

LAST, BEST, AND FINAL A.I. PROPOSAL
May 9, 2025

The following provisions apply prospectively effective [*insert date that is the first Sunday that is 90 days after the developers' receipt of notice of ratification*]. The parties reserve their respective positions and rights as to the scope of mandatory coverage under the Interactive Media Agreement.

Add the following to Article __, Section __:

“Secondary Performance Payment” (“SPP”) refers to a one-time payment that is required when the Employer uses the results and proceeds of a Principal Performer’s covered performance rendered on or after [*insert date that is the first Sunday that is 90 days after the developers' receipt of notice of ratification*] (excluding any voice-over captured from the recordings) in any other Interactive Program which is produced by Employer. The SPP shall be 125% of IMA Scale per session worked during which the applicable performance was recorded if paid at the time of the session or within ninety (90) days thereof in addition to the session payment during which the applicable performance was recorded; however, Employer can elect to pay the SPP thereafter in which case the payment will be 135% of IMA Scale per session worked during which the applicable performance was recorded. The SPP may not be credited against Integration or Limited Integration payments (if any). Once per year, the Union may make a reasonable request in writing and the Employer will provide reasonable information regarding Employer’s payments of the SPP in the last twelve months. Should the Employer pay Integration, no SPP will be paid for those same excerpts.

Add the following to Article I, Section 3, Definitions:

“Processing Practices”: The term “Processing Practices” means the processing, editing, rearranging, altering, or manipulating of Material for purposes such as, without limitation, clarity, noise reduction, timing and speed, pitch and tone, sweetening, layering, stitching, effects, filtering, extending, retargeting, color correction, latticing, character rigging and skinning, character blendshapes, mesh, texture and animation cleanup and polishing, and visual asset cleanup.

“Vocal Digital Replica”: “Vocal Digital Replica” means a digital replica capable of algorithmically generating new vocal performances in the voice of a specific Principal Performer that is: (i) created using digital technology; (ii) created primarily from the IMA-covered vocal performances of the Performer; and (iii) used to independently generate new vocal performances, not previously recorded by the Performer and in lieu of that Performer, that are objectively identifiable as that specific Performer (including in the role of a character).

“Visual Digital Replica”: “Visual Digital Replica” means a digital replica capable of algorithmically generating new visual performances of a specific Principal Performer in particular role(s) that is: (i) created using digital technology; (ii) created primarily from the IMA-covered visual performances of the Performer; and (iii) used to independently generate new visual performances of the Performer in specific role(s) in scripted cinematic content, not previously recorded by the Performer and in lieu of that Performer, where those visual performances are objectively identifiable as the Performer (including in the role of a character).

“Generative Artificial Intelligence” (“GAI”): The parties acknowledge that definitions of GAI vary, but agree that the term generally refers to a subset of artificial intelligence that learns patterns from data and produces content based on those patterns (e.g., ChatGPT4, MidJourney, Dall-E2,

Sora, Veo, ElevenLabs). It does not include 'traditional AI' technologies programmed to perform specific functions throughout game production such as character animation. The term GAI is used for convenience and shall also apply to any technology that is consistent with the foregoing definition, regardless of its name.

"Independently Created Digital Replica ("ICDR"): "ICDR" means a digital replica capable of algorithmically generating new performances of a specific Principal Performer who has been employed under a SAG-AFTRA collective bargaining agreement within the preceding three (3) years: (i) that is created using digital technology; (ii) that is primarily created from vocal performances or audiovisual performances (visual and vocal performance combined) or live action performances of that Performer that were not IMA-covered or is created by prompting a GAI system with that Principal Performer's name; (iii) that is used to independently generate new vocal performances, new audiovisual performances of the Performer in specific role(s) in scripted cinematic content, or live-action performances; (iv) where the newly generated performances would have been covered by the IMA had that Performer done the work themselves, are used in lieu of that Performer, and are objectively identifiable as that specific Performer's voice (including in the role of a character) and/or visual likeness (for live action performances); and (v) where that Performer does not have an IMA-covered employment arrangement for the Interactive Program in which the ICDR will be used.

Visual Digital Replica(s) and Vocal Digital Replica(s) may be referred to collectively herein as *"Digital Replica(s)."* For the avoidance of doubt, Independently Created Digital Replica(s) are referred to separately.

"Real-Time Generation": "Real-Time Generation" means the dynamic generation of voiced dialogue in real time by a Vocal Digital Replica in any publicly released version of an Interactive Program, where the voiced dialogue was not pre-generated. For clarity, Real-Time Generation does not include Material generated by a Digital Replica during the course of production.

"Consent" means consent that is set forth in writing in a clear and conspicuous manner and may be obtained through an endorsement or statement in the Performer's employment contract that is separately signed, checked, or initialed by the Performer or in a separate writing that is signed by the Performer. The employment contract or separate writing must disclose a reasonably specific description of the intended use of the Digital Replica including: (i) the information required by Article II, Section 8.A; and (ii) whether the Performer's Digital Replica will be used for Real-Time Generation of dialogue. If the Employer meets the foregoing requirements in or with such writing, then "Consent" permits the Employer to use the Digital Replica for such roles, including all permitted uses under this Agreement. If such information is not provided in or with such writing, Employer must obtain separate consent for use of the Digital Replica for such roles. Consent that is granted with respect to the creation of new Materials using a Digital Replica for an Interactive Program shall be deemed suspended during a strike for Interactive Programs subject to the strike, and, for Interactive Programs that are not subject to the strike, Performers may suspend their Consent during such strike by written notice to Employer, provided that Employer shall be permitted to finish generating Materials using a Digital Replica for which the Performer has given Consent and has been paid prior to the suspension of Consent~~in either case, any compensation paid by the Employer for the Digital Replica with respect to such Materials shall be repaid on a pro rata basis as an express condition precedent to the suspension of Consent.~~ Notwithstanding the foregoing, Consent shall not be suspended for any Materials generated by the Digital Replica prior to the strike-suspension of Consent or for Digital Replicas that are incorporated into an Interactive Program prior to the suspension of Consent for the purposes of Real-Time Generation of dialogue. For the avoidance

of doubt, Consent described above shall not apply to the use of an ICDR, which terms are set forth in Article I, Section __, subsection 3.

Add a new Section __ as follows:

It is understood that this Section __ is not intended to restrict Processing Practices or to expand or contract the Employer's or the Union's rights and obligations existing as of [*date of ratification*], such as, without limitation, Integration, Limited Integration, and Reuse rights. The scope of covered work under this Agreement is not being expanded or contracted.

Subsections 1-2 apply when an Employer uses the results and proceeds of the Performer's IMA-covered performances produced under this Agreement, directly or through a third party, to create a Digital Replica of a Principal Performer and uses such Digital Replica as provided herein. Any time spent by the Performer employed under this Agreement in furtherance of creating the Digital Replica shall be compensated as work time. Notwithstanding the foregoing, this Section __ will not apply to the use of a Digital Replica to generate alterations that are substantially as scripted, performed, and/or recorded by the Performer.

1. Use of Digital Replica

The Employer must obtain the Performer's Consent and negotiate compensation as described below, prior to the use of a Digital Replica of that Performer in connection with Interactive Programs subject to the limited exception for pre-production use expressly set forth herein. Any Consent that the Performer granted during the Performer's lifetime shall continue to be valid after the Performer's death unless explicitly limited otherwise at the time of the initial Consent. In the event the Principal Performer is deceased at the time the Employer seeks any required consent (and the Employer has not already obtained consent during such Performer's lifetime or the Principal Performer's consent is no longer valid after death), the Employer shall obtain the consent of the authorized representative (or the Union, if the deceased Principal Performer's authorized representative cannot be identified or located) who represents the deceased Principal Performer's exclusive rights as determined by applicable law. Employer shall exercise its rights to use Digital Replica(s) under this Section consistent with its obligations under Article I, Section 20 of this Agreement.

Except as provided in Article I, Section 18 "Trailers; Promotions", use of Material from Digital Replicas from an Interactive Program in a Linear Program shall be subject to Reuse provisions, as applicable, pursuant to Article I, Section 17 of this Agreement.

Performer's Consent for the use of the Performer's Digital Replica other than in the Interactive Program for which it was originally created must be obtained prior to the use of the Digital Replica, but may not be obtained at the time of initial employment. As an exception solely to the restriction of obtaining Consent at the time of initial employment, when a Performer is employed on an Interactive Program specifically identified to be part of a franchise, Consent to use the Performer's Digital Replica in the Interactive Programs of the franchise may be obtained at the time the Performer is first employed, provided that Employer gives a reasonably specific description of the intended use in such franchise and subject to the Performer and Employer reaching an agreement on the compensation on a per Interactive Program basis, as provided below.

No Consent is required for Processing Practices.

2. Compensation for Use of Digital Replica

Compensation shall be treated as wages for all purposes. Payments may not be credited against any other compensation.

If the Employer uses Digital Replica(s) in the publicly released version(s) of an Interactive Program, the Employer shall compensate Performer in one of the following ways:

- a. Employer shall pay the Performer compensation for use of a Vocal Digital Replica in an amount not less than the Limited Integration payment set forth in Article I, 19.C.2, Section 19 "Compensation." For purposes of calculating the number of lines generated by a Vocal Digital Replica, a "line" shall include, on average, ten (10) words of dialogue or one (1) individual sound, such as monster or "effort" sounds.

~~b. If the use of a Digital Replica includes an unlimited amount of dialogue and/or an unlimited amount of new visual performances in specific role(s) in scripted cinematic content in connection with an Interactive Program (excluding use of a Vocal Digital Replica for Real-Time Generation), then Employer and Performer shall negotiate in good faith compensation in an amount no less than six hundred percent (600%) of applicable minimum scale that allows for the generation of new Material with the Digital Replica for a three (3) year period, which may be renewed for successive three (3) year periods at the Employer's election by paying an amount equal to the agreed compensation. If the Employer opts to not renew, it cannot generate new Material using the Digital Replica after expiration of the applicable three (3) year period, but can continue to utilize the Material already created in connection with that Interactive Program. The parties recognize that this provision is being negotiated at a time when the usage of digital replicas is in the process of exploration, experimentation, and innovation. Therefore, this subsection 2(b) shall expire upon the expiration of this agreement, as it may be extended by the parties, and will be of no force and effect thereafter unless it is renegotiated. At such time, any existing agreements with Performers under this subsection 2(b) shall remain in full force and effect.~~

e.b. If the use of a Vocal Digital Replica includes Real-Time Generation of vocal performances in connection with an Interactive Program, then Employer and Performer shall negotiate in good faith compensation in an amount no less than seven hundred fifty percent (750%) of applicable minimum scale.

d.c. Employer shall pay the Performer compensation for use of a Visual Digital Replica in an amount not less than applicable Scale for the number of production days that the Employer determines the Performer would have been required to work had the Performer instead performed that work in person. The Employer will make a good faith effort to estimate the number of production days (without regard to scheduling considerations e.g., intervening days, under consecutive employment provisions, overtime, meal periods, rest periods, etc.) utilizing objective criteria.

e.d. For content that is created using both a Vocal Digital Replica and a Visual Digital Replica, the compensation shall be the greater of subsection 2(a) or 2(~~dc~~) ~~or an agreed-upon amount under 2(b).~~

If Employer creates new Material generated by a Digital Replica solely for use in pre-production Material (e.g., "scratch", "pre-viz") for an Interactive Program, Employer shall pay the Performer

a Scale payment, which may not be credited against any other amount due, and Consent is not required if such Interactive Program is part of a particular franchise of Programs in which Performer has been engaged by Employer.

The aggregate number of sessions worked by the Performer in creating the applicable Digital Replica, if any, shall be included in the calculation of such Performer's Additional Compensation bonus due under this Agreement for the applicable Interactive Program; provided that in no event will any session be counted more than once for purposes of such calculation.

The Additional Compensation bonus shall be calculated based on the number of the equivalent sessions of work created by a Vocal Digital Replica based on Limited Integration, or for a Visual Digital Replica based on estimated days of work.

If the agreed use of a Digital Replica includes ~~unlimited lines or~~ Real-Time Generation of dialogue, Employer shall pay such Performer the maximum required additional compensation bonus for such Interactive Program.

No compensation is required for Processing Practices.

3. Use of Independently Created Digital Replica

Employer may use an ICDR in connection with an Interactive Program upon obtaining consent and bargaining for that use, which bargaining may include freely negotiating that the Principal Performer's compensation will be subject to contributions to the SAG-AFTRA Health Plan and AFTRA Retirement Fund at the rate and terms specified in the IMA. Consent must be clear and conspicuous and obtained prior to use in a writing signed by the Principal Performer that includes a reasonably specific description of the intended use, which will include whether the ICDR will be used for Real-Time Generation of dialogue. To the extent known at the time of the consent, such description should also include: (1) code name of the Program; (2) whether the Program is based upon a previously published intellectual property, including any film, television program, novel, play, videogame, or other work; (3) whether the Performer is being asked to reprise a role from a prior game; (4) description of genre (as one or more of): a) fighting/shooter, b) role playing game, c) simulation/racing/sports, or d) puzzle/casual/kids & family/strategy; and (5) whether use of profanity, content of a sexual or violent nature, or racial slurs are required. This information may be made subject to a non-disclosure agreement. Consent and bargaining are not required under this subsection 3 if the ICDR is provided by a third party that is authorized to provide the ICDR by the Performer.

It is not the intent of the Employers to use an ICDR to circumvent the Digital Replica requirements set forth in this Section.

No consent is required when the use is of the type protected by the First Amendment to the United States Constitution, including but not limited to instances when the First Amendment would protect a use for purposes of comment, criticism, scholarship, satire or parody, or would protect a use in a docudrama, or historical or biographical work. Any consent that the Performer granted during the Performer's lifetime shall continue to be valid after the Performer's death unless explicitly limited otherwise. In the event the Performer is deceased at the time the Employer seeks any required consent (and the Employer has not already obtained consent during the Performer's lifetime or the Performer's consent is no longer valid after death), the Employer shall obtain the consent of the authorized representative (or the Union, if the deceased Performer's authorized

representative cannot be identified or located) who represents the deceased Performer's exclusive rights as determined by applicable law.

No consent or bargaining is required for Processing Practices.

Except as provided in this subsection, no other terms of this Agreement shall apply to the use of an ICDR.

4. Digital Replica and ICDR Usage Report

Employer agrees that it will provide Performer, within 90 days of the public release of the applicable Interactive Program, reasonable information about the usage of Digital Replicas and ICDRs of such Performer (to the extent applicable), including a reasonably specific description of the character(s) for which the Performer's Digital Replica or ICDR was used and a reasonably specific description of the compensation calculation (e.g., number of lines specified, estimated number of production days) or the negotiated payment.

5. Generative Artificial Intelligence

The parties acknowledge the importance of human performance in Interactive Programs and the potential impact on employment under this Agreement when a GAI system is used in lieu of Performers to generate Material for use in Interactive Programs that would otherwise be performed by those Performers.

Employer acknowledges that the provisions of this Section (XX) do not address all possible forms of digital replicas, and agrees that, with respect to any such digital replicas not covered herein, it shall comply with all applicable law and legal requirements in connection with the creation and use of such digital replicas, which requirements may include, without limitation, obtaining consent and bargaining for such use.

6. Dispute Resolution

Claims for violation of this Section (XX) are arbitrable under Section 41 of the IMA and must be brought under that Section in front of an arbitrator who is selected from among a predetermined list of *[insert odd number]* arbitrators mutually agreed upon by the Union and the Employers. It is the intent of the parties that the predetermined list of arbitrators must only include arbitrators who have the relevant expertise and experience to determine claims brought under Section (XX).

The parties shall attempt to mutually agree upon an arbitrator to hear and determine the dispute from the aforementioned list. If the parties cannot agree upon an arbitrator to be appointed, then each party shall have the right to alternately strike one name from the list until such time as one arbitrator is left. The first party to strike a name shall be the party initiating the claim. The arbitrator who is left shall be appointed as the arbitrator in the proceedings, and the costs and expenses of the arbitrator shall be shared equally by the Union and Employer. The arbitrator shall be selected within fifteen (15) days from the date the arbitration demand is served. The arbitrator's remedy in any arbitration brought under this Section (XX) shall be limited to monetary damages.

7. Mutual Cooperation on Generative Artificial Intelligence

Subject to the appropriate confidentiality agreements, the Employers and SAG-AFTRA shall meet regularly during the term of the 2022-2028 Agreement to discuss the topics in this Section __ and

Section _____. The parties agree the discussion will include topics such as how to enforce the rights and obligations hereunder.

The VGC expressly reserves the right to amend, modify, add to or withdraw any or all of the proposals during the course of the negotiations. No inference should be drawn from these proposals regarding the Union's interpretation of its existing contractual rights, which may be restated herein for clarity. Conforming changes may be necessary in other areas of the contracts which are not mentioned herein.