

CMPA and WGC Independent Production Agreement Negotiations 2023
April 30, 2024

CMPA Comprehensive Proposal – April 30, 2024

Notes (per Legend on page 1):

- *Blacklining is against current IPA language, unless otherwise indicated*

WGC Proposals:

In respect of WGC Proposal 1 CMPA provides the following counter proposal (#4)

General Live-Action Script Fee Increases:

- 1) 5% effective on the later of May 15, 2024** and the date of full ratification (“Effective Date”);
- 2) 4% effective on March 15, 2025**; and
- 3) 3.5% effective on February 1, 2026**

A111 This Agreement shall become effective on ~~July 1, 2019~~ the later of May 15, 2024 or the date of full ratification and terminate on ~~June 30, 2022~~ January 31, 2027. This Agreement shall be applicable to all Guild contracts executed after the effective date.

Revised 1101 The term of this section shall run concurrent with the term of the Writers Independent Production Agreement (IPA) ~~2019-2022~~ 2024-2027, effective from ~~July 1, 2019~~ the later of May 15, 2024 or the date of full ratification to ~~June 30, 2022~~ January 31, 2027.

Animation Script Fee increase: 5%/11.5%/3.6% (see page 21 below)

***The CMPA’s offer of an effective date of the later of May 15, 2024 and the date of full ratification and the March 15, 2025 and February 1, 2026 effective dates for subsequent Script Fee increases is conditional on the WGC’s acceptance of this offer (as confirmed by an executed MOA) by no later than April 30, 2024. Otherwise, these dates will need to be amended to later dates to allow for appropriate time for ratification, notice and budgeting.*

The CMPA reserves the right to add to, modify, amend or withdraw any of these proposals until the parties declare a given proposal to be closed. While the CMPA has endeavoured to provide a correct and comprehensive list of the articles to which our proposals are subject, errors and omissions are excepted.

April 30, 2024

In respect of WGC Proposal 2-2 the parties previously agreed (November 22, 2023) to CMPA Counter Proposal #2 (November 21, 2023) as follows:

A110

There shall be no discrimination against any Writer, Story Editor or Story Consultant because of race, ancestry, place of origin, colour, creed, religion, sex, gender identity or expression, age, record of offenses (other than offenses related to copyright infringement), marital status, family status, disability, sexual orientation or political affiliation. The Producer shall maintain a working environment that is free from discrimination, harassment and violence in accordance with all applicable human rights and health and safety legislation. The Producer shall provide a copy of its workplace harassment and violence policy to the Guild, upon request.

112

There shall be no discrimination against any Animation Writer or Animation Story Editor because of race, ancestry, place of origin, colour, creed, religion, sex, gender identity or expression, age, record of offenses (other than offences related to copyright infringement), marital status, family status, disability, sexual orientation or political affiliation. The Producer shall maintain a working environment that is free from discrimination, harassment and violence in accordance with all applicable human rights and health and safety legislation. The Producer shall provide a copy of its workplace harassment and violence policy to the Guild, upon request.

April 30, 2024

In respect of WGC Proposal 2-3 the CMPA remains prepared to agree (January 25, 2024) to WGC Revised Proposal (January 25, 2024) as follows:

[NEW] A110 (a)

The Producer will make reasonable efforts to engage a diversity of Writers, Story Editors and Story Consultants to ensure a variety of perspectives that reflect the composition of Canada.

[NEW] 112 (a)

The Producer will make reasonable efforts to engage a diversity of Animation Writers and Animation Story Editors to ensure a variety of perspectives that reflect the composition of Canada.

In respect of WGC Proposals 3 (Live Action), 4-1 and 4-3 the CMPA offers the following Counter Proposal (#4):

[New] A2XX Development Materials means Bibles, Concepts and Development Proposals.

[New] A2XX GAI means generative artificial intelligence technology (e.g. ChatGPT or analogous technology).

[New] A11X References to any gender shall include all genders. Unless the context requires otherwise, reference to the singular shall include the plural and the plural the singular. All references to Writers, Story Editors and Story Consultants, mean human persons.

[New] A11Y Written material generated by GAI shall not be considered Development Materials or Script Material under this Agreement.

[New] A11Z: Furnishing Material Generated By GAI

(a) Should the Producer furnish a Writer with written material generated by GAI, which has not been previously published or exploited, and instruct the Writer to use the GAI-generated material as the basis for writing Development Materials or Script Material, the Producer shall disclose to that Writer that the written material was generated by GAI. Such material shall be deemed to be Source Material (whether or not such material meets the definition in Article A253) for the purposes of this Agreement.

(b) For clarity, a Producer furnishing a Writer or Story Editor with written material generated by GAI shall not erode the Writer's or Story Editor's rights pursuant to this Agreement, including, but not limited to, any applicable rights to compensation or credit.

April 30, 2024

A709 Warranties and Indemnities

Every individual contract between a Writer or Story Editor and a Producer shall be deemed to contain the following Warranties and Indemnities:

a) The Writer or Story Editor warrants that, to the best of his/her knowledge, information and belief the Script Materials to be provided by him/her hereunder:

- i) are original to the Writer or Story Editor;
- ii) do not infringe the copyright of any person;
- iii) do not defame any person; ~~and~~
- iv) do not invade the right to privacy of any person; and
- v) have not been generated in whole or in part by the use of GAI.

The foregoing warranty does not apply to material included in the Script Materials supplied to the Writer or Story Editor by the Producer, or in respect to any claim or action that arises from any change made in the Script Materials delivered by the Writer or Story Editor to the Producer after such delivery.

b) The Producer warrants that, to the best of the Producer's knowledge, information and belief, the Producer has complied, and will comply, with Article A11Z with respect to any written material generated by GAI and any material supplied to the Writer by the Producer for the Writer or Story Editor to incorporate in the Script Materials to be provided by the Writer or Story Editor hereunder:

- i) do not infringe the copyright of any person;
- ii) do not defame any person; and
- iii) do not invade the right to privacy of any person.

and covenants that no Script Material supplied by the Writer or Story Editor to the Producer shall be used by, or with the approval of, the Producer in such a manner as to defame any person or to invade the right to privacy of any person or to violate the provisions of the Criminal Code of Canada in with respect to child pornography, or obscenity or any like offenses.

B201 For the purposes of Script or program development prior to the contracting of a Script, Story, Screen Story or Treatment, a Producer may contract any writer to write a Development Proposal, or Concept and/or Bible. However, if a Producer contracts a writer who is a Guild member to write a Bible, the Producer shall contract that writer under this Agreement. In addition, if the Producer contracts a Guild member to write a Development Proposal or Concept based on written material generated by GAI, the Producer shall contract that Writer under this Agreement. In such any case, the Producer shall be permitted to contract Guild members and non-Guild members on the same project during development.

4

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

[New] B203 Every contract between a Writer and Producer under this Article shall be deemed to include the following warranties:

(a) The Writer warrants that, to the best of the Writer's knowledge, information and belief, the Development Materials to be provided by the Writer hereunder have not been generated in whole or in part by the use of GAI.

(b) The Producer warrants that, to the best of the Producer's knowledge, information and belief, the Producer has complied, and will comply with Article A11Z with respect to any written material generated by GAI.

In respect of WGC Proposals 3 (Animation) and 4-4 the CMPA offers the following Counter Proposal (#5):

[New] 12X References to any gender shall include all genders. Unless the context requires otherwise, reference to the singular shall include the plural and the plural the singular. All references to Animation Writers and Animation Story Editors, mean human persons.

[New] 12Y Written material generated by GAI shall not be considered Animation Development Materials or Script Material under this Agreement.

[New] 12Z: Furnishing Material Generated By GAI

(a) Should the Producer furnish an Animation Writer with written material generated by GAI, which has not been previously published or exploited, and instruct the Animation Writer to use the GAI-generated material as the basis for writing Animation Development Materials or Script Material, the Producer shall disclose to that Animation Writer that the written material was generated by GAI. Such material shall be deemed to be Source Material for the purposes of this Agreement.

(b) For clarity, a Producer furnishing an Animation Writer or Animation Story Editor with written material generated by GAI shall not erode the Animation Writer's or Animation Story Editor's rights pursuant to this Agreement, including, but not limited to, any applicable rights to compensation or credit.

[New] 12A Every contract between an Animation Writer or Animation Story Editor, and a Producer shall be deemed to include the following warranties:

(a) The Animation Writer and/or Animation Story Editor warrants that, to the best of their knowledge, information and belief, the Animation Development Materials and/or Script Material to be provided by the Animation Writer and/or Animation Story Editor hereunder have not been generated in whole or in part by the use of GAI.

CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

(b) The Producer warrants that, to the best of the Producer's knowledge, information and belief, the Producer has complied, and will comply with Article 12Z with respect to any written material generated by GAI.

[New] 2XX Animation Development Materials means Animation Bibles, Animation Concepts and Animation Development Proposals.

[New] 2XX Animation Concept means the written presentation of an idea for a series or single Animation Production of less than sixty (60) minutes describing the central premise, characters, setting and format. It shall also include a working title and date of submission. Genre, style, general appeal, target audience, and central story idea may not be provided but in the case of a series, sample story ideas shall not be required (see Animation Bible). An Animation Concept need not exceed 1250 words (five (5) pages double-spaced).

New 2XX Animation Development Proposal means the written presentation of an idea for a single Animation Production sixty (60) minutes or more consisting of the basic story elements and general descriptions of the principal characters. An Animation Development Proposal need not include a scene-by-scene breakdown (see Treatment or Outline) and need not exceed 2500 words (ten [10] pages double-spaced).

[New] 2XX GAI means generative artificial intelligence technology (e.g. ChatGPT or analogous technology).

308 Animation ~~Bibles~~ Development Materials

For the purposes of script or program development prior to the contracting of a script, Story, Screen Story or Treatment, a Producer may contract any writer pursuant to this Article to write ~~an Animation Bible~~ Animation Development Materials. However, if a Producer contracts an Animation Writer who is a Guild member to write an Animation Bible, the Producer shall contract that Animation Writer under this Agreement. In addition, if the Producer contracts a Guild member to write an Animation Development Proposal or Concept based on written material generated by GAI, the Producer shall contract that Animation Writer under this Agreement. In such any case, the Producer shall be permitted to contract Guild members and non-Guild members on the same project during development.

309 In contracting for services under Article 308, the Producer and the Animation Writer may include in any contract between them, among other things, terms and conditions pertaining to the following matters:

- i) the type of development format to be written;
- ii) what the development format is to be based upon (e.g. whether based on an idea in written or oral form, created by whom, provided by whom);

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

- iii) fees in respect of the writing services;
- iv) copyright ownership by either party in, or the Producer's license to, the Animation ~~Bible~~ Development Materials;
- v) entitlement to "Created by" or other credit; and
- vi) any ongoing obligations to the parties.

In respect of WGC Proposal 3 (Reservation of Rights – Live Action and Animation) the CMPA offers the following Counter Proposal (#5):

Letter of Understanding:

Appendix [X]

Letter of Understanding

During negotiations for a renewed 2024-2027 IPA the Parties discussed the issue of whether Producers are, or should be, entitled to use Writers' or Animation Writers' Development Materials or Script Materials to train GAI systems.

The parties mutually affirm their commitment to protecting the continued role and importance of human Writers in the independent production sector in Canada.

The parties also mutually recognize that this remains a rapidly evolving issue and is likely to continue to be impacted by legal, regulatory and global market developments during the term of the 2024-2027 IPA.

In light of the foregoing, the parties agree as follows:

1. Without prejudice to any position that the CMPA or any Producer may take regarding this issue, the CMPA acknowledges that the WGC's position is that Producers are not entitled to use Development Materials or Script Material to train GAI systems.
2. Both the CMPA and the WGC reserve all rights and positions with respect to the issue of whether Producers are entitled to use Development Materials or Script Material to train GAI systems

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

3. No discussions of the issue of whether Development Materials or Script Material can be used to train GAI systems during this round of negotiations may be relied upon by either party as bargaining history or extrinsic evidence should a dispute arise with respect to this issue.
4. The parties agree to meet at least semi-annually, during the term of the 2024-2027 IPA to review and discuss developments related to the use of GAI in independent production and may mutually agree in writing to implement additional terms and conditions regarding GAI during the term of the 2024-2027 IPA.

In respect of WGC Proposal 4-5 the CMPA remains prepared to agree (January 25, 2024) to WGC Revised Proposal (January 25, 2024) as follows:

C401 Pilot Script

The rate for writing a Pilot Script for a Television Program of up to 60 minutes shall be at least one hundred and fifty percent (150%) of the applicable Script Fee, however, in the case of a sole credited Writer, half of the additional minimum fifty percent (50%) above the base applicable Script Fee shall not be deducted from that Writer's share of the Production Fee for the Pilot.

In respect of WGC Proposal 5-1 the parties previously agreed (November 22, 2023) to CMPA Counter Proposal #2 (November 21, 2023) as follows:

A308 Additional Rights on Feature Films, Television Movies and Mini-Series

The following shall apply to the currently-engaged Writer of Feature Films, Television Movies and Mini-Series:

- i) the Producer shall invite the director to meet with the Writer in person or by phone once the director is hired. Where practicable, the meeting shall occur prior to the commencement of pre-production;
- ii) the Producer shall advise the Writer of the time and place of the rough cut screening in order that the Writer may attend, or alternatively, the Producer may at its discretion, provide the Writer with a copy of the rough cut and the Writer shall be given the opportunity to provide notes to the Producer;

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

- iii) at the discretion of the Producer, the Writer may be invited to the cast read-through;
- iv) the Writer may be called upon to write the ADR for no additional payment; and
- v) the Writer shall be invited, at no cost to the Producer, to publicity events and cast and crew events under the direct control of the Producer in which the director participate.
- vi) The Producer shall provide advance notice to all credited Writers of a Feature Film of the world premiere, and any other festivals or premieres, if known, within 12 months of the world premiere.

In respect of WGC Proposal 5-4A the CMPA remains prepared to agree (November 22, 2023) to WGC Revised Proposal (November 8, 2023) as follows:

B303

An Option contract between a Producer and a Writer shall specify:

- i) The payment of the Option fee, for which the Producer is granted the exclusive right to acquire a license to produce the Script Material;
- ii) The Option period, including renewals, which shall not exceed five (5) years;
- iii) The fee for each year of the Option, which shall not be less than ten percent (10%) per year (five percent (5%) per year in the case of Feature Films) of the fee payable on the exercise of the Option. This amount may be prorated;
- iv) The fee payable on exercise of the Option, which shall not be less than the minimum Script fee for such material at the applicable stage of development;
- v) That the only fee(s) deductible from the fee payable on exercise of the Option are Option fees paid with respect to the first eighteen (18) months;
- ~~vi~~) The stage of development of the Script Material being optioned and which will be acquired on the exercise of the Option (e.g. Treatment, First Draft Script, Second Draft Script, etc.); and
- ~~vii~~) That if the Option contract provides for assignment, the Producer shall give written notice to the Writer immediately upon such assignment.

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April 30, 2024

In respect of WGC Proposal 7-1 the CMPA provides the following Counter Proposal (#7)

[Effective dates and Script Fee amounts not blacklined]

302 Animation Scripts:

- i) not based on a Story or Screen Story contracted under this Agreement; or
- ii) based on a Story or Screen Story contracted under this Agreement which is provided by the Producer to the Animation Writer at the time of contracting and from which the Animation Writer is required to provide an Outline:

	Effective Date of the Agreement (5% increase)	March 15, 2025** (11.5% increase)	February 1, 2026** (3.6% Increase)
Under 11 6 minutes	Negotiable	Negotiable	Negotiable
6-9 minutes	2,281	3,391	3,513
11 10 - 15 minutes	4,561	5,086	5,269
16-30 minutes	9,123	10,172	10,538
Over 30 minutes	Negotiable <u>but no less than the 30-minute rate</u>	Negotiable <u>but no less than the 30-minute rate</u>	Negotiable <u>but no less than the 30-minute rate</u>

303 Animation Scripts:

- i) based on a Story or Screen Story contracted under this Agreement which is provided by the Producer to the Animation Writer at the time of contracting and from which the Animation Writer proceeds directly to a First Draft Script without preparing an Outline; or
- ii) based on an Outline after termination:

	Effective Date of the Agreement (5% increase)	March 15, 2025** (11.5% increase)	February 1, 2026** (3.6% Increase)
Under 11 6 minutes	Negotiable	Negotiable	Negotiable
6-9 minutes	1,893	2,814	2,915
11 10 - 15 minutes	3,786	4,221	4,373
16-30 minutes	7,572	8,443	8,747

CMPA and WGC Independent Production Agreement Negotiations 2023
April 30, 2024

Over 30 minutes	Negotiable <u>but no less</u> <u>than the 30-</u> <u>minute rate</u>	Negotiable <u>but no less</u> <u>than the 30-</u> <u>minute rate</u>	Negotiable <u>but no less</u> <u>than the 30-</u> <u>minute rate</u>
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***The CMPA's offer of an effective date of the later of May 15, 2024 and the date of full ratification and the March 15, 2025 and February 1, 2026 effective dates for subsequent Script Fee increases is conditional on the WGC's acceptance of this offer (as confirmed by an executed MOA) by no later than April 30, 2024. Otherwise, these dates will need to be amended to later dates to allow for appropriate time for ratification, notice and budgeting.*

In respect of WGC Proposal 7-5 CMPA remains prepared to agree per Counter Proposal (#2) (January 25, 2024) as follows:

802 Upon payment in full to the Animation Writer of the Script Fee and subject to Article 807, the Producer shall be deemed automatically granted from the Animation Writer an exclusive licence for the full term of copyright (and any extensions thereof) to exploit by any manner or means, now or hereafter known, the copyright in the Script Material. In connection therewith and upon request of the Producer, the Animation Writer shall execute an exclusive written licence to evidence the foregoing, including but not limited to the right to produce, reproduce, publish and perform in public the Script Material or any substantial part thereof in any material whatsoever.

a) This right includes but is not limited to the sole right to make, reproduce, adapt, edit and publicly present in any language the Script Material as an Animation Production by means, now or hereafter known, of which the Script Material may be reproduced and performed.

b) This right includes, but is not limited to, the right to copy, sell, distribute, make available, rent out, communicate to the public by telecommunication (including the Internet), and to incorporate the Script Material into any other derivative works for sale and distribution.

[Blacklined against previous CMPA proposal]

c) Notwithstanding, and without limiting in any way, the above, in the event that the Producer publishes a book (in physical imprint or digitally) that is based exclusively on a single Script produced under this Agreement, the Producer shall make reasonable efforts to provide a credit to the Animation Writer(s) contracted for the Script on or in such book **indicating the book is based on the Animation Writer(s)'s Script Material.** The Producer shall also provide such

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

Animation Writer-with a copy of any such English-language book available for purchase by the general public from a Canadian source in Canada. Any inadvertent failure to provide credit or a copy in accordance with the foregoing shall not be a violation of this Agreement. Remedies for any other failure to comply with this Article shall be limited to making reasonable efforts to cure prospectively. In no case shall a Producer be required to either recall materials or provide financial compensation to an Animation Writer for any breach of this Article.

With respect to WGC Proposal 8-2 CMPA remains prepared to agree (November 22, 2023) to WGC Proposal as follows:

A803

Story Editors' or Story Consultants' fees shall not be deductible from the Script Fee, Production Fee or Distribution Royalties.

With respect to WGC Proposal 8-3 the CMPA provides the following Counter Proposal (#3):

[New] A8XX

Effective for Series commencing principal photography on or after January 1, 2025:

(a) A Qualifying Series shall have a minimum of two (2) Story Editors engaged during the period from the commencement of principal photography until the delivery of the "production draft" for all episodes of the Series. This requirement shall not apply to a Qualifying Series for which all episodes are initially contracted to be written by a single Writer (including a Team).

(b) For the purposes of Article A8XX(a) a "Qualifying Series" shall be a scripted Series contracted under Article C4 meeting all of the following criteria:

i) intended episode lengths of one broadcast half-hour or one broadcast hour;

ii) greater than six (6) episodes; and

.iii) a per episode Budget of greater than \$1,609,711* in the case of a series with intended episode lengths of one broadcast half-hour and \$2,670,659* in the case of a series with intended episode lengths of one broadcast hour.

(c) For clarity, the required Story Editors engaged on a Qualifying Series during principal photography may be engaged on an episodic basis in accordance with Article A802.

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

*The Budget threshold in [New] 8XX(b)(iii) shall increase at the same time and by the same percentage as any Script Fee increases during the term of the IPA.

With respect to WGC Proposal 9-2 the parties previously agreed (October 18, 2023) as follows:

On forms in Appendices where producer contact information is required, add line for email addresses.

With respect to WGC Proposal 10-1B CMPA remains prepared to agree (November 23, 2023) to WGC Proposal as follows:

A1201

(ii) If the Producer is not a Member in Good Standing of the Association as of the date of the remittance of the fee, as evidenced by written notice from the Association to such effect, ~~7%~~ 8% with no maximum for any Production or Episode, such amount to be sent directly to the Guild.

With respect to WGC Proposal 10-2A the parties previously agreed (November 21, 2023) as follows:

A1306

All contributions and Writer deductions for the Insurance and Retirement plan, and all Non-member Equalization payments made pursuant to this Article shall be made in the same currency in which the writer was paid, and made payable to the Guild for disbursement to the agent or broker mutually agreed upon by the Parties to this Agreement. Deductions from Writer's Fees for Guild Dues shall be made in the same currency in which the Writer was paid, and made payable to the Guild. All payments shall be sent to the Guild's office, and shall be payable monthly on or before the 15th of the month following the earning of such fees.

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CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

With respect to WGC Proposal 10-2B CMPA remains prepared to agree (January 25, 2024) to WGC Revised Proposal (January 25, 2024) as follows:

A1307

All deductions and contributions required by this Article will be remitted with information on the Writer, Story Editor or Story Consultant, the contract, the services contracted, and such other information as may be agreed upon from time to time by the parties hereto.

507

All deductions and contributions required by this Article will be remitted with information on the Animation Writer and Animation Story Editor, the contract, the services contracted, and such other information as may be agreed upon from time by the parties hereto.

Language for MOA:

Remittances – Within ninety (90) days of ratification, the WGC and CMPA shall jointly approach payroll service providers to address issues which impede the timely processing of writer remittances as required by the IPA, in particular, the information necessary to accompany remittance payments.

With respect to WGC Proposal 10-4 the parties previously agreed (November 8, 2023) to CMPA Counter Proposal #1 (October 18, 2023) as follows:

A716

On the payment of the Production Fee stipulated in C10 and subject to payment of continuing Distribution Royalties as required by C11 or other payments as set out in ~~C513~~ C514 or C9 the Producer shall acquire the exclusive license for unlimited world distribution of a Feature Film, and unlimited world distribution, except theatrical distribution of a Television Production.

CMPA Proposals

With respect to CMPA Proposal 3 CMPA remains prepared to agree (November 23, 2023) to WGC Counter Proposal (November 21, 2023) as follows:

A1110

Distribution Royalty Payments:

a) *Status quo.*

b) Statements of Distributor's Gross Revenue

(i) At least annually and while the production is in distribution, the Producer shall furnish to the Guild, a statement of all Distributors' Gross Revenue certified as correct by the Producer in the form of, and displaying the information required in Appendix G. Each report shall be delivered to the Guild in the same manner and frequency as the Producer reports to government agencies and/or other financiers. The first reporting period ends ninety (90) days following the delivery of the production to the Distributor. The reports shall be accompanied by the aggregate Distribution Royalty payments payable to Writers and an outline of the method of calculation of the Distribution Royalty. The Guild shall be entitled to appoint one or more person(s) to examine the records of a Producer relating to a Feature Film or program for the purpose of satisfying itself as to the propriety of the statement.

(ii) A Producer who has filed statements of all Distributors' Gross Revenue for five consecutive years and has reported no change on its reports for two (2) consecutive years shall not be required to provide additional reports in accordance with (i), above, unless, and until, the Producer derives additional Distributors' Gross Revenue during a subsequent annual period, but shall instead confirm in writing with the Guild that there is no change in Distributors' Gross Revenue. The Guild reserves the right, at its discretion to require a statement of Distributors' Gross Revenue for any period in question.

c) – h): *Status quo.*

April 30, 2024

With respect to CMPA Proposal 4 CMPA remains prepared to agree (November 23, 2023) to WGC Counter Proposal (November 23, 2023) as follows:

Article B1, C1, C2, C3, C4, C5, C6, C7, C8, C9, C10, and D2

Script Fees and Production Fees for productions with Budgets of ~~sixty thousand dollars (\$60,000)~~ eighty-two thousand (\$82,000) or less are negotiable between the Writer and Producer.

Note: Corresponding changes to be made to C701, C703, C704, C708 and C1005

With respect to CMPA Proposal 5 the parties previously agreed (November 9, 2023) to WGC Counter Proposal (October 19, 2023) as follows:

B104

The Producer shall notify the Writer in writing within ~~twenty-five (25)~~ thirty (30) calendar days of the receipt of a Treatment, Outline or First Draft Script whether or not the Producer wants the Writer to proceed with the next stage. Should the Producer not notify the Writer in writing of its decision regarding a Treatment, Outline or First Draft Script within the required ~~twenty-five (25)~~ thirty (30) calendar days, the Producer shall be deemed to have accepted the Treatment, Outline or First Draft Script and the Writer shall at once proceed to the next stage.

B105

If the Producer wants the Writer to polish the Second Draft Script, he shall notify the Writer within ~~twenty-five (25)~~ thirty (30) calendar days of the delivery of the Second Draft Script. Such alterations shall not involve any substantial change in the story or structure, or the introduction of any major characters not included in the Script. One Polish is included in the Script Fee. If the Producer has not requested any revisions within ~~twenty-five (25)~~ thirty (30) calendar days, he shall be deemed to have accepted the Second Draft Script.

701

Within ~~twenty-five (25)~~ thirty (30) calendar days of receipt of an Outline, First Draft Script or Second Draft Script, the Producer shall notify the Animation Writer in writing whether or not the Producer wants the Animation Writer to proceed with the next stage. In the case of a co-production, the notice shall be given within forty-five (45) calendar days. Should the

CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

Producer fail to provide notice in accordance with the above time limits then the Producer shall be deemed to have authorized the Animation Writer to proceed with the next stage.

With respect to CMPA Proposal 7 the parties previously agreed (November 22, 2023) to CMPA Revised Proposal #2 (November 22, 2023) as follows:

[Blacklined from WGC Counter Proposal #1 to CMPA Proposal #7]

[New] B1XX

(i) At the time of negotiating an individual's engagement by the Producer, upon request, and as required thereafter, the Producer may request, and the individual will supply to the Producer reasonable residency information to apply for federal and provincial production tax credits, grants or other incentives. Such information shall be held in compliance with all applicable privacy legislation and kept confidential except to the extent necessary to obtain the production tax credits and/or grants.

(ii) As per the Canada Revenue Agency ("CRA") guidelines regarding the documents to support residency status, the individual will provide the following (and may redact portions unrelated to establishing residency):

One of:

- a. A Notice of Assessment (T1) showing that the individual is a Resident of Canada / the applicable Province or Territory for the relevant tax years;
- b. A letter from the CRA giving an opinion of the individual's residency status for the relevant year(s), after the individual has completed a Determination of Residency Status form; or
- c. A long-term (one-year or greater) lease or proof of purchase of a Canadian dwelling with utility and/or cell phone bills showing the individual lives at the applicable Canadian address; or

2) If none of the above documents are available, three of:

- a. The last income tax return filed in the country of origin and/or any document filed with the foreign tax authority in which the individual has declared that they are no longer a resident;

17

The CMPA reserves the right to add to, modify, amend or withdraw any of these proposals until the parties declare a given proposal to be closed. While the CMPA has endeavoured to provide a correct and comprehensive list of the articles to which our proposals are subject, errors and omissions are excepted.

- b. A short-term (less than one year) lease agreement or letter from a landlord supporting a rental agreement;
- c. A Provincial/territorial health (not applicable in Ontario) or services card for the individual, their spouse and/or dependent;
- d. A driver's license or vehicle registration from the relevant Province/Territory (a provincial or territorial services card that includes health care and a driver's licence will count as two documents);
- e. Document(s) supporting professional association or union membership in Canada;
or
- f. Statements of accounts (for example: bank accounts, retirement savings plans, credit cards, securities accounts) from a Canadian branch of a financial institution.

These Guidelines may be amended from time to time.

(iii) A Writer, Story Editor or Story Consultant employed through a loan-out corporation shall provide to the Producer, if requested ~~(and may redact portions unrelated to establishing residency)~~, the loan-out corporation's most recent Notice of Assessment **(financial information may be redacted)** as well as the most recent Schedule 50 indicating whether the loan-out corporation has single or multiple shareholders. If the loan-out corporation is newly-formed and has not yet filed tax returns, the Writer, Story Consultant or Story Editor shall provide to the Producer, if requested, a Shareholder Register.

(iv) Should the Writer, Story Editor or Story Consultant fail to furnish appropriate residency information consistent with this Article, upon written notice from the Producer, the individual shall have ten (10) business days within which to provide the required information to the Producer. Should the individual fail to do so within that time period, the Producer may terminate the contract in accordance with this Agreement.

Animation [New] 10XX

- (i) At the time of negotiating an individual's engagement by the Producer, upon request, and as required thereafter, Animation Writers, Animation Story Editors will supply to the Producer reasonable residency information to apply for federal and provincial production tax credits, grants or other incentives. Such information shall

be held in compliance with all applicable privacy legislation and kept confidential except to the extent necessary to obtain the production tax credits and/or grants.

- (ii) As per the Canada Revenue Agency (“CRA”) guidelines regarding the documents to support residency status, the individual will provide the following (and may redact portions unrelated to establishing residency):

1) One of:

- a. A Notice of Assessment (T1) showing that the individual is a Resident of Canada / the applicable Province or Territory for the relevant tax years;
- b. A letter from the CRA giving an opinion of the individual’s residency status for the relevant year(s), after the individual has completed a Determination of Residency Status form; or
- c. A long-term (one-year or greater) lease or proof of purchase of a Canadian dwelling with utility and/or cell phone bills showing the individual lives at the applicable Canadian address; or

2) If none of the above documents are available, three of:

- a. The last income tax return filed in the country of origin and/or any document filed with the foreign tax authority in which the individual has declared that they are no longer a resident;
- b. A short-term (less than one year) lease agreement or letter from a landlord supporting a rental agreement;
- c. A Provincial/territorial health (not applicable in Ontario) or services card for the individual, their spouse and/or dependent;
- d. A driver’s license or vehicle registration from the relevant Province/Territory (a provincial or territorial services card that includes health care and a driver’s licence will count as two documents);
- e. Document(s) supporting professional association or union membership in Canada;
or

April 30, 2024

- f. Statements of accounts (for example: bank accounts, retirement savings plans, credit cards, securities accounts) from a Canadian branch of a financial institution.

These Guidelines may be amended from time to time.

(iii) An Animation Writer or Animation Story Editor employed through a loan-out corporation shall provide to the Producer, if requested ~~(and may redact portions unrelated to establishing residency)~~, the loan-out corporation's most recent Notice of Assessment **(financial information may be redacted)** as well as the most recent Schedule 50 indicating whether the loan-out corporation has single or multiple shareholders. If the loan-out corporation is newly-formed and has not yet filed tax returns, the Animation Writer or Animation Story Editor shall provide to the Producer, if requested, a Shareholder Register.

(iv) Should the Animation Writer or Animation Story Editor fail to furnish appropriate residency information consistent with this Article, upon written notice from the Producer, the individual shall have ten (10) business days within which to provide the required information to the Producer. Should the individual fail to do so within that time period, the Producer may terminate the contract in accordance with this Agreement.

In respect of CMPA Proposal 8 CMPA remains prepared to agree (November 23, 2023) to WGC Counter Proposal (November 22, 2023) as follows:

B116

Excerpts

- a) The Writer(s) of the program in which Excerpts are inserted shall be contracted under C409, C410, C508, C510, C608 or C706 of this Agreement and receive the full Script Fee.
- b) When Excerpts comprise more than twenty-five percent (25%) of the program time, the Writer(s) of the program which incorporates the Excerpts will receive a share of the Production Fee and Distribution Royalty based on the number of minutes in the program written by him/her divided by the number of minutes in the program. The remaining Production Fee and Distribution Royalty will be divided among the Writers of the Excerpts in the same manner.
- c) When Excerpts comprise twenty-five percent (25%) or less of the program time, the Writer(s) of the program which incorporates the Excerpts will receive one hundred percent (100%) of the Production Fee and Distribution Royalty.

CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

d) When Excerpts comprise twenty-five percent (25%) or less of the program time, Writer(s) of the Excerpts shall receive at least \$175 for each minute or portion thereof unless the Writer(s) of the Excerpt(s) is a credited Writer on the program which incorporates the Excerpts.

e) Credited Writers of Excerpts shall be listed under the credit "EXCERPTS WRITTEN BY..."

In respect of CMPA Proposal 12 CMPA remains prepared to agree (November 23, 2023) to WGC Counter Proposal (November 22, 2023) as follows:

C1005 Production Fee

(a) On the first day of principal photography, the Producer shall pay each credited Writer contracted under this Agreement their share of the Production Fee ~~in~~, except in the case of a:

(i) Documentary, on recording of final Narration, or at the fine cut if no Narration recording, the Producer shall pay to each credited Writer contracted under this Agreement their share of the Production Fee.

(ii) Series that is shooting in blocks of three (3) or more episodes, in which case the Producer shall divide the block shooting period by the number of episodes into equal intervals, and shall pay each credited Writer contracted under this Agreement as follows:

(1) On the first day of principal photography of the block: the Production Fee corresponding to the first episode in the block numerically, and each successive episodic Production Fee in the block paid at the beginning of the next interval in the block shooting period, in episode number order.

(See Article A1109 for the division of the Production Fee.)

(b) **Balance of Article Status Quo.**

CMPA and WGC Independent Production Agreement Negotiations 2023

April 30, 2024

In respect of CMPA proposal 13 CMPA remains prepared to agree (November 23, 2023) to WGC Counter Proposal (November 23, 2023) as follows:

Revised C1301

Low-Budget Television Production Incentive Eligibility

For a Television Production subject to Articles C4, C5, C6, C7 and C8 which:

- i) is for initial exhibition on the internet;
- ii) has a contracted per-program length of ~~fifteen (15)~~ eighteen (18) minutes or less;
- iii) has a program Budget no greater than in the table below per minute of contracted length;
- iv) has a total per-program Budget which does not exceed:

Total Per-Program Budget*

<u>January 1, 2024,</u>	<u>\$175,000</u>
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*The Budget thresholds for Low-Budget Television Production Incentive eligibility shall increase at the same time and by the same percentage as any Script Fee increases during the term of the IPA.

v) - vii): ***Status quo, subject to renumbering provisions accordingly.***

With respect to CMPA Housekeeping Proposals the parties have agreed (October 19, 2023) as follows:

1. Amend all gendered references to be gender neutral throughout the IPA.
2. Amend A1401 to correctly reference A808 of the agreement and not A807:

A1401 When a Writer or Story Editor has been granted a Writers Guild of America (WGA) Working Rule 8 Waiver ("Waiver") and the Producer pays Pension and Health contributions to the WGA pursuant to a Sideletter on a Writer or Story Editor's engagement, the Producer shall pay the Administration Fee as per Article A12 and remit Guild Dues as per Article A1304 on the Writer or Story Editor's fees. The Producer shall not be required to deduct, pay or remit Insurance or Retirement contributions pursuant to Articles A1301 (Insurance), A1302 (Retirement Plan), A1303 (Deduction from Writer's Fees – Retirement Plan) and A1305 (Non-member Equalization Payments and Deductions).

In the case of a WGA member Story Editor who has been granted a Waiver and who also provides other services, the contracted amount allocated to Story Editing duties (but in any event not less than the minimums set out in Article 14K of the WGA Agreement) shall be deemed to be the Story Editor Gross Fees for the purposes of Articles ~~A807~~ A808 (designation of Story Editor fees), A12 (Administration Fee) and A1304 (Deduction from Writer's Fees – Guild Dues)

3. Amend the Animation Section to include a New Article 508 to align with the current practice under the IPA regarding contributions and deductions where a Producer engages an Animation Writer or Animation Story Editor subject to a WGA Waiver.

[NEW] Animation 508 – Contributions and Deductions from Writer's Fees in the case of Waivers

When an Animation Writer or an Animation Story Editor has been granted a Writers Guild of America (WGA) Working Rule 8 Waiver ("Waiver") and the Producer pays Pension and Health contributions to the WGA pursuant to a Sideletter on an Animation Writer or Animation Story Editor's engagement, the Producer shall pay the Administration Fee as per Article 401 and remit Guild Dues as per Article 504 on the Animation Writer or Animation Story Editor's fees. The Producer shall not be required to deduct, pay or remit Insurance or Retirement contributions pursuant to Articles 501 (Insurance), 502 (Retirement Plan), 503 (Deduction from Writer's Fees – Retirement Plan) and 505 (Non-members Equalization Payments and Deductions).