

EXCERPTS FROM ARTICLE 17 OF THE 2014 MINIMUM BASIC AGREEMENT (MBA)

17.B. – PENSION PLAN

1. The Pension Plan, established and known as the “Producer-Writers Guild of America Pension Plan,” is funded and administered as follows:

Company agrees to contribute to the Plan amounts equal in the aggregate to 8.5%, effective May 2, 2014 (the rate for pilots and the first season of a new one hour series will increase to 7%), of all “gross compensation” earned and paid or due to writers for services covered by and subject to this Agreement performed after the effective date hereof, in an employment capacity (to which employment the provisions of the Basic Agreement apply). In connection with the purchase of literary material from a professional writer, if the Company also employs the writer under this Basic Agreement for at least one (1) rewrite or polish (as required in Articles 16.A.3.c. and 16.B.3.h., or otherwise), the Company shall contribute to the Pension Plan for such rewrite or polish an amount equal to six percent (8.5%), effective May 2, 2014, of the sum of the purchase price, up to the Internal Revenue Code Section 401(a)(17) limit, plus the amount paid for such rewrite or polish, but in no event shall the Company be required to make such contributions on sums in excess of the ceiling set forth in Article 17.B.1.a. or 17.B.1.e. below. Such amounts shall be contributed as and when the compensation is paid to the writer.

The term “gross compensation,” as used herein, shall include amounts paid to an employee as compensation with respect to such services as a writer (including compensation paid as salary settlements and under Article 15.B.1.b.(2), and Article 15.B.2. and Article 58, and including the full compensation paid for services both as a writer and as a story editor pursuant to Article 14) whether or not any such services are performed, but shall not include:

- a. Compensation in excess of \$225,000, or \$450,000 in the case of a team of three (3) writers, in connection with any single theatrical motion picture; it being understood that any percentage shall be paid only on the first \$225,000 of a writer’s gross compensation, or the first \$450,000 in the case of a team of three (3) writers, in connection with any such motion picture.
- b. Any amounts payable to a writer under the provisions of Article 15.A. and 51 of this Basic Agreement.
- c. The cost of transportation or living expenses paid to, or on behalf of, the writer.

- d. The value of any rights arising or acquired by the writer, and any payments made to the writer for the acquisition or exercise of rights under Article 16 hereof entitled "Separation of Rights."
- e. In connection with any television motion picture, gross compensation in excess of the greater of the following: (1) the aggregate of two and one-half (2 ½) times the applicable minimum initial compensation (at one hundred fifty percent (150%) or two hundred percent (200%), whichever is applicable pursuant to Article 13.B.1.b., for a team of three (3) writers) under this Basic Agreement; or (2) the initial compensation agreed upon in the individual employment contract; provided, however, in no event will compensation in excess of \$225,000, or in excess of \$450,000 in the case of a team of three (3) writers, be included in gross compensation with respect to non-episodic, non-serial television motion pictures or multi-part, closed-end series, which motion pictures or series are 120 minutes or more in length.

For the purpose of subparagraph e.(1) above, the minimum compensation figures which are set forth in Article 13.B.7.a., b. and c. shall be the "applicable minimum compensation" for programs covered by Article 13.B.7.d. For the purpose of subparagraph e.(2) above, "initial compensation" means the initial compensation agreed to be paid by the Company to the writer for the writer's services on a television motion picture, but shall not include any compensation received by the writer pursuant to Article 15.B. of this Basic Agreement, nor shall it include the cost of transportation or living expenses paid to or on behalf of the writer, nor shall it include any payments made to the writer for the acquisition or exercise of rights in and to any literary property or properties pursuant to Article 16.B. of this Basic Agreement.

17.C.1. – HEALTH FUND

The Health Fund, established and known as the "Writers' Guild-Industry Health Fund," is funded and administered as follows:

1. Company agrees to contribute to the Health Fund amounts equal in the aggregate to eight and one-half percent (8.5%) of all "gross compensation" earned and paid or due to writers for services covered by and subject to this Agreement performed on or after the effective date hereof, in an employment capacity (to which employment the provisions of the Basic Agreement apply).

In connection with the purchase of literary material from a professional writer, if the Company also employs the writer under this Basic Agreement for at least one rewrite or polish (as required in Articles 16.A.3.c. and 16.B.3.h., or otherwise), the Company shall contribute to the Health Fund for such rewrite or polish an

amount equal to eight and one-half percent (8.5%), effective May 2, 2014, of such sum of the purchase price, up to the [Internal Revenue Code] Section 401(a)(17) limit, plus the amount paid for such rewrite or polish, but in no event shall the Company be required to make such contributions on sums in excess of the ceiling set forth in Article 17.B.1.e. or in this Article 17.C.1.

Such amounts shall be contributed as and when the compensation is paid to the writer. The term "gross compensation," is used in Article 17.C. as defined in Article 17.B. and is subject to the same ceilings and exceptions provided for in said Article 17.B., except that for the purposes of Health Fund contribution ceilings, "gross compensation" shall not include compensation in excess of \$250,000, or \$500,000 in the case of a team of three (3) writers, in connection with any single theatrical motion picture; it being understood that any percentage for Health Fund contributions shall be paid only on the first \$250,000 of a writer's gross compensation, or the first \$500,000 in the case of a team of three (3) writers, in connection with any such motion picture.

The Trustees of the Health Fund shall have the authority to divert up to one-half percent (0.5%), in increments of not less than one-quarter percent (0.25%), from the salary increases provided for in the second and third periods of this Agreement, if they determine that such increase is needed to maintain the level of benefits in existence on May 1, 2014. If the Trustees determine that an increase in Health Fund contributions is needed for this purpose for any such period, the increases in minimums for that period shall be reduced by a percentage equivalent to the percentage increase in the Health Fund contribution rate for that period. The Trustees shall advise the AMPTP, ABC, CBS, NBC and the Guild of any such determination not less than sixty (60) days prior to the first day of the period in which the increase in the Health Fund contribution rate is to take effect.

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

17.E.1 – AUDITS

1. If, under any WGA Agreement prior to the 1988 WGA Agreement, a loan-out company, as defined in Article 3.A.3. of the 1988 WGA Agreement, failed to make the applicable pension and health contributions on behalf of a loaned-out writer, Company shall not be liable for such contributions if such contributions were due more than six (6) years prior to the date of commencement of the audit that gives rise to the claim (whether or not it is of the loan-outs Company's records). The date of commencement of the audit shall be deemed to be the date of actual audit entry, but in no event later than ninety (90) days after the date of the Plan's notice of intent to

audit. In the event that the Plan(s) conclude, based on an audit of a loan-out company's records, that there exists a claim for unpaid contributions, the Plan(s) or the Guild must give the borrowing company written notification of any such claim for unpaid contributions at the time that the loan-out company is notified of such claim. In no event will the borrowing Company be liable for any such unpaid contributions which were due from the loan-out company more than six (6) years prior to the date that the borrowing Company was notified of the loan-out company's failure to make the contributions.

2. In the event that the auditors find a consistent pattern of delinquencies with respect to a particular writer or loan-out company employed on a particular project, then the six (6) year periods referred to in subparagraphs 1. and 2. above shall be extended to allow for the assertion of additional claims with respect to the employment of such writer or loan-out company on such project.
6. In the event the auditors find a consistent pattern of delinquencies with respect to a particular writer or loan-out company employed on a particular project, then the four (4) year periods referred to in subparagraphs 4. and 5. above shall be extended to allow for the assertion of additional claims with respect to the employment of such writer or loan-out company on such project.
7. The foregoing limitations periods referred to in subparagraphs 1., 2., 4., and 5. above shall not apply when underpayments or a lack of payment was actively concealed by the Company or the loan-out company.

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