGREEMENT**, executed at Los Angeles, California, as of this 5<sup>th</sup> day of April, 2015, between the American Federation of Musicians of the United States and Canada (hereinafter referred to as the “Federation”) and the following Companies, separately and respectively (each hereinafter referred to as “Producer”):

BTW Productions, Inc.  
Cast & Crew Talent Services, LLC  
Columbia Pictures Industries, Inc.  
EPSG Talent Services  
Film Payment Services, Inc.  
J-Mac Music, Inc.  
Metro-Goldwyn-Mayer Pictures Inc.  
Monarch Consulting, Inc. dba PAEINC  
Paramount Pictures Corporation  
Sabron, Inc.  
Savant Productions, Inc.  
Twentieth Century Fox Film Corporation  
Universal City Studios LLLP  
Walt Disney Pictures  
Warner Bros. Pictures

**W I T N E S S E T H:**

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

**1. SCOPE OF AGREEMENT**

This Agreement shall be applicable to the classifications of employees listed in the “Wage Scales, Hours of Employment and Working Conditions” attached hereto, and also to all conductors, featured instrumental musicians and orchestras, employed by the Producer in the State of California or elsewhere in the United States and Canada and whose services are rendered in connection with the production of theatrical motion pictures (excluding newsreels), all of whom will herein be collectively referred to as “Musicians.”

The term “theatrical motion pictures” (hereinafter also referred to as “motion pictures” or “pictures”), as used herein, means motion pictures initially released in theatrical exhibition, whether made on or by

film, tape or otherwise, and whether produced by means of motion picture cameras, electronic cameras or devices, tape devices or any combination of the foregoing or any other means, methods or devices now used or which may hereafter be adopted.

## **2. RECOGNITION**

The Producer recognizes the Federation as the exclusive collective bargaining representative of all musicians employed by the Producer.

## **3. SCORING IN UNITED STATES OR CANADA**

(a) All theatrical motion pictures produced by the Producer in the United States or Canada, if scored, shall be scored in the United States or Canada.

(b) Notwithstanding the foregoing, the parties recognize the following exceptions for the banking and exchange of motion pictures. The purpose of this provision is to allow the Producer to bank the aggregate number of hours paid to recording musicians for services rendered under this Agreement on (i) motion pictures produced by the Producer, (ii) negative pick-ups for which there is no signatory of record, and (iii) motion pictures produced by another entity for which a distributor related to the Producer has provided financing in exchange for distribution rights, when such pictures are produced outside the United States and Canada and for which there is no signatory of record (“Foreign Pictures”), but scored within the United States or Canada, in order to exchange those scoring hours for the right to score a motion picture produced by the Producer in the United States or Canada (“Domestic Picture”) outside the United States and Canada.

(1) The Producer may “bank” the aggregate hours paid to recording musicians for services rendered on any Foreign Picture, including, but not limited to, trailer(s) for the Foreign Picture, as follows:

(i) The Producer shall provide written notice to the Director of the AFM Electronic Media Services Division (West Coast office) that the Foreign Picture, if it is scored within the United States or Canada, will be subject to banking. Except for those motion pictures produced during the term of the 2010 Agreement, as extended by the parties, and identified by the Producers to the Federation during the

2013 negotiations,<sup>1</sup> such notice must be provided in advance of the scoring of the Foreign Picture. In the case of a negative pick-up or a motion picture produced by another entity for which a distributor related to the Producer has provided financing in exchange for distribution rights, the Producer shall, on or after the date on which such notice is provided, be deemed to be signatory of record with respect to services rendered and obligations incurred under the Agreement.<sup>2</sup>

(ii) After the scoring of the Foreign Picture in the United States or Canada, but no later than the initial release of the Foreign Picture (or no later than ninety (90) days following ratification of the Agreement in the case of motion pictures produced under the 2010 Agreement, as extended by the parties), the Producer shall provide the Director of the AFM Electronic Media Services Division (West Coast office) with a statement of the aggregate hours paid to recording musicians, along with the B Forms, for services rendered on the Foreign Picture, including, but not limited to, trailer(s) for the Foreign Picture.

The Federation shall notify the Producer of any discrepancy between the number of aggregate hours paid to recording musicians and the number of hours shown on the submitted B Forms within thirty (30) days of the Producer's statement of scoring hours for the Foreign Picture, unless a notice of intent to exchange is pending, in which case the Federation pledges its cooperation to respond in a shorter period of time. Failure to assert an objection within the applicable time period shall be considered a waiver of any and all objections. Unless the Producer is able to substantiate the disputed hours with a B Form (or other information or documentation, in the case of hours shown on the B Form as "pay direct," "direct pay," "benefits only" or the equivalent), the disputed hours shall be subtracted from the aggregate number of hours paid to recording musicians reported by the Producer in its statement.

The scoring hours on the Foreign Picture shall be "banked" and available for exchange within four (4) years (or, effective for scoring hours banked on or after April 3, 2018, five (5) years) from the date of the initial release of the Foreign Picture.

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<sup>1</sup> *I.e., "Snow White & The Huntsman," "Dr. Seuss' The Lorax," "Despicable Me 2," "Hansel and Gretel," "Die Hard 5," "Life of Pi," "The Wolverine," "The Book Thief" and "Spy."* The scoring hours for each of these titles shall be deemed to have been 'banked' and are available for exchange until the later of: (i) four (4) years from the date of the initial release or (ii) April 1, 2017.

<sup>2</sup> No claims that arise as a result of services rendered or obligations incurred under the Agreement before the Producer is deemed to be signatory of record may be brought against the Producer.



(2) In the event that the Producer wishes to score a Domestic Picture outside the United States and Canada by drawing from the bank established pursuant to subparagraph (b)(1) above, the Producer shall provide written notice to the Director of the AFM Electronic Media Services Division (West Coast office) identifying the Domestic Picture to be scored outside the United States and Canada at least thirty (30) days in advance of the commencement of the scoring of the Domestic Picture, unless the Producer could not have complied with the foregoing thirty (30) day notice requirement, in which case the notice must be provided as soon as practicable, but in no event after scoring commences. Such notice shall include the budgeted hours estimated to be paid to recording musicians for services rendered on for the Domestic Picture.

The Federation may object to the Producer's scoring of the Domestic Picture outside the United States and Canada only on the grounds that the Producer has not banked enough scoring hours on the Foreign Picture(s) to cover the budgeted scoring hours on the Domestic Picture or that the Producer failed to give notice of its intent to exchange on the Domestic Picture within the time frame set forth in the preceding paragraph. The Federation must notify the Producer of its objection(s), including by providing a detailed statement of the facts and all documents or other evidence in support of the objection, within five (5) business days of the Producer's notice of intent to exchange. Failure to assert an objection within the applicable time period shall be considered a waiver of any and all objections.

Subject to the foregoing, the Domestic Picture may be scored outside the United States or Canada. After the completion of the scoring of the Domestic Picture, the Producer shall provide the Federation with a contractor's statement that includes the number of recording sessions and the number of hours and recording musicians for each such session, accompanied by evidence of payment for such hours, or with other documentation substantiating the aggregate number of hours paid to recording musicians for services rendered on the Domestic Picture, including, but not limited to, trailer(s), along with the location of the foreign scoring (*e.g.*, Prague). The banked scoring hours on the Foreign Picture(s) shall be reduced by the number of actual scoring hours on the Domestic Picture. In the event that the actual scoring hours exceed the number of banked scoring hours, the Producer must bank at least 150% of the difference before the Producer may accrue any additional hours in the bank.

The oldest banked scoring hours on the Foreign Picture(s) will be exchanged first with the scoring hours on the Domestic Picture. Unused banked scoring hours from Foreign Picture(s) in excess of the exchanged scoring hours from the Domestic Picture remain in the bank until they expire as provided in subparagraph (b)(1) above.

#### **4. UNION SECURITY**

It shall be a condition of employment that all employees of the Producer covered by this Agreement who are members of the Federation in good standing on the execution date of this Union Security agreement shall remain members in good standing and those who are not members on the execution date of this Union Security agreement shall, on the thirtieth day following said execution date, become and remain members in good standing of the Federation. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after said execution date shall, on the thirtieth day following the beginning of such employment, become and remain members in good standing of the Federation.

To the extent permitted by applicable law, only the services of members in good standing of the Federation shall be used for the performance of any bargaining unit work in Canada.

#### **5. WAGE SCALES, HOURS OF EMPLOYMENT AND WORKING CONDITIONS**

This Agreement will not become effective unless and until it is approved by the American Federation of Musicians of the United States and Canada. Following such approval, payment of wage scales will be effective as of April 5, 2015. All other economic benefits and working conditions will be effective as of April 5, 2015, except to the extent that a different date is specified.

#### **6. FEDERATION REPRESENTATIVE**

The duly authorized business representative of the Federation and any other representative duly authorized in writing by the Federation shall be furnished a pass to the studio. He/she shall be permitted to visit, during working hours, any portion of the studio necessary for the proper conduct of the business of the Federation.

The Producer shall respond promptly to requests by the Federation through such representatives for information relating to Producer's performance of its duties and obligations under this Agreement. Upon request by the Federation, through such representatives, the Producer shall, at its option, either (i) permit such representatives of the Federation to view, on the Producer's premises, or (ii) loan to the Federation, a print of any motion picture subject to this Agreement. Producer shall not be required to exercise either such option until after the initial release of the picture for exhibition.

## **7. COPIES OF CONTRACTS**

Producer agrees that individuals under personal service contract will be given an extra copy of such contract, which may be transmitted to the Federation. The terms of such personal service contract shall not be in violation of the terms of this Basic Agreement. The Producer will furnish the Federation Representative with the name or names of such individuals who sign such personal service contracts.

## **8. SOUND TRACK REGULATIONS**

(a) The Producer agrees that all music sound track already recorded, or which will be recorded prior to the expiration of this Agreement, will not be used at any time for any purpose whatsoever except to accompany the picture for which the music sound track was originally prepared, with the following exceptions:

(1) Music recorded for any picture may be used for any trailers (including theatrical or television) advertising the same picture.

When a trailer is made before the picture is scored, the Producer may either: (i) use other music sound track previously scored under agreements with the Federation, provided prior advance notice is given to the Federation specifying the reasons for the use of such music sound track; or (ii) record the sound track for such trailer under the Federation's Television and Radio Commercial Announcements Agreement. The sound track scored for the picture may be substituted for use in the trailer.

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

the use of trailers advertising or exploiting the exhibition of the picture on television.

(2) Music sound track previously recorded may be used to “stock” subsequent pictures for “sneak previews.”

(3) Acetate copies of prescore recordings may be made for necessary rehearsing by artists, directors and/or for the edification of company executives only.

(4) If any prescored musical numbers are, for any reasons, deleted from the picture for which they were designated and such deletion is done before the picture is released, the Producer shall have the right to re-register such work with the Federation Representative for a subsequent production; the intent of this being that the Producer shall have the right to use all prescored numbers in one released production.

(5) Portions of the music sound track from a motion picture may be reused in accordance with the provisions of Article 8A. hereof.

(b) (1) (i) When sound track is dubbed for phonograph records or radio or television commercial announcements, Producer shall be responsible, or shall require its buyer, licensee or other authorized transferee (“Licensee”) to become responsible, for: (A) the payment to those musicians who rendered services in making the original sound track used of an amount equal to the scale wages provided in the then-effective Sound Recording Labor Agreement (previously known as the Phonograph Record Labor Agreement) or the Television and Radio Commercial Announcements Agreement, as applicable, plus pension contributions, or, in the case of those musicians employed under the “multi-tracking rates,” if the sound track is used in a phonograph record, the applicable payments in accordance with the provisions of Paragraph 15(a)(2)(iii) hereof (plus pension contributions); and (B) the other additional payments, if any, applicable to such phonograph record or commercial announcement use, as is provided in the then-effective Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable.

(ii) Fifteen Percent (15%) Discount for Certain Sound Tracks

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the applicable rate in subparagraph (b)(1)(i)(A) above for sound track recordings which: (i) use 40 minutes or more of music originally recorded for the motion picture; and (ii) utilize 75 or more musicians (excluding orchestrators and music

preparation musicians) for whom payment is due under this Article 8(b)(1), provided that the following conditions are met:

(A) The following logo or credit must be provided on the jacket or other packaging accompanying the recording:

(1) The AFM logo or credit to “American Federation of Musicians.”

(2) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the sound track recording must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical “largest” number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

(3) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(4) Any inadvertent error or omission with regard to credits required under subparagraphs (b)(1)(ii)(A)(2) and (3) above will not be deemed a violation of this Article 8(b)(1)(ii), provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

(B) An “organization name credit” that has been approved by the AFM must be placed on the front or back cover in a type size that is not less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(C) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released sound track recording as soon as practicable upon its release.

(D) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8(b)(1)(ii) will not apply and the Producer or its Licensee will be required to make payment for the sound track record in accordance with Article 8(b)(1)(i).

(iii) Upon the request of a Producer, the Federation shall, in good faith, grant waivers to allow the release of sound track albums recorded before August 14, 2005 without the necessity of payment in advance of, or upon, release.

(2) The Producer shall be responsible for making the foregoing payments referred to in subparagraph (b)(1) above unless and until the Producer has provided the Federation with either: (i) evidence or an extract of the provision in the license agreement in which the Licensee has agreed to make those payments; or (ii) an assumption agreement under which the Licensee has assumed the obligation to make such payments. (No proprietary information contained in the license agreement need be provided to the Federation.) Upon giving notice to the Federation on or prior to the delivery to a Licensee who is a party signatory to the Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable, of the necessary musical elements required to prepare a sound track album, Producer shall be relieved of further obligation under subparagraph (b)(2).

(3) The assumption agreement referred to in subparagraph (b)(2) above shall be in the following form:

"The undersigned, \_\_\_\_\_,  
(insert name of buyer, licensee or other authorized transferee)

herein for convenience referred to as the 'Buyer,' hereby agrees with \_\_\_\_\_  
(insert name of Producer)

that \_\_\_\_\_  
(identify title, length and identification number of each recording covered by agreement)

is subject to the AFM Basic Theatrical Agreement of 2015 with respect to the provisions of Article 8(b) thereof which requires that, when sound track is dubbed for a phonograph record or a radio or television commercial announcement, the following payments shall be made to all musicians who rendered services in making the original sound track: (i) scale wages (plus pension contributions) calculated in accordance with the then-effective Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable, except that payments to musicians employed under the "multi-tracking" provisions of the AFM Basic Theatrical Agreement shall be calculated in accordance with those provisions; and (ii) the other additional payments applicable to such phonograph record or radio or television commercial announcement use as set forth in the then-effective Sound Recording Labor Agreement or Television and Radio Commercial Announcements Agreement, as applicable, including but not limited to payments to the Sound Recording Special

Payments Fund and the Music Performance Fund. Said Buyer hereby agrees, expressly for the benefit of such musicians, to make said payments required thereby. It is expressly understood and agreed that the rights of Buyer to dub such music sound track for phonograph records or radio or television commercial announcements or to sell such phonograph records or radio or television commercial announcements containing such dubbed music sound track shall be subject to and conditioned upon payment to the musicians as provided in Article 8(b) of said Basic Agreement, and it is agreed that the Federation, the Sound Recording Special Payments Fund and the Music Performance Funds (“the Funds”), as applicable, shall be entitled to seek injunctive relief and damages against Buyer in the event such payments are not made.

“Buyer shall be liable to make the payments described above but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

“The undersigned agrees to keep or have access to complete records showing the number of phonograph records, tapes and other devices subject to payment under the provisions of this agreement which have been sold during the applicable reporting periods, the dates of initial release for sale thereof, the manufacturer’s suggested retail price thereof and the component units thereof, and the excise and sales taxes, if any, and the Federation and/or the Sound Recording Special Payments Fund and/or the Music Performance Trust Funds, as applicable, shall have the right at all reasonable times to inspect such records. The undersigned shall give the Federation prompt written notice of the date on which the phonograph record containing such dubbed music sound track covered hereby is first released for sale. An inadvertent failure to comply with said requirement of notice shall not constitute a default by the undersigned hereunder, provided such failure is cured promptly after notice thereof from the Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the right to dub sound track from the motion picture for phonograph records, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation or the Funds for the keeping of any records related to or the payments required

based upon the rights covered under the Assumption Agreement and the Federation and the Funds agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for compliance with the provisions of Article 8(b)(1). In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the payments required under Article 8(b)(1).”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation within thirty (30) days of each sale, transfer or license of such dubbing rights, with the name and address of the Buyer or assignee, and to deliver to the Federation an executed copy of each assumption agreement entered into by the Producer. An inadvertent failure on the part of the Producer to comply with any of the provisions of this subparagraph (b) shall in no event constitute a default by the Producer hereunder or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Federation.

Upon delivery of such assumption agreement, Producer, or any subsequent owner obtaining the execution of such an assumption agreement, shall not be further liable to the Federation or to the Funds for the keeping of any such records or the payments required hereunder insofar as they relate to the dubbing of music sound track for phonograph records, and the Federation and the Funds agree to look exclusively to the party last executing such an assumption agreement for the keeping of such records and compliance with payment obligations.

(c) The Producer further agrees to register identification of picture and music sound track with the Federation Representative.

(d) It is agreed that persons employed under this Agreement shall not be required or permitted to record music sound track for general usage or for any purpose whatsoever except as provided herein.

(e) It is further agreed that all music sound track already recorded, commonly referred to as “library music sound track,” will not be disposed of, sold, leased or used for any picture or purpose except to accompany revival of the picture for which recordings were originally made.



(f) It is agreed that persons employed under this Agreement will not be required or permitted to use music sound track for any purpose in violation of the terms herein provided.

(g) The Producer is not restricted from continuing the established industry practice of exchanging so-called “stock shots.”

(h) The use of library music sound track for short subjects is prohibited.

(i) No orchestra or part thereof shall be permitted to augment music recordings in the same session in which the original recordings are made. The above is not intended to prohibit the Producer from making musical bridges, replacements or other special musical effects for the purpose of musical punctuation, matching a picture action or other special effects, such as reverberation where the tracks are staggered several sprocket holes or frames to give sound effects not obtainable with more musicians. It shall not be the intention of the Producer to program a recording call specifically for augmenting music tracks as a means of eliminating musicians.

(j) The Producer agrees that the substance and intent of Article 8 hereof shall be incorporated in all agreements made by the Producer for licensing, leasing, lending, giving, selling, utilizing or other disposition of music sound track containing the recorded music made by members of the Federation, or scenes or shots containing pictures of members of the Federation performing on musical instruments or conducting.

#### **8A. REUSE OF PORTIONS OF THE MUSIC SOUND TRACK FROM A MOTION PICTURE**

Notwithstanding anything to the contrary in Article 8 and except as provided in subparagraph (e) below, no additional compensation shall be payable for the reuse of any portion of the music sound track of a motion picture in the following circumstances:

(a) When used for promotional, trailer, news or review purposes. For purposes of this subparagraph, a “promotional” use shall be for the purpose of advertising or publicizing the specific motion picture or serial or series from which the sound track is taken (including the filming of musicians engaged in the recording of such sound track). The term “promotional,” as used herein, shall also include “the making of...” or “behind-the-scenes”-type programs. As used in this subparagraph (a), the term “news” means regularly-scheduled news programs and special news programs which are not pre-planned and which are

broadcast within twenty-four (24) hours after the event which gave rise to the program. It is understood that obituary programs are deemed to be “special news programs” even if pre-planned.

The following uses of a portion of music sound track from a motion picture in new media shall be considered “promotional” and shall require no payment, whether or not the Producer receives revenue in connection therewith:

(1) For the purpose of advertising or publicizing the specific motion picture from which the sound track is taken (including the filming of musicians engaged in the recording of such sound track).

(2) In “the making of...” or “behind-the-scenes”-type programs.

(3) For “viral” promotion in new media of a theatrical motion picture and the music sound track is circulated non-commercially to multiple websites or made available for individuals to circulate. The fact that the music sound track used in the “viral” promotion is exhibited on a revenue-generating site owned by or affiliated with the Producer shall not render this exception inapplicable, provided that the music sound track is released without payment to other sites.

(4) The music sound track is made available for consumer-generated viral promotion to new media sites where end users have the ability to share such excerpt(s) with other end users (*e.g.*, Facebook, YouTube, MySpace or Crackle).

(5) As a “ringtone” or “ringback,” provided that the consumer does not make payment therefor.

Upon learning of any unauthorized use of either “the making of...” or “behind-the-scenes”-type promotional programs, the parties will jointly discuss appropriate steps to be taken to collect monies for such unauthorized use.

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

(c) When used for purposes of recapping the story to date in the context of a serial, multi-part program, episodic series, unit series or anthology.

(d) When used as a flashback in a context of a serial, multi-part program, episodic series, unit series, one-time show or anthology, except that this shall not apply to programs comprised primarily of flashbacks.

(e) (1) For any use of any portion of a production number with the accompanying footage from a motion picture (other than in new media), or for the use in a motion picture produced within the geographical scope of this Agreement of up to two (2) minutes of music sound track from a motion picture without the accompanying footage (other than in New Media), which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following aggregate one-time-only sum for each motion picture to the musician or musicians determined by the Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

(i) one (1) minute or less of sound track - \$1,500;

(ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute - \$750.

(2) For the use of up to four (4) minutes of music sound track from a motion picture without the accompanying footage (other than in new media or in a motion picture produced within the geographical scope of this Agreement), which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following aggregate one-time-only sum for each motion picture to the musician or musicians determined by the Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

(i) one (1) minute or less of sound track – \$1,500;

(ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute up to and including two (2) minutes – \$750;

(iii) for each thirty (30) seconds or portion thereof in excess of two (2) minutes up to and including four (4) minutes – \$1,000.

(3) For the use of any other music sound track with the accompanying footage from a motion picture not covered under subparagraph (e)(1) above (other than in new media), which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following aggregate one-time-only sum for each motion picture to the musician or musicians determined by the

Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

(i) one (1) minute or less of sound track - \$750;

(ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute - \$375.

(4) (i) For any use in new media on an advertiser-supported platform of music sound track, with or without the accompanying footage, from a theatrical motion picture, which use is not within the exceptions provided for in subparagraphs (a) - (d) above, one percent (1%) of "Producer's gross," as defined in subparagraph (5) below, derived from the sale or license of such music sound track.\*

(ii) For any use in new media on a consumer pay platform of music sound track, with or without the accompanying footage, from a theatrical motion picture, including "ringtones" and "ringbacks," one percent (1%) of "Producer's gross," as defined in subparagraph (5) below, derived from the sale or license of such music sound track.\*

(iii) In lieu of the Producer making payment of any amounts due under subparagraphs (e)(4)(i) and (ii) above to the Federation, the Producer shall include such sums in the "Producer's gross," for the applicable theatrical motion picture and make such payments to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician's *pro rata* share for the motion picture from which the sound track is so used.

(5) "Producer's Gross" shall be as defined in Paragraph 3.a. of the "Sideletter Re Exhibition of Motion Pictures Transmitted Via New Media."

(6) Sunset Clause

The foregoing provisions regarding use of excerpts in new media shall expire on the termination date of the 2015 Theatrical and Television Agreement and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions for use of excerpts in new media to be in effect thereafter.

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\* Placement of the language set forth in subparagraphs (e)(4)(i) and (ii) in this Article 8A. is without prejudice to either party's position as to whether Article 8A. permits the use of music sound track other than in theatrical or television motion pictures. Each party reserves its position on that issue.

(f) The provisions of this Article apply to the uses specified above after April 5, 2015 of a portion of the music sound track from a motion picture recorded under this Agreement or any predecessor Agreement thereto; provided, however, no payment shall be required hereunder for the use of any portion of the music sound track from a motion picture if the collective bargaining agreement under which such music was recorded contained no restrictions on the reuse of such sound track or if such collective bargaining agreement permitted the reuse of such material without additional compensation.

(g) The actual production company which produces the program or motion picture containing the excerpted portion of the music sound track requiring payment is obligated to make the payment required under this Article, provided the company is signatory to this Agreement. The Producer shall otherwise remain liable for the payment due.

**8B. USE OF MUSIC PREVIOUSLY RECORDED UNDER ANOTHER AMERICAN FEDERATION OF MUSICIANS AGREEMENT\***

(a) When music previously recorded under another American Federation of Musicians Agreement is used in a theatrical motion picture and such Agreement requires payment for such use, the use payments shall be \$277.03, which is the minimum single session fee set forth in Schedule C of Paragraph 15.(a)(1)(i) of the AFM Basic Theatrical Agreement of 2010 for the period ending April 17, 2010.

(1) The Producer must make payment to the affected musicians within sixty (60) days from the date on which the Producer receives a bill.

(2) In the case of a *bona fide* dispute arising hereunder, the sixty (60) day period set forth in subparagraph (a)(1) above shall be tolled during the pendency of such dispute.

(3) If payment is not made within such sixty (60) day period (extended in accordance with subparagraph (a)(2) above, if applicable), then interest shall be due at the prime rate (as set forth in the Wall Street Journal as of the first business day of that calendar year in which payment is due) plus one percent (1%), compounded monthly, on the unpaid amounts, effective beginning on the date following the date on which payment became due.

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\*A chart summarizing various sound track requirements and options, including those in subparagraphs (a) and (b) of this Article 8B., is found at Exhibit C of this Agreement.

(b) Notwithstanding the provisions of subparagraph (a) above, when one (1) or more phonograph records (as defined in the AFM Sound Recording Labor Agreement) produced under the AFM Sound Recording Labor Agreement are used in a theatrical motion picture for which there were one (1) or more scoring sessions under this Agreement, the following provisions will apply:

(1) The applicable payment shall be eighty-five percent (85%) of the amount set forth in subparagraph (a) above.

(2) The applicable payment shall be seventy percent (70%) of the amount set forth in subparagraph (a) above, provided that the Producer satisfies the requirements set forth in subparagraphs (i) and (ii) below.

(i) Within sixty (60) days of the release of the motion picture, the Producer must provide the Federation with the following information for each phonograph record used: the title and release date of the motion picture, the title of the phonograph record (*i.e.*, song); the artist(s); and the name of the licensor. The Federation shall designate the person to whom such information shall be submitted.

(ii) The Producer must make the seventy percent (70%) payment in full within sixty (60) days from the date on which the Producer receives a bill from the Federation, accompanied by appropriate documentation of the Producer's obligation to make the payment to the affected musicians. For the purposes of the foregoing sentence, appropriate documentation shall include, but not be limited to: (A) B Forms identifying the musicians who participated in the recording of the phonograph record, or (B) the album or CD jacket identifying the musicians who participated in the recording of the phonograph record, along with reasonable evidence of the signatory status of the phonograph record producer at the time of the session(s), if the Federation, after reasonable efforts, is unable to locate a B Form.

(3) In the case of a *bona fide* dispute arising hereunder, provided the information set forth in subparagraph (b)(2)(i) above has been provided to the Federation within the time limit set forth in subparagraph (b)(2)(i), the sixty (60) day period set forth in subparagraph (b)(2)(ii) above shall be tolled during the pendency of such dispute, but only with respect to the amount in dispute.

(4) If the seventy percent (70%) payment is not made in full within such sixty (60) day period (extended in accordance with subparagraph (b)(3) above, if applicable), or if the Producer fails to provide the information set forth in subparagraph (b)(2)(i) above within

the time period set forth in subparagraph (b)(2)(i), the Producer shall not be entitled to the seventy percent (70%) payment rate and payment shall be made in accordance with subparagraph (b)(1) above.

(5) Where there is more than one B Form for the phonograph record so used that includes leader scale, leader scale shall be payable only where the B Form reflects one or more musicians in addition to the leader.

(c) All musicians entitled to payment under this Article 8B. shall be treated as having received two hundred percent (200%) of the payments set forth in Article 8B.(b)(1) for purposes of distributing the musicians' share of the Film Musicians Secondary Markets Fund.

### **8C. SPECIAL PROVISIONS REGARDING SOUND TRACK RECORDS RELEASED IN CONNECTION WITH THEATRICAL MOTION PICTURES\***

In a joint effort to promote theatrical motion picture films and/or television films, the parties have mutually agreed to the following as an alternative to the existing sound track record provisions:

With respect to any sound track record released in connection with any theatrical motion picture and/or television film subsequent to the effective date of this Agreement, the Producer may elect to compensate musicians who rendered services in making the original sound track in accordance with the provisions of subparagraphs (a), (b) or (c) below:

(a) (1) Upon release of the record an amount equal to fifty percent (50%) of the scale wages calculated using the basic session rate (plus AFM Employers' Pension Fund contributions\*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement;

(2) An amount equal to an additional fifty percent (50%) of the scale wages calculated using the basic session rate (plus AFM Employers' Pension Fund contributions\*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement once the net sales exceed 50,000 records; and

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\* A chart summarizing various sound track record requirements and options, including those in subparagraphs (a), (b), and (c) of this Article 8C., is found at Exhibit C of this Agreement.

\* Producers shall not be obligated to make any Health Plan payments.

(3) For those sound track records released under the terms of this Article 8C., but which do not satisfy the conditions of Article 8C.(b)(1), (2) and (3) below, an amount equal to an additional twenty percent (20%) of the scale wages calculated using the basic session rate (plus AFM Employers' Pension Fund contributions\*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement once the net sales exceed 100,000 records.

(b) Fifteen Percent (15%) Discount for Certain Sound Tracks

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the rates in subparagraph (a)(1) above (payments due on release) for sound track records which: (i) use 45 minutes or more of music originally recorded for the motion picture; and (ii) utilize 80 or more musicians (excluding orchestrators and music preparation musicians) for whom payment is due under this Article 8C., provided that the following conditions are met:

(1) The following logo or credit must be provided on the jacket or other packaging accompanying the record:

(i) The AFM logo or credit to "American Federation of Musicians."

(ii) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the sound track record must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical "largest" number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

(iii) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(iv) Any inadvertent error or omission with regard to credits required under subparagraphs (ii) and (iii) above will not be deemed a violation of this Article 8C. provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

(2) An "organization name credit" that has been approved by the AFM must be placed on the front or back cover in a type size that is not less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless



and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(3) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released sound track record as soon as practicable upon its release.

(4) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8C.(b) will not apply and the Producer or its Licensee will be required to make payment for the sound track record in accordance with Article 8C.(a).

(c) For the use of up to seven and one-half (7½) minutes of music sound track from a motion picture in a phonograph record, Producer shall pay to the musicians who recorded such music sound track one hundred percent (100%) of the scale wages calculated using the special session rate (plus AFM Employers' Pension Fund contributions\*) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement.

(d) It is understood that the same phonograph record may incorporate motion picture sound track for which musicians are paid pursuant to subparagraphs (a), (b) and (c) above.

**8D. OPTIONAL PROVISIONS REGARDING SOUND TRACK RECORDS RELEASED IN CONNECTION WITH THEATRICAL MOTION PICTURES\*\***

With respect to any sound track record released in connection with any theatrical motion picture subsequent to the effective date of this Agreement (except for sound track records that include cues from any sessions scored in Canada under the Basic Theatrical Motion Picture Agreement), the Producer (or its buyer, licensee or other authorized transferee ("Licensee")) may elect to compensate musicians who rendered services in making the original sound track in accordance with the provisions of subparagraph (a) below, provided that the Producer or its Licensee also meets the conditions of subparagraph (c) below:

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\* Producers shall not be obligated to make any Health Plan payments.

\*\* A chart summarizing various sound track record requirements and options, including those in this Article 8D., is found at Exhibit C of this Agreement.

(a) Payments

(1) Upon release of the record, an amount equal to twenty-five percent (25%) of the scale wages (plus AFM Employers' Pension Fund contributions but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement;

(2) An amount equal to an additional twenty-five percent (25%) of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 25,000 units;

(3) An amount equal to an additional fifty percent (50%) of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 50,000 units; and

(4) An amount equal to an additional twenty percent (20%) of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 100,000 units.

(b) Fifteen Percent (15%) Discount for Certain Sound Tracks

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the rates in subparagraph (a)(1) above (payments due on release) for sound track records which: (i) use 40 minutes or more of music originally recorded for the motion picture; and (ii) utilize 75 or more musicians (excluding orchestrators and music preparation musicians) for whom payment is due under this Article 8D.

(c) Conditions

(1) The following logo or credit must be provided on the jacket or other packaging accompanying the record:

(i) The AFM logo or credit to "American Federation of Musicians."

(ii) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the sound track record must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical “largest” number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

(iii) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(iv) Any inadvertent error or omission with regard to credits required under subparagraphs (ii) and (iii) above will not be deemed a violation of this Article 8D., provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

(2) An “organization name credit” that has been approved by the AFM must be placed on the front or back cover in a type size that is not less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(3) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released sound track record as soon as practicable upon its release.

(4) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8D. will not apply and the Producer or its Licensee will be required to make payment for the sound track record in accordance with Article 8C.(a).

**8E. ADDITIONAL OPTIONAL PROVISIONS REGARDING SOUND TRACK RECORDS RELEASED IN CONNECTION WITH THEATRICAL MOTION PICTURES\***

With respect to any sound track record released in connection with any theatrical motion picture subsequent to the effective date of this Agreement, the Producer (or its buyer, licensee or other authorized transferee (“Licensee”)) may elect to compensate musicians who

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\*A chart summarizing various sound track record requirements and options, including those in this Article 8E., is found at Exhibit C of this Agreement.

rendered services in making the original sound track in accordance with the provisions of subparagraph (a) below, provided that the Producer or its Licensee also meets the conditions of subparagraph (c) below:

(a) Payments

(1) An amount equal to fifty percent (50%) of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement when sales reach 15,000 units;

(2) An additional amount equal to fifty percent (50%) of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement when sales reach 50,000 units; and

(3) An additional amount equal to twenty percent (20%) of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement when sales reach 100,000 units.

(4) Wage payments shall be made within the time periods specified in this Article 8E. If payment is made more than forty-five (45) days after written notice from the Federation that payment is due, then interest shall be due at the prime rate (as set forth in the Wall Street Journal as of the first business day of that calendar year in which payment is due) plus one percent (1%), compounded monthly, on the unpaid amounts, effective beginning on the date following the date on which payment became due.

(b) Fifteen Percent (15%) Discount for Certain Sound Track Recordings

The Producer or its Licensee is entitled to a fifteen percent (15%) discount from the rates in subparagraphs (a)(1), (a)(2), and (a)(3) above for sound track records which: (1) use 40 minutes or more of music originally recorded for the motion picture; and (2) utilize 75 or more musicians (excluding orchestrators and music preparation musicians) for whom payment is due under this Article 8E.

(c) Conditions

(1) The Producer shall inform the Federation of its election to compensate musicians who rendered services in making the original sound track record in accordance with the provisions of subparagraph (a) above prior to the release or distribution of such sound track record.

(2) Upon release of the original sound track record pursuant to this Article 8E., the Producer shall provide the Federation with a B Form which identifies an amount equal to fifty percent (50%) of the scale wages that would have been paid pursuant to the then-effective Sound Recording Labor Agreement. Upon sales of 15,000 units of the sound track record, the Producer shall provide written notice to the Federation of such sales.

(3) The following logo or credit must be provided on the jacket or other packaging accompanying the sound track record:

(i) The AFM logo or credit to “American Federation of Musicians.”

(ii) The instrumental musicians who performed on the largest recording session from which a cue is extracted for the sound track record must be credited by name and instrument (the largest session is the one utilizing the most musicians; if more than one has the identical “largest” number, the Producer or its Licensee will identify from which session the credits will be determined). Such musicians may be grouped by instrumental categories.

(iii) The Leader/Conductor, Orchestra Manager, Orchestrator(s), Librarian, and Music Prep Service/Supervising Copyist must be credited by name and position.

(iv) Any inadvertent error or omission with regard to credits required under subparagraphs (ii) and (iii) above will not be deemed a violation of this Article 8E., provided that the Producer or its Licensee has made a reasonable effort to comply with those provisions.

(4) An “organization name credit” that has been approved by the AFM must be placed on the front or back cover in a type size that is not less than fifty percent (50%) of the type size used for the composer credit unless no applicable organization name credit exists; provided that the entity that owns the organization name has agreed to hold harmless and indemnify the Producer and/or its Licensee from and against any action arising out of the authorized use of such organization names.

(5) The Producer or its Licensee must provide the AFM with 75 copies of the commercially released sound track record as soon as practicable upon its release.

(6) If the Producer or its Licensee fails to satisfy any of the foregoing requirements, the special rates in this Article 8E. will not apply and the Producer or its Licensee will be required to make payment for the sound track record in accordance with Article 8C.(a).

(d) Special Rules for Digital Downloads

(1) When the consumer may purchase either the entire sound track album or select recordings therefrom, then, for purposes of computing the number of units sold under subparagraphs (a) and (c)(2) above, (i) each sale of the complete sound track album shall count as one unit sold, and (ii) each sale of an individually-downloaded recording from such album shall count as 1/12th of a unit sold. By way of example, if 150,000 individual recordings from the sound track album are downloaded, then such individual sales shall constitute the sale of 12,500 units for purposes of computing the number of units sold under subparagraphs (a) and (c)(2) above.

(2) When Producer elects to distribute sound track albums for sale in non-physical formats (such as via iTunes or other music download services), then the following shall apply:

(i) Producer shall cause the AFM and musician credits (as more fully described in this Article) to be furnished to the consumer by: (A) downloadable text as part of the sound track album artwork; (B) posting such credits on the website for the applicable theatrical or television motion picture; or (C) displaying such credits on the retailer's page from which such sound track album download is purchased.

(ii) If such sound track album is released only in a non-physical format, then Producer shall provide the AFM with 25 “white-label” CD copies of the sound track album.

**8F. SOUND TRACK SINGLES RELEASED IN CONNECTION WITH THEATRICAL MOTION PICTURES**

With respect to any individual master recording (“single”) that is released for sale in connection with any theatrical motion picture other than as part of a sound track album and that is released subsequent to the effective date of this Agreement, the Producer (or buyer, licensee or

otherwise authorized transferee (“Licensee’’) may elect to pay compensation for music embodied in such single in accordance with the following provisions:

(a) An amount equal to 50% of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 200,000 units;

(b) An amount equal to 50% of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 380,000 units; and

(c) An amount equal to 20% of the scale wages (plus AFM Employers' Pension Fund contributions, but not including health and welfare contributions) that would have been paid pursuant to the then-effective Sound Recording Labor Agreement for sales in excess of 450,000 units.

## **9. 16mm FILM**

The Producer and/or its subsidiaries in the United States and/or Canada agree not to produce, distribute or make use of 16mm film with music sound track produced within the United States and/or Canada, unless such music sound track is recorded by live musicians specifically for that picture. (This shall not apply to pictures produced and distributed outside of the territorial limits of the United States and Canada.)

The same wage scales and working conditions that obtain in the 35mm motion picture field shall apply to 16mm films. It is not the intent to impose any extra charge when 35mm subjects are released on 16mm film.

## **10. EMPLOYEES IN ARMED SERVICES**

Recognizing the moral and legal responsibility to the men and women who may enter the Armed Services, the Producer and the Federation agree that they have a joint responsibility (subject to the then-existing statutes) in the reinstatement of such employees to the

positions such employees held prior to their entry into the Armed Services.

The Producer and the Federation agree that employees temporarily holding such jobs will be displaced by such returning employees.

#### **11. “PROFESSIONAL” CAPACITY**

The Federation and the Producer have agreed that all musicians are employed by the Producer in a “professional” capacity within the meaning of the “Fair Labor Standards Act of 1938,” as amended.

#### **12. CONFORMITY WITH LAW**

It is understood that all of the provisions of this Agreement shall be subject to the provisions of presently existing and valid state or federal law, and that the Producer shall not be required to take any action under this Agreement in conflict with any such provisions of law.

#### **13. BETTER CONDITIONS**

Nothing in this Agreement shall prevent any individual musician from negotiating and obtaining from the Producer better conditions and terms of employment than those herein provided.

#### **14. AGREEMENT BINDING ON WHOM**

This Agreement shall be binding upon the Producer, upon its successors, and shall be applicable to any company in which Producer has a twenty-five percent (25%) or more financial interest, engaged in the production of theatrical motion pictures, provided such company at such time does not have a collective bargaining agreement or agreements covering the employee classifications subject to this Agreement.

#### **15. POST ‘60 THEATRICAL MOTION PICTURES**

(a) The provisions of this Article 15 relate and apply only to theatrical motion pictures produced by Producer and subject to this Agreement or to the prior American Federation of Musicians Basic Theatrical Motion Picture Agreements of 1960, 1964, 1969, 1972, 1974,



1977, 1981 (as extended by the parties), 1984, 1987, 1990, 1993, 1996, 1999, 2002, 2005 and 2010 (as extended by the parties):

(1) The principal photography of which commenced on or after January 31, 1960, and with respect to the release to free television of such motion pictures either during the term hereof or at any time thereafter; and

(2) In which there is music sound track containing recorded music made by “participating musicians,” (as such term is hereinafter defined), or scenes or shots containing pictures of participating musicians performing on musical instruments or conducting.

(b) As to each such motion picture, the Producer will pay:

(1) To the Administrator of the Film Musicians Secondary Markets Fund (previously known as the Theatrical and Television Motion Picture Special Payments Fund) (hereinafter the “Secondary Markets Fund”) pursuant to the terms of this Article 15 and the Film Musicians Secondary Markets Fund Agreement attached hereto and made a part hereof as Exhibit “A,” one and two-thirds percent (1 $\frac{2}{3}$ %) (hereinafter referred to as the “percentage payment”) of the Producer’s accountable receipts from the distribution of such motion picture on free television on or after April 5, 2015, computed as hereinafter provided and subject to the following conditions:

(i) The term “Producer’s gross,” as used herein, means the worldwide total gross receipts derived by the distributor of such motion picture (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit the motion picture on free television. If the distributor of the motion picture does not distribute the motion picture directly to free television, but employs a subdistributor to so distribute the motion picture, then the “Producer’s gross” shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit the motion picture on free television. In case of an outright sale of the free television distribution rights, for the entire world, or any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the “Producer’s gross.” If any such outright sale shall include free television exhibition rights and other rights, then (but only for the purpose of the computation required hereunder), the Producer shall allocate to the free television exhibition rights a fair and reasonable portion of the sale price which shall, for the purpose hereof, be the “Producer’s gross.” In reaching such determination, Producer may consider the current market value of free television exhibition rights in comparable motion pictures. If the

Federation shall contend that the amount so allocated was not fair and reasonable, such claim may be determined by submission to arbitration as herein provided; and in the event the Board of Arbitration shall find that such allocation was not reasonable and fair, it shall determine the fair and reasonable amount to be so allocated. If the outright sale includes free television distribution rights to more than one motion picture, Producer shall likewise allocate to each motion picture a fair and reasonable portion of the sales price of the free television rights; and if the Federation contends that such allocation is not fair and reasonable, the question may be determined by submission to arbitration as above provided. If the Board of Arbitration shall find that such allocation was not fair and reasonable, it shall determine the fair and reasonable amount to be so allocated to each motion picture. The price received on the outright sale of only free television distribution rights in a single photoplay shall not be subject to arbitration. Sums paid to any advertising agency in connection with any exhibition of a motion picture on free television shall not be included in Producer's gross.

Monies received from AGICOA for such motion picture shall be included in "Producer's gross," with respect to payments due to the Secondary Markets Fund pursuant to the provisions of Article 15 on or after April 14, 2010.

(ii) The term "accountable receipts," as used herein, means the balance of the Producer's gross after deducting an arbitrary forty percent (40%) of the Producer's gross for distribution fees and expenses; except that in the case of an outright sale of free television distribution rights, there shall be deducted only an arbitrary ten percent (10%) of the Producer's gross for sales commissions and expenses of sale.

(iii) Producer's obligation shall accrue hereunder only after accountable receipts are received by the Producer, but as to foreign receipts, such obligations shall not accrue, nor be included in accountable receipts, until the Producer shall either have the right to freely use such foreign currency, or Producer has the right to transmit to the United States to Producer such foreign currency from the country or territory where it is frozen. If such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the rate of exchange at which such currency was actually transmitted to the United States as aforesaid or, if not actually transmitted, then at the prevailing free market rate of exchange at the time such right to use or to transmit occurs. Frozen foreign currency shall be deemed to be unblocked on the basis of "first in, first out" unless otherwise allocated by local foreign fiscal authorities. Allocation of such unblocked funds as between revenue which serves as the basis of

determining payments hereunder and other revenue shall be on a proportional basis, subject to different earmarking by local foreign fiscal authorities. Payments of amounts accruing hereunder shall be made quarterly on the basis of quarterly statements, as hereinafter provided. Foreign receipts shall be accounted for in U.S. dollars at the rate of exchange at which such receipts are actually converted and remitted, and should any discounts, taxes, duties or charges be imposed in connection with the receipt or remittance of foreign funds, only so much of such funds as remain thereafter shall be included in accountable receipts. Producer shall not be responsible for loss or diminution of foreign receipts as a result of any matter or thing not reasonably within the control of the Producer. The Federation, Employers' Pension Fund or the Secondary Markets Fund, as the case may be, and the Musicians shall be bound by any arrangements made in good faith by the Producer, or for its account, with respect to the deposit or remittance of foreign revenue. Frozen foreign receipts shall not be considered trust funds and the Producer may freely commingle the same with other funds of the Producer. No sums received by way of deposits or security need be included in Producer's gross until earned, but when the Producer is paid a nonreturnable advance by a distributor, such advance shall be included in the Producer's gross.

A "non-returnable advance" is to be included in "accountable receipts" when the picture is "available" and "identifiable" and the amount of the advance payment is "ascertainable."

The picture is "available" when the first of the following occurs:

(A) The product first may be exhibited or otherwise exploited by a specified method of distribution and in a territory under the terms of the applicable license or distribution agreement, or

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

The picture is "identifiable" when the Producer first knows or reasonably should have known that a given motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

The amount of the advance payment is "ascertainable" if:

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

(B) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer shall fairly and reasonably allocate such advance among the licensed motion pictures, exhibition markets and/or territorial markets. As each of these pictures becomes identifiable and available, the allocated portion of the non-returnable advance is to be included in “Producer’s gross” for that quarter. The Producer shall notify the Secondary Markets Fund of its allocation when the report of “Producer’s gross,” which includes the advance, is to be filed.

If the picture is available in any territory or by any means of exhibition and is identifiable and the amount of the advance is ascertainable, but the Producer does not provide the Secondary Markets Fund with the information required by this Agreement and applicable law, then the advance shall be deemed includable in “accountable receipts” no later than six (6) months after the Producer receives it.

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

(iv) If any license or outright sale of exhibition rights to the motion picture on free television includes as a part thereof any filmed commercial or advertising material, the Producer shall be permitted to allocate a reasonable amount (in accordance with then-current standard charges in the industry) to such commercial or advertising material, and the amount so allocated shall not be included in Producer’s gross hereunder.

(v) The term “participating musician,” as used herein, means a musician who, while in the employ of the Producer (to which employment the provisions of this Agreement apply), participated in the preparation for or the recording of the music sound track for such motion picture or who was photographed in such motion picture as performing on musical instruments or conducting. If payments hereunder are made to the Secondary Markets Fund, there shall be payable to each participating musician that portion of the part of the musician’s share of the Secondary Markets Fund which is allocable to such motion picture that the total compensation theretofore paid to such musician for his/her said services in the motion picture in an employment capacity bears to the aggregate total compensation theretofore paid to all participating

musicians for their services in recording or being photographed in the motion picture in an employment capacity.

The term “total compensation,” as used herein, means all monies paid to a participating musician for his/her said services, or his/her heirs, executors, administrators or assigns as of a time immediately preceding the close of the annual period covered by the Producer’s annual statement involved. The cost of transportation or living expenses paid to or on behalf of musicians shall not be included in “total compensation.”

The Oversight Committee and the AFM liaison(s) of the Secondary Markets Fund will meet in advance of the annual distribution of the musicians’ share of the Secondary Markets Fund to review and attempt to resolve questions brought to the attention of the Administrator, Oversight Committee and/or AFM liaison(s) of the Secondary Markets Fund concerning the reported compensation for any participating musician(s) in connection with any motion picture. Distributions with respect to any motion picture for which reported compensation is under review as described above shall be suspended until the Secondary Markets Fund determines the extent to which the compensation under review constitutes “total compensation.”

The Oversight Committee and the AFM liaison(s) shall endeavor to develop criteria and procedures for determining each participating musician's "total compensation" and *pro rata* share. The Administrator shall implement the agreed-upon criteria and procedures upon agreement by a majority of the members of the Oversight Committee and the AFM liaison(s).”

The Administrator of the Secondary Markets Fund shall make all deductions and withholdings required by law, and shall timely make all such reports and payments to governmental agencies as may be required by law.

(vi) When “participating musicians” have been utilized in creating the music sound track for a motion picture which is scored partially in the United States or Canada and partially outside of the United States and Canada, the percentage payment into the Secondary Markets Fund shall be as follows: the payment shall be prorated by multiplying such percentage payment by a fraction whose numerator consists of the total salaries paid to the musicians employed under the terms of this Agreement and the denominator of which consists of the total salaries paid to all musicians employed in connection with the scoring of such motion picture. The foregoing proration formula shall be subject to the following exceptions: (i) in any

instance in which the total salaries paid to musicians employed under this Agreement are less than thirty percent (30%) of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, the Producer shall nevertheless be required to pay thirty percent (30%) of the percentage payment due; and (ii) in any instance in which the total salaries paid to musicians employed under this Agreement total seventy-five percent (75%) or more of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, then the Producer shall be required to make a contribution to the Secondary Markets Fund equal to what the contribution would have been if one hundred percent (100%) of the scoring had taken place in the United States or Canada. The Producer shall provide to the auditors the information necessary to determine the correct *pro rata* payment.\* The Producer will identify a motion picture as subject to this subparagraph (6) at the time of the first payment to the Fund for that motion picture.

(vii) Producer will furnish to the Federation and the Secondary Markets Fund written reports on forms prepared by the Fund, approved by the AMPTP and the Federation, and furnished by the Fund, showing the Producer's gross received from the sale, lease, license and distribution (whether by Producer or a distributor) of each such motion picture on free television. Such reports shall be furnished on a quarterly basis for each calendar year. Concurrently with the furnishing of each such report, the Producer will make the payments shown to be due by such report. All payments shall be made by check payable to the order of and delivered to the Secondary Markets Fund. Each such report shall designate, when known, the title, the production number (if available) and, when applicable, the episode number of the motion picture involved, the name of the production entity (if available), the distributor's name, the distributor's disbursing agent (if applicable), the period covered by the payment and, if receipts from release of the picture to free television are included in the payment, a breakdown of gross receipts attributable to Supplemental Markets and those attributable to free television release. On request, the Producer shall make available to the Federation or the Administrator of the Secondary Markets Fund all accounting statements delivered by a distributor to the Producer, but only insofar as such statements relate to the Producer's gross. The Federation or the Administrator of the Secondary Markets Fund shall have the right, at reasonable times, to examine the books and records of Producer insofar as they relate to the Producer's gross. Producer shall not be required to furnish any report hereunder with

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\* The foregoing provisions of this subparagraph (6) are without prejudice to the respective positions of the parties as to the meaning of Article 3 ("Scoring in the United States and Canada") of this Agreement.

respect to the motion picture prior to Producer's receipt of any Producer's gross with respect to the motion picture, or for any reporting period during which no Producer's gross from the motion picture is received by the Producer.

(viii) A Payroll Company that is a party signatory to this Agreement may grant the use of its signatory status on a picture-by-picture basis to any Producer not a party signatory, provided that no session shall be allowed unless an executed Assumption Agreement in the following form has been provided to the Local Union in advance of the session. The leader/contractor shall be responsible for achieving compliance with this requirement.\*

“The undersigned \_\_\_\_\_,  
(insert name of Payroll Company)

herein for convenience referred to as the ‘Payroll Company,’  
hereby agrees with \_\_\_\_\_ that picture  
(insert name of non-signatory producer)

photoplays covered by this Agreement are subject to the AFM Basic Theatrical Motion Picture Agreement of 2015 and particularly to the provisions of Article 15 thereof relating to payment to the Film Musicians Secondary Markets Fund (hereinafter the “Secondary Markets Fund”) on release of a theatrical motion picture photoplay to free television; and said Producer hereby agrees to abide by and perform the provisions of said Basic Agreement. Said Producer also hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required by Article 15. It is expressly understood and agreed that the rights of any such Producer to exhibit or license the exhibition of such photoplays on free television shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in Article 15 of said Basic Agreement and it is further agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Producer in the event any such payments are not made.

“The undersigned Producer agrees to keep or have access to complete books and records showing the income derived from the sale, lease, license or distribution of such motion pictures on free television within the entire territory for which Producer is granted such rights and the Federation and the Administrator of the Secondary Markets Fund shall have the right at all reasonable times to examine and inspect such

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\* The parties shall utilize best efforts to ensure that the leader/contractor complies with this requirement. Failure of the leader/contractor to do so or problems arising in connection therewith shall be referred to the Cooperative Committee for resolution.

books and records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in free television. An inadvertent failure to comply with said notice requirements shall not constitute a default by the undersigned Producer provided that such failure is cured promptly after notice thereof from the Federation.”

Upon delivery of such Assumption Agreement, the Payroll Company shall not be further liable to the Federation for the keeping of any such records related to or for the payment(s) required based on the exhibition of the motion picture on free television and the Secondary Markets Fund agrees to look exclusively to the Producer who is the party to the Assumption Agreement for the keeping of such books and records, payments and compliance with credit obligations.

(ix) If the Producer shall sell, assign, transfer or otherwise dispose of the distribution rights to such motion picture on free television, or shall license the distribution rights to the motion picture on free television, Producer shall obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Secondary Markets Fund, requiring such buyer, licensee or distributor to comply with the provisions of this Article 15. Such Agreement shall be in the following form:

“The undersigned, \_\_\_\_\_,  
(insert name of buyer, licensee or distributor)  
herein for convenience referred to as the “Buyer,” hereby agrees with \_\_\_\_\_ that picture photoplays  
(insert name of Producer)  
covered by this Agreement are subject to the AFM Basic Theatrical Agreement of 2015 with respect to the provisions of Article 15 thereof relating to payments to the Film Musicians Secondary Markets Fund (herein referred to as the ‘Secondary Markets Fund’), on release of a theatrical motion picture photoplay to free television; and the said Buyer hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make said payments required thereby. It is expressly understood and agreed that the rights of Buyer to exhibit or license the exhibition of such photoplays on free television shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in Article 15 of the applicable Basic Agreement, and it is agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Buyer in the event such payments are not made.



“Buyer shall be liable to make the payments described above but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

“The undersigned agrees to keep or have access to complete records showing the income derived from the distribution of such motion pictures on free television within the entire territory for which Buyer is granted such rights and the Federation and/or the Secondary Markets Fund Administrator shall have the right at all reasonable times to inspect such records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast on free television. An inadvertent failure to comply with said requirement of notice shall not constitute a default by the undersigned hereunder, provided such failure is cured promptly after notice thereof from the Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the free television distribution rights and/or the Supplemental Markets distribution rights to the above-referenced motion picture, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation or the Secondary Markets Fund for the keeping of any records related to or the payments required based upon the rights covered under the Assumption Agreement for the exhibition of the motion picture on free television and/or in Supplemental Markets and both the Federation and the Secondary Markets Fund agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for the keeping of such books or records and for making the payments attributable to the rights acquired. In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the keeping of records and for the payments required for the exhibition of the motion picture on free television and/or in Supplemental Markets.”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation within thirty (30) days of each sale, transfer or license of the distribution rights to such a motion picture on free television, with the name and address of the Buyer, assignee or distributor, and to deliver to the Federation an executed copy of each assumption agreement entered into by the Producer. An inadvertent failure on the part of the Producer to comply with any of the provisions of this subparagraph (ix) shall in no event constitute a default by the Producer hereunder or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Federation.

Upon delivery of such assumption agreement, Producer, or any subsequent owner obtaining the execution of such an assumption agreement shall not be further liable to the Federation for the keeping of any such records or the payment required hereunder insofar as they relate to the broadcast of the photoplay on free television, and the Secondary Markets Fund agrees to look exclusively to the party last executing such an assumption agreement for the keeping of such records, payment and compliance with credit obligations.

(x) With respect to such motion picture, Producer agrees either to:

(A) Include in any chattel mortgage, pledge or other lien or security agreement covering the photoplay a provision, made expressly for the benefit of the Secondary Markets Fund, to the effect that the chattel mortgagee, pledgee or lien or security holder agrees that if such mortgage, pledge, lien or security agreement is foreclosed, and such mortgagee, pledgee, lien or security holder thereby obtains title to the photoplay and subsequently exhibits the photoplay on free television, then in such event, after such mortgagee, pledgee, lien or security holder has recouped its loan so secured, plus interest and all costs and expenses incident to foreclosure, such mortgagee, pledgee, lien or security holder will be bound by the provisions of this Article 15 with respect to payments to the Secondary Markets Fund thereafter becoming due and payable hereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee or lien or security holder who has acquired title to the photoplay from thereafter making a sale of the photoplay to a third party free and clear of any limitations or obligations whatsoever. Except as otherwise provided in this subsection (A), the rights of the Secondary Markets Funds hereunder shall be subordinate to the rights of such mortgagee, pledgee, lien or security holder; or

(B) In the alternative, be bound by the provisions of this Article 15 with respect to payments to the Secondary

Markets Fund, if any, due after such foreclosure shall have been made. In the event Producer elects this alternative, the provisions of subsection (A) above shall be inapplicable, and if the provisions referred to in subsection (A) above are not included in any such chattel mortgage, pledge, lien or security agreement, Producer shall be deemed to have elected the alternative provided for in this subsection (B).

In the event of a foreclosure referred to in subsection (A) above, should the Producer distribute the motion picture for such mortgagee, pledgee, lien or security holder, Producer shall be bound during the period of such distribution by the provisions of this Article 15 with respect to payments due hereunder, to the same extent as the mortgagee, pledgee, lien or security holder under subsection (A) above. Any such payments made by the Producer as the distributor shall be credited against any obligation of the mortgagee, pledgee, lien or security holder that may be due or become due to the Secondary Markets Fund under subsection (i) above; it being understood that the Secondary Markets Fund shall be entitled to such payments but once.

The foregoing provisions of this subparagraph (x) shall not apply to any photoplay subject to any security instrument in existence on the effective date of this Agreement.

(xi) If, after the effective date of this Agreement, the Producer enters into a contract with a so-called "independent producer" for the production and financing of a theatrical motion picture and the distribution thereof by the Producer, (such contract being hereinafter referred to as an "independent contract"), Producer will include in such independent contract an agreement on the part of the independent producer, expressly for the benefit of the Secondary Markets Fund that the independent producer will pay, in the manner herein provided, the amounts, if any, required to be paid under the provisions of this Article 15 with respect to such motion picture. If such agreement on the part of the independent Producer be not included in any independent contract prior to the exhibition of the motion picture on free television, the Producer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article 15 with respect to such motion picture. If such agreement on the part of the independent producer is included in the independent contract prior to exhibition of the motion picture on free television, then the Producer shall not be liable or responsible in any manner or to any extent with respect to the motion picture under the provisions of this Article 15. The Producer will notify the Federation of any and all such independent contracts entered into by the Producer.

(xii) Any payments made by Producer to the Administrator of the Secondary Markets Fund under the provisions of this Article 15 shall be, (subject to Paragraph 2(c) of the Secondary Markets Fund Agreement), to provide for and be payment for said Producer's contribution to the musicians' share of the Secondary Markets Fund (as defined hereinafter) and any employment taxes or insurance premiums which may be owing by said Producer with respect to the distribution of the musicians' share of the Secondary Markets Fund.

(xiii) The musicians' share of the Secondary Markets Fund ("musicians' share of the Fund") shall be an amount equal to the sum of the contribution of the Producer, any investment earnings of the Secondary Markets Fund, and any "unclaimed amounts" as defined in Paragraph 2(g) of the Secondary Markets Fund Agreement, less:

(A) All expenses reasonably incurred in the administration of the Secondary Markets Fund, including the compensation of the Administrator herein provided, and appropriate insurance premiums;

(B) Amounts reasonably reserved by the Administrator as an operating Fund, and for contingencies, and for omission claims; and

(C) An amount (hereinafter referred to as the "Producer's share of the Fund") equal to the total of any social security tax, federal and/or state unemployment insurance tax, other employment taxes, disability insurance premiums, and/or worker's compensation premiums, which may be owing by the Producer, individually or collectively and/or by the Administrator, as employer or employers, with respect to the distribution of the musicians' share of the Secondary Markets Fund.

A committee shall be established to discuss the type of information to be submitted to the Secondary Markets Fund to ensure proper allocation and distribution to participating musicians.

(xiv) The parties have agreed that, in order to assist the Administrator of the Secondary Markets Fund with the information necessary to determine the correct *pro rata* share under Article 15(b)(1)(iv), the Producer will send a copy of B forms or OMR reports that reflect the total compensation paid to each participating musician employed on each covered motion picture to: (i) the applicable local union when the scoring is done within the jurisdiction of the AFM Locals in Los Angeles, New York, Nashville, Vancouver or Toronto

(and the local union will, in turn, provide the reports to the Fund); or (ii) in all other cases, to the Secondary Markets Fund. Such reports shall be provided within a reasonable time period following the scoring session.

## **16. SUPPLEMENTAL MARKETS**

(a) The provisions of this Article 16 relate and apply only to theatrical motion pictures produced by Producer during the term hereof and subject to this Agreement:

(1) The principal photography of which commenced on or after July 1, 1971, which motion pictures are, either during the term hereof or at any time thereafter, released in supplemental markets (as defined below); and

(2) In which there is music sound track containing recorded music made by participating musicians (as such term is hereinafter defined) or scenes or shots containing pictures of participating musicians performing on musical instruments or conducting.

### (3) Definition

The term "Supplemental Markets," as used in this Agreement, means only: The exhibition of theatrical motion pictures by means of cassettes, (to the limited extent provided in subparagraph (i) of this subparagraph (3)), or Pay Television, as those terms are hereafter defined in subparagraph (3).

#### (i) Cassettes:

For the purposes of this Article 16, a cassette is any audio-visual device, including without limitation, cassette, cartridge, phonogram or other similar audio-visual device now known or hereafter devised, containing a theatrical motion picture (recorded on film, disc, tapes or other material) and designed for replay on a home-type television screen. The sale or rental of cassettes for replay through a television receiver or comparable device in the home or in closed-circuit use, such as in hotel rooms, constitutes "Supplemental Markets" for the purposes of this provision insofar as cassettes are concerned.

#### (ii) Pay Television:

The term "pay television," as used in this Article, shall mean exhibition of theatrical motion pictures on a television screen by means of telecast, cable, closed-circuit, satellite to home or CATV,

where substantially all systems to which the program is licensed meet the following tests:

(A) a separate channel is provided for which the subscriber pays a separate fee (which fee is a major charge relative to other charges made to the subscriber) for that channel;

and/or

(B) the subscriber pays for the motion picture or motion pictures selected (except that a motion picture or motion pictures selected for which only a token charge is made shall not be considered pay television);

and/or

(C) the subscriber pays a fee for an encoded telecast, which fee is a major charge relative to other fees paid for encoded telecasts.

The foregoing tests cover those types of services and systems which exist in the industry today and are commonly understood in the industry today to be pay television services or systems.

The term “pay television,” as used in this Article, shall also include the exhibition of theatrical motion pictures through a television receiver or comparable device by means of a telecast, cable, closed-circuit, satellite or CATV for which the viewing audience (whether by the individual viewer or by the hotel, motel, hospital or other accommodation where the viewer is) pays to receive the program by making a separate payment for such specific program. Exhibition in theatres or comparable places by such means is theatrical exhibition and shall not be considered pay television.

The term Supplemental Markets does not include the exhibition of a theatrical motion picture by cassette or otherwise over a television broadcast station or in theatrical exhibition and, for this purpose, “theatrical exhibition” includes the educational market, the exhibition of theatrical motion pictures on any commercial carrier (referred to herein as “in-flight”), such as commercial airlines, trains, ships and buses, and other uses which have been traditionally considered theatrical exhibition of theatrical motion pictures, other than the specific home use hereinabove defined as the “Supplemental Market” for cassettes.

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

The Producers have agreed to the inclusion of pay television in the “Supplemental Markets” because, under the present pattern of distribution of theatrical motion pictures, pay television is supplemental to the primary market. The Producers reserve the right in future negotiations to contend that the pattern of release has changed so that pay television is no longer a Supplemental Market, but constitutes or is a part of the primary market of distribution of theatrical motion pictures, and that therefore no additional payment pursuant to this Article 16 should be made with respect to the release of theatrical motion pictures (including those covered by this Agreement) in said markets. Nothing herein shall limit the scope of negotiations on said subject.

(b) As to each such theatrical motion picture, the Producer will pay:

(1) To the Administrator of the Film Musicians Secondary Markets Fund, pursuant to the terms of this Article 16 and the Film Musicians Secondary Markets Fund Agreement attached hereto and made a part hereof as Exhibit “A,” one percent (1%) (hereinafter referred to as the “percentage payment”) of the “Producer’s gross” derived from the distribution of such motion picture in Supplemental Markets, computed as hereinafter provided and subject to the following conditions:

(i) Producer’s Gross

(A) (1) For purposes of calculating Supplemental Market fees due under this Article 16 arising from the distribution of theatrical motion pictures to “pay television,” as defined above, the term “Producer’s gross” shall mean the worldwide total gross receipts derived by the distributor of such motion picture (who may be the Producer or a distributor licensed by the Producer) from licensing the right to exhibit such picture on “pay television,” as defined above, and

including, in the case of a “foreign territorial sale” by the Producer, the income received from such sale by Producer, but not the income received by “purchaser” or the “licensee.”

If the distributor of such picture does not distribute such picture directly to pay television, but employs a subdistributor to so distribute such picture, then the “Producer’s gross” shall be the worldwide total gross receipts derived by such subdistributor from licensing the right to exhibit such picture on pay television. In case of an outright sale of the pay television distribution rights for the entire world, or any territory or country, the income derived by the seller from such sale, but not the income realized by the purchaser or licensee of such rights, shall be the “Producer’s gross.” If any such outright sale shall include pay television exhibition rights and other rights, then (but only for the purpose of the computation required hereunder) the Producer shall allocate to the pay television exhibition rights a fair and reasonable portion of the sales price which shall, for the purpose hereof, be the “Producer’s gross.” In reaching this determination, Producer may consider the current market value of pay television exhibition rights in comparable motion pictures.

(2) For purposes of calculating Supplemental Markets fees due under this Article 16 arising from the distribution of theatrical motion pictures on “cassettes,” as defined above, the term “Producer’s gross” is defined as follows:

(a) If the Producer is the Distributor or the Distributor is owned by or affiliated with the Producer, the “Producer’s gross” derived from the distribution of such picture by “cassettes” shall be twenty percent (20%) of the worldwide wholesale receipts derived by the Distributor. In such cases, if the Distributor is also the retailer, a reasonable allocation of the retail gross receipts shall be made as between the Distributor as distributor and the Distributor as retailer, and twenty percent (20%) of the former only shall be deemed to be “Producer’s gross.” The reasonableness of such allocation shall be subject to arbitration and, in such arbitration, generally prevailing trade practices in the cassette industry with respect to dealings between non-related companies shall be relevant evidence.

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



(B) The “Producer’s gross” shall not include:

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

(2) Rebates, credits or repayments for cassettes returned (and, in this connection, the Producer shall have the right to set up a reasonable reserve for returns);

(3) Sums required to be paid or withheld as taxes, in the nature of turnover taxes, sales taxes or similar taxes based on the actual receipts of such motion picture or on any monies to be remitted to or by the Producer, but there shall not be excluded from Producer’s gross any net income tax, franchise tax or excess profit tax or similar tax payable by the Producer or such Distributor on its net income or for the privilege of doing business;

(4) Frozen foreign currency until the Producer shall either have the right to freely use such foreign currency, or Producer has the right to transmit to the United States to Producer such foreign currency from the country or territory where it is frozen. If such currency may be utilized or transmitted as aforesaid, it shall be deemed to have been converted to United States dollars at the rate of exchange at which such currency was actually transmitted to the United States as aforesaid or, if not actually transmitted, then at the prevailing free market rate of exchange at the time such right to use or to transmit occurs. Frozen foreign currency shall be deemed to be unblocked on the basis of “first in, first out” unless otherwise allocated by local foreign fiscal authorities. Allocation of such unblocked funds as between revenue which serves as the basis of determining payments hereunder and other revenue shall be on a proportional basis, subject to different earmarking by local foreign fiscal authorities;

(5) Sums paid to any advertising agency in connection with any exhibition of a motion picture in Supplemental Markets.

(C) Such gross income realized in foreign currency in any reporting period required hereunder shall be deemed to be converted to United States dollars at the prevailing market rate of exchange at the close of such reporting period, except that when such gross income has actually been transmitted to the United States, it shall be deemed converted to United States dollars at the rate of exchange at which such foreign currency was actually so transmitted.

(D) Allocation of Producer's Gross

If any agreement for distribution in the Supplemental Market includes more than one theatrical motion picture, or includes both Supplemental Market rights and other rights, the Producer shall make a reasonable allocation for the purpose of determining payments due hereunder. If the Federation contends that such allocation is not reasonable, then such claim shall be submitted to arbitration.

(ii) Producer's obligation shall accrue hereunder only after Producer's gross is received by the Producer. Payments of amounts accruing hereunder shall be made annually on the basis of annual statements, as hereinafter provided. Should any discounts, taxes, duties or charges be imposed in connection with the receipt or remittance of foreign funds, only so much of such funds as remain thereafter shall be included in Producer's gross. Producer shall not be responsible for loss or diminution of foreign receipts as a result of any matter or thing not reasonably within the control of the Producer. The Federation, the Secondary Markets Fund and the musicians shall be bound by any arrangements made in good faith by the Producer, or for its account, with respect to the deposit or remittance of foreign revenue. Frozen foreign receipts shall not be considered trust funds and the Producer may freely commingle the same with other funds of the Producer.

A "non-returnable advance" is to be included in "Producer's gross" when the picture is "available" and "identifiable" and the amount of the advance payment is "ascertainable."

The picture is "available" when the first of the following occurs:

(A) The product first may be exhibited or otherwise exploited by a specified method of distribution and in a territory under the terms of the applicable license or distribution agreement, or

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

The picture is "identifiable" when the Producer first knows or reasonably should have known that a given motion picture is covered by a particular license or distribution agreement for its exploitation in the applicable market.

The amount of the advance payment is “ascertainable” if:

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

(B) the total amount of the advance is for more than one motion picture, means of exhibition and/or territory, in which case the Producer shall fairly and reasonably allocate such advance among the licensed motion pictures, exhibition markets and/or territorial markets. As each of these pictures becomes identifiable and available, the allocated portion of the non-returnable advance is to be included in “Producer’s gross” for that quarter. The Producer shall notify the Secondary Markets Fund of its allocation when the report of “Producer’s gross,” which includes the advance, is filed.

If the picture is available in any territory or by any means of exhibition and is identifiable and the amount of the advance is ascertainable, but the Producer does not provide the Secondary Markets Fund with the information required by this Agreement and applicable law, then the advance shall be deemed includable in “Producer’s gross” no later than six (6) months after the Producer receives it.

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

(iii) If any license or outright sale of exhibition rights to the motion picture in Supplemental Markets includes as a part thereof any filmed commercial or advertising material, the Producer shall be permitted to allocate a reasonable amount (in accordance with then current standard charges in the industry) to such commercial or advertising material, and the amount so allocated shall not be included in Producer’s gross hereunder.

(iv) The term “participating musician,” as used herein, means a musician who, while in the employ of the Producer (to which employment the provisions of this Agreement apply), participated in the preparation for or the recording of the music sound track for such motion picture or who was photographed in such motion picture as performing on musical instruments or conducting. If payments hereunder are made to the Secondary Markets Fund, there shall be payable to each participating musician that portion of the part of the musicians’ share of the Secondary Markets Fund which is allocable to such motion picture

that the total compensation theretofore paid to such musician for his/her said services in the motion picture in an employment capacity bears to the aggregate total compensation theretofore paid to all participating musicians for their services in recording or being photographed in the motion picture in an employment capacity. The term "total compensation," as used herein, means all monies paid to a participating musician for his/her said services, or his/her heirs, executors, administrators or assigns, as of a time immediately preceding the close of the annual period covered by the Producer's annual statement involved. The cost of transportation or living expenses paid to or on behalf of musicians shall not be included in "total compensation."

The Oversight Committee and the AFM liaison(s) of the Secondary Markets Fund will meet in advance of the annual distribution of the musicians' share of the Secondary Markets Fund to review and attempt to resolve questions brought to the attention of the Administrator, Oversight Committee and/or AFM liaison(s) of the Secondary Markets Fund concerning the reported compensation for any participating musician(s) in connection with any motion picture. Distributions with respect to any motion picture for which reported compensation is under review as described above shall be suspended until the Secondary Markets Fund determines the extent to which the compensation under review constitutes "total compensation."

The Oversight Committee and the AFM liaison(s) shall endeavor to develop criteria and procedures for determining each participating musician's "total compensation" and *pro rata* share. The Administrator shall implement the agreed-upon criteria and procedures upon agreement by a majority of the members of the Oversight Committee and the AFM liaison(s).

(v) When "participating musicians" have been utilized in creating the music sound track for a motion picture which is scored partially in the United States or Canada and partially outside of the United States and Canada, the percentage payment into the Secondary Markets Fund shall be as follows: the payment shall be prorated by multiplying such percentage payment by a fraction whose numerator consists of the total salaries paid to the musicians employed under the terms of this Agreement and the denominator of which consists of the total salaries paid to all musicians employed in connection with the scoring of such motion picture. The foregoing proration formula shall be subject to the following exceptions: (A) in any instance in which the total salaries paid to musicians employed under this Agreement are less than thirty percent (30%) of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, the Producer shall nevertheless be required to pay

thirty percent (30%) of the percentage payment due; and (B) in any instance in which the total salaries paid to musicians employed under this Agreement total seventy-five percent (75%) or more of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, then the Producer shall be required to make a contribution to the Secondary Markets Fund equal to what the contribution would have been if one hundred percent (100%) of the scoring had taken place in the United States or Canada. The Producer shall provide to the auditors the information necessary to determine the correct *pro rata* payment.\* The Producer will identify a motion picture as subject to this subparagraph (v) at the time of the first payment to the Fund for that motion picture.

(vi) Such payments made hereunder to the Employers' Pension Fund are not and shall not in any manner be construed to be wages due to any individual employee, nor in any manner be liable for or subject to the debts, contracts, liabilities or torts of any employee.

(vii) The Administrator of the Secondary Markets Fund shall make all deductions and withholdings required by law and shall timely make all such reports and payments to governmental agencies as may be required by law.

(viii) Producer will furnish to the Federation and the Secondary Markets Fund written reports showing the Producer's gross received from the sale, lease, license and distribution (whether by Producer or a distributor) of each such motion picture in the supplemental markets. Such reports shall be furnished on a quarterly basis for each calendar year. Concurrently with the furnishing of each such report, the Producer will make the payments shown to be due by such report. All payments shall be made by check payable to the order of and delivered to the Secondary Markets Fund. Each such report shall designate, when known, the title, the production number (if available) and, when applicable, the episode number of the motion picture involved, the name of the production entity (if available), the distributor's name, the distributor's disbursing agent (if applicable), the period covered by the payment and, if receipts from release of the picture to free television are included, a breakdown of gross receipts attributable to Supplemental Markets and those attributable to free television release. On request, the Producer shall make available to the Federation or the Administrator of the Secondary Markets Fund all accounting statements delivered by a distributor to the Producer, but

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\* The foregoing provisions of this subparagraph (v) are without prejudice to the respective positions of the parties as to the meaning of Article 3 ("Scoring in the United States and Canada") of this Agreement.

only insofar as such statements relate to the Producer's gross. The Federation or the Administrator of the Secondary Markets Fund shall have the right, at reasonable times, to examine the books and records of Producer insofar as they relate to the Producer's gross. Producer shall not be required to furnish any report hereunder with respect to the motion picture prior to Producer's receipt of any Producer's gross with respect to the motion picture, or for any reporting period during which no Producer's gross from the motion picture is received by the Producer.

(ix) A Payroll Company that is a party signatory to this Agreement may grant the use of its signatory status on a picture-by-picture basis to any Producer not a party signatory provided that no session shall be allowed unless an executed Assumption Agreement in the following form has been provided to the Local Union in advance of the session. The leader/contractor shall be responsible for achieving compliance with this requirement.\*

“The undersigned \_\_\_\_\_,  
(insert name of Payroll Company)  
herein for convenience referred to as the ‘Payroll Company,’  
hereby agrees with \_\_\_\_\_  
(insert name of non-signatory producer)

that picture photoplays covered by this Agreement are subject to the AFM Basic Theatrical Motion Picture Agreement of 2015 and particularly to the provisions of Article 16 thereof relating to payment to the Film Musicians Secondary Markets Fund (hereinafter the “Secondary Markets Fund”) on release of a theatrical motion picture photoplay in Supplemental Markets; and said Producer hereby agrees to abide by and perform the provisions of said Basic Agreement. Said Producer also hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required by Article 16. It is expressly understood and agreed that the rights of any such Producer to exhibit or license the exhibition of such photoplays in Supplemental Markets shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in Article 16 of said Basic Agreement and it is further agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Producer in the event any such payments are not made.

“The undersigned Producer agrees to keep or have access to complete books and records showing the income derived from the sale, lease, license or distribution of such motion

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\* The parties shall utilize best efforts to ensure that the leader/contractor complies with this requirement. Failure of the leader/contractor to do so or problems arising in connection therewith shall be referred to the Cooperative Committee for resolution.

pictures in Supplemental Markets within the entire territory for which Producer is granted such rights and the Federation and the Administrator of the Secondary Markets Fund shall have the right at all reasonable times to examine and inspect such books and records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in Supplemental Markets. An inadvertent failure to comply with said notice requirements shall not constitute a default by the undersigned Producer provided that such default is cured promptly after notice thereof from the Federation.”

Upon delivery of such Assumption Agreement, the Payroll Company shall not be further liable to the Federation for the keeping of any such records or the payment(s) required based on the exhibition of the motion picture in Supplemental Markets and the Secondary Markets Fund agrees to look exclusively to the Producer who is the party to the Assumption Agreement for the keeping of such books and records, payments and compliance with credit obligations.

(x) If the Producer shall sell, assign, transfer or otherwise dispose of the distribution rights to such motion picture in Supplemental Markets, or shall license the distribution rights to the motion picture in Supplemental Markets, Producer shall obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Secondary Markets Fund, requiring such buyer, licensee or distributor to comply with the provisions of this Article 16. Such agreement shall be in the following form:

“The undersigned, \_\_\_\_\_  
(insert name of buyer, licensee or distributor)  
(herein for convenience referred to as “Buyer”) hereby agrees with \_\_\_\_\_ that all theatrical

\_\_\_\_\_ (insert name of Producer)  
motion picture photoplays covered by this Agreement are subject to the AFM Basic Theatrical Agreement of 2015 with respect to the provisions of Article 16 thereof relating to payments to the Film Musicians Secondary Markets Fund (herein referred to as the “Secondary Markets Fund”) on release of a theatrical motion picture photoplay in Supplemental Markets; and the said Buyer hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make said payments required thereby. It is expressly understood and agreed that the rights of Buyer to exhibit or license the exhibition of such photoplays in the Supplemental Markets shall be subject to and conditioned upon the payment to the Secondary Markets Fund as provided in

Article 16 of the applicable Basic Agreement, and it is agreed that the Secondary Markets Fund shall be entitled to injunctive relief and damages against Buyer in the event such payments are not made.

“Buyer shall be liable to make the payments described above but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

“The undersigned agrees to keep or have access to complete records showing the income derived from the distribution of such motion pictures in Supplemental Markets within the entire territory for which Buyer is granted such rights and the Federation and/or the Secondary Markets Fund Administrator shall have the right at all reasonable times to inspect such records. The undersigned shall give the Federation prompt written notice of the date on which each photoplay covered hereby is first telecast in Supplemental Markets. An inadvertent failure to comply with said requirement of notice shall not constitute a default by the undersigned hereunder, provided such default is cured promptly after notice thereof from the Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the Supplemental Markets distribution rights to the above-referenced motion picture, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation or the Secondary Markets Fund for the keeping of any such records related to or the payments required based upon the rights covered under the Assumption Agreement for the exhibition of the motion picture in Supplemental Markets and both the Federation and the Secondary Markets Fund agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for the keeping of such books or records and for making the payments attributable to the rights acquired. In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the keeping of records and for the payments required for the exhibition of the motion picture in Supplemental Markets.”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional



provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation within thirty (30) days of each sale, transfer or license of the distribution rights to such a motion picture for Supplemental Markets with the name and address of the Buyer, assignee or distributor, and to deliver to the Federation an executed copy of each assumption agreement entered into by the Producer. An inadvertent failure on the part of the Producer to comply with any of the provisions of this subparagraph (x) shall in no event constitute a default by the Producer hereunder or a breach of this agreement, provided that such failure is cured promptly after notice thereof from the Federation.

Upon delivery of such Assumption Agreement, Producer, or any subsequent owner obtaining the execution of such assumption agreement, shall not be further liable to the Federation for the keeping of any such records or the payment required hereunder insofar as they relate to the exhibition of the motion picture in Supplemental Markets, and the Secondary Markets Fund agrees to look exclusively to the party last executing such an assumption agreement for the keeping of such records, payments and compliance with credit obligations.

(xi) With respect to such motion picture, Producer agrees either to:

(A) include in any chattel mortgage, pledge or other lien or security agreement covering the motion picture a provision made expressly for the benefit of the Secondary Markets Fund to the effect that the chattel mortgagee, pledgee or lien or security holder agrees that if such mortgage, pledge, lien or security agreement is foreclosed, and such mortgagee, pledgee, lien or security holder thereby obtains title to the motion picture and subsequently exhibits the motion picture in Supplemental Markets, then, in such event, after such mortgagee, pledgee, lien or security holder has recouped its loan so secured, plus interest and all costs and expenses incident to foreclosure, such mortgagee, pledgee, lien or security holder will be bound by the provisions of this Article 16 with respect to payments to the Secondary Markets Fund thereafter becoming due and payable thereunder; provided, however, that nothing herein contained shall prevent such mortgagee, pledgee or lien or security holder who has acquired title to the photoplay from thereafter making a sale of the motion picture to a third party free and clear of any limitations or obligations whatsoever. Except as otherwise provided in this subsection (A), the rights of the

Secondary Markets Fund hereunder shall be subordinate to the rights of such mortgagee, pledgee, lien or security holder; or

(B) in the alternative, be bound by the provisions of this Article 16 with respect to payments to the Secondary Markets Fund, if any, due after such foreclosure shall have been made. In the event Producer elects this alternative, the provisions of subsection (A) above shall be inapplicable, and if the provisions of subsection (A) above are not included in any such chattel mortgage, pledge, lien or security agreement, Producer shall be deemed to have elected the alternative provided for in this subsection (B).

In the event of a foreclosure referred to in subsection (A) above, should the Producer distribute the motion picture for such mortgagee, pledgee, lien or security holder, Producer shall be bound during the period of such distribution by the provisions of this Article 16 with respect to payments due hereunder, to the same extent as the mortgagee, pledgee, lien or security holder under subsection (A) above. Any such payments made by the Producer as the distributor shall be credited against any obligation of the mortgagee, pledgee, lien or security holder that may be due or become due to the Secondary Markets Fund under subsection (A) above, it being understood that the Secondary Markets Fund shall be entitled to such payments but once.

The foregoing provisions of this subparagraph (xi) shall not apply to any photoplay subject to any security instrument in existence on the effective date of this agreement.

(xii) If, after the effective date of this Agreement, the Producer enters into a contract with a so-called "independent producer" for the production and financing of a theatrical motion picture and the distribution thereof by the Producer (such contract being hereinafter referred to as an "independent contract"), Producer will include in such independent contract an agreement on the part of the independent producer, expressly for the benefit of the Secondary Markets Fund that the independent producer will pay, in the manner herein provided, the amounts, if any, required to be paid under the provisions of this Article 16 with respect to such motion picture. If such agreement on the part of the independent producer be not included in any independent contract prior to the exhibition of the motion picture in Supplemental Markets, the Producer shall be liable and responsible for the payments, if any, required to be made under the provisions of this Article 16 with respect to such motion picture. If such agreement on the part of the independent producer is included in the independent contract prior to exhibition of the motion picture in Supplemental Markets, then the Producer shall not be liable or responsible in any manner or to any extent

with respect to the motion picture under the provisions of this Article 16. The Producer will notify the Federation of any and all such independent contracts entered into by the Producer.

(xiii) Any payments made by Producer to the Administrator of the Secondary Markets Fund under the provisions of this Article 16 shall be subject to Paragraph 2(c) (of the Secondary Markets Fund Agreement) to provide for and be payment for said Producer's contribution to the musicians' share of the Secondary Markets Fund (as defined hereinafter) and any employment taxes or insurance premiums which may be owing by said Producer with respect to the distribution of the musicians' share of the Secondary Markets Fund.

(xiv) The musicians' share of the Secondary Markets Fund ("musicians' share of the Fund") shall be an amount equal to the sum of the contribution of the Producers, any investment earnings of the Secondary Markets Fund, and any "unclaimed amounts," as defined in Paragraph 2(g) of the Secondary Markets Fund Agreement, less:

(A) all expenses reasonably incurred in the administration of the Secondary Markets Fund, including the compensation of the Administrator herein provided, and appropriate insurance premiums;

(B) amounts reasonably reserved by the Administrator as an operating Fund, and for contingencies, and for omission claims; and

(C) an amount (hereinafter referred to as the "Producer's share of the Fund") equal to the total of any social security tax, federal and/or state unemployment insurance tax, other employment taxes, disability insurance premiums, and/or worker's compensation premiums, which may be owing by the Producer, individually or collectively and/or by the Administrator, as employer or employers, with respect to the distribution of the musicians' share of the Secondary Markets Fund.

A committee shall be established to discuss the type of information to be submitted to the Film Musicians Secondary Markets Fund to ensure proper allocation and distribution to participating musicians.

(xv) The parties have agreed that, in order to assist the Administrator of the Secondary Markets Fund with the information necessary to determine the correct *pro rata* share under Article

16(b)(1)(v) of this Agreement, the Producer will send a copy of B forms or OMR reports that reflect the total compensation paid to each participating musician employed on each covered motion picture to: (A) the applicable local union when the scoring is done within the jurisdiction of the AFM Locals in Los Angeles, New York, Nashville, Vancouver or Toronto (and the local union will, in turn, provide the reports to the Fund); or (B) in all other cases, to the Secondary Markets Fund. Such reports shall be provided within a reasonable time period following the scoring session.

(xvi) Producer agrees that prior to the employment of any musician in a motion picture intended primarily for exhibition on “basic cable” (as that term is used and understood in the motion picture industry), Producer will give at least sixty (60) days’ advance notice to the Federation of such proposed employment. Producer and the Federation agree to meet within thirty (30) days from receipt of such notice for the purpose of negotiating with respect to the terms and conditions for such employment. If no agreement is reached with respect thereto within such sixty (60) day period, the Federation may, upon a thirty (30) day written notice to Producer, instruct its members to withhold services with respect to the production of such motion picture.

(xvii) The parties agree to meet and negotiate in good faith to establish terms and conditions of employment for musicians hired to work on programs made primarily for the home video markets. Pending completion and ratification of the home video market negotiations, Producer may hire musicians to work on any program made primarily for the home video markets (including variety programs) utilizing the terms contained in the AFM Basic Television Film Agreement. If an agreement is reached, wages agreed upon shall be retroactive to the commencement of this agreement. With respect to production of variety programs, the so-called “needle drop” provisions in the then-current Television Videotape Agreement shall be incorporated herein.

(xviii) If a program that is made primarily for the home video market, other than a variety show, is subsequently exhibited on free television, Producer agrees to make additional payments pursuant to Article 15 of the Theatrical Motion Picture Agreement.

(xix) If a program that is made primarily for the home video market is subsequently exhibited in the theatrical or foreign markets, Producer agrees to make such additional payments as provided in Paragraph 15(b)(17) of the Television Film Agreement.

(xx) If a variety show program that is made primarily for the home video market is subsequently exhibited on free television or in foreign markets, Producer agrees to make additional payments as provided in Section 8, "Reuse," and/or Section 9, "Foreign Use," of the Television Videotape Agreement, as the case may be.

## **17. TERM OF AGREEMENT**

This Agreement is the sole collective bargaining agreement covering the terms and conditions for the employment of musicians by the Producer in theatrical motion pictures. This Agreement shall be effective commencing as of April 5, 2015 and shall remain in effect up to and including April 4, 2018.

## **18. NON-DISCRIMINATION**

The parties mutually reaffirm their policy of non-discrimination. The Producer reaffirms its policy that no employee shall be discriminated against in employment hereunder because of race, color, creed, sex, age or national origin, provided the employee is qualified and has the physical ability to perform the work required hereunder by the Producer. The Federation reaffirms its policy of non-discrimination with respect to admission to membership and rights of membership. Producer shall periodically advise all leaders, contractors and supervisory personnel of the contents of this Article to insure full compliance therewith.

## **19. JOINT INDUSTRY-FEDERATION COOPERATIVE COMMITTEE**

The parties shall establish a Joint Cooperative Committee consisting of an equal number of representatives. The Committee shall meet regularly on an annual basis or more frequently upon the request of either party.

The Committee shall address and endeavor to resolve any item of mutual concern on an industry-wide or individual Producer basis including, but not limited to:

- (a) Treatment of new technologies (*e.g.*, product downloaded from the Internet);
- (b) Exchange/banking of motion pictures;

- (c) Limits on excerpt use in lieu of underscore;
- (d) Status of revised phono new use provisions;
- (e) Overdubs and doubling in guaranteed longer calls;
- (f) Waiver problems, if any;
- (g) Runaway production;
- (h) New use issues, including dispute resolution; and
- (i) Music prep, and as to this issue, the parties shall discuss:
  - (1) Midi transcription services; and
  - (2) Whether minimum amounts payable to Orchestrators under this Agreement shall be deemed to cover compensation for such midi transcription services.

**WAGE SCALES, HOURS OF EMPLOYMENT AND  
WORKING CONDITIONS FOR THEATRICAL MOTION  
PICTURES OTHER THAN THOSE COVERED BY  
SECTION VIII, "LOW BUDGET FILMS"**

**I. GENERAL CONDITIONS**

The following shall apply to all classifications:

**1. STAND-BY CALLS**

There shall be no stand-by calls.

**2. SATURDAYS, SUNDAYS AND HOLIDAYS**

Saturdays and Sundays, as such, shall be treated as regular workdays, not premium days, unless they are the employee's sixth or seventh day of work in a workweek for the Producer. The employee shall be paid at one and one-half (1½) times the regular rate of pay for such sixth or seventh day worked. The sixth day worked in a musician's workweek on distant location is included in the weekly guarantee.

Double time scale shall prevail for work on the following legal holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day, and such pay rates shall be applicable to any salary guarantee. These holidays shall be observed on the same dates as such respective holidays are observed under the U.S. federal legislation for public holidays.

The foregoing shall also apply if a musician is employed at the page rates, and is specifically instructed and required by Producer to perform such work on a sixth or seventh day worked in such musician's workweek or on any of the above-mentioned holidays, under the direction and control of the Producer. Such pay rates shall be applicable to any salary guarantee.

With respect to work performed hereunder which occurs in Canada, the following shall be deemed to be legal holidays for the above purposes: New Year's Day, Good Friday, Easter Monday, Victoria Day, Dominion Day, Labor Day, Thanksgiving Day and Christmas Day.

**3. PENSION FUND**

(a) Contributions shall be made to the Trustees of the American Federation of Musicians and Employers' Pension Welfare Fund, created pursuant to the trust indenture dated October 2, 1959 (herein referred to

as the “Employers’ Pension Fund”), in a sum equal to ten percent (10%) of all wages earned under this Agreement, computed at scale, except that contributions shall be made in a sum equal to eleven percent (11%) of all wages earned under Paragraph 61 (“Low Budget Films”), Paragraph 62 (“Theatrical Motion Pictures Budgeted at \$15,000,000 or Less”) and Paragraph 63 (“Theatrical Motion Pictures Budgeted at \$2,000,000 or Less”), computed at scale.\* Checks shall be made payable to the order of the “American Federation of Musicians and Employers’ Pension Fund,” and sent to P.O. Box 19155, Newark, NJ 07195-0155 (or to the local union to be forwarded to the Pension Fund, if the local union and Producer have so agreed). In lieu of making contributions to the Employers’ Pension Fund as provided above, such contributions with respect to musicians hired hereunder in Canada based on wages earned under this Agreement for services performed in Canada shall be made to the Trustees of the American Federation of Musicians and Employers’ Pension and Welfare Fund (Canada), created pursuant to Agreement and Declaration of Trust dated April 9, 1962, at 2255 Sheppard Avenue East, Suite A-110, North York, Ontario, Canada M2J 4Y1.

The Producer agrees to be legally bound by the Agreement and Declaration of Trust establishing the American Federation of Musicians and Employers’ Pension Fund, as it may be amended from time to time, which is incorporated by reference into this Agreement.

(b) Said trust indenture provides for pensions for persons on the basis of whose services contributions are made to such Fund and provides for administration by an equal number of employer and employee representatives with provisions for the appointment of an impartial umpire, and provides further for a pension plan, which plan and trust have been qualified under the Federal Internal Revenue Code and which shall comply with all applicable laws.

(c) Producer will submit a weekly contribution report to either the appropriate Local(s) representing working musicians, or such other place designated by the Trustees, together with appropriate contribution checks made payable to the order of the American Federation of Musicians and Employers’ Pension Fund, in accordance with the provisions of subparagraph (a) above. The trustees may agree with contributors upon periodic reports and payments other than on a weekly basis, if they so desire. Nothing herein shall be construed to limit the Producer’s right to make necessary corrections or adjustments in subsequent contribution reports.

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\* The parties entered into a Supplemental Agreement that increases contribution rates, effective June 1, 2010, pursuant to the rehabilitation plan adopted by the Board of Trustees of the Fund on April 15, 2010. See Exhibit D to this Agreement for the amended contribution rates, effective June 1, 2010.



(d) The Employer shall submit such reports in such form as the Trustees may reasonably require and the Employer's records shall be subject to such reasonable audit by the Trustees as the Trustees may require.

During the course of bargaining, the Federation expressed concerns that the contribution report forms presently being utilized by signatory Producers may not contain all of the relevant information necessary to enable proper identification and/or effective auditing of Pension Fund contributions. After considering these concerns, the parties jointly recommend to the Trustees of the American Federation of Musicians' and Employers' Pension Fund that appropriate steps be taken to assure that contributing Employers provide the Pension Fund with sufficient information for the proper administration of the Fund.

(e) The Federation and said Trustees, or either of them, may enforce the provisions contained in this clause.

#### **4. HEALTH PLAN**

(a) The parties hereto are parties to and bound by the provisions of the "Second Restatement of Amended Agreement and Declaration of Trust, Entertainment Industry Flex Plan," dated as of October, 2004 (hereinafter referred to as the "Flex Plan"), with respect to the musicians' classifications of this Agreement.

(b) The rate of contribution to the Flex Plan by Producer for each such employee employed by it hereunder in Los Angeles County shall be four dollars and four and one-half cents (\$4.045) per hour for each hour guaranteed a musician by Producer or each hour worked by a musician for Producer under the terms of this Agreement, including "straight time" and "overtime" hours on any day worked, calculated in accordance with the following:

(i) Minimum calls shall constitute time worked. Weekly schedules shall be considered as a minimum of forty-three and two-tenths (43.2) hours for a full workweek. With respect only to recording and rehearsal musicians employed for less than twelve (12) hours on a daily basis, whether for a single or double session, the contributions to the Fund shall be based on minimum credit of twelve (12) hours for any such day at the rate described above in this subparagraph (b).

(ii) Except as otherwise set forth in Paragraphs 61 ("Low Budget Films"), 62 ("Theatrical Motion Pictures Budgeted at \$15,000,000 or Less") or 63 ("Theatrical Motion Pictures Budgeted at \$2,000,000 or Less"), contributions for musicians employed by Producer at a page rate shall be computed on the basis of one and one-half hours for each \$26.10 (\$26.62 effective April 3, 2016 and \$27.15 effective April 2, 2017) earned with Producer at a page rate as a copyist and for each \$41.74 (\$42.57 effective April 3, 2016 and \$43.42 effective April 2, 2017) earned with Producer at a page rate as an orchestrator or arranger.

(iii) The parties recognize that a problem exists in the present formula for determining the basis of credited hours for Flex Plan contributions for recording musicians, production musicians and musicians employed on a page rate. Therefore, the parties agree to immediately undertake a joint study to evaluate the problems and to recommend changes in the method of determining credited hours which will not result in any increase in the total hours for all musicians. If, during the term of this Agreement, the parties agree upon a change in the current method of contributions, this Agreement shall be amended to reflect such changes.

(c) With respect to the employment of musicians outside of Los Angeles County, California, Producer will pay to the applicable local health plan, if any, and if permissible under an acceptable Letter of Adherence satisfactory to the Producer, the normal contribution for the appropriate category provided for under such local health plan, but not to exceed the amount of contribution payable into the Flex Plan as above provided.

If the musician is not a participant in any Health Plan of any AFM Local Union, the Producer shall pay the above-described contributions directly to the musician, irrespective of the location outside Los Angeles County in which the services were provided.

(d) Musicians are not eligible for salary reduction contributions to the Flex Plan except with respect to any program implemented by the Film Musicians Secondary Markets Fund.

## **5. PAY-OFF REQUIREMENTS**

The regular pay day will be on Thursday, holiday weeks excluded. When an employee is laid off and requests pay, he/she shall be paid at time of layoff or his/her pay check shall be mailed within twenty-four (24) hours, excluding Saturdays, Sundays and holidays.

## **6. OVERSCALE EMPLOYEES**

The Producer and the musician may, by individual negotiations at the time of his/her employment, agree that the portion of a musician's salary which is in excess of the minimum salary rate for such musician, may be applied to any of the minimum payments, premiums, allowances, doubling, penalties, overtime or any other minimum requirements of this Agreement.

## **7. SUBCONTRACTING**

In the event Producer subcontracts out any work that would otherwise be subject to this Agreement, Producer shall have the option either: (a) to obtain from the subcontractor an agreement to comply with the minimum compensation provisions in this Agreement, and cause such subcontractor to comply with such provisions; or (b) in the alternative, Producer shall make such payments.

## **8. VACATION PAY**

(a) Vacation pay for musicians employed hereunder shall be computed at the rate of four percent (4%) of employee's straight time earnings, including earnings at page rates, during the employee's personal income tax reporting year. An employee can only earn a maximum of ten (10) days of vacation per year.

(b) Vacation leave of absence shall be allowed on the basis of one (1) day off for each full day of vacation pay earned. A day of pay for this purpose, for employees employed on a page rate basis, shall be deemed to be \$169.74 (\$173.13 effective April 3, 2016 and \$176.59 effective April 2, 2017) for a Copyist and \$271.51 (\$276.94 effective April 3, 2016 and \$282.48 effective April 2, 2017) for an Orchestrator. A day of pay for a Recording Musician shall be deemed to be \$271.29 (\$276.72 effective April 3, 2016 and \$282.25 effective April 2, 2017).

(c) Vacations are earned in one personal income tax earnings year and are paid in the next such succeeding year.

(d) Vacations shall not be cumulative between calendar years and shall be taken at times approved by the Producer.

(e) Days that would otherwise constitute the sixth or seventh day worked in an employee's workweek and holidays occurring during vacation periods are not counted as days granted.

(f) When any portion of the vacation period is less than a full payroll week by mutual agreement between the Producer and the employee, the Producer may grant leave of absence without pay for the remaining fractional portion of the payroll week.

(g) Eligible employees who are no longer employed at the beginning of the calendar year in which their vacation pay for the preceding year is payable may obtain such vacation pay at any time subsequent to March 15 by notifying the Producer of their desire to obtain such vacation pay. Such notice shall set forth a date on or subsequent to the date of notice for the commencement of the period to which such vacation pay shall apply. The designation of such commencement date shall be at the sole discretion of such employees, and the Producer agrees to pay such employees the vacation pay due on or prior to such commencement date, but in no event shall the Producer be obligated to make such payment prior to March 15. (See Paragraph 8(1) below.)

(h) In the event of a layoff, an employee eligible for vacation shall not be required to take vacation at time of layoff.

(i) Each eligible employee, if he/she so desires, shall submit to his/her Department Head, prior to June 1st, three vacation dates in the order of his/her preference. In the event that none of the three preferential dates is granted, the Department Head may establish date of vacation if conditions permit. However, he/she shall give any such employee not less than one week's notice as to date of vacation, unless, upon the request of employee, it is otherwise mutually agreed upon. Employees who do not submit preferential dates shall receive vacations on dates subject to the discretion of the Department Head.

(j) For vacations earned during the preceding year, Producer shall pay an eligible employee his/her vacation pay check not later than noon of the payday preceding the commencement day of his/her vacation, provided the employee has made a request to Producer for such vacation check at least one (1) week prior to such payday preceding the commencement of such vacation.

(k) In the event that by the terms of a personal service contract vacations earned during the term of such contract are to be taken during such term, such provision shall be in lieu of the provisions of this Paragraph 8.

(l) On or about April 1st of each year, Producer will forward to the local office of the Federation: (1) a written notice containing a list of musicians employed hereunder who have qualified for vacation pay during the preceding year, and (2) the vacation pay checks for distribution to such qualified musicians. Producer thereupon shall be relieved of any further obligations for such earned vacation pay.

### **8.1 WAIVER OF NEW YORK CITY EARNED SICK TIME ACT AND SIMILAR LAWS**

The Federation expressly waives, to the full extent permitted by law, application of the following to all employees employed under this Agreement: the New York City Earned Sick Time Act of 2013; the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); 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 37.01.e), 37.03, 37.07.a)1)B.ii. and 37.07.f)); the Oakland Sick Leave Law (Municipal Code Section 5.92.030.); the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698); 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 Leave Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal Code); the Sick Leave for Private Employees Ordinances of Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412); Trenton, New Jersey (Ordinance No. 14-45) and Elizabeth, New Jersey (Ordinance No. 4617); and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the Federation and the AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.

### **9. SEVERANCE PAY**

An employee shall receive two (2) weeks of dismissal pay if not offered employment by the Producer within ninety (90) days of dismissal, provided the employee has actually received pay hereunder for four hundred sixteen (416) or more straight time hours as a Recording Musician (or two hundred (200) or more straight time days, on a daily or weekly rate basis only, in any other classification hereunder) during the full twelve (12) month period immediately prior to his/her dismissal.

If the employee has refused an offer of employment from the Producer or was not available when called for work by Producer, within

the ninety (90) day period, or was dismissed for cause, or if he/she voluntarily resigns, or is laid off as a result of physical incapacity, epidemic, fire, action of the elements, strike, walkouts, labor dispute, governmental order, court order or order of any other legally constituted body, act of God, public enemy, war, riot, civil commotion, or for any other cause or causes beyond the control of the Producer, whether of the same or any other nature, the employee shall not be allowed any dismissal pay.

If the employee was not available when called for work by Producer, as above provided, then Producer, as soon as practical, shall notify the Federation that such call was placed and that the employee was not available.

The employment year will be extended by the length of any authorized "leave of absence without pay."

Within ninety (90) days immediately after an employee is qualified and entitled to dismissal pay, as above provided, such employee shall designate the date within such ninety (90) days on which such dismissal pay shall be paid to him/her.

Severance pay for Musicians hereunder employed under a personal service contract shall be subject to individual negotiations and such Musicians shall not be subject to the above severance pay provisions.

## **10. SESSIONS**

There is no limitation or required number of Musicians that are to be employed in any session.

## **11. SUPERVISORY EMPLOYEES**

Notwithstanding anything contained in the Constitution and By-laws of the Federation, or in the obligation taken by a person upon becoming a member of the Federation, or otherwise, which directly, indirectly or impliedly places upon an orchestra manager (or any person who is a supervisory employee within the meaning of that term as set forth in the Labor Management Relations Act of 1947, as amended), the duty or obligation to accord an unlawful employment preference to members of the Federation, such orchestra manager or supervisory employee shall not give or recommend any unlawful employment preference, and the Federation shall not in any manner discipline or threaten with discipline any such orchestra manager or supervisory employee for failing or refusing to give or recommend any such unlawful employment preference.

## **12. ELECTRONIC INSTRUMENT DEVICES**

A person who, in exercising musical skills, utilizes a synthesizer or other electronic device to produce music is a musician within the meaning of this Agreement. It is recognized that complex sequencing which is required by the Producer prior to a scoring session in order to prepare for the performance constitutes musical services rendered by the musician who performs such services utilizing musical skills.

The Joint Industry – Federation Committee established pursuant to Article 19 of this Agreement shall consider, among other subjects, the possibility of establishing terms and conditions applicable to such services.

Electronic instruments may not be used for the purpose of displacing sections of traditional musical instruments. However, electronic instruments may be used creatively for the unusual sound these instruments are capable of producing. Such instruments may also be used by a musician(s) in connection with an established performance.

## **13. INCOME TAX WITHHOLDING (Daily Musicians)**

The withholding of taxes on a weekly basis rather than on a daily basis for musicians employed on a daily basis under IRS Regulation §31.3402(c)-1 shall be utilized on the request of the Musician on the form of declaration attached hereto and marked Exhibit “B.”

The obligation of the Producer to permit the election of the foregoing alternative withholding formula shall be effective only during such time as the current Employment Tax Regulations permitting such alternatives remain in effect.

A grace period of thirty (30) days from the date of execution of this Agreement shall be allowed for the implementation of these provisions.

## **14. LATE PAYMENT OF WAGES**

(a) Wage payments shall be made in accordance with the time periods specified in the Agreement. If such payments are not made within the time periods specified and the musician or Federation gives prompt written notice of such delayed payment, the following late payment charges shall apply:

(1) If payment is made more than fifteen (15) and less than thirty-one (31) business days (excluding Saturdays, Sundays and holidays) after such written notice is received, six percent (6%) of the amount due the musician;

(2) If payment is made more than thirty (30) and less than sixty-one (61) business days (excluding Saturdays, Sundays and holidays) after such written notice is received, ten percent (10%) of the amount due the musician;

(3) If payment is made more than sixty (60) and less than ninety-one (91) business days (excluding Saturdays, Sundays and holidays) after such written notice is received, fifty percent (50%) of the amount due the musician;

(4) Payments made after the ninetieth business day (excluding Saturdays, Sundays and holidays) after such written notice is received shall not require any late payment charge in addition to the above fifty percent (50%) late payment charge unless the Local or Federation further advises the Producer in writing of such non-payment. If payment is not thereafter made within fifteen (15) business days after Producer received such further written notice, an additional late payment charge of ten percent (10%) of the initial amount due the musician shall accrue for each additional thirty (30) day period in which payment is not made, and the first such thirty (30) day period shall commence on the date such further written notice is received.

(b) The foregoing late payment charges shall not be required when Producer's failure or delay in paying results from:

(1) The employee's failure or delay in furnishing a W-4 form; or

(2) The musician's failure to furnish appropriate documentation to enable the Producer to complete the I-9 form (provided that a musician's failure to provide such documentation shall not excuse late payment to any other musician engaged for the same session);

(3) The musician's failure to provide the Producer with the correct address to which payment should be sent. (If a payment is returned to the Producer, the Producer will contact the Local to ascertain the musician's correct address and, thereafter, the payment will be forwarded to such address);



(4) A *bona fide* emergency beyond the control of the Producer; or

(5) The existence of a *bona fide* dispute as to the amount due and payable, provided that written notice of such dispute shall have been filed with the Local of the Federation in whose jurisdiction the work was performed within five (5) business days following receipt of bills or the Form B contract. Only disputed portions of payments may be withheld pending resolution of dispute. If the Producer pays the undisputed amount, there will be no late payment charges.

## **II. MOTION PICTURE RECORDING MUSICIANS**

### **15. MINIMUM RATES AND CONDITIONS**

(a) (1) Rates (“real time” rates)

(i) Recording

Sched.	When number of musicians employed is:	<b><u>SINGLE SESSION</u></b> (3 hours or less per session)		
		Effective		
		4/5/15 - 4/2/16	4/3/16 - 4/1/17	4/2/17 - 4/4/18
A	35 or more	\$271.29	\$276.72	\$282.25
B	30-34, inclusive	284.85	290.55	296.36
C	24-29, inclusive	298.40	304.37	310.46
D	23 or less	312.02	318.26	324.63

Sched.	When number of musicians employed is:	<b><u>DOUBLE SESSION</u></b> (6 hrs. completed within 8 hours of time called, ending not later than midnight, per musician)		
		Effective		
		4/5/15 - 4/2/16	4/3/16 - 4/1/17	4/2/17 - 4/4/18
A	35 or more	\$542.58	\$553.44	\$564.50
B	30-34, inclusive	569.70	581.10	592.72
C	24-29, inclusive	596.80	608.74	620.92
D	23 or less	624.04	636.52	649.26

(ii) Overtime per fifteen (15) minutes or fraction thereof.

<b>SINGLE SESSION OVERTIME</b>					
Effective	Schedule	Straight time before midnight	After midnight or beyond hold hour 150%	Work beyond hold hour between midnight and 8:00 a.m. 165%	Work beyond 8 hours between midnight and 8:00 a.m. 200%
4/5/15	A	\$22.61	\$33.92	\$37.31	\$45.22
4/3/16		23.06	34.59	38.05	46.12
4/2/17		23.52	35.28	38.81	47.04
4/5/15	B	23.74	35.61	39.17	47.48
4/3/16		24.21	36.32	39.95	48.42
4/2/17		24.70	37.05	40.76	49.40
4/5/15	C	24.87	37.31	41.04	49.74
4/3/16		25.36	38.04	41.84	50.72
4/2/17		25.87	38.81	42.69	51.74
4/5/15	D	26.00	39.00	42.90	52.00
4/3/16		26.52	39.78	43.76	53.04
4/2/17		27.05	40.58	44.63	54.10

<b>DOUBLE SESSION OVERTIME</b>						
Effective	Schedule	Straight time before midnight	7th hour of rec. within 8 hours before midnight 120%	After midnight 150%	Work beyond hold hour between midnight and 8:00 a.m. 165%	Work beyond 8 hrs. between midnight and 8:00 a.m. 200%
4/5/15	A	\$22.61	\$27.13	\$33.92	\$37.31	\$45.22
4/3/16		23.06	27.67	34.59	38.05	46.12
4/2/17		23.52	28.22	35.28	38.81	47.04
4/5/15	B	23.74	28.49	35.61	39.17	47.48
4/3/16		24.21	29.05	36.32	39.95	48.42
4/2/17		24.70	29.64	37.05	40.76	49.40
4/5/15	C	24.87	29.84	37.31	41.04	49.74
4/3/16		25.36	30.43	38.04	41.84	50.72
4/2/17		25.87	31.04	38.81	42.69	51.74
4/5/15	D	26.00	31.20	39.00	42.90	52.00
4/3/16		26.52	31.82	39.78	43.76	53.04
4/2/17		27.05	32.46	40.58	44.63	54.10

(2) Electronic Musical Devices

(i) At the Producer's election, a musician who is employed (other than on a "package deal" basis) to play an electronic musical device(s) shall be paid:

(A) at the existing rates set forth in Paragraph 15(a)(1) (hereinafter referred to as "real time rates") or

(B) at the following hourly rates (hereinafter referred to as "multi-tracking rates"):

(1) \$325.81 (\$332.33 effective April 3, 2016 and \$338.98 effective April 2, 2017) if one (1) musician is employed under the multi-tracking rates;

(2) \$285.11 (\$290.81 effective April 3, 2016 and \$296.63 effective April 2, 2017) if two (2) or more musicians are employed under the multi-tracking rates.

The foregoing rates include all electronic and acoustical doubles and all over-dubs. With respect to each session, Producer shall have the right to designate whether such musician is to be paid under the real time rates or at the foregoing multi-tracking rates. Producer shall make such election with respect to each such musician at the time such musician is initially engaged.

(ii) In the event Producer chooses to pay the musician under the multi-tracking rates:

(A) Producer shall notify the musician at the time of the call that the engagement will be pursuant to the multi-tracking provisions and shall specify the length of the call. The length of the call may be up to a maximum of ten (10) hours at straight time. However, when a musician accepts a guaranteed call of fewer than ten (10) hours, he/she cannot be required to work more than one (1) hour beyond such guaranteed call, as provided in Paragraph 15(b)(8)(1). If the musician does perform work beyond the one (1) hour hold period, such work shall be compensated at one hundred fifty percent (150%) of the applicable electronic multi-tracking rate in fifteen (15) minute increments. In all other respects, the multi-tracking provisions of the Agreement shall remain in full force.

NOTE: If a musician is engaged for a ten (10) hour call, he/she must be paid for the entire ten (10) hours, whether worked or not, unless he/she leaves earlier for personal reasons, in which case payment shall be made only for hours worked.

(B) The musician shall be paid for a minimum of three (3) hours.

(C) A one-hour meal period for such musician shall be called not later than six (6) hours after reporting for work. Subsequent meal periods shall be called not later than six (6) hours after the expiration of the previous meal period. The penalty for delayed meals shall be a straight time allowance at the scheduled regular basic hourly real time rate for the length of the delay, but not less than one-half hour.

(D) Work in excess of ten (10) hours, excluding meal periods, shall be paid at the rate of an additional fifty percent (50%), prorated in fifteen minute increments.

(E) When, at the request of the Producer, the musician is required to work between the hours of midnight and 8:00 a.m., such musician shall be paid an additional fifty percent (50%) of the applicable hourly rate.

(iii) Phonograph records may be produced from music sound track recorded by a musician or musicians employed under the multi-tracking rates upon payment of the amounts set forth herein. A musician who performed alone under this rate shall receive no less than the basic phonograph record session fee for each minute of music dubbed. When two (2) or more musicians performed, each musician shall receive no less than the basic phonograph record session fee for each two (2) minutes of music dubbed.

(iv) A joint Industry-Federation Committee, established pursuant to Article 19 of the Agreement, consisting of representatives of the Producers and the Federation shall be established for the purpose of addressing problems that may arise under this provision and to establish guidelines with respect to rentals of such musicians' equipment.

(3) When two (2) or more recording sessions occur on the same picture on the same day, the rate for all sessions on that day for such picture shall be based on the rate applicable to the session in which the highest number of recording musicians was employed.

(4) Musicians who record music hereunder at a pre-recording session or sessions for theatrical feature length motion pictures (*e.g.*, "New York, New York," "Funny Girl," etc.), which recorded music is later used in playbacks at pre-production rehearsals by artists in said motion picture, shall be paid after such use a one-time-only premium of ten percent (10%) of their appropriate minimum scale

straight time rate covering the period of time during which such music was recorded. Such premium shall be subject to Pension Fund contributions only, in accordance with the terms of Section I, Paragraph 3 hereof.

(5) There is no limitation or required number of Musicians to be employed.

(b) General Provisions Applicable to Recording Musicians

(1) Rest Period

Intermission of ten (10) minutes per hour away from stand must be given on all engagements, with the understanding that it means ten (10) minutes from the time musicians leave stands until they return and are ready to play. The Producer is privileged to accumulate two (2) rest periods, or to give two (2) fifteen (15) minute rest periods in a three (3) hour session, instead of three (3) ten (10) minute rest periods. Rest periods may not begin sooner than thirty (30) minutes following the beginning of session call provided that all of the employees subject to this Agreement are ready to perform at the beginning of the session. At no time shall a musician be required to perform for more than ninety (90) consecutive minutes on the stand.

(2) Doubling Rates and Conditions for Recording Musicians

(i) Instruments within the following respective groups are not construed as doubling:

- (A) Piano and Celeste (when furnished);
- (B) Drummer's standard outfit;
- (C) Tympani;
- (D) Mallet instruments: xylophone, bells and marimbas;
- (E) Latin rhythm instruments. Any Latin instrument when used in less than eight (8) bars in connection with other instruments or used not in a rhythm pattern shall not in any event be a doubling instrument.

(F) Use of electronic devices such as multiplex, maestro, multiplier of octaves to be treated as a double if used to simulate instrumental sounds in addition to normal sounds of instrument to which attached.

(G) Use of multiple electronic musical devices, in conjunction with any electronic musical instrument such as a synthesizer, EVI or EWI, shall count in the aggregate as three (3) doubles.

(ii) Doubling rates:

First double - fifty percent (50%) of basic rate extra.

Second double - twenty percent (20%) of basic rate extra.

Third double - twenty percent (20%) of basic rate extra.

Fourth double - twenty percent (20%) of basic rate extra.

The first instrument played in a single or double session, as the case may be, determines the basic instrument for that session and any overtime period to such session.

(iii) Computation of Doubling

(A) A musician who is required to double within the meaning of this Agreement within a day's call shall be paid "doubling" for not less than one (1) three (3) hour session.

For example: A musician is called in for a double session of six (6) hours. In the first three (3) hours, he/she plays only a saxophone. In the second three (3) hours, he/she plays only a flute. He/she would be entitled to the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the second three (3) hours.

If, in such session, he/she played the saxophone for the first hour and the flute for the second and third hours and the saxophone for the fourth, fifth and sixth hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for the first three (3) hours, and the basic rate for the last three (3) hours.

In computing the compensation for doubling, all time from the start of the recording engagement shall be considered in three (3) hour sessions regardless of the unequal division of a double session.

For example: If the Musician plays saxophone for the first and second hours and, after the break following the second hour, plays the flute for the third hour and the saxophone again for the fourth, fifth and sixth hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for the first three (3) hours and the basic rate for the last three (3) hours.

In a double session, during which one or more doubles occurs in the first three (3) hours and the Musician commences the fourth hour with a doubling instrument, such doubling instrument shall be considered as the first double for the second three (3) hour period.

For example: A Musician plays the saxophone for the first hour, the flute for the second hour and the oboe in the third, fourth, fifth and sixth hours. He/she would be entitled to one hundred seventy percent (170%) of the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the last three (3) hours.

#### (B) Overtime

If a double is begun in a three (3) hour session and such double is continued in an overtime period, the doubling rate shall apply for the three (3) hour session plus the overtime period.

For example: If a Musician plays a saxophone for the first and second hours and plays the flute for the third and fourth hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for four (4) hours. If he/she played the saxophone for the first hour, the flute for the second hour and the oboe for the third and fourth hours, he/she would be paid one hundred seventy percent (170%) of the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the fourth hour.

For example: If a Musician plays the saxophone for the first, second and third hours, and the flute for the fourth, fifth and sixth hours as well as the seventh hour, he/she would be entitled to the basic rate for the first three (3) hours and one hundred fifty percent (150%) of the basic rate for the last four (4) hours.

For example: If a Musician plays the saxophone for the first hour, the flute for the second, third, fourth, fifth, sixth and seventh hours, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for the seven (7) hours.

For example: If a Musician plays the saxophone for the first three (3) hours, the flute for the fourth and fifth hours, and the saxophone for the sixth and seventh hours, he/she would be entitled to the basic rate for the first three (3) hours, one hundred fifty percent (150%) of the basic rate for the second three (3) hours, and the basic rate for the overtime period.

If the Musician commences doubling in an overtime period, he/she shall be paid a minimum of three (3) hours at the doubling rate.

For example: If a Musician plays the saxophone for a three (3) hour session and the flute for the fourth hour, he/she would be entitled to one hundred fifty percent (150%) of the basic rate for three (3) hours and the basic rate for one (1) hour.

(C) The first “double” rate of fifty percent (50%) of basic rate extra may only be paid when the basic rate is in effect. The second “double” rate of twenty percent (20%) of the basic rate extra shall only apply when the first doubling rate is in effect at the same time. The third “double” rate of twenty percent (20%) of the basic rate extra shall apply only when the second doubling rate is in effect at the same time; and the fourth “double” rate of twenty percent (20%) of the basic rate extra shall only apply when the third doubling rate is in effect at the same time.

For example: In a three (3) hour session, a Musician plays the saxophone for the first hour, plays the flute for the second hour and the oboe for the third hour. He/she would have two (2) doubles and would be entitled to one hundred seventy percent (170%) of the basic rate for the three (3) hours. If, in addition, he/she played the clarinet in the third hour, he/she would have three (3) doubles and would be entitled to one hundred ninety percent (190%) of the basic rate for the three (3) hours. If, in addition, he/she played not only the clarinet but also the bassoon, he/she would have four (4) doubles and be entitled to two hundred ten percent (210%) of the basic rate for the three (3) hours.

(iv) Any Musician who shall be required to transpose to avoid the use of an additional “doubling” instrument shall be considered as having doubled and shall be paid accordingly.



### (3) On Location

Engagements on location over twenty-five (25) miles but not more than one hundred (100) miles from point (inside jurisdiction) ordered to report, \$43.01 (\$43.87 effective April 3, 2016 and \$44.75 effective April 2, 2017) per hour extra for time consumed in traveling to and from location. When such engagements are over one hundred (100) miles from point (inside jurisdiction) ordered to report, they shall be arranged through the Federation Representatives.

### (4) Calls

All calls for recording Musicians shall be made not later than 6:00 p.m. on the day preceding the call, except in emergency, and except that, at the end of any recording session, calls for the following day may be given to the Musicians.

When the Producer has prior knowledge of a call for recording musicians, it will give advance notice of such call to the appropriate Federation Local. When Producer does not have such prior knowledge, calls for recording musicians shall be reported to the Federation promptly after the call is made. A confirmed call for underscoring may be cancelled upon ninety-six (96) or more hours notice. A call for pre-recording may be cancelled upon a notice of forty-eight (48) or more hours.

### (5) Meals

Meal breaks should be between the hours of 12:00 p.m. and 2:00 p.m., and 6:00 p.m. and 8:00 p.m., respectively. If any session goes beyond six (6) hours, coffee and sandwiches will be furnished.

### (6) Night Premiums

Work performed after midnight shall be paid at time-and-one-half.

Work hours beyond eight (8) hours and performed between midnight and 8:00 a.m. will be compensated at two hundred percent (200%) of the straight time rate.

(7) Dismissal For Day

When any member or members are dismissed for the day while the balance of the orchestra is still in session, they shall immediately be given adequate time to pack up and leave, or they shall be paid for any period they are required to wait, subject to a ten (10) minute leeway.

(8) Single Sessions, Guaranteed Longer Calls and Double Sessions

(i) The Producer may hold the musician for one (1) hour beyond a single session or a guaranteed longer call. If musician is so held, or if work is performed in such hold hour, it shall be paid for at the straight time rate in units of fifteen (15) minutes. If the musician is required to remain beyond the one (1) hold hour, he/she shall be paid for such time beyond such hour at one hundred fifty percent (150%) of the straight time rate in fifteen (15) minute units, except that work beyond the one (1) hold hour which occurs between midnight and 8:00 a.m. shall be paid at one hundred sixty-five percent (165%) of the straight time rate in fifteen (15) minute units. Provided, however, that in the event that a guaranteed call exceeds five (5) hours (but is less than a double session), the guaranteed call and the hold period combined shall not exceed six (6) hours.

(ii) In the event a musician cannot remain beyond one (1) hour hold, such musician shall notify the contractor prior to the beginning of the session. If the musicians have given the appropriate advance notice, the Producer or his/her agent shall be responsible for securing additional musicians, if necessary.

(iii) A double session shall be completed within eight (8) hours. Work hours beyond six (6) hours within an eight (8) hour period will be paid at one hundred twenty percent (120%) of the straight time rate in fifteen (15) minute units. If the musician is required to remain after eight (8) elapsed hours (whether worked or not), he/she shall be paid at one hundred fifty percent (150%) of the straight time rate in fifteen (15) minute units.

(iv) Two single sessions shall not be called in the same day in lieu of a double session in order to circumvent the time spread penalty, when both of such single sessions are for the same motion picture, utilizing the same conductor, and both utilize all of the same individual musicians.

(v) Notwithstanding any other provisions in this Agreement, there shall be no compounding in computing the above and payment will be made on the highest appropriate rate.

(9) Leader - Double Recording Musician's Rate

When only one recording musician is called for a session, he/she shall be paid double the Recording Musician's rate to perform alone.

(10) Double Sessions

(i) Engagements of two (2) sessions (completed within eight (8) hours of time called) may be divided into two (2) periods at the convenience of the studio, with not less than one (1) hour between sessions.

(ii) When more than a double session of recording is continuous without a break of at least one (1) hour, a penalty of one (1) hour at the minimum scale shall be paid each such musician.

(11) Other Recordings

Trailers may be scored in, or added to, any recording session. Trailers, "pickups" (supplemental music recorded after a motion picture has been recorded), short subjects, travelogues, adventure films and cartoons requiring less than one (1) hour to screen may all be scored in the same recording session or the scoring for any one or all may be added to any recording session. If a three (3) hour recording session is called to record for such short subjects, travelogues, adventure films and cartoons, the basic recording rate shall be \$271.29 (\$276.72 effective April 3, 2016 and \$282.25 effective April 2, 2017).

(12) Cartage

Whenever the Producer requests a musician to bring a heavy instrument to a recording session, the Producer shall specify whether the musician shall transport such heavy instrument either by public or private transportation, and public transportation shall be used if it is the only practicable manner of transportation. If a public carrier is to be used, the Producer shall have the option of designating the public carrier qualified to transport musical instruments. If the instrument is delivered by the designated public carrier, the Producer shall pay the cartage bill of the designated public carrier. If the musician chooses to use a carrier other than that designated by the Producer, the Producer shall not be liable for a cartage bill greater than the rate charged by the

designated carrier. If private transportation is used, the Producer shall pay the musician for actual cartage, at the following rates, only for those instruments listed below which the Producer orders the musician to bring to the recording session:

Harp..... \$40.00

String bass, tuba, drums, all heavy or bulky amplifiers, baritone saxophone, cello, bass saxophone, contra bass clarinet, contra bass bassoon, accordion, baritone horn and the contra bass trombone..... \$16.00 each

(13) Orchestra Manager

If ten (10) or more recording musicians including leader are employed for any session, an orchestra manager (contractor) who is a member in good standing of the Federation shall be employed for said session. He/she may be one (1) of the recording musicians. It shall be the duty of the orchestra manager to see that all musical activities conform to this Agreement. The orchestra manager or his/her designee (who may also be a member of the orchestra) shall be physically present at all recording sessions during the entire engagement.

The minimum pay for an orchestra manager shall be twice the minimum rate of pay applicable to the non-doubling recording musicians employed in the session, but in any event, the scale for any person performing both as an orchestra manager and a recording musician shall not exceed twice such recording musician's non-doubling scale. Whether or not the orchestra manager is present at the recording sessions, pension contributions shall be made on his/her behalf based on the minimum pay paid to the orchestra manager under the foregoing sentence. The orchestra manager may not be required to function as a sound consultant or conductor.

(14) Services Other Than Musical Services

Excluding whistling, recording musician shall not be required to perform services other than those requiring the use of their musical instruments unless such services are provided for on the musical score.

(15) Music Sound Consultant

If a musician, excluding the conductor, leader, contractor or orchestrator (except as provided in the next sentence), is specifically assigned by the Producer to perform services in the booth in

assisting and advising the Producer or Sound Technician as to the musical sound quality of the music being recorded during the recording session, he/she shall be paid for such services at a rate of \$63.48 (\$64.75 effective April 3, 2016 and \$66.05 effective April 2, 2017) for each hour actually engaged in performing the service. Orchestrators may be engaged under this paragraph only if two orchestrators have already been engaged for the session under Paragraph 38.

(16) At the termination of each session, the Producer or his/her authorized representative, including any contractors, shall announce to the recording musicians the time for which they will be compensated.

### **III. PRODUCTION MUSICIANS (NON-RECORDING)**

#### **16. DAILY SCHEDULE**

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
Single Session (3 hours or less)	\$164.57	\$167.86	\$171.22
Two (2) sessions (6 hours) completed within ten (10) hours of time called ending not later than midnight	296.29	302.22	308.26

Engagements of two (2) sessions (completed within ten (10) hours of time called) may be divided into two (2) periods at the convenience of the studio, with not less than one (1) hour between sessions.

Overtime per fifteen (15) minutes or fraction thereof:

	Not Later than Midnight	After Midnight
4/5/15 - 4/2/16	\$13.71	\$20.57
4/3/16 - 4/1/17	13.99	20.99
4/2/17 - 4/4/18	14.27	21.41

Overtime must immediately follow a regular session. All hours not continuous will be charged as additional sessions.

**17. WEEKLY SCHEDULE**

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
30 hours per week (not more than six (6) hours per day)	\$1,316.67	\$1,343.00	\$1,369.86
40 hours per week (not more than eight (8) hours per day)	1,579.99	1,611.59	1,643.82

Overtime per fifteen (15) minutes or fraction thereof:

**30 HOUR WEEK**

	Not Later than Midnight	After Midnight
4/5/15 - 4/2/16	\$10.97	\$16.46
4/3/16 - 4/1/17	11.19	16.79
4/2/17 - 4/4/18	11.42	17.13

**40 HOUR WEEK**

	Not Later than Midnight	After Midnight
4/5/15 - 4/2/16	\$9.87	\$14.81
4/3/16 - 4/1/17	10.07	15.11
4/2/17 - 4/4/18	10.27	15.41

Not less than one (1) intermission of one (1) hour or more per day shall be taken.

Time computed from time called to time dismissed, daily, exclusive of meal periods.

Schedule under which a single musician is engaged must be designated at beginning of each week, and all hours over schedule shall be paid for as overtime.

**18. CALLS**

All calls for single non-recording musicians shall be made not later than 6:00 p.m. on the day preceding the call, except in emergency, and except that, at the end of any session, calls for the following day may be given to the musicians.

## **19. ADDITIONAL SERVICES**

Sketching and layout work to be considered as arranging and is subject to arranging scales. The establishing of single line lead sheet is not to be considered as sketching and layout work.

## **20. MEALS**

### **(a) Intervals Between Meals**

The first meal period shall be called not later than six (6) hours after reporting for work, and subsequent meal periods shall be called not later than six (6) hours after the expiration of the next previous meal period.

### **(b) Penalty for Delayed Meals**

Straight time allowance at the scheduled Regular Basic Hourly Rate for length of delay. Minimum allowance: one-half (1/2) hour.

## **21. NIGHT PREMIUM**

Work performed after midnight shall be paid at time-and-one-half.

## **IV. SIDELINE MUSICIANS**

## **22. WORK DAY**

“Sideline,” “atmosphere,” or “silent” work day starts at time and place ordered to report and ends when dismissed at studio or in the city.

## **23. WEATHER-PERMITTING CALLS**

(a) When the scheduled photography is cancelled by Producer because of weather conditions, a sideline musician reporting pursuant to a “weather-permitting” call shall be paid one-half (1/2) day of pay, which shall entitle the Producer to hold the sideline musician for not exceeding four (4) hours; the sideline musician shall receive two (2) hours of pay (at straight time) for each additional two (2) hours or fraction thereof, during which he/she is thereafter so held.

(b) During this time, the Producer may costume, rehearse or otherwise use the sideline musician on the specified photoplay, except

for recording or photographing, still or otherwise, of such sideline musician.

(c) If the sideline musician is used for such recording or photographing, he/she shall receive a day of pay.

(d) "Weather-permitting" calls shall not be issued for stages in studios.

## **24. FITTINGS AND INTERVIEWS**

### **(a) Costume Fittings**

Sideline musicians fitted at a place designated by the Producer shall be given a fitting allowance as follows:

(1) If on a day prior to the work call, payment for two (2) hours time; additional time shall be paid for at the hourly rate in units of thirty (30) minutes.

(2) If the fitting call is on the same day as the work call, straight time computed in units of thirty (30) minutes; provided, however, if on the same day, four (4) hours or more intervene between the work call and the fitting, payment shall be made as though the fitting occurred on a day prior. If less than four (4) hours intervene from the termination of the fitting to time of work call, all intervening time is work time.

A sideline musician who has been fitted shall be paid not less than a full day of agreed wages if not given employment in the production for which he/she was fitted. The rate of fittings shall be based on the classification in which the sideline musician is employed on his/her first day of employment on which he/she is required to wear the costume for which he/she is so fitted.

### **(b) Interviews**

Sideline musicians reporting for interviews shall receive an interview allowance of one-and-one-half (1½) hours of pay for the first one-and-one-half (1½) hours of the interview. For additional time of the interview, sideline musicians shall receive an interview allowance, minimum computation in units of one-and-one-half (1½) hours at the specified regular hourly rate. If, within any period of interview time, any recording or photography, still or otherwise, is done for use in any production, he/she shall be paid the agreed daily wage, except that still



pictures to be used exclusively for identification of the musician or wardrobe may be taken by Producer without making such payment.

Upon completion of the interview, the sideline musician shall be notified whether or not he/she has been selected, and he/she shall be advised as to the rate of compensation to be paid; if the sideline musician is not used in the production for which he/she was selected, he/she shall be paid the day of pay unless he/she is not available when called, in which event he/she shall not be entitled to any payment.

A sideline musician required to report for a second interview for the same job shall be paid not less than two (2) hours of pay at the established daily rate.

Sideline musicians who are required to and do report for an interview in dress clothes shall be paid twelve dollars (\$12.00) over and above the interview allowance.

If the sideline musician is not used in the motion picture for which interviewed, he/she may be used in another picture on the same day for which he/she was called.

## **25. NOTIFICATION AND CANCELLATION OF CALLS**

### **(a) Notification of Calls**

All calls for sideline musicians shall be made not later than 6:00 p.m. on the day preceding the call, except in emergency, and except at the end of any photographic day, calls for the following day may be given to the sideline musicians.

### **(b) Cancellation of Calls**

The Producer shall have the right to cancel any call for any of the following reasons beyond his/her control:

- (1) Illness in principal cast;
- (2) Fire, flood or other similar catastrophe;
- (3) Governmental regulations or order issued due to a national emergency.

In the event of any such cancellation, the musician so cancelled shall receive a one-half (½) check, except as provided in subparagraph (e) below.

(c) The Producer shall be entitled to hold and use such Sideline Musician for four (4) hours only to the extent herein provided. For each additional two (2) hours or fraction thereof, such Musician shall receive a one-quarter (1/4) check.

(d) During the time in which the Sideline Musician is so held, the Producer has the privilege of putting Sideline Musicians into costume, rehearsing or making other use of their services. If, however, any recording or photography is done, whether still pictures or otherwise, Sideline Musicians shall be paid the agreed daily wage.

(e) If any Sideline Musician be notified of such cancellation before 6:00 p.m. of the day previous to the work date specified in such call, or be otherwise employed on such work date by the same or any other Producer, at a rate equal to or higher than the rate applicable to such Sideline Musician as specified in such cancelled call, he/she shall not be entitled to such one-half (1/2) check.

(f) If the Sideline Musician's second work assignment shall be for a time to commence less than four (4) hours after the time of his/her cancelled call, he/she shall receive, in lieu of the one-half (1/2) check, an allowance for the cancellation of the call on a straight time hourly basis, computed in thirty (30) minute units from the time of the first call to the time of his/her second call. Overtime, if any, on the second work assignment shall be computed without reference to the first call. If the second work assignment shall be for a time to commence more than four (4) hours after the time of his/her cancelled call, he/she shall receive the one-half (1/2) check. Overtime, if any, shall be computed without reference to his/her first call.

**26. BASIC SCALES**

	4/5/15- <u>4/2/16</u>	4/3/16- <u>4/1/17</u>	4/2/17- <u>4/4/18</u>
(a) Minimum pay for eight (8) hours	\$206.64	\$210.77	\$214.99
(b) Overtime after eight (8) work hours, time-and-one-half, per fifteen (15) minutes or fraction thereof	9.69	9.89	10.08

- (c) All work hours must be consecutive (except that a one (1) hour meal period, deductible from work time, will be allowed in nine (9) hours).
- (d) ONE PERSON only,  
if photographed  
playing a musical  
instrument ALONE,  
subject to the  
above schedule  
of hours                      \$243.51    \$248.38    \$253.35
- (e) Night premium. Hours worked between midnight and 1:00 a.m., ten percent (10%) additional based on rate in effect. Hours worked 1:00 a.m. through 6:00 a.m., twenty percent (20%) additional based on rate in effect, except for work performed for programs photographed before a live audience when such work is performed concurrently with such photography.

**27. MEALS**

(a) Meal periods shall be not less than one-half (½) hour nor more than one (1) hour. Not more than one (1) meal period shall be deducted from work time during the first eight (8) hours.

(b) The first meal period shall be called not later than six (6) hours from time of the employee's first call for the day, and subsequent meal periods not later than six (6) hours after the termination of the preceding meal period, except on staggered calls. Producer may call a meal period on work time of at least fifteen (15) minutes in duration and the deductible meal period shall commence not later than six (6) hours thereafter. However, the following exceptions apply:

(1) The meal interval may be extended one-half (½) hour without penalty when used for wrapping up or to complete the camera take(s) in progress, until print quality is achieved. Such extension shall not be scheduled and shall not be automatic.

(2) A twelve (12) minute grace period may be called for production efficiency prior to the imposition of any meal penalty. Such extension shall not be scheduled and shall not be automatic.

(c) Night Meals: Food and hot drinks shall be provided when sideline musicians are required to work after 11:30 p.m.

(d) Violation of Meal Period Provisions:

The penalty, if any, for each one-half ( $\frac{1}{2}$ ) hour meal delay or fraction thereof shall be one (1) hour of pay computed at one-eighth ( $\frac{1}{8}$ ) of the straight time eight (8) hour daily basic wage rate paid for that "work day" to all sideline musicians on that particular production who are entitled to such meal period penalty.

**28. WARDROBE**

(a) Wardrobe Allowance

Sideline musicians are not to be required to provide any wardrobe other than tuxedo, business suit or full dress. If Producer shall require a musician to provide "full dress" (white tie and tails) or tuxedo, he/she shall be entitled to an allowance of \$30.00 for such dress without relation to any other wardrobe allowance.

When a sideline musician reports in the specified wardrobe and, in addition, brings one or more complete changes of wardrobe as requested by the Producer, he/she shall be entitled to an allowance of \$10.00 per day for the first such change and \$15.00 per day for any two (2) or more such changes; provided, however, that such allowance shall not be applicable to wardrobe furnished for and used on an overnight location.

(b) Wardrobe Removal Allowance

A Sideline Musician shall be dismissed as soon as his/her wardrobe or property has been turned in. Whenever he/she turns in wardrobe or property on time for which he/she is not otherwise compensated, he/she shall be paid a wardrobe removal allowance of thirty (30) minutes at his/her regular hourly rate for that day. If more than the one-half ( $\frac{1}{2}$ ) hour allowance is required to check in his/her wardrobe or property, he/she shall be paid for such excess time at his/her agreed daily rate, computed in units of fifteen (15) minutes.

(c) Damage to Wardrobe or Property

If any wardrobe or property, personally owned by a Sideline Musician, is damaged in the course of his/her employment, the Producer shall compensate him/her therefor.

## **29. MAKE-UP**

A Sideline Musician who is directed to and does have body make-up or oil applied to more than fifty percent (50%) of his/her body and/or who is required to and does wear a rubber skullcap and/or who is required to and does wear hair goods affixed with spirit gum (specified as full beards, mutton chops or a combination of goatee and mustache) and/or who, at the time of his employment, is required to and does wear his own natural full-grown beard, as a condition of employment, shall be entitled to additional compensation of \$20.00 per day. It is understood and agreed that a Sideline Musician who grows or is directed to grow a beard while employed by the Producer shall not be entitled to such additional compensation therefor.

## **30. LEADERS**

When two (2) or more Sideline Musicians are employed on an engagement, one (1) shall be construed as leader and shall receive one hundred percent (100%) extra of scale.

## **31. ON LOCATION**

When working on location at a distance, making commuting to and from engagement impracticable or impossible, daily schedules are to apply.

Travel time begins when the Musician reports for travel pursuant to instructions and ends when the Musician arrives at destination. Travel time between 6:00 a.m. and 6:00 p.m. only will be computed as work time, but not to exceed eight (8) hours per day. Travel time rate \$24.69 per hour (\$25.18 effective April 3, 2016 and \$25.68 effective April 2, 2017). Leader, double.

All expenses shall be paid by the Producer, including transportation, meals and reasonable sleeping accommodations, in addition to regular daily schedules.

## **32. RECORDING BY SIDELINE MUSICIANS**

(a) Except for “leak throughs,” if sideline musicians record, they shall be paid recording scale in addition to their full eight (8) hour sideline call. This shall not apply if the musicians play but do not record. A “leak through” is defined as the recording of sideline musicians which is not intended for direct recording.

(b) A sideline musician, when photographed, performing both sideline and recording services within a basic three (3) hour session, will be paid the recording scale for a minimum three (3) hour session in addition to any other payments entitled to hereunder.

### **33. DOUBLING SIDELINE MUSICIANS**

When a sideline musician is required to double as defined in this Agreement, he/she shall receive twenty-five percent (25%) for the first double and ten percent (10%) for each added double, if photographed playing such respective instruments.

### **34. WHEN ESTABLISHED PHOTOGRAPHICALLY**

When a sideline musician is established photographically, he/she must finish out his/her call even if the Producer requires his/her services for an additional day or days beyond the original engagement.

### **35. SILENT BIT**

When a sideline musician is directed to do special business of such importance that, in addition, it includes the portrayal of an essential story point in pantomime, in a 4-shot or less, or when a sideline musician is directed to do in pantomime special business with actors to convey an essential story point in a close shot, such performance shall constitute a silent bit and he/she shall be entitled to compensation for the day of not less than \$331.51 (\$338.14 effective April 3, 2016 and \$344.90 effective April 2, 2017) or the prevailing rate in Los Angeles for such work, whichever is the greater.

### **36. ORCHESTRA MANAGER FOR SIDELINE MUSICIANS**

If ten (10) or more sideline musicians, including leader, are employed for any session, an orchestra manager (contractor), who is a member in good standing of the Federation, shall be employed for said session. He/she may be one (1) of the sideline musicians. It shall be the duty of the orchestra manager to see that all musical activities conform to this Agreement. He/she shall be physically present at all recording sessions during the entire engagement. The minimum pay for such orchestra manager who does not perform as a sideline musician shall be the minimum rate of pay applicable to the non-doubling sideline musicians employed in the session. The minimum pay for a person performing both as an orchestra manager and a sideline musician shall be twice the minimum rate of pay applicable to such sideline musicians.

## **V. ORCHESTRATORS**

### **37. DEFINITIONS**

(a) Orchestrating is defined as the art of assigning, by writing in the form of an orchestra score, the various voices of an already written composition complete in form. A composition is considered complete in form when it fully represents the melodic, harmonic and rhythmic structure.

(b) Prices quoted in this Section refer to orchestration only and must not be interpreted to include or apply to creative contribution such as reharmonization, paraphrasing or development of a composition already complete in form.

(c) Any alteration of or addition to the structure of a composition is defined as arranging. The price charged shall be subject to individual negotiations, but shall be in addition to the orchestrator scale.

(d) Sketching is an additional service and the payment therefor shall be subject to individual negotiations between the Producer and the musician.

### **38. RECORDINGS**

Orchestrators will not be required to attend recording sessions. If the orchestrator is specifically requested by the head of the music department to attend or assist in the scoring session, thereby expediting the recording process, the orchestrator shall be paid not less than recording musician scale. If more than two orchestrators are so requested, only two may be paid under this provision, and the remaining orchestrators will be paid under the provisions of Paragraph 15(b)(15).

### **39. MEALS**

#### **(a) Intervals Between Meals**

The first meal period shall be called not later than six (6) hours after reporting for work and subsequent meal periods shall be called not later than six (6) hours after the expiration of the next previous meal period.

(b) Penalty for Delayed Meals

Straight time allowance at the scheduled Regular Basic Hourly Rate for length of delay. Minimum allowance: one-half (1/2) hour.

**40. VOCAL OR INSTRUMENTAL ORCHESTRATION RATES**

A score page shall consist of four (4) bars; rates shall be computed on page and half-page rates, except that the first page shall be paid in full rather than prorated. The last page of a score shall be computed at not less than a half-page rate.

**41. PAGE RATES**

A score page shall consist of four (4) bars; come sopras to eight (8) measures to be counted in the space of one (1) bar.

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(a) Not more than 13 lines	\$28.15	\$28.71	\$29.28
(b) Not more than 20 lines of which two (2) only may be double stave part	36.19	36.91	37.65
(c) (1) Not more than 25 lines	40.51	41.32	42.15
(2) Not more than 30 lines	44.91	45.81	46.73
(3) Not more than 35 lines	49.36	50.35	51.36
(4) Not more than 40 lines	53.72	54.79	55.89
(5) Not more than 45 lines	58.98	60.16	61.36
(6) Not more than 50 lines	62.89	64.15	65.43
(7) More than 50 lines	64.96	66.26	67.59
(d) Piano part taken from voice	45.08	45.98	46.90
(e) Taking down melody and making lead sheet	22.65	23.10	23.56
Exact transcription of all parts of a composition from a mechanical device, and creating or recreating the orchestration for a score page -- time-and-one-half applicable orchestration scale.			
(f) Conductor's part, from score	22.65	23.10	23.56
(g) Timing pictures, if requested to attend recording sessions, per hour	45.08	45.98	46.90
(h) Adding lines to an existing score per line - per page	4.64	4.73	4.82
Divisi parts: Count as one (1) line per instrument. Double stave parts: Count as two (2) lines.			



The following in the aggregate will count as one (1) line of score: Bar numbers, page numbers, timings, clicks, scene cues and other supplementary information.

A “pick-up” will be computed as a full bar for orchestrators.

#### **42. WEEKLY ENGAGEMENTS**

When an Orchestrator is guaranteed by written contract not less than forty (40) out of fifty-two (52) consecutive weeks at \$1,679.55 (\$1,713.14 effective April 3, 2016 and \$1,747.40 effective April 2, 2017) or more per week, he/she shall not be entitled to any additional compensation based upon any of the above page rates.

When an Orchestrator is called to work at the above page rates, one (1) thirty (30) minute period of free consultation time shall be allowed; however, all waiting time shall be paid for at the rate of \$45.08 (\$45.98 effective April 3, 2016 and \$46.90 effective April 2, 2017) per hour.

#### **43. MISCELLANEOUS WORK**

Time rates may be used only for adding parts to a score, on adjustments, work at rehearsals, take downs, alterations, additions and in other situations where page rates are impractical. The hourly rate for time work shall be \$45.08 (\$45.98 effective April 3, 2016 and \$46.90 effective April 2, 2017).

#### **44. ORCHESTRATIONS**

(a) Musical orchestrators and copyists must be paid at the prevailing motion picture orchestrating rate for all orchestrations, or copyist rates for copying work, as the case may be, when initially used for motion pictures, but with no additional compensation for any subsequent motion picture use. This also applies to orchestrations already in the possession of any orchestra or band leader, which were originally made for other than motion picture purposes. This does not apply to contracts already executed. All orchestrations already in the possession of the Producer and scored under this Agreement shall be confined to motion pictures produced by the Producers.

(b) To the extent known at the time of filing of a Form B Contract or an Orchestra Manager’s Report, the identity of the orchestrator(s) will be listed on each such Contract or Report. In this regard, Composers will be asked to provide Producers with such information.

## **VI. MUSIC PREPARATION**

**45.** Librarians shall have supervision over all Assistant Librarians, Copyists and Proofreaders employed on all engagements.

**46.** When a Copyist is required to perform a Librarian's duties, he/she shall receive the applicable Librarian's daily *pro rata* rate as specified.

**47.** All paper and necessary working materials shall be supplied by the employer or furnished by the employee at cost. All printing of duplicate parts shall be supplied by the employer or furnished by the employee at cost. Messenger service (pick-up and delivery) shall be paid for by the employer.

Suitable chairs, tables, lighting and necessary equipment shall be made available by the Producer.

### **48. COPYIST PAGE RATES**

(a) A Copyist engaged to do work shall be compensated by the page and shall be guaranteed not less than \$98.61 (\$100.58 effective April 3, 2016 and \$102.59 effective April 2, 2017) for the engagement (it being understood that the Studio is entitled to the equivalent in service).

(b) All work is to be computed by the page and the half-page. Such page shall be deemed to consist of ten (10) staves (lines), including the heading, and a half-page shall consist of up to five (5) staves (lines).

(c) The page rate for all pages shall be the amounts indicated below. The half-page rates for such pages shall be at one-half ( $\frac{1}{2}$ ) of such page rates.

(d) All parts prepared for reproduction by any mechanical process (regardless of their usage) shall be charged for at double the listed rates.

(e) Transposition of any part, fifty percent (50%) or more of which is transposed, fifty percent (50%) extra. The above applies whenever transpositions are required under this Agreement.

(f) Special routine work, when two (2) or more scores, orchestral or vocal parts must be used or referred to in extracting the parts, shall be paid for at fifty percent (50%) more than the listed rates and there shall not be any charge for transposition.

(g) Work performed by a Copyist, under the direction and control of Producer, between the hours of 6:00 a.m. and 9:00 p.m., shall be paid at the basic rate. When a Copyist is ordered by Producer to work at night and performs his/her work as directed under Producer's control, then all of such work as is performed between 9:00 p.m. and midnight shall be paid at one hundred ten percent (110%) of the basic rate; all of such work as is performed between midnight and 6:00 a.m. shall be paid at one hundred fifty percent (150%) of the basic rate until the Copyist is dismissed. There shall be no compounding in pricing the computation.

(h) A copyist who works in excess of twelve (12) hours in a day, under the direction and control of the Producer, shall be paid at one hundred twenty-five percent (125%) of the basic rate, unless a higher premium rate applies.

<b><u>INSTRUMENTAL PARTS</u></b>	<b><u>Basic Rates Page 10 Lines</u></b>		
	<b><u>Effective Dates</u></b>		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(a) Single Notation	\$5.53	\$5.64	\$5.75
(b) Divisi Parts (any part of which 50% or more is divisi) shall be computed at one and one-half times the basic rate	8.30	8.46	8.63
(c) Piano, banjo, guitar, harp, organ, celeste	9.44	9.63	9.82
(d) Piano with melody line cued	14.10	14.38	14.67
(e) Piano with orchestral cues on separate line, 3 brace	14.95	15.25	15.56
(f) Piano (two line part) with orchestral cues incorporated	15.97	16.29	16.62
(g) Classical, concert, symphonies or similar piano parts	15.97	16.29	16.62
(h) Writing in lyrics (each set)	2.24	2.28	2.33
(i) Writing in foreign language lyrics (consisting of 50% or more of a page) each set	2.66	2.71	2.76
(j) Rehearsal letters, lettering or numbering bars	0.89	0.91	0.93
(k) Adding harmony chord symbols to any part, at harmony changes only	1.73	1.76	1.80
(l) Song piano parts (including a single set of lyrics)	11.61	11.84	12.08

*(continued)*

(continued)

<b><u>INSTRUMENTAL PARTS</u></b>	<b><u>Basic Rates Page 10 Lines</u></b> <b><u>Effective Dates</u></b>		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(m) Song piano parts (including a single set of lyrics and chord symbols at harmony changes only)	13.32	13.59	13.86
(n) Adding symbols, other than chord symbols, for electronic instruments or devices:			
(1) Single stave parts	2.27	2.32	2.37
(2) Multiple stave parts	1.23	1.25	1.28

<b><u>VOCAL PARTS</u></b>	<b><u>Basic Rates Page 10 Lines</u></b> <b><u>Effective Dates</u></b>		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(a) Single voice line with single set of lyrics	\$7.81	\$7.97	\$8.13
(b) Choir parts with single set of lyrics	10.54	10.75	10.97
(c) Choir parts with double set of lyrics	12.83	13.09	13.35

<b><u>CONDUCTOR PARTS</u></b>	<b><u>Basic Rates Page 10 Lines</u></b> <b><u>Effective Dates</u></b>		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(a) Single melody line only worded instrumental cues	\$9.44	\$9.63	\$9.82
(b) Lead lines with notated instrumental cues (single or double staff)	12.36	12.61	12.86
(c) From orchestral sketch or condensed score (if reference to score is required for this classification, Section (d), shall apply)	14.76	15.06	15.36
(d) Constructed from score - harmonically complete	17.30	17.65	18.00

## **49. COPYING PARTS FROM SKETCH OR SCORE**

### **(a) Definitions**

(1) Full Score: A visual representation of parts to be performed by instruments and/or voice of a musical ensemble systematically placed on a series of staves, one above the other, and in which none other than two (2) identical instruments are combined on a single staff.

(2) Condensed Score: A visual representation of a composition or arrangement in condensed form, when not more than four (4) instruments are combined on a single staff and remain on the same staff throughout.

(3) Sketch: A visual representation of a composition in condensed form wherein either more than four (4) instruments are notated on a single staff, or two (2) or more instruments do not remain on the same staff throughout, but fully setting forth the melodic, harmonic and rhythmic structure in such a manner that the Copyist may understand what was intended.

(4) Copying parts from a condensed score shall be charged for at basic page rates (including fifty percent (50%) extra for parts transposed) plus fifty percent (50%) additional for only those parts that are extracted from staves combining three (3) or more instruments.

(5) Copying parts from a sketch shall be charged for at basic page rates (including fifty percent (50%) extra for transposition) plus fifty percent (50%) additional overall.

## **50. PROOFREADER**

(a) With respect to proofreaders employed on a daily or weekly rate, after working on an overtime rate, eight (8) rest hours shall elapse before resuming single scales. When called back before the expiration of the eight (8) hour rest period and when intervening time between dismissal and recall is four (4) hours or less, then such intervening time and succeeding consecutive work hours shall be paid at the applicable overtime rate as though there had been no time off. If the intervening time between dismissal and recall is more than four (4), but less than eight (8) hours, such person shall be paid at the applicable overtime rate for all succeeding work time.

(b) Day Calls

		PER HOUR Effective Dates		
		4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(1)	Eight (8) hours minimum call, commencing between 8:00 a.m. and midnight	\$21.20	\$21.62	\$22.05
(2)	For any hours (in the minimum call) occurring after midnight	28.31	28.88	29.46
(3)	Overtime after eight (8) hours on day calls, per hour or fraction thereof	31.80	32.43	33.08

(c) Night Calls

		PER HOUR Effective Dates		
		4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(1)	Six (6) hours minimum call, commencing between midnight and 8:00 a.m.	\$169.74	\$173.13	\$176.59
(2)	Overtime after six (6) hours, per hour or fraction thereof	31.83	32.46	33.11

(d) Weekly Rates

		PER HOUR Effective Dates		
		4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
(1)	Engagement of one (1) week, of forty (40) working hours in five (5) or fewer days between hours of 8:00 a.m. and midnight, not exceeding eight (8) hours in any day, time computed from time called to time dismissed, per week	\$806.08	\$822.20	\$838.64
(2)	Overtime, per hour or fraction thereof to midnight	20.15	20.56	20.97
(3)	Overtime after midnight, per hour or fraction thereof	30.23	30.84	31.46

(e) Paragraphs 48 and 49 shall be applicable to proofreaders.

(f) If an orchestrator is employed to proofread, he/she shall be paid at the orchestrator's rate. If a copyist is employed to proofread, he/she shall be paid at the copyist's rate.

**51. MISCELLANEOUS**

When a copyist is engaged on work by the page and is required to cut, paste or render similar service, such service and/or waiting time after copyist reports for work to be paid for at the rate of \$23.73 (\$24.20 effective April 3, 2016 and \$24.68 effective April 2, 2017) per hour in periods of not less than fifteen (15) minutes.

**52. MEALS (For daily and weekly employees only)**

(a) Intervals Between Meals

The first meal period shall be called not later than six (6) hours after reporting for work and subsequent meal periods shall be called not later than six (6) hours after the expiration of the next previous meal period.

(b) Penalty for Delayed Meals

Straight time allowance at the scheduled Regular Basic Hourly Rate for length of delay. Minimum allowance: one-half (1/2) hour.

**VII. LIBRARIANS**

**53.** Employees in charge of the Music Library, supervisor of Copyists, clerical, and research work in connection with all musical requirements, etc., are classed as Librarians, and shall receive not less than \$950.15 (\$969.15 effective April 3, 2016 and \$988.53 effective April 2, 2017) per five (5) day week of forty-three and two-tenths (43.2) cumulative hours, overtime at straight time. Minimum call: On any day other than the day of a recording session, there shall not be less than a three (3) hour call at the existing hourly rate.

**54.** A Music Librarian is not permitted to perform the duties of any other classification of work enumerated in this schedule. A Music Librarian is authorized to act as contractor for the employment of Copyists on behalf of the Producer. When two (2) or fewer Copyists are engaged, a Librarian is permitted to do copying work.

All copying work performed by Librarians under the terms of this Agreement, at the direction of the Producer, shall be paid for at the applicable rates, but with no minimum guarantee.

**55.** When a Librarian is employed and the services of an Assistant are required, such Assistant shall receive not less than \$586.26 (\$597.99 effective April 3, 2016 and \$609.95 effective April 2, 2017) per five (5) day week of forty-three and two-tenths (43.2) cumulative hours overtime at straight time.

**56.** An Assistant Music Librarian is directly responsible to the Music Librarian.

**57.** In addition to assisting the Music Librarian, the Assistant Music Librarian may perform any of the other duties set forth in this schedule. All rates and regulations enumerated herein must be observed.

**58.** In connection with any so-called "package deal," the following shall apply:

(a) The Music Librarian employed shall be paid twenty-five percent (25%) as a surcharge of the cost of music preparation (copying and proofreading), only if said music preparation is done under his/her supervision.

(b) A Music Librarian employed for the recording session shall be paid \$254.59 (\$259.68 effective April 3, 2016 and \$264.87 effective April 2, 2017) for not to exceed eight (8) consecutive hours, excluding meal periods, on the day of such recording session. Such Music Librarian may do any emergency copying or make any corrections to music, on the set or the scoring stage. Overtime after eight (8) consecutive hours, excluding meal periods, shall be computed in one-half ( $\frac{1}{2}$ ) hour units at the rate of \$23.87 (\$24.35 effective April 3, 2016 and \$24.83 effective April 2, 2017) per each half hour.

(c) Page rates shall apply for all copying on this type of operation, excluding copying as provided in subparagraph (b) above.

(d) When a Supervising Copyist (a copyist who secures the services of other copyists) is employed, he/she shall be paid the said twenty-five percent (25%) surcharge of the cost of music preparation (including copying done by him/her) when the services of more than one copyist are necessary to complete the work assignment. The Supervising Copyist may also be the Music Librarian.



## 59. VACATION PAY

In addition to the provisions of Paragraph 8, "Vacation Pay," above, the following additional vacation provisions shall apply to Librarians who meet the following necessary eligibility requirements:

### (a) Eligibility Requirements

Eligible employees shall be those employees who actually worked for Producer for twelve (12) consecutive "eligible" years, with an aggregate of not less than 2,400 "straight time" days worked with Producer in such twelve (12) years.

As used in this provision, the term "year" shall mean the employee's personal income tax earnings year (also hereinafter referred to as "tax year"); the term "eligible year" shall mean a tax year in which the employee worked one hundred (100) or more "straight time" days for Producer.

Any tax year in which the employee actually works less than one hundred (100) "straight time" days for Producer shall be excluded in computing the required twelve (12) "eligible" tax years, and the "straight time" days worked in such year shall not be counted in computing the required aggregate 2,400 "straight time" days to be worked in such twelve (12) tax years.

Employees who fail to work more than one hundred (100) "straight time" days for such employer in each of any two consecutive tax years shall, at the end of such second year, be considered a new employee hereunder with no previous employment credit with Producer, for the purpose of establishing the above eligibility requirements. Provided, however, that in determining such two (2) consecutive years, no year shall be included (and the "straight time" days worked in such year shall not be counted for any eligibility purposes hereunder) in which the employee could not work one hundred (100) "straight time" days for Producer due to either or both of the following:

(1) The period of recorded leaves of absence granted by Producer;

(2) For the period during which the employee was absent and physically unable to work for Producer solely as a result of an "industrial accident" occurring to such employee while employed by Producer.

(b) Vacation Days and Pay

Commencing with November 1, 1960, such employees who become eligible on or after such date, as above provided, shall, beginning with the date they so become eligible, earn with Producer fifty percent (50%) more in vacation time and money, based upon the applicable Weekly or Daily employee vacation schedule set forth above; any such employee shall be limited to earning a maximum of only fifteen (15) days vacation per year. Provided that for the remainder of any such tax year in which such an employee becomes eligible, he/she shall only earn additional vacation time and money, as above provided, based solely on the “straight time” days he/she worked for Producer after he/she so became eligible and within the remaining portion of such year, to be computed separate and apart at the rate of one-half of the vacation benefit specified under the above applicable daily or weekly vacation schedule.

(c) Loss of Eligibility

Employees who become eligible, as above provided, but who thereafter either resign from employment with Producer or fail to work for Producer more than one hundred fifty (150) “straight time” days in any one tax year shall, as of the last day of such tax year, or in the case of resignation, the date of such resignation, lose such eligibility and right to earn the additional vacation days and pay above provided; in such event, they shall thereupon be considered new employees hereunder with no previous employment credit with Producer for the purpose of subsequently establishing the above eligibility requirements.

In determining whether any employee loses his eligibility for failure to work for Producer more than one hundred fifty (150) “straight time” days in a tax year, as above provided, no such year shall be counted for this purpose in which the employee could not work at least one hundred fifty-one (151) “straight time” days for Producer due to either or both of the following:

(1) The period of recorded leaves of absence granted such employee by Producer;

(2) The period during which such employee was absent and physically unable to work for Producer solely as a result of an “industrial accident” occurring to him/her while employed by Producer.

(d) Eligibility Credit

For the purpose of determining “eligible” years and “loss of eligibility” only, as above provided, employees who leave the employ of Producer to perform military service and who remain in the Armed Forces of the United States, in accordance with the applicable National Selective Service Act (or other subsequently enacted comparable national legislation then in effect pertaining to such service) shall be credited as having worked for Producer the number of applicable days the employee would normally have been employed by Producer for “straight time” days in each workweek of the period of such service.

**60. NIGHT PREMIUMS**

Work time shall be paid for according to the following schedule:

<u>Hours Worked Between</u>	<u>Night Premium Rate</u>
Midnight and 1:00 a.m.	110% of hourly rate*
1:00 a.m. and 6:00 a.m.	120% of hourly rate*

\*hourly rate = weekly salary divided by 43.2

**VIII. WAGE SCALES, HOURS OF EMPLOYMENT AND WORKING CONDITIONS FOR LOW BUDGET FILMS**

**61. LOW BUDGET FILMS**

(a) Scope

(1) This Paragraph 61 shall apply only to theatrical motion pictures whose final cost initially is estimated in writing (as described in subparagraph (b)(1) below) to be \$45,000,000 or less and whose final estimated cost (as described in subparagraph (b)(2) below) does not exceed \$45,000,000. In the event the final estimated cost exceeds \$45,000,000, wages and benefits shall be the full amount that would otherwise be due under this Agreement.

(2) This Paragraph 61 shall not apply to any Canadian producer who produces a theatrical motion picture in Canada.

(b) Reporting

(1) The initial best estimate of final cost shall be certified by the head of production, in a form approved by the Federation, and

shall be submitted to the Federation no later than ninety-six (96) hours prior to the first scoring session for any such motion picture.

(2) The final estimated cost as of release must be certified by the head of production and submitted to the Federation within thirty (30) days of release of any such motion picture.

(3) Failure to provide the final estimated cost in subparagraph (b)(2) above within thirty (30) days of release shall result in an automatic upgrade to full scale for all wages and benefits provided by this Agreement regardless of the budget of the picture.

(4) Submission of any estimate of final cost (under subparagraph (b)(1) or (b)(2) above) that is materially false shall result in an automatic upgrade to the full scale wages and benefits that otherwise would have been due under this Agreement plus a fifty percent (50%) penalty (based on full scale).

(c) Conditions

All the provisions of this Agreement shall also apply to Low Budget Films, except as specifically set forth below:

(1) Calls

All musicians shall be notified when they are initially engaged hereunder that the terms of such engagement shall be governed by the "Low Budget" provisions.

(2) Basic Scale

(i) Recording Musicians

(A) Real Time Rates

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
Basic scale per hour (3 hour minimum)	\$ 67.50	\$ 68.85	\$ 70.22
3 hour minimum	202.49	206.54	210.67

(B) Electronic Multi-Tracking Rates

	Per musician, per hour		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
One musician employed under EMT rates:	\$254.96	\$260.06	\$265.26
Two or more musicians employed under EMT rates:	224.97	229.47	234.06

(ii) (A) Orchestration Rates

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
13 lines	\$23.75	\$24.23	\$24.71
20 lines	30.50	31.11	31.73
25 lines	34.16	34.84	35.54
30 lines	37.86	38.62	39.39
35 lines	41.60	42.43	43.28
40 lines	45.28	46.19	47.11
45 lines	49.74	50.73	51.74
50 lines	53.01	54.07	55.15
over 50 lines	54.76	55.86	56.98
Hourly rate	38.00	38.76	39.54
Hourly rate for midi/data files	38.00	38.76	39.54
Takedown/lead sheet page	19.10	19.48	19.87

(B) Health Plan contributions shall be paid in accordance with the following formula:

EFFECTIVE	ORCHESTRATORS	COPYISTS
4/5/15 - 4/2/16	Wages/\$22.95 = hours Hours x \$4.045 = contribution	Wages/\$14.90 = hours Hours x \$4.045 = contribution
4/3/16 - 4/1/17	Wages/\$23.41 = hours Hours x \$4.045 = contribution	Wages/\$15.20 = hours Hours x \$4.045 = contribution
4/2/17 - 4/4/18	Wages/\$23.88 = hours Hours x \$4.045 = contribution	Wages/\$15.50 = hours Hours x \$4.045 = contribution

(iii) Music Preparation

(A) Copyists - Regular

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Parts</b>			
Single Line	\$ 4.70	\$ 4.79	\$ 4.89
Single line, transposed	7.05	7.19	7.34
Divisi or chorded	7.05	7.19	7.34
Divisi or chorded transposed	10.58	10.79	11.01
<b>Keyboard</b>			
Harp, organ, guitar, piano, etc.	\$8.02	\$8.18	\$8.34
Plus melody (vocal) cue	11.99	12.23	12.47
Plus orchestral cues - separate staves	12.72	12.97	13.23
Two stave with orchestral cues	13.60	13.87	14.15
<b>Adding Chord Symbols</b>			
Single stave	1.51	1.54	1.57
Multistave	1.51	1.54	1.57
<b>Adding Electronic Symbols</b>			
Single stave	1.96	2.00	2.04
Multistave	1.04	1.06	1.08
<b>Vocal</b>			
Choir - 1 set lyrics	8.97	9.15	9.33
Lead sheet - 1 set lyrics	8.10	8.26	8.43
Song copy - 3 stave 1 set lyrics	9.88	10.08	10.28
Additional lyrics - per set (English)	1.19	1.21	1.23
Additional lyrics - per set (Foreign)	1.52	1.55	1.58
Single voice line with one set lyrics	6.66	6.79	6.93
<b>Conductor Parts</b>			
Lead line only - with worded cues	8.02	8.18	8.34
Lead line with notated instrumental cues	10.52	10.73	10.94
Harmonically complete from sketch	12.60	12.85	13.11
Harmonically complete from score	14.73	15.02	15.32
Adding bar numbers	0.74	0.75	0.77

(B) Copyists - Dup

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Parts</b>			
Single Line	\$ 9.40	\$ 9.58	\$ 9.78
Single line, transposed	14.10	14.38	14.68
Divisi or chorded	14.10	14.38	14.68
Divisi or chorded transposed	21.16	21.58	22.02
<b>Keyboard</b>			
Harp, organ, guitar, piano, etc.	16.04	16.36	16.68
Plus melody (vocal) cue	23.98	24.46	24.94
Plus orchestral cues - separate staves	25.44	25.94	26.46
Two stave with orchestral cues	27.20	27.74	28.30
<b>Adding Chord Symbols</b>			
Single stave	3.02	3.08	3.14
Multistave	3.02	3.08	3.14
<b>Adding Electronic Symbols</b>			
Single stave	3.92	4.00	4.08
Multistave	2.08	2.12	2.16
<b>Vocal</b>			
Choir - 1 set lyrics	17.94	18.30	18.66
Lead sheet - 1 set lyrics	16.20	16.52	16.86
Song copy - 3 stave 1 set lyrics	19.76	20.16	20.56
Additional lyrics - per set (English)	2.38	2.42	2.46
Additional lyrics - per set (Foreign)	3.04	3.10	3.16
Single voice line with one set lyrics	13.32	13.58	13.86
<b>Master Rhythm</b>	23.93	24.41	24.90
<b>Conductor Parts</b>			
Lead line only - with worded cues	\$16.04	\$16.36	\$16.68
Lead line with notated instrumental cues	21.04	21.46	21.88
Harmonically complete from sketch	25.20	25.70	26.22
Harmonically complete from score	29.46	30.04	30.64
Adding bar numbers	1.48	1.50	1.54

(iv)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Librarian</b>			
Non-playing/playing over 8 hours	\$216.70	\$221.03	\$225.45
Overtime per ½ hour	20.31	20.72	21.14

(v)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Proofreading, per hour, no minimum</b>	\$ 30.30	\$30.91	\$31.53

(vi)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Minimum Call (Copyist)</b>	\$83.94	\$85.62	\$87.33

(vii)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Sound Consultant (per hour)</b>	\$ 58.93	\$60.11	\$61.31
<b>Time Rate (per hour)</b>	22.06	22.50	22.95
<b>H&amp;W (1 hour of contribution for each earned)</b>	16.28	16.61	16.94

(3) Pension Contributions

Pension contributions shall be made in accordance with Paragraph 3 of this Agreement.

(4) Vacations

Paragraph 8, "Vacation Pay," does not apply to amounts earned under this Paragraph 61.

**62. THEATRICAL MOTION PICTURES BUDGETED AT \$15,000,000 OR LESS**

(a) Scope

(1) This Paragraph 62 shall apply only to theatrical motion pictures for which there is at least one scoring session utilizing fifteen (15) or more musicians (including the Leader and Contractor), and whose final cost initially is estimated in writing (as described in subparagraph (b)(1) below) to be \$15,000,000 or less and whose final



estimated cost (as described in subparagraph (b)(2) below) does not exceed \$15,000,000. In the event the final estimated cost exceeds \$15,000,000, wages and benefits shall be the full amount that would otherwise be due under this Agreement.

(2) This Paragraph 62 shall not apply to any Canadian producer who produces a theatrical motion picture in Canada.

(b) Reporting

(1) The initial best estimate of final cost shall be certified by the head of production, in a form approved by the Federation, and shall be submitted to the Federation no later than ninety-six (96) hours prior to the first scoring session for any such motion picture.

(2) The final estimated cost as of release must be certified by the head of production and submitted to the Federation within thirty (30) days of release of any such motion picture.

(3) Failure to provide the final estimated cost in subparagraph (b)(2) above within thirty (30) days of release shall result in an automatic upgrade to full scale for all wages and benefits provided by this Agreement regardless of the budget of the picture.

(4) Submission of any estimate of final cost (under subparagraph (b)(1) or (b)(2) above) that is materially false shall result in an automatic upgrade to the full scale wages and benefits that otherwise would have been due under this Agreement plus a fifty percent (50%) penalty (based on full scale).

(c) Conditions

All of the provisions of this Agreement shall apply to theatrical motion pictures covered by this Paragraph 62, except as specifically set forth below:

(1) Calls

All the musicians shall be notified when they are initially engaged hereunder that the terms of such engagement shall be governed by the provisions of Paragraph 62.

(2) Basic Scale

(i) Recording Musicians

(A) Real Time Rates

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
Basic scale per hour (3 hour minimum)	\$ 58.04	\$ 59.20	\$ 60.38
3 hour minimum	174.11	177.59	181.14

(B) Electronic Multi-Tracking Rates

	Per musician, per hour		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
One musician employed under EMT rates:	\$219.25	\$223.64	\$228.11
Two or more musicians employed under EMT rates:	193.48	197.35	201.30

(ii) (A) Orchestration Rates

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
13 lines	\$ 20.40	\$ 20.81	\$ 21.23
20 lines	26.22	26.74	27.27
25 lines	29.38	29.97	30.57
30 lines	32.55	33.20	33.86
35 lines	35.77	36.49	37.22
40 lines	38.93	39.71	40.50
45 lines	42.77	43.63	44.50
50 lines	45.58	46.49	47.42
over 50 lines	47.11	48.05	49.01
Hourly rate	32.69	33.34	34.01
Hourly rate for midi/data files	32.69	33.34	34.01
Takedown/lead sheet page	16.44	16.77	17.11

(B) Health Plan contributions shall be paid in accordance with the following formula:

EFFECTIVE	ORCHESTRATORS	COPYISTS
4/5/15 - 4/2/16	Wages/\$19.76 = hours Hours x \$4.045 = contribution	Wages/\$12.81 = hours Hours x \$4.045 = contribution
4/3/16 - 4/1/17	Wages/\$20.16 = hours Hours x \$4.045 = contribution	Wages/\$13.07 = hours Hours x \$4.045 = contribution
4/2/17 - 4/4/18	Wages/\$20.56 = hours Hours x \$4.045 = contribution	Wages/\$13.33 = hours Hours x \$4.045 = contribution

(iii) Music Preparation

(A) Copyists - Regular

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Parts</b>			
Single Line	\$ 4.04	\$ 4.12	\$ 4.20
Single line, transposed	6.06	6.18	6.30
Divisi or chorded	6.06	6.18	6.30
Divisi or chorded transposed	9.09	9.27	9.45
<b>Keyboard</b>			
Harp, organ, guitar, piano, etc.	\$ 6.92	\$ 7.06	\$ 7.20
Plus melody (vocal) cue	10.30	10.51	10.72
Plus orchestral cues - separate staves	10.94	11.16	11.38
Two stave with orchestral cues	11.68	11.91	12.15
<b>Adding Chord Symbols</b>			
Single stave	\$ 1.29	\$ 1.32	\$ 1.35
Multistave	1.29	1.32	1.35
<b>Adding Electronic Symbols</b>			
Single stave	\$ 1.66	\$ 1.69	\$ 1.72
Multistave	0.90	0.92	0.94
<b>Vocal</b>			
Choir - 1 set lyrics	\$ 7.72	\$ 7.87	\$ 8.03
Lead sheet - 1 set lyrics	6.98	7.12	7.26
Song copy - 3 stave 1 set lyrics	8.51	8.68	8.85
Additional lyrics - per set (English)	1.02	1.04	1.06
Additional lyrics - per set (Foreign)	1.31	1.34	1.37
Single voice line with one set lyrics	5.72	5.83	5.95

(continued)

(continued)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Conductor Parts</b>			
Lead line only - with worded cues	\$ 6.92	\$ 7.06	\$ 7.20
Lead line with notated instrumental cues	9.03	9.21	9.39
Harmonically complete from sketch	10.82	11.04	11.26
Harmonically complete from score	12.67	12.92	13.18
Adding bar numbers	0.65	0.66	0.67

(B) Copyists - Dup

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Parts</b>			
Single Line	\$ 8.08	\$ 8.24	\$ 8.40
Single line, transposed	12.12	12.36	12.60
Divisi or chorded	12.12	12.36	12.60
Divisi or chorded transposed	18.18	18.54	18.90
<b>Keyboard</b>			
Harp, organ, guitar, piano, etc.	\$ 13.84	\$ 14.12	\$ 14.40
Plus melody (vocal) cue	20.60	21.02	21.44
Plus orchestral cues - separate staves	21.88	22.32	22.76
Two stave with orchestral cues	23.36	23.82	24.30
<b>Adding Chord Symbols</b>			
Single stave	\$ 2.58	\$ 2.64	\$ 2.70
Multistave	2.58	2.64	2.70
<b>Adding Electronic Symbols</b>			
Single stave	\$ 3.32	\$ 3.38	\$ 3.44
Multistave	1.80	1.84	1.88
<b>Vocal</b>			
Choir - 1 set lyrics	\$ 15.44	\$ 15.74	\$ 16.02
Lead sheet - 1 set lyrics	13.96	14.24	14.52
Song copy - 3 stave 1 set lyrics	17.02	17.36	17.70
Additional lyrics - per set (English)	2.04	2.08	2.12
Additional lyrics - per set (Foreign)	2.62	2.68	2.74
Single voice line with one set lyrics	11.44	11.66	11.90
<b>Master Rhythm</b>	\$ 20.59	\$ 21.00	\$ 21.42
<b>Conductor Parts</b>			
Lead line only - with worded cues	\$ 13.84	\$ 14.12	\$ 14.40
Lead line with notated instrumental cues	18.06	18.42	18.78
Harmonically complete from sketch	21.64	22.08	22.52
Harmonically complete from score	25.34	25.84	26.36
Adding bar numbers	1.30	1.32	1.34

(iv)

	4/4/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Librarian</b> Non-playing/playing over 8 hours Overtime per ½ hour	\$ 186.36 17.48	\$ 190.09 17.82	\$ 193.89 18.18

(v)

	4/4/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Proofreading, per hour, no minimum</b>	\$ 26.07	\$ 26.59	\$ 27.12

(vi)

	4/4/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Minimum Call (Copyist)</b>	\$ 72.21	\$ 73.65	\$ 75.12

(vii)

	4/4/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Sound Consultant (per hour)</b>	\$ 50.67	\$ 51.68	\$ 52.71
<b>Time Rate (per hour)</b>	18.96	19.34	19.73
<b>H&amp;W (1 hour of contribution for each earned)</b>	13.98	14.26	14.55

(3) Pension Contributions

Pension contributions shall be made in accordance with Paragraph 3 of this Agreement.

(4) Vacations

Paragraph 8, "Vacation Pay," does not apply to amounts earned under this Paragraph 62.

(5) Initial Release

All motion pictures produced under this Paragraph 62 shall be treated as having their initial release in theatrical exhibition.

**63. THEATRICAL MOTION PICTURES BUDGETED AT \$2,000,000 OR LESS**

(a) Scope

(1) This Paragraph 63 shall apply only to theatrical motion pictures for which there is at least one scoring session utilizing seven (7) or more musicians (including the Leader and Contractor), and whose final cost initially is estimated in writing (as described in subparagraph (b)(1) below) to be \$2,000,000 or less and whose final estimated cost (as described in subparagraph (b)(2) below) does not exceed \$2,000,000. In the event the final estimated cost exceeds \$2,000,000, wages and benefits shall be the full amount that would otherwise be due under this Agreement.

(2) This Paragraph 63 shall not apply to any Canadian producer who produces a theatrical motion picture in Canada.

(b) Reporting

(1) The initial best estimate of final cost shall be certified by the head of production, in a form approved by the Federation, and shall be submitted to the Federation no later than ninety-six (96) hours prior to the first scoring session for any such motion picture.

(2) The final estimated cost as of release must be certified by the head of production and submitted to the Federation within thirty (30) days of release of any such motion picture.

(3) Failure to provide the final estimated cost in subparagraph (b)(2) above within thirty (30) days of release shall result in an automatic upgrade to full scale for all wages and benefits provided by this Agreement regardless of the budget of the picture.

(4) Submission of any estimate of final cost (under subparagraph (b)(1) or (b)(2) above) that is materially false shall result in an automatic upgrade to the full scale wages and benefits that otherwise would have been due under this Agreement plus a fifty percent (50%) penalty (based on full scale).

(c) Conditions

All of the provisions of this Agreement shall apply to theatrical motion pictures covered by this Paragraph 63, except as specifically set forth below:

(1) Calls

All musicians shall be notified when they are initially engaged hereunder that the terms of such engagement shall be governed by the provisions of Paragraph 63.

(2) Basic Scale

(i) Recording Musicians

(A) Real Time Rates

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
Basic scale per hour (3 hour minimum)	\$ 58.04	\$ 59.20	\$ 60.38
3 hour minimum	174.11	177.59	181.14

(B) Electronic Multi-Tracking Rates

	Per musician, per hour		
	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
One musician employed under EMT rates:	\$219.25	\$223.64	\$228.11
Two or more musicians employed under EMT rates:	193.48	197.35	201.30

(ii) (A) Orchestration Rates

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
13 lines	\$ 20.40	\$ 20.81	\$ 21.23
20 lines	26.22	26.74	27.27
25 lines	29.38	29.97	30.57
30 lines	32.55	33.20	33.86
35 lines	35.77	36.49	37.22
40 lines	38.93	39.71	40.50
45 lines	42.77	43.63	44.50
50 lines	45.58	46.49	47.42
over 50 lines	47.11	48.05	49.01
Hourly rate	32.69	33.34	34.01
Hourly rate for midi/data files	32.69	33.34	34.01
Takedown/lead sheet page	16.44	16.77	17.11

(B) Health Plan contributions shall be paid in accordance with the following formula:

EFFECTIVE	ORCHESTRATORS	COPYISTS
4/5/15-4/2/16	Wages/\$19.76 = hours Hours x \$4.045 = contribution	Wages/\$12.81 = hours Hours x \$4.045 = contribution
4/3/16-4/1/17	Wages/\$20.16 = hours Hours x \$4.045 = contribution	Wages/\$13.07 = hours Hours x \$4.045 = contribution
4/2/17-4/4/18	Wages/\$20.56 = hours Hours x \$4.045 = contribution	Wages/\$13.33 = hours Hours x \$4.045 = contribution

(iii) Music Preparation

(A) Copyists - Regular

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Parts</b>			
Single Line	\$ 4.04	\$ 4.12	\$ 4.20
Single line, transposed	6.06	6.18	6.30
Divisi or chorded	6.06	6.18	6.30
Divisi or chorded transposed	9.09	9.27	9.45

(continued)



(continued)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Keyboard</b>			
Harp, organ, guitar, piano, etc.	\$ 6.92	\$ 7.06	\$ 7.20
Plus melody (vocal) cue	10.30	10.51	10.72
Plus orchestral cues - separate staves	10.94	11.16	11.38
Two stave with orchestral cues	11.68	11.91	12.15
<b>Adding Chord Symbols</b>			
Single stave	\$ 1.29	\$ 1.32	\$ 1.35
Multistave	1.29	1.32	1.35
<b>Adding Electronic Symbols</b>			
Single stave	\$ 1.66	\$ 1.69	\$ 1.72
Multistave	0.90	0.92	0.94
<b>Vocal</b>			
Choir - 1 set lyrics	\$ 7.72	\$ 7.87	\$ 8.03
Lead sheet - 1 set lyrics	6.98	7.12	7.26
Song copy - 3 stave 1 set lyrics	8.51	8.68	8.85
Additional lyrics - per set (English)	1.02	1.04	1.06
Additional lyrics - per set (Foreign)	1.31	1.34	1.37
Single voice line with one set lyrics	5.72	5.83	5.95
<b>Conductor Parts</b>			
Lead line only - with worded cues	\$ 6.92	\$ 7.06	\$ 7.20
Lead line with notated instrumental cues	9.03	9.21	9.39
Harmonically complete from sketch	10.82	11.04	11.26
Harmonically complete from score	12.67	12.92	13.18
Adding bar numbers	0.65	0.66	0.67

(B) Copyists - Dup

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Parts</b>			
Single Line	\$ 8.08	\$ 8.24	\$ 8.40
Single line, transposed	12.12	12.36	12.60
Divisi or chorded	12.12	12.36	12.60
Divisi or chorded transposed	18.18	18.54	18.90
<b>Keyboard</b>			
Harp, organ, guitar, piano, etc.	\$ 13.84	\$ 14.12	\$ 14.40
Plus melody (vocal) cue	20.60	21.02	21.44
Plus orchestral cues - separate staves	21.88	22.32	22.76
Two stave with orchestral cues	23.36	23.82	24.30

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Adding Chord Symbols</b>			
Single stave	\$ 2.58	\$ 2.64	\$ 2.70
Multistave	2.58	2.64	2.70
<b>Adding Electronic Symbols</b>			
Single stave	\$ 3.32	\$ 3.38	\$ 3.44
Multistave	1.80	1.84	1.88
<b>Vocal</b>			
Choir - 1 set lyrics	\$ 15.44	\$ 15.74	\$ 16.06
Lead sheet - 1 set lyrics	13.96	14.24	14.52
Song copy - 3 stave 1 set lyrics	17.02	17.36	17.70
Additional lyrics - per set (English)	2.04	2.08	2.12
Additional lyrics - per set (Foreign)	2.62	2.68	2.74
Single voice line with one set lyrics	11.44	11.66	11.90
<b>Master Rhythm</b>	\$ 20.59	\$ 21.00	\$ 21.42
<b>Conductor Parts</b>			
Lead line only - with worded cues	\$ 13.84	\$ 14.12	\$ 14.40
Lead line with notated instrumental cues	18.06	18.42	18.78
Harmonically complete from sketch	21.64	22.08	22.52
Harmonically complete from score	25.34	25.84	26.36
Adding bar numbers	1.30	1.32	1.34

(iv)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Librarian</b>			
Non-playing/playing over 8 hours	\$ 186.36	\$ 190.09	\$ 193.89
Overtime per ½ hour	17.48	17.82	18.18

(v)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Proofreading, per hour, no minimum</b>	\$ 26.07	\$ 26.59	\$ 27.12

(vi)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Minimum Call (Copyist)</b>	\$ 72.21	\$ 73.65	\$ 75.12

(vii)

	4/5/15- 4/2/16	4/3/16- 4/1/17	4/2/17- 4/4/18
<b>Sound Consultant (per hour)</b>	\$ 50.67	\$ 51.68	\$ 52.71
<b>Time Rate (per hour)</b>	18.96	19.34	19.73
<b>H&amp;W (1 hour of contribution for each earned)</b>	13.98	14.26	14.55

(3) Pension Contributions

Pension contributions shall be made in accordance with Paragraph 3 of this Agreement.

(4) Vacations

Paragraph 8, "Vacation Pay," does not apply to amounts earned under this Paragraph 63.

(5) Initial Release

All motion pictures produced under this Paragraph 63 shall be treated as having their initial release in theatrical exhibition.

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

By: \_\_\_\_\_  
Carol A. Lombardini, President Date

**AMERICAN FEDERATION OF MUSICIANS OF THE UNITED STATES AND CANADA**

By: \_\_\_\_\_  
Ray Hair, President Date

**FILM MUSICIANS**  
**SECONDARY MARKETS FUND AGREEMENT**

**THIS AGREEMENT** is made as of the 16th day of February, 2002, and amended as of August 14, 2005, April 14, 2010 and April 5, 2015 by and between the Alliance of Motion Picture and Television Producers, Inc., for and on behalf of the companies named herein, and such other of its member companies as shall hereafter agree to contribute to the fund referred to hereafter (individually called "Producer" and collectively called "Producers"), the undersigned administrator ("Administrator") of the Film Musicians Secondary Markets Fund ("Secondary Markets Fund"), and the American Federation of Musicians of the United States and Canada ("Federation").

**W I T N E S S E T H:**

A. Heretofore, the Association of Motion Picture and Television Producers, Inc. (the "Association"), as agent for certain of the "Producers," executed and delivered a "Special Payments Agreement" (the "1972 Special Payments Fund Agreement") pursuant to its undertaking so to do as provided in the AFM Basic Television and Motion Picture Agreement of 1972 and the AFM Basic Television Film Agreement of 1972.

B. It is the intention of the parties hereto to enter into an agreement which, as to such parties, continues the arrangement provided for in the 1972 Special Payments Fund Agreement and which contains the same terms and conditions as are in such 1972 Special Payments Fund Agreement, but renames the Fund as the "Film Musicians Secondary Markets Fund."

C. It is the intention of the parties hereto to facilitate the interests of the Producers and the musicians (which together constitute the "motion picture industry," as used in Paragraph 2(a) of the Agreement), by authorizing the Fund to promote the interests of the motion picture industry by assisting motion picture professionals and others interested in fostering the motion picture industry, and by assisting the Producers and the Federation in addressing challenges to the development of the motion picture industry.

D. Each Producer, by its duly authorized agent, the Alliance of Motion Picture and Television Producers, Inc., has executed and delivered this Agreement pursuant to its undertaking so to do as provided by AFM Basic Theatrical Motion Picture Agreement of 2015 (the “Basic Theatrical Agreement”) and AFM Basic Television Motion Picture Agreement of 2015 (the “Basic Television Agreement”), simultaneously herewith entered into by the Federation.

E. Each Producer by executing and delivering this Agreement assumes the duties and obligations to be performed and undertaken by each such Producer hereunder. The Administrator has been designated collectively by the Producers, who have requested it to assume and perform the duties of the Administrator hereunder and it is willing to do so in the manner prescribed herein.

**NOW, THEREFORE**, in consideration of the promises, of the mutual covenants herein contained, of the undertakings assumed by each Producer, and of the undertakings assumed herein by the Administrator at the request of the Producers, it is agreed as follows:

1. (a) There are incorporated herein and made a part hereof, as though fully set forth herein, Articles 15 and 16 of the Basic Theatrical Agreement and Article 14 of the Basic Television Agreement (the “Operative Articles”).

(b) Subject to Paragraph 2(c) hereof, each Producer shall make payments to the Administrator called for in the Operative Articles.

(c) Each Producer, on or before sixty (60) days after the end of the calendar quarter, will pay to the Administrator such portion of the aforesaid payments as may have accrued pursuant to the terms of the Operative Articles during the preceding calendar quarter. Each payment hereunder shall be accompanied by reports required by the Operative Articles. A Producer who is delinquent in any payment hereunder for more than sixty (60) days after written notice from the Secondary Markets Fund shall pay both the amount due and liquidated damages in the amount of ten percent (10%) per annum (.833% per month), calculated from the date of delinquency.

The foregoing provision shall not apply in the following circumstances:

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

(ii) in the case of underpayments caused by the omission of one (1) or more musicians from the B Form or OMR;

(iii) in the event of a *bona fide* dispute between the Producer and the Federation and/or the Secondary Markets Fund as to whether, or the extent to which, payments are owed to the Secondary Markets Fund. In such event, there will be no late payment charges during the pendency of the dispute provided that the Producer pays the undisputed amount on time.

(d) All payments and supporting documentation and any other communications from each Producer to the Administrator shall be sent to the Administrator at its office located at 15910 Ventura Blvd., Suite 900, Encino, California 91436.

2. (a) The Administrator accepts the duties hereby assigned to it and shall establish the proper administrative machinery and processes necessary for the performance of its duties hereunder. The Administrator shall serve as a resource for motion picture professionals and others interested in fostering the motion picture industry, and shall assist the Producers and the AFM in addressing various challenges to the motion picture industry.

The Administrator each year shall, as soon as practicable after the end of the Secondary Markets Fund's fiscal year (March 31st) distribute the musicians' share of the Secondary Markets Fund (as defined in the Operative Articles). Each participating musician shall receive such amounts as are designated as payable to him/her in the Operative Articles and, in determining said amount, the Administrator shall determine that part of the musicians' share of the Secondary Markets Fund allocable to each theatrical motion picture covered by the Operative Articles.

Contemporaneously with the distribution of the musicians' share of the Secondary Markets Fund under Section 2(a) hereof, the Administrator shall provide to the Federation the identity of each musician to whom, or on whose behalf, a distribution was made together with all other information that the Administrator provided to the musician (including but not limited to the gross and net amount of the distribution, the title of each theatrical motion picture upon which such distribution was based and the amount of distribution attributable to each such theatrical motion picture).

In the event of the death of a musician entitled to a distributive share hereunder, the Administrator shall distribute such share to the beneficiary designated by such musician on a form provided by the Administrator for such purpose or, if no such beneficiary be so designated, then to the surviving spouse of such musician; or if there be no such person, to the musician's estate.

(b) The Producers, individually and collectively, hereby irrevocably designate the Administrator as their agent to pay from the Producers' share of the Secondary Markets Fund any Social Security tax, federal and/or state unemployment insurance tax, other employment taxes, disability insurance premiums, and/or worker's compensation premiums, which may be owing by the Producer individually and/or collectively, as employer or employers, with respect to the distribution of the musicians' share of the Secondary Markets Fund.

(c) Notwithstanding any other provision of this Agreement to the contrary, the Administrator shall refund to each Producer that part of the Producer's payment to the Secondary Markets Fund representing a part or all of said Producer's portion of the total employer taxes and insurance premiums which may be payable under the Operative Articles and this Agreement with respect to the distribution of the musicians' share of the Secondary Markets Fund, which the Producer, at the time it makes its annual payment to the Secondary Markets Fund, may request be refunded to it, or which must be paid by the Producer, and not the Secondary Markets Fund, to the relevant government agency or authority pursuant to any law, rule, regulation, ruling or other communication of any government agency or authority. Any such refund, and all reports, returns, information or other material, completed in proper form for reporting or filing, which is necessary for payment, and reporting or filing with respect thereto, of any such employer taxes or insurance premiums to the relevant government agency or authority by each Producer shall be transmitted to each Producer by the Administrator so as to enable the Producer to timely, accurately and

completely make such payments and reports or filings. If a refund is made to a Producer under this Paragraph 2(c), the Administrator shall not be responsible for payment of said Producer's employer taxes or insurance premiums payable under the Operative Articles and this Agreement with regard to the distribution of the musicians' share of the Secondary Markets Fund with respect to which the refund is made. Should any government agency or authority require information, returns, reports or other material in regard to employer taxes or insurance premiums payable with respect to any distribution of the musicians' share of the Secondary Markets Fund to be filed or reported by any Producer, rather than the Secondary Markets Fund, (even though payment of such employer taxes or insurance premiums is made by the Secondary Markets Fund), or should any Producer request that it, rather than the Secondary Markets Fund, file or report such information, returns, reports or other material, the Administrator shall transmit to the Producer all such reports, returns, information or other material, completed in proper form for reporting or filing, so as to enable the Producer to make such filing or reporting timely, completely and accurately.

For purposes of this Paragraph 2(c), the term "Producer" shall include any party which has undertaken, pursuant to the Operative Articles, a Producer's obligation to make payments to the Secondary Markets Fund and any other party which has acted as agent on behalf of a Producer with respect to payment to the Secondary Markets Fund.

(d) The Federation has agreed to furnish to the Administrator, and to cause its local unions to furnish to the Administrator, all data in the possession or subject to the control thereof which is necessary and proper to assist in the orderly and accurate distribution to musicians as provided herein, and to request the Trustees of the American Federation of Musicians and Employers Pension Fund to do likewise upon reimbursement of all costs reasonably incurred thereby in so doing.

(e) The Administrator shall indemnify and hold the Producers harmless out of the Secondary Markets Fund against any liability for making any of the payments to the musicians under Paragraph 2(a) hereof or any payments of employment taxes and insurance premiums which may be required to be made by the Administrator under Paragraph 2(c) hereof, it being the express intent of the parties that all such payments are to be made out of the Secondary Markets Fund with no further cost or expense of any kind whatsoever to



the Producers. Without limitation of the foregoing, the Administrator also shall obtain insurance coverage satisfactory to the Producers and to the Federation to guarantee the full and faithful performance of its duties as herein described.

(f) In making distribution to musicians hereunder, the Administrator shall clearly and legibly display the following legend on all checks, vouchers, letters or documents of transmittal: “This is a special payment to you by the Motion Picture and Television Producers who are operating under the AFM Basic Theatrical Motion Picture Agreement, as amended, negotiated by the American Federation of Musicians,” and/or “This is a special payment to you by the Motion Picture and Television Producers who are operating under the AFM Basic Television Motion Picture Agreement negotiated by the American Federation of Musicians.”

(g) If a musician for whom a distributive share has been set apart cannot be found or if payment under this Agreement has been tendered but is not completed after efforts which the Administrator deems reasonable, the Administrator shall add such share (“unclaimed share”) to a reserve account and hold the same pending receipt of claim until the end of the third fiscal year after the date on which such share was first payable. Thereafter, the unclaimed share shall be redeposited in the musicians’ share of the Secondary Markets Fund as defined in the Operative Articles for distribution as provided in Paragraph 2(a). If, subsequent to the redeposit of such unclaimed share, the musician asserts a valid claim with respect to such unclaimed amount, the Administrator shall pay such claim (“Past-Year’s Claim”) and such payment shall be deemed an expense of the Secondary Markets Fund.

(h) Any payments otherwise due to musicians which shall be less than fifty dollars (\$50.00) in the aggregate shall be regarded as “de minimis” (“de minimis amounts”) and shall be added to a reserve account. However, for musicians who elect to “go paperless” by receiving communications from the Secondary Markets Fund electronically and distributions from the Secondary Markets Fund via direct deposit, any payments less than ten dollars (\$10.00) in the aggregate otherwise due to such musicians shall be regarded as “de minimis.” Provided that, when the de minimis amount(s) so deposited to a musician’s credit, when added to any current distribution due such musician, equals or exceeds the sum of ten dollars (\$10.00) or fifty dollars (\$50.00), as applicable, said de minimis amount(s) shall be added to such current distribution and paid to such musician.

(i) If, for any reason, payments are made to any person from the Fund in excess of the amount that is due and payable to that person, the Administrator shall have full authority, in his/her sole and absolute discretion, to recover the amount of any overpayment (plus interest and costs). That authority shall include, but shall not be limited to: (i) the right to reduce benefits payable in the future to the person who received the overpayment; (ii) the right to reduce benefits payable to a surviving spouse or other beneficiary who is, or may become, entitled to receive payments following the death of that person; and/or (iii) the right to initiate a lawsuit or take such other legal action as may be necessary to recover any overpayment (plus interest and costs).

(j) Notwithstanding any other provision of this Agreement, the Administrator may implement a program under which a participating musician entitled to a distribution pursuant to the terms of this Secondary Markets Fund Agreement who is also a participant in the Flex Plan may elect to reduce his or her distribution by a specified amount, which amount shall instead be paid on the musician's behalf to the Flex Plan on a pre-tax basis.

3. (a) In the event that any Producer shall default in the payment of any sums to the Administrator when the same shall become due pursuant to this Agreement, the Administrator shall have the duty, right and power forthwith to commence action or to take any other proceedings as shall be necessary for the collection thereof, including the power and authority to compromise and settle with the Federation's consent. The Administrator's reasonable expenses, attorneys' fees and other disbursements incurred in the collection of any overdue sums shall be paid to the Administrator by the Producers so defaulting and such payment shall be added to the Secondary Markets Fund.

(b) Nothing contained herein shall create any cause of action in favor of any musician as defined in the Basic Theatrical Agreement or in the Basic Television Agreement against any Producer, but the Federation may enforce distribution of the musicians' share of the Secondary Markets Fund on behalf of the individual musicians.

(c) The Administrator shall deposit all money and property received by it, with or without interest, with any bank or trust company, insured by the Federal Deposit Insurance Corporation and having capital, surplus and undivided profits exceeding Five Million Dollars (\$5,000,000); provided, however, that in the event that Canadian dollars are receivable by the Administrator and it is not feasible or desirable to convert such Canadian dollars into United States funds, such Canadian

funds and any securities purchased therewith may be deposited in the Chartered Bank of the Dominion of Canada, anything herein to the contrary notwithstanding. The Administrator shall invest and re-invest all money and property received by it in accordance with a statement of investment policy prepared by the Fund's investment consultant and approved by the Oversight Committee, and in accordance with the provisions of Paragraph 3(d) below. Such investments may be made without regard to the proportion which any such investment or investments may bear to the entire amount of the Secondary Markets Fund and to sell, exchange and otherwise deal with such investments as to the Administrator may seem desirable.

(d) In connection with the collection of any sums due to it hereunder, the Administrator may consent to and participate in any composition of creditors, bankruptcy, reorganization or similar proceedings, and in the event that, as a result thereof, the Administrator shall become the holder of assets other than money, obligations to pay money conditioned only as to the time of payment, or property of the class specified in Paragraph 3(c) hereof (which assets are in this subsection (d) called "property"), the Administrator may consent to and participate in any plan of reorganization, consolidation, merger, combination, or other similar plan, and consent to any contract, lease, mortgage, purchase, sale or other action by any corporation pursuant to such plan and accept any property which might be received by the Administrator under any such plan, whether or not such property is of the class in which the Administrator, by Paragraph 3(c) hereof, is authorized to invest the Secondary Markets Fund; the Administrator may deposit any such property with any protective, reorganization or similar committee, delegate discretionary power thereto, and pay part of its expenses and compensation and any assessment levied with respect to such property; the Administrator may exercise all conversion, subscription, voting and other rights of whatsoever nature pertaining to any such property, and grant proxies, discretionary or otherwise, in respect thereof and accept any property which may be acquired by the Administrator by the exercise of any such rights, whether or not such property is of the class in which the Administrator, by Paragraph 3(c) hereof, is authorized to invest the Secondary Markets Fund. Anything to the contrary contained in this Paragraph 3(d) notwithstanding, the Administrator shall reasonably endeavor to dispose of any such property in order that the Secondary Markets Fund, to the fullest extent possible, at all times shall be comprised as specified in Paragraph 3(c) hereof.

(e) Parties dealing with the Administrator shall not be required to look to the application of any monies paid to the Administrator.

(f) Provided that the Administrator exercises due diligence and the highest standard of professional conduct in performing duties for the Secondary Markets Fund, the Administrator will not be liable for any loss or damage resulting from anything done or omitted in good faith, nor shall the Administrator be subject to any personal liability for monies received and expended in accordance with the provisions of this Agreement. The Secondary Markets Fund will secure any insurance coverage which may be necessary or advisable by virtue of this subparagraph (f).

(g) The fiscal year of the Secondary Markets Fund shall be the twelve month period from April 1 to the next March 31. Within ninety (90) days after the end of each fiscal year, the Administrator shall furnish a statement for such fiscal year of its operations to each Producer hereto making payments to the Administrator and to the Federation. Such statements shall set forth in detail the properties and monies on hand and the operations of the Administrator during the immediately preceding fiscal year, including without limiting the details of any compromise or settlement made by the Administrator with any Producer, and such other information and data as shall be appropriate to inform fully the recipients of such statements and shall be certified by an independent certified public accountant.

(h) The Administrator, at all times without limitation to the duration of this Agreement, shall keep full and accurate records and accounts concerning all transactions involving the receipt and expenditure of monies hereunder and the investment and reinvestment thereof, all in convenient form and pursuant to approved and recognized accounting practices. Each Producer and the Federation shall have the right from time to time, without limitation to the duration of this Agreement, and at all reasonable times during business hours, to have their respective duly authorized agents examine and audit the Administrator's records and accounts for the purpose of verifying any statements and payments made by the Administrator pursuant to this Agreement, during a period not exceeding two (2) years preceding such examination. The Administrator shall afford all necessary facilities to such authorized agents to make such examination and audit and to make extracts and excerpts from said records and accounts as may be necessary or proper according to approved and recognized accounting practices.

(i) No musician shall have any right to assign all or any portion of the payments to which such musician shall become entitled hereunder, and any attempted assignment of all or any portion of such payments shall be null and void and of no legal effect; provided, however, that the Administrator shall recognize and honor lawful assignments to the Federation of a portion of the payments to which any musician shall become entitled hereunder.

4. (a) The Oversight Committee (“Committee”) will consist of one (1) or more Producer representatives (but not exceeding three (3) such representatives) appointed by the AMPTP. A representative or representatives of the AFM (but not exceeding three (3) such representatives) appointed by the AFM President shall serve as liaison(s) to the Committee and may attend all Committee meetings on a non-voting basis and review all written materials provided by the Secondary Markets Fund to the Committee that are not subject to a confidentiality agreement. Materials that are subject to a confidentiality agreement shall be available for review by only one liaison designated for that purpose by the AFM President, upon request of such liaison. Confidential materials so provided shall not be copied and shall be returned to the Secondary Markets Fund when any issues pertaining to such materials have been resolved.

The Committee will meet at periodic intervals at least annually. The Secondary Markets Fund shall pay for all reasonable expenses incurred by the Committee members and the AFM liaison(s) in carrying out the Committee’s activities.

The Committee members and the AFM liaison(s) will be covered by any necessary or advisable liability insurance policy, which will be paid for by the Secondary Markets Fund.

(b) The AMPTP will have the right to replace any Producer representative(s) on the Committee by written notice to the Administrator and to the President of the AFM, and the AFM President will have the right to replace any AFM liaison(s) to the Committee by written notice to the Administrator and to the President of the AMPTP.

5. (a) The annual budget for the costs associated with the operation of the Secondary Markets Fund, including the compensation of the Administrator,\* shall be approved by the Committee after

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\* Note that the compensation of the Administrator shall be established by majority vote of a Committee consisting of three members appointed by the President of the Federation and three members appointed by the AMPTP.

consultation with the AFM liaison(s). Such approval may be withheld only if the Committee reasonably determines that the budgeted amounts with which the Committee disagrees do not in a cost-effective manner further the purposes for which the Secondary Markets Fund is maintained.

(b) The manner in which the collection and audit program are functioning will be reviewed by the Committee. Contribution and audit reports may be reviewed by the Oversight Committee and AFM liaison(s) upon their request solely for the purpose of evaluating the collection and audit program, subject to the following: (i) the members of the Committee shall be bound by any confidentiality agreements applicable to such contribution and audit reports; (ii) to the extent that such contribution and audit reports are subject to a confidentiality agreement, the Secondary Markets Fund shall make them available for review only to the AFM liaison so designated for that purpose in accordance with the provisions of Paragraph 4(a) above; and (iii) if a Producer representative of the Oversight Committee is an employee of a contributing employer, such representative may review any collection or audit reports, including those relating to contributing employers other than such representative's own employer, but only to the extent such reports do not contain confidential information with respect to such other contributing employers. Any issues as to whether information should be disclosed to such Producer representative pursuant to this subparagraph 5(b)(iii) shall be submitted to an AMPTP representative for review and advice.

6. (a) The Administrator shall be subject to removal by the Committee after consultation with the AFM liaison(s).

(b) No Administrator or member of the Committee under this Agreement shall be a representative of labor, or of any union, or of employees within the meaning of Section 302(b) of the Labor Management Relations Act, 1947.

7. Any person, firm, corporation, association or other entity may apply to become an additional Producer to this Agreement by executing and delivering to the Administrator three (3) counterparts of Schedule 1 hereto attached. The Administrator shall indicate acceptance of such application by appropriately completing such application, executing three (3) counterparts, and delivering one (1) such counterpart to such additional Producer at the Administrator's office in Encino, California and one (1) such counterpart to the Federation. The Administrator shall

forthwith advise the Federation of the execution and delivery of such agreement, and regularly advise all other Producers thereof.

8. Upon termination of the Fund, all assets not distributed in accordance with Paragraph 2(a) will be used to defray administrative expenses of the Fund, and thereafter will be transferred to another trust or organization having a purpose similar to the Fund, provided that under no circumstances may any of the Fund assets inure to the benefit of any Producer or the Federation. In the event that no other trust or organization having a purpose similar to the Trust's can be identified, any remaining fund assets shall be transferred to a tax-exempt charitable organization operating in the State of California, to be selected by the Oversight Committee.

9. This Agreement shall be governed, construed and regulated in all respects by the laws of the State of California; however, New York law shall continue to apply with respect to matters relating to audit reports issued by the Secondary Markets Fund before February 16, 2002.

**IN WITNESS WHEREOF**, each Producer, by the Alliance, the Administrator and the Federation have hereunto set their respective names and seals, or have caused these presents to be executed by a duly authorized officer or officers thereof and their corporate seals affixed thereto as of the date set forth below.

**FOR THE ALLIANCE OF MOTION PICTURE AND  
TELEVISION PRODUCERS ON BEHALF OF "PRODUCER"  
PARTIES NAMED HEREIN**

By: \_\_\_\_\_  
Carol A. Lombardini Date  
President, AMPTP

**AMERICAN FEDERATION OF MUSICIANS OF THE UNITED  
STATES AND CANADA**

By: \_\_\_\_\_  
Ray Hair Date  
President

DECLARATION REGARDING INCOME TAX WITHHOLDING

Musicians Employed by the Day

I, \_\_\_\_\_  
declare:  
(Your Name)

1. That \_\_\_\_\_ is the only employer for whom I am working during the calendar week commencing on \_\_\_\_\_, 20\_\_\_\_.

2. That should I hereafter secure additional employment for wages during said calendar week, I will notify the above-named employer of said fact within ten (10) days after the beginning of said additional employment.

3. That it is my desire to have my federal income taxes withheld on a weekly rather than daily schedule pursuant to Internal Revenue Service Tax Regulation Section 31.3402(c)-1.

I declare under penalty of perjury that the foregoing is true and correct.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Signature



EXHIBIT C

PAYMENT OPTIONS FOR SOUND TRACK RECORDS USING SOUND TRACK RECORDED UNDER ANY THEATRICAL MOTION PICTURE AGREEMENT

The sole purpose of this chart is to summarize the provisions of the Agreement. To the extent that any of the information contained in this chart is inconsistent with any provision of the Agreement, the provision of the Agreement will govern.

	<b>DEFAULT Article 8(b)</b>	<b>OPTION 1 Article 8E</b>	<b>OPTION 2 Article 8D</b>	<b>OPTION 3 Article 8C(a) and (b)</b>	<b>OPTION 4 Article 8C(c)</b>	<b>OPTION 5 Article 8F</b>
<b>TYPE OF RELEASE</b>	Any sound track record	Any sound track record or digital download released in connection with a theatrical motion picture if: ◆ Required musician/AFM credits included with physical sound track record (or posted or downloadable in the case of a digital download); and ◆ AFM receives 75 CDs (or 25 “white label” CDs if released only in digital format)	Any sound track record released in connection with a theatrical motion picture (unless record includes music scored in Canada) if: ◆ Required musician/AFM credits included with physical sound track; and ◆ AFM receives 75 CDs	Any sound track record released in connection with a theatrical motion picture	Any soundtrack record released in connection with the theatrical motion picture that uses 7-1/2 minutes or less of the sound track from the motion picture or TV film	Singles released on and after April 14, 2010 in connection with a theatrical motion picture other than as a part of a sound track album
<b>PAYMENTS DUE ON RELEASE</b>	100% of SRLA wages (15% discount may apply: see box below)	No payments due at release, but Form B contract reflecting payment at 50% of SRLA wages must be provided to the AFM upon release.	25% of SRLA wages  (15% discount may apply: see box below)	50% of SRLA wages  (15% discount may apply: see box below)	Scale wages that would be payable if the recording were made under the "special session scale" provisions of the SRLA in effect when the sound recording is released	
<b>DEFERRED PAYMENTS BASED ON UNITS RELEASED</b>		◆ 50% of SRLA wages once sales reach 15,000 units* (15% discount may apply – see box below) ◆ 50% of SRLA wages once sales reach 50,000 units* (15% discount may apply – see box below) ◆ 20% of SRLA wages once sales reach 100,000 units* (15% discount may apply – see box below)  *Individually downloaded recordings (i.e. single tracks from an entire sound track album) = 1/12 unit	◆ 25% of SRLA wages once sales exceed 25,000 units ◆ 50% of SRLA wages once sales exceed 50,000 units ◆ 20% of SRLA wages once sales exceed 100,000 units	◆ 50% of SRLA wages once net sales exceed 50,000 units ◆ 20% of SRLA wages once net sales exceed 100,000 units unless: ⇒ Required musician/AFM credits included with physical sound track record; and ⇒ AFM receives 75 CDs	N/A	◆ 50% of SRLA wages once sales exceed 200,000 units ◆ 50% of SRLA wages once sales exceed 380,000 units ◆ 20% of SRLA wages once sales exceed 450,000 units

- ◆ SRLA wages = scale wages under “basic scale” provisions of Sound Recording Labor Agreement (“SRLA”) in effect when sound track record is released
- ◆ Pension contributions also due on all payments
- ◆ Producer may apply a 15% discount to payments under the Default Provision or Option 1 (or to the first payment under Options 2 or 3) if:
  - ⇒ the sound track record is a physical release (or a digital release under Option 1)
  - ⇒ the sound track record uses 40 (45 in the case of Option 3) minutes or more of music originally recorded for the picture, and
  - ⇒ the sound track record utilizes 75 (80 in the case of Option 3) or more musicians (excluding orchestrators and music prep), and
  - ⇒ required musician/AFM credits included with physical sound track record (or posted or downloadable in the case of a digital download under Option 1)

**SUPPLEMENTAL AGREEMENT BETWEEN  
AMERICAN FEDERATION OF MUSICIANS AND  
EMPLOYERS LISTED IN ATTACHMENT #1**

This Supplemental Agreement between the American Federation of Musicians (“Union”) and the Employers listed in Attachment #1 (“Employers”) supplements the parties’ collective bargaining agreement (the “CBA”) dated April 5, 2015.

Employer will contribute to the American Federation of Musicians and Employers’ Pension Fund (the "Fund") in accordance with the contribution schedule of the rehabilitation plan adopted by the Board of Trustees of the Fund on April 15, 2010 (the “2010 Rehabilitation Plan”), which is incorporated by reference in this Supplemental Agreement. Specifically, the Employer’s contribution rate under the CBA will be set at eleven and ninety-nine one-hundredths percent (11.99%) of all wages earned, computed at scale, under Paragraphs 61, 62 and 63 of the Basic Theatrical Motion Picture and Basic Television Motion Picture Agreements and at ten and nine-tenths percent (10.9%) of all wages earned, computed at scale, under all other provisions of those Agreements.

The rates set forth in this Supplemental Agreement will be discontinued immediately and will revert to the rates in effect on May 31, 2010 (the "Non-Supplemental Agreement Rates") when both of the following events have occurred: (i) rates higher than the Non-Supplemental Agreement Rates are no longer required by the rehabilitation plan of the American Federation of Musicians and Employers' Pension Fund and (ii) the American Federation of Musicians and Employers' Pension Fund repeals in full its procedure that provides that an employer and collective bargaining agreement is not acceptable to the Board of Trustees of such Fund in the event of a reduction in the rate of contributions.

All remaining provisions of the CBA remain in effect to the extent they are consistent with the 2010 Rehabilitation Plan.

AGREED TO this 5<sup>th</sup> day of April, 2015,

\_\_\_\_\_  
On behalf of the Employers  
listed in Attachment #1

\_\_\_\_\_  
On behalf of the American Federation  
of Musicians

EXHIBIT “D”

## ATTACHMENT #1

### **American Federation of Musicians Basic Theatrical Motion Picture Agreement:**

BTW Productions, Inc.  
Cast & Crew Talent Services, LLC  
Columbia Pictures Industries, Inc.  
EPSG Talent Services  
Film Payment Services, Inc.  
J-Mac Music, Inc.  
Metro-Goldwyn-Mayer Pictures Inc.  
Monarch Consulting, Inc. dba PAEINC  
Paramount Pictures Corporation  
Sabron, Inc.  
Savant Productions, Inc.  
Twentieth Century Fox Film Corporation  
Universal City Studios LLLP  
Walt Disney Pictures  
Warner Bros. Pictures

### **American Federation of Musicians Basic Television Motion Picture Agreement:**

ABC Studios  
Ald Productions, Inc.  
Cast & Crew Talent Services, LLC  
CBS Studios Inc.  
CPT Holdings, Inc.  
EPSG Talent Services  
Film Payment Services, Inc.  
J-Mac Music, Inc.  
MGM Television Entertainment Inc.  
Monarch Consulting, Inc. dba PAEINC  
New Liberty Productions, Inc.  
Paramount Pictures Corporation  
Sabron, Inc.  
Savant Productions, Inc.  
Twentieth Century Fox Film Corporation  
Universal Network Television LLC  
Walt Disney Pictures  
Warner Bros. Television

EXHIBIT "D"

May 13, 1992  
Revised as of March 23, 1994

Steve Young  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Re: Due Dates for Payments to Musicians Pursuant to Sound  
Track Records Released in Connection with Motion Pictures

Dear Steve:

The purpose of this letter is to confirm the agreement reached between the parties during the course of the Joint Industry-Federation Cooperative Committee meetings held on April 21-22, 1992 and August 18-19, 1993. The parties have agreed that Article 8C.(1) of the Basic Theatrical Motion Picture Agreement and Article 8C.(1) of the Television Film Agreement shall be interpreted and applied as follows:

If a Producer elects to compensate musicians who rendered services with respect to any sound track record released in connection with any theatrical motion picture and/or television film pursuant to the provisions of Article 8C.(1) through (3), then the phrase “[u]pon release of the record” in subparagraph (1) shall mean that the payment will be made no later than 45 days after the “street date” and, further, that the Producer will exert all reasonable efforts to cause the phonograph record companies to make payments to the musicians within thirty (30) days after “street date.” Additionally, if the Federation obtains, in direct negotiations with the phonograph record companies, a commitment from those companies to make payments in less than thirty (30) days, that time limitation shall apply with respect to the payments due under subparagraph (1) referred to above.

Sincerely,

J. Nicholas Counter III

AGREED TO:

---

Steve Young  
President, AFM

As of May 13, 1992  
Revised as of February 16, 2002

Thomas F. Lee  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Re: Side Letter Agreement -- "Participating Musicians"

Dear Tom:

This will confirm the agreement of the parties with respect to the distribution to musicians of the payments made pursuant to Articles 15 and 16 of the Basic Theatrical Motion Picture Agreement. It is understood that, for purposes of distributing the musicians' share of the Secondary Markets Fund, the term "participating musician" shall include musicians to whom a new use payment is due under Article 8B. of the Theatrical Motion Picture Agreement, as evidenced by the Form B report for the live session.

Sincerely,

J. Nicholas Counter III

AGREED TO:

---

Thomas J. Lee  
President, AFM

As of February 19, 1993

Mark Tully Massagli  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Dear Mark:

During the 1993 negotiations between the AFM and the Employers represented by the AMPTP, the parties agreed that the report form to the Special Payments Fund would contain certain information. Among other things, the parties agreed that the production number of the motion picture and the name of the production entity would, if available, be included in the report form.

As to those Employers represented by the AMPTP, it is understood that such information shall be considered available only if it is contained in the system which generates the Special Payments Fund report.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

---

Mark Tully Massagli

As of February 19, 1993

Mark Tully Massagli  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Dear Mark:

During the course of the 1993 negotiations for the Basic Television and Basic Theatrical Motion Picture Agreements, the AFM expressed its concern that allowing documentary programs to fall under the “news” use provision of Article 8A.(a) of the Agreements may result in reuses of music sound track not intended by the parties.

To that extent, the Producers have agreed that, with respect to documentary programs, in order to meet the “news” use requirements of Article 8A.(a), the reuse of music from a motion picture sound track must accompany the footage for which such music was originally recorded.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

---

Mark Tully Massagli



As of February 19, 1993

Mark Tully Massagli  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Dear Mark:

During the course of the 1993 negotiations for the Basic Television Film Agreement and the Basic Theatrical Motion Picture Agreements, the parties agreed to change the language in the form "Buyer's Assumption Agreement" which appears in the "Supplemental Markets" and "Post '60 Theatrical Motion Pictures" provisions of those Agreements.

This letter will reaffirm that our mutual intention in making those modifications was to confirm the parties' longstanding, mutually agreed-upon interpretation of those provisions.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

---

Mark Tully Massagli

As of February 19, 1987

J. Martin Emerson  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Dear Martin:

If, during the term of this Agreement, the Producers negotiate modifications of the Supplemental Markets provisions of the Directors Guild of America Basic Agreement, the Writers Guild of America Theatrical and Television Basic Agreement and the Producer-Screen Actors Guild Codified Basic Agreement, then the Producers may, upon thirty (30) days written notice to the Federation, reopen the Supplemental Markets provisions of the AFM Basic Film Television Agreement and the AFM Basic Theatrical Motion Picture Agreement.

Sincerely,

J. Nicholas Counter III

JNC:sjk

ACCEPTED AND AGREED:

---

J. Martin Emerson

As of March 23, 1994

Steve Young  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

**Re: Pro Rata Formula for Post '60s and Supplemental Markets  
Payments when Scoring Takes Place Partly in the U.S. and/or  
Canada and Partly Outside the U.S. and Canada**

Dear Steve:

This will confirm that the formula for determining percentage payments into the Special Payments Fund, as set forth in Article 15(b)(i)(6) and Article 16(b)(i)(5) of the AFM Basic Theatrical Motion Picture Agreement of 1996, shall also apply in the following circumstances:

Post '60s and/or Supplemental Markets payments which were due for any motion picture prior to May 1, 1992 may be prorated in accordance with the formula set forth in the above-mentioned Articles, provided that such picture satisfies the criteria for prorating set forth therein and, provided further, that such payments had not, prior to the effective date of this letter agreement, been remitted to the Special Payments Fund at the full one percent (1%) rate. (Post '60s and/or Supplemental Markets payments which were due for a motion picture prior to May 1, 1992 may not be prorated, even if the picture satisfies the criteria for proration, if such payments had been remitted to the Special Payments Fund at the full one percent (1%) rate.)

The Producer may also prorate Post '60s and/or Supplemental Markets payments due after May 1, 1992 on any motion picture in accordance with the formula set forth in the above-mentioned Articles with respect to a motion picture which meets the criteria for proration set forth in the above-mentioned Articles.

If, prior to the effective date of this agreement, the Producer has made any payment in excess of the amount that would have been required under the proration formula set forth in the

Steve Young  
As of March 23, 1994

above-mentioned Articles, it shall not be entitled to a refund of such excess amount, nor shall it be entitled to an offset or credit against any other payments due pursuant to the Post '60s and Supplemental Markets provisions.

Sincerely,

J. Nicholas Counter III  
President

ACCEPTED AND AGREED:

---

Steve Young  
President, AFM

As of February 16, 1999  
Revised as of February 16, 2002

Thomas F. Lee  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

Dear Tom:

Reference is made to the provisions of Paragraph 1(c) of Exhibit "A," the Special Payments Fund Agreement (renamed in the 2002 American Federation of Musicians Basic Theatrical Motion Picture Agreement as the "Film Musicians Secondary Markets Fund"), of the American Federation of Musicians Basic Theatrical Motion Picture Agreement of 1999. During the 1999 negotiations between the Federation and the AMPTP, the parties agreed to add a new last sentence to this clause which provides:

“A Producer who is delinquent in any payment hereunder for more than sixty (60) days after written notice from the Fund shall pay both the amount due and liquidated damages in the amount of ten percent (10%) per annum (.833% per month), calculated from the date of delinquency.”

This will confirm that notwithstanding the addition of that language, the parties agree that the Producer members of the AMPTP, in recognition of their past history with respect to the payment of residuals, shall continue to be subject to the last sentence of Paragraph 1(c) of Exhibit "A," the Special Payments Fund Agreement, of the 1996 Basic Theatrical Motion Picture Agreement. That sentence provides:

“A Producer who is delinquent in any payment hereunder for more than sixty (60) days after written notice from the Fund shall, within ten (10)

Thomas F. Lee  
As of February 16, 2002  
Page 2

business days, pay both the amount due and liquidated damages in the amount of ten percent (10%) of the payment.”

Sincerely,

J. Nicholas Counter III

ACCEPTED AND AGREED:

---

Thomas F. Lee, President

**ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS**

15301 Ventura Boulevard, Building E, Sherman Oaks, CA 91403

Tel: 818.995.3600 • Fax: 818.285.4450 • www.amtp.org

Carol A. Lombardini  
President

Direct: 818.935.5930

As of April 14, 2010  
Revised as of April 5, 2015

Ray Hair  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

**Re: Exhibition of Motion Pictures Transmitted Via New Media**

Dear Ray:

This Sideletter confirms the understanding of the American Federation of Musicians of the United States and Canada (“the Federation”) and the Alliance of Motion Picture and Television Producers, on behalf of the Producers it represented in negotiations for successor agreements to the 2005 AFM Basic Television Film Agreement (hereinafter “the Television Agreement”) and to the 2005 Basic Theatrical Motion Picture Agreement (hereinafter “the Theatrical Agreement”) (collectively “the parties”), concerning the application of the 2015 Television Agreement and the Theatrical Agreement to the exhibition on the Internet, mobile devices (such as cell phones or PDAs) and any other new media platform known as of April 14, 2010 (hereinafter collectively referred to as “New Media”) of theatrical and television motion pictures, the principal photography of which commenced on or after July 1, 1971.

1. If the Consumer Pays

a. License for Limited Period or Fixed Number of Exhibitions

When the subscriber pays for the program either on a subscription or per-picture basis, and when the payment is in exchange for the right to view the motion picture for a fixed and limited period of time or a fixed number of exhibitions, the Producer shall pay one percent (1%) of “Producer’s gross,” as defined in Paragraph 3 below.<sup>1</sup> Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician’s *pro rata* share for the motion picture.

b. Paid Permanent Downloads (“Download-to-Own” or “Electronic Sell Through”) (“EST”)

The following shall apply only to motion pictures released after ratification:

If the consumer pays for an EST copy of a theatrical motion picture, the Producer shall pay 1% of 20% of “Producer’s gross,” as that term is defined in Paragraph 3 below, for the first 50,000 units and 1.8% thereafter.

If the consumer pays for an EST copy of a television motion picture, the Company shall pay 1% of 20% of “Producer’s gross,” as that term is defined in Paragraph 3 below, for the first 100,000 units and 1.9% thereafter.

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<sup>1</sup> As bargaining history, this language is based upon the following model: studio licenses to Movielink (formerly know as Moviefly) the right to transmit the motion picture on the Internet to the viewer who pays Movielink on a subscription or per-picture basis. Such payment would enable the viewer to view the motion picture for a fixed and limited period of time or limited number of exhibitions. For example, if Columbia Pictures, through Columbia-TriStar Home Entertainment, licenses to Movielink the right to exhibit a Columbia Pictures film, the residuals shall be based upon 100% of the license fee paid by Movielink to Columbia-TriStar Home Entertainment for such picture.



Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician's *pro rata* share for the motion picture.

2. If the Consumer Does Not Pay

Should the Producer stream a theatrical motion picture on a free-to-the-consumer basis on advertiser-supported services transmitted via the Internet or mobile device, it shall pay 1% of "Producer's gross," as defined in Paragraph 3 below. Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician's *pro rata* share for the motion picture.

3. "Producer's Gross"

a. Definition

The term "Producer's gross," for purposes of all uses in new media of theatrical motion pictures made for traditional media, shall be as defined in Article 16(b)(1)(i)(A)(1), (B), (C) and (D) of the Theatrical Agreement, as applicable. The term "Producer's gross," for purposes of all uses in new media of television motion pictures made for traditional media, shall be as defined in Article 14(b)(1)(i)(A)(1), (B), (C) and (D) of the Television Agreement, as applicable. "Producer's gross" is subject to the Producer's right to prorate on a comparable basis as provided in Article 14(b)(1)(v) of the Television Agreement and Article 16(b)(1)(v) of the Theatrical Agreement when the music sound track for the picture is scored using musicians employed under the Television or Theatrical Agreements and using musicians not covered under those Agreements.<sup>2</sup>

When the "Producer's gross" derived from new media exploitation is received from a related or affiliated entity that acts as the exhibitor/retailer of such picture, then the "Producer's gross" received

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<sup>2</sup> For sake of clarity, "Producer's gross" specifically includes advertising revenues when the license, distribution, or other agreement provides for sharing in such revenues.

by the Producer from the licensing of such rights shall be measured by the exhibitor/retailer's payments to unrelated and unaffiliated entities in arms' length transactions for comparable pictures, or, if none, then the amounts received by the Producer from unrelated and unaffiliated exhibitors/retailers in arms' length transactions for comparable pictures, or, if none, a comparable exhibitor/retailer's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable pictures.

b. Agreements and Data

On a quarterly basis commencing January 1, 2010, within ten (10) business days after such request, the Producer shall provide for inspection by the Federation's designated employee or auditor, at Producer's premises in Los Angeles, full access<sup>3</sup> to all unredacted license, distribution, and other agreements pertaining to new media exploitation of covered pictures that were entered into during the immediately preceding quarter. In any subsequent quarterly inspection, the Federation's designated employee or auditor may re-inspect any agreements previously inspected and inspect any agreements not previously inspected.

Upon request, in a manner to be mutually agreed upon in good faith, the Producer shall expeditiously provide, or make available, to the Federation data in its possession or control, or the possession or control of its related distribution entities, regarding the new media exploitation of covered pictures, such as number of downloads or streams by source and ad rates, where relevant to the payments required under this Sideletter.

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<sup>3</sup> Full access includes access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters, exhibits, addenda, and other ancillary documents.

c. Recordkeeping and Reporting

Payment for exploitation of covered pictures in new media shall be due sixty (60) days after the end of the quarter in which the “Producer’s gross” from such exploitation is received. The Producer shall accompany such payments with reports regarding the “Producer’s gross” derived from such exploitation, which shall be specified by medium and source whenever reasonably possible and will be separated from revenues derived from exploitation of such picture in traditional media.

When the Producer allocates revenues between new media rights and other rights in any such picture, among new media rights in multiple such pictures, or otherwise, it shall specify such allocation.

d. Confidentiality

The information provided to the Federation by the Producer will be treated as confidential and appropriate arrangements will be made to safeguard the confidentiality of that information.

e. Reservation of Rights

With respect to theatrical and television motion pictures, the Producer has agreed to a separate payment for this use in new media because exhibition in new media is at this time outside the primary market. The Producer reserves the right in future negotiations to contend that the pattern of release has changed so that this use constitutes or is a part of the primary market of distribution of theatrical or television motion pictures and that, therefore, no additional payment should be made with respect to the exhibition of theatrical motion pictures or television programs (including those covered by this Agreement) in new media. The Federation reserves the right in future negotiations to contend to the contrary, and further to assert that regardless of whether other exhibitions are or have become part of the primary market, residual provisions for theatrical or television motion pictures so exhibited should be improved.

4. Sunset Clause

The parties recognize that this Sideletter is being negotiated at a time when the business models and patterns of usage of theatrical and television motion pictures in New Media are in the process of exploration, experimentation and innovation. Therefore, all provisions of this Sideletter expire on the termination date of this Agreement, and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions for use of theatrical and television motion pictures in New Media to be in effect thereafter.

The parties further acknowledge that conditions in this area are changing rapidly and that the negotiation for the successor agreement will be based on the conditions that exist and reasonably can be forecast at that time. For example, the parties acknowledge that with respect to the formula in Paragraph 1.b. for electronic sell-through of theatrical and television motion pictures, the growth of electronic sell-through could adversely impact traditional home video sales. In future negotiations, the parties agree that the criteria to be considered in good faith in determining whether the electronic sell-through residual should be increased or decreased include patterns of cannibalization of the home video market and changes in the wholesale price.

Sincerely,

Carol A. Lombardini

**ACCEPTED AND AGREED:**

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Ray Hair, President

**ALLIANCE OF MOTION PICTURE & TELEVISION PRODUCERS**

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Carol A. Lombardini  
President

Direct: 818.935.5930

As of April 14, 2010  
Revised as of April 5, 2015

Ray Hair  
President  
American Federation of Musicians  
1500 Broadway  
New York, New York 10036

**Re: Productions Made for New Media**

Dear Ray:

This Sideletter confirms the understanding of the American Federation of Musicians of the United States and Canada (“the Federation”) and the Alliance of Motion Picture and Television Producers, on behalf of the Producers it represented in the negotiations for a successor agreement to the 2005 American Federation of Musicians Basic Television Film Agreement (collectively “the parties”), concerning the terms and conditions applicable to the production of entertainment motion pictures of the type that have traditionally been covered under said Agreement that are made for the Internet, mobile devices, or any other new media platform in existence as of April 14, 2010 (hereinafter collectively referred to as “New Media”). With respect to such productions intended for initial use in new media, the parties agree as follows:

The parties mutually recognize that the economics of New Media production are presently uncertain and that greater flexibility in terms and conditions of employment is therefore mutually beneficial. If one or more business models develop such that New Media production becomes an economically viable medium, then the parties mutually recognize that future agreements should reflect that fact.

## **A. Recognition**

The Producer recognizes the Federation as the exclusive bargaining representative of employees employed within the classifications covered by the Basic Television Film Agreement (hereinafter “the Television Agreement”) on entertainment motion pictures of the type traditionally covered under the Television Agreement which are intended for initial exhibition in New Media, but excluding “Experimental New Media Productions,” as that term is defined below, and produced within the geographic scope covered by the aforementioned Agreement.

## **B. Coverage**

Coverage shall be at the Producer’s option with respect to “Experimental New Media Productions.” Should the Producer elect to cover an Experimental New Media Production, the terms and conditions applicable to employment on Original New Media Productions, as set forth in Paragraph D. below, shall apply.

An “Experimental New Media Production” is defined as any Original New Media Production: (1) for which the actual cost of production does not exceed: (a) \$15,000 per minute of program material as exhibited, and (b) \$300,000 per single production as exhibited, and (c) \$500,000 per series of programs produced for a single order; and (2) on which fewer than two (2) recording musicians (but excluding those recording musicians who perform MIDI transcription services exclusively) are working within the geographic scope of the Television Agreement, each of whom has worked under the Basic Theatrical Motion Picture Agreement, the Basic Television Film Agreement, the TV Videotape Agreement, the Sound Recording Labor Agreement or the Television or Radio Canadian Broadcasting System Agreements within the last three (3) years.<sup>1</sup>

The actual cost of the Experimental New Media Production shall consist of all direct costs actually incurred in connection with the Production. The

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<sup>1</sup> The Producer shall be entitled to rely on the representation of the employee as to whether he or she meets this work experience requirement.

only costs excluded in determining the actual cost of production shall be development costs, overhead charges, financing costs (*i.e.*, loan origination fees, gap fees, legal fees and interest), contingency of up to ten percent (10%), essential elements insurance costs, the cost of the completion bond, marketing expenses, contingent payments to talent or other parties which are based on the proceeds derived from the exploitation of the Production and received after recoupment of the negative cost, and delivery items required by sales agents, distributors or sub-distributors (*i.e.*, delivery materials beyond the answer print, Video Master if the Production is delivered on videotape, or the digital equivalent if the Production is delivered in a digital format).

If the Producer began production of an “Experimental New Media Production” which the Producer elected not to cover under the terms of this Sideletter, but subsequently employs two (2) or more recording musicians on the production as provided in the second paragraph of this Paragraph B., then said production shall automatically be deemed covered hereunder, starting from the first day on which at least two (2) or more such recording musicians are so employed on the production and continuing until the production is finished.

### **C. Terms and Conditions of Employment on Derivative New Media Productions**

A “Derivative New Media Production” is a dramatic production for New Media based on an existing dramatic free television motion picture covered by the Television Agreement (“the source production”). For purposes of this sideletter only, the term “dramatic” refers to live action or animated productions of a dramatic nature, including situation comedies, but excluding documentaries.

Employees may be employed by a Producer and assigned to a Derivative New Media Production as part of their regular workday (*i.e.*, the guaranteed call) on the source production. The work for the Derivative Production shall be considered part of the workday for the Employees on the source production and shall trigger overtime if work on the Derivative Production extends the workday on the source production past the point at which

overtime would normally be triggered on the source production. All other terms and conditions, including benefits, shall continue as if the employee were continuing to work on the source production.

In all other situations, terms and conditions of employment are freely negotiable between the Employee and the Producer, except for those provisions identified in Paragraph E. below.

**D. Terms and Conditions of Employment on Original New Media Productions**

Terms and conditions of employment on Original New Media Productions are freely negotiable between the Employee and the Producer, except for those provisions identified in Paragraph E. below.

**E. Other Provisions**

(1) Union Security

The provisions of Article 4, “Union Security,” of the Television Agreement shall apply to New Media Productions.

(2) Pension and Health

On covered New Media Productions budgeted at \$25,000 or less per minute (using the same cost elements as described in the third paragraph of Paragraph B. above), Producer’s only obligation hereunder shall be to make contributions on behalf of each Employee employed under the terms of this Sideletter in accordance with the provisions of Paragraph 4 of the Television Agreement, except that such contributions shall be based only on the greater of hours worked or guaranteed.

On New Media Productions budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above), or when Employees are assigned by the Producer to a Derivative New Media Production as part of



their regular workday on the source production, Producer shall be obligated to make pension and health contributions in accordance with the provisions of Paragraphs 3 and 4, respectively, of the Television Agreement, on behalf of each Employee employed under the terms of this Sideletter.

To the extent pension contributions are required under the terms of this Sideletter, the wages negotiated by the employee shall be deemed to be scale wages for the purpose of contributions to the Pension Plan.

(3) No Scoring Requirements

It is expressly understood and agreed that there shall be no scoring requirements applicable to Productions made for New Media, including any live scoring requirement.

(4) Use of Previously Recorded Music

(a) The Producer may use up to two (2) minutes, in the aggregate, of music, with or without the accompanying footage, recorded under an AFM Agreement(s) in a New Media Production, as such production is initially exhibited, without additional payment, provided that, within thirty (30) days of initial exhibition of the New Media Production, the Producer notifies the Federation in writing of such use, along with identification of the source agreement(s), if known.

(b) Terms and conditions for the use in a New Media Production, as such production is initially exhibited, of music, with or without the accompanying footage, previously recorded under an AFM Agreement(s) (other than under this sideletter) which exceeds two (2) minutes in the aggregate, shall be determined by agreement between the Producer and the Federation.

- (c) Notwithstanding the foregoing, no payment shall be due for the use of music sound track from the source production in a Derivative New Media Production.
- (5) If the Producer should sell, assign, transfer, license or otherwise dispose of the distribution rights to a Derivative and/or Original New Media Production for any market for which residual payments are required under the terms of this Sideletter, Producer shall obtain from the buyer, licensee or distributor a separate agreement, made expressly for the benefit of the Film Musicians Secondary Markets Fund, requiring such buyer, licensee or distributor to comply with the provisions of this Sideletter. Such agreement shall be in the following form:

“The undersigned, \_\_\_\_\_,  
(insert name of buyer, licensee or distributor)  
herein for convenience referred to as the ‘Buyer,’ hereby agrees  
with \_\_\_\_\_ that all  
(insert name of Producer)

Derivative and/or Original New Media Productions covered by the Sideletter Re ‘Productions Made for New Media’ (herein referred to as ‘the Sideletter’) are subject to the provisions of Paragraph F. therein, relating to the payment to the Film Musicians Secondary Markets Fund (“Secondary Markets Fund”) of residuals for the use of such productions in traditional media and in New Media, and the Buyer hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required thereby. It is expressly understood and agreed that the rights of Buyer to exploit or license the exploitation of such Derivative and/or Original New Media Productions in any market for which residual payments are required under the terms of the Sideletter shall be subject to and conditioned upon payment of such residuals to the Secondary Markets Fund as provided under Paragraph F. of the Sideletter, and it is agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Buyer in the event such payments are not made.

“Buyer shall be liable to make the payments described above, but only based upon rights actually acquired by Buyer and only for the period it holds such rights.

“The undersigned agrees to keep or have access to complete records showing the income derived from the distribution of such Derivative and/or Original New Media Productions in any market for which residual payments are required under the terms of the Sideletter, within the entire territory for which Buyer is granted such rights, and the Federation, and/or Secondary Markets Fund shall have the right at all reasonable times to inspect such records. The undersigned shall give the Federation prompt written notice of the date on which each such production covered hereby is first exploited in any such market. An inadvertent failure to comply with said requirement of notice shall not constitute a default by the undersigned hereunder, provided such default is cured promptly after notice thereof from the Federation.

“Buyer further agrees that in the event of a sale, transfer, license or assignment of the distribution rights to the Derivative and/or Original New Media Production, Buyer shall obtain from the purchaser, transferee, licensee or assignee an Assumption Agreement covering the rights disposed of in the form set forth herein and shall provide an executed copy of such Assumption Agreement to the Federation. Upon delivery of such Assumption Agreement, Buyer shall not be further liable to the Federation and/or Secondary Markets Fund for the keeping of any records related to or the payments required based upon the rights covered under the Assumption Agreement for the exploitation of the Derivative and/or Original New Media Production in any market for which residual payments are required under the terms of the Sideletter, and the Federation and Secondary Markets Fund agree to look exclusively to the purchaser, transferee, licensee or assignee executing such Assumption Agreement for the keeping of such books or records and for making the payments

attributable to the rights acquired. In the event Buyer fails to deliver such Assumption Agreement, it shall continue to be liable for the keeping of records and for the residual payments due under terms of the Sideletter for the exploitation of the Derivative and/or Original New Media Production.”

It is understood that additional provisions may be included in form Assumption Agreements, so long as such additional provision(s) do not vary or alter the terms of the foregoing Assumption Agreement.

Producer agrees to give notice to the Federation within thirty (30) days of each sale, transfer or license of the distribution rights to an Original and/or Derivative New Media Production for any market for which residual payments are required under the terms of the Sideletter, with the name and address of the Buyer, assignee or distributor, and to deliver to the Federation an executed copy of each Assumption Agreement entered into by the Producer. An inadvertent failure on the part of the Producer to comply with any of the provisions of this subparagraph (5) shall in no event constitute a default by the Producer hereunder or a breach of this Agreement, provided that such failure is cured promptly after notice thereof from the Federation.

Upon delivery of such Assumption Agreement, Producer, or any subsequent owner obtaining the execution of such Assumption Agreement, shall not be further liable to the Federation for the keeping of any such records or the payments required hereunder insofar as they relate to the exploitation of the Derivative and/or Original New Media Production in any market for which residual payments are required under the terms of the Sideletter, and the Secondary Markets Fund agrees to look exclusively to the party last executing such an Assumption Agreement for the keeping of such records and payments.

- (6) A Payroll Company that is a party signatory to the AFM Basic Television Film Agreement of 2015 may grant the use of its signatory status on a production-by-production basis to any Producer not a

party signatory for the purpose of producing Derivative and/or Original New Media Productions under this Sideletter, provided that no session shall be allowed unless an executed Assumption Agreement in the following form has been provided to the Local Union in advance of the session.

“The undersigned \_\_\_\_\_,  
(insert name of Payroll Company)

herein for convenience referred to as the ‘Payroll Company,’ hereby agrees with \_\_\_\_\_ that  
(insert name of non-signatory producer)

Derivative and/or Original New Media Productions covered by the Sideletter Re ‘Productions Made for New Media’ (herein referred to as ‘the Sideletter’) are subject to the provisions of Paragraph F. therein, relating to the payment to the Film Musicians Secondary Markets Fund (“Secondary Markets Fund”) of residuals for the use of such productions in traditional media and in New Media; and the Producer hereby agrees to abide by all provisions of the Sideletter. Producer also hereby agrees, expressly for the benefit of the Secondary Markets Fund, to make the payments required by the Sideletter. It is expressly understood and agreed that the rights of any such Producer to exploit or license the exploitation of Derivative and/or Original New Media Productions in any market for which residual payments are required under the terms of the Sideletter shall be subject to and conditioned upon payment of such residuals to the Secondary Markets Fund, as provided in Paragraph F. of the Sideletter, and it is further agreed that the Secondary Markets Fund shall be entitled to seek injunctive relief and damages against Producer in the event any such payments are not made.

“The undersigned Producer agrees to keep or have access to complete books and records showing the income derived from the sale, lease, license or distribution of Derivative and/or Original New Media Productions in any market for which residual payments are required

under the terms of the Sideletter, within the entire territory for which Producer is granted such rights, and the Federation and Secondary Markets Fund shall have the right at all reasonable times to examine and inspect such books and records. The undersigned shall give the Federation prompt written notice of the date on which each such production covered hereby is first exploited in such markets. An inadvertent failure to comply with said notice requirements shall not constitute a default by the undersigned Producer provided that such default is cured promptly after notice thereof from the Federation.”

Upon delivery of such Assumption Agreement, the Payroll Company shall not be further liable to the Federation for the keeping of any such records or the payment(s) required for the exploitation of the Derivative and/or Original New Media Production in markets for which residual payments are required under the terms of this Sideletter, and the Secondary Markets Fund agrees to look exclusively to the Producer who is the party to the Assumption Agreement for the keeping of such books and records and payments.

- (7) Effective April 3, 2016, Paragraph 26 of the AFM Basic Television Motion Picture Agreement of 2015 shall apply to sideline musicians employed on a dramatic Original or Derivative New Media Production made for initial exhibition on a subscription consumer pay platform transmitted via New Media (*e.g.*, Netflix) which meets the following “high budget” criteria:

<b>Length of Program as Initially Exhibited*</b>	<b>“High Budget” Threshold</b>
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,” regardless of their budgets.	

## **F. Use of New Media Programs**

Only covered New Media Productions shall generate residual payments and then only in accordance with the following:

### (1) Use in New Media

- (a) The Producer shall have the right to use an Original New Media Production budgeted at \$25,000 or less per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) on any new media platform without limitation as to time, and without payment of residuals.
- (b) The Producer shall have the right to use an Original New Media Production budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) or a Derivative New Media Production without the payment of residuals under the following circumstances:
  - (i) When such New Media Production is used on any free-to-the-consumer, advertiser-supported platform; and
  - (ii) When such New Media Production is first released on a consumer pay platform (*i.e.*, download-to-rent, download-to-own or paid streaming), even if it is subsequently released on a free-to-the-consumer, advertiser-supported platform.
- (c) If an Original New Media Production budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) or a Derivative New Media Production is initially released on a free-to-the-consumer, advertiser-supported platform and is subsequently released on consumer pay platforms (*i.e.*, download-to-own, download to rent or paid streaming), then Producer shall have a twenty-six (26) consecutive week period of use on consumer

pay platforms, commencing with the first day of use on consumer pay platforms, without the payment of residuals. If the Producer uses the New Media Production on consumer pay platforms beyond such twenty-six (26) consecutive week period, then Producer shall pay 1% of “Producer’s gross,” as that term is defined in Paragraph 3 of the “Sideletter re Exhibition of Motion Pictures via New Media,” attributable to use on consumer pay platforms beyond the twenty-six (26) consecutive week period. Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician’s *pro rata* share for the New Media Production.

- (d) If an Original New Media Production budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) or a Derivative New Media Production is initially released simultaneously on free-to-the-consumer, advertiser-supported platforms and to consumer pay platforms (*i.e.*, download-to-own, download-to-rent or paid streaming), then Producer shall have a twenty-six (26) consecutive week period of use on consumer pay platforms, commencing with the first day of use on consumer pay platforms, without the payment of residuals. If the Producer uses the New Media Production on consumer pay platforms beyond such twenty-six (26) consecutive week period, then Producer shall pay 1% of the “Producer’s gross,” as that term is defined in Paragraph 3 of the “Sideletter re Exhibition of Motion Pictures Transmitted via New Media,” realized from any subsequent license which includes use on consumer pay platforms, which “gross” is attributable to use on consumer pay platforms beyond the twenty-six (26) consecutive week period, measured from the first day of use on consumer pay platforms under the first license. Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician’s *pro rata* share for the New Media Production.



(2) Use in Traditional Media

The applicable provisions of Article 14 with respect to exhibition on “pay television,” as that term is defined in Article 14(a)(3)(ii) of the Television Agreement, shall apply when a covered New Media Production is exhibited on pay television.<sup>2</sup> The applicable provisions of Article 14 with respect to exhibition on “cassettes,” as that term is defined in Article 14(a)(3)(i), shall apply when a covered New Media Production is exhibited on videocassettes or DVDs.

(3) General

It is understood that the proration provisions set forth in Article 14(b)(1)(v) of the Television Agreement shall also apply when music sound track for a New Media Production is scored partially with employees covered under this Sideletter and partially with employees not covered under this Sideletter.

**G. “Sunset” Clause**

The parties recognize that these provisions are being negotiated at a time when the business models and patterns of usage of productions in New Media are in the process of exploration, experimentation and innovation. Therefore, the provisions of this Sideletter (except the provisions of Paragraph A., “Recognition”) shall expire on the termination date of this Agreement and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions concerning productions made for New Media.

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<sup>2</sup> For this purpose, in-flight exhibition shall be treated as an exhibition on “pay television.”

The parties further acknowledge that conditions in this area are changing rapidly and that the negotiation for the successor agreement will be based on the conditions that exist and reasonably can be forecast at that time.

Sincerely,

Carol A. Lombardini

**ACCEPTED AND AGREED:**

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Ray Hair, President