



SCREEN ACTORS GUILD

May 19, 2009

Dear Screen Actors Guild Member,

We are very pleased to be sending you this tentative agreement for our TV/Theatrical contract for your consideration. This agreement comes to you for a vote after over one year of negotiations, with a recommendation for your YES VOTE from the majority of SAG National Board of Directors by a vote of 53% to 47%. This contract covers television programs on broadcast television, motion pictures, new media formats, and subsequent uses of those programs or movies on other platforms like DVDs and cable television.

A detailed summary is included starting on page 8 of this booklet and we urge you to read it carefully. Here are just a few of the gains and improvements achieved:

- ✓ **Increases in minimums of 3% upon ratification and another 3.5% one year after ratification.**
- ✓ **.5% increase in pension contribution rate.**
- ✓ **Increases in covered background jobs in Hollywood and the West Coast - 1 additional background job will be covered in television and 5 in motion pictures (3 upon ratification, and 2 one year later).**

Unprecedented gains in New Media including:

- ✓ First time ever residuals for streaming of film and television content over the Internet.
- ✓ Residuals for film and television content downloaded over the Internet at nearly double the home video formula.
- ✓ Complete jurisdiction over programs made for New Media that are derivative of SAG-covered film and television programs.
- ✓ Limited jurisdiction over non-derivative made-for-New Media programs.
- ✓ Unprecedented access to license, distribution and other agreements pertaining to New Media exploitation of covered pictures.

Other key financial gains, including:

- ✓ 5% increase in network primetime rerun ceilings over the life of the contract.
- ✓ 33% increase in the major role premium, from 7.5% to 10%.

- ✓ Increases in schedule and money breaks.
- ✓ Retained unchanged Force Majeure protections for all performers except series regulars, and kept modified Force Majeure protections for them. Achieved tentative settlement of existing Force Majeure claims related to the WGA strike resulting in significant cash payments to affected series regulars.
- ✓ First time ever participation in revenue-based residuals for stunt coordinators working in television.
- ✓ The contract will expire at the same time as AFTRA's contract and near the expiration of the WGA and DGA deals.

WE URGE YOU TO VOTE YES AND MAIL YOUR BALLOT TODAY

In solidarity,

The Screen Actors Guild National Board of Directors

David P. White
Interim National Executive Director

John T. McGuire
Chief Negotiator

VISIT WWW.SAG.ORG

For questions, please contact **323-549-6665** or e-mail contract2009@sag.org.

SAG OFFICES

All SAG Branches Toll-Free: 800-724-0767

Arizona	480-264-7696	Nashville	305-670-7677
Atlanta	404-239-0131	Nevada	702-737-8818
Boston	617-262-8001	New Mexico	505-268-2127
Chicago	312-573-8081	New Orleans	504-585-7324
Dallas/Fort Worth	972-361-8185	New York	212-944-1030
Denver	720-932-8193	Philadelphia	215-760-8535
Detroit	248-351-2678	Portland	206-224-5696
Florida	305-670-7677	San Diego	702-737-8818
Central Florida	407-788-3020	San Francisco	415-391-7510
Hawaii	808-596-0388	Seattle	206-224-5696
Houston	972-361-8185	Utah	480-264-7696
Los Angeles	323-954-1600	Washington D.C./Baltimore	301-657-2560

INFORMATIONAL MEETINGS

Currently paid-up members of SAG may attend informational meetings held in these cities prior to the voting deadline. *You must present a paid-up SAG membership card for admission paid through April 30, 2009.* Plan to attend the informational meeting in your area. Please call your SAG Branch for more information if they do not have a meeting listed below or visit www.sag.org.

ATLANTA

Thursday, May 28th
12:30 p.m.
Regus
260 Peachtree St., Ste. 2200
Atlanta, GA 30303

BOSTON

Tuesday, May 26th
7:00 p.m.
Boston Park Plaza Hotel
50 Park Plaza at Arlington St.
Boston, MA 02116

CHICAGO

Wednesday, May 27th
6:00 p.m. (5:00 p.m. Social Hr)
The Kaufherr Center
One East Erie, Ste. 660
Chicago, IL 60611

DETROIT

Thursday, May 28th
12:30 p.m.
SAG
2000 Town Center, Ste. 1900
Southfield, MI 48075

LOS ANGELES*

Thursday, May 21st
7:00 – 9:30 p.m.
Renaissance Hollywood Hotel
Hollywood Ballroom
1755 N. Highland Avenue
Hollywood, CA 90028

MIAMI

Thursday, May 28th
7:00 p.m.
SAG
7300 N Kendall Drive, Ste. 620
Miami, FL 33156

NEW MEXICO

Thursday, May 28th
5:00 p.m.
Hyatt Professional Tower
201 Third St., NW, Ste. 1830
Albuquerque, NM 87102

NEW ORLEANS

Thursday, May 28th
11:30 a.m.
Energy Center
1100 Poydras St., Ste. 2900
New Orleans, LA 70163

NEW YORK

Monday, June 1st
6:00 p.m. – 8:00 p.m.
Directors Guild of America
110 West 57th Street
(between 6th & 7th Aves.)
New York, NY 10019

PHILADELPHIA

Thursday, May 28th
7:00 p.m.
Veritext Natl. Court Reporting
1801 Market Street, 18th Floor
Philadelphia, PA 19103

SAN DIEGO

Wednesday, May 27th
6:30 p.m.
IBEW Local 569
4545 Viewridge Avenue
San Diego, CA 92123

SAN FRANCISCO

Thursday, May 28th
9:30 a.m.
Spear Tower Center
One Market Street, 36th Floor
San Francisco, CA 94104

WASHINGTON, D.C./BALTIMORE

Thursday, May 28th
12:30 p.m.
City Club of Washington, D.C.
555 13th Street NW
Washington, D.C. 20004

**Notice for this meeting was sent via email and by postcard if no email address was on file prior to ballot package mailing on May 19th.*

THE MAJORITY REPORT

VOTE YES & GET BACK TO WORK

The Screen Actors Guild National Board of Directors is proud to bring you this opportunity to get back to work.

Take a look at the information we've organized for you here. You'll find that Screen Actors Guild negotiators have made solid gains in the TV/Theatrical contract, including: **immediate pay increases, better benefits, and - for the first time - residuals in New Media.**

Your National Board recommends you **VOTE YES.**

- **YOU GET BACK TO WORK IMMEDIATELY.** Ratifying this contract will revitalize production which has been stalled and declining for more than a year.
- **YOU GET INCREASED PAY RIGHT NOW.** Multiple wage increases go into effect upon ratification in virtually every area of our contract.
- **YOU GET THE HIGHEST PENSION & HEALTH CONTRIBUTION IN THE INDUSTRY.** Producers will pay more toward your pension & health benefits for you and your family.
- **YOU GET PAID WHEN YOUR WORK IS SHOWN ON THE INTERNET.** For the first time, you will be paid when your film and TV work is streamed.
- **YOU GET MORE CHANCES TO WORK.** This deal creates more covered jobs for background performers, and establishes landmark jurisdiction for SAG in New Media.

REAL GAINS = REAL MONEY

We all need to get back to work, and can't afford to work at the same rates we earned two years ago. Ratifying this contract will reinvigorate the industry, and make it easier for you to support yourself and your family with the work you do.

Improvements for all types of work, for all members across the country:

- An increase of 6.5% in your earnings and residuals - an immediate 3% raise, plus another 3.5% in the second year: that's \$77.8 million dollars of real money in your pocket.
- Pension & health contributions increased to 15% - the highest contribution rate in the industry.
- SAG coverage in New Media - union protections and pension & health contributions.
- Internet and New Media residuals with downloads paid at nearly twice the DVD rate.

For Background Performers:

- Increased numbers in Hollywood and the West Coast, including five additional background positions in movies and one additional in television, and an expanded background zone around Las Vegas, NV.

For Middle Class Actors:

- More residuals and overtime pay through increased primetime rerun ceilings, schedule breaks and money breaks.
- 33% increase in the "top of show" premium -- that means more money paid for guest star work.

For Stunt Coordinators:

- First-ever residuals in television.

For Dancers:

- Additional pay for hazardous activity.

EMPOWERING OUR FUTURE

For the first time, we'll be paid when film or TV work is streamed online at sites like Hulu.com. And when that work is downloaded, **we'll receive residuals** - at nearly twice the current rate of DVDs. We'll also see contributions toward our pension & health benefits for work in most New Media productions.

New Media terms expire - "sunset" - in two years. Until then, this contract requires employers to show us the money changing hands in this area, so that when we go back to the table we can negotiate new terms armed with the facts.

(Majority Report continued on page 4)

THE MINORITY REPORT

“Hollywood Executives Call for an End to Residuals.” (NY Times, 7/07)

SAG Interim National Executive Director David White re. the AMPTP’s Last Best Final offer of Nov. 2008: “This Deal Sucks.”

47% of your National Board, including the President, the Secretary/Treasurer, and the First Vice-President, voted AGAINST this contract.

Join us in Voting ‘No’. Here’s Why:

No residuals for the following productions:

a) Original Product Made For New Media costing \$25,000 per minute or less. (Average cost to-date: \$2,500 per minute.) b) Pre-’74 TV shows and pre-’71 films streamed on New Media on ad-supported websites (e.g., Hulu).

Move-over: When productions made for traditional media are rerun on New Media, the actor will receive a fraction of their usual payment. Two examples: 1) In traditional media a dayplayer’s first Network residual for one play would be \$782; in New Media (after 17-24 days of unlimited free streaming) the first residual would be \$24 for six months of unlimited plays. 2) A guest star’s residual (1 hour scripted) would be \$3,372; in New Media it would be \$130 for six months of unlimited plays.

No guaranteed union jurisdiction in Original Made for New Media productions, allowing employers to create a larger pool of non-union performers. This means fewer jobs for SAG actors.

No Product Integration protection:

You’ll be required to promote any product within scripted content, in character, in TV, film and New Media. You’ll be forced to perform these advertisements without consent or compensation, regardless of any moral or contractual conflicts you may have. Think how Production Integration will undermine the need for traditional commercials.

No more automatic consent required for employers to use or distribute clips of your work or image in New Media.

Since 1960 employers have had to get our consent and pay us before distributing clips of our work or image. If this contract is ratified, in all productions going forward, from 2009 on, New Media clip consent and compensation can now be a condition of employment.

Discrimination against Background actors:

Background actors won’t be considered professional actors / “covered performers” for work in Original Product Made For New Media. They may not be able to work in this area unless they’re willing to work non-union, without the protections and benefits of a SAG contract.

Restricted residuals for stunt coordinators:

They’ll receive no residuals for re-runs on Network TV or syndication. They’ll only receive residuals from the supplemental market residual pool. Cost to employers: ZERO.

No more automatic Force Majeure protection:

Since 1937 SAG has had Force Majeure protection, which could guarantee a performer a portion of their salary during a work stoppage. This contract destroys that protection, allowing employers to decide which series regulars, IF ANY, will be given this protection.

This contract will also implement the settlement of claims arising from the WGA strike. The settlement is one-third of the low end of the original estimate provided by the employers, costing our members millions.

No union minimum wages established for New Media productions.

SAG actors can be paid as little as federal minimum wage, now \$6.55/hour.

(Minority Report continued on page 5)

THE MAJORITY REPORT (continued)

This contract also ensures that SAG's deal expires with AFTRA's, and close to the WGA and DGA deals. Our employers tried to demand an expiration date of 2012, a year after the other industry unions. Our new negotiating team refused to accept this anti-union proposal, understanding that putting SAG so far behind would weaken us severely.

Because we held firm, SAG has retained the ability to negotiate at the same time as the other unions, giving us increased bargaining power.

FORCE MAJEURE

The studios tried to remove all force majeure protections from our contract, and to deny series regulars' claims for work interrupted by the WGA strike. We held our ground and retained all rights in film, and modified force majeure protections for television regulars. In addition, we expect most claims filed during the WGA strike will share in a settlement of up to \$21.6 million – providing average payments of up to \$45,000 to the affected members.

A BETTER TOMORROW

To date, SAG members have lost tens of millions of dollars in increased pay. That's money out of your pocket. Without a contract, countless SAG jobs disappeared as film production evaporated and producers shifted 90% of TV pilots to AFTRA. Voting YES turns this around. Your YES vote guarantees more work, more pay and better benefits -- \$105 million dollars during the course of this contract.

In the midst of an historic economic downturn and vast changes within the industry, **we got a solid deal with real gains**. That's why all kinds of members agree -- big stars, background, VO, stunt performers, middle class: **VOTE YES**.

THE BIG GAMBLE

What if this contract doesn't pass? Whether we strike, continue to work without a contract, or try to re-start negotiations:

- Production will continue to fade.
- We'll lose the full protection of a union contract.
- We'll lose the gains of this contract, including increased pay and New Media jurisdiction.
- We'll sacrifice the bargaining leverage we'll gain from negotiating together with other industry unions.

Don't Gamble with Your Future: VOTE YES

IT'S TIME

Your National Board of Directors, the Negotiating Task Force, your Chief Negotiator and Interim National Executive Director all urge you to **VOTE YES** on this contract.

VOTE YES to move forward and empower your Guild. It's time.

It's time to protect the present and prepare for the future; for SAG to gather crucial real-world data about New Media for upcoming negotiations; for SAG to renew its relationships with all industry unions, to stand strong and united for our future; time to realize the gains from this contract, and revitalize our industry.

It's time to focus on your profession, your family, and your future.

IT'S TIME TO GET BACK TO WORK:

VOTE YES.

--The Screen Actors Guild National Board of Directors

THE MINORITY REPORT (continued)

Frequently Asked Questions:

Q: Why not wait and fight in June 2011 alongside the other unions?

A: First, the employers are not obligated to negotiate with more than one union at a time. Second, each union has its own strategy, needs and agenda. It's unrealistic to expect that all four unions will coordinate negotiations in 2011. Finally, there is nothing to prevent any other union from making a deal early and locking us all into their terms. For example, in 2008 the DGA made their deal early, while the WGA was still on strike.

Q: If there's no money in New Media, why worry about it now?

A: In this proposed contract 32 of the 43 pages (74%) address New Media. There is money now. London's Financial Times: In 2009, Hulu "will generate about \$180 million in the U.S.," up from "about \$70 million" in 2008. Bob Iger, Disney CEO: Disney will earn "about \$1.5 billion" in digital revenue in 2008.

Once a contractual formula has been established, the employers have repeatedly refused to alter it. For example, SAG has lost (by the WGA's calculation) nearly \$4.5 billion in home video/DVD revenue by agreeing to a discounted formula that the employers have refused to change for over 22 years. In every negotiation they called it a "growing business," even as it grew to over \$23 billion/year. And their reason for not sharing now in New Media: It's a "growing business."

If we don't get a percentage of New Media revenue now, we're almost certain to never get any.

Q: What happens if this contract is voted down?

A: The powerful message of a 'No' vote from our members will place the burden on the employers to make good on their stated intent to find labor peace, and to negotiate a fair settlement to avoid a work stoppage.

If the employers refuse to re-open negotiations and/or impose the terms of this contract upon us, SAG may then ask its members for a strike authorization.

Q: How will this contract affect our Pension and Health plan?

Contributions to our Pension and Health plan will be drastically reduced by the loss of residuals and coverage in New Media, the erosion in our commercial revenue due to Product Integration, and the move-over of traditional reruns to New Media.

PROTECT YOUR FUTURE. VOTE "NO."

REBUTTAL TO THE MINORITY REPORT (Prepared by the Majority)

WHAT CONTRACT IS THE MINORITY TALKING ABOUT?

Apparently the minority thinks the only way to convince you is to mislead you.

They imply SAG's Interim National Executive Director is critical of this deal. **But the deal he criticized is NOT the deal you are voting on. David White – and your National Board, representing members from all over the country – strongly recommend a YES VOTE on this contract.** How else are they misleading you?

They say: you'll make "a fraction" of your residuals, and P&H contributions will be "drastically reduced."

- ✓ **The Truth:** Residuals are increased in this contract, and first-ever New Media residuals will be an additional source of income for us and our P&H plans.

They say: There's real money in New Media now.

- ✓ **The Truth:** "YouTube, Hulu and all video websites do not make enough money to cover costs" (Investor's Business Daily - April, 2009).

They say: Background actors are discriminated against.

- ✓ **The Truth:** Background actors get as much from this contract as any other performer – or more – with raises, added jobs, and broader coverage in traditional and New Media.

Their Biggest Lie: The Consequences

The minority suggests that voting down this contract will force employers to "make good on their stated intent to find labor peace, and to negotiate a fair settlement." Here's the reality: This contract marks the end of nearly a year of tough bargaining where we got the best deal possible.

Saying no will not get you a better deal.

Saying no means you are looking at a strike.

How long can you and your family survive on the picket line as our employers take even more TV and New Media work to AFTRA?

The minority wants you to believe:

That this contract lasts forever...

- ✓ Even though we re-negotiate this contract in two years.

That SAG doesn't need to negotiate with other unions...

- ✓ Even though negotiating alone cost us \$85 million in lost compensation, and up to 90% of new TV pilots.

That New Media terms will never increase...

- ✓ Even though employers have agreed that future negotiations must be based on future conditions, using real-world data.

That this deal "means fewer jobs for SAG actors"...

- ✓ Even though it will create thousands of new SAG jobs.

A YES VOTE is the Right Vote

The minority is misleading you because they want you to vote no. But you live and work in the real world, and this contract brings you real jobs, money and protections - Real gains. It's about raises, expanded work opportunities, better benefits and landmark New Media coverage. It's also about the power that comes from negotiating our next contract alongside fellow entertainment unions, armed with real-world facts and figures.

It's about you. It's about your work. It's about taking care of your family and your future.

Get Real Raises, Real Jobs, Real Benefits

Get Back To Work

✓ VOTE YES

REBUTTAL TO THE MAJORITY REPORT (Prepared by the Minority)

The more things change, the more they remain the same. Employers still record, distribute and profit from our performances on every platform. The slim Board majority uses smoke and mirrors to obscure the fact that employers are using New Media as a weapon to pay actors less and weaken the union. Here's how:

New Media:

NO RESIDUALS for 17-24 days of unlimited streaming moved over from Traditional Television (Broadcast, Cable) to New Media: After that, actors get:

Day-Player = \$24.00 for six months of unlimited streaming (reruns)

Guest star = \$130.00 for six months of unlimited streaming (reruns)

NO RESIDUALS for:

-Original Product Made For (and shown on) New Media (except high budget \$25K+/min OPMNM)

-Pre 1974 television (if residuals are exhausted)

-Pre 1971 movies

Pension and Health:

Ravaged by New Media.

Traditional TV shown on ('moved over') to New Media:

Day-Player P&H contribution (15%) of \$24=\$3.60

Guest Star P&H contribution (15%) of \$130= \$19.50

Original Product Made For New Media: \$0 Residuals=\$0 P&H(except \$25K a minute or more)

Pre 1974 television (if residuals exhausted) & Pre 1971 movies: \$0 RESIDUALS = \$0 P&H

The proposed 0.5% gains in P&H pales compared to OUR losses in New Media. Thousands of actors may lose P&H coverage.

Stunt Coordinators are Out of the Picture in New Media: Like all principal performers, they will get NO RESIDUALS in Original Product Made For New Media (except \$25K budget a minute or more. (see Con-Statement)

Background Performer Discrimination: No BG triggered coverage in OPMNM. (see Con-Statement)

"Solid Gains": The "Gains" in basic compensation are increases traditionally offered to SAG in every contract. The \$105 million this contract supposedly earns is nothing compared to the hundreds of millions we'll lose in New Media.

So-Called Leverage of Joint Negotiations: The Employers are NOT OBLIGATED to negotiate with more than one union at a time. THE WGA, DGA, IATSE, and SAG have NEVER negotiated together. It's unrealistic to expect that these unions will negotiate together in 2011.

"Sunset" Clause: Just another way to say the contract terms expire and can be renegotiated. "Sunset" has no LEGAL force. It doesn't mean employers will change the terms. History proves that once employers profit from a contractual formula they refuse to change it.

Force Majeure Sell-out: (see Con Statement)

Clip Consent: Employers can demand that actors sign over control of our name, voice, and likeness, in New Media, as a Condition of Employment. If you don't agree you don't work. (See Con Statement).

"Stalled Production": The current film slow down is because funding is temporarily harder to get, NOT UNION UNREST. We're still working under existing terms, which offer us greater protections than this PROPOSED CONTRACT. E.g. Clip Consent, New Media Jurisdiction, Force Majeure...

For 76 years, SAG has provided actors with living wage minimums, residuals, P&H benefits and safe working conditions. If this contract is approved we lose our past, present and most importantly, our future.

Vote No!

Remember: SAG's Interim NED said, **"This Deal Sucks". (re. AMPTP's 11/08 offer)**

**SUMMARY OF THE TENTATIVE AGREEMENT FOR THE
2009 SCREEN ACTORS GUILD BASIC AND TELEVISION AGREEMENTS**

A description of the tentative agreement for the new 2009 SAG Basic and Television Agreements is outlined below. A reference to the current contract rates has been included for the purpose of comparison.

TERM OF THE AGREEMENT

The term of the agreement shall commence on the date of notice by SAG to the AMPTP of ratification (“the date of ratification”) and shall terminate on June 30, 2011.

INCREASES IN WAGES

All principal performers and background actors’ rates will increase **3%** effective upon ratification and **3.5%** effective one year from ratification. Sample rates will be as follows:

Principal Performers

	Current	Effective Upon Ratification	Effective One Year from Ratification
Day Performer	\$759	\$782	\$809
Weekly Performer	\$2,634	\$2,713	\$2,808
Weekly Stunt Performer	\$2,828	\$2,913	\$3,015

Background Actors

	Current	Effective Upon Ratification	Effective One Year from Ratification
General Background Actor	\$130	\$134	\$139
Special Ability Background Actor	\$140	\$144	\$149
Stand In	\$145	\$149	\$154

INCREASE IN SAG COVERED BACKGROUND ACTORS NUMBERS

Covered Background Actors numbers will be increased in Schedule X, Part I, as follows:

	Current	Effective Upon Ratification	Effective One Year from Ratification
Television	19 excluding one stand-in	20 excluding one stand-in	-----
Theatrical	50	53	55

BACKGROUND ACTOR ZONES

The Las Vegas Zone will be expanded to cover the area within a fifteen (15) mile radius of the Clark County Courthouse.

INCREASE IN MAJOR ROLE PERFORMERS WAGES

Effective upon ratification, the multiplier for the “Major Role” performer rate will be increased from 7.5% to **10%**. New minimum “Major Role” performer rates will be as follows:

	Current	Effective Upon Ratification	Effective One Year from Ratification
1/2 hour Program	\$4,080	\$4,301	\$4,450
1 hour Program	\$6,527	\$6,882	\$7,119

INCREASE IN PENSION CONTRIBUTIONS

The contribution rate to the Pension Plan will be increased by **.5%** effective upon ratification.

INCREASE IN NETWORK PRIMETIME SERIES RERUN CEILINGS

The ceilings for residuals will be increased by **2.5%** effective upon ratification and **2.5%** effective two years from ratification. Principal performers will be paid 100% of their total actual compensation for each network prime time rerun, subject to the following ceilings:

Program Length	Current	Effective Upon Ratification	Effective Two Years from Ratification
1/2 hour	\$2,311	\$2,369	\$2,428
1 hour	\$3,290	\$3,372	\$3,456
2 hour	\$3,541	\$3,630	\$3,721

SCHEDULE BREAKS

The guaranteed weekly salary threshold for Schedule B and C principal performers employed on theatrical motion pictures will be increased from \$5,500 to **\$6,000** per week effective one year from ratification.

The guaranteed weekly salary threshold for Schedule B and C performers employed on television motion pictures will be increased from \$4,400 to **\$4,650** per week effective one year from ratification.

MONEY BREAKS

The trailer money break figure in the Television Agreement will increase from \$2,500 or more per week to **\$3,000** or more per week, effective one year from ratification.

The overtime money break for three-day performers will increase from \$2,700 to **\$3,000**, effective one year from ratification.

DANCERS

Effective upon ratification, the compensation payable to a dancer for hazardous activity will increase to **\$85** per day (up from \$80 per day), with a minimum of **\$110** (up from \$100) if only one (1) day’s services is rendered.

In addition, the following work will be added to the list that could meet the definition of hazardous activity: “dancing on stony and hard surfaces, such as, but not limited to, concrete, asphalt, gravel, marble, tile or sand, as well as dancing on raked stages, elevated platforms and staircases.”

STUNT COORDINATORS

A. Residual Payments:

For the first time, stunt coordinators employed on television motion pictures will now participate in revenue-based residual payments with respect to television motion pictures, the principal photography of which commences on or after the date of ratification.

B. Rest Period:

The rest period for Stunt Coordinators under Schedule K, Parts I, II and III will remain at nine (9) hours and the sunset clauses applicable to these provisions will be eliminated, thereby making this rest period a permanent provision in the contract.

INTERNATIONAL STANDARD AUDIOVISUAL NUMBER (“ISAN”)

A provision will be added to the Basic Agreement and the Television Agreement as follows:

“Producer shall submit to the Guild, for motion pictures produced under this Agreement, the International Standard Audiovisual Number (“ISAN”), if any, when known by the Producer.”

COMMITTEE ON ALTERNATIVE DIGITAL BROADCAST CHANNELS

A new Sideletter will be added to the TV Agreement to read as follows:

“During the negotiation of the 2009 SAG Codified Basic Agreement and 2009 SAG Television Agreement, the parties discussed their concerns regarding the reuse of television motion pictures on alternative digital broadcast and cable channels. Following negotiations, the parties will establish an Alternative Digital Broadcast and Cable Channel Committee to address issues related to the reuse of television motion pictures on alternative digital broadcast and cable channels.”

CASTING PERFORMERS WITH DISABILITIES

A. A new Sideletter will be added to the Basic and TV Agreements as follows:

“The parties agree that, in an effort to increase the visibility and employment opportunities for all types of roles for performers with disabilities, they will meet within 90 days after ratification to create an industry-wide biennial showcase designed specifically for performers with disabilities. The initial meeting to discuss these showcases will include labor relations executives or their designees.

“The parties to this Agreement further agree to commit senior level executives who are directly responsible for hiring to attend and participate in the development and implementation of each showcase. The cost of showcases shall be shared equally by the parties.

“The showcases will include an educational component consisting of communication skills, auditioning, and other issues unique to these performers as well as discussions regarding employment opportunities.

“The parties shall conduct such showcases jointly with representatives of the American Federation of Television and Radio Artists. The parties agree to recommend funding for same from the AFTRA AICF and the SAG IACF.

“Should a Producer fail to have a representative present at such showcase, the Union may require a meeting with representatives of such Producer to discuss employment opportunities for performers with disabilities.”

B. An additional new Sideletter will be added to the Basic Agreement and Television Agreement as follows:

“In accordance with the agreement reached in 2005, the parties met to formulate a letter seeking an opinion from the General Counsel of the Equal Employment Opportunity Commission and from those agencies responsible for administering disability discrimination laws in major production centers with regard to the legality of compiling employment data on performers with obvious physical impairments. Due to the inability to reach agreement on language for said letter, each party now reserves its right to seek independently an opinion from the aforementioned agencies, if it so chooses. In the event that either party elects to seek an opinion from any of the aforementioned agencies, it shall simultaneously transmit to the other party a copy of the letter(s) sent to said agency or agencies.”

WARM-UP PERFORMERS

For the first time, the parties have agreed to recommend to the Trustees of the Pension and Health Plans that, if a warm-up performer and the Producer reach agreement upon terms that provide for the submission of pension and health contributions to the SAG Plans on behalf of the warm-up performer, the Plans shall accept said contributions, provided that the contributions are based on the compensation paid for services as a warm-up performer and are subject to the applicable cap provided in the TV agreement, and provided further that contributions are not being made to another plan on behalf of such warm-up performer based on employment on the same project.

PROMOTIONAL LAUNCH

The promotional launch provisions of the Television Agreement will be amended to apply to the CW and My Network TV.

REUSE OF PHOTOGRAPHY OR SOUND TRACK

Sections 18.A.(5) and 22.J of the General Provisions of the Basic Agreement will be amended by replacing the references to “four hundred (400) feet of 35mm film containing not less than two (2) scenes or two hundred (200) feet of 35mm film containing one (1) scene or the equivalent in running time if another recording medium is used” with “ten (10) minutes containing one (1) or more scenes” for theatrical motion pictures.

Sections 35(i) and 36(i) of the Television Agreement will be amended by replacing the references to “four hundred (400) feet of 35mm film containing not less than two (2) scenes or two hundred (200) feet of 35mm film containing one (1) scene or the equivalent in running time if another recording medium [or 16mm film] is used” with “five (5) minutes containing one (1) or more scenes” for television motion pictures less than ninety (90) minutes in length and with “ten (10) minutes containing one (1) or more scenes” for television motion pictures 90 minutes or more in length and for motion pictures made for the home video market.

The penultimate sentence in the third paragraph of Section 36(a) of the Television Agreement will be amended to read as follows:

“In addition, Producer shall have the right to use photography or sound track for the purpose of recapping the story to date upon payment of the day performer rate to each performer appearing or heard in such photography or sound track who would otherwise be entitled to negotiate or to payment under the provisions of this Section 36, provided that the photography or sound track is used in the same season in which the performer is employed or in the season immediately following the season in which the performer was employed and, provided further, that the recap shall not exceed ninety (90) seconds in length when used in a program less than sixty (60) minutes in length, or exceed three (3) minutes in length when used in a program sixty (60) minutes or more in total length.”

LATE PAYMENTS

The late payment provisions in the Basic and TV Agreements will be amended to provide that late payments are not required if the performer or background actor fails to provide the Producer with completed forms and documentation required for employment and/or payment (i.e., I-9s, vouchers, W-4s or start paperwork indicating the correct name, address, Social Security Number or tax identification number (for loan-outs) of the performer or background actor), provided that the Producer supplies the forms to the performer and makes reasonable efforts to collect those forms by notifying the performer that forms are incomplete or missing.

THE CW

All references to “the UPN or the WB Television Network,” “UPN and The WB Television Network” and “The WB or UPN” in the Television Agreement shall now be amended to read “The CW.”

RENEWAL OF EXPIRING CLAUSES

A. The following provisions in the Basic Agreement will be renewed:

- | | | |
|-----|--|---|
| (1) | Schedule A, Section 32.F.(2): | Travel Time - Rules and Definitions, Studio Zone (New York) |
| (2) | Schedule B, Section 44.B.(2): | Travel Time, Studio Zone (New York) |
| (3) | Schedule C, Section 41.B.(2): | Travel Time, Studio Zone (New York) |
| (4) | Schedule E, Section 32.B.(2): | Travel Time, Studio Zone (New York) |
| (5) | Schedule K, Part I, Section 22.E.(2): | Travel Time – Rules and Definitions, Studio Zone (New York) |
| (6) | Schedule K, Part II, Section 27.B.(2): | Travel Time – Rules and Definitions, Studio Zone (New York) |

B. The following provisions in the SAG Television Agreement will be amended so that they will sunset on June 30, 2011:

- 1) Section 19(c)(5) Additional Compensation For Theatrical Rights-Special Residual Provisions for Long-Form Television Motion Pictures
- 2) Sideletter B-1 Waiver re Domestic Free Television Residuals for Long-Form Television Motion Pictures
- 3) Sideletter B-2 Sideletter to Section 18(b)(2)c) – Experiment in Syndication of Half-Hour Series in Markets Representing 50% or Fewer of U.S. Television Households
- 4) Sideletter K Special Conditions for Pilots, Presentations and New Series

PROGRAMS MADE FOR NEW MEDIA

The new sideletter covers derivative and original entertainment programs made for the internet, mobile devices and any new media platform known as of the date of ratification of the new Agreement.

1. A derivative new media production is a production made for new media (“MFNM”) based on an existing motion picture that was produced for “traditional” media under a SAG agreement.
2. An original new media production is a MFNM production which is not derivative, and which either:
 - a. Has an actual cost of production that exceeds any of the following thresholds: \$15,000 per minute, \$300,000 per single MFNM production and \$500,000 per MFNM series, **or**;
 - b. Employs a “covered performer.”
3. A “covered performer” is an individual who has been employed pursuant to the terms of a collective bargaining agreement covering his or her employment as a performer and who meets any of the following criteria:
 - has at least two (2) television (including free television, pay television, basic cable or direct-to-video) or theatrical credits;
 - has at least two (2) credits in a professional stage play presented on Broadway, off Broadway (as that term is understood in the live theater industry), under the LORT, COST or CORST contracts or as part of an Equity national tour;
 - has been employed as a performer on an audio book; or
 - has been employed as a principal performer, announcer, singer or dancer in a national television or radio commercial, interactive game or non-broadcast/industrial production.
 - The Producer shall be entitled to rely on the representation of the performer as to whether he or she meets the definition of a “covered performer.”

4. An “Experimental MFNM Production” is an Original MFNM production that has actual costs below the thresholds in paragraph 2.a. above and does not employ a “covered performer” per paragraph 3. above. Union coverage shall be at the Producer’s option for Experimental MFNM Productions.
5. Terms and conditions for derivative and original MFNM productions include:
 - a. Coverage for all performers, singers, stunt performers, stunt coordinators, airplane and helicopter pilots, dancers, puppeteers and body doubles.
 - b. Coverage for the first 10 background actors employed each day in any SAG background actor zone.
 - c. Initial compensation is negotiable.
 - d. Terms of employment for work on a derivative MFNM production must be set forth in a stand-alone agreement or separately stated in the performer’s contract for “traditional media.”
 - e. Additional terms provide for meal periods, overtime and turnaround for performers and background actors who work for the same producer on both the “traditional” media production and derivative MFNM production on the same day.
 - f. Performers shall receive credit on derivative and original MFNM productions if any other person on the production receives credit.
6. The following provisions of the SAG Basic and Television Agreements shall apply to performers employed in derivative and original MFNM productions:
 - General Provisions, Codified Basic Agreement, Section 1, *“Recognition and Scope of Agreement”*
 - General Provisions, Codified Basic Agreement, Section 2, *“Union Security,”* but excluding subsection F
 - General Provisions, Codified Basic Agreement, Section 3, *“Strikes”*
 - General Provisions, Codified Basic Agreement, Section 26A, and D only, *“Policy of Non-Discrimination and Diversity”*
 - General Provisions, Codified Basic Agreement, Section 37, *“Union’s Articles and By-Laws”*
 - General Provisions, Codified Basic Agreement, Section 41.C, *“Rules of Construction”*
 - General Provisions, Codified Basic Agreement, Section 43, *“Nudity”*
 - Section 22, Television Agreement, *“Pension and Health Plans”*
 - Section 27(b), Television Agreement, *“Late Payments”*
 - Section 27(c), Television Agreement, *“Overwithholding”*
 - Section 27(d), Television Agreement, *“Payroll and Unemployment Insurance Information”*
 - Section 50, Television Agreement, *“Arbitration”*

7. The following provisions of the SAG Basic and Television Agreements shall apply to covered background actors employed on derivative and original MFNM productions:

- Schedule X, Part I, Section I(a), (b), (d), (e) and (f), *“Scope of Schedule and Recognition”* and Schedule X, Part II, Section 1.A, B., C., E. and F., *“Scope of Schedule”*
- Schedule X, Part I, Section 2, *“Union Security”* and Schedule X, Part II, Section 2. *“Union Security,”* but excluding the penultimate paragraph of each Section
- General Provisions, Codified Basic Agreement, Section 3, *“Strikes”*
- Section 22, Television Agreement *“Pension and Health Plans”*
- Schedule X, Part I, and Schedule X, Part II, Section 17, *“Nudity”*
- Schedule X, Part I, Section 44(a) and (i) only, *“Policy of Non-Discrimination and Diversity”* and Schedule X, Part II Section 45. A. and I. only, *“Policy of Non-Discrimination and Diversity”*
- Schedule X, Part I, Section 46, *“Payment Requirements”* and Schedule X, Part II, Section 47, *“Payment Requirements.”*
- Schedule X, Part I, Section 54, *“Statute of Limitations,”* (but excluding the parenthetical in the second sentence of subparagraph (a) and the last two sentences of that subparagraph); and Schedule X, Part I, Section 55, *“Grievance Procedure”* and Schedule X, Part II, Section 55, *“Grievance Procedure”* (but excluding the parenthetical in the second sentence of subparagraph (a) and the last two sentences of that subparagraph).

8. Reuse of MFNM Productions: The following payments shall be due when a MFNM production is reused in New Media platforms:

	<u>Derivative</u>	<u>Original</u>
What initial compensation covers:	<p>13 weeks: free to consumer streaming</p> <p>26 weeks: use on consumer pay platforms</p>	<p>13 weeks: free to consumer streaming</p> <p>26 weeks: Consumer pay platforms</p>
Residuals for streaming beyond initial 13 weeks	<p>Fixed residual for each 26 week period in the first year after the end of the streaming window:</p> <ul style="list-style-type: none"> • \$20 (for programs up to 10 minutes) • \$25 (for programs more than 10 minutes) <p>6% of distributor’s gross receipts (“DGR”) thereafter.</p>	-----
Residuals for use on consumer pay platforms beyond initial 26 weeks	3.6% of DGR	<p>For original MFNM productions with actual costs of \$25,000 per minute or more:</p> <p>3.6% of DGR</p>

9. Use of MFNM Productions in “Traditional” Media:

Residuals shall be paid for the use of derivative and original MFNM productions in traditional media as a use under the existing SAG Television Agreement formulas:

a. Reruns on free Television:

- For MFNM productions of thirty (30) minutes or less in length, residuals payments shall be based on the network primetime rerun ceiling for a half-hour program, prorated in five(5) minute increments if less than thirty minutes.
- For MFNM productions of more than thirty (30) minutes in length, the ceiling will be adjusted upward as provided in the existing “supersized episode” sideletter.

b. Use on Pay Television:

3.6% of DGR

c. Use on Basic Cable Television:

6% of DGR

d. Use in home video:

4.5% of 20% of DGR – first \$1 Million

5.4% of 20% of DGR thereafter.

10. If a MFNM production is never released in New Media and is instead exhibited in traditional media, the performers and background actors employed in the MFNM production shall be paid the difference, if any, between what was paid for the MFNM production and the rates in the Basic or Television Agreement, as applicable.

11. The Made for New Media sideletter shall “sunset” upon the expiration of the agreement.

REUSE OF THEATRICAL AND TELEVISION MOTION PICTURES IN NEW MEDIA

A new sideletter will provide for the following residuals for exhibition of motion pictures transmitted via New Media:

	Theatrical Motion Pictures produced on or after July 1, 1971	Television Motion Pictures produced on or after July 20, 1952
<u>If consumer pays:</u> License for limited period or fixed number of exhibitions (download to rent)	3.6% of DGR	3.6% of DGR
Paid Permanent Downloads (Electronic Sell-Through or "EST")	<ul style="list-style-type: none"> • 5.4% of 20% of DGR for the first 50,000 units • 9.75% of 20% of DGR thereafter 	<ul style="list-style-type: none"> • 5.4% of 20% of DGR for the first 100,000 units • 10.5% of 20% of DGR thereafter
<u>If consumer does not pay:</u> ("streaming")	3.6% of DGR for all theatrical motion pictures (no initial streaming window)	<p><u>For television motion pictures produced during term of agreement:</u></p> <p>Initial streaming window:</p> <ul style="list-style-type: none"> • 24 days for first season of series or MOW • 17 days for second and subsequent seasons of series <p>Streaming within one year from the end of the initial streaming window:</p> <p>3% (3.5% effective 2 years from ratification) of total applicable minimum ("new media program fee") for each 26-week period.</p> <p>6% of DGR thereafter</p> <p><u>For television motion pictures produced prior to term of agreement, as to which free TV residuals are still payable:</u></p> <p>6% of DGR</p>

USE OF EXCERPTS IN NEW MEDIA

The New Media Reuse sideletter also has new provisions for use of excerpts of theatrical and television motion pictures in new media:

1. For promotional purposes, the following maximum lengths of excerpts may be used without additional payment or performer consent:
 - a. Television motion pictures (other than MOW): five minutes
 - b. Theatrical motion pictures and MOWs and motion pictures produced for home video market: ten minutes
2. To be considered promotional, the use of excerpts must include one of the following criteria:
 - a. "Tune in" information.
 - b. Promoting a home video release with reference to availability date.
 - c. Promoting a theatrical release with reference to a release date.
 - d. Promoting a New Media exhibition which includes instructions to rent, buy or stream.
 - e. Part of a "viral" promotional campaign.
 - f. Use on social networking sites such as Facebook, You Tube, My Space or Crackle.
3. For use of excerpts in New Media that are not within length and promotional use limitations outlined in paragraphs 1. or 2. above, the following shall apply:

	Reuse of excerpts in New Media of <u>current product</u> produced during term of agreement	Reuse of excerpts in New Media of <u>library product</u> produced prior to term of agreement
Consent required	<p>May be obtained at time of employment, except for following uses, which must be obtained separately from performer’s employment contract:</p> <ul style="list-style-type: none"> • Reuse of nude photography • Reuse of “bloopers” • Reuse in a commercial <p>No consent required for the use of excerpt during the streaming window of a television motion picture, or during either of the two 26-week periods following the end of the streaming window, if the “new media program fee” is paid for such 26-week use period.</p>	<p>Per current reuse provisions of SAG Basic and Television Agreement, which provide that bargaining shall occur prior to reuse, but performer may not consent to such use at time of original employment.</p>
Payment required for streaming of excerpts	<p><u>Use of excerpts of television motion pictures outside streaming window:</u></p> <p>First year following the end of the streaming window:</p> <p>If the payment of the “new media program fee” for streaming of the entire television motion picture is not otherwise made during the first year after the streaming window, performer shall be paid for non-promotional use of excerpts and use of excerpts in excess of the promotional length limitations, the following fees:</p> <ul style="list-style-type: none"> • Up to two minutes: Lesser of \$30 or the applicable “new media program fee” • In excess of two minutes to four minutes: Lesser of \$80 or the applicable “new media program fee” • In excess of four minutes: The “new media program fee” <p>6% of DGR thereafter</p> <p><u>Use of excerpts of theatrical motion pictures:</u> 3.6% of DGR</p>	<p><u>Use of excerpts of television motion pictures:</u></p> <p>6% of DGR</p> <p><u>Use of excerpts of theatrical motion pictures:</u></p> <p>3.6% of DGR</p>
Payment required for use of excerpts on consumer pay platforms, whether to “promote” the picture or series or not	3.6% of DGR	3.6% of DGR

AFFILIATED PARTY TRANSACTIONS

When the DGR derived from New Media exploitation is received from a related or affiliated entity, the Union may challenge the fairness of the transaction.

AGREEMENTS AND DATA

Producers shall provide unprecedented access to all unredacted license, distribution, and other agreements pertaining to New Media exploitation of covered pictures.

NEW MEDIA COMMITTEE: MORATORIUM ON GRIEVANCES AND ARBITRATION CLAIMS

For the first 6 months that this agreement is in effect, claims regarding use of photography or soundtrack in New Media must be referred to a New Media Committee for resolution.

SUNSET

The New Media Reuse sideletter shall “sunset” upon the expiration of the term of the agreement.

FORCE MAJEURE

For performers on series contracts, the force majeure section of the Television Agreement has been amended to provide that a Producer may elect to suspend the performer’s services if a series production is suspended as a result of a force majeure event, but does not have to, and may rely on unlimited time and scope rights, if Producer has bargained for them consistently with the Television Agreement.

The revised section further clarifies that upon such suspension, the performer shall be paid at half salary for up to 5 weeks, and said amount shall not be creditable against compensation due for services rendered after the series production resumes.

At the end of the 5th week of suspension, the performer shall have a right to terminate the contract, unless the Producer continues to pay the performer for the remainder, if any, of the weeks of work that would be required to complete the episodes remaining on the performer’s minimum episodic guarantee. Any of these further payments shall be considered an advance against compensation due for services rendered after the suspension period ends.

However, if the performer has already been paid his/her minimum episodic guarantee at the time the suspension begins, the performer shall not have a right to terminate his/her contract, and such performer shall also not be entitled to the initial 5 weeks of payments at half salary as stated above.

VOTING INSTRUCTIONS

IMPORTANT

MAKE SURE YOUR VOTE COUNTS

Failure to follow these instructions could jeopardize your vote.


Read completely before casting your vote.

Your Referendum Packet contains four pieces:

1. A "Summary Document and Voting Instructions" Booklet.
2. A green coded Ballot.
3. A green "Secret Ballot" Envelope.
4. A green "Business Reply Mail" Return Envelope.

Step 1

When you are ready to vote, use a black or dark pen to solidly mark the appropriate oval next to your choice. Please note that **ANY** mark inside of an oval constitutes a vote.

Using a Black or dark pen only:
Mark Ovals Like This 
DO NOT use red ink, highlighter or anything other than a dark pen!

*The ballot is scanned by optical scanners. If you make an error, you **MAY** request a replacement ballot. Members who need to request replacement ballot materials must contact the:*

SAG Membership Department at (323) 549-6458 or by email at replacementballot@sag.org

The deadline for requesting a replacement ballot is 12:00 p.m. (PDT) on Friday, June 5, 2009.

Step 2

Remove the numbered stub on the ballot and retain for your records.

Step 3

Seal only your voted **green** coded Ballot in the **green** "Secret Ballot" Envelope.

DO NOT place more than one ballot in the "Secret Ballot" envelope.

Step 4

Put the sealed **green** "Secret Ballot" Envelope into the **green** "Business Reply Mail" Return Envelope addressed to SCREEN ACTORS GUILD c/o Integrity Voting Systems, P.O. Box 9070, Everett, WA, 98206-9900.

USE THE SUPPLIED OFFICIAL GREEN RETURN ENVELOPE. If it is missing, you **MUST** request a replacement return envelope. Please see instructions in Step 1 for how to request replacement ballot materials.

DO NOT place more than one "Secret Ballot" envelope in the "Business Reply Mail" return envelope.

Step 5

Mail your completed ballot – no postage is required. **Include ONLY your green coded Referendum ballot (in its green "Secret Ballot" envelope) in the enclosed green "Business Reply Mail" return envelope.**

DO NOT include any other SAG election ballots in the GREEN "Business Reply Mail" return envelope.

A search of the returned envelopes will be conducted to assure that a replacement ballot is not a duplicate vote. Should two return envelopes be found from the same voter (an original and a replacement), only the ballot in the original envelope will be counted.

THIS IS A SECRET BALLOT: Before the "Secret Ballot" Envelope is opened, it is removed and separated from the Return Envelope.

BE SURE TO VOTE AND MAIL YOUR BALLOT

Ballots must be received via U.S. Mail at the Everett, WA Post Office box no later than **5:00 p.m. (PDT) June 9, 2009.**