

**2018 MEMORANDUM OF AGREEMENT
SAG-AFTRA NATIONAL CODE OF FAIR PRACTICE
FOR NETWORK TELEVISION BROADCASTING**

This Memorandum of Agreement reflects the complete understanding reached between the parties regarding agreed-upon modifications to the 2014-2018 National Code of Fair Practice for Network Television Broadcasting (the "Network Code"). All Industry and SAG-AFTRA proposals not enumerated herein and not otherwise withdrawn are deemed rejected. As soon as practicable, this Memorandum of Agreement will be reduced to formal contract language. The language in the Memorandum of Agreement is not contract language, except where the context clearly indicates otherwise. Except as modified herein, the terms of the 2014 Network Code shall remain unchanged.

1. **Term**: July 1, 2018 through June 30, 2021.

2. **Wages and Fees**

A. General - Increase the program fees in the following Paragraphs by 2.5% effective July 1, 2018 (assuming the parties reach agreement on June 9, 2018 and SAG-AFTRA provides notification of ratification of the agreement within a reasonable period thereafter, otherwise initial increases to take effect the first payroll period following notice of ratification), 3% effective July 1, 2019 and 3% effective July 1, 2020 [1]:

2.A.(2)(a) [2]	5.A.(1),(3),(7), (14) and (16)
2.B.(1),(2) and (3)	5.B.(1)(a), (2)(a), (3)(a) and (3)(b)
2.C.(1)	6.B. and E.
3.A. and B.	7.(A),(B),(C) and (D)
4.A.(1),(2) and (3)	9.A.
4.B.(1) and (2)	36.B(2)

B. Daytime Serials - Increase the program fees in Paragraphs 2.A.(2)(b(i) and 3.C.(1) by 1% effective July 1, 2018, 1.5% effective July 1, 2019 and 1.5% effective July 1, 2020.

C. Background Actors

i. **Paragraph 8.A (Variety Programs)**: Increase rates for all program lengths by 2% effective December 31, 2018 and by 2.5% effective July 1, 2020.

ii. **Paragraph 8.B (Variety Programs on Multiple Stations Commonly Owned)**: Eliminate the over 15 to 30 and over 30 to 45 minute rates. Increase the remaining rates and reduce the included hours for the remaining rates so they are as set forth below.

¹ Dates inserted for Contract drafting purposes as increases are effective on the date of the first payroll period following July 1, 2019 and July 1, 2020, but in acknowledgement of the fact that the Companies have different payroll periods. The same applies to the effective dates of the increases on payments for reuse in new media outside the free window.

² For non-serial dramatic programs, the day, three-day and weekly rates shall be the rates in the TV Code effective June 30, 2018 and increased as provided in this Section 2.A. For such programs first produced subsequent to July 1, 2018 the rates shall be the same as the non-legacy rates in the 2017-2020 SAG-AFTRA Television Agreement.

Program length	Current included hours	Included hours (effective July 1, 2018)	Current rate	Rate effective December 31, 2018
Up to 60 minutes	8	7.5	\$117	\$128
Over 60 to 90 minutes	10	8.5	\$147	\$165
Over 90 to 120 minutes	13	10.5	\$171	\$188

iii. Paragraph 8.C(1) (Daytime Serial Programs): Eliminate the 5 minute or less and over 5 to 15 minute rates. Increase the remaining rates and reduce the included hours (where indicated) for the remaining rates so they are as set forth below. In addition, the rates below which are effective December 31, 2018 shall be increased by 1.5% effective July 1, 2020.

Program length	Current included hours	Included hours (effective July 1, 2018)	Current rate	Rate effective December 31, 2018
Up to 30 minutes	8.5	8	\$115	\$128
Over 30 to 45 minutes	9	9	\$134	\$147
Over 45 to 60 minutes	9	9	\$150	\$152
Over 60 to 90 minutes	9	9	\$180	\$182

iv. Paragraph 8.C(2) (Additional Day Fees on Daytime Serial Programs): Increase the rates by 1% effective December 31, 2018 and by 1.5% effective July 1, 2020.

v. Paragraph 8.D (Other than Serials and Variety): Effective December 31, 2018, increase the General Ability Background Actor rate from \$115 to \$120 and the Special Ability rate from \$126 to \$129. Increase both rates by 2.5% effective July 1, 2020.

vi. Paragraph 8.E(3) (20% discount for large groups): Add language providing that the Producer may take a discount "of up to" 20%.

vii. Paragraph 10A.(1) (Promotional Announcements): Increase the rate from \$97 to \$106 effective July 1, 2018, to \$120 effective December 31, 2018 and to \$123 effective July 1, 2020.

D. Promotional Announcements - Increase Paragraph 10.A.(1) On-Camera promo rate from \$323 to \$340 effective July 1, 2018 and the Off-Camera rate from \$240 to \$248 effective December 31, 2018.

E. Stand-Ins – Increase the applicable rate for all Stand-Ins covered by Paragraph 36.B.(1) from \$26 to \$27 effective July 1, 2018, to \$28 effective July 1, 2019 and to \$29 effective July 1, 2020.

F. News Insert / News Service Fee - Increase the rates in Paragraph 75A.(2) and 76A by 2.5% effective July 1, 2018.

G. Extra Rehearsal Rate – Increase the \$28 Extra Rehearsal rate to \$30 effective July 1, 2019.

H. Except as provided herein, all other rates, fees or allowances remain unchanged.

3. Health & Retirement / AICF (Paragraph 102/102.A)

i. Amend Paragraph 102 by increasing the contributions to the SAG-AFTRA Health Plan and the AFTRA Retirement Fund from 17% to 17.5% effective as of January 1, 2019. The foregoing increase in the retirement contribution rate to the AFTRA Retirement Fund set forth above is contingent upon the Trustees of the AFTRA Retirement Fund adopting an amendment to the AFTRA Retirement Fund Trust Agreement effective as of January 1, 2019 “decoupling” the increase in the retirement contribution rate to the AFTRA Retirement Fund, as set forth above, for contributions received under the Code on or after January 1, 2019 from the calculation of the retirement benefit and any other benefit paid on account of the employee’s participation in the AFTRA Retirement Fund. This condition must be satisfied before the increase in the retirement contribution rate for the AFTRA Retirement Fund set forth above becomes effective. SAG-AFTRA shall have the right to allocate up to one-half percent (0.5%) of the negotiated increases in minimum rates in the second and/or third years of the Agreement to the AFTRA Retirement contribution rate in Paragraph 102 by giving notice to the Producers before December 31, 2018 and/or December 31, 2019, which allocated amounts shall be “decoupled” from benefit calculations and conditioned upon the same trustee amendment described above.

ii. Increase contributions to the AICF from .1% to .3% effective January 1, 2019 with the understanding that contributions shall not be due on behalf of Background Actors.

iii. Amend Paragraph 102.A. to clarify that there is no AICF contribution due on “gross compensation” when residuals are being paid pursuant to a gross receipts based formula that is inclusive of contributions to the SAG-AFTRA Health and AFTRA Retirement Fund.

iv. The parties agree to recommend a merger of the AICF and IACF to the respective Trustees of the Funds.

4. **Group Dancers and Singers (Paragraph 5)**

Reduce the Included Rehearsal Hours for dancers under Paragraph 5.A(2) by three (3) hours on all but 5 minute or less and over 5 to 15 minute programs.

Reduce the Included Rehearsal Hours for singers under Paragraph 5.B(1)(b) by one (1) hour on all but 5 minute or less and over 5 to 15 minute programs.

Modify paragraph 5(14)(b) to provide as follows: "On one (1) hour programs, producer may employ group dancers for the one-day rate. If such rate is used, it will cover eight (8) hours of work. Overtime for hours nine (9) and ten (10) or portions thereof will be paid at the overtime rate. If a dancer works more than ten (10) hours on such day, then the two day rate set forth above shall automatically apply."

The overtime rate for Group Dancers on Award shows under Paragraph 5.(16) shall be increased from \$45 to \$48 effective July 1, 2018.

5. **Meal Periods (Paragraph 23) – Add a new paragraph which provides that:**

"Upon request, SAG-AFTRA will grant an automatic waiver providing for a meal period of not less than a half hour in length for performers on all programs other than Daytime Serials where the Producer caters a balanced meal."

6. **People Covered, Waivers (Paragraph 75, Sideletter 37)**

a. **Interviewees on Non-Dramatic Entertainment Programs (Paragraph 75E)**

For star performers appearing as an interviewee on a non-dramatic entertainment program (e.g., *Ellen*, *The Tonight Show With Jimmy Fallon*, *Live With Kelly*), a flat payment of \$285 (~~one half of the 15-minute rate~~) **\$480, effective July 1, 2018** shall be required provided such interview:

- (1) does not involve significantly more time than is reasonable and customary for an engagement of this type (which is usually not more than four (4) hours, exclusive of travel time) and
- (2) is primarily in a "Q&A" format."

b. **Non-Professional Groups Waivers (Sideletter 37) – designate as Sideletter 37(A) and modify as set forth below:**

Re: Morning News Programs, Talk Shows, Magazine Shows and Holiday Specials

Ladies and Gentlemen:

SAG-AFTRA recognizes that certain waivers have previously been granted to Producers of morning news programs, where certain non-professional performance groups affiliated with religious, educational, charitable and other non-profit organizations have been excluded from the scope of this Agreement. SAG-AFTRA ~~will not unreasonably deny~~ and Producers agree that a waiver to morning news programs, talk shows, magazine shows and holiday specials (e.g., Christmas in Rockefeller Center, New Year's Eve Live, Dick Clark's New Year's Rockin' Eve, Disney Park's Christmas Celebration, A Home for the Holidays, Macy's Fourth of July Spectacular), shall be deemed granted subject to the following:

- (1) Members of the performance group shall be performing their own material or act, not material provided or arranged by the Producer.
- (2) The performance group shall not back-up a star performer. (See Sideletter 37 (B)).
- (3) Groups covered by this waiver shall be limited to one (1) appearance on that program within a calendar year.
- (4) This waiver shall not apply to groups like the Vienna Boys Choir or Harlem Boys Choir, which are deemed to be professional.
- (5) Producer shall notify SAG-AFTRA of the intention to utilize the provisions of this Sideletter prior to the appearance of the group on the program, or in no event later than twenty-four (24) hours after such appearance.
- (6) Other waivers of this nature shall not unreasonably be denied.
- (7) Professional performers who are members of such a group will receive, as a performance fee, payment of the appropriate rate, plus the applicable Health and Retirement contribution.

SAG-AFTRA shall also consider granting waivers for non-professional performance groups performing on the type of programs other than those set forth herein and/or in cases where the performance group does not meet the conditions for the automatic waiver set forth herein. In granting such waivers, SAG-AFTRA may seek a donation to the SAG-AFTRA Foundation in consideration of granting such waiver, in the amount of one thousand dollars (\$1,000).

Add a New Sideletter 37(B) as follows:

“Re: Waivers for Morning News Programs, Talk Shows, Magazine Shows and Holiday Specials

During the negotiations of the 2018 Code, the parties discussed the following in connection with the application of Sideletter 37(A) - Non-Professional Groups Waiver Morning News Programs, Talk Shows, Magazine Shows and Holiday Specials:

i) The criteria the Union considers in determining whether a performance group affiliated with religious, educational, charitable or other non-profit organization is “non-professional” for purposes of the application of the automatic waiver; and

ii) Under what circumstances, if any, the Union would consider application of the automatic waiver even in the event that the condition that the performance group is to back up a star performer.

With respect to (i) above, the Union provided examples of some criteria it uses, which include but are not limited to the following:

a) Whether the performance group has performed as an opening act for a professional artist (or appearing on their own as a featured act) on a concert tour;

b) Whether the performance group has performed on Network Broadcast or National Cable television, pay television or an SVOD service in the one (1) year prior to the planned appearance for which a waiver was being sought;

c) Whether the performance group has a professional recording contract with a major label or a bona fide independent label.

With respect to (ii), the parties further discussed the following situations in which the Producers believed the automatic waiver should be applied notwithstanding the fact that the non-professional performance group was backing a star performer:

a) The group appeared at the request of the star performer; or

b) The group is affiliated with an organization that the star performer actively supports; or

c) The organization contacts the show and seeks an appearance on the program as a means of promoting the organization.

Without agreeing that such circumstances listed above permit backing a star performer pursuant to Sideletter 37, the Union agrees nonetheless that it will respond in an expeditious manner and not unreasonably deny such a waiver.”

8. **Promotional Programs (Paragraph 88)**

Add a provision to cover use of excerpts in promotional programs (including “behind the scenes”) of up to sixty (60) minutes in length, without additional compensation due for use of the excerpts.

Add a new sideletter to the Agreement as follows:

“During negotiations for the 2018-2021 Network Code, the parties discussed how to distinguish between (i) a promotional program where no additional compensation is owed for use of excerpts in such program, and (ii) a compilation program where compensation is owed pursuant to Paragraph 73(D) of the Code. The parties agreed that a promotional program is not otherwise a “Best Of” program.

A promotional program may contain one or more of the following, which would be an important element of the program. This list is for illustrative purposes only and is not meant to be exhaustive:

- **Behind-the-scenes footage;**
- **“Making of” footage as that term is understood in the industry;**
- **Interviews with producers, writers, directors, cast, crew, and/or other individuals associated with the program or series;**
- **Footage of fan involvement/participation, such as a “question and answer” session.**

Examples of how promotional programs may be used are:

- **The program promotes an upcoming program, season or slate of programs for an exhibition system or producer;**
- **The program is made available to affiliates to exhibit in ways to drive viewership to watch the underlying program or series;**
- **The program is produced as “bonus material” that may be part of the DVD or similar exhibition such as EST and digital rentals.**

The parties further agree that in order to be promotional, the program must be promoting a program or series that is currently or soon-to-be available.”

9. **Sick Leave Law Waivers (Sideletter 52)** Modify as set forth below.

1. **Revise the waiver language to read as follows:**

“The Union expressly waives, to the full extent permitted by law, the application of the following to all performers employed under this Agreement: the New York City Earned Sick Time Act of 2013; Section 1-24-045 of the Municipal Code of Chicago; the Cook County Earned Sick Leave Ordinance (Ordinance No. 16-4229); the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to “paid sick leave” in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.0.1.e), 37.03, 37.07.a)1)B.ii. and 37.07.f)); the Oakland Sick Leave

Law (Municipal Code Section 5.92.030.); Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509); the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698); Chapter 18.10 of Title 18 of the Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); Article 8.1 of Title 23, Chapter 2 of the Arizona Revised Statutes; Chapter 160 of the Ordinances of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the Paid Sick Time for Private Employees Ordinance of East Orange, New Jersey (Ordinance No. 21-2014; East Orange Code Chapter 140, Section 1 *et seq.*); the Paid Sick Time Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal Code); Chapter 8.56 of the Revised General Ordinances of the City of New Brunswick, New Jersey; Chapter 8, Article 5 of the Municipal Code of the City of Plainfield, New Jersey; the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Morristown, New Jersey (Ordinance No. O-35-2016); Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412) and Trenton, New Jersey (Ordinance No. 14-45); the New Jersey Paid Sick Leave Act (contained in N.J.S.A. 34:11-56a *et seq.*) and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that in the event any other paid sick leave laws are enacted during the term of this Agreement which permit the parties to a collective bargaining agreement to waive application of such laws, the Union and the Producer shall memorialize any such waiver for any newly-enacted law by letter agreement.”

2. **Add the following provision:**

California Sick Leave.

A. Accrual

Commencing July 1, 2018, eligible performers (as described in subparagraph B. below) shall be entitled to accrue paid sick leave on an up-front basis or hourly basis as follows:

- i. Provided that advance notice is given to the performer, a Producer may elect to provide performers, upon their eligibility to use sick leave as provided below (*i.e.*, upon working thirty (30) days in California for the Producer within a one (1) year period and after their ninetieth (90th) day of employment in California with the Producer (based on days worked or guaranteed)), with a bank of twenty-four (24) hours or three (3) days of sick leave at the beginning of each year, such year to be measured, as designated by the Producer, as either a calendar year or starting from the performer’s anniversary date. Under this elected option, such banked sick leave days may not be carried over to the following year.
- ii. Alternatively, eligible performers shall accrue one (1) hour of paid sick leave for every thirty (30) hours that the performer renders services in California for the Producer, up to a maximum of forty-eight (48) hours or six (6) days. Performers are deemed to work forty (40) hours per week if they work on a weekly basis or eight (8) hours per day if they are employed on a daily basis or work for a partial workweek. For

performers employed on a program fee basis, all Included Rehearsal Hours for the Program Fee and any additional hours actually worked by the performer outside of the Included Rehearsal Hours shall be included as hours that the performer renders services for purposes of accrual.

A performer shall not forfeit sick leave earned during employment with the Producer before July 1, 2018; however, such sick leave shall be counted towards the maximum accrued sick leave set forth above. Nothing herein alters the administration of any sick leave accrued before July 1, 2018.

- B. To be eligible to accrue paid sick leave, the performer must have worked for the Producer for at least thirty (30) days in California within a one (1) year period, such year to be measured, as designated by the Producer, as either a calendar year or starting from the performer's anniversary date. Sick leave may be used in minimum increments of four (4) hours or in increments equal to the daily minimum call for performers employed on a program fee basis where the daily minimum call is less than four (4) hours) upon oral or written request after the eligible performer has been employed by the Producer in California for ninety (90) days (based on days worked or guaranteed), such period to be measured, as designated by the Producer, as either a calendar year or starting from the performer's anniversary date. Reasonable advance notification of the need for sick leave is required if the use is foreseeable; otherwise, notice is required as soon as practicable. Sick days accrued on an hourly basis shall carry over to the following year of employment; however, the Producer may limit the use of such accrued time to no more than twenty-four (24) hours or three (3) days during each year of employment as defined by the Producer in advance.
- C. For performers employed on a daily basis, a day of sick leave pay shall be equal to the performer's minimum daily rate (or fifty percent (50%) thereof for a four (4) hour increment of sick leave taken). For performers employed on a weekly basis, a day of sick leave pay shall be equal to one-fifth (1/5th) of a performer's minimum weekly rate (or fifty percent (50%) thereof for a four (4) hour increment of sick leave taken). For performers employed on a program fee basis, Producer will pay sick leave in accordance with the law. Replacements may be hired on a *pro rata* basis regardless of any contrary provision in the Agreement. The performer shall not be required to find a replacement as a condition of exercising his or her right to paid sick leave.
- D. Sick leave may be taken for the diagnosis, care or treatment of an existing health condition of, or preventative care for, the performer or the performer's 'family member.'² Sick leave also may be taken by a performer who is a victim of domestic violence, sexual assault or stalking.

² 'Family member' means any of the following: (1) a biological, adopted or foster child, stepchild, legal ward or a child to whom the performer stands *in loco parentis*; (2) a biological, adoptive or foster parent, stepparent or legal guardian of the performer or the performer's spouse or registered domestic partner or a person who stood *in loco parentis* when the performer was a minor child; (3) a spouse; (4) a registered domestic partner; (5) a grandparent; (6) a grandchild; or (7) a sibling.

- E. Accrued, unused sick leave is not paid out on termination, resignation or other separation of employment. If a performer is rehired by the Producer within one (1) year of the performer's separation from employment, the performer's accrued and unused sick leave shall be reinstated, and the performer may begin using the accrued sick leave upon rehire if the performer was previously eligible to use the sick leave or once the performer becomes eligible as provided above.
- F. At the Producer's election, the Producer shall either:
 - i. Show the amount of available paid sick leave on the performer's pay stub or a document issued together therewith; or
 - ii. Include in the performer's deal memo or contract the contact information for the designated Producer representative whom the performer may contact to confirm eligibility and the amount of accrued sick leave available.

Producer shall notify the performer with respect to the year period (*i.e.*, calendar year or the performer's anniversary date) that the Producer selected to measure the thirty (30) day and ninety (90) day eligibility periods and the cap on accrual set forth in subparagraph B. above or, alternatively, if the Producer elected to provide performers with an up-front sick leave bank, the year period (*i.e.*, calendar year or the performer's anniversary date) that the Producer selected for the up-front bank of three (3) sick days as provided in subparagraph A.1. above.

- G. Any Producer that has a sick leave policy, or paid leave or paid time off policy that permits the use of paid sick time and exceeds or substantially meets the requirements of this provision as of July 1, 2018, may continue such policy in lieu of the foregoing. Nothing shall prevent a Producer from negotiating a sick leave policy with better terms and conditions. There shall be no discrimination nor retaliation against any performer for exercising his or her right to use paid sick leave.
- H. Any dispute with respect to sick leave for performers covered under this Agreement shall be subject to the grievance and arbitration procedures provided herein. The timing of sick leave payments under this provision and the charge for any late payments thereof, shall be governed by the provisions of the Paragraph 61 of the Network Code.

10. Data Production and Protection

- A. Modify Sideletter 29 (Programs Made for New Media), Paragraphs B.5. and D.5. to add:

As soon as practicable for each production made for New Media (but excluding Experimental New Media Productions which the Producer has elected not to cover), Producer shall furnish a notice containing the following information to a designated representative of the Union (only one notice need be given per series, unless otherwise requested by the Union as provided below):

- The beginning and end dates of photography
 - The length of the project in minutes (or, in the case of a series, the average length of each episode in minutes)
 - For series, the total number of episodes being produced in each season
 - Whether the budget is above or below \$25,000 per minute of actual program material as exhibited on consumer pay platforms
- SAG-AFTRA may request the Producer update the foregoing information or to provide such information for a subsequent season of the series, and, if there are material changes to the information previously submitted, Producer shall respond to such request with the information known at the time of its response.

B. Add a new sideletter to the Code which provides that:

- a. The Producer need only furnish the Union with the last four digits of the Social Security number, if available, of a performer or background actor; and
- b. The Social Security number of a performer shall not be included on any sign-in sheet for an interview or audition.
- c. The parties acknowledge that there are circumstances under which SAG-AFTRA may need a performer or background actors' full social security number. Where such information is provided, SAG-AFTRA will ensure that appropriate safeguards are taken to maintain confidentiality.

11. Diversity (Paragraph 97)

A. Update the demographic categories in Exhibit H / Paragraph 97 Report to include Middle Eastern/North African.

B. Revise Paragraph 97(D) as follows:

"D. The parties agree that in order to promote the casting of performers belonging to all groups in all types of roles ~~in daytime television~~, each Producer the three Networks (ABC, NBC and CBS) shall, upon request, meet separately with SAG-AFTRA at least once per year for the purpose of discussing additional employment reflecting diversity and inclusion of minorities and disabled persons, progress in that area since the last meeting, new opportunities that may be arising, and any other issues relevant to this paragraph of the Code. Additionally, at the request of any independent Producer or AFTRA such Producer and AFTRA shall meet. A party's alleged failure or refusal to participate in a meeting, as required by this subparagraph 97.D., shall be subject to the grievance and arbitration procedure.

Upon request by SAG-AFTRA for an Industry-wide meeting and by mutual agreement, the Networks will help facilitate such a meeting."

C. Auditions (New Sideletter): "Producer shall ensure that no auditions 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.”

D. Add a new Paragraph 97.B to the Agreement as follows:

“97.B. HARASSMENT PREVENTION

“The Union and the Producers (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 Paragraph 97.B. are honored.

“(a) The Producer is committed to maintaining a working environment that is free from unlawful harassment or violence. In addition, the Producer is committed to protecting employees from retaliation for making claims of harassment. To that end, the 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 Paragraph 97.B. has been breached, such employee should immediately inform the Producer or its designated representative. Should the employee request the assistance of the Union, the Union will refer the complainant to the Producer’s applicable policies and encourage the complainant to notify the Producer. When authorized by the complainant, the Union representative shall immediately make the complaint known to a designated representative of the Producer.

The 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 the Producer. Upon conclusion of the investigation, the Producer will take appropriate action if warranted.

“(c) The Parties acknowledge the sensitive nature of these types of complaints and shall make reasonable efforts to maintain confidentiality as appropriate.

“(d) Unlawful retaliation or reprisals against any employee who, in good faith, raises a bona fide complaint or participates in an investigation pursuant to this Paragraph 97.B. will not be tolerated.

“(e) Violations of this Paragraph 97.B. or violations of the Producer’s applicable policies shall be deemed misconduct under Paragraph 58.

“(f) The matters covered in this Paragraph 97.B. are not subject to the provisions of Paragraph 95. Producer and any employee are permitted to negotiate that any matters covered in this Paragraph 97.B. may be subject to arbitration pursuant to a personal services agreement to the extent permitted by law.”

Modify Sideletter 29 to make applicable to programs made for New Media.

12. **Residuals (Paragraph 73)**

a. **Non-Dramatic Strip Weekly “Best of” Show (Paragraph 73)**

Add a paragraph that provides that if a non-dramatic weekly strip show does a “best of” program that is the fifth episode in the week of a four-day-per-week strip program, or the sixth episode in a week of a five-day-per-week strip program, when the fifth or sixth episode consists mainly of excerpts from that week’s other episodes, the fifth or sixth episode shall be treated as a regular episode of the series, and will be subject to reuse fees as would any other episode.

b. **Non-Dramatic First Run Syndication Replays – (Paragraph 73(B)(2))**

Except for first run syndication programs that feature a single host, provide for a second run residual of 20% (instead of 40%) for a Non-Dramatic first-run syndication program, for a run within one week of the initial broadcast. The 20% rate shall apply only to programs which have not yet broadcast as of July 1, 2018 and shall be in effect only during the first three (3) seasons of such program.

c. **Flashbacks (Paragraph 73D)**

Modify (Paragraph 73(D)(1)(c)) as follows: “As flashbacks (brief scenes from one episode in a series used as part of a story in another episode of the same in a series) for dramatic programs (other than Daytime Serials) provided that a performer in the flashback who is not otherwise engaged to perform services on the program in which the flashback is utilized shall be entitled to one hundred percent (100%) of the applicable minimum program fee in effect at the time of use. or if not under contract at the time of such broadcast, one hundred percent (100%) of his performance fee for the episode used in the flashback.

[When drafting 2018-2021 Code, insert language to cover flashbacks involving performers on daytime serial programs]

SAG-AFTRA agrees it will not pursue claims against any producer for additional flashback fees based upon any such payments made to performers under this provision prior to July 1, 2018.

d. **Foreign (Paragraph 73 (F))**

Industry proposal for an optional residual formula for release of non-dramatic programs to foreign television at 6% of gross receipts withdrawn. SAG-AFTRA agrees that it will give good faith consideration to a Producer’s request to apply the 6% formula where the Producer believes that the fixed residual serves as a barrier to licensing the program in foreign television.

e. **Add a new sideletter to the Agreement providing that in the event of a limited West Coast rerun of an awards program which has aired live and then is rerun beginning on the same day as the live broadcast, the residual payment shall be one-third of what would otherwise be payable.**

16. New Media (Sideletters 29 and 30)

- A. Renew the sunset clauses in Sideletters 29 and 30.
- B. Increase the percentage applicable to the residual payment in Paragraph 2.B.1(i) and (ii) and Paragraph 2.B.(2)(i) and (ii) from the current five percent (5%) to five and one-half percent (5.5%) for television programs, the production of which commences on or after July 1, 2019.
- C. Increase residual due for streaming of derivative new media programs in Paragraph 4.A.(2)a.(i) and (ii) for each 26 week period of streaming use from the current three and a half percent (3.5%) to five and a half percent (5.5%) for television programs, the production of which commences on or after July 1, 2019.
- D. **Virtual MVPD**: Add a new provision 2.E to Sideletter 30 which provides:

“During the course of the 2018 negotiations, the parties discussed how the landscape of the free television marketplace has evolved from the past – when the exhibition of a given television program was only available to the viewer in the home on a television set on a linear channel at a specific scheduled time – to the current marketplace, commonly referred to as ‘TV everywhere,’ where the viewing public, in addition to viewing a program on a linear channel at a scheduled time, is also provided the time-shifted option to view the same program on a variety of digital devices on a video-on-demand (‘VOD’) basis. In addition, in the past, the bargaining parties agreed that television exhibitions on a linear channel provided through an MVPD, whether such channel was a free broadcast channel or a basic cable channel, were considered exploitation of free television rights even though the consumer paid a monthly fee to access such programming.

Consistent with the above, the bargaining parties agree that with respect to new internet-delivered “virtual MVPD” services, such as Sling TV and Sony’s PlayStation Vue, and other like services, such as CBS All Access, (collectively referred to hereafter as “vMVPD Services”), any VOD rights which are associated with exhibition of the program on a linear channel on the vMVPD Service (commonly referred to as “stacking rights”) shall be considered exploitation of free television rights and not a form of pay or subscription television. Such “stacking rights” shall be treated the same as if such programs were exhibited on traditional MVPDs.

Under this framework, the parties clarified the treatment of covered television programs on vMVPD Services as described below. It is understood that in order to qualify as an “vMVPD Service” under this Sideletter, such service must include at least one free television or basic cable linear channel that is non-exclusive to that service and is generally made available for exhibition on other traditional and/or virtual MVPD services.

³ It is understood by the parties that the provisions set forth herein apply to all television programs produced under this or any AFTRA or SAG-AFTRA Network Code, the principal photography of which commenced on or after November 16, 1973.

1. When the License for Linear Channel Exhibition of the Covered Television Program or Series on the vMVPD Service Includes On-Demand Availability

- a. When a linear channel on an MVPD is also offered on a vMVPD Service (such as when ABC is offered on Sling TV), no additional payment is required for the linear channel availability on the vMVPD Service.
- b. When a covered television program is available on demand on the vMVPD Service pursuant to a license agreement with a channel or network that includes the right to exhibit the covered television program or other episodes of the same series on a linear channel on the vMVPD Service, the same free streaming windows and residual formulas that apply to the on-demand availability of a covered television program on an MVPD are applicable. (See Paragraph 2.A. of this Sideletter.)
- c. The use of excerpts from a covered television program on the vMVPD Service pursuant to a license agreement with a channel or network that includes the right to exhibit the covered television program or other episodes of the same series on a linear channel on the vMVPD Service shall likewise be governed by the provisions of Paragraphs 2.B.(4) and 3 of this Sideletter.
- d. The fixed residual payment applicable under Paragraph 2.B.(2)(i) and (ii) of this Sideletter covers on demand availability on a free-to-the-consumer, advertiser-supported new media service and on an MVPD (or any similar service that exists or may hereafter be developed) and vMVPD Service.
- e. The on-demand availability provisions under Paragraph 2.B. of this Sideletter apply regardless of whether there are advertisements.
- f. When the Producer directly licenses the right to exhibit a covered television program on a linear channel available only on a vMVPD Service(s), the supplemental exhibition on such channel, as well as any associated stacking rights and the use of excerpts, shall be treated in the same manner as a license of a free television program to basic cable. The exhibition rights on the linear channel shall be subject to the applicable formula set forth in Exhibit D for release to Basic Cable, and the stacking rights and use of excerpts shall be subject to the same free streaming windows and residual formulas that apply to the on-demand availability and use of excerpts of a covered television program pursuant to Paragraphs 2.A. and 3 of this Sideletter.

2. When the License Is for On-Demand Availability on the vMVPD Service

By contrast, when the Producer licenses the right to exhibit a covered television program, or one or more episodes of a covered television series, on an on-demand basis on the vMVPD Service, and such rights are not associated with the right to exhibit the program or episodes of the series on a linear channel on the vMVPD Service, the parties agree that Paragraph 1.A. of this Sideletter, which governs licenses to consumer pay new media platforms for a limited period or fixed number of exhibitions, shall apply. In addition, when a program is made exclusively for on-

demand availability on a vMVPD Service, it shall be treated as having been made for a subscription consumer pay new media platform subject to the provisions of Sideletter 29 governing Programs Made for New Media.”

13. **Over-the-Top Service of Pay Television Service:** Add a Sideletter which provides:

“The parties confirm that when a pay television service (such as HBO, Showtime or Starz) also provides to subscribers, without an additional subscription fee, over-the-top (‘OTT’) services (such as HBO Go, Showtime Anytime or Starz Play), the OTT service shall be treated as part of the linear pay television service for all purposes under this Agreement. Likewise, when a pay television service only provides OTT services (such as HBO Now and the OTT subscription services of Showtime and Starz), such OTT service, whether or not such service includes a linear channel of the pay television service, shall also be treated as part of the linear pay television service for all purposes under this Agreement.

It is understood that foreign sales of traditional pay television will be combined with foreign sales of OTT pay television for purposes of applying the six percent (6%) formula set forth in Exhibit E of this Agreement.

To the extent that a pay television program is exhibited on both the linear pay television service and the OTT service, the residual payment set forth in Exhibit E shall cover exhibition on both the linear pay television service and the OTT service. To the extent that a pay television program is exhibited on the OTT service, but not the linear pay television service, residuals are due for such exhibition under the existing formula under Exhibit E.

For example, if a variety program of a type generally produced for prime-time television is produced for HBO and exhibited in excess of ten (10) exhibition days or subsequent to one (1) year from the date of the initial exhibition on both HBO and HBO Now, the Producer would be obligated to pay six percent (6%) of the Distributor’s gross receipts from such excess exhibition days. If, instead, the program is available on HBO Now but not HBO, the Producer would still be obligated to pay six percent (6%) of the Distributor’s gross receipts from such excess exhibition days, even though the exhibition is solely on HBO Now.”

The parties agree to the following unpublished sideletter:

“During the 2018 negotiations, the parties agreed that should a program be made for exhibition solely on an on-demand basis on the over-the-top service of a pay television (and not on its traditional linear service), the parties will discuss the appropriate treatment of such program.”

14. **License to Secondary Digital Channels (Sideletter 53) – Modify as set forth below**

As of July 1, 2018~~November 16, 2014~~

Re: License of Non-Exhibit A Free Television, Pay Television or Basic Cable Programs to Secondary Digital Channels

During the 2018~~2014~~ negotiations, the parties discussed the residual formula of exhibition of television programs on certain secondary digital channels. The parties agreed that instead of a fixed residual formula, Producer shall pay to the Union for ratable distribution to the performers a percentage residual formula of three and six tenths percent (3.6%) of distributor's gross receipts (as defined in Exhibit D of the Network TV Code) for any license to a secondary digital channel of any free television or basic cable program and six percent (6%) for any pay television program as to which a fixed residual would otherwise be payable, provided that such program is out of production, that (i) has been out of production for at least three years and (ii) has not been exhibited under a fixed residual formula in syndication (except in the non-lead market) or pay television for at least three years in the case of a free television or pay television program or has not been exhibited under a fixed residual formula in syndication (except in the non-lead market), pay television or basic cable for at least three years in the case of a basic cable program. However, for any free television series consisting of sixty-eight (68) or fewer episodes or any basic cable or pay television series consisting for forty (40) or fewer episodes, the series need only have been out of production for at least two years and not been exhibited under a fixed residual formula on basic cable, pay or free television (except syndication in the non-lead market) for at least one year. For purposes of the foregoing, 'out of production' means that all of the following have occurred: the program has been cancelled; the final episode of the final season has aired or has been made available; no above-the-line talent are obligated by contract to perform covered services on the series in question; and no exhibitor has licensed rights to additional original episodes of the series at the time the series becomes available for exhibition under the license to the secondary digital channel. SAG-AFTRA Health Plan and & AFTRA Retirement Fund contributions shall be made in addition to the percentage payments made on pay television programs hereunder regardless of the date produced and on free television and basic cable programs produced on or after November 16, 1973, and the percentage payments shall be inclusive of Health and Retirement for free television and basic cable programs prior to November 16, 1973. No IACF or AICF contributions shall be due in connection with such payments.

When the 'Distributor's gross receipts' derived from such license(s) are received from a related or affiliated entity that acts as the exhibitor of the program, then the 'Distributor's gross receipts' received by the Producer from the licensing of such rights shall be measured by the exhibitor's payments to unrelated and unaffiliated entities in arms' length transactions for comparable programs or series, or, if none, then the amounts received by the Producer from unrelated and unaffiliated exhibitors in arms' length transactions for comparable programs or series, or if none, comparable exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs or series.

Notwithstanding the foregoing, the minimum payment pursuant to this provision for any program licensed to a related or affiliated entity shall be an aggregate amount for all performers of \$150 for a 30-minute program (**\$225 for Non-Serial Dramatic programs**), \$300 for a 60-minute program (**\$450 for Non-Serial Dramatic programs**), \$450 for a 90-minute program (**\$600 for Non-Serial Dramatic programs**), and \$600 for a 120-minute program (**\$750 for Non-Serial Dramatic programs**).

The 'pro rata' share payable to each performer on a pay television program shall be distributed on the basis of time and salary units pursuant to Exhibit E of the Network Television Code. The 'pro rata' share payable to performers on non-serial dramatic programs produced on or after November 16, 2014 shall be distributed on the basis of 3-2-1. The 'pro rata' share payable to each performer on any other free television or basic cable program shall be distributed on the basis of a two-to-one ratio for principal performers against other performers. The pro rata share shall be limited to one and five tenths (1.5%) where the off camera announcer is the only covered performer.

The foregoing applies to free television, pay television or basic cable programs as to which a free television residual would otherwise be payable, whether produced under the SAG-AFTRA National Code of Fair Practice for Network Television Broadcasting of 2018 an agreement with SAG-AFTRA negotiated after November 16, 2014 or under any agreement with SAG, AFTRA, or SAG-AFTRA negotiated prior to July 1, 2018 November 16, 2014.

15. License of Dramatic Programs Made for Basic Cable to Different Basic Cable Service (Sideletter 55)

Update the Sideletter as set forth below.

"A percentage residual formula of three and six tenths (3.6%) plus SAG-AFTRA Health Plan & and AFTRA Retirement Fund contributions on payments made hereunder on basic cable programs produced on or after November 16, 1973, and inclusive of Health and Retirement for basic cable programs produced prior to November 16, 1973, of distributor's gross receipts (as defined in Exhibit D of the Network TV Code) shall be paid for any license of a dramatic program or series made for basic cable, for which a fixed residual is otherwise payable, to a basic cable service once the program or series is out of production that is not the service to which the program or series was originally licensed, provided that for a second or subsequent sale to the same basic cable service to which the program or series was originally licensed, all runs licensed under the license agreement for the initial cable exhibition, and subject to a fixed residual, have been exhausted. Producer shall be deemed to have exhausted all unused runs under the initial license agreement upon payment under the run-based residual formula of a number of runs under the second license to the same basic cable service equal to the number of all unused runs under the initial license. Producer shall allocate the 'Distributor's gross receipts' for the second license to the same basic cable service evenly across all runs licensed under the second license. the program or series (i) has not been in production for at least two years and (ii) has not been exhibited under a fixed residual formula on basic cable or free television (except syndication in the non-lead market) for at least eighteen

~~(18) months.~~ No IACF or AICF contributions shall be due in connection with such payments.

For all purposes of the foregoing, 'out-of-production' means that all of the following have occurred: the program has been cancelled; the final episode of the final season has aired; no above-the-line talent are obligated by contract to perform covered services on the series in question; and no exhibitor has licensed rights to additional original episodes of the series at the time the series becomes available for exhibition under the license to the basic cable service.

When the 'Distributor's gross receipts' derived from such license(s) are received from a related or affiliated entity that acts as the exhibitor of the program, then the 'Distributor's gross receipts' received by the Producer from the licensing of such rights shall be measured by the exhibitor's payments to unrelated and unaffiliated entities in arms' length transactions for comparable programs or series, or, if none, then the amounts received by the Producer from unrelated and unaffiliated exhibitors in arms' length transactions for comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs or series.

Notwithstanding the foregoing, the minimum payment pursuant to this provision for any program licensed to a related or affiliated entity shall be an aggregate amount for all performers of \$300 for a 30-minute program, \$600 for a 60-minute program, \$900 for a 90-minute program, and \$1,200 for a 120-minute program.

The 'pro rata' share payable to performers on non-serial dramatic programs produced on or after November 16, 2014 shall be distributed on the basis of 3-2-1. The 'pro rata' share payable to each performer on all other programs shall be distributed on the basis of a two-to-one ratio for principal performers against other performers. The pro rata shall be limited to one and five tenths percent (1.5%) where the off camera announcer is the only covered performer.

The foregoing applies to basic cable programs as to which fixed residuals would otherwise be payable, whether produced under SAG-AFTRA National Code of Fair Practice for Network Television Broadcasting of 2018 ~~an agreement with SAG-AFTRA negotiated after November 16, 2014~~ or under any agreement with SAG, AFTRA, or SAG-AFTRA negotiated prior to July 1, 2018 ~~November 16, 2014.~~

16. Stunt Performers (Paragraph 68.A)

Amend Paragraph 68.A.(C) to add a new (3) as follows:

"If there is a change in a planned stunt, the stunt performer shall be allowed an additional rehearsal upon request."

17. Employment of Minors (Paragraph 100)

A. Amend Paragraph 100.A. to add the word "auditions" in the first and second sentences.

B. Amend Paragraph 100.C as follows:

“C. Work Hours

“(1) Minors less than six (6) years of age are permitted at the place of employment for six (6) hours (excluding meal periods, but including school time, if any).

“(2) Minors who have reached the age of six (6) but who have not attained the age of nine (9) years may be permitted at the place of employment for eight (8) hours (excluding meal periods, but including school time).

“(3) Minors who have reached the age of nine (9) years but who have not attained the age of sixteen (16) years may be permitted at the place of employment for nine (9) hours (excluding meal periods, but including school time).

“(4) Minors who have reached the age of sixteen (16) years but who have not attained the age of eighteen (18) years may be permitted at the place of employment for ten (10) hours (excluding meal periods, but including school time).

“(15) The workday for a minor shall begin no earlier than 5:00 a.m. and shall end no later than 10:00 p.m. on evenings preceding school days. On evenings preceding non-school days the minor’s workday shall end no later than 1:00 a.m. on the morning of the non-school day(s).

“(a) Exceptions to “work hours”:

“(i) Where the Producer has obtained a waiver of the minor’s work hours from the applicable state agency, SAG-AFTRA will be deemed to have granted an automatic waiver of this provision, in accordance with such state waiver.

“(ii) SAG-AFTRA agrees to grant Producer’s reasonable requests for waivers of the work hours provision.

“(6) A minor shall not work more than six (6) consecutive days. However, for this purpose, a day of school only or travel only shall not be counted as one of said consecutive days.

“(27) Producer shall set the first call at the beginning of the minor’s employment and dismissal on the last day of the minor’s employment so as to ensure that the minor will have a twelve (12) hour rest period prior to and at the end of the employment. For example, if a minor’s last day of employment is Wednesday, and the minor will be attending school at

8:30 a.m. on Thursday, the minor must be dismissed by 8:30 p.m. on Wednesday.”

18. **Safety**

Add a new sideletter to the Code which provides that: “In the event of an injury in the course of employment which results in medical attention, Producer will prepare and send to the Union as soon as practicable a **legible** report setting forth **the production’s identifying information**, date, time, place, circumstances and nature of the injury claimed.”

Representatives of SAG-AFTRA and representatives of the Industry will meet no later than three (3) months following the date of ratification to develop an agreed upon accident report form.

Miscellaneous

Nudity: Upon conclusion of the SAG-AFTRA primetime negotiations, the parties will discuss applicability of any agreed upon terms to the TV Code.

Standard Terms (Paragraph 68(4)): Correct reference to sixty (60) day period for retakes and recordings, as referenced in Paragraph 29.

Acceptors and Presenters on Award Programs: Finalize sideletter covering waiver as agreed during the 2014 TV Code negotiations.

Exhibit D: For supplemental releases, including SVOD, clarify whether H&R contributions are due on top or included within the residual.

Dramatic Programs Made for New Media: The parties agree that all non-serial Dramatic Original made for New Media programs shall be covered under the terms of the SAG-AFTRA Television Agreement and all Derivative New Media Dramatic programs shall be governed by whichever Agreement (SAG-AFTRA Television or this Agreement) that the original production was produced under.

Safety and Harassment Prevention Training: Discuss for Stunt Coordinators who are hired to work under the Code.

Stand-Ins / Dance-Ins: Shall be advised of their minimum call at the time of engagement.

Sideletters 53 and 55: Agree to unpublished sideletter which provides as follows:

With regard to licenses of non-serial scripted dramatic made for basic cable programs or series entered into on or after July 1, 2018 and licensed pursuant to the terms of Sideletters 53 or 55, the parties to the 2018-2021 SAG-AFTRA TV Network Code agree to urge the producer who was the party to the underlying basic cable agreement, under which the program or series that is being licensed was produced, to meet with SAG-AFTRA to discuss whether the applicable residual percentage is 3.6% or 6% of the distributor’s gross receipts.

If no agreement is reached, the parties reserve their respective positions.

For those basic cable programs licensed prior to July 1, 2018 under Sideletters 53 or 55, SAG-AFTRA agrees to waive and forever relinquishes all known or unknown claims concerning whether the appropriate percentage for residuals payments made on distributor's gross receipts pursuant to either of these license agreements is either 3.6% or 6%.

Discussion Item No. 2: Add a new Sideletter as follows:

"The parties agree that production staff or production personnel including casting should not be designated in ways which indicate they are representatives of the Union as opposed to representatives of production or casting (e.g., "Union Coordinator", "SAG-AFTRA Manager", etc. are titles which could mislead employees into believing these are representatives of the Union when they are not.)"

Drafting

1. Paragraph 12.B.2 change 1 hour to ½ hour.
2. Fix table of content and index page references.
3. All references to the AFTRA Health and Retirement Funds should be changed to reflect the "SAG-AFTRA Health Plan and the AFTRA Retirement Fund".
4. **Correct Exhibit D, Section 3(a)(i) to provide that for programs produced after November 16, 1973 and released in Supplemental Markets (except in-flight), after February 28, 1995, the payment shall be 3.6% of Distributor's gross receipts, including H&R contributions as provided for in the parties' February 28, 1995 Memorandum of Agreement.**
5. **Insert a footnote in Paragraph 102 of the 2018-2021 Network Code to reflect the fact the parties agreed in 3. of the 2014 MOA that the additional .5% increase in the Health and Retirement Fund contribution would be distributed solely to the AFTRA Retirement Fund.**

By _____ Date _____
Marc Sandman
American Broadcasting Companies, Inc.
an indirect wholly-owned subsidiary of ABC, Inc.

By _____ Date _____
Eryn Doherty
NBC, Inc.

By _____ Date _____
Harry Isaacs
CBS Broadcasting Inc.

By _____ Date _____
Michael Campolo
20th Century FOX and FOX Sports Productions, Inc.

By _____ Date _____
Helayne Antler
CPT Holdings, Inc.

ACCEPTED AND AGREED:
SAG-AFTRA

By _____ Date _____
Ray Rodriguez
Chief Contracts Officer

