

PACT agreement

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Agreement

For Television Production

Between

**The Writers' Guild of Great
Britain**

and

**Producers Alliance for Cinema and
Television**

Effective 1 February 2003

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PREAMBLE

1. This Agreement effective from 1 February 2003 sets out the minimum terms and conditions to be observed in contracts entered into between on the one part Members (hereinafter called the Producer) of Producers Alliance for Cinema and Television of 45 Mortimer Street, London W1W 8HJ (hereinafter together called the Association) and on the other part members of the Writers' Guild of Great Britain of 15 Britannia Street London WC1X 9JN (hereinafter called the Guild) for scripts written for television production where the Format of the programme is provided by the Producer.

APPLICATION

2. i) This Agreement applies to writing for television production for the primary purpose of transmission on BBC1, BBC2, ITV1, Channel 4 and five.
 - ii) This Agreement shall apply only to productions that are made with live actors.
 - iii) This Agreement does not cover staff contracts or script editing services.
 - iv) This Agreement is not intended to cover special and additional dialogue or 'sketch material' for comedy programmes.

DURATION AND TERMINATION

3. i) This Agreement shall continue in force until terminated by either party giving six months notice. No such notice may be given before 1 August 2004. After 1 November 2004 either party may seek amendments/revisions to any of the Clauses in the agreement.
 - ii) Notwithstanding any notice provisions, the minimum rates in the Agreement shall be subject to review annually at or about the anniversary of the commencement of the Agreement. No such review will take place on the first anniversary but shall take place on the second and each subsequent anniversary. If no review takes place then it is agreed that the minimum rates shall be increased by the same rate as the increase in R.P.I. calculated since the last occasion that the rates were increased or reviewed.

DEFINITIONS

4. In this Agreement the following terms and expressions shall have the following meaning unless the context otherwise requires: -

i) Writer

A Writer shall mean the author of a work as defined by Section 154 of the Copyright Designs and Patents Act 1988 and, where the services of a Writer are provided by a company, Writer shall include where appropriate the company that provides those services. Where a joint writing team is involved all payments due under this Agreement shall be divided as agreed between them.

ii) Format

A Format for a television programme or series or serial consists of a written or other record of its original elements including but not limited to its setting, its characters and their relationships, its themes and how the narrative might develop.

iii) Storyline

A brief written outline of a story idea to an agreed maximum length giving a clear indication of the main characters, the progression of events and some indication of settings.

iv) Treatment

A detailed written description of an entire story developed over one or more episodes including the characters, the progression of events, the settings and style and tone of the production.

v) First Draft

A full dialogue script in a form suitable for television production

vi) Second Draft

The second complete draft of the script as requested by the Producer which, if accepted, shall become the Principal Photography Script.

vii) Principal Photography Script

The approved and finally accepted version of a shooting script for principal photography incorporating all alterations and amendments required by the Producer.

viii) Television Series and Serials

A television production in two or more episodes based on one format.

ix) Theatrical Distribution

Exhibition to a paying audience by any means in any cinema anywhere in the world.

x) Free Television

Dissemination by any means which does not require payment by the viewer for the programme other than by way of a statutory licence fee.

xi) Pay Television

Those systems for which the subscriber pays directly for each programme or for a defined service. It shall not include basic cable when this is used to relay Free Television services.

xii) Videogram

A videogram shall mean any form of videodisc or cassette, or any other form of recording, offered for sale or rental to the general public.

xiii) Non-Theatric Use

Exhibition to a non-paying audience by any means.

xiv) BBC Public Service

Any BBC service which is primarily funded by the Licence Revenue (as defined in the Royal Charter for the continuance of the BBC) or in the case of the BBC World Service (as also defined in such Royal Charter) from moneys paid to the BBC out of aids appropriated by the United Kingdom Parliament and/or is provided as a public service.

PAYMENTS

5. Payments set out in the Schedule of Minimum Fees (Clause 26 below) are the minima for the respective categories and stages.
6. Payments shall be settled by individual negotiation subject to the minima set out in the Schedule of Minimum Fees (Clause 26 below).
7. Where more than one writer is credited with the Principal Photography Script the appropriate use payments shall be divided as agreed and in the event of disagreement this shall be referred to the disputes procedure set out in Clause 25 below.

CONTRACTS

8. Writers shall be contracted with on terms no less favourable to the Writer than those set out in this Agreement.

RECOGNITION

9. The Association recognises the Guild as the exclusive representative for the purpose of collective bargaining in the areas covered by this Agreement.

10. Producers will inform the Guild whenever they have contracted with a Writer under the terms of this Agreement and will give the Writer's name.

UNDERTAKINGS BY WRITERS

11. The Writer undertakes
 - i) To attend such meetings, conferences and consultations as the Producer may reasonably require for the planning, preparation and execution of the script(s).
 - ii) To carry out research to enable the Writer to complete the script as commissioned.
 - iii) To write the Storyline, Treatment, First Draft, Second Draft and Principal Photography Script and reasonable revisions at each stage as reasonably required by the Producer and to deliver each of them on the date specified in the contract or such date as may be agreed.
 - iv) To make such incidental and minor revisions as the Producer shall reasonably require.
 - v) To deliver one copy of the First Draft, Second Draft and Principal Photography Script.

WARRANTIES TO BE GIVEN BY WRITERS

12.
 - i) The Writer is free to accept the contract.
 - ii) The Writer will not incur any liabilities on behalf of the Producer nor pledge the Producer's credit.
 - iii) The Writer is the author of the work as defined by Section 154 of the Copyright, Designs and Patents Act 1988.
 - iv) The Writer will render all work wheresoever reasonably required and co-operate with any person nominated by the Producer in accordance with the general requirements of the Producer and Nominated Executive (as such term is defined in Clause 13.vi).
 - v) The work is original to the Writer except where it incorporates material supplied by the Producer.
 - vi) The work will not infringe the copyright of any other person, firm or company, and to the best of the Writer's

knowledge and belief will not contain any matter defamatory to any person, firm or company.

- vii) The Writer will not divulge any confidential information about the work except to his/her professional advisers.
- viii) The Writer will comply with all regulations in force at any studios or other place where services are rendered, provided these have been appropriately notified to the Writer.

UNDERTAKINGS AND WARRANTIES TO BE GIVEN BY PRODUCERS

- 13. i) The Producer shall respond to all Storylines, Treatments and drafts by the Writer with comments [if any] within the time agreed or if there is no specific agreement within 90 days of delivery. The Producer shall respond to the Writer as quickly as possible and shall keep the Writer reasonably informed of progress and of the likely timetable for response. If no revisions are requested by the Producer and the work is not rejected then the Storylines, Treatments and drafts shall be considered to have been accepted. Any revisions requested by the Producer should be completed within 14 days or such other period as agreed.
- ii) The Producer will hold the Writer harmless from all claims, liability, damage, costs and legal fees arising from any use of any material supplied to the Writer by the Producer or incorporated at the Producer's direction. This indemnity shall survive any termination or expiration of any agreement entered into between the Producer and the Writer.
- iii) The Producer has sufficient funds to pay the Writer all sums due to him/her as specified in the contract.
- iv) The Producer shall pay all sums due to the Writer in respect of the Work on the due dates for such payment as specified in the contract and in the event the Producer is in breach of this undertaking by 30 days or more, including without limitation in respect of expenses, pension contributions, travel and subsistence, the provisions of the Late Payment of Commercial Debts (Interest) Act 1998 shall apply.
- v) The Writer or the Writer's nominated representative shall be notified of the rehearsal date, shooting schedule and the date, time and venue of the showing of

the "rough cut" of the production, which the Writer shall be invited to attend.

- vi) The Producer will at the commencement of the contract nominate the executive responsible for all creative matters relating to the Writer's services (the Nominated Executive) and define that executive's role in the production.
- vii) The Producer shall, prior to signature of the contract, give the Writer in writing confirmation of the Producer's ownership or control of any existing material upon which the scripts are to be based.

SCRIPT ALTERATION

14. i) Where script alterations are necessary it is the intention of the Producer to make every effort to inform and to reach agreement with the Writer for the Writer to carry out such work.
- ii) Nevertheless the Producer shall be entitled to make such reasonable alterations to a script as he shall consider necessary in the interests of good television production and any such further alterations as may be required to comply with any legal or regulatory requirements to such extent as the Writer may be unwilling or unable to carry out such alterations himself.
- iii) Where the title, as stipulated in the form of contract, needs to be changed, the Producer shall, where practicable, consult with the Writer as to the final title of the production.

GRANT OF RIGHTS

15. i) Full copyright in the script(s) produced by the Writer in the course of the engagement shall vest in and be the sole property of the Producer.
- ii) Copyright in the Storyline, Treatment, First Draft, Second Draft and Principal Photography Script shall pass to the Producer as payment is made for each stage. Any further payments to be made by the Producer shall be simple debts from the Producer (or his assignees) to the Writer.

BUY BACK

16. i) Where the Writer is the sole author of a single script that is not part of a series or serial or is the author of all the scripts in a series or serial the Writer shall have the right to buy back the script or the scripts provided that principal photography has not begun within three years of delivery of the last material for which the Writer had been commissioned and the script(s) is not in commissioned and contracted development with a Broadcaster or Financier.
- ii) A Writer exercising this right shall serve notice in writing on the Producer and shall formally reacquire copyright by paying the Producer a sum equal to 100% of the sums the Writer has received from the Producer. Payment shall be due on the First Day of Principal Photography of a production based substantially on the script(s).
- iii) In some instances the agreement between the Producer and a third party financier will contain provisions that require the Producer to make specified payments to the financier in the event that the script(s) is bought back. Where such a contractual condition exists, and a Writer exercises the right to buy back under the provisions of this clause, then in addition to paying the Producer a sum equal to 100% of the sums the Writer has received from the Producer, the Writer shall also procure the repayment of any such sums contractually owed to the financier by the Producer on or before the First Day of Principal Photography of a production based substantially on the script(s).

ASSIGNMENT

17. The Producer shall be entitled to assign all rights or any part thereof in the Work but shall not be relieved of any of its obligations to the Writer, and the Writer or agent shall be notified in writing of any such assignment.

ILLNESS OR INJURY

18. If on account of illness or injury or other mental or physical incapacity a Writer fails to deliver any work on the date specified in the contract and further fails to do so within the next 14 days thereafter the Producer shall not be bound to accept the work or pay the fees for it. In the event

of a Writer who has been commissioned by the Producer to write more than one Principal Photography Script and in the reasonable opinion of the Producer being prevented by illness, injury or any other mental or physical incapacity from fulfilling the commission the Producer shall be entitled by written notice to the Writer to terminate the engagement and limit his obligations to payment for work delivered.

TRAVEL AND SUBSISTENCE

19. i) United Kingdom

Where a Writer is required by the Producer to travel more than 30 miles from the Writer's normal place of work, the Producer shall provide or reimburse promptly the costs of travel and all additional expenses necessarily incurred by the Writer in connection with the rendering of the Writer's services, providing such additional expenses are authorised, in advance, by the Producer.

ii) Overseas Locations

a) Where a Writer is required to travel by air the Producer shall only make bookings on, either, an airline operating scheduled passenger services, or on charter flights having safety standards acceptable to the British Civil Aviation Authorities.

b) When travelling by air to any overseas location where the scheduled flight time exceeds four hours, then club or similar class of travel shall be provided if available, unless the Writer is transported by chartered aircraft.

iii) Subsistence

When a Writer cannot reasonably return to their normal place of work, the Producer shall, at his expense, provide the Writer with reasonable living accommodation, including board, at or near the designated place(s) of work in connection with the rendering of the Writer's services.

iv) Insurance

If a Writer is expressly required by the Producer to travel by air providing the Producer has prior advice of the flight the Producer will take out or pay for an insurance policy against the risk of personal injury or death suffered by the Writer in the course of such air travel.

SCREEN CREDITS

20. i) The Writer shall be accorded a Writer's credit.

- ii) The Writer's credit shall take the form as laid down in the credit guidelines of the commissioning broadcaster. If there is any material change proposed or made by a commissioning broadcaster to the credit guidelines then the parties to this agreement will review the changes together in good faith and consider whether any alterations need to be made to the credit provisions in this agreement.
- iii) Any dispute on credit, between the Guild and the Association or between a Writer and a Producer, may be referred to the disputes procedure outlined in clause 25, below.
- iv) Any dispute between Writers concerning the apportionment of credit shall be dealt with according to the relevant provisions of the 1974 Writers Guild/BFPA Agreement.

COLLECTING SOCIETIES

- 21. i) The Producer will lay no claim to any monies payable to the Writer via foreign and/or domestic collecting societies in respect of works covered by this agreement. The Writer shall have no claim to payment by the Producer in respect of rights collectively licensed.
- ii) The Writer will make no claim against the Producer whether for payment or otherwise which shall arise out of any failure by the Writer or the Writers' Guild or the Authors' Licensing and Collecting Society to enter into any agreement with foreign and/or domestic collecting societies, or any failure on the part of such society to make payment to the Writer.

VIDEOGRAM

- 22. On completion, the Producer shall provide a domestic Videogram copy of the production to the Writer.

CONTRIBUTORY PENSION SCHEME FOR WRITERS IN MEMBERSHIP OF THE WRITERS' GUILD

- 23. i) General
 - a) Obligations on the Producer

In all contracts made under this Agreement with Writers who are in membership of the Writers' Guild, the Producer shall make payments (listed below) to the Writers' Guild Pension Fund except as provided in b) below;

b) Obligations on the Writer

In all contracts made under this Agreement the Writer shall confirm to the Producer in writing his/her:

Fund

- membership of the Writers' Guild
- membership of the Writers' Guild Pension Fund
- Pension Fund membership number

ii) Date of Commencement

The Pension Scheme outlined herein shall continue for the whole period of time of the validity of the PACT/ Writers Guild Agreement dated 1 February 2003 and thereafter until six months' notice in writing is given by either party to the other.

iii) Contributions to the Pension Scheme

a) The Producer's contribution shall be of an amount equal to 6.8 per cent of the appropriate minimum payment specified for the script in the Schedule of Minimum Fees (Clause 26 below) excluding the Subsequent Use Advance. For the avoidance of doubt, this 6.8 per cent shall be separate from and in addition to the contracted payment and not deducted from it.

b) The Writer's contribution shall be of an amount equal to 4.5 per cent of the appropriate minimum payment specified in the Schedule of Minimum Fees (Clause 26 below) excluding the Subsequent Use Advance. For the avoidance of doubt, this 4.5 per cent shall be deducted from the contractual payment.

c) In Television Series and Serials, contributions shall apply to each episode.

iv) Deduction of Contributions

a) For each installment of the total contracted payment made to the Writer in respect of a script,

both the Producer and the Writer shall make a contribution to the Pension Scheme. This contribution shall bear the same proportion to the total contribution payable in respect of the script as the installment bears to the total contracted payment for the script.

- b) The Writer's contribution to the Pension Scheme shall be deducted directly from the appropriate payment due and a record kept of each such contribution and the corresponding Producer's contribution. A copy of the record shall then be forwarded to the Guild by each Producer at not greater than quarterly intervals, together with a remittance equal to the combined amount of the Producer's and the Writer's contributions over the preceding quarter.
- c) Each Writer individually shall authorise the direct deduction of a contribution from the contracted payment by means of the approved Form of Authorisation set out in sub-clause v) herein. The Form of Authorisation shall form a part of the contract between the Producer and the Writer.

v) Clause to be Included in Contracts

The Producer is hereby authorised to make direct payment(s) for the Writer's credits to the Writer's Guild Pension Fund by withholding the appropriate percentage of the writing fee(s) and adding thereto the appropriate Producer pension contribution(s) on behalf of the Guild Member as are at present laid down under the agreement between the Association and the Writers' Guild of Great Britain.

AUDIT

- 24. i) All royalties due under this Agreement shall be paid to the Writer no later than 30 days after the end of the quarter in which the Producer receives the gross receipts referred to therein. Any such payment shall be accompanied by a statement of account showing for each sale, the territory concerned, the royalty due, and in the case of sales paid in installments, the proportion of the total sales price represented by the quarter's receipts. The information contained in such statements shall not be divulged to any third party other than the Writer's professional advisors without the express permission of the Producer.

- ii) The Producer shall keep full and accurate accounts and records in respect of the exploitation of the work relating to the gross receipts and royalties payable. The Producer agrees that in the event of a disagreement arising with a Writer which is not resolved through discussion between the parties, then on receipt of a prior written notice from the Writer he will permit the Writer or a professional representative of the Writer to examine during normal hours of business, and take copies of, the records of account relating to the exploitation of the Writer's work.
- iii) The examination shall be at the expense of the Writer unless errors to the disadvantage of the Writer exceeding 10% or £200, whichever is greater, are disclosed in which case the reasonable costs incurred in carrying out the examination shall be paid by the Producer. All shortfalls and any reimbursement of the cost of carrying out the examination shall be paid to the Writer within 30 days of notification to the Producer of such shortfall and cost.

DISPUTES PROCEDURE

- 25
- i) Any matter or dispute arising from the operation and interpretation of this Agreement will, in the first instance, be resolved by direct negotiation, failing which the matter shall be referred to a standing joint committee consisting of not more than three representatives of the Guild and three representatives of the Association not involved in or who could stand directly to benefit from the dispute in any way.
 - ii) The joint secretaries to this committee shall be the General Secretary of the Guild (or a nominated deputy) and the Chief Executive of the Producers Rights Agency (or a nominated deputy). Either may summon a meeting of the committee which shall normally take place within 72 hours (excluding Saturdays, Sundays and Declared Holidays).
 - iii) The chair of the committee shall be taken alternately at each meeting by a representative of the Guild and a representative of the Association who shall not have a vote.
 - iv) In the event that the Standing Joint Committee reaches an agreed decision on any issue this shall constitute a settlement to be accepted by the parties.

- v) In the event that the Standing Joint Committee fails to agree on any issue then a further meeting of the Committee shall be called where the chair is taken by an independent person with power to settle the matter. The decision of the independent person taking the chair shall be final and binding upon both sides. In deciding on an independent person to take the chair the joint secretaries may consult the Advisory, Conciliation and Arbitration Service (ACAS).

- vi) Nothing in this clause shall in any way affect or restrict the rights of the Producer or a Writer to apply to the courts for equitable relief.

SCHEDULE OF MINIMUM FEES AND USE PAYMENTS

26. i) **Network Production**

NOTE: - The figures set out below refer to productions of 60-minute slot length. For productions of more or less than one hour the script fee shall be pro-rated.

Storyline payment (if required) will be a negotiated amount between 5% and 10% of the script fee. This will be an advance against the Signature Payment. Half to be paid on commission of the Storyline and half on delivery.

Treatment payment (if required) will be a negotiated amount between 15% and 25% of the script fee. This will be an advance against the Signature Payment. Half to be paid on commission of the Treatment and half on delivery, subject to the Writer carrying out reasonable amendments to the Treatment as requested by the Producer.

<u>Minimum Signature Payment</u>	<u>£3750</u>
[Minus any payments for Storyline or Treatment]	
<u>Minimum Payment First Draft on delivery</u>	<u>£1875</u>
<u>Minimum Payment Second Draft on acceptance</u>	<u>£1875</u>
<u>Total Minimum Payment</u>	<u>£7500</u>

The total minimum payment buys one UK Network Television transmission plus simultaneous European Cable transmission and worldwide Non-Theatric Use.

Subsequent Use Advance

On the first day of principal photography the Producer shall pay a further sum equal to 100% of the script fee as an advance against fees due in respect of any subsequent uses.

BBC Public Service

When required by the BBC as the commissioning broadcaster, on first day of principle photography the Producer shall pay a further sum equal to 15% of the script fee for a 5-year licence for BBC Public Services uses, excluding BBC1 and BBC2, commencing on the first transmission of the programme in the UK. This 15% payment shall be in addition to the 100% Subsequent Use

Advance.

ii) **Part Network Production**

For programmes commissioned for part-network transmission reduced minimum payments apply.

The figures above are adjusted according to the proportion of National Television Homes [NTH] covered by the transmission.

The proportion of NTH in each area covered by an ITV1 license holder is as follows:

	%		%
Anglia	7	HTV	8
Border	1	Meridian	9
LWT/Carlton	19	Scottish	6
Central	15	Tyne Tees	5
Channel	1	Ulster	2
Grampian	2	West Country	3
Granada	12	Yorkshire	10

For BBC Regional production the relevant NTH values for the equivalent ITV1 franchise areas would apply:

e.g. for BBC Northern Ireland the NTH value for Ulster would apply; the NTH value for BBC Scotland would be equal to the NTH values for Grampian, Border and Scottish added together.

- a) If the programme is to be transmitted over an area with an aggregate NTH value of 50% or less then the minimum payments due shall be 50% of the total minimum payment specified above [the '50% tranche'].
- b) If the programme is to be transmitted over an area with an aggregate NTH value of more than 50% but less than 75% then the minimum payment due shall be 75% of the total minimum payment specified above [the '75% tranche'].
- c) If the programme is to be transmitted over an area with an aggregate NTH value of more than 75% then the minimum payment due shall be 100% of the total minimum payment specified above [the '100% tranche'].

In the event that payment for any tranche of part-network transmission is due more than two years after the original transmission of the programme in any part of the country then the payment due shall be no less than the relevant percentage of the minimum payments applicable at the time.

If a programme is made for part-network transmission the Subsequent Use Advance does not have to be paid. Subsequent use fees are payable as and when they are due.

iii) **UK Network Television Repeats**

[i.e. repeats on BBC1, BBC2, ITV1, Channel 4 and five]

For repeat purposes television transmission hours are categorised as either peak, daytime, shoulder-peak or night-time. Special provisions apply to repeats of children's, schools and educational programming and to a repeat within 7 days of a previous transmission of the programme.

a) Peak Time Repeats

Peak time hours are: 18.00-22.30

UK Network Television first peak time repeat
75% of original fee
UK Network television second and subsequent
100% of original fee
peak time repeat (each transmission)

b) Shoulder-Peak Repeats

Shoulder peak hours are: 22.30-23.30

All UK Network Television shoulder peak repeats
40% of original
fee

c) Daytime repeats

Day time hours are: 09.25-18.00

All UK Network Television day time repeats 25% of

original fee

d) Night-Time Repeats

Night time hours are: 23.30-

09.25

All UK Network Television night-time repeats 10% of original fee

e) Schools and Educational Programming Repeats

In the case of schools and educational programming no payment shall be made for the first repeat. In the case of schools programmes only no payment shall be made for a second repeat of one programme from a series of schools programmes transmitted as a preview showing for teachers.

Each subsequent repeat payment will allow two repeat showings of the programme.

f) Repeats within Seven Days

When a programme is re-transmitted within seven days the repeat fee due shall be reduced by 25%.

g) Children's Programmes

A Producer may pre-purchase the right to make up to four repeat transmissions of a Children's programme on UK Network Television for a fee of 200% of the original fee, less any Subsequent Use Advance already paid. All such repeat transmissions must be made within five years from the first UK Network Television transmission. Any offer to a Writer to pre-purchase under this clause may be refused if it is made after the date of the first UK Network Television transmission of the programme. All transmissions of children's programmes in a broadcaster's designated children's slots shall be considered to be peak time transmissions irrespective of the actual time of the transmission.

h) If a repeat is transmitted over more than one time band as described in a) to d) above, then the higher value percentage payment shall apply.

iv) **Other Uses**

For each further use the Producer may choose to either apply the multi-media royalty or, where part of the budget of the programme is provided by a) a foreign co-producer or b) a foreign co-financier or c) pre-sales to a foreign third party, the further use fees listed below. The Producer must inform the Writer by the first day of principal photography which option will be applied. For any use the Producer may not switch between the multi-media royalty and the further use fees after the first day of principal photography without the prior agreement of the Writer.

a) Multi-Media Royalty

In return for payment of a royalty of 5.6% of gross receipts from programme sales the Producer may use or permit the use of programme(s) incorporating the scripts in all or any media in the UK and overseas.

Where the script for a programme was commissioned from more than one Writer the individual payments to each Writer will be calculated by dividing the total payment of 5.6% of gross receipts pro-rata to their original fees.

Where the Producer exploits the scripts separately from the programme, the Producer may discuss with the Writer, in good faith, additional payments to the Writer in recognition of this exploitation.

b) Further Use Fees

As an alternative to the multi-media royalty where part of the budget of the programme is provided by a) a foreign co-producer or b) a foreign co-financier or c) pre-sales to a foreign third party, for each further use the Producer may apply the following use fees.

The fees are calculated as percentages of the Writer's negotiated fee and in return for these payments the Producer shall be able to exercise the relevant rights for a period of seven years with no further payment. When the seven year period has expired the multi-media royalty in 26.iv)a shall apply.

*US Network Television: Prime Time
100%

- *US Network Television: Non-Prime Time
50%
- *PBS Network
25%
- *US Premier Pay and Pay per View Television
35%
- §*US Basic Cable
10%
- §*US all Syndication and other Television
10%
- Rest of World Free TV (excluding UK and US)
60%
- Rest of World Pay TV (excluding UK and US)
20%
- Rest of World Video (excluding UK and US)
7.5%

* includes US video

§ both uses can be acquired at the same time for a combined payment of 15%

c) Videograms

i) On first release of a Videogram reproducing the script the Writer shall be paid an advance against royalties of £500. Only one advance shall be paid per Videogram irrespective of the number of scripts by the Writer incorporated within the Videogram. The advance shall be on account of and be deducted from the royalties outlined in ii) below.

ii) The Writer shall receive royalty payments based on Gross Receipts for Videogram sales as follows:

Sales of Videograms	% of Gross Receipts
Up to 30,000 units	1.5%
Over 30,000 units	2.5%

Gross Receipts shall mean all monies paid by the retailer to the distributor in respect of the distribution of the Videogram less actual returns and any applicable taxes.

iii) When any Videogram contains scripts by more than one Writer, the Videogram royalty shall be divided in proportion to the number of scripts by each Writer incorporated in the

Videogram or by any other method agreed with the Writers.

- iv) When Videogram rights in any overseas territory are sold the provisions of 26.iv.b above (Further Use Fees) may be applied.

v) Notes

- a) Rest of the World Television Use Payment includes Theatrical Distribution excluding the USA and the UK.
- b) Payments at all the stages from Treatment to completion set out above are negotiable above the minimum and copyright does not pass to the Producer until each stage payment has been made as and when they occur.
- c) Cut-offs apply at each stage from Treatment to completion.
- d) On-going series that are transmitted twice weekly or more frequently i.e. soaps, are not covered under these provisions and are subject to separate negotiation.
- e) Payment for Network UK Television Use after seven years from date of first transmission:

Payment for each UK network television transmission which take place more than seven years from the date of the first UK transmission shall be made according to the following formula:

$$\frac{\text{applicable repeat percentage} \times \text{script fee paid for programme} \times \text{current minimum rate}}{\text{minimum rate at time of contract}}$$

- f) Established Writers: The above payments are for established Writers who shall be defined as those who have been commissioned to write screenplays of any type with an aggregate slot length transmission time of not less than two hours. For other Writers the minimum payments shall be 80% of the minimum rates set out in clause 26i.

The Guild agrees to give full and fair consideration to any proposal for a scheme to encourage new Writers that involves payment below the figure of 80% of Established Writers' minimum.

- g) Use of Extracts: The Producer may include or permit the inclusion of a programme extract incorporating the Writer's work in another programme providing the appropriate fee below is paid. The fee shall allow the incorporation of the extract in a programme and its subsequent use within the programme in all media worldwide in perpetuity without limitation. (For use in Compilation Programmes, see below.)

The fee shall be £125 per 30 seconds or part thereof of extracts incorporated in the programme, or any other rate in successor Agreements to this Agreement current at the time of the use of the extract.

The permission of the Writer must be obtained for use of an extract where the use is derogatory or ridicules the Writer or the programme from which the extract is taken or where the context of the use may give rise to issues of Taste and Decency as described in the ITC Programme Code.

Nothing above shall affect the rights of the Producer to use extracts under the 'fair dealing' provisions of Copyright law or for promotional purposes without further payment.

When an extract is used within a Compilation Programme, i.e. a programme made up substantially of extracts from scripted programmes, the Writer shall be paid an additional extract fee for each repeat transmission of the Compilation Programme. Further uses of the Compilation Programme shall be subject to the multi-media royalty, see 26.iv a) or any other payment mechanism agreed between the Producer and the Writer.

- h) Multi-Media Royalty; Accounts and Auditing: the provisions of Clause 24 of this Agreement shall apply.

- i) Multi-Media Royalty: Non Arms Length Sales: In circumstances where

a 'purchasing' company controls more than 25% of the equity of a 'selling' company, or vice versa, or where a third party controls more than 25% of the equity of both or where two or more shareholders of a 'purchasing' company control more than 25% of any selling company then the sale will be subject to the following procedures:

The selling company will inform the Guild of any 'non-arms length sales' it has concluded. If the Guild considers that the sales price is not in line with open

market prices it may query the matter with the selling company. A meeting between the Guild and the selling company may be held at the request of either to resolve the matter. If the matter is not resolved the question may be referred by either party to an independent arbitrator agreed between the Guild and the company. In the event that the sales prices is successfully disputed, the royalty payments to the Writer(s) will be recalculated on the basis of the agreed or arbitrated sales value.

Producers agree to inform the Guild as soon as practicable of any shareholding in potential purchasing companies which would fall within the 'non-arms length' definition above.

Producers have committed to supply relevant details of all secondary sales to an expert, neutral third party appointed by agreement between the Association and Equity. The Association would therefore be able to produce analyses of market prices, which would inform any discussions between the Guild and a Producer or any arbitrator's considerations.

- j) Format: In the event that a Writer has originated the Format of a production, or has originated script(s) or other literary work(s) which incorporate such a Format, which itself constitutes a literary work then there shall be a Format Agreement, which shall be subject to negotiation between the Producer and the Writer.

Signatories to the Parties to this Agreement

For The Producers Alliance for Cinema & Television

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John McVay
Chief Executive - PACT

...../
Andrew Chowns
Chief Executive - Producers Rights Agency

For Writers Guild of Great Britain

..... • •
John Wilsher
President

..... • •
Bernie Corbett
General Secretary