

**Letter of Understanding**  
**for**  
**Newfoundland and Labrador Film Development Corporation and CBC Digital**  
**Production Fund**

**Qualifying Productions and Procedures:**

- (1) **Type of projects:** Web series longer than 3 minutes, but no longer than 90 minutes in total, qualify for this agreement, subject to terms below. All projects must shoot within ACTRA's jurisdiction. Producers, directors, writers, performers and key crew must all be Canadian or permanent residents and reside in Canada.
- (2) **Canadian Content:** The project must be eligible as a 10 out of 10 Canadian content project under the CAVCO scale and thereby also be eligible for federal tax credits. Short and Experimental motion pictures are excluded from having to apply to CAVCO, but must otherwise qualify under CAVCO. As per CAVCO any Canadian Distribution Agreement must include an obligation to exhibit the production in Canada within two years of completion.
- (3) **IPA applies:** Upon becoming a signatory, all terms of the Independent Production Agreement (IPA) apply except as amended by this agreement.
- (4) **Canadian ownership:** The web series property must be owned and produced through a company incorporated in Canada under the laws of Canada or a Canadian province or territory. All projects must adhere to standard legal, business, and accounting procedures. All web series may, if requested, be required to have a final audit performed. Refusal to supply audit results (if requested) or final cost reports will result in disqualification from this agreement and will require contracting at the appropriate IPA conditions.
- (5) **Security agreement:** A standard executed Security Agreement as per Appendix 7 a and b of the IPA is required.
- (6) **Insurance:** Your project must be budgeted to secure liability insurance and workers comp coverage covering cast and crew for the shoot and show proof of coverage prior to shooting.

## Rates

Web Series Production: Total budget of less than \$ 3,875 per minute to a maximum of 90 minutes for web series only.

**Class I Production:** Total budget of \$100,001 and above

|                                 |          |
|---------------------------------|----------|
| Principal                       | \$300.00 |
| Actor                           | \$250.00 |
| Background (4 hour minimum call | \$45.00  |

**Class II Production:** Total budget of \$60,001 to \$100,000

|                                  |          |
|----------------------------------|----------|
| Principal                        | \$150.00 |
| Actor                            | \$130    |
| Background (4 hour minimum call) | \$45.00  |

**Class III Production:** Total budget of less \$60,000

|                                  |          |
|----------------------------------|----------|
| Principal                        | \$100.00 |
| Actor                            | \$90.00  |
| Background (4 hour minimum call) | \$45.00  |

## Working conditions:

Performer Working Conditions are as per the IPA with the following clarifications:

- (1) **Workday:** The workday for Performers shall be eight (8) consecutive hours, exclusive of time for meal breaks. Meal breaks as per the IPA. No work shall be permitted in excess of twelve (12) hours, exclusive of time for meal break, within any 24-hour period.
- (2) **Overtime:** If the Performer is requested or required to work beyond eight (8) consecutive hours, the Producer shall pay the Performer for each hour, in 1/4 hour increments, an amount equal to time and one-half of the Performer's payment for the day at the pro-rata hourly rate.
- (3) **Meals:** All Performers will be provided the same meals as the crew. Producer shall make best reasonable efforts to accommodate dietary restrictions.
- (4) **Travel:** Travel beyond the 40km radius of the production zone to be paid at the contracted overtime rate.

### **Additional Budgetary Obligations:**

- (1) **Benefits:** Benefits and fringes of 12.5% should be allocated in the budget for all gross amounts paid to performers. The percentage includes 12% for Insurance and Retirement and 0.5 % for the ACTRA Performers' Right Society.
- (2) **Administration Fees:** Administration fees payable to ACTRA in the amount of \$200.
- (3) **Security for Payments Due During Production:** No later than five (5) business days before any work is scheduled to begin for the Performers, a payroll security deposit (Security Bond) is required. The deposit will be held in trust. For projects whose shooting schedule is longer than two weeks, a two-week payroll security deposit is required. ACTRA will release 50% of the deposit for the last two weeks payroll. The remaining 50% will be released upon proof of payment of last payroll and receipt of all paperwork.

Shooting schedules less than two weeks require no less than 50% of the budgeted payroll and will be refunded provided ALL paperwork is completed OR, with permission from ACTRA, projects may arrange to prepay performers for scheduled days and post a security deposit in the accumulated sum of projected overtime fees, administration fees, Performers Rights fees and any other applicable fees as determined by the Business Representative. When permitted by ACTRA, the Producer will be able to provide other forms of security for payments due during production.

- (4) **Budget report:** Within four (4) weeks of completion of principal photography, the Producer shall submit to ACTRA a detailed report of actual expenditures and other relevant materials ACTRA may require showing actual cost of the production to date. In the event the actual production costs exceed the limits stated for the categories above, the Producer shall pay the Performers or to ACTRA for the benefit of the Performers, any additional sums necessary to bring the compensation of the Performers into the defined class of production.

### **Revenue Participation and Distribution:**

- (1) **Residuals:** Web Series Productions – Performers shall be paid Use fees in the aggregate of eight percent (8%) of DGR for exploitation in any Use after an initial Use period of one year from first utilization. The producer may select 105% prepayment at the time of production which allows for and additional 5 years of use on new media.
- (2) **Where paid:** The Use Fee is paid directly to the ACTRA Performers' Rights Society who administers the collection and disbursement of all DGR payable in accordance with the unit calculations defined in the IPA Please refer to the

ACTRA Performers' Rights Society's procedure sheet (or Article B509 of the IPA) for the full definition of Distributors' Gross Revenue.

**Casting:**

- (1) **Script:** Lead and support roles require performers to have access to a full script before signing a contract.
- (2) **Stunts:** A qualified ACTRA Stunt Coordinator is required for all scenes that include stunts. The ACTRA Stunt Coordinators registry will be made available upon request.

**Rehearsals:**

- (1) Rehearsal time: With prior notification, Performers may participate in 1(maximum 8 hour) rehearsal day unpaid. Additional Rehearsal days are to be paid at the contracted daily rate. Rehearsal days are limited to 8 hours per day.

**Other issues:**

- (1) **The IPA:** Copies of the IPA are available online. The Producer is expected to review this agreement and have a thorough understanding of its terms and conditions.

**Credit:** Should the project have a tail credit, the credit must show showing the ACTRA logo and stating "**Made with the Generous Support of ACTRA and the CMPA**". Logos will be provided by ACTRA and the CFTPA in electronic format.

- (2) In addition, the ACTRA logo must appear on all print and digital promotional materials.

ACTRA

Production

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