SIDELETTER ON LITERARY MATERIAL WRITTEN FOR PROGRAMS MADE FOR NEW MEDIA

As of February 13, 2008
Revised as of May 2, 2011
Revised as of May 2, 2014
Revised as of May 2, 2017
Revised as of May 2, 2020
Revised as of September 25, 2023

Gregory J. Hessinger
President
Alliance of Motion Picture and Television Producers, Inc.
15301 Ventura Boulevard, Building E
Sherman Oaks, California 91403

Re: Literary Material Written for Programs Made for New Media

Dear Greg:

This Sideletter confirms the understanding of the WGA and the Companies concerning the application of this Basic Agreement (hereinafter "the MBA") to literary material written for exhibition on the Internet, mobile devices (such as cell phones or PDAs) or any other new media platform known as of February 13, 2008 (hereinafter collectively referred to as "new media"), but not including methods of distribution addressed in other provisions of the MBA such as free television, basic cable, pay TV, videodisc/videocassette and radio, even if digital. With respect to literary material written under employment, or acquired from a professional writer, which is intended for initial use on new media, the parties agree as follows:

1. Recognition The Company recognizes the Guild as the exclusive bargaining representative of writers of literary material written under employment, or acquired from a professional writer, intended for use in motion pictures of the type traditionally covered under the MBA which are intended for initial exhibition in new media, but excluding news and "Experimental New Media Productions" as defined in the following paragraph.

Coverage shall be at the Company's option with respect to "Experimental New Media Productions." An "Experimental New Media Production" is defined as any Original New Media Production (1) for which the actual cost of production is: (a) $15,000 or less per minute of program material as exhibited, and (b) $300,000 or less per single production as exhibited, and (c) $500,000 or less per series of programs produced for a single order; and (2) the literary material for which has not been written under employment by, or acquired from, a "professional writer," as that term is defined in Article 1.C.1.b. of the MBA.

The actual cost of the Experimental New Media Production shall consist of all direct costs actually incurred in connection with the Production. The only costs excluded in determining the actual cost of production shall be development costs (other than writing costs), overhead charges, financing costs (*i.e.*, loan origination fees, gaps 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 delivery items required by sales agents, distributors or sub-distributors (*i.e.* delivery materials beyond the answer print, NTSC Video Master if the Production is delivered on videotape, or the digital equivalent if the Production is delivered in a digital format).

Notwithstanding the foregoing, if the Company intends that the project fall within the budget parameters of an Experimental New Media Production, but the actual cost of the Experimental New Media Production exceeds those parameters, then the sole remedy shall be that all writers employed on the project, or any professional writer from whom literary material was acquired for the project, shall be retroactively covered under the terms and conditions for Original New Media Productions set forth in Paragraph 3 of this Sideletter.

2. Terms and Conditions for "Derivative New Media Productions" (Other than "High Budget" Dramatic Derivative Programs and Series Made for a Subscription Consumer Pay Platform) and Other than "High Budget" Derivative Non-Dramatic Programs Made for a Subscription Consumer Pay Platform)

A "Derivative New Media Production" is a production for New Media based on an existing television motion picture that was produced for "traditional" media – *e.g.*, a free television, basic cable, or pay television motion picture (the "Original Production") – and is otherwise included among the types of motion pictures traditionally covered by the MBA. The following provisions apply to "Derivative New Media Productions" other than "high budget" dramatic derivative programs and series made for a subscription consumer pay platform ("SVOD") described in Paragraph 4 below and other than "high budget" derivative non-dramatic programs made for SVOD described in Paragraph 5 below.

a. **Initial Compensation**

The Company shall pay the writer compensation for a Derivative New Media Production separate from compensation for writing services for the Original Production.

The minimum initial compensation for a Derivative New Media Production shall be the rate applicable to a two (2) minute program, as indicated below. For programs longer than two (2) minutes, the minimum per minute rate over two (2) minutes shall be added to the two (2) minute minimum as shown below.

	9/25/23 - 10/14/23	**10/15/23 - 5/01/26**
New Media Productions Derivative of Dramatic Programs (other than Daytime Serials)	$857 for programs up to two minutes in length, plus $429 for each minute or portion thereof in excess of two minutes	$874 for programs up to two minutes in length, plus $429 for each minute or portion thereof in excess of two minutes
New Media Productions Derivative of Comedy-Variety Programs and Daytime Serials	$500 for programs up to two minutes in length, plus $250 for each minute or portion thereof in excess of two minutes	$510 for programs up to two minutes in length, plus $250 for each minute or portion thereof in excess of two minutes
All Other Types of Derivative New Media Productions	$430 for programs up to two minutes in length, plus $215 for each minute or portion thereof in excess of two minutes	$439 for programs up to two minutes in length, plus $215 for each minute or portion thereof in excess of two minutes

In no event shall the minimum initial compensation for a Derivative New Media Production exceed the initial compensation due for the same program if produced for free television.

b. **Other Terms and Conditions**

All terms and conditions of employment (other than credits as provided in subparagraph (3) below) are subject to negotiation between the Company and the individual writer.

(1) **Applicable Provisions of the MBA.** The following provisions of the MBA are incorporated herein. To the extent the provisions herein are inconsistent with the MBA, the provisions of this sideletter control.

(a) Article 6, "Guild Shop (General)."

(b) Article 7, "No Strike No Lock-out Clause (General)"

(c) Article 10, "Grievance and Arbitration"

(d) Article 11, "Grievance and Arbitration Rules and Procedures"

(e) Article 12, "Court Proceedings"

(f) Article 13.B.9., "Time of Payment"

(g) Article 17, "Pension Plan and Health Fund"

(h) Article 35, "Recognition of Agreement (General)"

Except as provided herein, no other terms of the MBA shall apply to the employment of such writer, or to the sale of such literary material, unless agreed in writing between the writer and the Company.

(2) **Written Contract of Employment.** The Company shall tender a written contract of employment to the writer within ten (10) days following the commencement of his or her employment and shall send a copy to the Guild within one (1) week after receipt by Company of the executed contract.

(3) **Screen Credit.** The Company will submit a Notice of Tentative Writing Credits to the Guild and participating writers for each covered program produced for new media as soon as practicable upon completion of principal photography. The parties agree to discuss further whether modifications to the WGA credit determination process should be made based on the nature of the program writing, production and distribution. The Company shall be required to accord screen credit to the writer if any other person receives screen credit on the New Media Production. The writing credit shall be in the form "Written by" for dramatic programs and in the form "Writer(s)" for all other programs and must be accorded in the same size and style of type as any other personal credit. Credits may appear in the corner of the screen. "Click-through" credits may be used.

(4) **Residual Compensation.**

(a) Initial compensation for a Derivative New Media Production shall constitute payment for thirteen (13) consecutive weeks of use on all free to the consumer advertiser-supported platforms transmitted via new media (hereinafter "advertiser-supported platforms"), commencing with the first day that the Derivative New Media Production is available for exhibition on any advertiser-supported platform, and for a separate twenty-six (26) consecutive week period of use on any consumer pay new media platform (hereinafter "consumer pay platform"), commencing with the first day that the Derivative New Media Production is available for exhibition on any consumer pay platform.

(b) <u>Use on Advertiser-Supported Platforms Within One Year Following Expiration of the Thirteen Consecutive Week Period</u>

(i) If the Company desires to use the Derivative New Media Production on advertiser-supported platforms beyond the thirteen (13) consecutive week period, but commencing within one (1) year after expiration of the thirteen (13) consecutive week period, then the Company shall make a residual payment equal to three and one-half percent (3.5%) of the amounts set forth in subparagraphs (A) through (E) below, as applicable, as modified by subparagraph (F) below, to the extent applicable, as consideration for a twenty-six (26) consecutive week period of use, commencing with the first day that the Derivative New Media Production is available for use on any advertiser-supported platform following the expiration of the thirteen (13) consecutive week period. The foregoing payment is an aggregate payment, to be allocated among all credited writer(s). In no event shall any payment be less than $20.00.

(A) For a Derivative New Media Production that is derivative of a dramatic television motion picture covered by the MBA, other than a serial covered by Appendix A, Article 13.B.5., the percentage shall be applied to the "bargain rate" in Article 13.B.7.c. for a program of the same length as the Derivative New Media Production.

(B) For a Derivative New Media Production that is derivative of a serial covered by Appendix A, Article 13.B.5., the percentage shall be applied to the script fee set forth in Appendix A, Article 13.B.5.a.(2) for a program of the same length as the Derivative New Media Production.

(C) For a Derivative New Media Production that is derivative of a comedy-variety program covered by Appendix A, Article 13.B.2., the percentage shall be applied to the minimum compensation per program set forth in Appendix A, Article 13.B.2.a. for a program of the same length as the Derivative New Media Production.

(D) For a Derivative New Media Production that is derivative of a quiz and audience participation program covered by the MBA, the percentage shall be applied to the rate applicable to a writer employed solely to write questions, answers and/or ideas for stunts under a term contract guaranteeing thirteen (13) weekly units as set forth in Appendix A, Article 13.B.4.b.(1).

(E) For a Derivative New Media Production that is derivative of a non-dramatic program covered by Appendix A, Article 13.B.6.a. or b., the percentage shall be applied to the applicable minimum compensation set forth in Appendix A, Article 13.B.6.a.(1)(a) (depending upon whether it is derivative of a prime time program or a non-prime time program) for a program of the same length as the Derivative New Media Production.

(F) If the lowest base figure in subparagraphs (A) through (E) above for a particular type of program covers programs up to ten (10) or fifteen (15) minutes in length, then the base shall be prorated for a Derivative New Media Production ten (10) minutes or less in length in five (5) minute increments, to a five (5) minute rate for programs 0-5 minutes in length and to a ten (10) minute rate for programs more than five (5) minutes in length, but not exceeding ten (10) minutes.

(1) For example, for a Derivative New Media Production five (5) minutes in length that is derivative of a network prime time dramatic television motion picture, the residual payment is calculated by multiplying the "bargain rate" applicable minimum in Article 13.B.7.c. for a high budget dramatic program 15 minutes or less in length, prorated to five (5) minutes because the Derivative New Media Production is five (5) minutes or less in length *(e.g.,* $3,185 as of September 25, 2023) by 3.5%.

(2) As a further example, for a Derivative New Media Production three (3) minutes in length that is derivative of a comedy-variety program, the residual payment is calculated by multiplying the minimum compensation per program set forth in Appendix A, Article 13.B.2.a. for a five (5) minute program (*e.g.,* $2,273 as of September 25, 2023) by 3.5%.

(ii) If the Company desires to use the Derivative New Media Production on advertiser-supported platforms for all or any part of the twenty-six (26) consecutive week period immediately following the twenty-six (26) consecutive week period described in subparagraph (4)(b)(i) above, but commencing within one (1) year after expiration of the thirteen (13) consecutive week period, then the Company shall make a residual payment equal to three and one-half percent (3.5%)

of the amounts set forth in subparagraph (4)(b)(i)(A) through (E) above, as applicable, as modified by subparagraph (F) above, to the extent applicable, as consideration for a twenty-six (26) consecutive week period of use, commencing with the first day that the Derivative New Media Production is available for use during such twenty-six (26) consecutive week period.

(iii) None of the aforementioned twenty-six (26) consecutive week periods shall cover a period that is more than one (1) year after the expiration of the thirteen (13) consecutive week period. In the event that use of the television motion picture on advertiser-supported platforms is commenced on a date that does not allow for the full twenty-six (26) consecutive week period of use within one (1) year of the expiration of the thirteen (13) consecutive week period, then the payment for that period shall be prorated in weekly units to cover the shorter use period.

For example, suppose that the Company uses a television motion picture on advertiser-supported platforms during the thirteen (13) consecutive week period and then does not use the motion picture on advertiser-supported platforms again until thirty-nine (39) weeks after the expiration of the thirteen (13) consecutive week period. Since only thirteen (13) weeks remain within the one (1) year period, a payment of one-half of the payment that would otherwise be due for the twenty-six (26) consecutive week period would be payable for use during the remaining thirteen (13) week period.

(c) Use on Advertiser-Supported Platforms More Than One Year Following Expiration of the Thirteen Week Period

Upon expiration of the one (1) year period following expiration of the thirteen (13) consecutive week period, if the Company desires to use the Derivative New Media Production on advertiser-supported platforms, then it shall pay residuals at the rate of two percent (2%) of "accountable receipts," as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

(d) Use on Consumer Pay Platforms

For use of a Derivative New Media Production on new media platforms for which the consumer pays (*e.g.*, download-to-own, download-to-rent, paid streaming), the Company shall pay a residual equal to 1.2% of the "accountable receipts," as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media, attributable to the period beyond the twenty-six (26) week period of use.

(e) Use in Traditional Media

The Company shall pay residuals for the use of a Derivative New Media Production in "traditional media" (*e.g.*, free television, basic cable, pay television, home video) as a supplemental use under existing MBA formulas.

(i) Free Television Exhibition

(A) Except with respect to exhibition of Derivative New Media Productions that are more than fifteen (15) minutes in length in network prime time as provided in subparagraph (B) below and with respect to broadcast syndication of dramatic Derivative New Media Productions as provided in subparagraph (C) below, residual payments for free television exhibition of Derivative New Media Productions shall be computed as follows:

The new media exhibition of the Derivative New Media Production shall constitute the first run for purposes of calculating residual payments in free television. The base figure used to compute the residual payment shall be the base amounts set forth in subparagraphs (4)(b)(i)(A) through (E) above, as applicable, as modified by subparagraph (F) above, to the extent applicable, for a program of the same category and length as the Derivative New Media Production. The base figure shall be multiplied by the percentage applicable to the run in question, except that payments for network prime time shall be paid according to the percentages for network non-prime time, and the resulting product shall be the residual payment.

If the lowest base figure for a particular type of program covers programs up to ten (10) or fifteen (15) minutes in length, then the base shall be prorated for a Derivative New Media Production ten (10) minutes or less in length in five (5) minute increments, to a five (5) minute rate for programs 0-5 minutes in length and to a ten (10) minute rate for programs more than five (5) minutes in length, but not exceeding ten (10) minutes.

The foregoing payment is an aggregate payment, to be allocated among all credited writer(s).

(1) As an example, suppose that a five (5) minute Derivative New Media Production that is derivative of a high budget dramatic program is exhibited for the first time in network prime time. The applicable base is the "bargain rate" applicable minimum used for high budget dramatic programs fifteen (15) minutes or less in length, prorated to five (5) minutes because the Derivative New Media Production is five (5) minutes or less in length (*e.g.,* $3,185 as of September 25, 2023). That figure will be multiplied by 50%, the percentage applicable to a second run on a network in other than prime time, for a total residual payment of $1,593.

(2) If the same Derivative New Media Production were exhibited a second time on the network, that run would generate a residual payment of $1,274 ($3,185 x 40%).

(3) As a further example, suppose that a three (3) minute Derivative New Media Production that is derivative of a comedy-variety program is exhibited for the first time on a network, but not in prime time. The base is the minimum compensation per program set forth in Appendix A, Article 13.B.2.a. for a five (5) minute program (*e.g.,* $2,273 as of September 25, 2023). That figure will be multiplied by 50%, the percentage applicable to a second run on a network in other than prime time, for a total residual payment of $1,137.

(B) The formula for reruns in network prime time of Derivative New Media Productions more than fifteen (15) minutes in length is as follows: The new media exhibition of the Derivative New Media Production shall constitute the first run for purposes of calculating residual payments for use on free television. The residual payment shall be the amount payable under the MBA for a rerun in network prime time of a free television motion picture or program of the same type and length as the Derivative New Media Production. For dramatic programs, other than a serial covered by Appendix A, Article 13.B.5., the residual payment shall be one hundred percent (100%) of the residual base for a story and teleplay as set forth in Article 15.B.1.b.(2)(a) for a program of the same length as the Derivative New Media Production. The foregoing payment is an aggregate payment, to be allocated among all credited writer(s).

(1) For example, if a Derivative New Media Production twenty (20) minutes in length that is derivative of a high budget dramatic program is shown once in network prime time, the residual payment applicable to that exhibition is

$13,511 (as of September 25, 2023), the same payment applicable to the rerun of a thirty (30) minute other than network prime time television program in network prime time. If the Derivative New Media Production were run a second time in network prime time, the same payment would be due ($13,511).

(2) As another example, if a dramatic Derivative New Media Production forty-three (43) minutes in length were exhibited once in network prime time, the residual payment applicable to that exhibition is $24,558 (as of September 25, 2023), the same payment applicable to the rerun of a sixty (60) minute other than network prime time television program in network prime time. If the Derivative New Media Production were run a second time in network prime time, the same payment would be due ($24,558).

(C) Broadcast Syndication Sales of Dramatic Derivative New Media Productions

If Company, on or after July 1, 2020, licenses a dramatic Derivative New Media Production, the literary material for which was written under this MBA or any prior MBA covering Derivative New Media Productions, for exhibition in broadcast syndication in the United States and/or Canada, Company shall pay to the credited writer(s) a percentage residual of two percent (2%) of Company's "accountable receipts," as defined in Article 51.C.1.a. of the MBA, derived therefrom, in lieu of the payments required under the MBA (or any prior MBA as applicable), including but not limited to Paragraph 2.b.(4)(e)(i)(A) above of this Sideletter and Article 15.B.1.b.(2)(c) and to Article 15.B.1.b.(4) of the MBA for any residual otherwise owed based on the exploitation of the television series sequel rights. It is understood that no payment shall be made to the writer with separated rights as an exploitation of the television sequel rights. The *pro rata* share payable to each credited writer shall be the same as provided in Article 51.C.5. The provisions of this subparagraph (C) apply to all dramatic Derivative New Media Productions for which a fixed residual or higher percentage residual would otherwise be payable.

The foregoing does not apply to residuals for reruns of a dramatic Derivative New Media Production in network prime time as provided in subparagraph 2.b.(4)(e)(i)(B) above. In addition, the foregoing does not apply to a license agreement, including options, entered into prior to July 1, 2020. As an example, assume that a current license agreement covers the sale of the first and second seasons of a dramatic series to broadcast syndication and includes an option to license all subsequent seasons of the series also to broadcast syndication. Because the license agreement is in effect before July 1, 2020, the sale of all seasons of the series pursuant to the options under the license agreement would not be covered by this provision.

Company will prepare an annual statement of Company's gross receipts for a dramatic Derivative New Media Production which has been licensed to domestic broadcast syndication pursuant to an agreement entered into on or after July 1, 2020. The annual statement will show cash, barter and any other consideration received by Company from the licensing to broadcast syndication of such dramatic Derivative New Media Production and may be inspected by the Guild at the premises of Company upon notice by the Guild. The information provided by Company to the Guild, or made available for its inspection, will be treated by the Guild as confidential and appropriate arrangements will be made by the Guild to safeguard the confidentiality of that information.

(ii) Exhibition on Pay Television, Home Video, Basic Cable and in an Interactive Program

For exhibition on pay television, the Company shall pay residuals equal to 1.2% of Company's "accountable receipts" pursuant to Article 51.C.1.a. of the MBA. For home video exploitation, the Company shall pay residuals pursuant to Article 51.C.1.b. of the MBA. For exhibition on basic cable, Company shall pay pursuant to the provisions of Article 58 of the MBA. For use of a Derivative New Media Production in an "interactive program," as defined in Article 64.A., the provisions of Article 64 shall apply.

(5) **Separated Rights**

If the writer of a Derivative New Media Production introduces a new character in the Derivative New Media Production, and the characterization of that character is fully developed and fully described in the material written by the writer, and from such development and description the character appears to be unique and the principal creation of the writer, and if the Company uses that character as the central character in a new television series, the provisions of Article 16.B.1.d. will apply.

3. Terms and Conditions for "Original New Media Productions" (Other than "High Budget" Dramatic Original Programs and Series Made for SVOD and Other than "High Budget" Original Non-Dramatic Programs Made for SVOD)

The following provisions apply to "Original New Media Productions" other than "high budget" dramatic original programs and series made for SVOD described in Paragraph 4 below and other than "high budget" original non-dramatic programs made for SVOD described in Paragraph 5 below.

a. **Initial Compensation**

Initial compensation will be subject to negotiation between the Company and the individual writer.

b. **Other Terms and Conditions**

All terms and conditions of employment (other than credits as provided in subparagraph (3) below) are subject to negotiation between the Company and the individual writer.

(1) **Applicable Provisions of the MBA.** The following provisions of the MBA are incorporated herein. To the extent the provisions herein are inconsistent with the MBA, the provisions of this sideletter control.

(a) Article 6, "Guild Shop (General)."

(b) Article 7, "No Strike No Lock-out Clause (General)"

(c) Article 10, "Grievance and Arbitration"

(d) Article 11, "Grievance and Arbitration Rules and Procedures"

(e) Article 12, "Court Proceedings"

(f) Article 13.B.9., "Time of Payment"

(g) Article 17, "Pension Plan and Health Fund"

(h) Article 35, "Recognition of Agreement (General)"

Except as provided herein, no other terms of the MBA shall apply to the employment of such writer, or to the sale of such literary material, unless agreed in writing between the writer and the Company.

(2) **Written Contract of Employment.** The Company shall tender a written contract of employment to the writer within ten (10) days following the commencement of his or her employment and shall send a copy to the Guild within one (1) week after receipt by Company of the executed contract.

(3) **Screen Credit.** The Company will submit a Notice of Tentative Writing Credits to the Guild and participating writers for each

covered program produced for new media as soon as practicable upon completion of principal photography. The parties agree to discuss further whether modifications to the WGA credit determination process should be made based on the nature of the program writing, production and distribution. The Company shall be required to accord screen credit to the writer if any other person receives screen credit on the New Media Production. The writing credit shall be in the form "Written by" for dramatic programs and in the form "Writer(s)" for all other programs and must be accorded in the same size and style of type as any other personal credit. Credits may appear in the corner of the screen. "Click-through" credits may be used.

(4) **Residual Compensation.**

(a) What Initial Compensation Covers

Initial compensation for an Original New Media Production shall constitute payment for a twenty-six (26) consecutive week period of use on any consumer pay new media platform (hereinafter "consumer pay platform"), commencing with the first day that the Original New Media Production is available on any consumer pay platform, and all uses on free to the consumer advertiser-supported platforms transmitted via new media (hereinafter "advertiser-supported platforms").

(b) Use on Consumer Pay Platforms

(i) No payment shall be due for any use on consumer pay platforms for an Original New Media Production budgeted below $25,000 per minute of actual program material as exhibited.

(ii) For all uses of an Original New Media Production budgeted at or above $25,000 per minute of actual program material as exhibited on consumer pay platforms (*e.g.*, download-to-own, download-to-rent, paid streaming) beyond the twenty-six (26) consecutive week period, the Company shall pay a residual equal to 1.2% of the "accountable receipts," as defined in Paragraph 3 of the "Sideletter on Exhibition of Motion Pictures Transmitted Via the Internet," attributable to the period beyond the twenty-six (26) consecutive week use period.

(iii) Subparagraph (a) above shall apply to an Original New Media Production initially released on a consumer pay platform which is subsequently released on an advertiser-supported platform or vice versa.

(c) Use in Traditional Media

The Company shall pay residuals for the use of an Original New Media Production in "traditional media" (*e.g.*, free television, basic cable, pay television, home video) as a supplemental use under existing MBA formulas.

(i) Free Television Exhibition

(A) Except with respect to exhibition of Original New Media Productions that are more than fifteen (15) minutes in length in network prime time as provided in subparagraph (B) below and with respect to broadcast syndication of dramatic Original New Media Productions as provided in subparagraph (C) below, residual payments for free television exhibition of Original New Media Productions shall be computed as follows:

The new media exhibition of the Original New Media Production shall constitute the first run for purposes of calculating residual payments in free television. The base figure used to compute the residual payment shall be the base amounts set forth in subparagraphs 2.b.(4)(b)(i)(A), (C), (D) or (E) above, as applicable, as modified by subparagraph (F) above, to the extent applicable, for a program of the same category and length as the Original New Media Production. The base figure for all dramatic Original New Media Productions shall be as provided in subparagraph 2.b.(4)(b)(i)(A) above. If the program category has both a high budget and a low budget rate, then the base shall be the base applicable to the low budget category. If the program category has both a prime time and a non-prime time rate, then the residual base shall be the base applicable to the non-prime time category. The residual base shall be multiplied by the percentage applicable to the run in question, except that payments for network prime time shall be paid according to the percentages for network non-prime time, and the resulting product shall be the residual payment.

If the lowest base amount for a particular type of program covers programs up to ten (10) or fifteen (15) minutes in length, then the base shall be prorated for an Original New Media Production ten (10) minutes or less in length in five (5) minute increments, to a five (5) minute rate for programs 0-5 minutes in length and to a ten (10) minute rate for programs more than five (5) minutes in length, but not exceeding ten (10) minutes.

The foregoing payment is an aggregate payment, to be allocated among all credited writer(s).

(1) As an example, suppose that a five (5) minute dramatic Original New Media Production is exhibited for the first time in network prime time. The applicable residual base is the "bargain rate" applicable minimum used for other than network prime time low budget dramatic programs fifteen (15) minutes or less in length, prorated to five (5) minutes because the Original New Media Production is five (5) minutes or less in length ($2,704 as of September 25, 2023). That figure will be multiplied by 50%, the percentage applicable to a second run on a network, for a total residual payment of $1,352.

(2) If the same Original New Media Production were exhibited a second

time on the network, that run would generate a residual payment of $1,082 ($2,704 x 40%).

(3) As a further example, suppose that a three (3) minute comedy-variety Original New Media Production is exhibited for the first time on a network, but not in prime time. The residual base is the minimum compensation per program set forth in Appendix A, Article 13.B.2.a. for a five (5) minute program ($2,273 as of September 25, 2023). That figure will be multiplied by 50%, the percentage applicable to the second run on a network, for a total residual payment of $1,137.

(B) The formula for reruns in network prime time of Original New Media Productions more than fifteen (15) minutes in length is as follows: The new media exhibition of the Original New Media Production shall constitute the first run for purposes of calculating residual payments for use on free television. The residual payment shall be the amount payable under the MBA for a rerun in network prime time of a free television motion picture or program of the same type and length as the Original New Media Production.

For dramatic programs, the residual payment shall be one hundred percent (100%) of the residual base for a story and teleplay as set forth in Article 15.B.1.b.(2)(a) for a program of the same category and length as the Original New Media Production.

(1) For example, if a dramatic Original New Media Production twenty (20) minutes in length is shown once in network prime time, the residual payment applicable to that exhibition is $13,511 (as of September 25, 2023), the same

payment applicable to the rerun of a thirty (30) minute other than network television program in network prime time. If the Original New Media Production were run a second time in network prime time, the same payment would be due ($13,511).

(2) As another example, if a dramatic Original New Media Production forty-three (43) minutes in length were exhibited once in network prime time, the residual payment applicable to that exhibition is $24,558 (as of September 25, 2023), the same payment applicable to the rerun of a sixty (60) minute other than network prime time television program in network prime time. If the Original New Media Production were run a second time in network prime time, the same payment would be due ($24,558).

(C) Broadcast Syndication Sales of Dramatic Original New Media Productions

If Company, on or after July 1, 2020, licenses a dramatic Original New Media Production, the literary material for which was written under this MBA or any prior MBA covering Original New Media Productions, for exhibition in broadcast syndication in the United States and/or Canada, Company shall pay to the credited writer(s) a percentage residual of two percent (2%) of Company's "accountable receipts," as defined in Article 51.C.1.a. of the MBA, derived therefrom, in lieu of the payments required under the MBA (or any prior MBA as applicable), including but not limited to Paragraph 3.b.(4)(c)(i)(A) above of this Sideletter and Article 15.B.1.b.(2)(c) and to Article 15.B.1.b.(4) of the MBA for any residual otherwise owed based on the exploitation of the television series sequel rights. It is understood that no payment shall be made to the writer with separated rights as an exploitation of the television sequel rights. The *pro rata* share payable to each credited writer shall be the same as provided in Article 51.C.5. The provisions of this subparagraph (C) apply to all dramatic Original New Media Productions for which a fixed residual or higher percentage residual would otherwise be payable.

The foregoing does not apply to residuals for reruns of a dramatic Original New Media Production in network prime time as provided in subparagraph 3.b.(4)(c)(i)(B) above. In addition, the foregoing does not apply to a license agreement, including options, entered into prior to July 1, 2020. As an example, assume that a current license agreement covers the sale of the first and second seasons of a dramatic series to broadcast syndication and includes an option to license all subsequent seasons of the series also to broadcast syndication. Because the license agreement is in effect before July 1, 2020, the sale of all seasons of the series pursuant to the options under the license agreement would not be covered by this provision.

Company will prepare an annual statement of Company's gross receipts for a dramatic Original New Media Production which has been licensed to domestic broadcast syndication pursuant to an agreement entered into on or after July 1, 2020. The annual statement will show cash, barter and any other consideration received by Company from the licensing to broadcast syndication of such dramatic Original New Media Production and may be inspected by the Guild at the premises of Company upon notice by the Guild. The information provided by Company to the Guild, or made available for its inspection, will be treated by the Guild as confidential and appropriate arrangements will be made by the

Guild to safeguard the confidentiality of that information.

(ii) Exhibition on Pay Television, Home Video, Basic Cable and in an Interactive Program

For exhibition on pay television, the Company shall pay residuals equal to 1.2% of "Company's accountable receipts" pursuant to Article 51.C.1.a. of the MBA. For home video exploitation, the Company shall pay residuals pursuant to Article 51.C.1.b. of the MBA. For exhibition on basic cable, Company shall pay pursuant to the provisions of Article 58 of the MBA. For use of an Original New Media Production in an "interactive program," as defined in Article 64.A., the provisions of Article 64 shall apply.

(5) Separated Rights

(a) If the Company acquires literary material from a writer or employs a writer to write literary material for exhibition on new media and subsequently employs that writer to write a television or theatrical motion picture based on such literary material, the writer shall not be disqualified from having separated rights under Article 16.A. or 16.B. of this Basic Agreement solely because the motion picture was based on literary material originally written for new media.

(b) For any Original New Media Production to which separation of rights would apply if written for free television, the writer shall retain the television and theatrical motion picture rights specified in Article 16.B.2. and 16.B.3. of this Basic Agreement, but only to the extent those rights apply to television and theatrical exploitation and not to exploitation in new media. The Company has the right to negotiate directly with the writer at any time to acquire these rights. The rights acquired after negotiation shall be set forth either in the acquisition or employment contract with the writer or in a separate contract and a separate consideration (other than the consideration for the original employment or purchase) shall be stated for such rights.

In the event that the writer of an Original New Media Production to which separation of rights applies later qualifies for separated rights pursuant to subparagraph (a) above, then the writer's rights under this subparagraph (b) shall be extinguished and shall be replaced by the rights set forth in Article 16.A. or Article 16.B., as applicable.

Should the writer desire to sell, license or otherwise dispose of the television or theatrical rights as set forth above, the Company shall have a right of first refusal thereof as follows: At such time as writer shall receive from a third party a *bona* fide offer, and the writer desires to sell, license or otherwise dispose of the rights involved on the terms of such offer, writer will, by written notice to the Company, advise the Company of the rights involved and of such terms. Within seven (7) days (excluding non-business days as provided in Article 43) after receipt of such notice, Company may, by written notice to the writer, elect to purchase, license or otherwise acquire the rights involved on the terms set forth in writer's notice, in which case Company and writer will enter into an agreement upon such terms. If, within the seven (7) day period, Company notifies the writer that it does not elect to exercise its right of first refusal, or fails to give writer any written notice, the writer shall be free to enter into an agreement with such third party, but may not do so on terms more favorable to the third party than those set forth in the notice to the Company without again submitting the more favorable terms to the Company for first refusal, as herein provided.

(c) For any Original New Media Production to which separation of rights would apply if written for free television, if the actual cost of production is above $25,000 per minute of program material (as exhibited) and the length of each program, as exhibited on new media, is twenty (20) minutes or longer, the writer of the literary material shall be entitled, in addition to the rights set forth in subparagraph (b) above, to series sequel payments in the amount of $1,491 ($1,543 effective May 2, 2024 and $1,589 effective May 2, 2025) for each Original New Media Production that is twenty (20) minutes or longer that is produced based on the Original New Media Production.

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

a. **Grandfathering**

(1) The terms and conditions set forth in this Paragraph 4 (other than as provided in Paragraph 4.e.(9) below) shall not apply to any season of a High Budget SVOD series that continues in production on or after October 15, 2023 and was grandfathered, and remains grandfathered, pursuant to Paragraph 4.a. of the 2017 Sideletter on Literary Material Written for Programs Made for New Media (*i.e.*, it is subject to the 2014 or 2011 Sideletter on Literary Material Written for Programs Made for New Media, as applicable) and the literary material of the first episode of that season is written prior to October 15, 2023. Any season of such series shall continue to be grandfathered if it continues to meet the applicable test in Paragraph 4.a. of the 2017 or 2014 Sideletter and shall not be subject to the 2023 Sideletter on Literary Material Written for Programs Made for New Media, except that for episodes of such series written on or after October 15, 2023 and subject to a *bona fide* license agreement entered into between May 2, 2014 and May 1, 2017 (*i.e.,* grandfathered under Paragraph 4.a. of the 2017 Sideletter and subject to the 2014 Sideletter on Literary Material Written for Programs Made for New Media):

(a) the minimum initial compensation rates shall be as set forth in the Attachment to this Sideletter at page 746;

(b) the pension and health contribution rates set forth in Article 17 of the 2023 MBA shall apply; and

(c) the Paid Parental Leave Fund contribution rate set forth in Article 71 of the 2023 MBA shall apply.

(2) In addition, this Paragraph 4 shall not apply to any season of a series budgeted at less than $1,300,000 for a 20-35 minute program or less than $2,500,000 for a 36-65 minute program as of August 2, 2020 that would otherwise qualify as a "High Budget SVOD Program" under the 2023 MBA for which the literary material of the first episode is written prior to October 15, 2023. Instead, such season shall be subject to Paragraph 2. if a "Derivative New Media Production" (other than a "High Budget SVOD Program") or Paragraph 3. if an "Original New Media Production" (other than a

"High Budget SVOD Program") of the 2023 Sideletter on Literary Material Written for Programs Made for New Media, if:

(a) the literary material for the first episode of the series is written prior to August 2, 2020; or

(b) the literary material for the first episode of the series is written on or after August 2, 2020 pursuant to a license agreement entered into prior to that date.[1]

b. "High Budget SVOD Programs" Defined

The terms and conditions set forth in Paragraph 4 of this Sideletter shall be applicable only to derivative and original dramatic new media productions made for initial exhibition on a subscription video-on-demand consumer pay platform which meet the following "high budget" criteria (hereinafter "High Budget SVOD Program(s)") and are not "grandfathered" under subparagraph 4.a. above:

Length of Program as Initially Exhibited*	**"High Budget" Threshold**
20-35 Minutes	$1,030,000 and above (See subparagraph 4.a.(2) of this Sideletter for the grandfathering of certain series budgeted at less than $1,300,000 as of August 2, 2020).
36-65 Minutes	$1,750,000 and above (See subparagraph 4.a.(2) of this Sideletter for the grandfathering of certain series budgeted at less than $2,500,000 as of August 2, 2020).
66 Minutes or more	$3,000,000 and above

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

[1] If the licensee orders additional programs or episodes of the series, the literary material for which is written on or after October 15, 2023, pursuant to a license agreement entered into prior to August 2, 2020, and the Company has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then the program or episodes of the series shall be subject to the terms of this 2023 Sideletter on Literary Material Written for Programs Made for New Media.

c. Minimum Initial Compensation for Story and Teleplay

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

Program Length	**Budget Tier**	**Rate**
20-35 Minutes	Tier 1: $2,100,000 or more	Article 13.B.7.d.
	Tier 2: $1,030,000 or more but less than $2,100,000	Article 13.B.7.a., b. or c., as applicable
36-65 Minutes	Tier 1: $3,800,000 or more	Article 13.B.7.d.
	Tier 2: $1,750,000 or more but less than $3,800,000	Article 13.B.7.a., b., or c., as applicable
66-95 Minutes	Tier 1: $4,000,000 or more	Article 13.B.7.d.
	Tier 2: $3,000,000 or more but less than $4,000,000	Article 13.B.7.a., b., or c., as applicable
96 Minutes or more	Tier 1: $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more*	Article 13.B.7.d.
	Tier 2: $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	Article 13.B.7.a., b., or c., as applicable

*Minimum initial compensation for contracts entered into on or after November 1, 2023 for a High Budget SVOD Program that is 96 minutes or longer with a budget of $30 million or more and made for a subscription consumer pay new media platform with 20 million or more subscribers in the United States and Canada shall be as follows:

	09/25/23 - 10/31/23	11/01/23 - 05/01/24	05/02/24 - 05/01/25	05/02/25 - 05/01/26
Story	$32,455	$ 38,394	$ 39,738	$ 40,930
Teleplay	55,441	65,587	67,883	69,919
Story and Teleplay	84,523	100,000	103,500	106,605
For those High Budget SVOD Programs in excess of one hundred twenty (120) minutes, compensation is based on the minimum shown above plus, for each additional thirty (30) minutes or less, the following additional payments:				
Story	$ 4,989	$ 5,902	$ 6,109	$ 6,292
Teleplay	9,303	11,005	11,390	11,732
Story and Teleplay	12,484	14,769	15,286	15,745

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

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

[2] For purposes of determining the applicable minimum compensation and other terms and conditions under Paragraph 4 of this Sideletter, the parties agree that an episode of a High Budget SVOD series may exceed the "program length" which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of a High Budget SVOD series falls in the 20-35 minute category, a given episode of such series which is 38 minutes in length will still be subject to the compensation and terms and conditions applicable to a program between 20 and 35 minutes in length.) The parties further confirm that this applies to High Budget SVOD Programs produced under the Sideletter on Literary Material Written for New Media to the 2014, 2017, and 2020 MBAs.

d. Other Terms and Conditions for High Budget SVOD Programs

Except as otherwise provided herein, the terms and conditions applicable to High Budget SVOD Programs in Tier 1 intended for initial exhibition on a subscription consumer pay new media platform with 20 million or more subscribers in the United States and Canada shall be those applicable to programs made for network prime time, and the terms and conditions applicable to all other High Budget SVOD Programs shall be those applicable to programs made for basic cable, subject to the following clarifications and modifications:

(1) Article 13.B.7.r.(3) shall not apply to any High Budget SVOD Program. Article 13.B.7.r.(1) and (2) shall not apply to any High Budget SVOD Program, the literary material for which was written prior to October 15, 2023.

(2) Article 14.G. shall not apply to any High Budget SVOD Program.

(3) Article 20.B.3.e. shall not apply to any High Budget SVOD Program.

(4) A High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget SVOD Program between 36 and 65 minutes shall be treated as a 60-minute program; a High Budget SVOD Program between 66 and 95 minutes shall be treated as a 90-minute program; and a High Budget SVOD Program 96 minutes or longer shall be treated as a 120-minute program.[3]

(5) Notwithstanding any other provision of the MBA:

Following the closure of the writers' room for a single-camera High Budget SVOD series or serial (including multi-part closed-end series, but excluding "series" described in Article 14.J. of the MBA (*i.e.*, a one-time program, including but not limited to a movie-of-the-week, or development deals for specific television programs)) prior to the commencement of production, the Company shall engage a Showrunner (as defined in Article 14.L.) and at least two (2) writers who were employed pursuant to Article 14 (other than story editors/executive story editors) in the writers' room of that series or serial to render services on production when production of

[3] See footnote 2 above.

the series or serial will occur exclusively within the United States and/or Canada, as follows:

(a) The Showrunner shall select two (2) such writers, each of whom shall be employed for a period of at least twenty (20) consecutive weeks during production of the series or serial, but not to exceed the production period. Production includes the period prior to wrap of principal photography and may include pre-production. The Showrunner's selection shall be subject to the Company's approval, and the Showrunner shall have discretion as to the dates during which each writer shall be assigned. (The Company may, but shall not be required to, employ one or more of the writers for more than twenty (20) weeks.) To the extent practicable, the Company shall accommodate the writer's professional availability in scheduling the writer's production assignment.[4]

(b) Each writer so selected shall be paid at no less than the minimum weekly rate in Article 14.K.1.a.(3) or Article 14.K.1.b.(3), as applicable, for term employment twenty (20) weeks or over. No payment is owed for any week in which the writer does not perform any services for the Company, including during any break between the close of the writers' room and the commencement of services on production, during a hiatus or when the writer is voluntarily absent for personal or professional reasons.

In the event a writer engaged under the minimum staffing requirements of this subparagraph 4.d.(5) voluntarily resigns prior to completion of the writer's guarantee, the Company

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[4] At the Showrunner's option, in order to afford greater participation of multiple writers in production or to allow writers of particular episodes to participate in the production of that episode, the minimum staffing requirement during the production period may be satisfied for each writer position required as part of minimum staffing by the employment of multiple writers during production for a combined total number of weeks that is at least 20 weeks or the duration of production, whichever is less, per minimum position.

Example 1: To satisfy the minimum staffing requirement for the two required writer positions during production, and assuming a 30-week production period, the Company may employ Writer X for 10 weeks, Writer Y for 5 weeks, and Writer Z for 5 weeks, and Writer A for 10 weeks and Writer B for 10 weeks.

Example 2: To satisfy the minimum staffing requirement for the two required writer positions during production, and assuming a 16-week production period, the Company may employ Writer X for 10 Weeks, Writer Y for 6 weeks, and Writer A for 16 weeks.

must replace the resigning writer unless two (2) or fewer weeks remain on the resigning writer's guarantee. The Company shall endeavor to replace the resigning writer within (2) weeks. The replacement writer shall be guaranteed the number of weeks remaining on the resigning writer's guarantee, less the number of weeks intervening between the resigning writer's last day of employment and the replacement writer's first day of employment, but not to exceed two (2) weeks.

(c) The provisions of Article 14.K.2. (the span provision) and Article 14.I. (hiatus periods) shall not apply to employment under this subparagraph 4.d.(5).

(d) The foregoing shall not apply to any High Budget SVOD series or serial for which a single writer or team of writers is engaged to write all episodes for the season.

(e) This subparagraph 4.d.(5) is effective for any season of a High Budget SVOD series or serial for which the literary material for the first episode of the season is written on or after December 1, 2023.

e. Residual Compensation

(1) Initial compensation paid to the credited writer(s) of a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay new media platform constitutes payment for ninety (90) days of use worldwide on such platform (including any related or affiliated foreign subscription consumer pay platform(s)), commencing with the first day the High Budget SVOD Program is available on such subscription consumer pay platform(s).

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

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

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

(a) Base for High Budget SVOD Program Residual

The following residual bases are applicable to a one-time High Budget SVOD Program or an episode of a High Budget SVOD series and shall apply in perpetuity to that program or episode:

Program Length in Minutes	**Story**	**Teleplay**	**Story and Teleplay**
20-35 minutes			
09/25/23-10/14/23	$ 6,528	$10,601	$16,316
10/15/23-05/01/26	6,691	10,866	16,724
36-65 minutes			
09/25/23-10/14/23	11,862	20,544	29,657
10/15/23-05/01/26	12,159	21,058	30,398
66-95 minutes*			
09/25/23-10/14/23	17,827	31,601	44,570
10/15/23-05/01/26	18,273	32,391	45,684
96 minutes or more*			
09/25/23-10/14/23	23,362	41,913	58,407
10/15/23-05/01/26	23,946	42,961	59,867

*The residual base for a High Budget SVOD Program that is 85 minutes or longer with a budget of $13 million or more and made for a subscription consumer pay platform with 20 million or more domestic subscribers shall be the applicable minimum as set forth in Article 13.B.7.a., b. and c. for a program length in minutes of either "90 or less (but more than 75)" or "120 or less (but more than 90)," as applicable, except that the residual bases for a High Budget SVOD Program that is 96 minutes or longer with a budget of $30 million or more shall be as follows:

	Story	**Teleplay**	**Story and Teleplay**
09/25/23-10/14/23	$23,866	$42,819	$59,668
10/15/23-05/01/26	30,000	53,823	75,000

(b) Percentage of Above Base Rate Payable for Residuals

Exhibition Year*	**Percentage of Applicable High Budget SVOD Program Residual Base**
Year 1*	45.0%
Year 2	40.0%
Year 3	35.0%
Year 4	25.0%
Year 5	20.0%
Year 6	15.0%
Year 7	10.0%
Year 8	10.0%
Year 9	10.0%
Year 10	5.0%
Year 11	5.0%
Year 12	5.0%
Each Year thereafter	1.5%

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

(c) Subscriber Factor

(i) For a High Budget SVOD Program that commences principal photography prior to July 1, 2024:

Subscriber Tier	Domestic Subscribers	Subscriber Factor
1	Under 1 million	20%*
2	1 million to 5 million	40.0%
3	Over 5 million but fewer than 20 million	65.0%
4	20 million to 45 million	100.0%
5	Over 45 million	150.0%

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

(ii) For a High Budget SVOD Program that commences principal photography on or after July 1, 2024:

Subscriber Tier	Domestic Subscribers	Subscriber Factor
3	Fewer than 20 million	65.0%
4	20 million to 45 million	100.0%
5	Over 45 million	150.0%

(d) Payment

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

(3) Use on a Foreign Subscription Consumer Pay Platform Related to or Affiliated with the Domestic Subscription Consumer Pay Platform[5, 6]

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

(i) When Company licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with over 45 million subscribers and also licenses SVOD rights for use on its related or affiliated foreign subscription consumer pay platform(s), Company shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial availability on the domestic subscription consumer pay platform) calculated by multiplying the applicable residual base set forth in subparagraph 4.e.(2)(a) above by the applicable Exhibition Year percentage for the period of use set forth in subparagraph 4.e.(2)(b) above and by the Foreign Subscriber Factor set forth below.

Subscriber Tier	Foreign Subscribers	Subscriber Factor
1	Fewer than 20 million	47%
2	20 million to 45 million	60.0%
3	More than 45 million but fewer than 75 million	75.0%
4	75 million or more	90.0%

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

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

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

This subparagraph 4.e.(3)(a)(i) does not apply to any program or episode of a High Budget SVOD series for which the literary material is written prior to October 15, 2023; instead, Company shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial availability on the domestic subscription consumer pay platform) that is thirty-five percent (35%) of the domestic residual set forth in subparagraph 4.e.(2) above.

(ii) However, when Company's license includes the SVOD rights for use on the related or affiliated foreign subscription consumer pay platform(s) of such domestic subscription consumer pay platform in foreign territories which constitute fifteen percent (15%) or less of the value of all foreign markets (*i.e.*, outside the United States and Canada), then gross receipts-based residuals for such foreign SVOD licensing shall be paid pursuant to subparagraph 4.e.(2)(b)(ii) below in lieu of the foreign fixed residual in subparagraph 4.e.(2)(a)(i) above. In that case, the Company shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription consumer pay platform(s) have exhibition rights, and make a residual payment equal to 1.2% of such allocated amount.[7, 8] If the Guild contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

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

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

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

(i) When a Company licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with 45 million or fewer subscribers and also licenses "worldwide" SVOD rights to its related or affiliated foreign subscription consumer pay platform(s), the Company shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial exhibition on the domestic subscription consumer pay platform) as set forth in in subparagraph 4.e.(3)(a)(i) above.

(ii) When a Company licenses the right to exhibit a High Budget SVOD Program to a domestic subscription consumer pay platform with 45 million or fewer subscribers and also licenses foreign SVOD rights other than "worldwide" to its related or affiliated foreign subscription consumer pay platform(s), the Company shall make a residual payment equal to 1.2% of "accountable receipts" as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media. For purposes of this provision, when the license includes both the right to exhibit a High Budget SVOD Program on a domestic subscription consumer pay platform and on its related or affiliated foreign consumer pay platform(s), the Company shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription consumer pay platform(s) have exhibition rights, and then make the residual payment provided herein of such allocated amount.[9, 10] If the Guild contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

(4) For subsequent exhibition of a High Budget SVOD Program on any subscription consumer pay new media platform other than the domestic subscription consumer pay platform on which the program was initially exhibited and its related or affiliated foreign subscription consumer pay platform(s) (other than on a foreign subscription consumer pay platform for which the fixed residual has been paid pursuant to subparagraphs 4.e.(3)(a)(i) or 4.e.(3)(b)(i) above), the Company shall make a residual payment equal to 1.2% of Company's "accountable receipts" as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

(5) For subsequent exhibition of a High Budget SVOD Program on any consumer pay new media platform other than a subscription consumer pay platform (*i.e.*, on a transactional consumer pay platform involving download-to-own or download-to-rent transactions), the Company shall make a residual payment equal to 1.2% of Company's "accountable receipts" as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

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

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

(6) Except as provided in subparagraph (c) below:

(a) For subsequent exhibition of a High Budget SVOD Program on a free-to-the-consumer/advertiser-supported new media platform (other than a free-to-the-consumer/advertiser-supported new media platform that is related to or affiliated with the SVOD platform for which the High Budget SVOD Program is made), the Company shall make a residual payment equal to 2% of Company's "accountable receipts" as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

(b) For subsequent exhibition of a High Budget SVOD Program on any free-to-the-consumer/advertiser-supported new media platform that is related to or affiliated with the SVOD platform for which the High Budget SVOD Program is made, the Company shall make a residual payment pursuant to Paragraph 2.b.(4) of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media as if such High Budget SVOD Program were a television motion picture, except that:

(i) The residual base for calculating the fixed residual under Paragraph 2.b.(4)(A) of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media shall be the applicable "Base for High Budget SVOD Program Residual" under Paragraph 4.e.(2)(a) of this Sideletter.

(ii) The twenty-six (26) consecutive week periods described in Paragraph 2.b.(4)(A) and (B) of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media shall be measured from the date the High Budget SVOD Program is first made available on the SVOD platform. Likewise, the one (1) year period described in Paragraph 2.b.(4)(A) and (B) of that Sideletter shall be measured from the date the High Budget SVOD Program is first made available on the SVOD platform.

(iii) The residual described in subparagraph (a) above (*i.e.*, 2% of Company's "accountable receipts") shall be payable if the High Budget SVOD Program is made available on the related or affiliated free-to-the-consumer/ advertiser-supported new media platform after the expiration of the one (1) year period following the date the High Budget SVOD Program is first made available on the SVOD platform.

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

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

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

(9) "Performance-Metric" Bonus

Company shall pay a bonus to the credited writer(s) of each episode of a season of a High Budget SVOD series or serial, or of a High Budget SVOD multi-part closed-end series or of a one-time High Budget SVOD Program that has a "performance metric" (see definition in subparagraph (a) below) of twenty percent (20%) or more on the SVOD service for which it was made ("SVOD Service").

(a) Definition of "Performance Metric"[11]

The "performance metric" is calculated by dividing the total number of "domestic views" (see definition in subparagraph (b) below) by the total number of domestic subscribers.[12]

$$\text{Performance Metric} = \frac{\text{\# Domestic Views}}{\text{\# Domestic Subscribers}}$$

(b) Definition of "Domestic Views"

The number of "domestic views" of a season of a High Budget SVOD series or serial or a multi-part, closed-end series is calculated by dividing the total hours streamed domestically during the first ninety (90) days after each episode in the season of a High Budget SVOD series or serial or each part of a multi-part, closed end series is made available on the SVOD Service by the total runtime of all episodes in the season or all parts of a multi-part, closed end series.

For a one-time High Budget SVOD Program, the number of "domestic views" is calculated by dividing the total hours streamed domestically on the SVOD Service during the first ninety (90) days after the one-time High Budget SVOD Program is made available on the SVOD Service by the total runtime of the High Budget SVOD Program.

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[11] Company may rely on the determination by the SVOD Service whether eligibility for the "performance metric" has been met for any High Budget SVOD Program. Subparagraph (f) is the sole mechanism for the Guild to verify information about the "performance-metric" bonus or its calculation.

[12] For purposes of determining the "performance metric" bonus, the SVOD Service shall determine the number of domestic subscribers as of July 1st of each year of the Agreement. The SVOD Service shall apply that number when the first episode of the season, the first part of a multi-part closed-end series or the High Budget SVOD Program is first made available on the SVOD Service on or after July 1st of the measuring year but not later than June 30th of the following year. Likewise, the SVOD Service shall make a separate determination of the number of domestic subscribers for each subsequent Exhibition Year as of July 1st of each year of the Agreement by applying that number when the first day that the first episode of that season, first part of a multi-part closed end series or High Budget SVOD Program is made available in any second or subsequent Exhibition Year on or after July 1st of the measuring year but no later than June 30th of the following year. For example, if an SVOD Service has 25 million domestic subscribers as of July 1, 2023 and makes the first episode of the first season of a High Budget SVOD series available on March 1, 2024, the applicable number of domestic subscribers is 25 million for purpose of calculating the "performance metric" bonus for that season of the series. It is understood by the parties that the foregoing applies in lieu of Paragraph 4.h.(1) of this Sideletter.

(Both the hours streamed and the runtime are determined by rounding to the nearest one-tenth (1/10th) hour.)

$$\text{Views} = \frac{\text{Total Hours Streamed Domestically in 1st 90 Days}}{\text{Total Runtime (in hours)}}$$

(c) Subsequent Year Eligibility

Eligibility for the "performance-metric" bonus shall also be determined for each subsequent Exhibition Year as defined in Paragraph 4.e.(2)(b). The formula for determining eligibility is the same as provided in paragraphs (a) and (b) above, except that the total hours streamed is counted for the first ninety (90) days of the subsequent Exhibition Year.

(d) If the "performance metric" is met, the credited writer(s) shall receive a bonus of fifty percent (50%) of the applicable fixed High Budget SVOD residual payable to the credited writer(s) for the applicable Exhibition Year. (The fifty percent (50%) of the applicable fixed High Budget SVOD residual shall include the foreign fixed High Budget SVOD residual for any service that pays such residual.)

Payment of the "performance-metric" bonus shall be due sixty (60) days after the end of the calendar quarter in which the ninety (90) day measuring period for domestic views is complete.

(e) Example: Program XYZ is a High Budget SVOD series with ten (10) episodes in its second season that are each 35 minutes in length. The literary material for the entire second season was written after October 15, 2023. All episodes were first made available on the SVOD Service on January 1, 2024. At all relevant times, the SVOD Service has fifty (50) million domestic subscribers and eighty (80) million foreign subscribers on a worldwide basis. Collectively, all episodes of the second season of Program XYZ had seventy (70) million hours streamed domestically in the first ninety (90) days after the episodes were made available on the SVOD Service.

To determine whether the second season of Program XYZ qualifies for a "performance-metric" bonus in its first Exhibition Year, the total number of domestic views is determined by dividing the total number of domestic hours streamed (seventy (70) million hours) of all episodes in the second season by the total runtime in hours (5.8 hours rounded as provided herein) of the second season. The "performance metric" is then determined by dividing the total number of domestic views (70 million/5.8 hours) by the total number of domestic subscribers (50 million).

$$\text{Domestic Views} = \frac{\text{Total Domestic Hours Streamed}}{\text{Total Runtime (in hours)}} = \frac{70\text{M}}{5.8}$$

$$\text{Performance Metric} = \frac{\text{Domestic Views}}{\text{Total Number of Domestic Subscribers}}$$

= [70 M hours ÷ 5.8 hours] ÷ 50M domestic subscribers
= 0.241 (or 24.1%), which is greater than the twenty percent (20%) threshold for payment and would, therefore, trigger payment of the "performance-metric" bonus.

Assuming that each credited writer wrote a story and teleplay, each credited writer would receive an additional 50% of the fixed High Budget SVOD residual (which, in this example, includes both the domestic and foreign fixed residual) that applies to Exhibition Year 1 (*e.g.*, $9,031 per episode), for a total of $90,310 collectively to all credited writers for the season.

(f) Should the Guild provide written notice to the SVOD Service and the Company that it disputes whether a High Budget SVOD Program qualifies for a "performance-metric" bonus, the dispute shall be submitted promptly to a third party jointly chosen by the SVOD Service and the Guild for determination by audit (or other procedure determined by the third party) (hereafter "audit"). The audit shall be for the sole purpose of verifying to the Guild, the SVOD Service and the Company whether the season of the High Budget SVOD series or serial, the multi-part, closed end series or one-time High Budget SVOD Program is entitled to a "performance-metric" bonus ("yes/no"). The third party must execute a confidentiality agreement approved by the SVOD Service. The Guild and the SVOD Service shall evenly split the costs and fees associated with any such audit. The Guild shall not be entitled to obtain information about the number of domestic subscribers, the hours streamed domestically, the running time or the "performance metric" of the High Budget SVOD Program.

The Guild retains any and all rights to pursue grievance and arbitration as provided in the MBA should a Company fail to pay the "performance-metric" bonus within sixty (60) days after the third party confirms that such a bonus is due.

(g) The foregoing is effective for a season of a High Budget SVOD series, a multi-part closed-end series or a High Budget SVOD Program that is initially exhibited on the SVOD Service on or after January 1, 2024 (even if the literary material for the High Budget SVOD Program were written under a prior MBA).

f. Screen Credit

Screen credit for High Budget SVOD Programs shall be subject to the provisions of Television Schedule A as modified below. As to material marked "not applicable," or if material in Television Schedule A is inconsistent with this Paragraph 4.f., Television Schedule A shall not apply. The substance of material marked "not applicable" may be covered in other paragraphs of this Paragraph 4.f., or may be omitted entirely.

1. Television Schedule A applies, except as follows:

(a) The word "television" shall be deleted from the term "television screen."

(b) In the second paragraph, the reference to "television motion picture" shall be replaced with "High Budget SVOD Program."

(c) The first sentence of the third paragraph shall be revised as follows: "Subject to contractual commitments which may exist on September 25, 2023, a writer who is entitled to credit on the screen and who has been paid or has been guaranteed payment of less than three (3) times the applicable minimum provided for in Paragraph 4 of this Sideletter for his/her writing services or literary materials relating to the particular teleplay, shall have the right to have credit given to him/her on the screen, advertising or otherwise in a reasonable pseudonymous name."

2. Television Schedule A applies, except as follows:

   (a) In Paragraphs 2.a. and 2.b., the references to "television writer" shall be replaced with "writer of a High Budget SVOD Program."

   (b) In the first paragraph of Paragraph 2.d., the reference to "television motion picture" shall be replaced with "High Budget SVOD Program."

   (c) The third paragraph of Paragraph 2.e. is not applicable.

3. The reference to "Article 13.B.1.b." shall be replaced with "Paragraph 4 of this Sideletter."

4. Television Schedule A applies, except the phrase "revues, variety and audience participation shows" is not applicable.

5. The reference to "Article 13.B.7.c." shall be replaced with "Paragraph 4 of this Sideletter."

6. The word "television" shall be deleted from the term "television screen."

7. Television Schedule A applies, except that: the word "television" shall be deleted from the term "television screen;" Paragraph 7.e., references to "television writer or writers" shall be replaced with "writer or writers of High Budget SVOD Program;" the date "March 18, 1957" shall be replaced with "May 2, 2014;" and the term "television" shall be stricken from the phrase "television writing credit."

8. and 9. Television Schedule A applies.

10. Television Schedule A applies, except that the date "March 2, 1981" shall be replaced with "May 2, 2014."

11., 12., 13., and 14. Television Schedule A applies.

15. Television Schedule A applies, except that the Company may provide notices via email.

16. Television Schedule A applies, except as provided in Paragraph 4.f.15. above.

17., 18., 19., and 20. Television Schedule A applies.

21. Television Schedule A applies, except as follows:

(a) The first sentence of Paragraph 21 shall be replaced with the following:

Writing credit for High Budget SVOD Programs 96 minutes or longer shall be included in publicity releases issued by the Company relating to the motion picture when the producer and the director are mentioned, whether in the form of a 'production' or 'presentation' credit or otherwise, except when such release is restricted to information about such individual or individuals."

(b) References to "long-form television motion picture(s)" shall be replaced with "High Budget SVOD Programs 96 minutes or longer" and references to "television" and "laserdiscs" shall be deleted.

22. Television Schedule A applies, except the parenthetical in Paragraph 22.b. is not applicable.

23. Television Schedule A applies, except as follows:

(a) The first sentence of Paragraph 23 shall be replaced with the following:

"A credit on the screen in the form '*Created by*' shall be given on each episode of an episodic series or serial to the writer when such writer has separated rights and is entitled to sequel payments for such episode pursuant to Paragraph 4.g. of this Sideletter."

(b) The dates "June 16, 1966" and "March 2, 1981" shall be replaced with "May 2, 2014."

(c) The first sentence of Paragraph 23.b. shall be replaced with the following:

"With regard to any episodic series or serial in which a writer subject to this Sideletter has separated rights, is entitled to sequel payments under Paragraph 4.g. of this Sideletter, and receives a '*Created by*' credit, if the Company desires to grant a '*Developed by*' credit, such credit may only be given for writing and shall be subject to a Guild arbitration to determine its appropriateness."

24. Television Schedule A applies.

25. Television Schedule A applies, except that, in the title of the "Notice of Tentative Writing Credits," the word "Television" shall be replaced with "High Budget Dramatic SVOD."

26. Television Schedule A applies.

27. Television Schedule A applies, except the reference to "correct each print before such print is retelecast" shall be replaced with "provide the new media exhibitor service(s) with a corrected file as soon as practicable."

28. Television Schedule A applies.

29. The "circumstances" referenced in Paragraph 29 shall include, but are not limited to, circumstances unique to forms of distribution or exhibition in new media.

30. Television Schedule A applies.

31. Television Schedule A applies.

g. Separated Rights

The provisions of Article 16.B. shall apply to High Budget SVOD Programs as modified below:

(1) Article 16.B.1. applies, except:

(a) Substitute "High Budget SVOD Program" for "television motion picture," "High Budget SVOD Programs" for "television motion pictures" and in subparagraph "c." of Article 16.B.1., "High Budget SVOD Program" for "production of a television motion picture."

(b) In subparagraph "d," of Article 16.B.1., add "comprised of High Budget SVOD Programs" after "a serial or episodic series" and before "(herein called 'new serial or new episodic series')."

(2) Article 16.B.2. applies, except:

(a) Add "(a High Budget SVOD Program of more than sixty-five (65) minutes in length)" after the reference to "a program of more than sixty (60) minutes in length" in Article 16.B.2.a.(1).

(b) Delete the reference to "only to sixty percent (60%) of said amount for fifteen minute episodes, but shall be entitled" and change "sixty (60) minute episodes" to "thirty-six (36) to ninety-five (95) minute episodes in the case of a High Budget SVOD Program)" and "ninety (90) minute or longer episodes" to "ninety-six (96) minute or longer episodes in the case of a High Budget SVOD Program" in the third paragraph of Article 16.B.2.a. (beginning "For such literary material...").

(c) Add a sentence at the end of the third paragraph of Article 16.B.2.a. (beginning "For such literary material...") to read as follows: "It is understood that residual sequel payments are not applicable for exhibitions of High Budget SVOD Programs on any new media platform."

(d) Modify the first sentence of Article 16.B.2.b. to provide:

"The 'first MOW,' for purposes of this Section, is a television motion picture ninety (90) minutes or longer, or a High Budget SVOD Program ninety-six (96) minutes or longer, to which the separation of rights provisions of this Article 16.B. apply. 'MOW sequels' are programs ninety (90) minutes or longer, or High Budget SVOD Programs ninety-six (96) minutes or longer, which are ordered subsequent to the exhibition of the first MOW and are other than an exploitation of the series sequel rights."

(e) Add a sentence at the end of the seventh paragraph of Article 16.B.2.b. as follows: "It is understood that residual sequel payments are not applicable for exhibitions of High Budget SVOD Programs ninety-six (96) minutes or longer on any new media platform."

(3) Article 16.B.3. applies, except:

(a) Modify Article 16.B.3.b.(1) to provide:

"(1) The live television rights until a date three and one-half (3½) years after the first broadcast of the television motion picture or the date of first availability of the High Budget SVOD Program, or a date five (5) years after the delivery of the story and teleplay, whichever shall be earlier."

(b) Modify Article 16.B.3.b.(2) to provide:

"(2) The right to broadcast directly by television, or make available in new media, a live dramatic presentation of the material, in the exercise of the reserved dramatic rights until a date three and one-half (3½) years after the first broadcast of the television motion picture or the date of first availability of the High Budget SVOD Program, or a date five (5) years after the delivery of the story or story and teleplay, whichever shall be earlier."

(c) Add "or the date of first availability of a High Budget SVOD Program" after "first broadcast of the television motion picture" in the first sentence of Article 16.B.3.b.(3) and Article 16.B.3.b.(4).

(d) Modify Article 16.B.3.b.(5) to provide:

"The right to use the leading character or characters in a substantially different story in an 'interactive program,' other than in the nature of a game, until after the expiration of the Company's exclusive right to commence the exploitation of the television sequel rights as set forth in Article 16.B.2. or until six (6) months after the date of the last broadcast of the television series or after the date of the first availability of the last episode in the case of a High Budget SVOD Program, if such rights have been exploited."

(e) Change the last sentence of Article 16.B.3.c. to provide as follows:

"The right of first refusal herein granted shall apply to series sequel rights and MOW sequel rights if the same shall revert to the writer prior to the expiration of said four (4) year period."

(f) Modify the first sentence of Article 16.B.3.e.(1) to provide as follows:

"Theatrical Rights - The Company shall pay two and one-half percent (2.5%) of the *bona fide* budgeted direct cost (and overhead or other indirect cost shall be excluded except to the extent it exceeds twenty-five percent (25%) of direct cost), or $20,000.00, whichever is greater, but in no event more than $500,000.00 for theatrical rights."

(g) Change "ninety (90)" to "ninety-six (96)" and change "television motion picture" to "High Budget SVOD Program" in Article 16.B.3.h.

(4) Delete Article 16.B.4. (Sketches and Routines).

(5) Article 16.B.5. applies, except:

(a) Delete the upset prices for programs 15 minutes or less, 45 minutes or less and 90 minutes or less.

(b) Apply the upset prices for programs 30 minutes or less to High Budget SVOD Programs 20-35 minutes, the upset prices for programs 60 minutes or less to High Budget SVOD Programs 36-65 minutes and the upset prices for programs more than 90 minutes to High Budget SVOD Programs 66 minutes or more.

(6) Article 16.B.6. through Article 16.B.9. apply.

h. Subscriber Count for High Budget SVOD Programs

(1) The number of domestic (and foreign, if applicable) subscribers shall be determined as of July 1st of each year of the Agreement and shall apply for all purposes under Paragraph 4 of this Sideletter to a High Budget SVOD Program or episode of a High Budget SVOD series, the literary material for which is written on or after

July 1st of the measuring year but not later than June 30th of the following year. The number of domestic (and foreign, if applicable) subscribers so determined shall apply to the Program or the episode of the High Budget SVOD series in perpetuity.

(2) In addition to any other exclusion agreed to by the parties, the domestic (and foreign, if applicable) subscriber count for any subscription consumer pay platform shall exclude subscribers during any 'free trial period' of no more than thirty (30) days.

(3) The parties shall agree upon a methodology to determine the number of domestic (and foreign, if applicable) subscribers tier(s) when the subscription includes a video-on-demand platform for which a High Budget SVOD Program is made and other services, such as gaming, music or free shipping.

(4) The following shall apply to a new subscription consumer pay platform that launches on or after October 15, 2023:

(a) Such platform is encouraged to enter into good faith discussions with the Guild prior to launch to reach agreement on the number of domestic (and foreign, if applicable) subscribers to be attributed to that platform for purposes of applying the provisions of Paragraph 4 of this Sideletter pertaining to High Budget SVOD Programs.

(b) The number of domestic (and foreign, if applicable) subscribers to a new subscription consumer pay platform shall be determined ninety (90) days after launch, and shall apply for the remainder of the measuring year (*i.e.*, until the July 1st immediately following the 90th day after launch). Thereafter, the number of domestic (and foreign, if applicable) subscribers shall be determined as of July 1st of each year of the Agreement as provided in subparagraph h.(1) above.

(c) Absent any agreement to the contrary between the new subscription consumer pay platform and the Guild:

(i) Initial compensation and other terms and conditions for a High Budget SVOD Program, the literary material for which is written prior to the ninetieth (90th) day after the launch of a new subscription consumer pay platform, shall be those that are applicable to a

High Budget SVOD Program made for a subscription consumer pay platform with fewer than 20 million domestic subscribers.

(ii) Residuals for High Budget SVOD Programs, the literary material for which is written prior to the ninetieth (90^{th}) day after launch, shall be calculated according to the number of domestic (and foreign, if applicable) subscribers to the subscription consumer pay platform as of ninety (90) days after launch.

5. Terms and Conditions for "High Budget" Derivative and Original Non-Dramatic Programs Made for Initial Exhibition on a Subscription Consumer Pay Platform

a. "High Budget SVOD Non-Dramatic Programs" Defined

The terms and conditions set forth in this Paragraph 5 shall be applicable only to the following derivative and original "comedy-variety programs" (as that term is defined in Article 1.C.22. of Appendix A) ("High Budget Comedy-Variety SVOD Programs"), "quiz and audience participation program(s)" (as that term is defined in Article 1.C.22. of Appendix A) ("High Budget Quiz and Audience Participation SVOD Programs") or "other non-dramatic programs" (of a type covered under Article 13.B.6. of Appendix A) ("High Budget Other Non-Dramatic SVOD Programs") made for initial exhibition on SVOD which meet the following "high budget" criteria and are not excluded as provided in Paragraph 5.b. below (collectively, "High Budget SVOD Non-Dramatic Programs"):

Length of Program as Initially Exhibited*	"High Budget" Threshold (Per episode)**
20-35 Minutes	$600,000
36-65 Minutes	$1,150,000 and above
66-95 Minutes	$1,500,000 and above
96 Minutes or more	$2,200,000 and above

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

** The "High Budget" Threshold for a High Budget SVOD Comedy-Variety Program produced and initially exhibited four (4) or more times per week shall be $150,000 or more per episode for a 20-35 minute program and $250,000 or more per episode for a program 36 minutes or longer.

The "High Budget" Threshold for a High Budget Other Non-Dramatic SVOD Program produced and initially exhibited four (4) or more times per week and for a High Budget Quiz and Audience Participation SVOD Program produced and initially exhibited four (4) or more times per week shall be $125,000 or more per episode for a 20-35 minute program and $150,000 or more per episode for a program 36 minutes or longer

(The above-described programs that meet these "High Budget" Thresholds are hereinafter referred to as "High Budget SVOD Strip Non-Dramatic Programs.")

b. The terms and conditions set forth in this Paragraph 5 shall be applicable prospectively only. They shall not apply to any program or season of a series that would otherwise qualify as a "High Budget SVOD Non-Dramatic Program" within the meaning of this Paragraph 5, for which the literary material of the program, in the case of a one-time program, or the literary material of the first episode of the season, in the case of a series, is written prior to January 7, 2024. In the case of a series in its first or second season, the terms and conditions shall not apply to the first and/or second season of a series for which the literary material of the first episode of the series is written prior to January 7, 2024. The third or subsequent season on such series shall be subject to the terms and conditions set forth herein. Any program or any season of a series excluded under this paragraph shall continue to be subject to the terms of Paragraph 2 or 3 of this Sideletter, as applicable.

Notwithstanding the foregoing, the Company shall not reduce the terms and conditions of employment previously provided to WGA-represented employees on programs or series covered by this subparagraph b.

c. Tier 1 and Tier 2 Defined:

For purposes of Paragraph 5.d. below, Tier 1 and Tier 2 shall be defined as follows:

Program Length	Budget Tier*
20-35 Minutes	Tier 1: $1,100,000 or more
	Tier 2: $600,000 or more but less than $1,100,000
36-65 Minutes	Tier 1: $2,000,000 or more
	Tier 2: $1,150,000 or more but less than $2,000,000
66-95 Minutes	Tier 1: $2,500,000 or more
	Tier 2: $1,500,000 or more but less than $2,500,000
96 Minutes or more	Tier 1: $3,200,000 or more
	Tier 2: $2,200,000 or more but less than $3,200,000

* All High Budget SVOD Strip Non-Dramatic Programs are treated as Tier 2.

** A one-time High Budget SVOD Non-Dramatic Program that is a live exhibition of a parade or similar event that would air outside of prime time if made for traditional television is treated as Tier 2.

d. Terms and Conditions for High Budget SVOD Non-Dramatic Programs[13, 14]

(1) Initial Compensation

(a) (i) Minimum initial compensation for writers employed on a High Budget SVOD Comedy-Variety Program shall be the rate in Article 13.B.2. of Appendix A that is applicable to a program of the same length, except as otherwise provided in subparagraph (ii) below.

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[13] For purposes of determining the applicable minimum compensation and other terms and conditions under Paragraph 5 of this Sideletter, the parties agree that an episode of a High Budget SVOD Non-Dramatic series may exceed the 'program length' which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of a High Budget SVOD Non-Dramatic series falls in the 20-35 minute category, a given episode of such series which is 38 minutes in length will still be subject to the compensation and terms and conditions applicable to a program between 20 and 35 minutes in length.)

[14] A High Budget SVOD Non-Dramatic Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget SVOD Non-Dramatic Program between 36 and 65 minutes in length shall be treated as a 60-minute program; a High Budget SVOD Non-Dramatic Program between 66 and 95 minutes in length shall be treated as a 90-minute program; and a High Budget SVOD Non-Dramatic Program 96 minutes or longer shall be treated as a 120-minute program.

(ii) (A) Tier 1 Programs shall be considered subject to the "prime time" rates, and Tier 2 Programs shall be subject to the "non-prime time" rates.

(B) Add the following after the first full paragraph of Article 13.B.2.b. of Appendix A:

In the event of a series order of fewer than nine (9) weekly units, at the request of the Company, the Guild shall grant a waiver allowing each writer to be employed under this subparagraph b. on a term contract guaranteeing not less than the number of weekly units which the Company is committed to produce. If the Company obtains a commitment for production of one (1) or more additional weekly units, each writer shall be guaranteed employment of not less than the number of additional weekly units which the Company is committed to produce. In no event will the Company be required to guarantee the writer employment for more than an additional thirteen (13) weekly units.

(C) Modify the title of Article 13.B.2.b.(2) of Appendix A to provide:

(2) Minimum Variety Show Commitment – Aggregate Minimum Compensation for Programs Produced and Exhibited No More than One Per Week

(D) Modify Article 13.B.2.b.(4) of Appendix A to provide:

(4) Minimum Variety Show Commitment – Aggregate Minimum Compensation For Programs Produced and Exhibited Two, Three or Four Times Per Week

The combined applicable minimum compensation to all writers shall be the applicable minimum computed pursuant to subparagraph 2.b.(2) above for a program of equal length produced and exhibited once a week plus a percentage of the difference between the figure derived from such computation and the applicable minimum computed pursuant to subparagraph 2.b.(3) above for a program of equal length produced and exhibited five (5) times per week, as follows:

Number of Programs Produced and Exhibited Per Week	Percentage of Difference
2	40
3	60
4	80

(b) (i) Minimum initial compensation for writers employed on a High Budget Quiz and Audience Participation SVOD Program shall be the rate applicable under Article 13.B.4.a. or b. of Appendix A, except as otherwise provided in subparagraph (ii) below.

(ii) (A) Modify Article 13.B.4.a.(1) of Appendix A as follows:

"(1) To a writer employed week-to-week or on a term contract guaranteeing thirteen (13) weekly units or fewer"

(B) Modify Article 13.B.4.b.(1) of Appendix A as follows:

"(1) To a writer employed week-to-week or on a term contract guaranteeing thirteen (13) weekly units or fewer"

(C) For the first fifty-two (52) weeks of production of a High Budget Quiz and Audience Participation SVOD series, minimum initial compensation for writers guaranteed thirteen (13) or more weekly units shall be two-thirds (2/3) of the applicable rates in subparagraph (i) above. For the second fifty-two (52) weeks of production, minimum initial compensation for writers guaranteed thirteen (13) or more weekly units shall be five-sixths (5/6) of the applicable rates in subparagraph (i) above. Thereafter, the minimum initial compensation for such series shall be the applicable rates in subparagraph (i) above.

(D) When a writer is guaranteed thirteen (13) weeks or more, if the Company cancels a writer's contract at the end of any cycle, except when the program is canceled, the Company shall give two (2) weeks' advance notice of cancellation or pay in lieu thereof. A contract which by its own terms expires at the end of a cycle does not require any notice.

(c) Minimum initial compensation for writers employed on a High Budget Other Non-Dramatic SVOD Program shall be per week:

9/25/23 - 5/01/24	**5/02/24 - 5/01/25**	**5/02/25 - 5/01/26**
$3,942	$4,080	$4,202

(d) The provisions for self-contained portions of programs in Article 13.B.3. of Appendix A shall apply to High Budget SVOD Non-Dramatic Programs covered under this Paragraph 5.

(e) For clarity, Article 13.B.7. of Appendix A shall apply to High Budget SVOD Non-Dramatic Programs covered by this Paragraph 5.

(2) Other Terms and Conditions

Except as otherwise provided herein, the terms and conditions applicable to High Budget SVOD Non-Dramatic Programs covered by this Paragraph 5 shall be those set forth in Appendix A. Tier 1 Programs shall be subject to "prime time" terms and conditions and Tier 2 Programs shall be subject to "non-prime time" terms and conditions.

In the event of a conflict between the provisions of this Paragraph 5 and the provisions incorporated herein, this Paragraph 5 shall control.

In recognition that programs made for new media may involve a new and evolving form of production and may not be subject to the same production model and delivery requirements as apply to traditional non-dramatic programs under Appendix A, the WGA agrees to consider in good faith requests for waivers to the provisions of Appendix A.

(3) Residual Compensation

Refer to Paragraph 3.b.(4) above for residual compensation for a High Budget SVOD Non-Dramatic Program. The limitation to programs budgeted at or above $25,000 per minute in Paragraph 3.b.(4)(b)(i) and (ii) shall not apply to a High Budget SVOD Non-Dramatic Program.

(4) Serials - Other than Prime Time (Appendix A, 13.B.5.) ("Daytime Serials")

In the event a daytime serial that was previously produced for television continues in production but is subsequently made for initial exhibition in SVOD, the provisions set forth in Appendix C, Paragraphs 2.a.(1) and (2) shall apply.

6. Terms and Conditions for "High Budget" New Media Productions Made for Initial Exhibition on a Free-to-the-Consumer Advertiser-Supported New Media Platform ("High Budget AVOD Programs")

The terms and conditions in this Paragraph 6 apply to programs that satisfy the definition of a "High Budget AVOD Program" (as set forth in subparagraph a. below), for which the literary material is assigned on or after January 7, 2024, except that in the case of a series, this Paragraph 6 shall not apply to any season for which the literary material of the first episode of the season is assigned prior to January 7, 2024. Instead, the season shall continue to be subject to the terms and conditions of Paragraph 2 or 3 of the Sideletter on Literary Material Written for Programs Made for New Media to the 2020 WGA MBA, as applicable.

a. "High Budget AVOD Programs" Defined

Except as otherwise provided herein, the terms and conditions set forth in Paragraph 6 of this Sideletter shall be applicable to dramatic new media productions made for initial exhibition on a free-to-the-consumer advertiser-supported new media platform which meet the following "high budget" criteria (hereinafter "High Budget AVOD Programs"):

Length of Program as Initially Exhibited*	"High Budget" Threshold
20-35 Minutes	$1,030,000 and above
36-65 Minutes	$1,750,000 and above
66 Minutes or more	$3,000,000 and above

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

b. Minimum Initial Compensation for Story and Teleplay

(1) Minimum initial compensation for writers employed on a High Budget AVOD Program intended for initial exhibition on a free-to-the-consumer advertiser-supported new media platform shall be as follows:

Program Length	Budget Tier	Rate
20-35 Minutes	Tier 1: $2,100,000 or more	Article 13.B.7.d.
	Tier 2: $1,030,000 or more but less than $2,100,000	Article 13.B.7.a., b. or c., as applicable
36-65 Minutes	Tier 1: $3,800,000 or more	Article 13.B.7.d.
	Tier 2: $1,750,000 or more but less than $3,800,000	Article 13.B.7.a., b., or c., as applicable
66-95 Minutes	Tier 1: $4,000,000 or more	Article 13.B.7.d.
	Tier 2: $3,000,000 or more but less than $4,000,000	Article 13.B.7.a., b., or c., as applicable
96 Minutes or more	Tier 1: $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	Article 13.B.7.d.
	Tier 2: $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more	Article 13.B.7.a., b., or c., as applicable

(2) For purposes of determining applicable minimum compensation under subparagraph (1) above, a High Budget AVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget AVOD Program between 36 and 65 minutes shall be treated as a 60-minute program; a High Budget AVOD Program between 66 and 95 minutes shall be treated as a 90-minute program; and a High Budget AVOD Program 96 minutes or longer shall be treated as a 120-minute program.[15]

c. Other Terms and Conditions for High Budget AVOD Programs

Except as otherwise provided herein, the terms and conditions applicable to High Budget AVOD Programs shall be those applicable to programs made for basic cable, subject to the following clarifications and modifications:

(1) Article 13.B.7.r.(3) ("Spin-off") shall not apply to any High Budget AVOD Program.

(2) Article 13.B.7.t. ("Development Room") and Article 14.L. ("Development Room") shall not apply to any High Budget AVOD Program.

(3) Article 14.M. ("Staffing") shall not apply to any High Budget AVOD Program.

(4) A High Budget AVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; a High Budget AVOD Program between 36 and 65 minutes shall be treated as a 60-minute program; a High Budget AVOD Program between 66 and 95 minutes shall be treated as a 90-minute program; and a High

[15] For purposes of determining the applicable minimum compensation and other terms and conditions under Paragraph 6 of this Sideletter, the parties agree that an episode of a High Budget AVOD program or series may exceed the "program length" which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of a High Budget AVOD program or series falls in the 20-35 minute category, a given episode of such program or series which is 38 minutes in length will still be subject to the compensation and terms and conditions applicable to a program between 20 and 35 minutes in length.)

Budget AVOD Program 96 minutes or longer shall be treated as a 120-minute program.[16]

(5) The terms and conditions set forth in Paragraphs 4.f. ("Screen Credit") and 4.g. ("Separated Rights") of this Sideletter shall apply to High Budget AVOD Programs.

d. Residual Compensation

(1) What Initial Compensation Covers

Initial compensation for a High Budget AVOD Program shall constitute payment for a twenty-six (26) consecutive week period of use on any free-to-the-consumer advertiser-supported new media platform, commencing with the first day that the High Budget AVOD Program is available on any free-to-the-consumer advertiser-supported new media platform.

(2) Use on a Free-To-The-Consumer Advertiser-Supported New Media Platform

For all uses of a High Budget AVOD Program on any free-to-the-consumer advertiser-supported new media platform beyond the twenty-six (26) consecutive week period, the Company shall pay a residual equal to two percent (2.0%) of the "accountable receipts," as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media, attributable to the period beyond the twenty-six (26) consecutive week use period.

It is understood that "accountable receipts" does not include advertising revenues received by the free-to-the-consumer advertiser-supported new media platform unless the license, distribution or other agreement between the Company and the free-to-the-consumer advertiser-supported new media platform provides for sharing in such revenues for exhibition of the High Budget AVOD Program.

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[16] For purposes of determining the applicable minimum compensation and other terms and conditions under Paragraph 6 of this Sideletter, the parties agree that an episode of a High Budget AVOD series may exceed the "program length" which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of a High Budget AVOD series falls in the 20-35 minute category, a given episode of such series which is 38 minutes in length will still be subject to the compensation and terms and conditions applicable to a program between 20 and 35 minutes in length.)

(3) Exhibition on a Consumer Pay New Media Platform

For exhibition of a High Budget AVOD Program on any consumer pay new media platform (i.e., a subscription consumer pay new media platform, or a transactional consumer pay new media platform involving download-to-own or download-to-rent transaction), the Company shall make a separate residual payment equal to 1.2% of the "accountable receipts," as defined in Paragraph 3 of the Sideletter on Exhibition of Motion Pictures Transmitted Via New Media.

(4) For use of a High Budget AVOD Program in traditional media (*e.g.*, free television, basic cable, pay television or home video), the Company shall pay residuals as a supplemental use as set forth in Paragraph 3.b.(4)(c) of this Sideletter.

7. Work Lists

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

Sincerely,

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

By: /s/ Ellen M. Stutzman
Ellen M. Stutzman
Executive Director

ACCEPTED AND AGREED:

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

By: /s/ Gregory J. Hessinger
Gregory J. Hessinger
President

ATTACHMENT TO SIDELETTER ON
LITERARY MATERIAL WRITTEN FOR PROGRAMS MADE FOR NEW MEDIA
RE: INITIAL COMPENSATION AND RESIDUALS APPLICABLE TO
"GRANDFATHERED" HIGH BUDGET SVOD PROGRAMS
COVERED BY THE 2014 MBA

(See Paragraph 4 of the Sideletter on Literary Material Written for Programs Made for New Media to the 2014 MBA for other terms and conditions that apply to "grandfathered" High Budget SVOD Programs covered by the 2014 MBA.)

1. INITIAL COMPENSATION

Minimum initial compensation for writers on a "grandfathered" High Budget SVOD Program[1] covered by the 2014 MBA and intended for initial exhibition on a subscription consumer pay platform with 15 million or more subscribers in the United States and Canada shall be as follows:

a. Story

Program Length	Budget Tier	9/25/23 - 5/01/24	5/02/24 - 5/01/25	5/02/25 - 5/01/26
20-35 Minutes	Tier 1: $2,100,000 or more	$10,394	$10,758	$11,081
	Tier 2: $1,300,000 or more but less than $2,100,000	7,002	7,247	7,464
36-65 Minutes	Tier 1: $3,800,000 or more	18,296	18,936	19,504
	Tier 2: $2,500,000 or more but less than $3,800,000	12,725	13,170	13,565
66-95 Minutes	Tier 1: $4,000,000 or more	24,442	25,297	26,056
	Tier 2: $3,000,000 or more but less than $4,000,000	19,124	19,793	20,387

[1] See Paragraph 4.a.(1) of the Sideletter on Literary Material Written for Programs Made for New Media of the 2023 MBA.

Program Length	Budget Tier	9/25/23 - 5/01/24	5/02/24 - 5/01/25	5/02/25 - 5/01/26
96 Minutes or More	Tier 1: $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more Serial & Episodic Non-Episodic	 $32,637 35,618	 $33,779 36,865	 $34,792 37,971
	Tier 2: $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	25,059	25,936	26,714

b. **Teleplay**

Program Length	Budget Tier	9/25/23 - 5/01/24	5/02/24 - 5/01/25	5/02/25 - 5/01/26
20-35 Minutes	Tier 1: $2,100,000 or more	$22,357	$23,139	$23,833
	Tier 2: $1,300,000 or more but less than $2,100,000	11,370	11,768	12,121
36-65 Minutes	Tier 1: $3,800,000 or more	30,163	31,219	32,156
	Tier 2: $2,500,000 or more but less than $3,800,000	22,036	22,807	23,491
66-95 Minutes	Tier 1: $4,000,000 or more	43,462	44,983	46,332
	Tier 2: $3,000,000 or more but less than $4,000,000	33,894	35,080	36,132
96 Minutes or More	Tier 1: $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more Serial & Episodic Non-Episodic	 55,761 60,849	 57,713 62,979	 59,444 64,868
	Tier 2: $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	44,960	46,534	47,930

c. Story and Teleplay

Program Length	Budget Tier	9/25/23 - 5/01/24	5/02/24 - 5/01/25	5/02/25 - 5/01/26
20-35 Minutes	Tier 1: $2,100,000 or more	$31,173	$32,264	$33,232
	Tier 2: $1,300,000 or more but less than $2,100,000	17,501	18,114	18,657
36-65 Minutes	Tier 1: $3,800,000 or more	45,848	47,453	48,877
	Tier 2: $2,500,000 or more but less than $3,800,000	31,812	32,925	33,913
66-95 Minutes	Tier 1: $4,000,000 or more	64,506	66,764	68,767
	Tier 2: $3,000,000 or more but less than $4,000,000	47,808	49,481	50,965
96 Minutes or More	Tier 1: $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof) or more Serial & Episodic Non-Episodic	 84,873 92,766	 87,844 96,013	 90,479 98,893
	Tier 2: $3,000,000 or more but less than $4,500,000 (plus $2,250,000 for each additional 35 minutes or portion thereof)	62,651	64,844	66,789

Minimum initial compensation for writers on such a "grandfathered" High Budget SVOD Program intended for initial exhibition on a subscription consumer pay platform with fewer than 15 million subscribers in the United States and Canada shall be as set forth in Tier 2 in the charts above.

2. RESIDUAL COMPENSATION

Initial compensation paid to the credited writer(s) of a "grandfathered" High Budget SVOD Program covered by the 2014 MBA shall include one year of use worldwide on the original platform. For each subsequent year of use on a platform with 15 million or more subscribers, Company shall make a fixed residual payment based upon the applicable Network Prime Time residual base as set forth in Article 15.B.1.b.(2)(a) of the 2017 MBA (for reference see Table 1, below), according to the schedule set forth in Table 2 below:

TABLE 1

Program Length in Minutes	Story	Teleplay	Story and Teleplay
20-35 minutes	$ 5,406	$ 8,778	$13,511
36-65 minutes	9,822	17,012	24,558
66-95 minutes	14,762	26,167	36,906
96 minutes or more	19,345	34,707	48,365

TABLE 2

Exhibition Year	Percentage of Residual Base in Table 2
Year 2	30.0%
Year 3	30.0%
Year 4	25.0%
Year 5	20.0%
Year 6	15.0%
Year 7	10.0%
Year 8	8.0%
Year 9	5.0%
Year 10	4.5%
Year 11	3.0%
Year 12	2.5%
Each Year thereafter	1.5%

Initial compensation paid to the credited writer(s) of such a High Budget SVOD Program intended for initial exhibition on a subscription consumer pay new media platform with fewer than 15 million subscribers in the United States and Canada constitutes payment for one year of use on the domestic subscription consumer pay platform on which it is first exhibited and on any related or affiliated foreign subscription consumer pay platform(s), commencing with the first day that the High Budget SVOD Program is available on such subscription consumer pay platform. For all use of such High Budget SVOD Program on the domestic subscription consumer pay platform and on any related or affiliated foreign subscription consumer pay platform(s) beyond the initial one-year use period, the Company shall make a fixed residual payment for each subsequent one-year period according to the schedule set forth above, but the residual base shall be 65% of the applicable network prime time residual base (Article 15.B.1.b.(2)(a)) of the 2017 MBA (for reference see Table 1 above).