

2019 SAG-AFTRA COMMERCIALS CONTRACT
MEMORANDUM OF AGREEMENT

Memorandum of Agreement (“MOA”) made by and between SAG-AFTRA (“SAG-AFTRA” or the “Union”) and The Joint Policy Committee, LLC (the “JPC”) on this 16th day of April, 2019. This MOA sets forth the agreed upon revisions to the 2016 Commercials Contract based upon the agreements exchanged by the JPC and the Union on April 2, 2019. Except as otherwise set forth herein, the terms and conditions set forth in the 2016 SAG-AFTRA Commercials Contract remain unchanged.

1. Amend the Preamble and any applicable subsequent sections and Exhibits, including, for example, Exhibit I, Allocation Guidelines, to change the name of the JPC from the “ANA-4A’s JOINT POLICY COMMITTEE ON BROADCAST TALENT UNION RELATIONS” to “THE JOINT POLICY COMMITTEE, LLC.”
2. Amend Article I, Section 1.A, Recognition and Coverage as follows to add stunt coordinators to list of examples of principal performers covered by the Contract:

The Union is recognized by Producer as the exclusive bargaining agent for all principal performers (including actors, narrators, announcers, singers, specialty dancers, specialty acts, puppeteers, stunt performers, **stunt coordinators**, and pilots) as described in Section 6, Persons Covered, employed by Producer for commercials, as the term “commercials” is defined in Section 4, within the scope of this Contract as provided in subsection A of Section 5, Scope of Contract.

3. Amend the term of the Contract set forth in Section 2, Effective Date and Term to reflect a three (3) year term commencing on April 1, 2019 and continuing to, and including, March 31, 2022.
4. Add the following as a new subsection G to Section 6, Principal Performers and renumber subsequent subsections accordingly:

Anyone who provides services as a stunt coordinator shall receive the applicable session fee provided hereunder and all working conditions applicable to principal performers.

5. Add the following new subsection R. to Section 6, Principal Performers to describe coverage of principal performers who perform sign language:

Any performer who signs dialogue but whose face does not appear on camera and who is using American Sign Language (ASL), International Sign Language, British Sign Language, Finger Spelling, Native American Sign Language or any other sign language recognized by the parties during the term of the Contract, under circumstances which would qualify said performer as a principal were that

performer audibly speaking the dialogue, will be considered an off camera principal performer.

6. Delete the first sentence in Section 8.C, Waiver as to Certain Non-Professional Persons to remove the sunset provision.
7. Add the following to the end of paragraph 2 (Man on the Street) and paragraph 3 (Hidden Camera Commercials) in Section 8.C, Waiver as to Certain Non-Professional Persons:

The interviewer is paid as an on camera principal if they are seen in the commercial, but may be downgraded or outgraded in accordance with Section 27, Downgrading and Outgrading.

8. Amend the last paragraph of Section 8.C, Waiver as to Certain Non-Professional Persons as follows:

As a material condition of the waiver, Producer shall notify the Union that it has applied **produced under** the waiver and **shall** provide ~~the Union with, upon request,~~ an electronic or physical copy of the commercial(s) ~~within 60 days of the first exhibition of the commercial to the Union.~~

9. Add the following paragraphs to the end of Section 8.D, Waiver as to Certain Non-Professional Persons after the EXAMPLE:

The Union will consider requests from JPC authorizers for a waiver of this Contract in the event of a hardship (e.g., potential loss of advertiser business by an authorizer agency).

The Union shall notify the JPC when waivers are granted under this Section 8.D.

10. Add the following new subsection J to Section 14, Policy of Nondiscrimination and Affirmative Action/Diversity:

The Union and Producer (the “Parties”) agree that everyone should be able to work without fear of harassment or violence. The Parties further agree to work cooperatively with each other so that the principles of this Section 14.J are honored.

- a) Producer is committed to maintaining a working environment that is free from unlawful harassment or violence. In addition, Producer is committed to protecting employees from retaliation for making claims of harassment. To that end, Producer and employees shall comply with all applicable obligations pursuant to such laws and regulations and Producer’s applicable policies.

- b) When an employee believes that this Section 14.J. has been breached, such employee should immediately inform Producer or its designated representative. Should the employee request the assistance of the Union, the Union will refer the complainant to Producer's applicable policies and encourage the complainant to notify Producer. When authorized by the complainant, the Union representative shall immediately make the complaint known to a designated representative of Producer.
- c) Producer shall investigate the complaint promptly in accordance with its policies. The Parties agree that all employees potentially involved in such claim will cooperate fully in the investigation by Producer. Upon conclusion of the investigation, Producer will take appropriate action if warranted.
- d) The Parties acknowledge the sensitive nature of these types of complaints and shall make reasonable efforts to maintain confidentiality as appropriate.
- e) Unlawful retaliation or reprisals against any employee who, in good faith, raises a bona fide complaint or participates in an investigation pursuant to this Section 14 will not be tolerated.
- f) The matters covered in this Section 14.J are not subject to the provisions of Section 58, Arbitration. Producer and any employee are permitted to negotiate that any matters covered in this Section 14 may be subject to arbitration pursuant to a personal services agreement to the extent permitted by law.

See Schedule A, Section I.I, Casting and Auditions and Schedule D, Section III, 17, Interviews.

11. Add the following new subsection K to Section 14, Policy of Nondiscrimination and Affirmative Action/Diversity:

The Union recognizes the Association of National Advertiser's #SeeHer initiative, and the JPC and the Union shall work cooperatively during the Term regarding joint events and other opportunities.

12. Add the following as a second paragraph to Section 17.A, Restrictions on Use of Commercials; Additional Services:

In addition to the foregoing, with respect to social media and YouTube:

1. **Social Media.** If a commercial appears on a social media site after the expiration of the MPU but is not relevant to any current campaign and

remains in the feed tied to its original posting date, no further payment shall be required provided that Producer complies with the Union's request, if made, to remove the commercial from the social media site.

2. YouTube. Provided that the below conditions are met and with the understanding that the following is a minimum term that individual performers may bargain over and above, as with every other minimum term of the Contract, liability for the exhibition of a commercial on an advertiser's and/or agency's YouTube channel(s) in violation of Section 17 after the expiration of the MPU (an "Unauthorized Use") shall be fixed at double scale calculated based on the duration of the Unauthorized Use, but not to exceed two (2) years, and applying the move over or made for (as applicable) Internet rate in effect at the time of any payment made under this provision:

- a) The Unauthorized Use occurred only on the advertiser's and/or agency's YouTube channel(s) and did not include any paid exhibition on YouTube nor was the commercial otherwise in use in any other media (unless such use was properly authorized and paid);
- b) The advertiser and/or agency, as applicable, was not linking to the commercial, embedding it on another website, or otherwise promoting it during the period of Unauthorized Use;
- c) The commercial is removed upon discovery but not later than fifteen (15) business days following written notice (including by email with delivery confirmation) of such Unauthorized Use by any performer appearing in the commercial, his or her representative, or the Union;
- d) The Union is notified and every principal in the commercial is paid not less than the amounts described herein; and
- e) In the event that Unauthorized Use by the advertiser or agency continues or recurs after notice, the parties agree that each principal in the commercial shall have the option to seek redress either through the Section 58, Arbitration, or through litigation in a court of appropriate jurisdiction, including by asserting claims for violation of right of publicity laws.

13. Amend Section 17.A, Restrictions on the Use of Commercials; Additional Services to Amend the last sentence of Section 17.A as follows:

Producer shall have the right to use the name and likeness of the principal performer and his/her acts, poses and appearances in such commercials for the purpose of publicizing the business of Producer in ~~trade~~ publications (including digital ~~trade~~ publications), award shows, case studies, **soft news** and in reels (provided such reels are not rented, sold, or utilized as giveaways) and for historical/archival use.

14. Amend last sentence in paragraph 4 of Section 18, Public Service Announcements/ Government Agency Messages as follows:

Should the public service announcement or government agency message be utilized on purchased time, the waiver is not revoked, but ~~the waiver of additional compensation for the use of such messages will be revoked and~~ full use and reuse fees must be paid to the performer(s) for such use on purchased time in accordance with the applicable provisions of the Contract beginning with the first use on purchased media time, subject to Section 30, Maximum Period of Use of Commercials.

15. Revise the first sentence of paragraph 4 of Section 18, Public Service Announcements/ Government Agency Messages as follows:

In seeking a waiver under this Section, Producer **(except for the Ad Council and The Partnership for Drug-Free Kids which shall not require Union consent)** shall obtain the consent of the Union before seeking the consent of the principal performer.

16. Amend the On-Camera Groups in Section 19.B.2 (Rates), Test Market and "Non-Air" Commercials as follows:

On-Camera

All principal performers except Group Performers

Group Dancers 3+

Group Singers/~~Dancers~~/Speakers 3 to 5

Group Singers/Speakers 6 to 8

~~Group Dancers 6+~~

Group Singers/Speakers 9 or more

17. Amend the On-Camera Groups in Section 20.A.1, On-Camera (All Principal Performers) as follows:

On-Camera

All principal performers except Group Performers (Solos and Duos are included as principal performers)

Group Dancers 3+

Group Singers/~~Dancers~~/Speakers 3 to 5
Group Singers/Speakers 6 to 8
~~Group Dancers 6+~~
Group Singers/Speakers 9 or more

18. Amend Section 20, Minimum Compensation: Fees Per Commercial; Session Fees to reflect that except as otherwise provided herein (including, specifically, the specified rates in the ACS and Audio ACS (hereinafter defined), effective April 1, 2019, all contract rates for principal performers and extra performers shall increase by six percent (6%).

19. Amend the first paragraph in Section 23, Contractors as follows:

A contractor shall be employed when singers in a group of 3 or more are to be employed. The contractor shall be a member of such group except in those cases where the **age or** sex of the group precludes the utilization of the contractor's singing services.

20. Amend Section 26.A, Shorter/Longer Versions as follows to reflect a third additional shorter and/or longer version at the rate of one additional session fee:

Producer may edit a commercial to make up to 23 additional shorter and/or longer versions of the same commercial, neither of which may be the same length as the original commercial. For clarification, the 23 versions created under this subsection A may be the same length as each other. For example, Producer may create 23 thirty second versions of an original sixty second commercial. Producer shall pay a session fee to each principal performer appearing in **the second and third additional versions created** ~~the second additional version~~. Producer may record a sound track to fit such additional version(s), provided that the sound track for such version(s) must be the same except for such changes as are required for timing and synchronization. Principal performers shall be paid an additional session fee for recording such additional sound track, which fee may not be credited against use fees.

21. Amend Section 26.C.4 as follows to remove the restriction against using different versions in different markets:

Notwithstanding any other provision of this Section 26, changes may be made in the introduction, body or ending of a commercial made for a designated advertiser only to reflect a different package of the same product sold under the same brand name, ~~but different versions so created may not be used in the same market area~~. Separate session fees shall be payable to on- and off-camera principal performers employed to render services in making such package changes; but for the purpose of use fees such commercial, including the package change, shall be considered as one commercial. It

is the intention of this paragraph to permit changes to reflect the change in packaging only and not to permit any other change in the commercial message.

22. Amend Section 26.K.2(e) to extend the promotional limitation for special offers and promotions from 2 weeks to 6 weeks.

23. Amend Section 30.D, Maximum Period Of Use of Commercials as follows:

- D. The **right to use a commercial ceases upon expiration of the maximum period of use. In order to obtain continued usage rights, Producer must negotiate with the performer and obtain the performer's consent. If Producer is unable to find the performer after good faith efforts it shall notify the Union, and if the Union is unable to find the performer within thirty (30) days, Producer may renew the use of the commercial at the rate paid to the performer during the prior maximum period of use.** ~~period of time during which a commercial may be used, specified in subsection A hereof, shall deemed to be automatically renewed for an equivalent period of time unless any principal performer employed in such commercial shall, not more than 120 days and not less than 60 days prior to the expiration of such period of time, give written notice by mail or email to the Broadcast Business Affairs Department of the advertising agency named in his/her employment contract or in the Production Report filed by Producer with the Union of such principal performer's election not to grant such right of renewed use. The employment contract and production report shall reflect both a physical address and an email address where such notices may be directed. If notice is provided by email, that email must request a read receipt from the recipient. If no advertising agency is named, the notice may be given to the advertiser named in the employment contract or in the Production Report. Copies of the notice shall be sent to the Union electronically to an address designated by the Union. However, whether or not the notice was sent to the Union shall not be deemed conclusive evidence of whether the notice was sent in compliance with this Contract. Upon request, the Union will provide a copy of the notice to Producer, talent agent or performer within 15 working days.~~

24. Amend Section 30.E, Maximum Period Of Use of Commercials as follows:

- E. No commercial shall be ~~automatically~~ renewed for an additional period of use if any default or delinquency exists in the payment of use fees.

25. Add the following new subsection G to Section 33, Wild Spots – Compensation for Use, and delete the Unwired Network Waiver in subsection D of Section 34, Program Commercials – Compensation for Use:

Section 33.G. Alternative Fee Computation for Unwired Network Use

If a commercial is airing on local, non-interconnected broadcast stations exclusively through one of the following Unwired Networks (defined below), Producer may elect to pay under this provision as an alternative to the Wild Spot fee: ITN, Active International, Continuum Media, RevShare, ICON International, Cadent. “Unwired Networks” acquire and repackage local broadcast station inventory from around the country to resell to advertisers as national inventory by guaranteeing the advertiser a minimum national audience per “unwired unit” purchased by the advertiser. Unwired Networks may only be added to this list if they satisfy the Union that they meet both of the following conditions:

- The entity purchases non-prime time commercial inventory from local stations in multiple markets and resells that inventory to national advertisers as a packaged national buy.
- The entity, nor any parent company, does not own any of the stations involved in the transaction.

If this alternative Unwired Network use fee is utilized by Producer, it must be paid on a 13-week cycle. Compensation for use on Unwired Networks shall be for unlimited use within the cycle of 13 consecutive weeks.

Rates:

Principal On-Camera: **\$807** (plus negotiated base increase to minimums)

Principal Off-Camera: **\$605** (plus negotiated base increase to minimums)

Group Performers (respective multiples of above)

26. Amend Section 36.A, Internet Use of Commercial Made Originally for Use on Television and/or New Media (“Move Overs”) as follows to clarify that Over-the-Top is included in Internet use:

Producer shall have the right to use a commercial made initially for television or New Media on the Internet **(which shall include Over-the-Top (OTT) use including, for example, Hulu)** unless, at the time of engagement, the performer withholds consent by checking the box provided for this purpose on the front of the Standard Employment Contract.

27. Amend Section 36.B.1 and B.2, Commercials Made for Initial Use on the Internet (“Made Fors”) as follows to clarify that over-the-top is included in Internet use:

1. Compensation

Performers shall be compensated at not less than the minimum rates for session set forth in Section 20 and not less than the minimum use rates set forth below. Session fee may be credited against Internet use **(which shall include Over-the-Top**

(OTT) use if such use occurs within 13 weeks of the initial session date.

- a. 4-Week Cycles of Use – not less than 125% of the applicable session fee
- b. 8-Week Cycle of Use – not less than 150% of the applicable session fee
- c. 1-Year Cycle of Use – not less than 375% of the applicable session fee

2. Cycles of Internet Use

Upon conclusion of either the initial 4-week cycle, 8-week cycle of use or the initial 1-year cycle of Internet **(which shall include Over-the-Top (OTT) use)**, Producer may use the commercial for additional consecutive 4-week, 8-week or 1-year cycles of use for the remainder of the maximum period of use for the same rates set forth in Section 36.B.1. Notwithstanding the foregoing, Producer may use the commercial for additional nonconsecutive 4-week, 8-week or 1-year cycles of use for the remainder of the maximum period of use, provided and for so long as Producer is paying holding fees as per Section 31 to all principal performers in the commercial.

- 28. Change the title of the Social Media Waiver in Section 36.B.10 and Section 37.B.10 to the “Experimental Social Media and YouTube Waiver.”
- 29. Delete Section 36.C and 37.C, as future studies are reflected in Section 65, as amended herein.
- 30. Amend Section 47, Contributions to Pension and Health Plans to reflect an increase to the contribution rates to (i) IACF by 0.25%, and (ii) the SAG-Producers Pension Plan, and the AFTRA-Producers Retirement Fund (collectively) by 0.75%, for a total contribution rate of 19%. JPC authorizers will receive a 0.5% waiver of the pension increase (for a total contribution of 18.5%), which waiver shall sunset on March 31, 2022. Subsection A of Section 47 will read as follows:
 - A. Producer and advertising agencies signatory to Letters of Adherence, shall become parties to the “Screen Actors Guild-Producers Pension Plan,” and the ~~“SAG-AFTRA Screen Actors Guild Producers Health Plan for Motion Picture Actors”~~ (collectively, the “Plans”) and to the “Industry Advancement and Cooperative Fund” (“IACF”), and to any successor of any of those entities. Producers shall contribute an amount equal to ~~18~~**19**% of all gross compensation (as herein defined) paid to principal performers (including deceased performers) with respect to commercials produced on and after April 1, ~~2016~~**2019**. Such contribution shall be allocated as follows: ~~0.50~~**0.75**% to the IACF **(0.25% of such amount shall be earmarked to help fund the membership assistance programs of the SAG-AFTRA Foundation and the SAG-AFTRA Motion Picture Players Welfare Fund)** and ~~17.25~~**18**% to the Pension and Health Plans and 0.25% to the Administrative Maintenance Fund (defined below). Of such ~~17.25~~**18**% **(17.5% for JPC authorizers during the Term)**, X% will be allocated to the Pension Plan and X% to the Health Plan. The allocation of the ~~17.25~~**18**%

(17.5% for JPC authorizers during the Term) between the Health Plan and the Pension Plan may be changed at any time during the term hereof by those who have been appointed to the Boards of Trustees of said Plans, acting as agents for the signatories of this Agreement Contract and not as fiduciaries of the Plans based on actuarial studies.

Effective January 1, 2012, no Producer shall be obligated to make Pension & Health contributions on behalf of any individual performer on gross compensation in excess of \$1,000,000 for covered services in a contract year where all such compensation has been paid on the basis of a single contract with a single Producer. The \$1,000,000 cap shall be calculated after the application of the initial allocation guideline for covered and non-covered services as specified in Exhibit I and prior to any applicable 80%/20% or 90%/10% split between the SAG-Producers Pension Plan and AFTRA-Producers Retirement Fund.

For the avoidance of doubt, the contribution rate in effect under this Contract at the start of a multi-service contract (defined to be either the effective date, the date of first services or the date of performer payment, whichever is first) is the rate that remains in effect unless and until the multi-service contract is amended or an option is exercised.

31. Add the following sentence at the end of subsection C in Section 47, Contributions to Pension and Health Plans:

For the avoidance of doubt, charitable contributions made directly to a charity by a Producer are not included in "gross compensation".

32. Revise Section 56.D, Transfer of Rights as follows:

Notwithstanding the foregoing, in the event that an advertiser or agency becomes signatory to the Contract, or in the event that a non-signatory advertiser transfers all or a portion of its business from a non-signatory agency to a signatory agency, the Union shall waive the application of this Contract to commercials and/or soundtracks (e.g., "jingles," mnemonic, and "stings") that identify or are identified with the advertiser that were produced prior to becoming a signatory or prior to transferring business to a signatory agency on the following condition: The advertiser, or its agency, shall provide to the Union a list of all such commercials and/or soundtracks (substantially in the form provided below) within 60 days of the advertiser or agency becoming signatory or transferring business to a signatory agency. The Contract will fully apply to such commercials, however, if they are edited or modified other than as permitted by Section 26, Editing of Commercials or to such soundtracks if they are re-recorded within

the Scope of this Contract, subsequent to the advertiser or agency becoming signatory or transferring business to a signatory agency.

33. Amend Section 58.H, Arbitration, to add a 4-year statute of limitations for claims other than session related claims. The statute of limitations shall begin to run on the date when the performer knew or should have known that a claim existed.
34. Amend Section 58.I, Arbitration to replace “Douglas J. Wood” with “Stacy K. Marcus”.
35. Amend Section 65, Alternate Method of Compensation to address additional studies conducted jointly by the Union and the JPC to occur during the Term regarding an evaluation of the ACS (defined below) and additional changes that may be necessary to successor versions of this Contract to reflect industry and technological changes.
36. Amend Section 69, Title as follows:

This Contract shall be known as the **2019** SAG-AFTRA ~~2016~~-COMMERCIALS CONTRACT.

37. Add the following to Schedule A, Section I.1, Casting and Auditions, along with a reference to Section 14, Policy of Non-Discrimination and Affirmative Action/Diversity:

Producer shall ensure that no auditions, fittings or meetings are conducted in private hotel rooms or residences where the performer is alone with representatives of production. If there is no reasonable alternative forum for such a meeting, performers shall be entitled to attend the meeting with a second individual of their choosing who shall be allowed to maintain physical access to the performer at all times during the meeting.

38. Amend subsection 9 in Schedule A, Section X, Travel Time as follows:

Reasonable lodging must be provided on overnight locations. **Business class** ~~First-class~~-transportation, where more than one class is available, must be provided. So-called “commuter service”, confined to a distance of 500 miles, such as New York to Washington, D.C., shall be deemed ~~first-class~~ **business class** transportation.

For air travel of 1,000 or more air miles, ~~first~~**business**-class transportation shall be provided. **However, if business-class transportation is not available, first-class transportation shall be provided.**

39. Amend subsection 5(h) in Schedule A, Section AA, Employment of Minors as follows:

Any principal performer under the age of ~~17~~**18** shall have the right to be accompanied by a parent or guardian at all times.

40. Add the following as subsection 1 in Schedule D, Section 17.G, Interviews and renumber subsequent subsections accordingly:

Producer shall ensure that no auditions, fittings or meetings are conducted in private hotel rooms or residences where the performer is alone with representatives of production. If there is no reasonable alternative forum for such a meeting, performers shall be entitled to attend the meeting with a second individual of their choosing who shall be allowed to maintain physical access to the performer at all times during the meeting.

41. Amend subsection 5(h) in Schedule D, Section 17.R, Employment of Minors as follows:

Any extra performer under the age of ~~17~~**18** shall have the right to be accompanied by a parent or guardian at all times.

42. Amend subsection G of Exhibit I, Allocation Guidelines as follows:

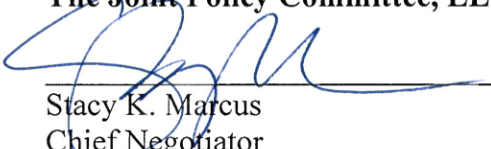
Where contracts under paragraph A. (Guideline A) hereof include services covered by both the SAG-AFTRA Commercials Contract and the SAG-AFTRA Radio**Audio** Commercials Contract, allocations for covered services may be split 80% to services covered by the SAG-AFTRA Commercials Contract and 20% to services covered by the SAG-AFTRA Radio**Audio** Commercials Contract. Where contracts include non-covered services and services covered by both the SAG-AFTRA Commercials Contract and SAG-AFTRA Radio**Audio** Commercials Contract, allocations for covered services may be split 90% to services covered by the SAG-AFTRA Commercials Contract and 10% to services covered by the SAG-AFTRA Radio**Audio** Commercials Contract. This provision is not intended to reduce the allocation to covered services (e.g., to less than 50% as specified under paragraph B. (Guideline B)). **For example, (e.g., a contract with covered services under the SAG-AFTRA Commercials Contract and the SAG-AFTRA Radio**Audio** Commercials Contract would result in a guideline allocation of 45% for services under the SAG-AFTRA Commercials Contract and 5% for services under the SAG-AFTRA Radio**Audio** Commercials Contract for a total 50% allocation). By way of clarification, for a multi-service contract covered by this Exhibit I, contributions for “b-roll/behind the scenes” captured in connection with a commercial produced under the SAG-AFTRA Commercials Contract are payable to the SAG-Producers Pension Plan. Unless there is a right to audio production, no 90%/10% or 80%/20% split between the SAG-Producers Pension Plan and AFTRA-Producers Retirement Fund is required.**

43. Amend Sideletter #9 – Experimental Social Media Waiver as set forth on Appendix A, attached hereto.

44. Add the Alternate Compensation Structure attached hereto as Appendix B as Sideletter #10.

Except as modified herein, the terms and conditions set forth in the 2016 SAG-AFTRA Commercials Contract remain unchanged.

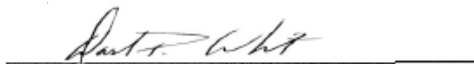
The Joint Policy Committee, LLC



Stacy K. Marcus
Chief Negotiator

Date: 4/16/19

SAG-AFTRA



David White
National Executive Director

Date: 4/16/19

APPENDIX A
EXPERIMENTAL SOCIAL MEDIA AND YOUTUBE WAIVER



April 1, 2019

Ms. Stacy Marcus
Joint Policy Committee, LLC
c/o Reed Smith
599 Lexington Avenue, 29th Floor
New York, NY 10022

RE: Experimental Social Media and YouTube Waiver

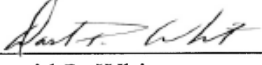
Dear Ms. Marcus:

Notwithstanding anything to the contrary contained in this Contract, the following terms and conditions shall apply to Internet and/or New Media commercials produced for use on social media platforms (including, but not limited to, Facebook, Instagram, Snapchat, ~~Vine~~, **TikTok**, Tumblr, Twitter, and LinkedIn) and YouTube:

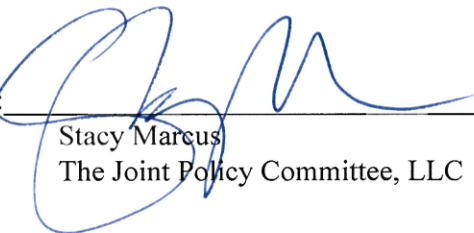
1. Producer may film and record multiple commercials for the same product, service or advertiser in a single session for a single session fee that may not be credited.
2. Each commercial shall have 30-day use cycles and a one-year maximum period of use.
3. The fee per commercial for each 30-day cycle on social media platforms shall be 15% of a session fee.
4. **The fee per commercial for each 30-day cycle on YouTube shall be 15% of a session fee, either separately or in addition to social media payment set forth in paragraph 3 above.**
5. Producer shall not obtain any exclusivity from principal performers and no holding fees shall be due to principal performers.
6. Section 26, Editing of Commercials, Section 36.A.2. and Section 37.A.2. shall not apply to commercials produced pursuant to his waiver.
7. This waiver shall sunset on March 31, **2022**.

Very truly yours,

SAG-AFTRA, INC.

By: 
David P. White
National Executive Director

ACCEPTED and AGREED

By: 
Stacy Marcus
The Joint Policy Committee, LLC

APPENDIX B
ALTERNATE COMPENSATION STRUCTURE

The Alternate Compensation Structure (“ACS”) shall only be available to signatory advertisers and signatory advertising agencies. For each commercial, Producer shall have the option to apply either the main Contract or one of the three alternate compensation structures described below. The alternate compensation structures described below shall sunset on March 31, 2022.

This election must be made for each commercial and will apply to the entire cast of the commercial for the maximum period of use of that commercial, after which the initial election shall cease to be binding. In the event that a commercial is edited in a manner that creates a new commercial(s), the compensation structure selected for the original commercial shall also apply to the new commercial(s) that has been created.

As to each alternative, the main Contract shall apply except as otherwise provided. For clarity, Section 10, Intended Use of the main Contract shall apply to all of the alternative options described below.

“Full Bundle” (Upfront +) Option

1. Session: Session fees shall be paid per the main Contract, but not credited against use.
2. Use:
 - a. Producer shall pay every on-camera principal who appears in the commercial \$20,000 for one (1) year of use measured from the earlier of first use or thirteen (13) weeks following the first production day. Off-camera principals in the commercial shall be paid \$15,000 (75% of \$20,000). Other use fees shall be as described in the attached rate sheet. The use fee shall be due within sixty (60) calendar days of the first production day.
 - b. The “Full Bundle” includes up to ten (10) Class A airings and all other use types. Additional Class A use may be purchased for \$100 per on-camera principal per use with no declining scale, no reset of units and no discounts for guarantees or length.
3. MPU: The maximum period of use shall be one year from the earlier of first use or thirteen (13) weeks following the first production day, after which the parties may bargain for further use subject to Section 30, Maximum Period of Use.
4. Exclusivity: Section 16, Exclusivity shall apply except that the first non-competitive product shall require payment of an additional 25% of all compensation, the second non-competitive product shall require payment of 15% of all compensation and the third non-

competitive product shall require payment of 10% of all compensation. For all non-competitive products beyond three (3), Section 16 shall apply without modification.

5. Editing: In lieu of Section 26, Editing of Commercials, Producer's rights and obligations with respect to editing the commercial shall be as described in Exhibit A.

“Made For Digital” (Digital Upfront) Option

1. Session: Session fees shall be paid per the main Contract, but not credited against use.
2. Use:
 - a. For made for digital commercials, the Producer shall pay every on-camera principal who appears in the commercial \$3,825 for one (1) year of use measured from the earlier of first use or thirteen (13) weeks following the first production day. Off-camera principals in the commercial shall be paid \$2,868 (75% of \$3,825). Other use fees shall be as described in the attached rate sheet. The use fee shall be due within sixty (60) calendar days of the first production day.
 - b. The “Digital Bundle” includes the right to use the commercial on the Internet, in New Media, and on Over-the-Top (OTT) platforms. For Foreign and Industrial use, the payment shall be 60% of the scale rates in the agreement. Consent of any principal performer in the commercial is required prior to any television use.
3. MPU: The maximum period of use shall be one year from the earlier of first use or thirteen (13) weeks following the first production day, after which the parties may bargain for further use subject to Section 30, Maximum Period of Use.
4. Exclusivity: There is no exclusivity under the Made For Digital Bundle. In the event Producer desires to obtain exclusivity from a principal performer for the MPU, Producer shall obtain the consent of that performer and shall pay performer 4 session fees.
5. Editing: Producer may freely bargain for edits as provided for in the main Contract, or, upon payment of one (1) session fee to each principal performer appearing in the commercial, edit the commercial as described in Exhibit A.

“A la Carte” (Upfront Flex) Option

1. Session: Session fees shall be paid per the main Contract, but not credited against use.

2. Use:

- a. Guarantee: Producer shall guarantee every on-camera principal appearing in the commercial not less than \$8,000 for one (1) year of use measured from the earlier of first use or thirteen (13) weeks following the first production day. Off-camera principals in the commercial shall be guaranteed \$6,000 (75% of \$8,000). Other guarantee amounts shall be as described in the attached rate sheet. The guarantee shall be due within sixty (60) calendar days of the first production day.
- b. Producer shall credit all use against the guarantee at the rates set forth below until the guarantee is exhausted, at which point the amounts set forth below shall be paid to the performer in addition to the guarantee.
- c. Each 13-week cycle of use shall be paid (or credited against the guarantee) as set forth below for each use type:
 - i. All Cable and Local Cable - \$3,400
 - ii. All Wild Spot and Local Cable - \$2,000
 - iii. All Digital (Internet, New Media, and Over-the-Top (OTT) platforms, including, but not limited to, Hulu) - \$1,300
 - iv. All Spanish Language - \$2,000
 - v. All Other Domestic Use (including Industrial, Dealer, ITN, Diginets, Class B and Class C) - \$1,000
- d. Class A uses may be credited or purchased for \$100 per on-camera principal per use with no declining scale, no reset of units and no discount for guarantees or length.
- e. Foreign use may be purchased for sixty percent (60%) of the fee(s) in Section 42, Foreign Use of Commercials (e.g., to purchase foreign use for the one (1) year Maximum Period of Use for the United Kingdom, Producer shall pay an amount not less than 60% of 3 session fees, or 1.8 session fees). In the case of Spanish Language Commercials, foreign use may be purchased for sixty percent (60%) of the fee(s) in Schedule C, Section 3 of the main Contract.

3. MPU: The maximum period of use shall be one year from the earlier of first use or thirteen (13) weeks following the first production day, after which the parties may bargain for further use subject to Section 30, Maximum Period of Use.
4. Exclusivity: Section 16, Exclusivity shall apply except that the first non-competitive product shall require payment of an additional 25% of all compensation, the second non-competitive product shall require payment of 15% of all compensation and the third non-competitive product shall require payment of 10% of all compensation. For all non-competitive products beyond three, Section 16 shall apply without modification (*e.g.*, for a commercial holding one (1) non-competitive product used in “All Cable”, the guarantee is still \$8,000, but 1.25 x \$3,400 shall be applied against the \$8,000 guarantee. In addition the session would be paid at 125%, presently \$890).
5. Editing: In lieu of Section 26, the Producer’s rights and obligations with respect to editing the commercial shall be as described in Exhibit A.
6. Reporting: Any payment made to performers under this a la carte option must be accompanied by reporting (“check stub”) showing the cumulative use and payments to the date of the check and the remaining balance, if any, of the guarantee. A zero check with the aforementioned reporting shall be provided in the event no payments are made within the first twenty-six (26) weeks of the maximum period of use and/or as necessary to show the final report of use and payments.

EXHIBIT A TO APPENDIX B
EDITING RULES FOR THE ALTERNATE COMPENSATION STRUCTURE

1. A “**commercial**” shall be defined as set forth in the main Contract. An “**edit**” refers to any change to the visual or aural elements of a commercial. The term “edit” may also be used for convenience to refer to a commercial that has been changed from the original. Except as provided in Section 4(c) below (“**Addressable Edits**”), commercials that are separately scripted or storyboarded shall be tracked and paid as separate commercials as required under Section 20.G in the main Contract (Alternate Scenes & Lines).
2. No edit may be made to a commercial that goes beyond the performer’s agreed-upon exclusivity unless the performer was notified at the time of engagement that such edit would be made or the Producer otherwise obtains the performer’s consent for such edit. In the event the foregoing sentence is violated, the Producer shall indemnify performer against any liability resulting from the edit.
3. Section 20.F., Joint Promotions, shall continue to apply. The parties agree that the Joint Promotion language only applies where the second advertiser contributes financially or otherwise (beyond granting clearance for use of product or logo) to Producer or when the second product is included as a giveaway or other promotion.
4. There are three (3) types of edits under the Alternate Compensation Structure that do not create a new commercial: a) **Permitted Edits**; b) **Paid Edits**; and c) **Addressable Edits**. All such edits may run in the same market at the same time and will be considered one commercial for use purposes. All other edits to a commercial (“**Unpermitted Edits**”) result in a new commercial for use purposes.
 - a. **Permitted Edits**: No additional payments are due to any performers in the commercial other than any performer(s) engaged to render services in connection with the Permitted Edit.
 - i. Longer and Shorter Versions: Producer may edit a commercial to create the following lengths of a commercial without triggering any additional payment obligation: 60 seconds; 30 seconds; 15 seconds; 8 (or 7) seconds and 6 seconds. No more than two (2) of each length may be made, but Producer may not make more than five (5) longer and/or shorter versions without triggering a new commercial. Each shorter or longer version must use only footage from the same production provided that such footage relates to the same script or storyboard and does not create an Unpermitted Edit of the longest version produced. It is understood that this provision

does not authorize the creation of “wild footage” as that term is understood in the Industry.

E.g., a :30 commercial for beer is created to show a pool party featuring only a portion of the cast. Later, a :60 is finished that features the entire cast. The :60 is a Permitted Edit of the :30.

- ii. Legal/Network Requirement, Dealer Identification and Tag Changes: The fees payable to performers rendering such changes shall be as set forth in Section 26.E of the main Contract.

E.g., a commercial for a new flavor of dog food is created. Later, the commercial is edited to remove the reference to “new.” This is a Permitted Edit.

E.g., a commercial for Kotex is made to promote tampons for the active woman. The end tag is later changed to feature maxi pads for the active woman. This is a Permitted Edit because only the tag changes.

E.g., a commercial featuring a man in the forest chopping wood and tossing it into the back of his pickup truck has an end tag encouraging consumers to purchase the new Ford F-150 pickup truck. The end tag is changed to replace the F-150 pickup with a Ford F-250 pickup. This is a Permitted Edit because only the tag changes.

- iii. Rearrangement of On-Camera Material

E.g., a commercial for Secret Deodorant features scenes of women playing tennis, basketball, and running a marathon. For the East Coast, the scene order is changed to running a marathon, tennis, and basketball. This is a Permitted Edit.

- iv. Changes to the Off Camera Message

E.g., end tag describes Kim’s Sassy BBQ Sauce as “hot and spicy” for the West Coast and “tangy” for the Midwest. This is a Permitted Edit.

- v. Foreign Language Voiceovers

E.g., French VO for France is substituted for English VO for the US market and the script remains the same (minimal deviations allowed in consideration of language differences). These are Permitted Edits.

vi. Special Offers and Promotions

E.g., a commercial for Wendy's advertising breakfast menu deals changes the special offer at the end from 2-for-1 sausage biscuit to a sausage and egg burrito. This is a Permitted Edit

- b. **Paid Edit:** Any change to a commercial described below shall constitute a Paid Edit. All principals in the commercial as edited shall receive the following Paid Edit fee(s) based on the session fee for on-camera or off-camera, as applicable. Edit fee(s) shall not be credited against any other payment due under the ACS (but may be credited against the A La Carte guarantee).

First Edit	1 session fee
Second Edit	75% of a session fee
Third Edit	50% of a session fee
Fourth Edit (and all subsequent edits)	30% of a session fee

- i. The product may be changed to another product in the same product line or to a different variant of the same product (*e.g.*, a different color, size, scent or flavor) beyond the nature of a tag:

E.g., a commercial featuring a Ford F-150 driving down a dirt road with a stack of wood in the truck bed is replaced with a Ford F-250 driving down a dirt road. The end tags reflect different deals for each model. This is a Paid Edit due to the introduction of new on-camera material not in the nature of a tag.

BUT *e.g.*, a commercial for Ford F-150 pickup trucks that is edited to replace the Ford F-150 with a Ford Explorer sports utility vehicle would not be a Paid Edit because pickup trucks and sport utility vehicles are not part of the same product line. This edit would be an Unpermitted Edit and would be paid as a new commercial.

- ii. The edit changes the setting or adds an additional setting to the commercial; provided such changes can be made during the same production via CGI or green screen or do not otherwise require the cast to travel to a different location or set.

E.g., a commercial is edited using CGI or green screen to show a person parking at a beach instead of by a park. This is a Paid Edit because the setting change was accomplished using CGI or green screen.

BUT *e.g.*, the commercial shows a modern caveman traveling through an airport when he sees a billboard for GEICO showing the tag line “So simple even a caveman can do it.” The commercial is edited to show the modern caveman in a restaurant, looking through a window at a billboard for GEICO showing the tag line “So simple even a caveman can do it.” This is an Unpermitted Edit and results in a new commercial because it requires a different location or set.

E.g., the commercial shows a boy being mocked for his funny name at various places and times throughout his life. It is edited to show him being made fun of for his funny name by relatives eulogizing him at his funeral. This is an Unpermitted Edit and results in a new commercial because it requires a different location or set.

- c. **Addressable Edits:** In addition to the foregoing Permitted Edits, Addressable Commercials (defined as commercials that are specifically produced to be targeted toward definable audiences that are sometimes produced in multiple variations that can be inserted at the household or individual-device level) may be edited (“**Addressable Edits**”) upon payment of the Addressable Edit Fee without creating a new commercial, provided that the only footage and/or soundtrack used to make the edit is taken from the original production and that the edit does not change the commercial concept or message. Upon request, the producer shall provide written verification showing that the commercial is an Addressable Commercial. Performers appearing in Addressable Edits shall be paid the following fees, which shall not be credited against any other payment due under the contract (but may be credited against the A La Carte guarantee).

On-Camera Principal	One-time fee equal to 200% of the on-camera session rate
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Off-Camera Principal	50% of the off-camera session rate for every Addressable Edit created if the off-camera principal renders services for the edit. If the off-camera principal does not render services, then they receive a one-time fee equal to 200% of the off-camera session rate. If the off-camera principal renders services on some, but not all, of the Addressable Edits, they shall receive both a one-time fee equal to 200% of the off-camera session rate and 50% of the off-camera session rate for every Addressable Edit created for which the off-camera principal renders services.
Extra	One-time fee equal to 50% of the unlimited use extra session rate.

- i. The commercial may be edited to show a different setting (*e.g.*, beach to rolling hills).
- ii. The product and/or package may be changed to another product in the same product line or to a different variant or brand of the same product (*e.g.*, a different color, size, scent or flavor) beyond the nature of a tag.
- iii. Subject to Section 20.F of the main Contract (Joint Promotions), any element other than the product may be edited to show a different element.

E.g., a surfboard in a car commercial may be replaced with a snowboard in the same commercial;

E.g., the driver in a car commercial is wearing a bathing suit in one edit and a ski jacket in the second;

E.g., a shot of a group of men walking past a car in a car commercial is replaced with a different shot of the same action;

E.g., a female driver in a car commercial is speaking to a male passenger in one edit, and in the second a male passenger is now the driver and the female driver is now the passenger; and

E.g., footage of a female driver is switched out for a male driver, both on the same dusty dirt road in an F-150.

5. **Unpermitted Edits**, which shall include, but not be limited to, the following types of edits, shall result in a new commercial for use purposes:

- a. The edit changes the concept of the commercial. The “**concept**” refers to the basic idea by which the commercial conveys the commercial message.

E.g., a GEICO commercial shows a modern caveman purchasing insurance from GEICO to demonstrate that buying insurance from GEICO is so simple even a caveman can do it. It is edited to show a child buying insurance from GEICO to demonstrate that buying insurance from GEICO is so simple even a child can do it. The change constitutes an Unpermitted Edit and results in a new commercial because the concept of the commercial has changed from using a caveman to show simplicity to using a child to show simplicity.

- b. The edit changes the commercial message, which refers to the specific message that the advertiser wants to convey to the consumer about the product or service being advertised.

E.g., a GEICO commercial features a modern caveman purchasing insurance from GEICO to demonstrate that buying insurance from GEICO is so simple even a caveman can do it. The commercial is edited to show the modern caveman filing an insurance claim with GEICO because in modern times, even a caveman needs to have good insurance. This would be an Unpermitted Edit and results in a new commercial because it has changed the commercial message from a message about the simplicity of purchasing insurance from GEICO to one about the importance of having insurance.

- c. The edit adds a new on-camera principal(s) to the commercial (other than as may occur under 4.a.i).

E.g., a principal performer skydives to demonstrate how Old Spice works in every situation. The original version is edited to add footage from a different commercial of a principal on the ground congratulating the skydiver as he parachutes to the earth. This new principal was added based on footage relating to a separate storyboard. Therefore, the addition creates a new commercial.

- d. The edit creates an additional version beyond what is allowed by section 4.

E.g., a commercial for a new flavor of dog food is created. Later, the commercial is edited to remove reference to “new.” This is a Permitted Edit. New footage of two puppies playing is introduced and the VO is brought in to change the end tag to reflect that the food is good for dogs all of ages. This is an Unpermitted Edit because it introduces new footage and changes the message of the commercial.

- e. The edit adds an additional product or brand in a manner that is not allowed under section 4 above.

E.g., Kroger Supermarkets edits a commercial to show that Sunkist oranges are now on sale and also adds a reaction shot demonstrating the delicious taste of Sunkist oranges. This would not be a Paid Edit and results in a new commercial because the addition of the reaction shot is an implied endorsement of Sunkist oranges.