

2019 SAG-AFTRA AUDIO 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 Audio 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 Audio Commercials Contract remain unchanged.

1. Amend the Preamble and any applicable subsequent sections and Exhibits to (i) 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”, and (ii) change the name of the agreement to the 2019 SAG-AFTRA Audio Commercials Contract.
2. Amend Section 6, Minimum Compensation - Fees Per Commercial - “Session Fees” to reflect the agreement that except as otherwise provided, effective April 1, 2019, all contract rates for performers shall increase by six percent (6%).
3. Amend the second sentence in Section 22, Contractor for Group Singers as follows:

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.

4. Amend subsection 2(e) of Section 24, Editing and Dubbing to increase the promotional limitation from 2 weeks to 6 weeks.
5. Add the following new subsection G to Section 25, Auditions:

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.

6. Delete Section 28, Saturday and Sunday Work in its entirety and renumber subsequent sections accordingly.
7. Delete subsection B of Section 33, Maximum Period Of Use of Commercials in its entirety and replace it with the following:

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.

8. Add a new subsection to Section 33, Maximum Period of Use, called "Unauthorized Use" as follows:

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 Agreement, 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 in the commercial, his or her representative, or the Union;

- d) The Union is notified and every performer 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 arbitration provisions of this Agreement, or through litigation in a court of appropriate jurisdiction, including by asserting claims for violation of right of publicity laws.
9. Amend Section 37, Effective Date and Term to reflect a three (3) year term commencing on April 1, 2019 and continuing to, and including, March 31, 2022.
10. Add the following new subsection H to Section 54, Policy of Nondiscrimination / Affirmative Action and 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 54.H 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 54.H. 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 the 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, the 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 54 will not be tolerated.
- f) The matters covered in this Section 54.H. are not subject to the provisions of Section 63, Arbitration. Producer and any employee are permitted to negotiate that any matters covered in this Section 54 may be subject to arbitration pursuant to a personal services agreement to the extent permitted by law.

11. Add the following new subsection I to Section 54, Policy of Nondiscrimination / Affirmative Action and 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. Revise Section 61.E, Transfer of Rights:

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 24, Editing and Dubbing **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.

13. Amend Section 63.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.

14. Amend Section 63.I, Arbitration to replace "Douglas J. Wood" with "Stacy K. Marcus".

15. Amend Section 65, SAG-AFTRA Health Fund and AFTRA Retirement Fund to reflect that with respect to commercials produced under this Agreement and broadcast on or after April 1, 2019, Producer shall pay to the SAG-AFTRA Health Plan, AFTRA Retirement Fund, and the "Industry Advancement and Cooperative Fund" ("IACF") (collectively the "Funds"), and to any successor of any of the Funds, a sum equal to 19% of the gross compensation paid to each Performer (including deceased Performers) for such services and/or the use of such commercials. JPC authorizers will receive a 0.5% waiver of the AFTRA Retirement Fund increase (for a total contribution of 18.5%), which waiver shall sunset on March 31, 2022. The Parties agree that 18.25% (17.75% for JPC authorizers during the Term) shall be allocated to the Funds; 0.50% shall be allocated to the IACF; and 0.25% shall be allocated to the AMF.
16. Amend subsection A of Section 65, SAG-AFTRA Health Fund and AFTRA Retirement Fund to clarify that charitable contributions made directly by Producers are not pensionable.
17. Amend the final paragraph in subsection A of Section 65, SAG-AFTRA Health Fund and AFTRA Retirement Fund as follows:

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 specified in Exhibit F, Guidelines for Allocations in Overscale Agreements, and prior to any applicable 80%/20% or 90%/10% split between the SAG-Producers Pension Plan and AFTRA 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.

18. Amend Section 66, Public Service Announcements / Government Agency Messages as follows:

In seeking a waiver for public service messages, 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 a Performer. The Union, cognizant of the importance of public service announcements and government agency messages to the welfare of our Country, will follow a liberal policy in granting waivers of additional compensation for the use of

messages produced and used under the auspices and/or on behalf of the various Federal, State and local governmental agencies, non-profit public service organizations, charities, and museums. The Federal, State or local governmental agencies, non-profit public service organizations, charities, or museums that are the subject of the public service announcement or government agency message shall be permitted to display advertiser logos/IDs on their website (including on the landing page). Producer shall obtain the Performers' consent to the presence of advertiser logos/IDs on the landing page at the time of engagement. Producer may include such agreement in the Special Provisions section of the applicable employment contract.

Provided that a Performer consents in writing to the waiver of additional compensation beyond ~~the amounts set forth below~~ **the minimum fees due under Section 6, Minimum Compensation**, the Union will grant the right to unlimited national use of the message for one (1) year beginning with the first air date; provided, however that Producer may request a waiver for such fees from celebrities.

Actors, Announcers	\$674.47
Solos, Duos	700.37
Group Singers 3-5	456.62
6-8	365.24
9 or more	228.45

Additional one-year use periods will be granted by the Union contingent upon Performer's written consent.

All media time must be donated. 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) in accordance with the applicable provisions of the Contract beginning with the first use on purchased media time, subject to Section 33, Maximum Period of Use of Commercials – Actors, Announcers and Singers.

The Union waives the application of this Contract to persons regularly employed by and volunteers regularly serving a sponsoring organization, as well as members and beneficiaries of such organization. As used herein, the term "beneficiary" shall apply only to non-profit public service organizations and 501(c)(3) charities, and shall mean a person for whose benefit the organization is authorized to receive and disburse funds and/or benefits in accordance with such organization's stated purpose.

Ad Council public service announcements may contain solicitations for donations. Other non-profit organizations who are not members of the Ad Council may apply

for a similar waiver by utilizing the “PSA Waiver Template” attached as Exhibit G
E.

19. Amend subsection E.7 in Section 69, Employment of Minors as follows:

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

20. Amend Sideletter #5, Experimental Coverage Waiver for Commercials as follows:

- a. Delete “Experimental” from title;
- b. Delete sunset;
- c. Live Event, Man on the Street and/or Hidden Camera Waiver no longer requires automatic reporting but Producer shall provide a copy of the spot(s) upon request by the Union;
- d. Add section to address consideration of waiver requests from JPC authorizers in the event of hardship (e.g., potential loss of advertiser business).

21. Amend Sideletter #6, Experimental Social Media Waiver as follows:

- a. Revise title to “Experimental Social Media and YouTube Waiver”;
- b. Add subsection that states “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.

22. Add the Alternate Compensation Structure attached hereto as Appendix A.

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

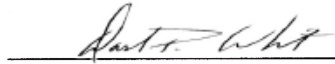
The Joint Policy Committee, LLC



Stacy K. Marcus
Chief Negotiator

Date: 4/16/19

SAG-AFTRA



David White
National Executive Director

Date: 4/16/19

APPENDIX A
ALTERNATE COMPENSATION STRUCTURE

Session (90 minute sessions or part thereof/paid per session or per commercial recorded whichever is greater)	\$350			
Tags (legal change, geographic, product availability, contact information, different brand names, special offers and promotions). Tags do not include legal language, car details etc.	Individual tags: \$100.00	Bundle of 10: \$800.00 (\$80.00 per tag) Bundle of 20: \$1300.00 (\$65.00 per tag) Bundle of 30: \$1500.00 (\$50.00 per tag) Bundle of 40: \$1600.00 (\$40.00 per tag) Bundle of 50: \$1750.00 (\$35.00 per tag)		
Mechanical Edits: \$350 per edit (shorter versions) – the use counts as one with the original commercial				
Use Payments: unlimited use on each platform type for the designated period of time; session shall be applied				
NATIONAL USE				
Use Periods	Terrestrial	Digital (combined Internet/New Media)	Combined Use (Terrestrial/Digital) – must be purchased at same time	
4 week	\$700.00	\$350.00	\$875.00	
8 week	\$1,150.00	\$450.00	\$1,375.00	
13 week	\$1,450.00	\$550.00	\$1,725.00	
6 month	\$2,150.00	\$750.00	\$2,525.00	
1 year	\$3,700.00	\$1,100.00	\$4,250.00	
REGIONAL				
4 regions (South, Northeast, Midwest, West); rates are per region for Terrestrial Use				
Use Periods	South	Northeast	Midwest	West
4 week	\$445.96	\$300.00	\$323.16	\$300.00
8 week	\$743.27	\$452.00	\$538.60	\$495.83
13 week	\$859.10	\$565.00	\$673.22	\$619.77
6 month	\$1,268.82	\$834.46	\$994.29	\$915.35
1 year	\$2,199.30	\$1,446.40	\$1,723.44	\$1,586.61
MARKET/CITY BUY				
Use current Wild Spot tables				