

New Media Original Content Residual Formulas

For New Media Content Released in Theaters for Admission Fee and Simultaneously on Streaming: Like “Dune” or “Marriage Story:”



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The Producer shall pay **5.4%** of **straight time scale earnings of all employees employed on the project to the Health and Pension Plans** over a period of 8 Quarters after the theatrical release, and that covers all theatrical use of the project and streaming on the original platform, there is no 26 week restriction.

New Media Original Content Residual Formulas

For Theatrical Content Released in Theaters and Subsequently, not Simultaneously on Streaming: Like “Nomadland” or “Barb & Star:”



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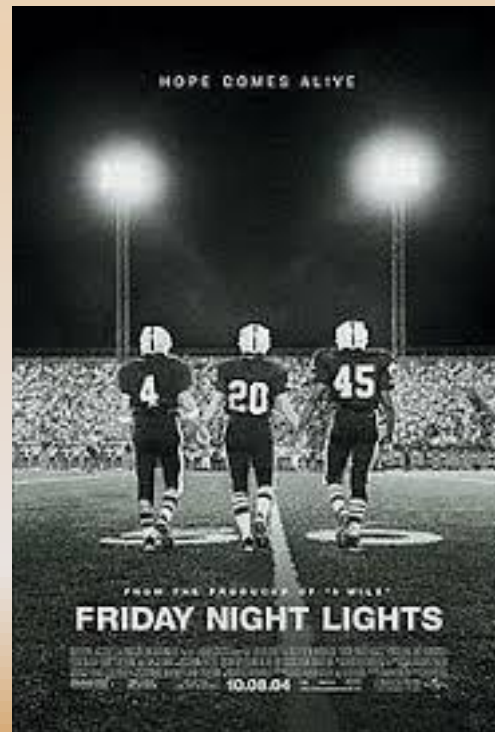
The Producer pays **5.4% of the Producer's Gross** into the Health and Pension Plans from the license fee paid to exhibit the Theatrical Motion Picture via the Streaming Platform.

New Media Original Content Residual Formulas

For New Media Content Released on Television or Pay Television and Simultaneously on Streaming: Like “Yellowstone” or “Friday Night Lights:”



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The Project can be exhibited on the Streaming Platform for 26 weeks without residuals, and thereafter must **pay 5.4% of the Producer’s Gross** for the license fee or for the equivalent license fee or arms’ length transaction if the Producer and the Streaming Service are the same corporate entity.

New Media Original Content Residual Formulas

For New Media Content Released on DVD Like “Mandalorian,” or “Handmaid’s Tale:”



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Any “Motion Picture” content that is licensed or sold for use via “Cassette” such as a DVD, Blue Ray, VHS etc. or other method of unlimited replay pays 6.75% of the “Producer’s Gross” receipts as defined by the Agreement up to \$1 million dollars, and thereafter 8.1% of “Producer’s Gross” receipts as defined by the Agreement into your Health and Pension Plans.

TV Residuals = Streaming Residuals

9% of Producer's Gross Go To Health & Pension Plans

9% of Producer's Gross Go To Health & Pension Plans



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Theater to Free Television aka Post 60's

Streaming to Free Television aka Post 60's

Theatrical Residuals = Streaming Residuals

5.4% of Producer's Gross Go To
Health & Pension Plans

5.4% of Producer's Gross Go To
Health & Pension Plans



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Theater to Supplemental Markets
(Hotels, DVD's, HBO, ATT Uverse, Etc.)

Streaming to Supplemental Markets
(Hotels, DVD's, HBO, ATT Uverse, Etc.)

Supplemental Markets = Streaming Residuals

\$ 5.4% of Gross to
Health & Pension Plans



Traditional TV / Cable

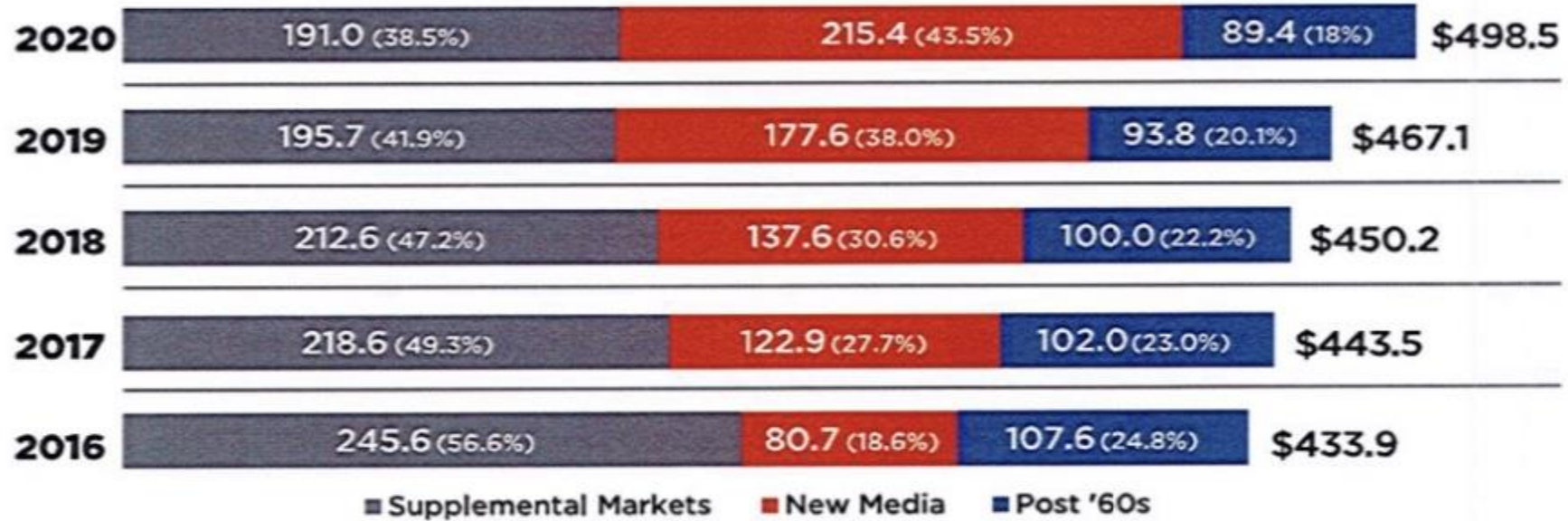
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\$ 5.4% of Gross to
Health & Pension Plans



Streaming

Streaming Residual %



2016 to 2020 all combined residuals increased 15% over a 5 year span.

In that same period streaming residuals increased +167%

Post 60's declined -17%

Supplemental markets declined -22%

Residuals Fast Facts

- In 2020 New Media generated MORE residuals than Theatrical and Post 60's.
- Hourly contributions are MORE IMPORTANT than residual contributions. They are an up-front payment and only dependent on YOUR WORK!
- To help even out the discrepancy between Companies who pay residuals, and those who pay very little, an additional contribution was negotiated in 2018 for those who pay less than \$15 million in residuals (in a three-year period). The independents will pay \$0.75 in each year of the Agreement (i.e. Netflix, Amazon and Apple). For employers who contribute more than \$15 million in residuals, they shall pay \$0.40 over the life of the contract. Much like commercial producers who pay \$3 per hour more than what is contained in the Basic because they don't pay residuals, this will help even out the imbalance of who helps to properly fund the plans.

New Media Residual Formulas

- **Limited Release:** Any Motion Picture content that is licensed or sold for distribution on a New Media Platform for a Limited Period or Fixed Number of Exhibitions pays the Health and Pension Plans **5.4% of “Producer’s Gross”** as defined by the Agreement.
- **Permanent Download:** Any Motion Picture content that is licensed or sold for distribution on New Media Platform as a “Permanent Download” pays **8.1% of 20% of the “Producer’s Gross”** as defined by the Agreement to the Health and Pension Plans for the first 50,000 units and 14.625% thereafter if a Theatrical Motion Picture and 15.75% thereafter if a Television Motion Picture.
- **Free to Consumer / Advertiser Supported:** Any Motion Picture content that is licensed or sold for distribution on New Media for which the consumer does not pay a fee shall pay **5.4% of “Producer’s Gross”** receipts as defined by the Agreement.

Traditional Residual Formulas

- **Pre-60's:** Any "Motion Picture" content made prior to January 31, 1960. There is no obligation to compensate the IATSE in any form for any distribution.
- **Post-60's:** Any "Motion Picture" content (including New Media) made by any method and distribution between Feb. 1, 1960 and present day that is licensed or sold to "Free Television." pays **9%** of the Producer's accountable receipts to the Health and Pension Plan.
- **Supplemental Markets:**
 - Any "Motion Picture" content that is licensed or sold for use on "Pay Television" pays 5.4% of the "Producer's Gross" receipts as defined by the Agreement from licensing the right to exhibit the Motion Picture on Pay Television.
 - Any "Motion Picture" content that is licensed or sold for use via "Cassette" such as a DVD, Blue Ray, VHS etc. or other method of unlimited replay pays 6.75% of the "Producer's Gross" receipts as defined by the Agreement up to \$1 million dollars, and thereafter 8.1% of "Producer's Gross" receipts as defined by the Agreement.

Residual Details

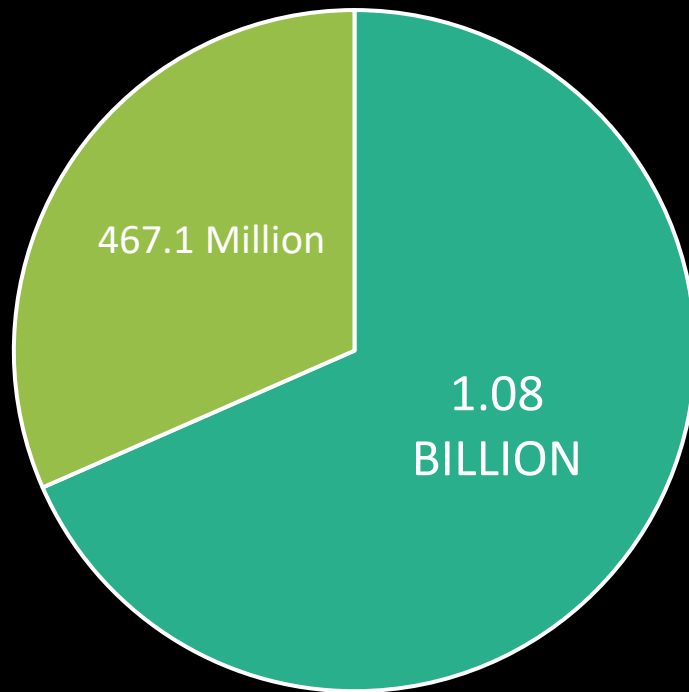
- **Motion Picture Platforms** define how the Motion Picture is distributed to the consumer:
- **Theatrical Distribution** (Theater Box Office and “In-flight” revenue from Planes, Trains, Ships, Buses etc.)
- **Free Television** – Any transmission that receives its revenue from advertising and does not charge a fee or subscription to the viewing audience in its initial broadcast season.
- **Pay Television** – Any transmission by means of telecast, cable, closed circuit, satellite, or CATV for which the viewing audience pays a fee, including hotels, hospitals, etc.
- **Streaming & New Media** – Any transmission by means of internet, mobile devices, or any other media platform not covered by Theatrical, Free Television, or Pay Television.

More Residual Details

- No Motion Picture pays residuals to the Health and Pension plan for distribution in its original platform.
- For Free and Pay Television the original platform is considered the distribution “Season.”
- For New Media it is considered the original Consumer Pay Platform or the first 26 weeks if distributed simultaneously on Free Television.
- However, when the content is subsequently licensed or sold for distribution to other platforms they are subject to “residual” payments into the Health and Pension Plans according to the following formulas.

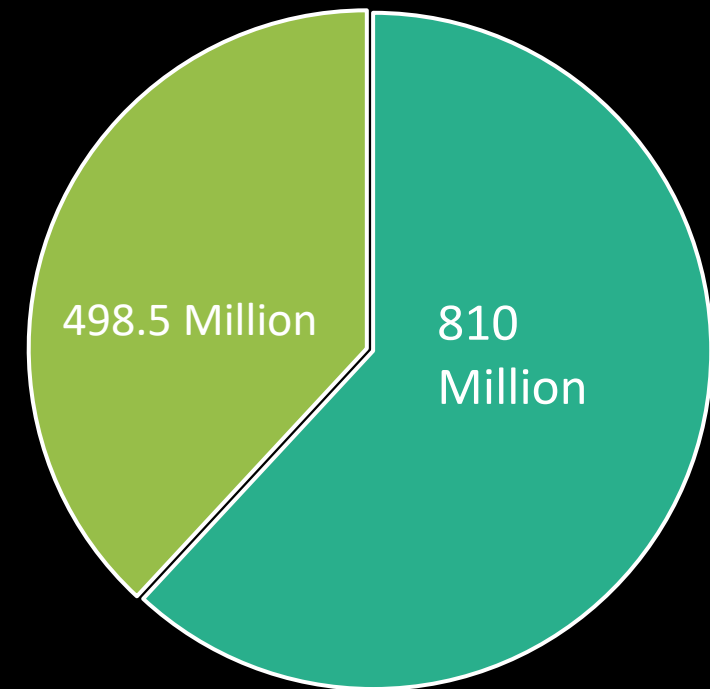
Residuals vs. Hourly Contributions

2019 Plan Funding



■ Hourly Contributions ■ Residuals (Supplmental Markets, New Media, Post 60's)

2020 Plan Funding



■ Hourly Contributions ■ Residuals (Supplmental Markets, New Media, Post 60's)