

September 21, 2018

**MEMORANDUM OF AGREEMENT BETWEEN
THE SCREEN ACTORS GUILD-AMERICAN FEDERATION
OF TELEVISION AND RADIO ARTISTS AND
THE ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS
FOR THE 2018 PRODUCER-SAG-AFTRA TELEVISION ANIMATION AGREEMENT**

This Memorandum of Agreement is entered into between the Screen Actors Guild-American Federation of Television and Radio Artists, Inc. (hereinafter referred to as “SAG-AFTRA” or “the Union”), on the one hand, and the Alliance of Motion Picture and Television Producers (hereinafter referred to as the “Alliance” or the “AMPTP”), on behalf of the Producers listed on Exhibit “A” attached hereto (each hereinafter respectively referred to as “the Producer” and collectively referred to as “the Producers”), on the other hand.

This Memorandum of Agreement reflects the complete understanding reached between the parties. The language in this Memorandum of Agreement is not contract language, except where the context clearly indicates otherwise. As soon as practicable, this Memorandum of Agreement will be reduced to formal contract language.

The provisions of this Memorandum of Agreement represent modifications to the 2014 Producer-SAG-AFTRA Television Animation Agreement (the “2014 Agreement”). Except as modified herein, the terms of the 2014 Agreement shall remain the same, subject to conforming changes.

Given that the SAG-AFTRA membership ratified the parties’ agreement and on November 20, 2018, notified the AMPTP of such ratification, without any labor dispute, work stoppage or other interference with work, this Memorandum of Agreement shall be effective as of the dates hereinafter set forth, except that when no date is specified, such provisions shall be effective as of the date that the AMPTP receives notice of ratification.

1. **Term**

The term of the 2018 SAG-AFTRA Television Animation Agreement shall commence on the date that the AMPTP receives notice of ratification and shall terminate on June 30, 2020.

2. **Minimum Wage Rates**

- a. Increase the minimum salary rates listed in subparagraphs i. and ii. below by two and one-half percent (2.5%) effective September 16, 2018; by an additional two and one-half percent (2.5%) effective January 1, 2019 and by an additional three

percent (3%) effective July 1, 2019, subject to the Union's right to divert up to one-half percent (0.5%) to the health or pension/retirement contribution rate as provided in Item 3.d. below. These increases shall be compounded. It is understood that these increases apply to services rendered on or after each specified effective date under existing contracts of employment and under contracts of employment entered into on or after such date, and for animated television motion pictures, the principal recording of which commences on or after such date.

i. SAG-AFTRA Television Animation Series:

- (A) Article I.A.1. Minimum compensation per film or segment of film more than 10 minutes in length
- (B) Article I.B.1. Minimum compensation per film or segment of film 10 minutes or less in length
- (C) Article II.A.1. For each voice after the third for performers employed on films 10 minutes or less in length
- (D) Article VII.B. Fourth audition for the same role (first two hours)
- (E) Article VII.B. Time spent in fourth audition for the same role in excess of two hours in (one-half hour units)

ii. Legacy AFTRA Television Animation Series:

- (A) Article I.A.2. Minimum compensation per film or segment of film more than 10 minutes in length
- (B) Article I.B.2. Minimum compensation per film or segment of film 10 minutes or less in length
- (C) Article II.A.2. For each voice after the third for performers employed on films 10 minutes or less in length
- (D) Article VII.B. Fourth audition for the same role (first two hours)
- (E) Article VII.B. Time spent in fourth audition for the same role in excess of two hours in (one-half hour units)

b. The network prime time rerun ceilings in Section 18(b)(1)b) of the 2017 SAG-AFTRA Television Agreement shall apply.

3. **Pension/Retirement Contribution Rate**

a. i. **SAG Pension Plan**

Except as provided in Items 3.b., c. and d. below, the contribution rate to the SAG Pension Plan in Article XVIII.B. of the Television Animation Agreement shall be increased as follows:

- (A) by one-half percent (0.5%) for animated television motion pictures and covered animated Original or Derivative New Media Productions (other than animated Experimental New Media Productions which the Producer does not elect to cover) and covered Animated High Budget SVOD Programs (other than “great-grandfathered” and “grandfathered” programs) subject to the terms and conditions of Paragraph E. of the Sideletter re “Programs Made for New Media” as provided in Article XXII of the 2018 Television Animation Agreement (hereinafter collectively referred to as “covered animated television motion pictures and covered animated new media motion pictures”), the principal recording of which commences on or after September 16, 2018. The total aggregate pension and health contribution rate therefore increases from seventeen percent (17%) to seventeen and one-half percent (17.5%), and the allocation to the SAG Pension Plan of the total aggregate contribution rate shall increase from nine and sixty-nine hundredths percent (9.69%) to ten and nineteen-hundredths percent (10.19%) for those animated motion pictures; and
- (B) by an additional one-half percent (0.5%) for “covered animated television motion pictures and covered animated new media motion pictures,” the principal recording of which commences on or after January 1, 2019. The total aggregate pension and health contribution rate therefore increases from seventeen and one-half percent (17.5%) to eighteen percent (18%), and the allocation to the SAG Pension Plan of the total aggregate contribution rate shall increase from ten and nineteen-hundredths percent (10.19%) to ten and sixty-nine hundredths percent (10.69%) for those animated motion pictures.

ii. **AFTRA Retirement Fund**

Except as provided in Items 3.b., c. and d. below, the contribution rate to the AFTRA Retirement Fund in Article XVIII.B. of the Television Animation Agreement shall be increased as follows:

- (A) by one-half percent (0.5%) for “covered animated television motion pictures and covered animated new media motion pictures,” the principal recording of which commences on or after September 16, 2018. The total aggregate pension and health contribution rate therefore increases from seventeen percent (17%) to seventeen and one-half percent (17.5%), and the allocation to the AFTRA Retirement Fund of the total aggregate contribution rate shall increase from eight and five hundred eighty-five thousandths percent (8.585%) to nine and eighty-five thousandths percent (9.085%) for those animated motion pictures; and
 - (B) by an additional one-half percent (0.5%) for “covered animated television motion pictures and covered animated new media motion pictures,” the principal recording of which commences on or after January 1, 2019. The total aggregate pension and health contribution rate therefore increases from seventeen and one-half percent (17.5%) to eighteen percent (18%), and the allocation to the AFTRA Retirement Fund of the total aggregate contribution rate shall increase from nine and eighty-five thousandths percent (9.085%) to nine and five hundred eighty-five thousandths percent (9.585%) for those animated motion pictures.
- b. The contribution rates set forth in Article XVIII.C. concerning Sideletter K of the 2017 Television Agreement remain unchanged.
- c. The contribution rate shall remain at thirteen and one-half percent (13.5%) under Section 5.2.A. of the General Provisions of the 2017 SAG-AFTRA Codified Basic Agreement solely in connection with Supplemental Market payments for distribution on “cassettes” during the term of the 2018 Television Animation Agreement.
- d. The Union shall have the right to allocate up to one-half percent (0.5%) of the negotiated increases in minimum salary rates effective July 1, 2019 to the pension/retirement contribution rate set forth in Article XVIII of the 2018 Television Animation Agreement (see Item 3.a. above) for the period July 1, 2019 to and including June 30, 2020, provided that the Union gives notice thereof to the AMPTP before December 31, 2018. In the event that the Union elects to do so, the pension contribution rate to the SAG Pension Plan and the retirement contribution rate to the AFTRA Retirement Fund shall increase by the amount of the allocation up to one-half percent (0.5%) for covered animated television motion pictures and covered animated new media motion pictures, the principal recording of which commences on or after July 1, 2019, and the increase in salary rates for that contract year shall be reduced by the corresponding percentage.

- e. Modify Article XVIII of the Television Animation Agreement (and make conforming changes) to reflect the merger of the SAG Health Plan and the AFTRA Health Fund.
- f. Modify Article XVIII.D. of the Television Animation Agreement to update the permitted grace period of two months following the AMPTP's receipt of notice of ratification of the Agreements.

4. **Animated High Budget SVOD Programs**

Modify Article XXII.B. of the 2014 Television Animation Agreement to provide:

“B. Paragraph E. (“‘High Budget’ Derivative and Original Animated Dramatic New Media Productions Made for Initial Exhibition on Subscription Video-On-Demand Consumer Pay Platforms”) shall instead provide:

“E. **‘High Budget’ Derivative and Original Animated Dramatic New Media Productions Made for Initial Exhibition on a Subscription Video-On-Demand Consumer Pay Platform**

“1. **Prospective Application**

“The terms and conditions set forth in this Paragraph E. shall not apply to the following:

“(a) Any animated program or series that was grandfathered, and remains grandfathered, pursuant to subparagraphs (a) and (b) of Paragraph E.1. of the Sideletter re ‘Programs Made for New Media’ as provided in Article XXII.B. of the 2014 SAG-AFTRA Television Animation Agreement (hereinafter ‘great-grandfathered program or series’). The Sideletter re ‘Programs Made for New Media’ as provided in Article XXII of the 2011 SAG Television Animation Agreement shall apply instead, except that voice actors shall be paid minimum initial compensation pursuant to the 2018 SAG-AFTRA Television Animation Agreement on an episode of an animated series 20-35 minutes in length, which episode commences principal recording on or after January 1, 2019 and would otherwise meet the definition of an ‘Animated High Budget SVOD Program’ under the 2018 SAG-AFTRA Television Animation Agreement had it not been a ‘great-grandfathered programs or series.’

“(b) Any animated program or series, other than a great-grandfathered program or series that would otherwise qualify as an ‘Animated

High Budget SVOD Program’ within the meaning of this Sideletter, for which the principal recording commences prior to January 1, 2019 (in the case of a series, principal recording of the first episode must have commenced prior to January 1, 2019).

“(c) Any animated High Budget SVOD Program or episodes of an animated High Budget SVOD series, the principal recording of which commences on or after January 1, 2019 pursuant to a license agreement entered into prior to January 1, 2019 and which program or series is not otherwise a ‘great-grandfathered program or series.’^{1, 2}

“With respect to programs or series described in subparagraph (b) or (c) above, Paragraph E. of the Sideletter re ‘Programs Made for New Media’ as provided in Article XXII.B. of the 2014 SAG-AFTRA Television Animation Agreement shall apply instead, except that:

“(i) Footnote 4 of this Sideletter applies;

“(ii) Minimum initial compensation as provided in the 2018 SAG-AFTRA Television Animation Agreement shall apply to any animated program or episode of an animated series, which program

¹ If the licensee orders additional animated High Budget SVOD Programs or episodes of an animated High Budget SVOD series, the principal recording of which commences on or after January 1, 2019 pursuant to a license agreement entered into prior to January 1, 2019, and the Producer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then the animated High Budget SVOD Program or episodes of the animated High Budget SVOD series shall be subject to the terms of Paragraph E. of the Sideletter re ‘Programs Made for New Media’ as provided in Article XXII.B. of this Agreement.

² The Producer shall notify the Union of any such license agreement entered into prior to January 1, 2019. The notice shall include the name of the licensee, the term of the license agreement, the license fee, the number of programs or the number of minutes of programming to be produced under the license agreement, the anticipated start date of principal recording, the anticipated date of delivery of the program or series, and whether the licensee has an option to order additional programs or series under the license agreement and, if so, whether the material terms and conditions applicable to such additional programs or series are fixed in the license agreement or are subject to negotiation. At the Union’s request, the Producer must make an unredacted license agreement available for inspection at the Producer’s office in Los Angeles subject to a confidentiality agreement equivalent to those governing new media license agreement inspections.

or episode commences principal recording on or after January 1, 2019 and would otherwise meet the definition of an ‘Animated High Budget SVOD Program’ under the 2018 SAG-AFTRA Television Animation Agreement had it not been grandfathered as provided above;

“(iii) The ‘total actual compensation,’ for purposes of calculating the fixed residual payment for an ‘Animated High Budget SVOD Program’ as provided in the 2014 SAG-AFTRA Television Animation Agreement, shall not exceed the applicable ceiling set forth in Section 18(b)(1)b) of the 2014 SAG-AFTRA TELEVISION AGREEMENT as of June 30, 2017 in the case of an animated High Budget SVOD Program intended for initial exhibition on a subscription video-on-demand consumer pay new media platform with 15 million or more subscribers in the United States and Canada, and shall not exceed sixty-five percent (65%) of the applicable ceiling set forth in Section 18(b)(1)b) of the 2014 SAG-AFTRA TELEVISION AGREEMENT as of June 30, 2017 in the case of an animated High Budget SVOD Program intended for initial exhibition on a subscription video-on-demand consumer pay new media platform with fewer than 15 million subscribers in the United States and Canada.

~~“The terms and conditions set forth in this Paragraph E. shall be applicable prospectively only. They shall not apply to:-~~

~~“(a) any animated program or series that would otherwise qualify as an “Animated High Budget SVOD Program” within the meaning of this Sideletter, for which the principal recording of the program, in the case of a one-time program, or the principal recording of the first episode, in the case of a series, commenced prior to December 1, 2014; or~~

~~“(b) any animated program or series that would otherwise qualify as an “Animated High Budget SVOD Program” within the meaning of this Sideletter for which the principal recording of the program or the first episode of the series commenced after December 1, 2014; if such program or series was produced pursuant to the terms of a *bona fide* license agreement with fixed and definite terms entered into by the Producer prior to December 1, 2014.³ However, if such~~

³ The Producer shall notify the Union of any such license agreement that it enters into prior to December 1, 2014. The notice shall include the name of the licensee, the term of the

license agreement is entered into subject to conditions precedent, then all such conditions must be satisfied prior to December 1, 2014.

~~“Any program or series described in subparagraphs (a) or (b) above shall continue to be subject to the terms of the Sideletter re Programs Made for New Media under the 2011 SAG TELEVISION AGREEMENT, as modified by Article XXII of the 2011 SAG Television Animation Agreement. However, with respect to any such program or series described in subparagraphs (a) or (b) above, if the licensee orders additional programs or episodes pursuant to the terms of the license agreement after December 1, 2014 and the Producer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then such additional programs or episodes shall be subject to the terms of this Sideletter.~~

~~“Notwithstanding the foregoing, the Producer shall not reduce the terms and conditions of employment previously provided to SAG-AFTRA= represented employees on animated programs or series covered by subparagraphs (a) or (b) above.~~

“2. ‘Animated High Budget SVOD Programs’ Defined

“The terms and conditions set forth in Paragraph E. of this Sideletter shall be applicable only to original and derivative dramatic new media productions made for initial exhibition on a subscription video-on-demand consumer pay platform which meet the following ‘high budget’ criteria (hereinafter ‘**Animated High Budget SVOD Programs**’):

license agreement, the license fee, the number of programs or the number of minutes of programming to be produced under the license agreement, the anticipated start date of principal recording, the anticipated date of delivery of the program or series, and whether the licensee has an option to order additional programs or series under the license agreement and, if so, whether the material terms and conditions applicable to such additional programs or series are fixed in the license agreement or are subject to negotiation. At the Union's request, the Producer must make an unredacted license agreement available for inspection at the Producer's office in Los Angeles subject to a confidentiality agreement equivalent to those governing new media license agreement inspections.

**Length of Program
as Initially Exhibited***

**'High Budget'
Threshold**

20-35 Minutes	\$550,000 \$1,300,000 and above
36-65 Minutes	\$2,500,000 and above
66 Minutes or more	\$3,000,000 and above

* Programs less than 20 minutes are not considered 'high budget' for the purpose of this Sideletter, regardless of their budgets. It is understood that two (2) animated segments, each of which is ten (10) minutes or longer and which are initially exhibited as a unit, qualify as a twenty (20) minute program, provided that the combined budget of the segments meets the 'high budget' threshold.

"3. Compensation

"Minimum initial compensation for performers employed on an Animated High Budget SVOD Program shall be the applicable rates under the 2018 ~~2014~~-SAG-AFTRA Television Animation Agreement.

"4. Other Terms and Conditions

"Except as otherwise provided herein, the terms and conditions applicable to Animated High Budget SVOD Programs shall be those applicable under the 2018 ~~2014~~-SAG-AFTRA Television Animation Agreement, subject to the following clarifications and modifications:

"(a) An Animated High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a 30-minute program; an Animated High Budget SVOD Program between 36 and 65 minutes shall be treated as a 60-minute program; an Animated High Budget SVOD Program between 66 and 95 minutes shall be treated as a 90-minute program; and an Animated High Budget SVOD Program 96 minutes or longer shall be treated as a 120-minute program.⁴

⁴ For purposes of determining the applicable compensation and other terms and conditions under Paragraph E. of this Sideletter, the parties agree that an episode of an Animated High Budget SVOD series may exceed the 'program length' which applies to a typical episode of the series by up to three (3) minutes without becoming subject to the terms and conditions applicable to the next highest program length. (For example, if a typical episode of an Animated High Budget SVOD series falls in the 20-35 minute category, a given episode of such series which is 38 minutes in length will still be subject to the compensation and terms and conditions

“(b) Reuse of Photography or Sound Track

“(i) Promotional reuse of photography or sound track from an Animated High Budget SVOD Program in all media shall be governed exclusively by the provisions of the Sideletter Re: Exhibition of Motion Pictures Transmitted Via New Media relating to promotional use.

“(ii) Non-Promotional Reuse of Photography or Sound Track

“(A) Non-Promotional Reuse of Photography or Sound Track in New Media

“1) For non-promotional reuse of photography or sound track from one episode of an Animated High Budget SVOD series in another episode of the same series, Section 36 of the 2017 2014-SAG-AFTRA TELEVISION AGREEMENT shall apply (as modified by Article XII. of the 2018 2014-SAG-AFTRA Television Animation Agreement), ~~except that the performer may agree to reuse at the time of employment.~~

“2) For any other non-promotional reuse of photography or sound track of an Animated High Budget SVOD Program in New Media, the reuse provisions of Section 3 of the Sideletter Re: Exhibition of Motion Pictures Transmitted Via New Media shall apply (*i.e.*, the Animated High Budget SVOD Program shall be treated as a ‘television motion picture’ for purposes of such provisions).

applicable to a program between 20 and 35 minutes in length.) The parties further confirm that this applies to Animated High Budget SVOD Programs produced under the Sideletter re ‘Programs Made for New Media’ as provided in Article XXII.B. of the 2014 SAG-AFTRA Television Animation Agreement.

“(B) Non-Promotional Reuse of Photography or Sound Track Other than in New Media

“Section 36 of the 2017 ~~2014~~ SAG-AFTRA TELEVISION AGREEMENT (as modified by Article XII of the 2018 ~~2014~~ SAG-AFTRA Television Animation Agreement) shall apply to the reuse of photography or sound track from an Animated High Budget SVOD Program in any medium other than New Media (*e.g.*, in traditional media), except that the performer may agree to reuse at the time of employment, if bargaining is required.

“(iii) In no event shall the Producer be required to bargain and/or make payment for reuse of photography or sound track from an Animated High Budget SVOD Program if it would not be required to do so under Section 36 of the 2017 ~~2014~~ SAG-AFTRA TELEVISION AGREEMENT (as modified by Article XII of the 2018 ~~2014~~ SAG-AFTRA Television Animation Agreement) or the Sideletter Re: Exhibition of Motion Pictures Transmitted Via New Media.

“(c) Section 18(d) of the 2017 ~~2014~~ SAG-AFTRA TELEVISION AGREEMENT shall apply in lieu of Article X.B. of the 2018 ~~2014~~ SAG-AFTRA Television Animation Agreement. It is understood that the advance payment of residuals provision in Section 18(d) of the 2017 ~~2014~~ SAG-AFTRA TELEVISION AGREEMENT allows the crediting of all residuals payable for the reuse of an Animated High Budget SVOD Program, regardless of whether the residuals are a fixed or percentage payment.

“(d) For an Animated High Budget SVOD Program intended for initial exhibition on a subscription video-on-demand consumer pay platform with fewer than 20 ~~15~~ million subscribers, or an Animated High Budget SVOD Program intended for initial exhibition on a subscription video-on-demand consumer pay platform with 20 ~~15~~ million or more subscribers that is budgeted at \$1,300,000 ~~\$550,000 or more~~ but less than \$2,000,000 ~~(\$2,100,000 effective July 1, 2016)~~ for a program between 20 and 35 minutes in length, \$2,500,000 or more but less than \$3,700,000 ~~(\$3,800,000 effective July 1, 2016)~~ for a program between 36 and 65 minutes in length, \$3,000,000 or more but

less than \$4,000,000 for a program between 66 and 95 minutes in length and \$3,000,000 or more but less than \$4,500,000 (plus \$2,250,000 for each additional 35 minutes or portion thereof) for a program 96 minutes or more in length, the following additional modifications shall apply:

- “(i) Producer may credit amounts in excess of 65% of the minimum, but not to exceed the minimum, against any other compensation otherwise due to a series or term contract performer (*e.g.*, overtime, penalties, and residuals, regardless of whether the threshold for advance payment of residuals has been met). Such crediting shall not apply to voice actors other than series or term contract performers. (Note that this crediting is in addition to the rights of crediting of residuals provided in Paragraph E.4.(c) of this Sideletter.)
- “(ii) On days for which the ~~2014~~ 2018 SAG-AFTRA Television Animation Agreement requires premium pay for travel, such travel time shall be compensated at straight time with respect to employment covered hereunder.
- “(e) In recognition that programs made for New Media involve a new and evolving form of production and may not be subject to the same production model as applies to traditional television motion pictures, thereby rendering possible the use of alternative methods and schedules, the Union agrees to consider in good faith requests for waivers to facilitate the use of such alternative methods and schedules on Animated High Budget SVOD Programs when appropriate.

“5. Reuse

“The provisions below apply to the reuse of Animated High Budget SVOD Programs.

- “(a) (i) Initial compensation paid to performers employed on an Animated High Budget SVOD Program intended for initial exhibition on a subscription video-on-demand consumer pay platform ~~with 15 million or more subscribers in the United States and Canada~~ constitutes payment for ninety (90) days ~~one year~~ of use worldwide on such platform (including any related or affiliated foreign subscription video-on-demand consumer pay platform), commencing

with the first day the Animated High Budget SVOD Program is available on such subscription video-on-demand consumer pay platform(s).

~~“(ii) For each year of use of such programs on the subscription video-on-demand consumer pay platform (including any related or affiliated foreign subscription video-on-demand consumer pay platform) beyond the initial one-year use period, the Producer shall make a fixed residual payment calculated by multiplying the performer’s “total actual compensation” (as defined in Article X.A. of the 2014 SAG-AFTRA Television Animation Agreement), but not to exceed the applicable ceiling set forth in Section 18(b)(1)b) of the 2014 SAG-AFTRA TELEVISION AGREEMENT, by the applicable percentage set forth in the following chart:~~

Exhibition Year*	Percentage of “Total Actual Compensation” (subject to Section 18(b)(1)b) ceilings)
Year 2	30.0%
Year 3	30.0%
Year 4	25.0%
Year 5	20.0%
Year 6	15.0%
Year 7	10.0%
Year 8	8.0%
Year 9	5.0%
Year 10	4.5%
Year 11	3.0%
Year 12	2.5%
Each Year thereafter	1.5%
* Each Year shall commence with the first day that the Animated High Budget SVOD Program is made available for exhibition on the subscription consumer pay platform following the conclusion of the prior one-year use period.	

~~“(iii) Initial compensation paid to performers employed on an Animated High Budget SVOD Program intended for initial exhibition on a subscription video-on-demand consumer pay new media platform with fewer than 15 million subscribers in the United States and Canada constitutes payment for one year of use on the domestic subscription video-on-demand consumer pay platform on which it is first exhibited and on any related or affiliated foreign subscription video-on-demand consumer pay~~

~~platform, commencing with the first day that the Animated High Budget SVOD Program is available on such subscription video-on-demand consumer pay platform.~~

~~For each year of use of such Animated High Budget SVOD Program on the domestic subscription video-on-demand consumer pay platform and on any related or affiliated foreign subscription video-on-demand consumer pay platform(s) beyond the initial one-year use period, the Producer shall make a fixed residual payment calculated by multiplying 65% of “total actual compensation” (as defined in Article X.A. of the 2014 SAG-AFTRA Television Animation Agreement), but not to exceed 65% of the applicable ceiling set forth in Section 18(b)(1)b) of the 2014 SAG-AFTRA TELEVISION AGREEMENT, by the applicable percentage set forth in the chart above in subparagraph (ii).~~

“(ii) Subsequent Use on the Domestic Subscription Consumer Pay Platform on Which the Animated High Budget SVOD Program Was Initially Exhibited.

“For use on the subscription video-on-demand consumer pay platform in the United States and Canada on which the Animated High Budget SVOD Program is initially exhibited during the first exhibition year after the ninety (90) day period following the initial availability of the Program on such platform, and for each year of domestic use thereafter, the Producer shall pay residuals calculated by multiplying the voice actor’s ‘total actual compensation’ (as defined in Article X.A. of the 2018 SAG-AFTRA Television Animation Agreement), but not to exceed the applicable ceiling set forth in the chart below, by the applicable percentage for the period of use set forth in subparagraph (A) below and by the subscriber factor set forth in subparagraph (B) below.

<u>Applicable Ceiling</u>	
<u>Length</u>	<u>Effective January 1, 2019</u>
<u>20-35 minutes</u>	<u>\$2,707</u>
<u>36-65 minutes</u>	<u>\$3,851</u>

<u>Applicable Ceiling</u>	
<u>Length</u>	<u>Effective January 1, 2019</u>
<u>66-95 minutes</u>	<u>\$3,966</u>
<u>96 minutes or more</u>	<u>\$4,145</u>

“(A) Percentage of ‘Total Actual Compensation’ (Subject to Applicable Ceiling) Payable for Residuals.

<u>Exhibition Year*</u>	<u>Percentage of ‘Total Actual Compensation’ (Subject to Applicable Ceiling)</u>
<u>Year 1*</u>	<u>35.0%</u>
<u>Year 2</u>	<u>30.0%</u>
<u>Year 3</u>	<u>30.0%</u>
<u>Year 4</u>	<u>25.0%</u>
<u>Year 5</u>	<u>20.0%</u>
<u>Year 6</u>	<u>15.0%</u>
<u>Year 7</u>	<u>10.0%</u>
<u>Year 8</u>	<u>8.0%</u>
<u>Year 9</u>	<u>5.0%</u>
<u>Year 10</u>	<u>4.5%</u>
<u>Year 11</u>	<u>3.0%</u>
<u>Year 12</u>	<u>2.5%</u>
<u>Each Year Thereafter</u>	<u>1.5%</u>

“*Exhibition Year 1 shall commence on the first day that the Animated High Budget SVOD Program is made available for exhibition on the subscription video-on-demand consumer pay platform following ninety (90) days after the initial exhibition date. Each Exhibition Year thereafter shall commence with the first day that the Animated High Budget SVOD Program is made available for exhibition on the subscription video-on-demand consumer pay platform following the conclusion of the prior one-year use period.

“(B) Subscriber Factor.

<u>Subscriber Tier</u>	<u>Domestic Subscribers</u>	<u>Subscriber Factor</u>
<u>1</u>	<u>Under 1 million</u>	<u>20%*</u>
<u>2</u>	<u>1 million to 5 million</u>	<u>40.0%</u>
<u>3</u>	<u>Over 5 million but fewer than 20 million</u>	<u>65.0%</u>
<u>4</u>	<u>20 million to 45 million</u>	<u>100.0%</u>
<u>5</u>	<u>Over 45 million</u>	<u>150.0%</u>

“*No residual shall be owed for the first year of exhibition of an Animated High Budget SVOD Program or series produced for initial exhibition on a subscription consumer pay platform with fewer than 1,000,000 domestic subscribers.

“(C) Payment

“Payment for each Exhibition Year shall be due sixty (60) days after the end of the calendar quarter in which the Animated High Budget SVOD Program was first made available in that Exhibition Year.

“(iii) Use on a Foreign Subscription Video-on-Demand Consumer Pay Platform Related to or Affiliated with the Domestic Subscription Video-on-Demand Consumer Pay Platform.”^{5, 6}

“(A) Foreign Subscription Video-on-Demand Consumer Pay Platforms Related to or Affiliated with a Domestic Subscription Video-on-Demand Consumer Pay Platform with Over 45 Million Subscribers.”

“(1) When Producer licenses the right to exhibit an Animated High Budget SVOD Program to a domestic subscription video-on-demand consumer pay platform with over 45 million subscribers and also licenses SVOD rights for use on its related or affiliated foreign subscription video-on-demand consumer pay platform(s), Producer shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial availability on the domestic subscription video-on-demand consumer pay platform) that is an additional percentage of the domestic residual set forth in subparagraph 5.(a)(ii) above according to the following schedule:

⁵ Residuals shall also be payable under this provision when the Producer is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform.

⁶ It is understood that this provision also applies when a subscription consumer pay platform that holds foreign exhibition rights sublicenses those rights.

<u>Exhibition Year</u>	<u>Percentage of Domestic Residual</u>
<u>Year 1</u>	<u>15.0%</u>
<u>Year 2</u>	<u>15.0%</u>
<u>Year 3</u>	<u>15.0%</u>
<u>Year 4</u>	<u>11.0%</u>
<u>Year 5</u>	<u>11.0%</u>
<u>Year 6</u>	<u>11.0%</u>
<u>Year 7</u>	<u>9.0%</u>
<u>Year 8</u>	<u>9.0%</u>
<u>Year 9</u>	<u>9.0%</u>
<u>Year 10</u>	<u>6.0%</u>
<u>Year 11</u>	<u>6.0%</u>
<u>Year 12</u>	<u>6.0%</u>
<u>Each Year Thereafter</u>	<u>4.0%</u>

“Payment of the additional fixed residual above shall cover worldwide use of the Animated High Budget SVOD Program on all foreign subscription video-on-demand consumer pay platforms for the applicable exhibition year.

“2) However, when Producer’s license includes the SVOD rights for use on the related or affiliated foreign subscription video-on-demand consumer pay platform(s) of such domestic subscription video-on-demand consumer pay platform in foreign territories which constitute fifteen percent (15%) or less of the value of all foreign markets (i.e., outside the United States and Canada), then gross receipts-based residuals for such foreign SVOD licensing shall be paid pursuant to subparagraph 5.(a)(iii)(B)2 below in lieu of the foreign fixed residual in subparagraph 5.(a)(iii)(A)1) above. In that case, the Producer shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or

affiliated foreign subscription consumer pay platform(s) have exhibition rights, and make a residual payment equal to 3.6% of such allocated amount, which amount shall include health contributions to the SAG-AFTRA Health Plan and either pension contributions to the SAG Pension Plan or retirement contributions to the AFTRA Retirement Fund, as applicable.^{7, 8} If the Union contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

“(B) Foreign Subscription Video-on-Demand Consumer Pay Platforms Related to or Affiliated with a Domestic Subscription Video-on-Demand Consumer Pay Platform with 45 Million or Fewer Subscribers.

“(1) When a Producer licenses the right to exhibit an Animated High Budget SVOD Program to a domestic subscription video-on-demand consumer pay platform with 45 million or fewer subscribers and also

⁷ If the Producer is related to or affiliated with the domestic subscription video-on-demand consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform, the allocation shall be measured by the exhibitor's payments to unrelated or unaffiliated entities in arms' length transactions for comparable programs, or, if none, then the amounts received by the Producer from unrelated and unaffiliated exhibitors in arms' length transactions, or, if none, a comparable exhibitor's payments to comparable unrelated and unaffiliated entities in arms' length transactions for comparable programs.

⁸ At the Union's request, the Producer must make an unredacted license agreement available for inspection at the Producer's office subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in the 'Sideletter re Exhibition of Motion Pictures Transmitted Via New Media' in the 2017 SAG-AFTRA TELEVISION AGREEMENT.

licenses ‘worldwide’ SVOD rights to its related or affiliated foreign subscription consumer pay platform(s), the Producer shall pay a fixed residual for each exhibition year of use in foreign markets (after an initial ninety (90) consecutive day window measured from initial exhibition on the domestic subscription video-on-demand consumer pay platform) according to the formula set forth in subparagraph 5.(a)(iii)(A)1) above.

- “2) When a Producer licenses the right to exhibit an Animated High Budget SVOD Program to a domestic subscription video-on-demand consumer pay platform with 45 million or fewer subscribers and also licenses foreign SVOD rights other than ‘worldwide’ to its related or affiliated foreign subscription video-on-demand consumer pay platform(s), the Producer shall make a residual payment equal to 3.6% of ‘Distributor’s gross’ as defined in Paragraph 4 of the ‘Sideletter re Exhibition of Motion Pictures Transmitted Via New Media’ in the 2017 SAG-AFTRA TELEVISION AGREEMENT. Such payment shall include health contributions to the SAG-AFTRA Health Plan and either pension contributions to the SAG Pension Plan or retirement contributions to the AFTRA Retirement Fund, as applicable. For purposes of this provision, when the license includes both the right to exhibit a High Budget SVOD Program on a domestic subscription video-on-demand consumer pay platform and on its related or affiliated foreign subscription video-on-demand consumer pay platform(s), the Producer shall allocate a fair and reasonable portion of the license fee to the foreign territories for which related or affiliated foreign subscription video-on-demand consumer pay platform(s) have

exhibition rights, and then make the residual payment provided herein of such allocated amount.^{9, 10} If the Union contends that the amount so allocated was not fair and reasonable, such claim may be submitted to arbitration. In the event the arbitrator finds that such allocation was not fair and reasonable, he or she shall determine the fair and reasonable amount to be allocated.

- “(b) For subsequent exhibition of an Animated High Budget SVOD Program on any subscription video-on-demand consumer pay new media platform other than the subscription video-on-demand consumer pay platform on which the program was initially exhibited and on any of its related or affiliated foreign subscription video-on-demand consumer pay platform(s) (other than on a foreign subscription video-on-demand consumer pay platform for which the fixed residual has been paid pursuant to subparagraphs 5.(a)(iii)(A)1 or 5.(a)(iii)(B)1 above), the Producer shall make a residual payment equal to 3.6% of ‘Distributor’s gross’ as defined in Paragraph 4 of the ‘Sideletter re Exhibition of Motion Pictures Transmitted Via New Media’ in the 2017 SAG-AFTRA TELEVISION AGREEMENT. Such payment shall include health contributions to the SAG-AFTRA Health Plan and either pension contributions to the SAG Pension Plan or retirement contributions to the AFTRA Retirement Fund, as applicable.

⁹ If the Producer is related to or affiliated with the domestic subscription consumer pay platform that is related to or affiliated with the foreign subscription consumer pay platform, the allocation shall be measured by the exhibitor’s payments to unrelated or unaffiliated entities in arms’ length transactions for comparable programs, or, if none, then the amounts received by the Producer from unrelated and unaffiliated exhibitors in arms’ length transactions, or, if none, a comparable exhibitor’s payments to comparable unrelated and unaffiliated entities in arms’ length transactions for comparable programs.

¹⁰ At the Union’s request, the Producer must make an unredacted license agreement available for inspection at the Producer’s office subject to a confidentiality agreement equivalent to those governing new media license agreement inspections as described in the ‘Sideletter re Exhibition of Motion Pictures Transmitted Via New Media’ in the 2017 SAG-AFTRA TELEVISION AGREEMENT.

“(c) For subsequent exhibition of an Animated High Budget SVOD Program on any consumer pay new media platform other than a subscription video-on-demand consumer pay platform (*i.e.*, on a transactional consumer pay platform involving download-to-own or download-to-rent transactions), the Producer shall make a residual payment equal to 3.6% of ‘Distributor’s gross’ as defined in Paragraph 4 of the ‘Sideletter re Exhibition of Motion Pictures Transmitted Via New Media’ in the 2017 SAG-AFTRA TELEVISION AGREEMENT. Such payment shall include health contributions to the SAG-AFTRA Health Plan and either pension contributions to the SAG Pension Plan or retirement contributions to the AFTRA Retirement Fund, as applicable.

“(d) Except as provided in the next paragraph, for subsequent exhibition of an Animated High Budget SVOD Program on any free-to-the-consumer/advertiser-supported new media platform, the Producer shall make a residual payment equal to 6% of ‘Distributor’s gross’ as defined in Paragraph 4 of the ‘Sideletter re Exhibition of Motion Pictures Transmitted Via New Media’ in the 2017 SAG-AFTRA TELEVISION AGREEMENT, plus health contributions to the SAG-AFTRA Health Plan and either pension contributions to the SAG Pension Plan or retirement contributions to the AFTRA Retirement Fund, as applicable.

“Notwithstanding the foregoing, the Producer shall have the right to exhibit an Animated High Budget SVOD Program (including any one-time program or the first three (3) episodes of a new series), without any additional payment, on free-to-the-consumer/advertiser-supported new media platforms for a period of seven (7) consecutive days for the purpose of promoting the Animated High Budget SVOD Program.

“(e) For use of an ~~an~~ ~~Derivative~~ Animated High Budget SVOD Program in traditional media (*e.g.*, theatrical exhibition, free television, basic cable, pay television, home video), the Producer shall pay residuals as a supplemental use as set forth in Paragraph B.3.(c) of this Sideletter; ~~for use of an Original Animated High Budget SVOD Program in traditional media, the Producer shall pay residuals as a supplemental use as set forth in Paragraph D.3.(c) of this Sideletter~~ under existing Television Animation Agreement formulas.

“6. For purposes of determining applicable terms and conditions under this Paragraph E., the number of domestic subscribers shall be determined as of July 1st of each year of the Agreement. For an Animated High Budget SVOD series, the number of domestic subscribers that applies to the first episode of the season shall apply to the entire season in perpetuity.

“67. Credit

“Credit for Animated High Budget SVOD Programs shall be subject to Section 54 of the ~~2014~~2017 SAG-AFTRA TELEVISION AGREEMENT, as modified by Article IX of the ~~2014~~2018 SAG-AFTRA Television Animation Agreement, subject to the following clarifications and modifications:

“(a) For purposes of the limitations periods set forth in Section 54, the first day the Animated High Budget SVOD Program is available on a subscription consumer pay platform shall be considered the date of the first “broadcast.”

“(b) ‘Click-through’ credits may be used.”

“C. Paragraph J. (“Sunset Clause”) shall instead provide:

“J. Sunset Clause

“The parties recognize that this Sideletter is being negotiated at a time when the business models and patterns of usage of productions in New Media are in the process of exploration, experimentation and innovation. Therefore, except as provided in the next paragraph, all of the provisions of this Sideletter shall expire on the termination date of the ~~2014~~2018 SAG-AFTRA Television Animation Agreement and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions for reuse of Made for New Media Productions to be in effect thereafter.

“The terms and conditions herein applicable to Animated High Budget SVOD Programs shall apply and remain in full force and effect, and without change, to Animated High Budget SVOD Programs produced by the Producer hereunder, regardless of the terms or provisions of any

agreement which is a modification, extension or renewal of, or substitution for, this sideletter.

“The parties further acknowledge that conditions in this area are changing rapidly and that the negotiation for the successor agreements will be based on the conditions that exist and reasonably can be forecast at that time.”

5. **Requests to Record Additional Voices Without Required Payment**

The AMPTP will issue the following bulletin to Producers signatory to the 2018 SAG-AFTRA Television Animation Agreement:

**“NOTICE TO PRODUCERS REPRESENTED BY THE AMPTP IN NEGOTIATIONS
FOR THE 2018 PRODUCER-SAG-AFTRA TELEVISION ANIMATION
AND BASIC CABLE ANIMATION AGREEMENTS**

“Re: Requests to Record Additional Voices Without Required Compensation

“During the 2017-2018 negotiations, the Union raised a concern that voice actors who are already at a recording session are sometimes asked by the Producer ‘as a favor’ to record additional voices without paying the compensation required under the Producer-SAG AFTRA Television Animation Agreement or the Producer-SAG AFTRA Basic Cable Agreement for Animated Motion Pictures (the ‘Agreements’).

“This is a reminder that all work performed by voice actors must be compensated as provided in the Agreements. While the Producers may certainly request that a voice actor perform additional services during a session, they may not request that a voice actor perform a ‘favor’ or provide any additional work during a session without complying with the payment obligations under the Agreements. However, the parties acknowledge that not all additional voice work requires payment.

“Please ensure that a copy of this bulletin is distributed to the appropriate Company representatives to ensure compliance with the foregoing.”

6. **Synchronized Lines**

- a. Delete Article I.C.4. of the SAG-AFTRA Television Animation Agreement (and designate subparagraph 5. as subparagraph 4. of Article I.C.).
- b. *Modify Article III.A. and III.B. of the SAG-AFTRA Television Animation Agreement as follows:*

“III. Pick-up Lines and Synchronized Lines; Lead-Ins, Lead-Outs, Bumpers and Wraparounds

“A. Pick-up lines and/or synchronized lines at a separate session: A voice actor may be requested to attend a session called for the sole purpose of performing pick-up lines and synchronized lines from previous episodes of a series and may provide an unlimited number of pick-up lines and synchronized lines in a two (2) hour session for a single full minimum session fee.

“B. Pick-up lines and/or synchronized lines at a regular session: A voice actor may be requested to record unlimited pick-up lines and/or synchronized lines from previous episodes for no additional compensation if such recording of pick-up lines and/or synchronized lines takes no more than one (1) hour at a session at which the voice actor is engaged to perform principal recording.”

Make conforming changes.

7. **Improve Sales Opportunities to Secondary Digital Channels**

Add a new Section D. to the end of Article X of the 2014 SAG-AFTRA Television Animation Agreement to apply Sideletter O of the 2017 SAG-AFTRA Television Agreement to animated television motion pictures, Animated High Budget SVOD Programs and animated motion pictures made for the videodisc/videocassette market when they are out of production, as follows:

“D. Sideletter O of the 2017 SAG-AFTRA TELEVISION AGREEMENT Re: License to Secondary Digital Channels of Free Television Motion Pictures, Pay Television Motion Pictures, High Budget SVOD Programs, Made-For-Home Video Motion Pictures or Basic Cable Programs, which provides for a percentage residual under certain conditions, shall apply to animated television motion pictures, Animated High

Budget SVOD Programs (as defined in Article XXII.B. below) and animated motion pictures made for the videodisc/videocassette market that are out of production.”

Make conforming changes, including by deleting the last paragraph of Article XIV (which states: “For purposes of determining whether an animated television motion picture is eligible for the percentage residual set forth in Sideletter O of the 2014 SAG-AFTRA TELEVISION AGREEMENT re: License of Free Television, Pay Television or Basic Cable Motion Pictures to Secondary Digital Channels, the reference to a ‘free television series consisting of sixty-eight (68) or fewer episodes’ shall be changed to a ‘free television series consisting of fifty-six (56) or fewer episodes.’”)

8. **Limited Theatrical Exhibition of Animated Episodes, Films or Segments of Films and Long-Form Television Motion Pictures**

Add a new Section A. to Article XVII of the Television Animation Agreement (and designate current Sections “A.” and “B.” as “B.” and “C.,” respectively) to provide a percentage residual formula of nine percent (9%) of “Distributor’s gross receipts” for the limited theatrical exhibition of an animated series episode(s), animated film(s) or segment(s) of film(s) and animated long-form television motion picture(s) as follows:

“A. Limited Theatrical Exhibition

“During the 2017-2018 negotiations, the parties agreed that for limited theatrical exhibitions with an admission charge (other than a theatrical exhibition covered by Article XVII.B., C. or D. below) of animated series episode(s), animated films or segments of films, Animated High Budget SVOD Programs (as defined in Article XXII.B. below) or animated long-form television motion pictures, the following shall apply in lieu of the provisions in Section 19(a), (b), (c) and (d)(1) of the 2017 SAG-AFTRA TELEVISION AGREEMENT [make conforming changes to the foregoing citations based on the codification of the 2017 SAG-AFTRA TELEVISION AGREEMENT]:

“1. If one or more episodes (or a segment thereof) of an animated free television or pay television series or one or more episodes (or a segment thereof) of an Animated High Budget SVOD series or mini-series (as defined in Article XXII.B.), either alone or in combination with another episode or segment of the same or different series, an animated film or segment of film or an animated long-form television motion picture made for free television or pay television (but not one that is an Animated High Budget SVOD Program) is exhibited theatrically with an admission charge after its initial exhibition on television (or initial availability on a subscription consumer pay platform in the case of an Animated High Budget SVOD series or mini-series), the Producer shall

pay to the Union, for rateable distribution to the voice actors, an amount equal to nine percent (9%) of the 'Distributor's gross receipts' derived from licensing the theatrical exhibition rights and, for this purpose, shall include the fair market value of any in-kind consideration, provided that:

“(i) The theatrical exhibition shall take place at least twenty-four (24) hours after the episode's initial telecast (or, for an Animated High Budget SVOD series or mini-series, at least twenty-four (24) hours after the episode has been made available for viewing on the streaming service) or at least thirty (30) days after the initial telecast of an animated long-form television motion picture;

“(ii) The theatrical exhibition shall not exceed eight (8) days, which need not be consecutive, unless the initial theatrical exhibition takes place more than one year after the initial telecast or streaming availability, in which case there is no limit on the length of the theatrical exhibition.

“2. If one or more episodes (or a segment thereof) of a 30-minute or 60-minute animated free television or pay television series, or one or more episodes (or a segment thereof) of a 20-35 minute or 36-65 minute Animated High Budget SVOD series, either alone or in combination with another episode or segment of the same or different series, is exhibited theatrically with an admission charge no more than thirty (30) days in advance of or simultaneous with its exhibition on television (or, in the case of an episode of a 20-35 minute or 36-65 minute Animated High Budget SVOD series, thirty (30) days in advance of or on the same date that it is made available for exhibition on a streaming service), the Producer shall pay to the Union, for rateable distribution to the voice actors, an amount equal to nine percent (9%) of the 'Distributor's gross receipts' derived from licensing the theatrical exhibition rights and, for this purpose, shall include the fair market value of any in-kind consideration, provided that:

“(i) The theatrical exhibition shall not exceed six (6) days, which need not be consecutive;

“(ii) The episode, including the pilot, or any segment thereof, is part of a series order of at least six (6) episodes.

“3. Producer shall provide the Union with notice of any theatrical exhibition covered hereunder as soon as possible after an agreement in principle has been reached for the theatrical exhibition. In the event that a license agreement is entered into prior to July 1, 2020, the terms of which extend beyond the termination date of the 2018 Television Animation Agreement, Producer shall notify the Union of any such license agreement.

“4. The provisions above also apply to a double-length episode, a pilot of any length for which a series has been ordered and any ‘supersized’ episode of a series.

“5. It is understood that no individual bargaining is required with any voice actor for the right to exhibit the animated television motion picture(s) or Animated High Budget SVOD series or mini-series theatrically, provided that the theatrical exhibition occurs under the foregoing conditions.

“6. The theatrical use fee and related conditions set forth in Section 19 of the 2017 SAG-AFTRA TELEVISION AGREEMENT, less the amount of the percentage residual payment already paid hereunder, shall apply if the foregoing conditions are not met.

“7. The provisions above shall apply to the use on or after [insert date of notice of ratification] of any animated television episode (or a segment thereof), Animated High Budget SVOD Program (or a segment thereof) or animated long-form television motion picture for which a theatrical release payment is due under the 2018 Television Animation Agreement or any prior animation agreement, including but not limited to any animation agreement with SAG, AFTRA or SAG-AFTRA negotiated prior to [insert date of notice of ratification]

“8. Within ten days of a request by the Union, the Producer shall provide for inspection by the Union's designated employee(s) or auditor(s), at Producer's premises, full access to all unredacted agreements related to the theatrical exhibition of the animated television motion picture or Animated High Budget SVOD Program. The information provided to the Union will be treated as confidential pursuant to Section 6.1 of the General Provisions of the SAG-AFTRA Codified Basic Agreement.

“9. The above provisions shall expire on the termination date of the 2018 Television Animation Agreement and will be of no force and effect thereafter; however, the terms of this Article XVII.C. shall continue to apply to any license agreement entered into before July 1, 2020.”

Make conforming changes.

9. **Theatrical Exhibition When No Remuneration is Received By Producer**

Modify the following provisions of Article XVII of the Television Animation Agreement (and incorporate the conforming changes required as a result of Item 8 above) as follows:

“AB. For Academy Award Consideration

“Producer may theatrically release, for one week or less, a television motion picture which qualifies as an animated short film under the Academy Award Rules of the Academy of Motion Picture Arts and Sciences for purposes of consideration for an Academy Award for Best Animated Short Film, without the payment of any additional compensation to the voice actor(s) who performed in the television motion picture.

“BC. ~~For Promotional Purposes~~ When No Admission Fee is Charged

“When a pilot or an episode (or a segment thereof) of an animated television series which has not ended its initial run is exhibited theatrically for promotional purposes, no admission fee is charged and no remuneration is received by the Producer or the Producer's licensee in consideration for the use of the motion picture, no payment shall be due hereunder. ~~SAG-AFTRA agrees to give good faith consideration to any request for a waiver of the payment otherwise due for the theatrical exhibition in any other circumstance when no monies are paid to the Producer or the Producer's licensee in consideration for the use of the animated television motion picture.”~~

“D. When Producer Does Not Receive Any Remuneration for the Theatrical Exhibition of an Animated Television Motion Picture

“SAG-AFTRA agrees to give good faith consideration to any request for a waiver of the payment otherwise due for theatrical exhibition in any circumstance when no monies are paid to the Producer in consideration for the use of the animated television motion picture.”

Make conforming changes.

10. **Museum Exhibition of Animated Television Motion Pictures**

Add a new Article XVII.E. to the Television Animation Agreement as follows:

“E. The parties confirm that the exhibition of an animated television motion picture at a non-profit museum is treated the same as the exhibition of an animated television motion picture at a film festival or charitable event under Section 19(l) of the 2017 SAG-AFTRA Television Agreement, and analogous provisions of prior agreements, when an admission fee is charged, but no monies are paid to the Producer or the Producer’s licensee in consideration for the use of the motion picture, and when the exhibition does not constitute a permanent exhibit. It is understood that SAG-AFTRA will continue to give good faith consideration to requests for waivers for all other museum exhibitions of animated television motion pictures to the extent such waivers may still be necessary.”

11. **Virtual MVPD Services**

Add the following paragraph to the end of Article XXI of the 2014 SAG-AFTRA Television Animation Agreement:

“The Sideletter re ‘Virtual MVPD Services’ to the 2017 SAG-AFTRA TELEVISION AGREEMENT shall be applicable to animated television motion pictures covered under this Agreement to the same extent as it applies to live action television motion pictures.”

Make conforming changes.

12. **Over-the-Top (“OTT”) Service of Pay Television Service**

Add a new Article X.E. to the 2014 SAG-AFTRA Television Animation Agreement as follows:

“E. 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 Section 78(c)(1) of the 2017 SAG-AFTRA TELEVISION AGREEMENT.

“To the extent that an animated pay television program is exhibited on both the linear pay television service and the OTT service, the residual payment set forth in Section 78(c)(1) of the 2017 SAG-AFTRA TELEVISION AGREEMENT shall cover exhibition on both the linear pay television service and the OTT service. To the extent that an animated 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 in Section 78(c)(1) of the 2017 SAG-AFTRA TELEVISION AGREEMENT.

“For example, if an animated pay television program 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.”

Make conforming changes.

13. **Reuse in Generic Promos**

Modify Article XI of the Television Animation Agreement so that Section 35(c) of the 2017 SAG-AFTRA Television Agreement applies without any changes, as follows:

“XI. Reuse in Generic Promos

“Consistent with the provisions of Article XIV, ‘Applicability of Television Agreement,’ of this Agreement, Section 35(c) of the ~~2014~~2017 SAG-AFTRA TELEVISION AGREEMENT shall apply to voice actors employed under this Agreement. ~~Notwithstanding the provisions of Section 35(c)(2)c) of the 2014 SAG-AFTRA TELEVISION AGREEMENT, the Producer may reuse sound track of any voice actor employed under this Agreement in generic promos, without the payment of additional compensation, provided that the voice actor is paid for or guaranteed at least~~

fifty percent (50%) of the episodes ordered for the series for which the generic promo is produced. In any event, the voice actor shall be guaranteed at least six (6) episodes, but need not be guaranteed more than twenty (20) episodes.”

Make conforming changes.

14. **Reuse of Sound Track from an Episode of a Series in Another Episode of the Same Series**

Modify Article XII of the 2014 SAG-AFTRA Television Animation Agreement as follows:

“XII. RecapsReuse of Soundtrack in Other Episodes of a Series

“All reuse of sound track from one episode of a series in another episode of the same series shall be governed by Section 36 of the 2017 SAG-AFTRA TELEVISION AGREEMENT, except:

“A. Recaps

“A voice actor who is paid not less than two (2) times the applicable minimum compensation may agree, at the time of employment, to the reuse of sound track in a recap, without the payment of additional compensation, so long as the sound track is used in the recap of a program which commences production within one (1) calendar year after the first exhibition of the program from which the sound track is taken.

~~“Recaps containing sound track of voice actors who are paid less than two (2) times the applicable minimum compensation, or of voice actors who were paid two (2) times the applicable minimum compensation or more but who did not agree to the reuse at the time of employment, shall be governed by the provisions relating to recaps in the third and fourth paragraphs of Section 36(a) of the 2014 SAG-AFTRA TELEVISION AGREEMENT.~~

“If the Producer desires to reuse sound track of a voice actor in the recap of a program which commences production outside the one (1) year period described in the first paragraph of this Article XII.A., then the Producer may, as to star voice actors, seek a waiver of the obligation to make payment for such reuse pursuant to Section 36(j) of the ~~2014~~2017 SAG-AFTRA TELEVISION AGREEMENT. ~~As to all other voice actors, such reuse shall be governed by the provisions relating to recaps in the third and~~

~~fourth paragraphs of Section 36(a) of the 2014 SAG-AFTRA TELEVISION AGREEMENT.~~

“Notwithstanding the foregoing, the Producer may reuse sound track of any voice actor employed under this Agreement in a recap, without the payment of additional compensation, provided that the voice actor is paid for or guaranteed at least fifty percent (50%) of the episodes ordered for the series and is added to the final cast list for the episode with a residual base equal to the applicable minimum compensation under Article I.A. or B. depending on the length of the film or segment.

“B. When the Producer is otherwise obligated to pay for reuse of sound track from one episode of a series in another episode of the same series, payment shall be the voice actor’s applicable minimum compensation under Article I.A. or B. of this Agreement, depending on the length of the film or segment, and the voice actor shall be added to the final cast list for the episode with a residual base equal to the applicable minimum compensation under Article I.A. or B. depending on the length of the film or segment. There shall be no obligation to bargain with the voice actor for such reuse.”

Make conforming changes.

15. **California Sick Leave**

Add a new Article XXIII (and renumber the current Article XXIII to Article XXIV) to the 2014 SAG-AFTRA Television Animation Agreement as follows:

"XXIII. California Sick Leave

“A. Accrual

“Eligible voice actors (as described in subparagraph B. below) shall be entitled to accrue paid sick leave on an up-front basis or hourly basis as follows:

“1. Provided that advance notice is given to the voice actor, a Producer may elect to provide voice actors, 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

voice actor's anniversary date. Under this elected option, such banked sick leave days may not be carried over to the following year.

“2. Alternatively, eligible voice actors shall accrue one (1) hour of paid sick leave for every thirty (30) hours that the voice actor renders services in California for the Producer, up to a maximum of forty-eight (48) hours or six (6) days. Voice actors are deemed to work the number of hours in the applicable included work time for each session.

“A voice actor shall not forfeit sick leave earned during employment with the Producer before *[insert date of AMPTP's receipt of notice of ratification]*; 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 *[insert date of AMPTP's receipt of notice of ratification]*.

“B. To be eligible to accrue paid sick leave, the voice actor 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 voice actor's anniversary date. Sick leave may be used in minimum increments of four (4) hours upon oral or written request after the eligible voice actor 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 voice actor'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. Sick leave pay for each four (4) hour increment of sick leave taken shall be calculated by dividing the voice actor's minimum session fee by the applicable included work time and multiplying by four (4). The voice actor 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 preventive care for, the voice actor or the voice actor's 'family

member.”¹ Sick leave also may be taken by a voice actor who is a victim of domestic violence, sexual assault or stalking.

“E. Accrued, unused sick leave is not paid out on termination, resignation or other separation from employment. If a voice actor is rehired by the Producer within one (1) year of the voice actor’s separation from employment, the voice actor’s accrued and unused sick leave shall be reinstated, and the voice actor may begin using the accrued sick leave upon rehire if the voice actor was previously eligible to use the sick leave or once the voice actor becomes eligible as provided above.

“F. At the Producer’s election, the Producer shall either:

“1. Show the amount of available paid sick leave on the voice actor’s pay stub or a document issued together therewith; or

“2. Include in the voice actor’s deal memo or contract the contact information for the designated Producer representative whom the voice actor may contact to confirm eligibility and the amount of accrued sick leave available.

“Producer shall notify the voice actor with respect to the year period (*i.e.*, calendar year or the voice actor’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 voice actors with an up-front sick leave bank, the year period (*i.e.*, calendar year or the voice actor’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 Article XXIV, as of *[insert date of AMPTP’s receipt of notice of ratification]*, 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 or retaliation against any voice actor for exercising his or her right to use paid sick leave.

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

“H. Any dispute with respect to sick leave for voice actors covered under this Agreement shall be subject to the grievance and arbitration procedures provided in the 2017 SAG-AFTRA TELEVISION AGREEMENT. The timing of sick leave payments under this Article XXIV, and the charge for any late payments thereof, shall be governed by the provisions of Section 27(b) of the 2017 SAG-AFTRA TELEVISION AGREEMENT.”

Make conforming changes.

16. **Waiver of Sick Time Laws**

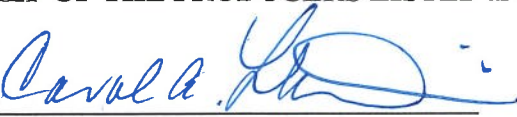
Modify the 2014 SAG-AFTRA Television Animation Agreement to incorporate the modifications to Section 81 of the 2017 SAG-AFTRA Television Agreement, as set forth in Item 31 of the 2017 SAG-AFTRA Memorandum of Agreement (“Waiver of Sick Time Laws”), except that references to “performers” shall be changed to “voice actors” and except that the waiver shall be updated with applicable legislative developments as follows:

“81. WAIVER OF NEW YORK CITY EARNED SAFE AND SICK TIME ACT AND OTHER SIMILAR LAWS

“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 **Safe and Sick Time Act (N.Y.C. Admin. Code, Section 20-911 et seq.)**; 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; **the New Jersey Paid Sick Leave Act (C.34:11-56a et seq.)**; 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.); **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 Paid Sick Time Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal**

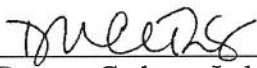
Code); the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Morristown, New Jersey (Ordinance No. O-35-2016); Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412) and Trenton, New Jersey (Ordinance No. 14-45); 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 AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.”

**THE ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS ON
BEHALF OF THE PRODUCERS LISTED IN EXHIBIT “A” ATTACHED HERETO**

By: 
Carol A. Lombardini

Date: April 24, 2023

**SCREEN ACTORS GUILD-AMERICAN FEDERATION OF TELEVISION
AND RADIO ARTISTS**

By: 
Duncan Crabtree-Ireland

Date: April 18, 2023

EXHIBIT "A"
2018 PRODUCER--SAG-AFTRA TELEVISION ANIMATION
AUTHORIZATION LIST

40 North Productions, LLC

Abominable Pictures, Inc.

Adelaide Productions, Inc.

Alameda Productions, LLC (d/b/a
Legendary Alameda Productions, LLC)

Big Indie Pictures, Inc.

BoJack Productions LLC

Box Office Animation, Inc.

Cartoon Network Studios, Inc.

Dallas & Robo LLC

Digisynd, Inc.

Disney Television Animation

DreamWorks Animation LLC

DreamWorks Animation Television, LLC

Egregious Entertainment, LLC

Film 49 Productions, Inc.

Got Talent, LLC

Halfworld Productions LLC

Harmony Gold Productions, Inc.

Helmer Prexy Productions LLC

Hostage Productions, Inc.

In Development, LLC

Just Rewards Productions, Inc.

Katy Mac Session Productions

Kerner Films, LLC

Lakeshore Entertainment Group LLC

Magnificent Videos, LLC

Mako Entertainment, Inc.

Marvel Animation Studio LLC

Metro-Goldwyn-Mayer Animation Inc.

NonCal Animation, Inc.

Northwest Shadow, LLC

Partricks Road Productions II, Inc.

Picrow, Inc.

Picrow Features Inc.

Picrow Streaming Inc.

Pixar Talking Pictures

Reassembled Productions LLC

Retro, Inc.

Rutherford Bench Productions, Inc.

Shadow Animation, LLC

Spytime Productions, Inc.

STX Animation, LLC

Talent Court Productions Inc.

Thwip Productions LLC

Turner Films, Inc.

Twentieth Century Fox Film Corporation

Undiscovered North American Ape Pictures, Inc.

Universal Animation Studios LLC

WAG Pictures Inc.

Walt Disney Pictures

Warner Bros. Animation Inc.

Warner Specialty Productions Inc.

Warner Specialty Video Productions Inc.

Williams Street Productions, LLC

Woodridge Productions LLC