

PART B: MINIMUM FEES, DISTRIBUTION, USE RIGHTS & FEES

B1 - MINIMUM FEES

B101 Minimum Daily Fees for On-Camera Performers (Per Performer - Except Background Performer) The rates and fees are based on an 8 hour day.

Categories (Listed below)	Period	Daily Fee	Hourly Rate	Overtime Rate	Weekly Rate
a) Principal Actor, etc.	1	\$500	\$62.50	\$93.75	\$2125
	2	\$510	\$63.75	\$95.75	\$2167.50
b) Singers etc.	1	\$374.75	\$46.75	\$70.25	\$1592.75
	2	\$382.25	\$47.75	\$71.75	\$1624.50
c) Actor, etc.	1	\$337.50	\$42.25	\$63.50	\$1434.50
	2	\$344.25	\$43	\$64.50	\$1463
d) Variety Principal	1	\$750	\$93.75	\$140.75	\$3191.25
	2	\$765	\$95.75	\$143.75	\$3255
e) Chorus Performer	1	\$486.25	\$60.75	\$91	\$2066.50
	2	\$496	\$62	\$93	\$2108
f) Stunt Coordinator	1	\$650	\$81.25	\$122	n/a
	2	\$663	\$83	\$124.25	n/a
g) Stunt Actor	1	\$750	\$93.75	\$140.75	n/a
	2	\$765	\$95.75	\$143.75	n/a

Period 1: From August 9, 1999 to December 31, 2000

Period 2: January 1, 2001 to December 31, 2001

Categories:

- a) Principal Actor, Announcer, Cartoonist, Dancer (solo or duo) Host, Narrator, Commentator, Puppeteer, Singer (solo or duo), Specialty Act, Sportscaster, Stunt Performer, Panelist;
- b) Singers or Dancers in groups of up to 4
- c) Actor, Model, Singers or Dancers in groups in excess of 4
- d) Variety Principal
- e) Chorus Performer
- f) Stunt Coordinator
- g) Stunt Actor

B102 Minimum Fees for Performers in Series In a Series, the performance fees may be calculated on the basis of the minimum daily fees (provided in B101) either "per Episode" or "per day of production", whichever is the greater.

B103 Minimum Fees for Off-Camera Performers and Lip Synchronization (Per Production):

Categories	Period	Daily Fee	Hourly Fee	Overtime Rate	Included Work Hours
Principal Actor	1	\$350.50	\$62.50	\$93.75	4
	2	\$357.50	\$63.75	\$95.75	4
Actor, etc.	1	\$236.25	\$42.25	\$63.25	4
	2	\$241	\$43	\$64.50	4

For the purpose of this clause, Principal Actor shall include all categories noted under B101 a) and b) and Actor shall include all categories noted under B101 c).

The fees and rates in B103 are based on 4 hours of included work time. When work is continued beyond the designated 4 hours included work time on a single Production on a day, the 5th, 6th, 7th and 8th hours of work shall be paid at the hourly rate specified above. Work, if required, beyond the 8th hour of work shall be paid at the overtime rate specified above per hour. (Note: Dubbing of Animated Productions is covered by Part D).

B104 Minimum Fees for Off-Camera Narrators and Commentators (Per Production).

For purposes of payment to Off-camera Narrators and Commentators, the Production shall be divided into 10 minute segments.

Payment shall be based on the number of such segments in which the Performer appears and shall be a minimum of the following:

a) **Fees:** (based on 1 hour included work time)

1st segment - \$234 / \$238.75 per Performer

2nd segment - \$190 / \$193.75 per Performer

3rd segment - \$94.25 / \$96.25 per Performer

4th and subsequent segments - \$65.25 / \$66.50 per Performer

b) **Additional Work Time** Any time worked in excess of the included work time provided above per segment shall be paid at the rate of \$62.50 / \$63.75 per hour per Performer.

c) **Discounts** Where the performance involves 2 Productions in one session, a 20% discount applies; and if there are 3 or more Productions in one session, a 30% discount applies.

B2 - DISCOUNTS

B201 Weekly Rate The weekly rate is applicable when no less than 5 consecutive days of work out of 7 consecutive days are guaranteed in the Performer's written contract.

B202 Multiple Productions For game, talk, panel, exercise, cooking and similar skill or craft oriented Productions, each of which is 30 minutes in length or less, and for all other Productions of any type each of which is 15 minutes or less in length, when a Performer contracted for the Series performs in at least 3 such Productions to be produced per day of production, a 30% discount in the daily fees applicable to each Production applies. Additional work time, Overtime and other such fees shall not be subject to a discount.

B203 Series Rates for Off-camera Performance Where an Off-Camera Performer is guaranteed a minimum of 13 or more Episodes in a "live-action" Series to be produced within a period of 6 months for each 13 Productions, the daily work fee payable may be discounted by 35% in recognition of this guarantee. Weekly fees shall not be adjusted.

B204 No Pyramiding Whenever one of the above rates are applied, there shall not be a pyramiding of such rates. Only one of the above rates may be applied to any engagement of a Performer.

B205 Adjustment if Work Cancelled If any adjusted rate has been applied to a Performer's fee in accordance with the provisions provided herein and work is cancelled which causes a failure to meet the requirements of weekly, multiple Production or Series rates provisions, the Performer concerned shall be paid the contracted daily fee for the days of work for which the Performer is contracted.

B206 Pilot Program The minimum performance and daily fee provided in this Agreement (except for Background Performers) may be discounted by 50% for the production of a Pilot Program. Hourly, overtime, or any other rates and fees shall not be discounted. The use of a Pilot Program shall be limited to evaluation purposes, and shall not include broadcast. Any other use of the Pilot Program including broadcast shall require a step-up of fees to Performers to the minimum fees in this Agreement, or the Contracted Fee, whichever is the higher, and the payment of the applicable Residual Payments or Use Fee(s).

B3-B5 USE RIGHTS & FEES FOR ALL PROGRAMS EXCEPT DOCUMENTARIES AND INDUSTRIAL PROGRAMS

B3 - DECLARED USE

B301 Upon payment of the minimum fees, the Producer is entitled to worldwide Non-Theatrical Use and one of the following Declared Uses of the Production. At the time of contracting of Performers, the Producer must declare the intended Declared Use of the Production.

- | | | |
|----|-----------------|---|
| a) | Theatrical | Worldwide Theatrical Use for period of copyright of the Production. |
| b) | Free Television | 1 Domestic Run in Canada. |
| c) | Pay -Television | 1 year Use in Canada. |
| d) | Cable TV | 3 years Use in Canada |

- e) Compact Devices 2 years Use in Canada
- f) Educational Television 3 years Use in Canada

B4 - RESIDUAL PAYMENTS

B401 When a Production is exploited in a market other than the market provided for in the Declared Use and the Producer has elected to not adopt the Use Payment system in B5, Performers shall be paid the following minimum Use Fees based upon the following percentages of Net Fees earned during the production of the Production. Use Fees shall be paid within 30 days of the date of such Use.

B402 **Theatrical Use** When a Production produced with a Declared Use of Free Television, Pay Television, Cable Television, Compact Devices or Educational Television is distributed for Theatrical Use, the Producer shall pay to Performers the following percentages of the Performer's Net Fees for unlimited Theatrical Use:

- a) Productions 60 minutes or less in length 15%
- b) Productions exceeding 60 minutes in length 35%

B403 Free Television

a) Use in Canada

- i) Each Domestic Run 30%
- ii) Each use on a single television station: Toronto / Hamilton 20%
Each other station 10%

When the aggregate of payments to the Performer for Use under a)ii) above has reached 30% of the Performer's Net Fees, the Producer shall be entitled to authorize broadcast of the Production one time on one television station in each market in Canada in which the Production has not been so used.

b) Use in the United States:

Use	Network	Syndicated	Non-Commercial
First	35%	25%	25%
Second	30%	20%	20%
Third	25%	15%	15%
Fourth	25%	15%	15%
Fifth and subsequent	10%	10%	10%

c) World Market:

Each Use in any country except Canada, United States, Great Britain and West Germany 10%

Each Use in Great Britain	5%
Each Use in West Germany	4%
Each Use in any single country, except Canada, U.S., Great Britain and West Germany	2%

B404 Pay Television

- a) Use in Canada: For each 3 months in Canada: 10%; or 25% for 12 months Use in Canada;
- b) Use in the U.S.: For each 3 months Use in the U.S.: 15%; or 30% for 12 months Use in the U.S.
- c) Use in the Foreign Markets: For each 3 months Use in Foreign Markets: 15%; or 30% for 12 months Use.

B405 Cable TV

- a) Use in Canada each one year of Use 10%
- b) Use in U.S. each one year of Use 15%
- c) Use in the Foreign Markets: each year of Use in Foreign Markets - 15%

B406 Compact Devices

- a) Use in Canada each one year of Use 10%
- b) Use in U.S. each one year of Use 15%
- c) Use in the Foreign Markets: each year of Use in Foreign Markets - 15%

B407 Educational Television

- a) Use in Canada each one year of Use 10%
- b) Use in U.S. each one year of Use 15%
- c) Use in the Foreign Markets: each year of Use in Foreign Markets - 15%

B5 - USE FEES - BASED ON PARTICIPATION IN DISTRIBUTORS' GROSS REVENUE

B501 **Options:** If a Producer plans to exploit a Production by a Use other than by the Declared Use, and elects to not pay Residual Payments in accordance with Article B4, the Producer shall elect one of the two following options at the time of production:

- a) **Prepayment Option** The Producer may acquire unrestricted Use Rights in all media, throughout the world for a period of 4 consecutive years from the date of first exploitation release in any Residual Market, for 130% of Net Fees for Theatrical Productions or 105% of Net Fees for Television and Other Productions. The Producer shall declare and specify the prepayment in the individual contract of the Performer. The prepayment must be paid to Performers at the time of production.
- b) **Advance Option** The Producer may pay, at the time of production, one of the following percentages of Net Fees as a non-refundable advance (“Advance”) against the following Use Fees based on Performer participation in Distributors' Gross Revenue as defined in Article B509:

Option Number	Non-Refundable Advance (% of Net Fees)	Participation in Distributors' Gross Revenue
1	100.0%	3.6%
2	75.0%	4.6%
3	50.0%	5.6%
4	25.0%	6.6%

B502 Limitation of Selection of 25% Advance

- a) The only circumstances which will allow a Producer to select option Number 4, and therefore make a 25% Advance payment under Article B501 b), is if there is only one exclusively Canadian pre-sale in one media, as of the first day of principal photography of the Production, which pre-sale includes one of the Declared Uses, as defined in Article B301. Unless the Production pre-sale fulfils these conditions the Producer shall not be entitled to exercise option Number 4.
- b) A Producer who exercises option Number 4 without strictly fulfilling all of the conditions in Article B502 a) shall be liable to pay damages to the ACTRA PRS in respect of the Performers affected, based on the difference in the Advance payment calculated at the rate of 75% (option Number 2), less the Advance payment actually made, and the Performers concerned shall continue to be entitled to participate in Distributors' Gross Revenue derived from the Production at the rate provided in option Number 4, i.e. 6.6%.

B503 **Selection of Use Payment Option** The election made by the Producer under Article B501 shall be the same for each Performer engaged on the Production. The Producer shall **either** elect to prepay all Performers as set out in Article B501 a), **or** elect one of the Advance payment options as set out in Article B501 b). For clarity, if a Producer elects to prepay Performers as set out in Article B501 a), all Performers engaged in respect of the Production shall be entitled to receive the same percentage of fees as a prepayment.

On the other hand, if a Producer elects to make Advance payments as set out in Article B501 b), the Producer must select the same percentage of the Advance and thus provide for the identical rate of participation in the Distributor's Gross Revenue for each Performer on the Production.

B504 Participation in Gross – Prepayment If the Producer elects to make the prepayment as set out in Article B501 a), the Performers shall be paid Use Fees in the aggregate, in an amount of 3.6 % of the Distributors' Gross Revenue, except that revenues earned by the Production within the first 4 year period of prepaid Use shall not entitle the Performer to receive any such payments on such revenues, i.e. revenues attributed to Uses within the initial 4 year period shall not form part of the Distributors' Gross Revenue for the purposes of calculating additional Use Fees.

B505 Participation in Gross – Advance If the Producer elects to pay an Advance as set out in B501 b), Performers shall be paid, as Use Fees, an aggregate amount equal to the applicable percentage of Distributors' Gross Revenue, provided that no amounts shall be paid until such time as the Aggregate Advance (as defined in Article B507) is recouped from the Distributor's Gross Revenue.

B506 Limit on Individual Advance The parties acknowledge that the maximum amount of an individual Performer's Advance shall be 50% of the Gross Fees payable to such Performer in respect of the Production.

B507 Calculation of Aggregate Advance The Aggregate Advance shall be, for the purposes of calculating additional Use Fees, the total of all the Advance payments paid to Performers on a Production, with the limitation that no Performer shall be credited with an Advance payment greater than the amount equal to the number of days of principal photography multiplied by 20 times the minimum daily fee for a Principal Actor as set out in Article B101.

B508 Payment of Use Fees Additional Use Fees shall be payable to the ACTRA PRS and shall be distributed to Performers pursuant to the provisions of Article B511. Although individual Advance payments in excess of the limitations specified in Article B506 and B507 payable to individual Performers may not be credited to the Aggregate Advance, the ACTRA PRS shall have the right to take into account such excess Advance payment to an individual Performer when determining the allocation that will be made to the said Performer under Article B511.

B509 Distributors' Gross Revenue shall mean all monies derived in any manner whatsoever from the distribution of the Production, including through the sale, license or other like means of distribution of the Production and shall be calculated before or simultaneously with any other gross participants from first dollar, without deductions of expenses of any kind. In the case of animated Productions, Distributors' Gross Revenue shall include only revenues from licenses of the English language version of the Productions. For greater certainty:

- a) Monies derived through the exploitation of ancillary, allied and underlying rights and like rights, such as merchandising, novelization and sequel rights, shall not be included in Distributors' Gross Revenue.

- b) Distributors' Gross Revenues shall also mean all monies received by those Distributors with which the Producer has entered into a Distribution Agreement (the "Head Distributor") in respect of the Production. The Distributors' Gross Revenues shall include all monies received by sub-distributors which:
- i) are related to (as per the provisions of Appendix 4) or which do not have an arm's length relationship with, the Producer or the Head Distributor, or,
 - ii) have an obligation to report and remit Revenue directly to the Producer or Head Distributor.
- c) Pre-sale revenues shall be included in Distributors' Gross Revenue. A pre-sale means the grant of a licence or rights to utilize a Production prior to production, to an end user, for consideration. Distribution Advances, i.e. payments received by a Producer from a Distributor, shall not be included in Distributors' Gross Revenue for the purpose of triggering the payment of Use Fees to Performers; however, a Distributor shall not be entitled to deduct the amount of the Distributors' Advance from the Distributors' Gross Revenues for the purpose of calculating Use Payments.
- d) Notwithstanding the foregoing, Distributors' Gross Revenue derived from the sale or rental of Compact Devices shall be deemed to be equal to 20% of the wholesale selling price of such Compact Devices, provided that in the event that the wholesale selling price is at or less than the typical sell-through price to wholesalers (currently \$30 per unit), the deemed Distributors' Gross shall be 10%.
- e) The Producer, at the time of production, will make a reasonable allocation of revenues for the purposes of determining which portion thereof is attributable to the Declared Use and/or prepayment and which portion thereof is attributable to the Distributors' Gross Revenue upon which Use Payments are based, subject to the right of ACTRA to refer any difference to Arbitration under Article B701. If, as a result of this allocation, Use Fees become payable from the Distributors' Gross Revenue, the said fees shall be paid to the ACTRA PRS at the time of production.
- f) **Packaging** It is acknowledged by the parties that distributors may seek to diversify their risks by packaging more successful and less successful Productions. Where Productions are packaged together for the purposes of distribution, the parties shall allocate the revenue attributable to each individual Production, subject to the right of ACTRA to refer any difference to Arbitration under Article B701.
- g) **Official Treaty Co-Productions**
- i) While Distributors' Gross Revenue includes revenue from all sources on a world wide basis, in respect of Official Treaty Co-productions certified by Telefilm or by any successor organization, the Distributors' Gross Revenue shall be:
 - A) all those revenues derived from the distribution of the Official Treaty Co-production in those territories to which the Canadian Co-producer is exclusively entitled to distribution revenues and has no obligation to report or remit revenues to the foreign co-producer;

B) a proportion of those revenues derived from the distribution of the Official Treaty Co-production in those territories in which the Canadian Co-producer is entitled to distribution revenues on some shared basis with its foreign co-producer, which proportion shall be equal to that proportion of revenues agreed by the co-producers to be paid to the Canadian Co-producer from such territories (the Canadian Share). The Canadian Share shall be no less than the percentage of the total amount of the Production budget financing derived, directly or indirectly, from any Canadian source(s).

ii) Prior to production, the Producer shall disclose the Production's status as an Official Treaty Co-production to ACTRA and will provide the following information to ACTRA:

A) the name and legal status of the Co-producers;

B) the details of the agreement between or among the Co-producers in respect of the manner in which the revenues from the Official Treaty Co-production will be divided between (or among) them, including details of territories to which either Co-producer is exclusively entitled to distribution revenues and has no obligation to report or remit revenues to the other, and any material amendments to the agreement in such respect.

h) If the Associations negotiate a definition of Distributors' Gross Revenue (or the equivalent) which in some or all aspects is superior to the definition in this Article, with any other trade union or association that bargains collectively on behalf of its members, the definition hereunder shall be amended to reflect the improvement.

B510 When a Producer selects any of the Advance Options, the Producer shall deliver to ACTRA:

- i) the calculation of the total amount of Advance payments, certified by the Production Accountant or Controller, and the back-up material in this regard;
- ii) the first report that is due to the ACTRA PRS pursuant to sub-paragraph a) of this Article; and
- iii) the information, and Use Fees, if any, payable pursuant to Article B509(e).

B511 Reporting and Payment Procedure

a) The Producer shall deliver to ACTRA PRS reports setting forth the amount of Distributors' Gross Revenues in respect of the Production, derived in the applicable accounting period. Each report shall be delivered to ACTRA PRS in the same manner and frequency as the Producer reports to government agencies and/or other financiers, but it shall be no less than semi-annually for the first two years following the first report filed hereunder and annually thereafter. The first report shall be due 60 days following the last date of the first reporting period and the ensuing reports shall be due in the frequency provided above. The first reporting period is the period immediately following the delivery of the Production to the Distributor. The reports will be accompanied by the aggregate Use Payments payable to Performers and an outline of the method of calculation of the said payment.

b) At the request of ACTRA PRS the Producer will consent to the release of true copies of the reports dealing with Distributors' Gross Revenue filed with the government

agencies and/or other financiers, subject to the right of the Distributor to edit the reports on the grounds that they contain confidential information.

- c) The Producer (or Distributor) shall be deemed to hold the aggregate Use Payments in trust for the Performers, from the time that Gross Revenues are recognized, until the disbursement of same to ACTRA PRS on the due date, i.e. the date that each report is due. In the enforcement of this Article, ACTRA, subject to its rights as a creditor, shall agree to not hold any employee of a Producer (or Distributor) liable for negligence, provided the said employee acts in a bona fide fashion. The Distributors' Gross Revenues shall be recognized when a contract for the sale or conveyance of any rights in a Production is made, but Use payments shall only be payable when the reports are due under Article 510 a).
- d) If the currency of the Distributors' Gross Revenues is other than the Canadian Dollar, the Use payment shall be calculated at the exchange rate for the said currency, on the basis of the established practice of the Producer or Distributor, which practice shall be disclosed in writing to ACTRA PRS upon request. If the practice is amended at any time such amendment shall be disclosed to ACTRA PRS.
- e) Payments shall be made to ACTRA PRS, a corporation without share capital, in trust for the Performers concerned. ACTRA PRS shall be entitled to make a claim of interest on payments received after the due date as provided herein, i.e. the date the reports are due to be filed, at the Prime rate of interest, as of the due date, plus 3%, calculated monthly, which claim shall be enforceable under the terms of this Agreement.

B512 Distribution of Payments Residual and Use payments shall be distributed to Performers through the ACTRA PRS on the following basis:

- a) Units will be assigned to Performers as follows: 1 unit shall be defined as the minimum fee payable to the lowest rated residual category for one day of work.

Performers shall receive units according to the Gross Fee paid to that Performer for the production of the Production to a maximum of 20 units per Performer.

- b) For each Production, the total revenue will be divided by the total units accumulated by all Performers with respect to the Production involved and therefore a dollar value will be assigned to each unit. The distribution made to each individual Performer will be based on the number of units he has accumulated and the dollar value calculated in the preceding sentence.

B513 Fair Market Value The Producer and/or Distributor shall meet with ACTRA PRS to determine the fair market value for distribution of a Production should such Production be distributed for Use by means of barter, or exchange, or other means for which no charge is made or a nominal fee is charged, or as part of a package of Productions. The Use Fees payable to Performers shall be based on such agreed fair market value or as determined under the terms of Article B701.

B514 Right of Audit The Producer agrees that, for the purposes of verifying the propriety of payments made under this Agreement, ACTRA or the ACTRA PRS, shall have full access to and shall be entitled to examine and audit at annual intervals, or more

frequently if warranted by the circumstances as determined by ACTRA or the ACTRA PRS in its sole discretion, at the normal place of business and normal business hours, all books, records, accounts, receipts, disbursements and any other relevant documents related to the Production and its distribution.

B515 Should a Producer wish to exploit a form of Use for which terms and conditions are not specified in this Agreement, such Use shall not be made of the Production until ACTRA and the Associations have negotiated mutually acceptable terms and conditions to apply to such form of Use and any dispute hereunder will be referred to final and binding Arbitration in accordance with Article B701.

B6 - USE RIGHTS FOR DOCUMENTARY & INDUSTRIAL PROGRAMS

B601 Documentary Programs

- a) **Distribution Rights** Upon payment of the minimum fees provided in this Agreement, the Producer is entitled to:
- i) Unrestricted Theatrical and Non-Theatrical release rights; or,
 - ii) Non-Theatrical release rights and one Domestic Run.
- b) **Step-up for Both Uses** Upon payment of 10% of the total Net Fees paid to the Performers, the Producer shall be entitled to the rights in both B601a)i) and B601a)ii). Performers (except Narrators and Commentators) participating on- or off-camera in a Documentary Program shall be paid re-use fees based on B3-B5.
- c) **Prepayment Rights (Narrators and Commentators)** Upon payment to Narrators and Commentators of not less than 50% of the Performer's total Net Fees, the Producer is entitled to unlimited Use of the Production in all countries for 5 years.

B602 Industrial Programs

- a) **Distribution Rights** Upon payment of the minimum fees provided in this Agreement, the Producer is entitled to unrestricted Theatrical and Non-Theatrical release rights (i.e. excluding television).
- b) **Step-up for Television Use** Upon payment of 10% of the total Net Fees paid to Performers, the Producer is entitled to one Domestic Run.
- c) **Prepayment Rights** Upon payment to the Performer of not less than 50% of the Performer's total Net Fees, the Producer is entitled to unlimited Use of the Production in all countries for 5 years.

B603 Re-Uses on Canadian Television - Documentary Programs (Narrators and Commentators) and Industrial Programs The Producer shall pay to the Performer the following percentages of the total Net Fees for each Domestic Run of a Production on Television:

First re-use	10%
Second and subsequent re-use	5%

B7 - DISPUTE RESOLUTION MECHANISM

B701 Any differences between the Parties to this Agreement arising from the interpretation, application, administration or alleged violation of the of the provisions of Articles B3 to B6 inclusive, or as otherwise provided in this Agreement, shall be referred to final and binding Arbitration. The Arbitrator shall be jointly selected by the relevant Producer's Association and ACTRA, and if the Parties fail to agree within 21 days from the date of referral to arbitration, the Arbitrator shall be appointed by the Federal Minister of Labour. The arbitration procedure shall be governed in all respects by the provisions of Appendix 11.