

UK DISTRIBUTION SCHEME

Under the terms of the 'Directors' Rights Agreement' Producers make a fixed sum, annual payment to Directors UK. This is to be used to compensate for rights that are assigned to producers under individual contract and is distributed to individual directors according to a scheme devised and administered by Directors UK.

Producers are legally requires to supply Directors UK with information on which to base the Distribution Scheme. This includes details of all secondary exploitation of qualifying works.

1. Objectives of the Scheme

Directors UK is committed to operating a scheme that:

- is fair and fully reflects the commercial success of a work and the individual director's creative input.
- is approved and endorsed by all interested parties including, but not limited to, agents and directors' unions.
- compensates all directors for secondary uses of their work.
- can be adapted and amended to reflect changes in the way works are used and exploited.

Points will be allocated for each element (A, B & C) as listed in Appendix 1.

2. Calculation of payments

Payment takes account of:

- the type of work ("A")
- the length of the work ("B")
- the nature of the secondary exploitation ("C")

The amount due for each use of a work is calculated according to the following formula:

$$A \times B \times C \times \text{value per point}$$

The monetary value per point will vary from year to year and will be fixed annually on the basis of:

$$\text{Amount available for distribution} \div \text{Total number of points allocated.}$$

3. Qualification

Payments apply to all Works for which the director is engaged under a freelance contract and the period of his/her engagement commences after 1st July 2001. To receive a payment under the scheme the Director must be a member of Directors UK and have signed the 'Directors UK Collection Agreement for Television Productions'.

A list of directors eligible for payment, but not registered with the organisation, is distributed to all Directors UK members receiving payment.

4. Interpretation

Distribution is based on information supplied by producers.

In cases where two or more directors are listed as having directed a work, payment due for that work is divided equally between the directors concerned unless an individual director is able to supply written documentation confirming that he/she was engaged as the principal director.

Where no director is listed in information supplied by producers and where Directors UK is unsuccessful in identifying the director, no payment will be due for the work unless a member is able to supply written documentation confirming that he/she was engaged as principal director of the work.

5. Distribution of Payments and Supplementary Distribution

Initial distribution of payments will be no later than 7 months after the end of the reporting year.

Not less than 18 months after an initial distribution and not more than 24 months after the end of a reporting year, a supplementary distribution will take place. Any money not allocated, and any money allocated to a director who has not registered with Directors UK, will be distributed in the form of a supplementary payment to all members who received payment in that distribution. Payments will be proportionate to the original payment.

eg. Payments for the reporting year 1st July 2007 to 30th June 2008.

Initial distribution - December 2008

Supplementary Payment - July 2010

6. Deductions

All payments issued by Directors UK will be subject to deduction of a management

charge levied by the organisation at a level determined by the Board of Directors of Directors UK and in consultation with the Distribution Committee. Deductions for VAT will be as advised by H M Customs & Excise.

7. Management of the Scheme

The Board of Directors of Directors UK appoints a Distribution Committee to oversee the administration of the Scheme. This Committee consists of members of Directors UK of whom not less than 2 are members of the Board. The composition of the committee will, as far as possible, reflect the range of genres in which Directors UK members work.

The Board of Directors UK will, in addition, appoint a member of the Board to Chair the Committee and be responsible for reporting back to the Board.

The Distribution Committee will meet not less than four times per year. The Committee is responsible for:

- i. Reviewing the Distribution Scheme on an annual basis and making recommendation to the Board of Directors UK as deemed necessary
- ii. Dealing with all general matters relating to the distribution of the scheme.
- iii. Making recommendation to the Board in respect of any works, or secondary use of works, which fall outside the general categorisation used in Appendix 1

8. Disputes

Any matter raised by a member of the organisation concerning the Distribution Scheme will be referred by the Board of Directors UK to the Distribution Committee for comment and recommendation. If the matter cannot be resolved with the member concerned it will be referred to the Board of Directors. Any decision reached by the Board will be final.

In the case of a dispute existing between two members of Directors UK they will, in the first instance, be advised to attempt to resolve the matter amicably themselves. The matter will only be referred to the Distribution Committee when it can be shown that this attempt at reconciliation has taken place and failed.

9. Notification Sheet

Under the terms of Clause 7 of the 'Collection Agreement for Television Production' the Directors UK member is required to complete a Notification Sheet. The member may nominate, in writing, an agent to complete notification sheets on his or her behalf. Directors UK cannot be held responsible for any failure to issue payment in respect of a work for which a Notification Sheet has not been received.

10. Issuing of payments

Payment for a work is issued to the bank account as notified by the member in writing. Subsequent payments for the work will continue to be paid to that bank account unless written instruction to the contrary is received from the director concerned.

11. Indemnity

Directors UK cannot be held responsible for non- payment in respect of works not notified by either the member or the producer.

12. Modifications to the Scheme

The Distribution Committee will undertake an annual review of the Distribution Scheme. Directors UK Members are invited to submit written comments for consideration by the Committee. The Distribution Committee will make recommendation to the Board who are ultimately responsible for approving and implementing any modifications to the Scheme.

Appendix

A. Types of Work

A. DRAMA (including Situation Comedy)

- | | |
|---|-----------|
| i Single Drama | 10 points |
| A one-off single story transmitted in one or more parts with all parts directed by the same director. This includes new series (including new situation comedy series) and serials where all parts are directed by the same director. | |
| ii Drama Series A | 8 points |
| A self-contained story, in one or more parts, within a generic series.
A serial directed by more than one director. | |
| iii Drama Series B | 6 points |
| An episode of a running generic series | |
| iv Drama Soap | 4 points |
| An episode of a soap. | |

B. DOCUMENTARY / FACTUAL / NATURAL HISTORY

- i Single documentary 10 points
One-off documentary, in one or more parts, with all parts directed by the same director.
- ii Episode in a Documentary series 8 points
Self-contained story in a documentary strand or an episode in a series.
- iii Formatted series and factual entertainment 4 points
Per episode
- iv Report/Magazine 2 points
Per episode

C. PERFORMANCE

- i The recording of a ballet, opera, stage performance, concert etc. 3 points

D. VARIETY / COMEDY / AWARDS

- i Broken Comedy 4 points
- ii Variety Show 2 points
- iii Award Shows 1 point
- iv Lifestyle Entertainment and Reality Television 2 points
Per episode

E. EDUCATION / SCHOOLS (including Open University)

- i Factual programmes 4 points
- Note: Drama productions (Covered under Drama Section)

F. GAME SHOWS

- i Per programme 1 point

G. DEBATES / CHAT SHOWS

- i Per programme 1 point

H. LIVE EVENTS

- i Per programme 1 point

I. SHORT UNDER 5 MINUTES

- i Per Programme 2 points

J. ANIMATION / CARTOON

- i One-off film 10 points
- ii Episode in a new series 8 points
(where all episodes directed by the same director)

iii Episode in an existing series 6 points

K. CHILDRENS' PROGRAMMING

i Drama

One-off single drama 10 points

Episode in a series 6 points

Episode of a soap 4 points

ii Factual / Entertainment 4 points

iii Pre-school 1 point

B. Length of work (based on broadcast time)

One point per 5 minutes of transmission time.

Up to 5 mins 1 point

5'01" – 10 mins 2 points

10' 01" – 15 mins 3 points

15'01" – 20 mins 4 points

etc.

C. Secondary Use

There will be no entitlement to payment in respect of repeat or secondary transmissions of the following categories of programme:

News

Extracts

Trailers

Promotions

Critiques

Sport

Radio programmes using the sound track from television programmes

There will be no entitlement to payment in the scheme for simultaneous transmission on more than one UK channel, on any +1 channels shown an hour later, or in another country outside the UK.

i Secondary transmissions 1 point

Secondary transmissions are all transmissions, including transmissions of omnibus editions, on any UK Main Channel (see below) which take place after 24 hours and within 28 days of the first transmission.

One payment to cover all transmissions.

This payment will also cover secondary transmissions on a subsidiary channel shown within 7 days of the original transmission.

ii Repeat Transmissions (over 28 days after first transmission)

DEFINITIONS

Peak time = programmes which start between 1830 and 2330

Day time off-peak = programmes which start between 0930 and 1829.

Night time off-peak = programmes which start between 2331 and 0929.

'Main channel' means BBC1, BBC2, ITV, Channel 4, Channel 5, S4C.

'Subsidiary channel' includes, for example, BBC3, BBC4, ITV2, ITV3 E4, More4, Sky1 etc
NB. (any channel that is wholly owned by one of the Broadcasters that we have an agreement with).

It does not include BBC World.

Payment will be made on three eligible repeat transmissions of a single programme on any one main channel per reporting year.

Network peak time on a main channel	10 points
Network daytime off-peak on a main channel	7 points
Network night-time off-peak on a main channel	1 point
Regional peak time on a main channel	1 point
Regional daytime off-peak on a main channel	0.5 point
Regional night-time off peak (any number of regions)	0.25 point
Any number of repeat transmissions on a subsidiary channel (In any one reporting year)	1 point
Any number of repeat transmissions on BBC World (In any one reporting year)	2 points

iii UK Sales

Per sale to any UK Subsidiary channel 4 points

iv Overseas Sales

a) ZONE ONE A – Major North American (to include USA & Canada)

Networks and Digital Channels 15 points

Per Sale

b) ZONE ONE B – Other North American Stations 10 Points

Per Sale

c) ZONE TWO A– Larger European Territories, Australia,

New Zealand, Japan 11 points
Per Sale

d) ZONE TWO B – Small European Territories 5 points
Per Sale

e) ZONE THREE - Rest of the World 5 points
Per Sale

f) ZONE FOUR - Multi Zone Channels 10 points
Per sale

v **Trapped Audiences** 1 point
(eg. Airlines, Oil Rigs, Prisons)
Per Sale

g) Video/DVD Sales
a) Per 10,000 copies (UK and/or overseas) 3 points

In the case of some overseas territories, Producers are only able to supply details of licences issued and not the number of copies sold. In these cases each licence issued will be allocated points at a rate of 3 points per sale.

h) DVD 'Giveaway' with a national newspaper 1 point

vii **Works commissioned by UK digital and/or satellite channels**

1 point

Where works are commissioned by UK digital channels for multiple transmissions in a fixed licence period there will be one payment to cover all transmissions during the licence period.

A further payment will become due if the licence is renewed or extended.

DISTRIBUTION OF ERA PAYMENTS

Payments received from the Educational Recording Agency for the educational recording of members' work will be added to the annual Supplementary UK Distribution. This distribution normally takes place in July.

The ERA payments to be included in the distribution will be those received in the previous calendar year.

80:10:10 split

For the December 2008 UK distribution several major changes to the points scheme were made. These were designed to reflect the changing nature of transmissions and sales of programmes and to ensure that payments continued to reflect the commercial success of a programme. These changes included increasing the points values of many of the sales zones as well as allocating payments per sale rather than for every 10 sales.

However the Distribution Committee was concerned that these changes could skew the allocation of payments, resulting in larger payment allocation for sales and smaller payments for transmissions and DVD sales. As a result the Committee decided to split the overall pot available for that year's distribution by an 80:10:10 split - 80% of the pot would be allocated to sales, 10% for transmissions and 10% for DVD sales. These percentages were calculated by analyzing the total percentages allocated per usage for previous UK distributions.

This split has been used in the subsequent UK distributions but is subject to review at any time by the Distribution Committee.