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DATED

OPTION AGREEMENT FOR A TELEVISION SERIES

between

Writer

and

Producer

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This agreement is dated [DATE]

Parties

- (1) [INDIVIDUAL NAME] of [INDIVIDUAL ADDRESS] (**Writer**)
- (2) [FULL COMPANY NAME] incorporated and registered in England and Wales with company number [NUMBER] whose registered office is at [REGISTERED OFFICE ADDRESS] (**Producer**)

BACKGROUND

17. The Writer is the author of the Work (as defined below).
18. The Writer has agreed to grant to the Producer the exclusive option to acquire Programme rights in the Work on the terms of this agreement.

Agreed terms

1. Interpretation

The following definitions and rules of interpretation apply in this agreement.

1.1 Definitions:

Business Day: a day other than a Saturday, Sunday or public holiday in England and Wales, when banks in London are open for business.

CDPA: the Copyright, Designs and Patents Act 1988.

Derivative Material: any trailers, DVD "extras", documentaries, electronic press kits, making-of, "behind the scenes" or other material based on any Work made under this agreement and any material connected with advertising and promoting those Works.

Format: the expression of an original idea for a television programme, series or serial recorded in writing or otherwise and consisting of such elements as its settings, characters and their relationships, its themes and how the narrative might develop.

Format Agreement: an agreement which, subject to being varied by individual negotiation, defines ownership of the Format and entitlements to the proceeds of the exploitation of such Format. For the avoidance of doubt where the Writer provides the Format and there is no Format Agreement all Format rights are reserved to the Writer

First Option Fee: shall be the amount of £[AMOUNT]

WGGB: This is an important definition as you will want to be clear about which items and Intellectual Property (IP) you are optioning rights to

WGGB: The writer is giving the producer the opportunity to acquire the IP rights contained within the Work for a TV programme. The writer cannot assign these rights to another producer while this option agreement is in place.

WGGB: Having defined terms is important in any agreement. They should make sure that no party is unclear as to what is meant when certain words or phrases are used.

WGGB: While it is not a defined term it should be noted that when we refer to rights being 'exercised' we mean that the producer has paid for and acquired the right to the work under the terms of this agreement.

WGGB: When work is under option writers still own the rights but cannot sell or use them. Because being under option results is a restriction of trade writers should get paid for the time and is why option fees are paid

First Option Period: Shall be the period of [PERIOD] from the date of this agreement

Literary Publication Rights: the right to publish and distribute printed versions of the Work in book form, whether hardcover or softcover, and in magazine or other periodicals, whether in instalments or otherwise.

Option: the option described in clause 2.

Option Period: the First Option Period together with, where exercised, the Second Option Period.

Programme: a television production based on the Work.

Purchase Price: the amount identified in clause 3.1.

Radio Rights: the right to broadcast audio-only performances or readings from the Work on the radio.

Rights: the rights described in clause 4.1.

SATO: the Script Agreement for Television and Online between the British Broadcasting Corporation and the Personal Managers Association and the Writers Guild of Great Britain dated 21 March 2017 updated May 2018 and January 2020

Second Option Fee: the amount of £[AMOUNT]

Second Option Period: the period of [PERIOD] from the expiry of the First Option Period.

Series: a television series based on the Work.

Stage Rights: the right to present the Work or any version or adaptation of it on the stage of the dramatic theatre with actors appearing in the presence of an audience.

VAT: value added tax [or any equivalent tax] chargeable in the UK [or elsewhere].

WGGB ITV Agreement: The Agreement between ITV Studios Limited and SMG Productions Limited and ITV Network Limited and the Writers Guild of Great Britain and the Personal Managers Association for Drama Commissioned by ITV Network and other Broadcasters operational 1 January 2010

WGGB PACT Agreement: the Agreement for Television Production between the Writers Guild of Great Britain and the Producers Alliance for Cinema and Television effective 1 February 2003

WGGB TAC Agreement: the Agreement for Television Production in the Welsh Language between Teledwyr Annibynnol Cymru and the Writers Guild of Great Britain effective 1 August 2017.

Work: the original [script / pilot episode / bible / treatment / other] for a Television Series provisionally entitled " "

WGGB: This definition sets out how long your work will be under option for. Most option agreements the WGGB see are for 1 year. When they are for a longer period the Option Fee should be increased according due to the increased restriction of trade. It is industry standard for Option Fees to be around £1,000 for 1 year's option but this fee and period are both negotiable

WGGB: This will be the price the Producer pays when they acquire the rights

WGGB: Sometimes Producers do not exercise the Option within the First Option Period and so will want to extend the term of the Option. When they do this, they need to pay another fee for the continued restriction of trade

WGGB: This definition should be clear and state which document(s) the Producer is optioning the rights to

1.2 Unless the context otherwise requires, words and expressions used in this agreement shall have the same meanings as are assigned to them by the CDPA. Notwithstanding the foregoing, wherever in this agreement the term "Programme" or any similar term is used and the soundtrack is not expressly referred to, the term shall include the soundtrack of that Programme.

1.3 Clause headings shall not affect the interpretation of this agreement.

1.4 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

2. Option

2.1 In consideration of First Option Fee paid by the Producer to the Writer, the Writer hereby grants to the Producer the exclusive option (**Option**) to acquire the Rights exercisable at any time within the First Option Period by notice in writing to the Writer together with payment of the Purchase Price. The First Option Fee shall be on account of the Purchase Price

2.2 At any time before the expiry of the First Option Period, the Producer may extend the Option for the Second Option Period by paying the Writer the Second Option Fee together with written notice of exercise of the option to extend. The Second Option Fee shall not be on account of the Purchase Price.

2.3 The Producer shall be exclusively entitled during the Option Period to prepare budgets and storyboards and engage in any other form of development activity and make announcements that a series based on the Work is being developed, provided that unless the Producer exercises the Option it may make no commercial use of any such materials without the prior written consent of the Writer.

3. Payment

3.1 If the Option is exercised, then as full consideration for the rights hereby granted the Producer hereby agrees to pay to the Writer on exercise of the Option:

(a) £[AMOUNT] (the **Purchase Price**).

3.2 All sums payable under this agreement shall be exclusive of VAT. Any VAT which is payable shall be paid by the Producer within [NUMBER] Business Days of receipt of a valid VAT invoice from the Writer.

WGGB: Once the first option fee is paid, the producer has the exclusive right to exercise the option and buy the rights. If the producer pays a purchase price to exercise the option, the first option fee will be deducted from the purchase price.

So, if your Option Fee was £1000, and your purchase price was £40,000, upon purchasing, they would pay you £39,000, as you have already received the £1000.

WGGB: A second option fee can be paid to extend the option period. This will **not** be deductible from the purchase price.

WGGB: The producer can make initial plans to further develop or produce the programme but cannot make any money from these plans without either exercising the option or with the writer's written agreement.

WGGB: Once the option is exercised, the producer will pay the purchase price in exchange for the rights to the programme. The terms of these rights are below.

The purchase price is negotiable

4. Grant of Rights

4.1 Subject to the Producer exercising the Option and paying the Purchase Price, the Writer with full title guarantee grants to the Producer the exclusive right to make a Programme or Series based on the Work (**the Rights**) to hold absolutely throughout the world during the full period of copyright but subject to the provisions of clause 4.2. The Rights shall be set out in one of the following Agreements which shall be negotiated in good faith and subject to the relevant Writers Guild of Great Britain minimum terms agreement where applicable: _____

Including:

- (a) In respect of a Format - A Format Agreement _____
- (b) In respect of commissions for BBC – the SATO _____
- (c) In respect of commissions for ITV – the WGGB / ITV Agreement _____
- (d) In respect of commissions by Members of the Producers Alliance for Programme and Television – the WGGB PACT Agreement _____
- (e) In respect of commissions by Members of Teledwyr Annibynnol Cymru or S4C – the WGGB TAC Agreement _____

4.2 The Writer reserves the Stage Rights and the Radio Rights and Literary Publication Rights in and to the Work. Subject to the exercise of the Option and payment of the Purchase Price to the Writer, the Writer agrees not to exploit or permit the exploitation of the Stage Rights and Non-dramatic Radio Rights for a period of [PERIOD] years from the date of the exercise of the Option or [PERIOD] years from the date of the release of the Programme, whichever is the shorter period. _____

4.3 The Writer grants to the Producer the right to use the name, likeness, photograph and biography of the Writer in connection with the advertising, exploitation and exhibition of the Programme provided that provided that the Writer shall have right of approval of the name, likeness and biography, not to be unreasonably withheld and provided these shall not be used in such manner as to suggest that the Writer endorses any commercial goods or services or facilities publicised thereby. _____

5. Writer's warranties and undertakings

5.1 The Writer hereby represents and warrants to and with the Producer that:

- (a) the Writer is the sole author of the Work which is wholly original to the Writer and nothing in it infringes the copyright or any other rights (including any rights of confidentiality and/or privacy) of any third party; _____

WGGB: If the producer exercises the option and pays the purchase price, the writer guarantees them exclusive rights to make the show. At this point the writer creator will be offered a format agreement and/or a writers' agreement if the writer creator is going to be commissioned to write episodes.

WGGB: Is a separate agreement covering the exploitation of the series. The terms include, but are not limited to, a share of profits (net receipts), format fees including a fee for each episode not written by the writer creator, creator credits and spin off series rights. For instance, you could have your show optioned, but it might not be practical or desirable for you to write every episode, so here you might agree what exactly your input as a series creator might be. If you have any questions about Format Agreement, or are offered a Format Agreement and want to terms checked email casework@writersguild.org.uk

WGGB: These are all Writers Agreement where the minimum terms and conditions have been negotiated by the WGGB

WGGB: The writer maintains the rights to the work in other forms but should not grant or use these rights for a period of time if the option is exercised. A TV show premiering is unlikely to want to compete with the same show but in a different format, such as a stage version. That said, it may be possible for the TV show and other formats to exist at the same time, so any agreements not to exploit rights can be negotiated. This is mainly to reserve your right to do that at a later date, should you wish to.

WGGB: Producers will want to be able to use the writer's profile and likeness in the promotion of the show.

WGGB: This makes it clear that the writer holds, and can grant, the rights to the copyright in the material that is being optioned and can legally enter into this agreement. The producer isn't liable if the writer has misrepresented that situation (for instance, if the writer collaborated with another writer who hasn't been credited or who has some claim to the intellectual property).

- (b) copyright in the Work subsists and the Writer will do all in the Writer's power to maintain the entire copyright in the Work throughout the world for the full period including all permitted renewals, reversions, revivals and extensions;
- (c) the Work does not contain any material which:
 - (i) is defamatory, blasphemous or obscene;
 - (ii) breaches any duty of confidentiality;
 - (iii) infringes any third party's copyright or other rights; or
 except to the extent that any such material has been fully identified in written notice to the Producer in advance of signature of this agreement.
- (d) the Writer is not aware of any legal proceedings or any threat of such proceedings or any claim by any third party concerning the Work;
- (e) the Writer will not enter into nor authorise any third party to enter into any agreement, licence, assignment, charge, or other document concerning the Work which will or might conflict or interfere with the Rights;
- (f) no Programme or radio or television programme based on the Work has been developed, produced, or authorised and the Writer has not previously granted, licensed, assigned, charged or in any way dealt with or encumbered the Rights;
- (g) the Writer has good title and full right and authority to enter into this agreement and to grant the Rights pursuant to this agreement free from encumbrances throughout the world;
- (h) the Writer will comply with all requirements of the Producer insofar as arranging for errors and omissions insurance is concerned;
- (i) the Writer is a "qualifying person" within the meaning of section 154 of the CDPA; and

WGGB: If the writer does not have underlying rights (e.g., if the programme is adapted from another text) then it is their responsibility to ensure that their copyright is maintained throughout the option period and beyond.

WGGB: The writer won't sign - or let anyone else sign - any agreements which could contradict the option. Similarly, there should be no outstanding rights agreements with other companies which could affect the rights.

5.2 The Writer undertakes to indemnify the Producer against all liabilities, claims, demands, actions, costs, damages and loss arising out of any breach by the Writer of any of the terms of this Agreement. In the event of any claim, dispute, action, writ or summons in connection with clause 6.1, the Writer and Producer agree to provide full details to the other party at the earliest opportunity and shall not settle any such matter without first consulting the other party.

WGGB: If the writer breaks the terms of the contract, they will be liable to compensate the producer for any financial loss. The producer undertakes to do the same in clause 6.6.

6. Producer's representations and warranties

6.1 In consideration of the Writer granting to the Producer the Option. The Producer agrees that it shall pay to the Writer the First Option Fee within 14 days of both parties signing

this Agreement and if the Second Option Period is exercised, the Producer shall pay the Extended Option Fee within 7 days of the Expiry of the Option Period.

WGGB: This clause ensures that the writer is being paid in a timely manner for the option.

6.2 The Producer acknowledges and accepts that the Writer is the original owner of the Work. The Writer shall have the right of first refusal to write any further work, including but not limited to, treatments, further screenplay drafts, bibles or pitch documents on terms not less than set out in relevant the agreement listed above at clause 4.1 (a) – (d).

6.3 The Producer agrees that involvement or engagement of any other person to write any drafts, revisions or amendments of the Work shall require the prior written approval of the Writer.

WGGB: As the original writer, the writer gets first bite of the cherry in relation to further work on the project. If anyone else is hired to work on the project as a writer, the OG writer will need to approve their hiring in writing.

6.4 The Producer agrees that it will not assign, transfer or charge any of the rights or obligation under this Agreement to any third party without the prior written consent of the Writer such consent not to be unreasonably withheld or delayed.

6.5 The Producer undertakes that it shall be responsible for any sums due in respect of the production and the exploitation of the rights in the Programme including any sums due in respect of any third party from the clearance, consent or otherwise of any material which is in the Work which is not owned or controlled by the Writer.

6.6 The Producer undertakes to indemnify the Writer against all liabilities, claims, demands, actions, costs, damages and loss arising out of any breach by the Producer of any of the terms of this Agreement. In the event of any claim, dispute, action, writ or summons in connection with clause 6.1, the Writer and Producer agree to provide full details to the other party at the earliest opportunity and shall not settle any such matter without first consulting the other party.

7. Accounting

8. Reversion of Rights

If principal photography of the Series has not commenced within [NUMBER] years from the date of the exercise of the Option the Writer shall have the right to reacquire all rights acquired by the Producer in the Work. On receipt of the Writer's written notice of reversion the Producer shall grant the Rights to the Writer within 14 days. The Writer agrees to pay to the Producer an amount equivalent to the amount received by the Writer as the Purchase Price no later than the first day of principal photography of a Programme based on the Work.

WGGB: If the project goes into turnaround, the writer can request to have all rights returned to them. In this case the writer will reimburse the purchase price to the producer.

9. Variation

9.1 No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

The Writer will repay these fees from the payments made by the new producer when they acquire the rights and this will happen on or before the First Day of Principle Photography

WGGB: No one can change this contract verbally or on a whim, without both parties agreeing to it.

10. Exercise of Rights

The Producer shall not be obliged to make any use of the Work or any part of it or having made the Programme or any other adaptation based on the Work shall not be obliged to exploit it and the Producer shall not, subject to the rights of the Writer in clause 8, be liable to the Writer in any manner whatsoever for any damage whatsoever suffered by the Writer in consequence of non-exploitation.

WGGB: An option agreement is not a commission or a full commitment to produce and signing an option agreement does not mean that the producer is obliged to produce - only that they have the option to for a period of time. Although most producers won't sign an option agreement unless they intend to seek production, this clause means that the writer cannot hold them liable for not exercising the rights.

11. Waiver

11.1 No failure or delay by a party to exercise any right or remedy provided under this agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of the right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.

WGGB: If the writer/producer fails to exercise the right - or delays the exercise - this does not mean that any rights they have under this option agreement are automatically waived.

12. Severance

12.1 If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this agreement.

12.2 If any provision or part-provision of this agreement is deemed deleted under clause 12.1, the parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

WGGB: These clauses protect the integrity of the agreement in the event of a change in law.

13. Payment

The Writer hereby authorises the Producer to send all monies due to the Writer as follows which shall be a good and full and sufficient discharge for the monies so paid.

If that does happen, both parties will have to renegotiate *that clause only*

Account Name:

Bank:

Account Number:

Sort Code Number:

OR

The Writer hereby authorises and requests the Producer to pay all monies due to the Writer under this agreement to the Writer's duly authorised agent [NAME OF AGENT] of [ADDRESS OF AGENT] whose receipt shall be valid and binding on the Writer.]

14. Entire agreement

- 14.1 This agreement constitutes the entire agreement between the Producer and the Writer with reference to the terms and conditions of the Option and the assignment of the Work and the Rights and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

WGGB: This formal agreement will override any previous discussions - so if anything has been agreed informally between the writer and producer it needs to be included in the contract in order to be enforceable.

15. Third parties

This agreement does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this agreement.

16. Notices

- 16.1 Any notice given to a party under or in connection with this agreement shall be in writing and shall be:

- (a) delivered by hand or by pre-paid first-class post or other next working day delivery service at its registered office (if a company) or its principal place of business (in any other case); or
- (b) sent by email to the address specified below

Writers Email: [EMAIL]

Producers Email: [EMAIL]

- 16.2 Any notice shall be deemed to have been received:

- (a) if delivered by hand, on signature of a delivery receipt;
- (b) if sent by pre-paid first-class post or next working day delivery service, at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service; and
- (c) if sent by email, at the time of transmission, or, if this time falls outside business hours in the place of receipt, when business hours resume. In this clause, business hours mean 9.00 am to 5.00 pm Monday to Friday on a day that is not a public holiday in the place of receipt, provided that no undelivered or undeliverable notification is received by the sending party in respect of the email (for the avoidance of doubt this does not include automated reply or "out of office" messages)

- 16.3 This clause does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any arbitration or other method of dispute resolution.

17. Governing law

This agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

18. Jurisdiction

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this agreement or its subject matter or formation.

This agreement has been entered into on the date stated at the beginning of it.

Signed by [NAME OF WRITER]

For and on behalf of [NAME OF PRODUCER]