

February 24, 2024

**MEMORANDUM OF UNDERSTANDING BETWEEN  
ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS  
AND AMERICAN FEDERATION OF MUSICIANS**

On February 23, 2024, the parties covered by this Memorandum of Understanding (“MOU”) reached an agreement (subject to ratification by the members of the Federation) for successor agreements to the Basic Theatrical Motion Picture Agreement of 2020 and the Basic Television Motion Picture Agreement of 2020, as extended by the extension agreements dated September 4, 2021, August 18, 2022 and November 15, 2023 (collectively, the “2020 Agreements”).

This Memorandum of Understanding shall be effective as of May 1, 2024, or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later, unless a contrary date is specified, in which case such provision shall be effective as of the date so specified.

1. By the terms of this MOU, the 2020 Agreements shall be modified as set forth herein.
2. In all other respects, the 2020 Agreements shall remain in full force and effect during the term of the 2024 Agreements, which shall commence on May 1, 2024 or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later, and shall continue for three (3) years thereafter.
3. The parties shall promptly take the necessary steps to incorporate the agreed-upon changes in the 2020 Agreements to create the Basic Theatrical Motion Picture Agreement of 2024 and the Basic Television Motion Picture Agreement of 2024.

**American Federation of Musicians of the United States and Canada**

By:  Dated: 02/26/2024  
Tino Gagliardi  
President

**Alliance of Motion Picture and Television Producers  
On behalf of the Producer Parties listed on page 2 herein**

By:  Dated: February 26, 2024  
Carol A. Lombardini  
President

**AFM BASIC THEATRICAL MOTION PICTURE AGREEMENT OF 2024  
AUTHORIZATION LIST**

20th Century Studios, Inc.  
Cast & Crew Production Services, LLC  
Columbia Pictures Industries, Inc.  
EPSG Talent Services  
Extreme Reach Productions Payroll, Inc,  
J-Mac Music, Inc.  
Media Services Processing, LLC  
Metro-Goldwyn-Mayer Pictures Inc.  
New Line Productions Inc.  
Paramount Pictures Corporation  
Savant Productions Inc.  
TNT Payroll Holdings, Inc. d/b/a Sabron Payroll Services  
Universal City Studios LLC  
Walt Disney Pictures  
Warner Bros. Pictures

**AFM BASIC TELEVISION MOTION PICTURE AGREEMENT OF 2024  
AUTHORIZATION LIST**

20th Century Studios, Inc.  
ABC Signature, LLC  
ABC Studios New York, LLC  
Cast & Crew Production Services, LLC  
CBS Studios Inc.  
CPT Holdings, Inc.  
EPSG Talent Services  
Extreme Reach Productions Payroll, Inc,  
J-Mac Music, Inc.  
Media Services Processing, LLC  
MGM Television Entertainment Inc.  
Pacific 2.1 Entertainment Group, Inc.  
Paramount Pictures Corporation  
Savant Productions Inc.  
TNT Payroll Holdings, Inc. d/b/a Sabron Payroll Services  
TVM Productions, Inc.  
Twentieth Century Fox Film Corporation d/b/a 20th Television  
Universal Content Productions LLC  
Walt Disney Pictures  
Warner Bros. Television

1. **Term (U-1)**

The term of the AFM Basic Theatrical and Television Motion Picture Agreements shall commence upon [*insert date of May 1, 2024 or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later*] and shall continue for three (3) years thereafter.

2. **Minimum Wages (U-2)**

Increase all minimum wage rates in the AFM Basic Theatrical Motion Picture Agreement (specifically, those minimum wage rates in Paragraphs 8(b), 15(a)(1), 15(a)(2)(i), 15(b)(3), 15(b)(11), 15(b)(15), 16, 17, 26, 31, 35, 41-43, 48, 50, 51, 53, 55, 58(b), 61(c)(2), 62(c)(2) and 63(c)(2)) and all minimum wage rates in the AFM Basic Television Motion Picture Agreement (specifically, those minimum wage rates in Paragraphs 8(b), 15(a)(1), 15(a)(2)(i), 15(b)(3), 15(b)(11), 15(b)(15), 15(c)(2), 16, 17, 26, 31, 35, 41-43, 48, 50, 51, 53, 55, 58(b) and 61(c)(2)), on a compounded basis, as follows:

- a. by five percent (5%) effective April 28, 2024;
- b. by an additional four percent (4%) effective May 4, 2025; and
- c. by an additional three and one-half percent (3.5%) effective May 3, 2026.

3. **Residuals for High Budget SVOD Productions Made for New Media (U-4)**

- a. *Modify Paragraph G. of the Sideletter re Productions Made for New Media in the Television and Theatrical Motion Picture Agreements as follows:*

**“G. Use of New Media Programs**

“Only covered New Media Productions shall generate residual payments and then only in accordance with the following:

**“(1) Original and Derivative New Media Productions (Other Than ‘High Budget SVOD Programs’ as Defined in Paragraph F.)**

**“(a+) Use in New Media**

**“(ia) The Producer shall have the right to use an Original New Media Production budgeted at \$25,000 or less per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) on any new media**

platform without limitation as to time, and without payment of residuals.

“(ii**b**) The Producer shall have the right to use an Original New Media Production budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) or a Derivative New Media Production (other than an original or derivative “High Budget SVOD Program” as defined in Paragraph F. above) without the payment of residuals under the following circumstances:

“(A**i**) When such New Media Production is used on any free- to-the-consumer, advertiser-supported platform; and

“(B**i**) When such New Media Production is first released on a consumer pay platform (*i.e.*, download-to-rent, download-to-own or paid streaming), even if it is subsequently released on a free-to-the-consumer, advertiser-supported platform.

“(iii**e**) If an Original New Media Production budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) or a Derivative New Media Production (other than an original or derivative “High Budget SVOD Program” as defined in Paragraph F. above) is initially released on a free-to-the-consumer, advertiser-supported platform and is subsequently released on consumer pay platforms (*i.e.*, download-to-own, download to rent or paid streaming), then Producer shall have a twenty-six (26) consecutive week period of use on consumer pay platforms, commencing with the first day of use on consumer pay platforms, without the payment of residuals. If the Producer uses the New Media Production on consumer pay platforms beyond such twenty-six (26) consecutive week period, then Producer shall pay 1% of “Producer’s gross,” as that term is defined in Paragraph 3 of the “Sideletter re Exhibition of Motion Pictures via New Media,” attributable to use on consumer pay platforms beyond the twenty-six (26) consecutive week period. Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to

participating musicians based upon each musician's *pro rata* share for the New Media Production.

“(iv) If an Original New Media Production budgeted at more than \$25,000 per minute (using the same cost elements as described in the third paragraph of Paragraph B. above) or a Derivative New Media Production (other than an original or derivative “High Budget SVOD Program” as defined in Paragraph F. above) is initially released simultaneously on free-to-the-consumer, advertiser-supported platforms and to consumer pay platforms (*i.e.*, download-to-own, download-to-rent or paid streaming), then Producer shall have a twenty-six (26) consecutive week period of use on consumer pay platforms, commencing with the first day of use on consumer pay platforms, without the payment of residuals. If the Producer uses the New Media Production on consumer pay platforms beyond such twenty-six (26) consecutive week period, then Producer shall pay 1% of the “Producer’s gross,” as that term is defined in Paragraph 3 of the “Sideletter re Exhibition of Motion Pictures Transmitted via New Media,” realized from any subsequent license which includes use on consumer pay platforms, which “gross” is attributable to use on consumer pay platforms beyond the twenty-six (26) consecutive week period, measured from the first day of use on consumer pay platforms under the first license. Said amount shall be paid to the Administrator of the Film Musicians Secondary Markets Fund for distribution to participating musicians based upon each musician's *pro rata* share for the New Media Production.

“(2)(b) Use in Traditional Media

“The applicable provisions of Article 14 with respect to exhibition on “pay television,” as that term is defined in Article 14(a)(iii)(2) of the Television Agreement, shall apply when a covered New Media Production is exhibited on pay television.<sup>1</sup> The applicable provisions of Article 14 with respect to exhibition on “cassettes,” as that term is defined in Article 14(a)(iii)(1), shall apply when a covered New Media Production is exhibited on videocassettes or DVDs.

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<sup>1</sup> For this purpose, in-flight exhibition shall be treated as an exhibition on “pay television.”

~~“(3)(c)~~ General

It is understood that the proration provisions set forth in Article 14(b)(i)(5) of the Television Agreement shall also apply when music sound track for a New Media Production is scored partially with employees covered under this Sideletter and partially with employees not covered under this Sideletter.

“(2) ‘High Budget SVOD Programs’ (as Defined in Paragraph F.)

High Budget SVOD Programs shall generate residual payments only in accordance with the following:

“(a) Use of a ‘High Budget SVOD Program’ on a Subscription Video-on-Demand Consumer Pay Platform

“(i) This Paragraph G.(2)(a) is effective when the initial date of recording music sound track is on or after *[insert date of May 1, 2024 or sixty (60) days after the business day on which AMPTP receives notice of ratification, whichever is later]* for:

“(A) a one-time High Budget SVOD Program;

“(B) a pilot (or the first episode in the absence of a pilot) for a season of a High Budget SVOD series; or

“(C) a High Budget SVOD multi-part program.

“Any program or series that does not meet the test specified in subparagraph (i)(A) through (C) above shall continue to be subject to the terms of the Sideletter Re: Productions Made for New Media in the 2020 AFM Television Agreement.

“(ii) The Producer shall have the right to use a High Budget SVOD Program, episode of a High Budget SVOD series or part of a High Budget SVOD multi-part program on all subscription video-on-demand consumer pay platforms worldwide for a twenty-six (26) consecutive week period, commencing with the first day that the High Budget SVOD Program, episode or part

is made available on a subscription video-on-demand consumer pay platform, without payment of any residual.

“(iii) In the event that the Producer uses the High Budget SVOD Program, episode of a High Budget SVOD series or part of a High Budget SVOD multi-part program on a subscription video-on-demand consumer pay platforms beyond the twenty-six (26) consecutive week period described in subparagraph (ii) above, the Producer shall make residual payments as follows:

“The residual payment for a season of a High Budget SVOD series or multi-part program shall be calculated by multiplying the “Season Residual Base” in subparagraph (A) below by the applicable Exhibition Year percentage set forth in subparagraph (B) below and by the applicable subscriber factor set forth in subparagraph (C) below (the “Season Residual”). That payment shall cover a fifty-two (52) consecutive week period of use of each episode of the season of the series or part of the multi-part program on all subscription video-on-demand consumer pay platforms worldwide.

“The residual payment for a one-time High Budget SVOD Program shall be calculated by multiplying the applicable residual base set forth in subparagraph (A) below by the applicable Exhibition Year percentage set forth in subparagraph (B) below and by the applicable subscriber factor set forth in subparagraph (C) below. That payment shall cover a fifty-two (52) consecutive week period of use of the High Budget SVOD Program on all subscription video-on-demand consumer pay platforms worldwide.

“(A) Base for High Budget SVOD Program Residual

“(1) The “Season Residual Base” shall be calculated by aggregating the “Per Episode Residual Base” (as defined below) for all episodes of a season of a series or all parts of a multi-part program.”

“The “Per Episode Residual Base” for an episode of a High Budget SVOD series or a part of a High Budget SVOD multi-part program shall be calculated by multiplying \$350.00 by the number of

musicians (as that term is defined in Article 1) employed under this Agreement to prepare for or record the music sound track for that episode of a season of a series or that part of a multi-part program or who were photographed in that episode of a season of the series or that part of a multi-part program as performing on musical instruments or conducting (hereinafter ‘Covered Musicians’); provided that, if a Covered Musician is employed for a single recording session for the purpose of recording sound track for more than one episode of a series or more than one part of the multi-part program, the Covered Musician shall be credited as having been employed on only one episode of the series or part of the multi-part program; and, provided further, that if a Covered Musician is employed for a double session for the purpose of recording soundtrack for more than one episode of a series or more than one part of a multi-part program, the Covered Musician shall be credited as having been employed on two episodes of the series or two parts of the multi-part program.

“In no event shall the Per Episode Residual Base for an episode of a High Budget SVOD series or a part of a High Budget SVOD multi-part program exceed the Applicable Cap (as defined below).

“(2) One-Time High Budget SVOD Program

“The residual base for a one-time High Budget SVOD Program shall be calculated by multiplying: \$350.00 by the number of Covered Musicians employed under this Agreement to prepare for or record the music sound track for that High Budget SVOD Program or who were photographed in that High Budget SVOD Program as performing on musical instruments or conducting.

“In no event shall the residual base exceed the Applicable Cap (as defined below).



“(3) Applicable Cap

“The “Applicable Cap” for an episode of a High Budget SVOD series, for a part of a High Budget SVOD multi-part program or for a one-time High Budget SVOD Program shall be as follows:

<u>Length<sup>2</sup></u>	<u>‘Applicable Cap’</u>
<u>20-35 minutes</u>	<u>\$13,500</u>
<u>36-65 minutes</u>	<u>\$25,000</u>
<u>66-95 minutes***</u>	<u>\$37,500</u>
<u>96 minutes or more***</u>	<u>\$50,000</u>

“\*The Applicable Cap for a one-time High Budget SVOD Program that is 85 minutes or longer, budgeted at \$30 million or more and made for a subscription video-on-demand consumer pay platform with 20 million or more subscribers in the U.S. and Canada shall be \$60,000.

“\*\*The Applicable Cap for a one-time High Budget SVOD Program that is 96 minutes or longer, budgeted at \$45 million or more and made for a subscription video-on-demand consumer pay platform with 20 million or more subscribers in the U.S. and Canada shall be \$80,000.

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<sup>2</sup> The parties agree that an episode or part, as applicable, of a High Budget SVOD series or multi-part program may exceed the “program length” which applies to a typical episode or part, as applicable, of the series or multi-part program 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 is between 20 and 35 minutes, 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.) [Make conforming change by adding the same footnote to the chart in Paragraph F.(2) of the Sideletter re: Programs Made for New Media.]

“(B) Percentage of Above Residual Base Rate Payable for Residuals

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

“\* Exhibition Year 1 shall commence on the first day that the High Budget SVOD Program, episode or part is made available for exhibition on one or more subscription video-on-demand consumer pay platforms following the twenty-six (26) consecutive week period after the initial exhibition date described in subparagraph (2)(a)(ii) above. Each Exhibition Year thereafter shall commence with the first day that the High Budget SVOD Program, episode or part is made available for exhibition on one or more subscription video-on-demand consumer pay platforms following the conclusion of the prior fifty-two (52) consecutive week use period.

“(C) Subscriber Factor

<u>Subscriber Tier</u>	<u>Subscribers in the U.S. and Canada</u>	<u>Subscriber Factor</u>
<u>1</u>	<u>Under 1 million</u>	<u>20%*</u>
<u>2</u>	<u>1 million to 5 million</u>	<u>40%</u>
<u>3</u>	<u>Over 5 million but fewer than 20 million</u>	<u>65%</u>
<u>4</u>	<u>20 million to 45 million</u>	<u>100%</u>
<u>5</u>	<u>Over 45 million</u>	<u>150%</u>

“\*No residual shall be owed for the first Exhibition Year of a High Budget SVOD Program, episode or part produced for initial exhibition on a subscription video-on-demand consumer pay platform with fewer than 1,000,000 subscribers in the U.S. and Canada.

“(D) Health and Welfare Payments

“Health and Welfare contributions shall be made on behalf of each Covered Musician on the basis of twelve (12) hours in connection with each Exhibition Year payment due hereunder. There shall be no other fringe benefit payments payable in connection with this residual payment.

“(E) Allocation of High Budget SVOD Program Residual

“(1) The Producers agree to apply the following ratable distribution formula to the payment of the residual for a High Budget SVOD Program provided in this subparagraph G.(2)(a)(iii) (other than an episode of a High Budget SVOD series or a part of a High Budget SVOD multi-part program). All Covered Musicians shall be assigned one (1) unit, except that Orchestrators, Contractors and Covered Musicians employed under the electronic multi-tracking rate shall be assigned two (2) units. Each Covered Musician’s individual residual payment will be calculated by dividing the number of units assigned to that Covered Musician by the total number of

units assigned to all Covered Musicians for the Program.

“In the case of a High Budget SVOD series or multi-part program, the Season Residual provided in this subparagraph G.(2)(a)(iii) shall be distributed according to the ratable distribution formula outlined in the preceding paragraph, with each Covered Musician being assigned one (1) unit per episode of the season or part of the multi-part program, as applicable, on which the Covered Musician was employed, except that Orchestrators, Contractors and Covered Musicians employed under the electronic multi-tracking rate shall be assigned two (2) units per episode of the season or part of the multi-part program, as applicable. Each Covered Musician’s individual residual payment will be calculated by dividing the number of units assigned to that Covered Musician by the total number of units assigned to all Covered Musicians for the season of the series or multi-part program, as applicable.

“(2) The Federation shall submit an invoice to the Producer specifying the amount owed to each Covered Musician for the High Budget SVOD Program for the applicable Exhibition Year, in accordance with the ratable distribution formula described in subparagraph (E)(1) above. In the case of a High Budget SVOD series or a multi-part program, the invoice shall specify the amount owed to each Covered Musician for the season or the multi-part program for that Exhibition Year.

“The Federation’s invoice shall include the following information:

- “(i) Invoice or ID number for tracking;
- “(ii) Session reports, including the location(s) where the session(s) occurred.
- “(iii) Date range covered by the invoice;

- “(iv) Specification that the invoice applies to the fixed residual payment for a High Budget SVOD Program;
- “(v) Title (and Season if applicable);
- “(vi) Producer’s name;
- “(vii) Musician’s name;
- “(viii) Musician’s full address;
- “(ix) Musician’s social security number;
- “(x) Musician’s beneficiary information (based on the Letter of Testamentary);
- “(xi) Name and EIN of the loan-out company of any Musician who was engaged on the title through the loan-out company;
- “(xii) Calculation of the total residuals due, including applicable employer payroll taxes; and
- “(xiii) Allocation among the Musicians.

*[Parties to discuss and develop a form invoice containing this information.]*

- “(3) Payment for each Exhibition Year shall be due no later than: (i) 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 (or, in the case of a High-Budget SVOD series or multi-part program, 60 days after the end of the calendar quarter in which the last episode of the season or the last part of the multi-part program was made available in that Exhibition Year); or (ii) sixty (60) days after the Federation submits the invoice to the Producer specifying the amount owed to each Covered Musician for the applicable Exhibition Year as provided in subparagraph (2) above, whichever is later.

“Producer will advise the Federation of any *bona fide* dispute as to the accuracy of the Federation’s invoice, including the Federation’s method of allocation, within thirty (30) days after receipt of the Federation’s invoice and shall have no obligation to pay any disputed amounts until thirty (30) days after

the dispute is resolved. If after making good faith efforts to resolve the dispute, the Producer and the Federation are unable to do so, the matter shall be submitted to the President of the AMPTP, or her designee, and the President of the Federation, or his designee, for resolution. If a Producer has already paid undisputed amounts and the resolution of a disputed amount changes the allocation of residuals, modifications shall be made to future residual payments to restore the appropriate contractual allocation.

“(4) At Producer’s election, payment of the residual may be made by the Producer either:

“(i) directly to the Covered Musicians via direct deposit, in which case the Federation shall assist the Producer in obtaining direct deposit information for all Covered Musicians; in Canada, the Producer will deduct the applicable work permit fees and dues and remit the same to the Federation’s Canadian Office, to the extent permitted under applicable law; or

“(ii) by forwarding payment to the Federation in the amount owed to all Covered Musicians for the High Budget SVOD Program (or, in the case of a High Budget SVOD series or multi-part program, in the amount owed to all Covered Musicians for the season) for distribution by the Federation to the Covered Musicians. Upon forwarding payment to the Federation, Producer’s obligation to pay the Covered Musicians shall be considered discharged, and Producer shall have no further obligation even if the Federation is unable to distribute payment to a Covered Musician. Producer shall be responsible for the payment of employer payroll taxes. In Canada, the Federation may deduct the applicable work permit fees and dues, to the extent permitted

under applicable law, prior to distributing the amount owed to the Covered Musicians.”

“(b) Use of a High Budget SVOD Program in Traditional Media

“The applicable provisions of Article 14 with respect to exhibition on “pay television,” as that term is defined in Article 14(a)(iii)(2) of the Television Agreement, shall apply when a High Budget SVOD Program, episode of a High Budget SVOD series or part of a High Budget SVOD multi-part program is exhibited on pay television.<sup>3</sup> The applicable provisions of Article 14 with respect to exhibition on “cassettes,” as that term is defined in Article 14(a)(iii)(1), shall apply when a High Budget SVOD Program, episode of a High Budget SVOD series or part of a High Budget SVOD multi-part program is exhibited on videocassettes or DVDs.

“(c) Except as set forth in this Paragraph G.(2), the Producer shall have the right to use a High Budget SVOD Program, episode of a High Budget SVOD series or part of a High Budget SVOD multi-part program on any new media platform and in traditional media without limitation as to time, and without payment of residuals.

“(d) ‘Performance-Metric’ Bonus

“The following applies to a season of a High Budget SVOD series, a High Budget SVOD multi-part program or a one-time High Budget SVOD Program that is subject to Paragraph G.(2)(a) of this Sideletter.

“Producer shall pay a bonus to Covered Musicians employed on each episode of a season of a High Budget SVOD series, or of a High Budget SVOD multi-part program or of a one-time High Budget SVOD Program that has a ‘performance metric’ (see definition in subparagraph (i) below) of twenty percent (20%) or more on the SVOD service for which it was made (‘SVOD Service’).

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<sup>3</sup> For this purpose, in-flight exhibition shall be treated as an exhibition on “pay television.”

“(i) Definition of ‘Performance Metric’<sup>4</sup>

“The ‘performance metric’ is calculated by dividing the total number of ‘domestic views’ (see definition in subparagraph (ii) below) by the total number of domestic subscribers.<sup>5</sup>

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

“(ii) Definition of ‘Domestic Views’

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

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<sup>4</sup> Producer 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 (vi) is the sole mechanism for the Federation to verify information about the ‘performance-metric’ bonus or its calculation.

<sup>5</sup> 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 High Budget SVOD multi-part program 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 High Budget SVOD multi-part program 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 25,000,000 domestic subscribers as of July 1, 2024 and makes the first episode of the first season of a High Budget SVOD series available on March 1, 2025, the applicable number of domestic subscribers is 25,000,000 for purposes 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 H.(1) of this Sideletter.



“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.

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

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

“(iii) Subsequent Year Eligibility

“Eligibility for the ‘performance-metric’ bonus shall also be determined for each subsequent Exhibition Year as defined in Paragraph G.(2)(a)(iii)(B). The formula for determining eligibility is the same as provided in subparagraphs (i) and (ii) above, except that the total hours streamed are counted for the first ninety (90) days of the subsequent Exhibition Year.

“(iv) If the ‘performance metric’ is met, Producer will pay a bonus of fifty percent (50%) of the applicable fixed High Budget SVOD residual to the Covered Musicians for the applicable Exhibition Year, to be allocated among the Covered Musicians per Paragraph G.(2)(a)(iii)(E)(1).

“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.

“(v) Example: Program XYZ is a High Budget SVOD series in its second season with ten (10) episodes, each of which is 35 minutes in length. The music sound track for the entire second season was recorded after *[insert date of May 1, 2024 or sixty (60) days after the business day on which the AMPTP receives notice of ratification, whichever is later]*. All episodes were first made available on the SVOD Service on *[insert date of May 1, 2024 or sixty (60) days after the business day on which the AMPTP receives notice of ratification, whichever is later]*.

At all relevant times, the SVOD Service has fifty million (50,000,000) domestic subscribers and eighty million (80,000,000) foreign subscribers on a worldwide basis. Collectively, all episodes of the second season of Program XYZ had seventy million (70,000,000) 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 million (70,000,000) 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 (70,000,000/5.8 hours) by the total number of domestic subscribers (50,000,000).

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

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

“= [70,000,000 hours ÷ 5.8 hours] ÷ 50,000,000 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.

“Producer will pay an additional 50% of the fixed High Budget SVOD residual that applies to Exhibition Year 1 to be allocated among the Covered Musicians per Paragraph G.(2)(a)(iii)(E)(1).

“(vi) Should the Federation provide written notice to the SVOD Service and the Producer 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 Federation 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 Federation, the SVOD Service and the Producer whether the season of the High Budget SVOD series, the High Budget SVOD multi-part program 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 Federation and the SVOD Service shall evenly split the costs and fees associated with any such audit. The Federation 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.”

*Make conforming changes as necessary.*

- b. *Add a new Paragraph H to the Sideletter re Productions Made for New Media in the Television and Theatrical Motion Picture Agreements as follows:*

**“H. Subscriber Tier for High Budget SVOD Programs:**

- “(1) The subscriber tier shall be determined as of July 1st of each year of the Agreement and shall apply for all purposes of this Sideletter to a High Budget SVOD Program or episode of a High Budget SVOD series, the principal photography of which commences on or after July 1st of the measuring year but not later than June 30th of the following year. The subscriber tier so determined shall apply to the High Budget SVOD Program in perpetuity. For a High Budget SVOD series or multi-part program, the subscriber tier that applies to the first episode (or part, as applicable) of the season shall apply to the entire season in perpetuity.
- “(2) The parties shall agree upon a methodology to determine the subscriber tier 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.
- “(3) Prior to July 1, 2024, the domestic subscriber tier agreed upon between the AMPTP, on the one hand, and the Directors Guild of America, the Writers Guild of America and SAG-AFTRA, on the

other hand, shall be deemed the subscriber tier for all purposes of this Sideletter.

“(4) In addition to any other exclusion agreed to by the parties, the subscriber tier for any subscription video-on-demand consumer pay platform shall exclude subscribers during any “free trial period” of no more than thirty (30) days.

“(5) The following shall apply to a new subscription video-on-demand consumer pay platform that launches on or after [insert date of May 1, 2024 or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later]:

“(a) Such platform is encouraged to enter into good faith discussions with the Union prior to launch to reach agreement on the subscriber tier to be attributed to that platform for purposes of applying the provisions of this Sideletter pertaining to High Budget SVOD Programs.

“(b) The subscriber tier applicable to a new subscription video-on-demand 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 subscriber tier shall be determined as of July 1st of each year of the Agreement as provided in subparagraph (1) above.

“(c) Absent any agreement to the contrary between the new subscription video-on-demand consumer pay platform and the Union, residuals for High Budget SVOD Programs that commence principal photography prior to the ninetieth (90th) day after launch shall be calculated according to the subscriber tier applicable to the subscription video-on-demand consumer pay platform as of ninety (90) days after launch.

4. **Elimination of Grandfathering Provisions Applicable to High Budget SVOD Productions (U-5)**

Eliminate “grandfathering” as provided in Paragraph F.(1) of the Sideletter re: Productions Made for New Media for any new season for which principal photography of the first episode of the season commences on or after [*insert May 1, 2024 or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later*].

**“F. High Budget Derivative and Original Dramatic New Media Productions Made for Initial Exhibition on a Subscription Video-On-Demand Consumer Pay Platform**

“(1) Prospective Application

“This Paragraph F. shall not apply to:

- “(a) any program or series that would otherwise qualify as a “High Budget SVOD Program” within the meaning of this Sideletter, for which the principal photography of the program, in the case of a one-time program, or the principal photography of the first episode, in the case of a series, commenced prior to April 19, 2020; or
- “(b) any program or series that would otherwise qualify as a “High Budget SVOD Program” within the meaning of this Sideletter, for which the principal photography of the program or the first episode of the series commenced after April 19, 2020, if such program or series was produced pursuant to the terms of a *bona fide* license agreement with fixed and definite terms entered into by the Producer prior to April 19, 2020. However, if such license agreement is entered into subject to conditions precedent, then all such conditions must be satisfied prior to April 19, 2020.

“Any program or series described in subparagraphs (a) or (b) above shall continue to be subject to the terms of the Sideletter Re: Productions Made for New Media in the May 2019 Television Agreement, except that the pension contribution rate for Employees and the minimum wage rates for sideline musicians employed on such programs shall be as set forth in the ~~successor agreement to the May 2019~~2024 Television Agreement, and Paragraph F.(3)(j) of this Sideletter shall apply to High Budget SVOD

Programs described in that Paragraph which commence principal photography on or after January 26, 2020. However, with respect to any such program or series described in subparagraphs (a) or (b) above, if the licensee orders additional programs or episodes pursuant to the terms of the license agreement after April 19, 2020 and the Producer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then such additional programs or episodes shall be subject to the terms of this Sideletter.<sup>1</sup>

“Notwithstanding the foregoing, the Producer shall not reduce the terms and conditions of employment of Employees employed on programs or series covered by subparagraphs (a) or (b) above.

“‘Grandfathering,’ as set forth in subparagraphs (a) and (b) above, is eliminated for any new season of a High Budget SVOD series for which principal photography of the first episode of the season commences on or after [insert date of May 1, 2024 or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later].”

5. **Sound Track Provisions (U-7 and P-4)**

- a. *Add a new subparagraph ‘Special Rules for Digital Downloads’ to Article 8D. of the Theatrical and Television Agreements as follows:*

“( ) Special Rules for Digital Downloads

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

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<sup>1</sup> In the event that Producer asserts that a program or series is grandfathered under the provisions of Paragraph F.(1)(b) above, a limited number of representatives of the AFM, subject to the execution of a confidentiality agreement satisfactory in form to the Producer, may inspect those portions of the license agreement that are relevant to determine whether the Producer had the right to renegotiate with respect to the material terms and conditions of the license for the additional programs or episodes. All information received or reviewed by representatives of the AFM shall be kept confidential, and neither the AFM nor its representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

12,500 units for purposes of computing the number of units sold under subparagraphs [ ] above.

*Make conforming changes.*

- b. *Modify Article 8E.(c) – (d) of the Theatrical and Television Agreements as follows and make conforming changes.*

“(c) Conditions

“(3) The following logo or credit must be provided on the jacket or other packaging accompanying the ~~sound-track-record~~ or, in the case of a digital only release, must be accessible digitally in accordance with subparagraph (d)(2)(B), (C), (D), or (E):

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

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

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

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

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

“(5) The Producer or its Licensee must provide the AFM with ~~75~~ 25 copies of the commercially released sound track record (either in physical format or digitally) as soon as practicable upon its release.

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

“(d) Special Rules for Digital Downloads

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

“(2) ~~When Producer elects to distribute sound track albums for sale in non-physical formats (such as via iTunes or other music download services), then the following shall apply:~~ (i) Regardless of media or platform of release, Producer shall cause the AFM and musician credits (as more fully described in this Article) to be furnished to the consumer by any of the following means: (A) downloadable text as part of the sound track album artwork; (B) posting such credits on the website for the applicable theatrical or television motion picture; ~~or~~ (C) posting such credits on the website(s) for the releasing record label; (D) displaying such credits on the retailer's page from which such sound track album download is purchased; or (E) displaying such credits on any DSP platform (e.g., Apple Music or Spotify) on which such sound track album is available. The aforementioned credits must remain accessible to the consumer so long as the Producer offers the sound track for sale to consumers via download.

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



6. **Artificial Intelligence (U-9)**

- a. *Modify the first paragraph of Article 1 of the AFM Television and Theatrical Agreements as follows:*

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

- b. *Add a Sideletter re: Generative Artificial Intelligence to the Television and Theatrical Agreements as follows:*

“This Sideletter applies to music sound track for a motion picture covered under this Agreement, for which the initial recording commences on or after [*the first Sunday that is 90 days after the business day on which the AMPTP receives notice of ratification*].

“1. Definitions:

“(a) The Parties acknowledge that definitions of generative artificial intelligence (‘GAI’) vary, but agree that the term generally refers to a subset of artificial intelligence that learns patterns from data and produces content, including music, based on those patterns (*e.g.*, AIVA). It does not include ‘traditional AI’ technologies, including those used in MIDI, virtual instruments and synthesizers, those programmed to perform operational and analytical functions and those used for the cleaning, processing, isolation of music tracks or pitch correction of musical tracks (*e.g.*, Melodyne, iZotope products, Lalal AI, Voice AI, Splitter AI) or digital audio workstations (*e.g.*, Pro Tools, Ableton Live, Logic Pro, Cubase). The term GAI is used for convenience; this Sideletter shall also apply to any technology that is consistent with the foregoing definition, regardless of its name.

“(b) The parties acknowledge that the Producers have historically used digital technologies to alter, edit, arrange, rearrange, revise and manipulate music

sound track recorded under this Agreement, including by changing the characteristics of the music sound track (e.g., changing the pitch, tone, timbre, tempo or rhythm of recorded music and any use of plug-ins) or by amplifying or multiplying (other than by overdubbing) the sound (e.g., turning a recording of one violin into a group of violins). The parties further acknowledge that the Producers have customarily used digital technologies to generate music (e.g., by means of a synthesizer). The parties agree that the use of a GAI system to achieve the results described in this paragraph shall not constitute the creation of ‘GAI-Generated Music Sound Track’ within the meaning of this Sideletter.

“(c) ‘GAI-Generated Music Sound Track’ refers to the output from a ‘GAI’ system: (1) which has been prompted with one or more specifically identified piece(s) of music sound track recorded on or after the *[the first Sunday that is 90 days after the business day on which the AMPTP receives notice of ratification]* under this Agreement (the ‘music prompt’); (2) where the purpose of the ‘music prompt’ is to create music sound track for inclusion in a motion picture covered under this Agreement that is new and substantially different from the piece(s) of music sound track included in the music prompt; and (3) the new music sound track used in the motion picture as released creates the clear impression that musician(s) are playing instrument(s), melody(-ies) and/or composition(s) not in the ‘music prompt.’

“2. Use of ‘GAI-Generated Music Sound Track’

“(a) Notice to the Federation

“Producer shall provide the Federation with written notice no later than thirty (30) days after the initial exhibition of a motion picture, the musical score of which is created, in whole or in part, using ‘GAI-Generated Music Sound Track.’ Notice shall include the name(s) of the recording musician(s) who played one or more instrument(s) in the ‘music prompt’ to create the ‘GAI-Generated Music Sound Track.’

“(b) Payment for Use of ‘GAI-Generated Music Sound Track’

“(1) When ‘GAI-Generated Music Sound Track’ is Based on a ‘Music Prompt’ Recorded for the Same Motion Picture

“If the Producer uses ‘GAI-Generated Music Sound Track’ in the music sound track as released for a motion picture covered under this Agreement, and the ‘music prompt’ was recorded for that same motion picture, the Producer shall make the following payment to the recording musician(s) who played one or more instrument(s) in the ‘music prompt.’

“(A) Except as provided in subparagraph (B) below, each musician who recorded the music sound track used in the ‘music prompt’ shall be paid three (3) hours at the electronic multitracking rate (using the rate applicable to one (1) musician) for each fifteen (15) minutes of ‘GAI-Generated Music Sound Track’ used in the motion picture as released. The rate shall be the applicable scale rate in effect when the music sound track in the ‘music prompt’ was recorded.

“(B) When a ‘music prompt’ containing only music sound track of a single musician playing a single instrument is used to create ‘GAI-Generated Music Sound Track,’ which likewise creates the clear impression that a single musician is playing a single instrument, the musician shall be paid two single session fees, at the recording musician scale rate (not the leader scale rate) applicable to the recording of the music sound track used for the ‘music prompt,’ for each fifteen (15) minutes of ‘GAI-Generated Music Sound Track’ used in the motion picture as released. For example, if music sound track of a musician playing the violin is used as a ‘music prompt’ to a ‘GAI’ system for the purpose of creating music sound track that creates the clear impression that the musician was playing a trumpet, instead of the violin, the musician would receive a payment of two single session fees.

“(2) When ‘GAI-Generated Music Sound Track’ is Based on a ‘Music Prompt’ Recorded for a Different Motion Picture

“If the Producer uses ‘GAI-Generated Music Sound Track’ in the music sound track as released for a motion picture covered under this Agreement, and the ‘music prompt’ was recorded for a different motion picture covered under this Agreement, the Producer shall make the applicable payment

set forth in subparagraph (1)(A) or (B) above to the recording musician(s) who played one or more instrument(s) in the 'music prompt.' In addition, each recording musician shall be paid a single session fee, at the recording musician scale rate (not the leader scale rate) applicable to the recording of the music sound track used for the 'music prompt,' for each fifteen (15) minutes of 'GAI-Generated Music Sound Track' used in the motion picture as released.

“(3) The Producer shall receive a credit of three (3) hours toward the scoring hours requirements set forth in Paragraph 15(a)(5) of the Television Agreement (and related provisions, including but not limited to Paragraph 15(a)(6)), for each fifteen (15) minute payment made under subparagraphs (1)(A), (1)(B) and (2).

“(4) The Producer shall make a single Health and Welfare contribution on the basis of twelve (12) hours on behalf of any musician who receives a payment under this subparagraph (b), for each fifteen (15) minutes of 'GAI-Generated Music Sound Track' used in a motion picture covered under this Agreement, for which the 'music prompt' included music sound track of that musician. Payments made under this subparagraph (b) shall be subject to AFM Employers' Pension Fund contributions.

“(5) For purposes of this subparagraph (b), the number of minutes of 'GAI-Generated Music Sound Track' shall be determined by adding up all minutes of 'GAI-Generated Music Sound Track' in the motion picture as released, including portions of 'GAI-Generated Music Sound Track' that are repeated in the motion picture. For example, if ten (10) minutes of 'GAI-Generated Music Sound Track' are created and used twice in the motion picture (and no other 'GAI-Generated Music Sound Track' is used in the motion picture), payment would be required for a total of twenty (20) minutes of 'GAI-Generated Music Sound Track' as provided herein.

“(6) The foregoing payment(s) are in addition to the compensation the recording musician received in connection with the recording session(s) at which the 'music prompt' was recorded.

“3. 'GAI-Generated Music Sound Track' used in a motion picture as released shall be treated the same as other music sound track recorded under this Agreement for purposes of new use or reuse provisions. For example, when 'GAI-Generated Music Sound Track' created for use in one motion picture is used

in another motion picture, the reuse/new use provisions apply in lieu of this Sideletter.

“4. Ongoing Obligations

“Producer agrees to meet at least semi-annually during the term of the Agreement at the request of the Federation and subject to appropriate confidentiality agreements to discuss and review information related to the Producer’s use and intended use of GAI in the recording of music sound track for motion pictures covered under this Agreement. The foregoing provision shall not be construed to waive any right of the Federation under the National Labor Relations Act, including but not limited to the right to seek information necessary and relevant to the administration and enforcement of this Sideletter.

“5. In any proceeding in which it is determined that there has been a violation of this Sideletter, remedies shall be limited to monetary damages.”

c. *Add a new Paragraph [ ] to the Television and Theatrical Agreements as follows:*

“[ ]. **DIGITAL REPLICATION**<sup>1</sup>

“This Paragraph [ ] applies when a sideline musician is employed by the Producer under this Agreement on or after [*the first Sunday that is 90 days after the business day on which the AMPTP receives notice of ratification*] to appear in a motion picture and, in connection with the sideline musician’s employment on the motion picture, the Producer (directly or through a third party):

“(i) requires the sideline musician to provide services for purposes of creating a Sideline Musician Digital Replica; or

“(ii) uses a Sideline Musician Digital Replica as provided herein.

“For purposes of this Paragraph, a ‘Sideline Musician Digital Replica’ of a sideline musician is a replica of the likeness of the sideline musician which is created using digital technology with the sideline musician’s physical

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<sup>1</sup> “Except as explicitly set forth herein, it is understood that this Paragraph [ ] does not expand or contract any existing rights and obligations under the AFM Basic Theatrical Motion Picture Agreement or AFM Basic Television Motion Picture Agreement.

participation and is for the purpose of depicting the sideline musician in a scene in which the sideline musician did not actually appear.

“The parties acknowledge that the Producers have historically used digital technologies (*e.g.*, CGI, visual effects) during all stages of motion picture production (*e.g.*, pre-visualization, pre-production, production, post-production, distribution, marketing) and may continue to do so, consistent with their historical practices.

“A. Creation of Sideline Musician Digital Replicas

“(1) A Producer must notify a sideline musician no less than forty-eight (48) hours in advance of the time the sideline musician’s services are required to create a Sideline Musician Digital Replica, or at the time of booking if the sideline musician is booked less than forty-eight (48) hours in advance of the time the sideline musician’s services are required to create a Sideline Musician Digital Replica. The Producer must obtain consent if it requires the sideline musician to provide services for purposes of creating the sideline musician’s Sideline Musician Digital Replica for use in connection with a motion picture. The consent must be clear and conspicuous and may be obtained through an endorsement or statement in the sideline musician’s employment paperwork that is separately signed or initialed by the sideline musician or in a separate writing that is signed by the sideline musician.

“(2) When a sideline musician provides services for purposes of creating a Sideline Musician Digital Replica on the same day the sideline musician performs other work for the Producer under this Agreement, any time spent by the sideline musician in connection with creating the Sideline Musician Digital Replica shall be treated as work time.

“Producer will endeavor to schedule the sideline musician’s services for purposes of creating a Sideline Musician Digital Replica on a day when the sideline musician is also working for the Producer under this Agreement, when practicable.

“When a sideline musician provides services for purposes of creating a Sideline Musician Digital Replica on a day when the sideline musician does not perform other work for the Producer under this Agreement, the

sideline musician shall be paid one (1) day of pay at the agreed wage, plus benefit contributions under Section I.

“Notwithstanding the foregoing, no additional payment is due to a sideline musician for providing services for purposes of creating a Sideline Musician Digital Replica on a day when the Producer is required to pay the sideline musician for any services, travel time or a cancelled call; provided, however, that if the sideline musician is paid less than minimum pay for eight (8) hours for that day, the Producer shall also pay an additional amount necessary to reach minimum pay for eight (8) hours.

“B. Use of a Sideline Musician Digital Replica

“For purposes of this subparagraph B. ‘use’ of a Sideline Musician Digital Replica refers to use of an Sideline Musician Digital Replica created pursuant to subparagraph A. above that is intended to create, and does create, a depiction of the sideline musician that gives the clear impression that the sideline musician represented by the Sideline Musician Digital Replica actually provided services to create image or photography when, in fact, the Sideline Musician Digital Replica was used in lieu of the sideline musician.<sup>2</sup>

“(1) Use in the Motion Picture for Which the Sideline Musician Was Employed

“(a) A Producer may use a sideline musician’s Sideline Musician Digital Replica in connection with a motion picture for which the sideline musician was employed, upon obtaining the sideline musician’s consent to the extent required herein. The Producer must obtain the sideline musician’s consent to use the Sideline Musician Digital Replica in new photography not previously recorded by the sideline musician; provided, however, that no consent is required when the photography remains substantially as scripted, performed and/or recorded.

“Consent must be clear and conspicuous and include a reasonably specific description of the intended use of the Sideline

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<sup>2</sup> The parties acknowledge that the Producers have customarily used digital technologies to depict scenes in which the sideline musician is not recognizable (*e.g.*, a masked character); such uses are not subject to this subparagraph B.

Musician Digital Replica in that motion picture. Consent may be obtained through an endorsement or statement in the sideline musician's employment paperwork that is separately signed or initialed by the sideline musician or in a separate writing that is signed by the sideline musician. Any consent that the sideline musician granted during the sideline musician's lifetime shall continue to be valid after the sideline musician's death unless explicitly limited otherwise. In the event the sideline musician is deceased at the time the Producer seeks any required consent (and the Producer has not already obtained consent during the sideline musician's lifetime or the sideline musician's consent is no longer valid after death), the Producer shall obtain the consent of the authorized representative (or the Federation, if the deceased sideline musician's authorized representative cannot be identified or located) who represents the deceased sideline musician's exclusive rights as determined by applicable law.

“(b) If the Producer uses a sideline musician's Sideline Musician Digital Replica in place of the sideline musician, the sideline musician shall be paid the minimum rate for the number of production days that the Producer determines the sideline musician would have been required to work had the sideline musician instead performed those scene(s) in person. The Producer will make a good faith effort to estimate the number of production days utilizing objective criteria. Such compensation shall be treated as wages for all purposes.

“(2) Use Other Than in the Motion Picture for Which the Sideline Musician Was Employed

“A Producer may not use a sideline musician's Sideline Musician Digital Replica in connection with a motion picture other than one for which the sideline musician was employed or in any other field or medium without obtaining the sideline musician's consent and bargaining separately for the use.

“Consent must be clear and conspicuous and include a reasonably specific description of the intended use. Consent must be obtained prior to use, but may not be obtained at the time of employment.

“Any consent that the sideline musician granted during the sideline musician's lifetime shall continue to be valid after the sideline musician's death unless explicitly limited otherwise. In the event the sideline musician is deceased at the time the Producer seeks consent (and the Producer has not already



obtained consent during the sideline musician's lifetime or the sideline musician's consent is no longer valid after death), the Producer shall obtain the consent of the authorized representative (or the Federation, if the deceased sideline musician's authorized representative cannot be identified or located) who represents the deceased sideline musician's exclusive rights as determined by applicable law.

"The sideline musician minimum pay for eight (8) hours shall be the minimum for purposes of the bargaining referred to above with respect to use of a sideline musician's Sideline Musician Digital Replica in connection with a motion picture other than one for which the sideline musician was employed or in any other field or medium.

"C. For clarity, the Producer need not obtain the consent of the sideline musician under Paragraph B. above to perform post-production alterations, editing, arranging, rearranging, revising or manipulating of photography for purposes of cosmetics, wardrobe, timing or speed, continuity, clarity, addition of visual effects or filters, standards and practices,<sup>3</sup> ratings,<sup>4</sup> or other similar purposes.

"D. In any proceeding in which it is determined that there has been a violation of this Paragraph [ ], remedies shall be limited to monetary damages."

7. **Late Payment of Wages (U-11)**

- a. *Modify Paragraph 5 of the AFM Basic Theatrical and Television Motion Picture Agreements as follows:*

~~"The regular pay day will be on Thursday, holiday weeks excluded. When an employee is laid off and requests pay, he/she shall be paid at time of layoff or his/her pay check shall be mailed within twenty four (24) hours, excluding Saturdays, Sundays and holidays. Payment for all services covered under this Agreement shall be due within twenty (20) days, excluding Saturdays, Sundays and holidays, following the date that the services were rendered."~~

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<sup>3</sup> The parties agree that adjustments for standards and practices means adjustments to adhere to stricter standards.

<sup>4</sup> The parties agree that adjustments for ratings means adjustments to obtain a rating for a wider audience.

8. **Screen Credits (U-12)**

*Modify Article 20(a) of the AFM Basic Theatrical Motion Picture Agreement as follows:*

“(a) Producer shall accord screen credits to musicians employed by the Producer under this Agreement, which may appear grouped by the categories of wind, brass, strings, percussion, music prep or any other category that the Producer deems appropriate. Effective on theatrical motion pictures, the principal photography of which commences on or after [insert date of May 1, 2024 or the first Sunday following the business day on which the AMPTP receives notice of ratification, whichever is later] such screen credits shall appear grouped by the categories of wind, brass, strings, percussion, music prep or any other category that the Producer deems appropriate. Producer shall have sole discretion as to the size, style, placement and format of credits.”

9. **Clarification on SVOD vs Virtual MVPD Services (U-13)**

Effective July 1, 2024, remove CBS All Access from the Sideletter re: Virtual MVPD Services. Remove PlayStation Vue from the Sideletter re: Virtual MVPD Services effective upon the start of the term of the Agreements.

10. **Secondary Markets Fund Housekeeping Items (U-14)**

a. *Modify Article 15(b)(1)(vii) and Article 16(b)(1)(viii) of the AFM Basic Theatrical Motion Picture Agreement and Article 14(b)(1)(viii) of the AFM Basic Television Motion Picture Agreement as follows:*

“All payments shall be made by electronic funds transfer (such as ACH or wire transfer) or by check payable to the order of and delivered to the Film Musicians Secondary Markets Fund.”

b. *Add a new Sideletter Re: Voluntary Retirement of Secondary Markets Fund Shares as follows:*

“During the 2024 negotiations, the parties agreed that notwithstanding Paragraph 3(h)(i) of the Film Musicians Secondary Markets Agreement (Exhibit A), upon request of a musician, the musician may execute a voluntary agreement with the Fund to retire their current and future shares to the Fund, to be applied towards the Fund’s administrative expenses for the benefit of all participating musicians.”

11. **Banking and Exchange (P-1)**

- a. *Amend Article 3(b)(1)(i) of the Theatrical Agreement to require notice of banking a Foreign Picture prior to its initial release, rather than prior to scoring, as follows:*

“(i) The Producer shall provide written notice to the Director of the AFM Electronic Media Services Division (West Coast office) that the Foreign Picture, if it is scored within the United States or Canada, will be subject to banking. Except for those motion pictures produced during the term of the 2010 Agreement, as extended by the parties, and identified by the Producers to the Federation during the 2013 negotiations, [Footnote 1 omitted] such notice must be provided ~~in advance of the~~ no later than five (5) business days after the completion of the scoring of the Foreign Picture. In the case of a negative pick-up or a motion picture produced by another entity for which a distributor related to the Producer has provided financing in exchange for distribution rights, the Producer shall, on or after the date on which such notice is provided, be deemed to be signatory of record with respect to services rendered and obligations incurred under the Agreement. [Footnote 2 omitted]”

*Make conforming changes, including the following modifications to Article 3(b)(1)(ii):*

“(ii) ~~After the scoring of the Foreign Picture in the United States or Canada, but no later than the initial release of~~ No later than five (5) business days after the completion of the scoring of the Foreign Picture (or no later than ninety (90) days following ratification of the Agreement in the case of motion pictures produced under the 2010 Agreement, as extended by the parties), the Producer shall provide the Director of the AFM Electronic Media Services Division (West Coast office) with a statement of the aggregate hours paid to recording musicians, along with the B Forms, for services rendered on the Foreign Picture, including, but not limited to, trailer(s) for the Foreign Picture.”

- b. *Amend the third paragraph of Article 3(b)(1)(ii) of the Theatrical Agreement to increase the time period to exchange banked hours from five (5) years to seven (7) years effective for scoring hours banked on or after November 14, 2023, as follows:*

“The scoring hours on the Foreign Picture shall be “banked” and available for exchange within five (5) years ~~four (4) years~~ (or, effective for scoring hours banked on or after [insert first day of the term of the Agreement], seven (7) years

~~April 3, 2018, five (5) years~~) from the date of the initial release of the Foreign Picture.”

- iii. *Add a new fourth paragraph of Article 3(b)(2) of the AFM Basic Theatrical Motion Picture Agreement as follows:*

“Notwithstanding the foregoing, a Producer may not exchange more than 7,000 scoring hours in a given calendar year. In the event a Producer exchanges more than 7,000 hours in any given calendar year, 150% of the overage amount shall be deducted from the Producer’s total hours banked.”

- iv. *Add a new subparagraph (b) to Article 3 of the Basic Television Agreement to provide as follows:*

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

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

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

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

“(i) The Producer shall provide written notice to the Director of the AFM Electronic Media Services Division (West Coast office) that the Foreign Picture, if it is scored within the United States or Canada, will be subject to banking. Such notice must be provided no later than five (5) business

days after the completion of the scoring of the Foreign Picture. In the case of a series that includes one or more episodes in a season that are Foreign Pictures, the notice shall be provided after the completion of the scoring of the first episode of the season that is a Foreign Picture (which may be the pilot for the first season) and shall apply to all other episodes in the season that qualify as Foreign Pictures. In the case of a negative pick-up or a television motion picture produced by another entity for which a distributor related to the Producer has provided financing in exchange for distribution rights, the Producer shall, on or after the date on which such notice is provided, be deemed to be signatory of record with respect to services rendered and obligations incurred under the Agreement.

“(ii) No later than five (5) business days after the completion of the scoring of the Foreign Picture (or, in the case of a series, after the completion of the scoring of the season of a series which consists of one or more Foreign Pictures), the Producer shall provide the Director of the AFM Electronic Media Services Division (West Coast office) with a statement of the aggregate hours paid to recording musicians, along with the B Forms, for services rendered on the Foreign Picture, including, but not limited to, trailer(s) for the Foreign Picture.

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

“The scoring hours on the Foreign Picture shall be ‘banked’ and available for exchange within seven (7) years from the date of the initial release of the Foreign Picture.

“(2) In the event that the Producer wishes to score a Domestic Picture outside the United States and Canada by drawing from the bank established pursuant to subparagraph (b)(1) above, the Producer shall provide written notice to the Director of the AFM Electronic Media Services Division (West Coast office) identifying the Domestic Picture to be scored outside the

United States and Canada at least thirty (30) days in advance of the commencement of the scoring of the Domestic Picture, unless the Producer could not have complied with the foregoing thirty (30) day notice requirement, in which case the notice must be provided as soon as practicable, but in no event after scoring commences. Such notice shall include the budgeted hours estimated to be paid to recording musicians for services rendered on the Domestic Picture.

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

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

“Notwithstanding the foregoing, a Producer may not exchange more than 7,000 scoring hours in a given calendar year. In the event a Producer exchanges more than 7,000 hours in any given calendar year, 150% of the overage amount shall be deducted from the Producer’s total hours banked.

“The oldest banked scoring hours on the Foreign Picture(s) will be exchanged first with the scoring hours on the Domestic Picture. Unused banked scoring hours from Foreign Picture(s) in excess of the exchanged scoring

hours from the Domestic Picture remain in the bank until they expire as provided in subparagraph (b)(1) above.”

12. **Indigenous and Unique Instrumentation (P-3)**

*Add a new subparagraph (c) to Article 3 of the Television and Theatrical Agreements as follows:*

“(c) Notwithstanding subparagraph (a) above, the Federation shall not unreasonably deny the request of a Producer to record specific instrumentation (*i.e.*, non-traditional, indigenous or exotic sounds) outside of the United States and Canada for the purpose of maintaining the cultural authenticity of the region from which the instrumentation originates, provided that, in such circumstances, all terms and conditions of the Agreement, including pension and health contributions, shall apply to the musicians playing these instruments.”

13. **Clips of Music Sound Track Recorded Under an AFM Basic Theatrical or Television Agreement (Article 8A.) (P-5)**

- a. *Revise Article 8A.(e) in the Television and Theatrical Agreements to increase the length limitation for use of music sound track from a motion picture without the accompanying footage in Article 8A.(e)(1) from two (2) minutes to three (3) minutes, as follows:*

“(e) (1) For any use of any portion of a production number with the accompanying footage from a motion picture (other than in ~~an~~New ~~an~~Media), or for the use in a motion picture produced within the geographical scope of this Agreement of up to ~~two (2)~~ three (3) minutes of music sound track from a motion picture without the accompanying footage (other than in New Media), which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following aggregate one-time-only sum for each motion picture to the musician or musicians determined by the Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

Footage: “(i) Production Number with the Accompanying

~~Footage:~~ “(i)(A) one (1) minute or less of sound track -  
~~\$1,500~~\$2,000;

~~“(i)(B)~~ “(B) for each thirty (30) seconds or portion thereof in excess of one (1) minute - \$750\$1,000.

“(ii) Music Sound Track Without the Accompanying Footage up to Three (3) Minutes:

“(A) one (1) minute or less of sound track - \$2,000;

“(B) for each thirty (30) seconds or portion thereof in excess of one (1) minute up to and including two (2) minutes - \$1,000; and

“(C) for each thirty (30) seconds or portion thereof in excess of two (2) minutes up to and including three (3) minutes – \$1,000.

“Subparagraph (C) above shall not be applicable if the music sound track consists of an entire song, consisting of music and lyrics.”

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

“(i) one (1) minute or less of sound track – ~~\$1,500~~\$2,000;

“(ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute up to and including two (2) minutes – ~~\$750~~\$1,000;

“(iii) for each thirty (30) seconds or portion thereof in excess of two (2) minutes up to and including four (4) minutes – ~~\$1,000~~\$1,250.

“(3) For the use of any other music sound track with the accompanying footage from a motion picture not covered under subparagraph (e)(1) above (other than in ~~an~~New ~~Media~~), which use is not within the exceptions provided for in subparagraphs (a)-(d) above, the Producer shall pay the following



aggregate one-time-only sum for each motion picture to the musician or musicians determined by the Federation to be entitled to such compensation and prorated among such musicians as determined by the Federation:

“(i) one (1) minute or less of sound track - ~~\$750~~\$1,000;

“(ii) for each thirty (30) seconds or portion thereof in excess of one (1) minute - ~~\$375~~\$500.”

*Make conforming changes.*

- ii. *Add a new subparagraph (4) to Article 8A.e. of the Television and Theatrical Agreements (and renumber the remainder of the paragraphs accordingly), as follows:*

“(4) **Reuse of Portions of Music Sound Track Generating Small License Fees**

“(i) **Use in a Video Game**

“(A) (1) If the Producer receives a flat fee payment of \$30,000 or less for the use of music sound track from a motion picture, with or without the accompanying footage, in a video game, the Producer shall pay to the Administrator of the Film Musicians Secondary Markets Fund three percent (3%) of the license fee, to be distributed on a *pro rata* basis to the musician or musicians determined by the Federation to be entitled to such compensation.

“(2) If the Producer receives a flat fee payment of more than \$30,000 for the use of music sound track from a motion picture, with or without the accompanying footage, in a video game, the Producer may elect one of the following options:

“(I) Pay pursuant to subparagraph (e)(1), (2) or (3) above, as applicable; or

“(II) Pay \$198 to each musician who rendered services in making the portion of the music sound track that is used.

“(B) If the Producer receives a contingent payment of any kind (e.g., a per unit payment or a scaled payment based on sales) for the use of music sound track from a motion picture, with or without the accompanying footage, in a video game:

“(1) If the Company has received less than \$30,000 within five quarters of reporting by the licensee after the release of the game, the Producer shall pay to the Administrator of the Film Musicians Secondary Markets Fund three and one quarter percent (3.25%) of the Producer’s income from licensing the music sound track attributable to that five quarter period, to be distributed on a *pro rata* basis to the musician or musicians determined by the Federation to be entitled to such compensation.

“(2) If the Company has received \$30,000 or more within five quarters of reporting by the licensee after the release of the game, the Producer may elect either to:

(I) Pay pursuant to subparagraph (e)(1), (2) or (3) above, as applicable; or

(II) Pay \$198 to each musician who rendered services in making the portion of the music sound track that is used.

“(ii) **Life Cycle and Similar Licenses:** If the Producer receives a license fee of \$2,500 or less for the use of music sound track from a motion picture, with or without the accompanying footage, (a) in life cycle or other similar personal or non-commercial uses (*e.g.*, for weddings, bar/bat mitzvahs, quinceañeras, yearbooks, photo montages, etc.), whether through direct licensing to consumers, third-party videographers, aggregation services, or other means, or (b) in or at business conferences or presentations, where such licenses do not permit such uses to be made publicly available in any form, the Producer shall pay to the Administrator of the Film Musicians Secondary Markets Fund three percent (3%) of the license fee to be applied towards the Fund’s administrative expenses for the benefit of all participating musicians.

(iii) Payments to the Administrator of the Film Musicians Secondary Markets Fund under this subparagraph (e)(4) shall be made not less frequently than on a semi-annual basis following the Producer’s receipt of the license fee.

(iv) Payments made under this subparagraph (e)(4) shall be *in lieu* of any payment required under subparagraph (e)(1), (2) or (3) above.

(v) For any payment under this subparagraph (4) based on a percentage of the license fee, the Producer will provide the Federation with a quarterly report showing the motion picture name, the cue name, the licensee and contact information therefor, the specific nature of the use (including the title), the date of the license and the amount of the license fee.

*Make conforming changes as necessary, including to Paragraph F.(3)(b) of the Sideletter re: Productions Made for New Media in the Television and Theatrical Agreements as follows:*

**“F. High Budget Derivative and Original Dramatic New Media Productions Made for Initial Exhibition on a Subscription Video-On-Demand Consumer Pay Platform”**

[. . .]

“(3) Except as otherwise provided herein, the terms and conditions applicable to musicians employed on a High Budget SVOD Program shall be those in the AFM Basic Television Motion Picture Agreement applicable to a dramatic free television motion picture, subject to the following clarifications and modifications:

“(b) Article 8A. shall apply, except that the following shall apply to reuses of portions of the music sound track from a High Budget SVOD Program in New Media that are not covered by Article 8A.(a)-(d):

“(i) Paragraph E.(4)(a) of this Sideletter shall apply to reuse of portions of the music sound track from a High Budget SVOD Program in a New Media Production (including other High Budget SVOD Programs).

“(ii) Reuse of portions of the music sound track of a High Budget SVOD Program in a New Media Production (including other High Budget SVOD Programs) that exceed two (2) minutes in the aggregate shall be governed by Article 8A.(e)(1), (2), ~~or~~ (3), or (4), as applicable.

“(iii) All other reuse of portions of the music sound track of a High Budget SVOD Program in New Media shall be governed by Article 8A.(e)~~(4)~~(5).”

14. **Article 8G – Release of Sound Track Recorded on or After November 1, 1960 (P-6)** – Producers withdrew their proposal in light of the Federation’s confirmation that Article 8E applies to the release of sound track records not previously released, without any limitation on the amount of time that may elapse between the release of the applicable motion picture and the release of the associated sound track record(s).

15. **Recording Musician Cancellation for Force Majeure (P-8)**

*Modify Paragraph 15(b)(4) of the Television and Theatrical Agreements as follows:*

“(4) Calls

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

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

“(ii) Notwithstanding the foregoing, the Producer shall have the right to cancel any call for any of the following reasons beyond his/her control:

“(A) Fire, flood or other similar catastrophe; or

“(B) Governmental regulations or order issued due to a national emergency.

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

“If any recording musician is notified of such cancellation before 6:00 p.m. of the day prior to the work date specified in the call, or is otherwise employed on that work date by the same or any other Producer, at a rate equal to or higher than the rate applicable to such recording musician as specified in such cancelled call, he/she shall not be entitled to such one-half (½) check.”

16. **Supplemental Markets and Post '60 Theatrical Motion Pictures (P-9)**

*Revise Article 15(b)(1)(vi) of the Basic Theatrical Agreement to eliminate the thirty percent floor, as follows:*

“(vi) When ‘participating musicians’ have been utilized in creating the music sound track for a motion picture which is scored partially in the United States or Canada and partially outside of the United States and Canada, the percentage payment into the Secondary Markets Fund shall be as follows: the payment shall be prorated by multiplying such percentage payment by a fraction whose numerator consists of the total salaries paid to the musicians employed under the terms of this Agreement and the denominator of which consists of the total salaries paid to all musicians employed in connection with the scoring of such motion picture. ~~The foregoing proration formula shall be subject to the following exceptions: (A) in any instance in which the total salaries paid to musicians employed under this Agreement are less than thirty percent (30%) of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, the Producer shall nevertheless be required to pay thirty percent (30%) of the percentage payment due; and (B) in In any instance in which the total salaries paid to musicians employed under this Agreement total seventy-five percent (75%) or more of the total salaries paid to all musicians employed in connection with the scoring of the motion picture, then the Producer shall be required to make a contribution to the Secondary Markets Fund equal to what the contribution would have been if one hundred percent (100%) of the scoring had taken place in the United States or Canada. The Producer shall provide to the auditors the information necessary to determine the correct pro rata payment.<sup>FN</sup> The Producer will identify a motion picture as subject to this subparagraph (vi) at the time of the first payment to the Fund for that motion picture.”~~

*[Footnote omitted.]*

*Make conforming changes as necessary, including to Article 16(b)(1)(v) of the Basic Theatrical Agreement and Article 14(b)(1)(v) of the Basic Television Agreement.*

17. **Film Festival or Charity Screenings (P-10)**

*Add a new subparagraph (v) to Paragraph 15(b)(17) of the Television Agreement as follows:*

“(17) Theatrical Exhibition of Television Films

\* \* \* \*

“(v) When a motion picture is exhibited at a film festival or charitable event and either no admission fee is charged or an admission fee is charged, but no monies are paid to the Producer or the Producer’s licensee in consideration of the use of the motion picture, no payment shall be due hereunder.”

18. **Housekeeping – Update Waiver of Sick Time Laws (P-11)**

*Modify Paragraph 8.1 of the Basic Theatrical Agreement and the Television Agreement as follows:*

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

The Federation expressly waives, to the full extent permitted by law, application of the following to all employees employed under this Agreement: the New York City Earned Safe and Sick Time Act (N.Y.C. Admin. Code §§ 20-911 *et seq.*); the New York State ~~paid sick leave law~~ Paid Sick Leave Law (Labor Law Section 196-b); ~~the Westchester County Earned Sick Leave Law (Section 700.36 et seq. of the Laws of Westchester County);~~ the New Jersey Paid Sick Leave Act (N.J.S.A. 34:11D-1, *et seq.* ~~C.34:11-56a et seq.~~); the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); ~~the San Francisco Public Health Emergency Leave Ordinance (San Francisco Police Code Article 33P);~~ the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to “paid sick leave” in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California, including, but not limited to, Chapter 37.01-(e), 37.03, 37.07-(a)(1)(ii)(B)-~~ii~~, and 37.07-(f); ~~City of Los Angeles Emergency Order regarding Supplemental Paid Leave due to COVID-19 (issued April 7, 2020); the Los Angeles County COVID-19 Worker Protection Ordinance;~~ the Oakland Paid Sick Leave Law (Municipal Code Section 5.92.030 of the Oakland Municipal and Planning Codes-); ~~the Santa Monica Paid Sick Leave Ordinance (Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509));~~ the West Hollywood Sick Pay Ordinance (Section 5.130.030 of the West Hollywood

Municipal Code); the Tacoma Paid Sick Leave Ordinance (Title 18, Chapter 18.10 of Title 18 of the Tacoma Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); the Arizona Earned Paid Sick Time Law (A.R.S. section 23-371, et seq.) Article 8.1 of Title 23, Chapter 2 of the Arizona Revised Statutes; the Chicago Paid Sick Leave Ordinance (Section 4-24-045 6-105-045 of the Municipal Code of Chicago); the Cook County Earned Sick Leave Ordinance (Ordinance No. 16-4229 Chapter 42, Article I, Sec. 42-1, et seq. of the Cook County Code); the Bloomfield Sick Leave for Private Employees Ordinance (Chapter 460463 of the Ordinance Code of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the East Orange Paid Sick Time for Private Employees Leave Ordinance (Chapter 140 of the Code of the City of East Orange, New Jersey (Ordinance No. 21-2014; East Orange Code Chapter 140, Section 1 et seq.); the Jersey City Paid Sick Leave Time Law of Jersey City, New Jersey (Chapter 4 of the Code of the City of Jersey City, New Jersey Municipal Code); the New Brunswick Paid Sick Time and Paid Safe Time Leave Ordinance (Chapter 8.56 of the Revised General Ordinances of the City of New Brunswick, New Jersey); the Plainfield Sick Leave for Private Employees and City Employees Ordinance (Chapter 8, Article 5 of the Municipal Code of the City of Plainfield, New Jersey); the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); the Irvington Paid Sick Time Ordinance (Chapter 277, Article I of the Code of the Township of Irvington, New Jersey) (Ordinance No. MC 3513; the Montclair Paid Sick Leave Ordinance (Chapter 132, Article I of the Code of the Township of Montclair, New Jersey; the Morristown Paid Sick Leave Ordinance (Article XV, § 2-89, et seq. of the Code of the Town of Morristown, New Jersey (Ordinance No. O 35-2016); the Newark Sick Leave for Private Employees Ordinance (Title XVI, Chapter 16:18 of the Code of the City of Newark, New Jersey (City Ordinance 13-2010); the Passaic Paid Sick Leave for Private Employees Ordinance (Chapter 128, Article I of the Code of the City of Passaic, New Jersey (Ordinance No. 1998-14); the Paterson Sick Leave for Private Employees Ordinance (Chapter 412 of the Code of the City of Paterson, New Jersey (Paterson Code Chapter 412); and the Trenton Paid Sick Leave Ordinance (Chapter 230 of the Code of the City of Trenton, New Jersey (Ordinance No. 14-45); and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the Federation and the AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.

19. **Sunset Provisions**

- a. Renew the Sideletters re: Exhibition of Motion Pictures Transmitted Via New Media, including the sunset provision.
- b. Renew the Sideletters re Productions Made for New Media, including the sunset provision.
- c. Renew the sunset provision in Article 8A.(e)(6).

20. **Joint Industry-Federation Cooperative Committee for Discussion Items (U-15, P-13)**

Pursuant to Article 19 of the AFM Basic Theatrical Motion Picture Agreement and Article 17 of the AFM Basic Television Motion Picture Agreement, the Joint Industry-Federation Cooperative Committee shall hold its first meeting during the first year of the Agreement and thereafter during the term as the Committee determines. The AMPTP and the Federation shall each designate at least three (3) representatives to serve on the Committee. The Committee will discuss issues including striping, diversity, equity, inclusion and identifying beneficiaries. Other mutually agreed-upon items may be added to the agenda in advance of the meeting.