

**SOUND RECORDING LABOR AGREEMENT**  
**March 13, 2023– January 31, 2026**

[This document incorporates language from the 2023 MOU for illustrative purposes but is not official.]

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**EXHIBIT D: SIDE LETTER AGREEMENT—LOW BUDGET RECORDINGS**

This side letter agreement is entered into by and between the American Federation of Musicians of the United States and Canada (the “Federation”) and any manufacturer of phonograph recordings (the “Company”) that desires to produce phonograph recordings under the terms and conditions applicable to Low Budget Recordings, as set forth below:

**1. Scope and Term<sup>6</sup>**

Except as otherwise stated herein, the terms and conditions of this side letter agreement shall apply to all recorded products other than soundtrack albums and cast albums commenced on or after the effective date hereof made within a budget of \$99,000 or less for each full-length phonograph album produced during the period March 13, 2023 through January 31, 2026. For any project containing fewer than twelve (12) tracks, the applicable budget minimum may be prorated on a per-track basis. No track recorded under this provision may be used in any album that is not within the full Low Budget budget maximum. In computing a budget for each full-length phonograph album, the Company shall include all costs customarily considered recording costs by the recording industry in this country, including studio charges, engineering, tape, mixing costs, payments to musicians (including their travel expenses), equipment rental, and cartage, but excluding producer and artist advances, art work, travel for artists and producers and mastering costs. The Company shall provide the Federation a copy of the producer’s approved, detailed budget 72 hours in advance of producing each album under this agreement. The form of that budget shall be as used in the Company’s normal course of business or as mutually agreeable between the parties hereto. Overages shall be excusable when they are attributable directly to the incapacity of an artist or producer, unanticipated increased mixing costs or an Act of God, including illness. In all other respects, when an overage occurs and the Company exceeds the maximum permissible budget established in this paragraph, then this side letter agreement shall not apply to the services performed by musicians, and the provisions of the then existing Sound Recording Labor Agreement shall apply, including but not limited to the provisions governing payments to musicians.

*Exceptions* – With respect to a concept piece (i.e., one where the primary focus of the album, including a children’s album, is on the concept thereof as opposed to a featured artist, and the budget does not exceed \$40,000 as calculated in paragraph 1 hereof) during the applicable time period set forth in paragraph 1 above, the musicians shall be paid as follows: \$64.64 effective April 3, 2023, \$66.58 effective February 5, 2024, and \$68.58 effective February 3, 2025 per hour (2 hour minimum), plus a pension contribution (14.09% effective April 3, 2023 (*see note 7 below*)) and a health and welfare contribution of \$28.00 effective April 3, 2023, \$30.00 effective February 5, 2024 and \$30.00 effective February 3, 2025 for each original service, and of \$22.00 effective April 3, 2023, \$22.00 effective February 5, 2024 and \$25.00 effective February 3, 2025 for each additional services that day.

With respect to a choral recording (i.e., companion music for printed work whether sold together or separately) where the budget does not exceed \$99,000, effective April 3, 2023 the minimum call shall be a 3-hour call of \$214.32 (\$220.75 effective February 5, 2024, and \$227.37 effective February 3, 2025) (plus pension contribution and health and welfare contribution applicable to concept piece albums). There shall be no payments to the Sound Recording Special Payments Fund or the Recording Industries Music Performance Trust Funds with respect to choral recordings.

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<sup>6</sup> This side letter agreement shall not apply to musicians performing for symphonic orchestras

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**2. Wages and Benefits**

- a. *Scale* — The minimum scale shall be \$258.57 effective April 3, 2023, \$266.33 effective February 5, 2024, and \$274.32 effective February 3, 2025 for a 3 hour session.
- b. *Overscale, doubling, multiple parts, etc.* — All payments based on applicable scale as set forth in paragraph a. above.
- c. *Pension* — The Company shall contribute 12.81%<sup>7</sup> of scale as set forth in paragraph a above effective July 3, 2017.
- d. *Health and Welfare* — The Company will contribute to any local union health and welfare plan or directly to musicians who do not participate in any local union health and welfare plan a health and welfare contribution of \$28.00 effective April 3, 2023, \$30.00 effective February 5, 2024 and \$30.00 effective February 3, 2025 for each original service, and of \$22.00 effective April 3, 2023, \$22.00 effective February 5, 2024 and \$25.00 effective February 3, 2025 for each additional services that day.

**3. Funds**

The Company agrees to comply with the terms of the AFM Sound Recording Special Payments Fund Agreement effective March 13, 2023through January 31, 2026.

Music Performance Fund — The Company agrees to comply with the Sound Recording Trust Agreement effective March 13, 2023through January 31, 2026.

**4. Non-Secular Recordings**

With respect to non-secular (including Christmas and Easter season) recordings: (1) the use of open tracks in non-broadcast performances (live performances, church performances, revivals, etc); and (2) one (1) type of broadcast performance – a traditional worship service of a non-commercial nature-will not be deemed subject to the Sound Recording Labor Agreement without regard to the budget for the recording; provided, however, that the understanding expressed herein shall apply only to a performance in which the artist is performing primarily non-secular music, and, during the time frame of any such performance, the emphasis of that artist’s career is on non-secular music.

**5. Low Budget Experimental Provision**

For all recorded products other than soundtrack albums and cast albums commenced on or after February 1, 2006 and made within budget of \$40,000 or less, the minimum scale shall be \$51.00 per hour for a minimum 3-hour session (\$153.00). Except as provided in the foregoing sentence, all other provisions of this Low Budget Side Letter Agreement will apply. This provision is agreed to on an experimental basis only for recordings made during the period February 1, 2006 through January 12, 2012, and is eliminated thereafter.

**6. Low Budget Location Recordings**

This Side Letter Agreement – Low Budget Recordings shall apply to recordings of live performances made in locations other than traditional recording studios (e.g., Apple Store, music conferences such as SXSW), provided that the recording is made to promote an artist or recording, and that tickets to the performance are not purchased for the purpose of hearing any particular artist. A traditional

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<sup>7</sup> This rate remains a base rate of 11.75%, and is calculated as 119% of the base rate as required by the Rehabilitation Plan adopted by the Board of Trustees of the American Federation of Musicians and Employers’ Pension Fund on April 15, 2010, and updated on August 1, 2018. The increase over the base rate shall apply only to the extent required under the Rehabilitation Plan.

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recording studio does not include a performance or concert venue, a soundstage, or any other facility not designed and established as a permanent recording studio. Low Budget Location Recordings shall be subject to the terms of the current Side Letter Agreement – Low Budget Recordings except as modified herein:

- a. The maximum budget (as defined in Paragraph 1 of this Side Letter) for projects under this provision shall be \$30,000.
- b. The Company will give advance notice of such recordings when practicable.
- c. B-forms will be prepared and provided to the Federation and the applicable Local.
- d. The Company will provide unit sales and distribution platforms data to the Federation at the same time as it provides SPF reporting.
- e. The rate for Low Budget Location Recordings shall be \$99.21 (\$297.63 3-hour minimum) effective April 3, 2023, \$102.19 (\$306.56) effective February 5, 2024 and \$105.25 (\$315.76) effective February 3, 2025 per hour to each musician (except as set forth below) which shall permit release of up to 60 minutes of music and image. Each additional increment of 7.5 minutes of music and image (or fraction thereof) may be released for an additional payment of \$35.62 effective April 3, 2023, \$36.69 effective February 5, 2024 and \$37.79 effective February 3, 2025, to each musician.
- f. Any musicians not affiliated in some manner with the featured artist will receive 150% of the rates set forth in Paragraph 6.e. above.

### 7. Recordings of Certain Informal, Non-revenue Generating Performances

Recordings of informal, non-revenue generating performances where no tickets are sold for the performance (e.g., audio or video taken on the “Back of the Bus” during a tour) may be used as bonus material and for other promotional purposes at no cost. If a product is sold consisting solely of informal performance recordings, the terms of the Low Budget Location Recording shall apply and B-Forms will be prepared and provided to the Federation and applicable Local.

### 8. Miscellaneous

*Overdubs* — if two (2) or fewer musicians are performing, the services of a leader shall not be required.

*Music Preparation* — For productions covered by this side letter agreement, arrangers, orchestrators and copyists shall be paid in accordance with the rates set forth in the existing Sound Recording Labor Agreement March 13, 2023 through January 31, 2026 except that health and welfare and pension fund payments shall be in accordance with this side letter agreement. In all other respects, the provisions of this side letter agreement shall apply to employees engaged in music preparation.

### 9. Joint Federation-Industry Committee

The parties to this side letter agreement shall meet at least annually to discuss matters of mutual interest and to review the administration of this agreement. Thereafter, upon written request of any party to this side letter agreement, a meeting may be convened upon reasonable notice and scheduled to discuss issues raised by that request that are within this side letter agreement.

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**LOW BUDGET SIDE LETTER ADDENDUM —**

**RELIGIOUS SERVICE LOCATION RECORDINGS**

The Parties agree that Location Recordings of musicians performing at church (religious) services are permitted under the low budget side letter provided there is no admission charge for attending the service with the exception of a “promotional” fee which will not exceed \$10.00. The promotional fee is defined as a fee to cover the cost of printing and distributing flyers, posters, etc.

The AFM must be in receipt of the producer’s approved detailed budget for the full album Location Recording project at least 72 hours in advance of the productions and shall identify the venue and city where the taped performance is to take place. The budget shall contain all applicable costs for the location project and shall include costs for any anticipated studio overdub sessions.

Provided these conditions have been met, location recording work under this Addendum shall be paid for at the rate of one basic session for each day of recording (i.e. \$258.57 effective April 3, 2023, \$266.33 effective February 5, 2024, and \$274.32 effective February 3, 2025). During any such day, no more than the length of the church (religious) service shall be recorded. Each session payment shall permit the release of up to 15 minutes of finished product on the phonograph record. The Company shall make additional payments equal to the hourly rate of pay (i.e. \$86.19 effective April 3, 2023, \$88.78 effective February 5, 2024, and \$91.44 effective February 3, 2025) for each additional 5 minutes of recorded music released for sale. All applicable Pension Fund contribution and Health and Welfare contribution payments shall apply. All payments shall be reported on properly completed AFM B-4 Report Forms and filed with the AFM local in whose jurisdiction the location recording(s) take place and within the time limits set forth in the AFM Sound Recording Labor Agreement.

The Company shall list the musical selections recorded at a location session from the tapes delivered to the Company by the producer and shall furnish to the AFM a copy of such list.

When a recording on location is released, the Company shall notify the orchestrators, arrangers and copyists involved in the tunes released in advance of such release so that they may submit their invoices for payment.

The Company shall send to the AFM at the time of first release a copy of every album produced under this provision.

For the Company

s/ \_\_\_\_\_

For the Federation

s/ \_\_\_\_\_