

TRUST LETTER

DATED

2005

TO: Name of Company

("You")

Dear Sirs,

"NAME OF PROGRAMME(S) CONTRACT NUMBER"

We refer to our agreement to commission from you the television programme of [] minutes slot length with [] commercial breaks in accordance with the attached Running Time Schedule with the above title ("the Programme") to be delivered by [] 2005 ("the Delivery Date").

1. Cashflow

- (a) In view of the need to commence cashflow of production, we are prepared to pay you in accordance with the attached cashflow schedule before execution and completion of the written agreement recording the terms on which the Programme shall be produced and financed ("the Programme Commissioning Agreement"), all sums being hereinafter referred to as "the Advances". The Advances shall not exceed the Licence Fee.
- (b) The parties recognise that it is not possible at this time to enter into a full Programme Commissioning Agreement due to the consultations between PACT and us relating to the contracting of programming after 2nd March 2005 which shall establish our revised Commissioning Agreement for contracting for the supply of programmes from independent producers.
- (c) In consideration of our paying you the Advances, you hereby agree to hold such Advances on trust for us pending their use to meet expenses incurred by you in connection with the production of the Programme and you undertake that you will complete and deliver the Delivery Materials (as set out in the attached schedule) by the Delivery Date, time being of the essence which such Delivery Material shall comply with our Technical Requirements and the Editorial Specification at Appendix C.

2. Production Records

- (a) You will open a separate bank account into which to pay the Advances and disburse the expenses on the Programme unless otherwise agreed. If requested you agree to pay the Advances into a separate production trust account in our joint names to be used exclusively for the purposes of the Programme, using the bank mandate form approved by us and you will provide us with full particulars of the account unless you have already done so.
- (b) You will also account to us for use of the Advances by completing and delivering to us at the intervals or on the dates specified by us such cost statements supported by invoices, bank statements and vouchers as we may require.
- (c) You agree to maintain complete and accurate books, accounts and records (including receipts and invoices) relating to expenditure on the Programme. We shall have the right upon giving reasonable notice at any time and from time to

time at reasonable hours to inspect, take excerpts from, and copy the books, accounts and records and all other documents that you maintain relating to the Programme at the place where they are maintained. You agree to notify us of the address where these books are maintained in writing.

3. Laboratory Letter

If required by us you will deliver to us a Laboratory Letter and/or a Facilities House Letter in our standard form (copies of which are attached to this letter for your information) signed on behalf of you and the Laboratory and/or Facilities House.

4. Programme Commissioning Agreement

We agree to enter into a full Programme Commissioning Agreement as soon as possible, once the revised terms have been issued. We intend to issue revised terms on 1st September 2005 after consultation with PACT. The Programme Commissioning Agreement will incorporate the commercial terms agreed between us to date, which are set out on the attached Appendix A to C.

5. Rights in the Programme

- (a) We hereby acknowledge and agree that any and all rights arising in the Programme will be owned and exploited in accordance with the principles of the current Terms of Trade. We will reassign to you in the full Programme Commissioning Agreement any rights necessary to fully reflect the position agreed in the Terms of Trade.
- (b) Pending execution of a full Programme Commissioning Agreement or Delivery of the Programme (whichever is later) you hereby assign with full title guarantee to us absolutely the entire copyright and all other such rights of a similar nature in and in respect of the Programme including (without limitation) all underlying rights acquired by you in any written or other material on which the Programme is or will be based (and insofar as any such rights are not in existence as at the date of this Agreement then such assignment of rights shall operate as a present assignment of such future rights)
- (c) Pending completion of a full Programme Commissioning Agreement the ownership of all physical material and equipment which you acquire or create in connection with the Programme shall also belong absolutely to us.
- (d) You will obtain all necessary rights and consents from third parties to enable the Programme to be transmitted (which shall include no less than the Minimum Underlying Clearance Requirements specified in Appendix B) and that pending completion of a full Programme Commissioning Agreement the benefit of all agreements recording the grant of such rights and consents shall belong to us.

6. Production of the Programme

You will produce and deliver the Programme in accordance with Ofcom Guidelines and with the current guidelines for Producers commissioned by us and our editorial and policy guidelines as set out at www.channel4.com/4producers/ or as otherwise notified to you in writing by us (collectively known as "the Channel 4 Guidelines") and otherwise in accordance with our current Terms of Trade and General Terms of Agreement.

Would you please sign the duplicate copy of this letter where indicated to acknowledge your acceptance of the terms and conditions and to effect the assignment contained in

this letter. Following receipt of the duplicate copy, we will release the Advance in accordance with the agreed cashflow upon receipt of an appropriate invoice for such sum which shall include VAT if appropriate.

Yours faithfully,

Signed.....
for and on behalf of
CHANNEL FOUR TELEVISION CORPORATION

We hereby effect the assignment and acknowledge and accept the terms and conditions set out above

Signed.....
for and on behalf of
NAME OF COMPANY

APPENDIX A

AGREED FINANCIAL TERMS

1. Licence Fee:
2. Cashflow:
3. Net Receipts Split: To be agreed in accordance with the Channel 4 Published Terms of Trade.
4. Recoupment: To be agreed in accordance with the Channel 4 Published Terms of Trade.
5. Completion Guarantees:
6. Fixed Price: Yes/No

APPENDIX B

MINIMUM UNDERLYING CLEARANCE REQUIREMENTS

- I) 2 transmissions on Channel 4 fully cleared
- II) Clearable for 8 play days on the Channel 4 digital free to air side channel More4. "Play day" shall be a period of 24 hours and the Programmes may be transmitted twice during such 24 hour period provided one such transmission shall take place between 11 p.m. and 6 a.m.
- III) Contemporaneous Support Rights – Clearable.

APPENDIX C

EDITORIAL SPECIFICATION

DELIVERY REQUIREMENTS

In relation to the Programme(s) delivery shall be deemed to mean delivery to Channel 4 Programme Management or as it may direct of the following:

- (a) One Digital Betacam videotape of the Programme(s) recorded in colour fully edited and assembled main and end titled with an integral synchronised stereo soundtrack of first class quality and fit and ready for exhibition and distribution [and in addition if either provided for in the Budget or requested by Channel 4 prior to delivery (in which latter case at Channel 4's cost and expense to be treated as a Distribution Expense for the purposes of Clause 18 of the General Terms of Agreement) one Digital Betacam tape of the Programme(s) incorporating separate stereo music and effects track]. All to the standard and in accordance with the Technical Requirements attached hereto.

OR

One first class colour [16mm] [35mm] show print of the Programme(s) fully cut edited and assembled main and end titled with a separate [16mm] [35mm] magnetic [mono/ stereo] soundtrack without scratches or injury fit and ready for exhibition and distribution; and new colour [16mm] [35mm] answer print of the Programme(s) fully cut edited and assembled main and end titled with a separate [16mm] [35mm] magnetic [mono/stereo] soundtrack

One music and effects track on [16mm] [35mm] magnetic [mono/stereo] soundtrack, if either provided for in the Budget or requested by Channel 4 prior to delivery (in which latter case at Channel 4's cost and expense to be treated as a Distribution Expense for the purposes of Clause 18 of the General Terms of Agreement)

Each to the standard and in accordance with the Technical Requirements attached hereto.

The Programme(s) must be suitable for transmission during separate slot lengths as detailed in Programme Running Times. Any variations to the running time expressed in Clause 15 of Part I of the Programme Specification must have the express prior approval of Channel 4.

- (b) The original master negative, master prints and master tape (as applicable) of the Programme(s) together with two VHS copies of each Programme, **one to be sent to the Commissioning Editor at Channel 4 and the other to Programme Management at Channel 4** for use in preparing any necessary teletext sub-titles. The VHS copy to be forwarded to Programme Management at Channel 4 should carry VITC (vertical interval timecode) and BITC (burnt-in timecode) at the top of the frame, both matching the transmission tape timecode.
- (c) Laboratory/Facilities House Letter/as appropriate) in the form attached.
- (d) Channel 4's Programme As Completed Form and a completed music cue sheet submitted on Soundmouse for the Programme(s). In addition, if the Programme(s) include(s) any music specifically commissioned by the Producer from third parties for inclusion in the Programme(s) the Producer shall provide to such third party a copy of the final music cue sheet prepared for the Programme(s) in the same form as that supplied to Channel 4 in order that such third party is aware of the duration of music composed by the third party included in the final Programme(s).
- (e) (i) A typed transcript of the soundtrack of the finished Programme(s) in the form of a normal post-production release script and a copy of the transcript on 3.5" floppy disc in any common word processor format as detailed in the Technical Requirements attached hereto.
- (ii) For all Programme(s) which include any dialogue in a language other than English - an English language translation script of the Programme(s).
- (iii) For all Programme(s) where a typed transcript of the soundtrack of the finished film is not available at the time of delivery of physical materials for the Programme(s) to Channel 4 - two copies of the running order of the Programme(s) including full details of all credits. A typed transcript of the soundtrack of the finished Programme(s) in the form of a normal post-production release script must then be delivered as soon as possible thereafter.

The Producer acknowledges that script material required to be delivered to Channel 4 under this clause must be submitted marked for the attention of Channel 4's Programme Manager in the first instance. The Producer further acknowledges that the Channel 4 Business Affairs Department must be notified of the date and individual at Channel 4 for whose attention script material is submitted.

- (f) A suggested billing of between 50 and 100 words for distribution to listing magazines. If the Programme(s) is/are to be delivered to Channel 4 at any time after six weeks before the first date on which the Programme(s) is/are expected to be transmitted this billings information should be delivered to the Commissioning Editor of the Programme(s) and the Press Department of Channel 4 in advance of this six week period.
- (g) A statement of the final cost of production of the Programme(s) or if requested by Channel 4 and at its expense a certificate prepared by a firm of qualified accountants approved by Channel 4.
- (h) Copies of all so called blood chits contributors release forms principal production personnel contracts performers consents library and film clip and stills licences.
- (i) Full caption information for press and on-air promotional use of stills taken by Channel 4's approved photographer.
- (j) If requested by Channel 4 all unused takes and other film or tape (whether negative positive or magnetic) produced for or used in the process of preparing the Programme(s), whether or not actually included in the Programme(s).
- [k) If the Producer wishes to deliver on 525 line NTSC videotape, the Producer should follow the advice set out in the Channel 4 Engineering Guide to Standards Conversion from 525 line NTSC a copy of which can be obtained from Programme Management or Business Affairs.]

- (1) Where the Programme is designated as regional evidence to the effect that the Producer has complied with the Ofcom requirements for regionality.

CHANNEL 4 PROGRAMME RUNNING LENGTHS

<u>SLOT</u>	<u>RUNNING TIME</u>	<u>CENTRE BREAKS</u>
15'	11'00	0
30'	24'00 Factual	1
30'	23'45 Drama and Entertainment	1
40'	30'30	1
45'	37'30	2
60'	49'00	2 or 3
75'	63'00	3
90'	76'40	4
105'	88'00	4
120'	102'15	5
150'	Approx. 130'00 contact Presentation Planning x8576	6

* THESE RUNNING TIMES AND BREAK PATTERNS SHOULD BE SPECIFIED IN THE PROGRAMME SPECIFICATION IN THE PRODUCTION AGREEMENT. IF THEY ARE NOT OR IF THE PRODUCER IS IN ANY DOUBT THEY MUST BE CONFIRMED WITH THE COMMISSIONING EDITOR.

NOTE:

1. It is important to ascertain from the outset how many breaks a programme should carry because this affects its overall running time. If in any doubt, the Producer should contact the Commissioning Editor.
2. Educational programmes that are accompanied by 'follow up' material (eg, booklet, cassette, etc) intended for promotion immediately following transmission of the programme should allow time for this by subtracting the duration of such announcements from their Programme Running Time, (normally calculated on a 20 seconds per item basis). Announcements will then be made by Channel 4.
3. Similarly, where programmes are preceded by a generic title sequence and/or a title sequence included to reflect agreed sponsorship of the Programme(s) the length of the titles needs to be deducted from the overall Programme Running Time. If in doubt, the Producer should check with the Commissioning Editor.
4. From time to time Channel 4 may agree to changes from the above pattern, both in terms of running times and number of commercial breaks. This is particularly true of 'live' events or programmes with unusual slot duration.
5. If the programme to be delivered to Channel 4 involves the relay of live coverage which may have a direct effect on the running time, particularly if the event to be covered is itself of a 'flexible' duration, it is important that this flexibility (and the extent to which this can be approved by Channel 4) is both agreed with the Commissioning Editor and correctly reflected in either the Production or Licence Agreement.