

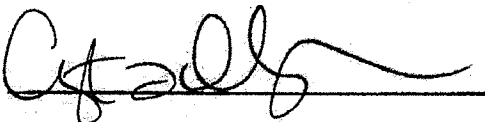
MEMORANDUM OF UNDERSTANDING BETWEEN
CMT PRODUCTIONS, INC. AND THE
AMERICAN FEDERATION OF MUSICIANS

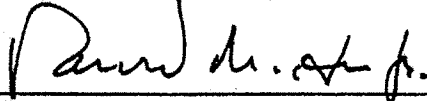
On June 11, 2015, at the culmination of the current round of collective bargaining, the parties to this Memorandum of Understanding ("MOU") reached an agreement (subject to the Federation's ratification procedure) for a successor collective bargaining agreement to the 2005-2008 Agreement by and between CMT Productions, Inc. ("Employer") and the American Federation of Musicians of the United States and Canada (the "Federation" or the "AFM"), which collective bargaining agreement was extended through January 8, 2010, by Memorandum of Agreement, effective July 8, 2008, and supplemented by a Supplemental Agreement, dated June 1, 2010 (collectively, the "Agreement").

1. By the terms of this MOU, the terms of the Agreement shall be modified as set forth below, and such modifications shall be incorporated into a successor collective bargaining agreement.
2. Except as modified, all terms of the Agreement shall be retained in the successor collective bargaining agreement.
3. The parties shall promptly take the necessary steps to draft and execute the successor collective bargaining agreement.

CMT Productions, Inc.

American Federation of Musicians of
the United States and Canada

By: 

By: 

Cynthia Mangrum
Sr. Director

Ray Hair
President

Date: July ~~Business and Legal Affairs~~

Date: July ~~2015~~

12/11/15

12/14/2015

To the extent any of the below modifications contain contract language, deletions are reflected with a ~~strikethrough~~ and additions are reflected with an underscore.

1. Term – Article 28 [now Article 29]

Three years from date of ratification.

Make necessary related changes to all date references contained in the Agreement, including necessary changes to date references in Sideletters to Agreement.

2. Wages – Article 6 [now Article 7] and Exhibits I, II and III

Basic rates in effect on July 9, 2008, shall be increased by 5% effective upon ratification; by 3% effective the date one year following ratification; and, by 3% effective the date two years following ratification. (For the avoidance of doubt, the rates contained in Exhibit I.A.6, D and E and Exhibit III.E.6 and 9 shall not be increased.)

3. Health and Welfare – Exhibit I, Paragraph E

Upon ratification, increase contribution from \$17.50 to \$28.00 per Program; increase maximum from \$87.50 to \$125.00 per week.

4. Cartage – Exhibit I, Paragraph D

Upon ratification, modify cartage fees as follows:

Harp, Electric Piano, Tympani,
~~String-Bass, Drums, Bass Saxophone~~..... \$30.00 each.

~~String-Bass, Tuba, Drums, Amplifiers,~~
~~Baritone Saxophone, Bass Saxophone,~~
Cello, Contra Bass, Clarinet, and Contra Bassoon ~~\$6.00~~12.00 each.

5. No Strike/No Lockout – Article 4 [NEW]

Insert new Article, as Article 4, which provides as follows: “The Federation agrees that it will not strike Employer and Employer agrees that it shall not lock out Musicians during the term of this Agreement; provided, however, that nothing herein shall require Musicians to refuse to cross a lawful picket line of another union.”

Re-number all subsequent Articles accordingly, including any internal references contained in the Agreement thereto.

6. Use of Live Music – Article 4 [now Article 5]

Delete first sentence of Article 5, which requires that Employer must utilize live music exclusively for all Programs produced in which any music is used.

Retitle Article heading to "Scoring," which appropriately relates to remaining, second sentence of Article 5.

7. Use of Excerpts (clips) – Article 5 [now Article 6]

a. Subparagraph F.4.(a)

Revise provision to increase length of excerpts that can be used without payment by Employer, CMT or a basic cable channel which is at least 50% owned by Viacom Inc. from 2 minutes to 2 minutes and 30 seconds in length.

Make necessary related change in Article 5, Subparagraph F.5.

b. Subparagraph G

Revise provision to increase length of "the making of" or "behind the scenes" footage that can be used without payment of additional compensation from 1 minute to 2 minutes (as exhibited).

c. Add a new subparagraph F.10 as follows:

"10. Promotional Uses

Excerpts from a covered program may be used for promotional purposes without consent or any additional payments provided that no more than 5 minutes of soundtrack excerpts (10 minutes of soundtrack excerpts for programs 90 minutes or longer) are used from any single episode or program provided that such excerpt may be used at any time before and not more than three (3) years beyond the scheduled air date, except that the three (3) year limit shall not apply to the use of such except for any musician engaged on the program as part of a house band or otherwise regularly engaged on the program. A complete production number or more than 90 seconds of any individual song may not be used. Without constituting a re-use or requiring that re-use payments be made, excerpts from programs produced under this agreement may be used in television industry award programs such as the Emmy Awards program."

8. Re-Use – Article 10 [now Article 11]

Revise re-use provision to provide for the payment of the following percentages of scale for the applicable reuse periods:

<u>Re-use Period</u>	<u>Percentage</u>
Second	<u>70</u> 60
Third	50
Fourth	<u>47.5</u> 40
Fifth	<u>42.5</u> 30
Sixth	<u>30</u> 20
Seventh	10

9. Foreign Use – Article 11 [now Article 12]

Revise foreign use provision to provide for payment of 35% of the Foreign Residuals Base.

Make necessary related changes in Article 11, Subparagraphs A and B.

10. Audition Programs – Article 12 [now Article 13], Subparagraphs A.1 and C

Revise rates of pay for audition programs and scratch tapes from 60% to 50% of the scale pay set forth in Exhibits I, II and III.

11. Use of Programs on The Internet – Article 19 [now Article 20]

Delete current language and replace with reference to new “Sideletter re Exhibition of Programs in New Media.” [See new Sideletter #5 (paragraph 8 of the 2012 MOU between ABC, CBS and NBC and the AFM).]

Revise Article heading to “Use of Programs In New Media.”

12. Delete Article 24 and replace with a new Article 25 as follows:

“1. SCOPE OF GRIEVANCES. Any disputes or controversies of any kind between any Musician(s) or the Federation and its Locals and the Employer arising out of or in connection with this Agreement (including, but not limited to, disputes concerning the meaning, interpretation, application or enforcement of the provisions set forth in this Agreement) shall be resolved exclusively through the procedure set forth in this Article.

2. STEP 1—INITIATION OF GRIEVANCES. Within 45 calendar days after the occurrence of the event that gave rise to the grievance or after the date that the aggrieved party reasonably could have learned of that event, whichever is later (but in no event later than 90 days following the occurrence of the event that gave rise to the grievance), a grievance must be submitted in writing to the Employer by the Federation on its own or on behalf of the individual Musician(s) or to the Federation by the Employer. The grievance shall be submitted on a form similar to that set forth in Exhibit A. Failure to file a grievance within the time limits specified above shall cause the grievance to be waived and shall preclude arbitration or other formal resolution of the underlying dispute.

3. STEP 2—RESOLUTION MEETING Within 15 calendar days from receipt of the grievance, a representative designated by the Federation and a representative designated by the Employer shall meet to discuss the matter and attempt to resolve the dispute informally.

4. STEP 3—WRITTEN ANSWER If the parties are unable to resolve the dispute at that meeting, the party against whom the grievance is filed shall submit a written answer to the grievance within 15 calendar days after the resolution meeting.

5. STEP 4—DEMAND FOR ARBITRATION If either party to this Agreement is not satisfied with the answer or if no answer is submitted within the time limit specified, the dissatisfied party may elect to submit the dispute to arbitration by notifying both the American Arbitration Association (“AAA”) and the other party in writing within 30 calendar days after the date the answer was due. The written demand for arbitration shall include a copy of the grievance that was filed and the answer, if any.

6. SELECTION OF ARBITRATOR At the time arbitration is invoked, the party invoking arbitration shall request that the AAA furnish the parties to the dispute a panel of nine (9) arbitrators who are members of the AAA. Arbitration shall be conducted in either Nashville or New York City. A panel of arbitrators furnished by the AAA shall be generally from the area where the arbitration is to take place. Within seven (7) working days from the receipt of the AAA panel, the parties shall select a single arbitrator from the panel utilizing, if necessary, an alternate striking process until a single arbitrator remains who shall then become the selected arbitrator. If no arbitrator on the original panel is acceptable to either party, the parties may request a second panel of arbitrators from the AAA and go through the same process within the same time limits set out above. No future panels may be requested by the parties after the second panel.

7. HEARING AND AWARD When the arbitrator has been selected, the parties shall immediately confer with him/her to determine the earliest practicable date for a hearing. Fees and expenses of the arbitrator and the proceeding itself (e.g., court reporter) shall be borne equally by the parties. The arbitrator’s award shall be rendered within 30 calendar days of the close of the hearing or 30 calendar days after submission of post-hearing briefs, where applicable. The award of the arbitrator shall constitute a final and binding resolution of the dispute with respect to all parties—the individual Musician(s), the Federation and its Locals, and the Employer. The arbitrator shall have the power and authority to issue an award that he/she may deem appropriate, but the arbitrator shall not have the power or authority to amend, add to or subtract from, or alter in any manner the provisions of this Agreement, nor shall the arbitrator have any authority or power to order injunctive relief.

8. EXTENSION Any of the time limits set forth above may be extended by mutual agreement in writing. It is further understood that if the Federation requests information relevant to the enforcement of this Agreement, the time limitations in 2 above shall be tolled until such information is provided.”

It is the express understanding of the parties that the time limitations of this new provision shall be applicable on a prospective basis only.

13. Scheduling of Rehearsal Time – Exhibit I, Subparagraphs A.1, 2 and 3

Revise rehearsal provision to permit scheduling of included rehearsal time to within 3 days (exclusive of holidays) prior to show day based on talent availability for ½-hour and 1-hour shows and within 5 days (exclusive of holidays) prior to show day based on talent availability for shows longer than 1 hour.

14. Exhibit I, Paragraph M – Cancellation of Engagements

This provision shall be applicable only upon cancellation by Employer, and not where the Royalty Artist engages and then cancels the engagement of a side Musician.

15. Exhibit I, Paragraph U – Incomplete Tracks

Modify the language to provide that the incomplete tracks may be used upon notice to the AFM and payment to the musicians on the track for such use.

16. Productions Made for New Media

Add a new sideletter #6 governing original new media production (said sideletter shall mirror the Network Productions Made for New Media contained in paragraph 9 of the 2012 MOU between ABC, CBS and NBC and the AFM).

17. Pension Fund Contribution

While the contribution rate will remain at 11.99% during the term of the Agreement, which includes the Rehabilitation Plan, it is agreed that the 11.99% will remain in effect in the event of the cessation of the Rehabilitation Plan.