

August 12, 2020

**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 2020 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”), as amended by the 2018 negotiations for a successor agreement to the 2014 Agreement. Except as modified herein, the terms of the successor agreement to the 2014 Agreement shall remain the same, subject to conforming changes.

Given that the SAG-AFTRA membership ratified the parties’ agreement and on September 4, 2020, notified the AMPTP of such ratification, 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 2020 SAG-AFTRA Television Animation Agreement shall commence on July 1, 2020 and shall terminate on June 30, 2023.

2. **Minimum Wage Rates**

Increase the minimum salary rates listed in subparagraphs (A) and (B) below by two and one-half percent (2.5%) effective July 1, 2020; by an additional three percent (3%) effective July 1, 2021 and by an additional three percent (3%) effective July 1, 2022, subject to the Union’s right to divert up to one-half percent (0.5%) of the salary increases

to the health or pension/retirement contribution rates in each of the second or third years of the Agreement (*i.e.*, effective July 1, 2021 and/or effective July 1, 2022), as provided below. These increases shall be compounded.

(A) 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 or segments of 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) 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 or segments of 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)

3. **SAG-AFTRA Health Plan and SAG Pension Plan/AFTRA Retirement Fund**

a. **SAG-AFTRA Health Plan**

- i. Except as provided in subparagraphs (ii) and (iii) below, Producers agree to increase the health contribution rate to the SAG-AFTRA Health Plan in Section 22 of the Television Agreement by one percent (1.0%) for animated motion pictures, the principal recording of which commences on or after July 1, 2020, so that the total aggregate pension and health contribution rate increases from eighteen and one-half percent (18.5%) to nineteen and one-half percent (19.5%). When contributions are payable to the SAG-AFTRA Health Plan and the SAG Pension Plan, the portion of the total aggregate contribution rate payable to the SAG-AFTRA Health Plan shall increase from seven and thirty-one hundredths percent (7.31%) to eight and thirty-one hundredths percent (8.31%) for those motion pictures. When contributions are payable to the SAG-AFTRA Health Plan and the AFTRA Retirement Fund, the portion of the total aggregate contribution rate payable to the SAG-AFTRA Health Plan shall increase from eight and four hundred fifteen thousandths percent (8.415%) to nine and four hundred fifteen thousandths percent (9.415%) for those motion pictures.
- ii. Producers agree to increase the health contribution rate to the SAG-AFTRA Health Plan in Sideletter K of the Television Agreement by one percent (1.0%) for new one (1) hour animated series, the pilot or presentation for which commences principal recording on or after July 1, 2020, so that the total aggregate pension and health contribution rate increases from fifteen and one-half percent (15.5%) to sixteen and one-half percent (16.5%). When contributions are payable to the SAG-AFTRA Health Plan and the SAG Pension Plan, the portion of the total aggregate contribution rate payable to the SAG-AFTRA Health Plan shall increase from six and thirty-one hundredths percent (6.31%) to seven and thirty-one hundredths percent (7.31%) for those motion pictures. When contributions are payable to the SAG-AFTRA Health Plan and the AFTRA Retirement Fund, the portion of the total aggregate contribution rate payable to the SAG-AFTRA Health Plan shall increase from seven and six thousand seven hundred twenty-five ten-thousandths percent (7.6725%) to eight and six thousand seven hundred twenty-five ten-thousandths percent (8.6725%) for those motion pictures. (The contribution rate of fifteen and one-half percent (15.5%) shall otherwise remain unchanged under Sideletter K.)

- iii. The contribution rate shall remain at thirteen and one-half percent (13.5%) during the term of the Agreements under (i) Section 20.1 of the Television Agreement solely in connection with Supplemental Market payments for distribution on “cassettes” during the term of the Agreements and (ii) Paragraph 1.B. of the Sideletter re Exhibition of Motion Pictures Transmitted Via New Media for residual payments payable for paid permanent downloads (aka “Download-to-Own” or “Electronic Sell Through” (“EST”)).
- b. The Union shall have the right to allocate up to one-half percent (0.5%) of the negotiated increases in minimum salary rates in each of the second or third years of the Agreement (*i.e.*, effective July 1, 2021 and/or effective July 1, 2022) to the health or pension/retirement contribution rate set forth in Article XVIII of the 2020 Television Animation Agreement by giving notice thereof to the AMPTP before December 31, 2020 and/or December 31, 2021, as applicable; provided that any increase in the retirement contribution rate to the AFTRA Retirement Fund shall not be taken into account in calculating any benefit payable under the AFTRA Retirement Fund. In the event that the Union exercises its right to do so in either or both contract year(s), the health or pension/retirement contribution rate shall increase by the amount of the allocation up to one-half percent (0.5%) for each such year, and the increase in salary rates for that contract year shall be reduced by the corresponding percentage up to one-half percent (0.5%).

For example, in the event that the Union elects before December 31, 2021 to allocate to the pension/retirement contribution rates one-half percent (0.5%) of the negotiated increases in the minimum salary rates effective July 1, 2021, the pension/retirement contribution rates set forth in Section 34 (Pension and Health Plans) of the General Provisions of the Codified Basic Agreement and Section 22 of the Television Agreement will increase by one-half percent (0.5%) for animated motion pictures, the principal recording of which commences on or after July 1, 2021, and the increase in salary rates effective July 1, 2021 shall be reduced by one-half percent (0.5%).

4. **Applicability of 2020 SAG-AFTRA Television Agreement to Animated Television Motion Pictures**

Modify Article XIV of the Television Animation Agreement as follows:

“XIV. Applicability of Television Agreement

“Except as herein otherwise expressly provided, all of the provisions of the 2020 ~~2017~~ SAG-AFTRA TELEVISION AGREEMENT shall be applicable, and said Agreement is incorporated herein by this reference and made a part hereof. The parties

recognize, however, that it may not be practical to apply certain provisions of said Agreement to animated television films and, accordingly, the parties agree to continue negotiations to endeavor to reach an agreement with respect to any clarifications, changes or modifications which may be required in applying the 2020 ~~2017~~ SAG-AFTRA TELEVISION AGREEMENT to animated television films. However, it is expressly understood and agreed that this Agreement is final and complete unless and until modified by such mutual agreement of the parties.

“The rateable distribution provisions, as set forth in Section 18.2 of the 2020 ~~2017~~ SAG-AFTRA TELEVISION AGREEMENT, shall not be applicable to animated television motion pictures. The rateable distribution provisions set forth in Section 5.2 B. of the Producer – SAG-AFTRA Codified Basic Agreement of 2020 ~~2017~~ shall apply to animated television motion pictures.

“In addition, the provisions of Sections 3(h), 18(d)(3), 19(d)(2), 24(a), 24(b)(1), 24(b)(3) and 25(b)(1) of the 2020 ~~2017~~ SAG-AFTRA TELEVISION AGREEMENT ~~that apply to contracts entered into on or after July 1, 2018, shall not apply~~ shall apply to contracts entered into on or after the first Sunday following the AMPTP’s receipt of notice of ratification under this Agreement. Section 24(c) of the 2020 ~~2017~~ SAG-AFTRA TELEVISION AGREEMENT shall apply to contracts entered into on or after the first Sunday following the AMPTP’s receipt of notice of ratification. Sections 35.D. and 47.B. of the General Provisions of the PRODUCER – SAG-AFTRA CODIFIED BASIC AGREEMENT OF 2020 shall apply effective on the first Sunday following the AMPTP’s receipt of notice of ratification. Those provisions of Schedules B and C of the PRODUCER – SAG-AFTRA CODIFIED BASIC AGREEMENT OF 2020 ~~2017 that are in effect for contracts entered into on or after July 1, 2018 shall not apply under this Agreement~~ and those provisions of Schedules D, E, G-II, H-II and H-III of the PRODUCER – SAG-AFTRA CODIFIED BASIC AGREEMENT OF 2020 that are in effect for contracts entered into on or after July 1, 2020 shall apply to contracts entered into under this Agreement on or after the first Sunday following the AMPTP’s receipt of notice of ratification under this Agreement.”

5. **Application of Scale to Certain Animated SVOD Programs That Are Not “High Budget SVOD Programs”**

a. *Add the following new paragraph to Paragraph B.1. of the Sideletter re Programs Made for New Media (and make conforming changes) to provide as follows:*

1. **Compensation**

“Except as provided in the following paragraph, aAll terms and conditions of employment, including initial compensation and deferred compensation, if any, will be subject to negotiation between the Producer

and the individual voice actor, except for those provisions of the Codified Basic Agreement and the TELEVISION AGREEMENT incorporated herein by reference below. The Union agrees that it will not interfere in any such negotiations between the voice actor and the Producer. All such terms shall be set forth in a stand-alone agreement or separately stated in the voice actor's contract for the Original Production.

“A voice actor employed on a dramatic Animated Derivative New Media Production, the principal recording of which commences on or after the first Sunday following the AMPTP's receipt of notice of ratification, that is made for a subscription video-on-demand consumer pay New Media platform and is at least eleven (11) minutes in length and budgeted at \$25,000 per minute or more shall be paid in accordance with Articles I and II of the 2020 SAG-AFTRA Television Animation Agreement. The foregoing shall not apply to a voice actor employed on any of the following Animated Derivative New Media Productions:

- (a) An Animated Derivative New Media Production, the principal recording of which commences before the first Sunday following the AMPTP's receipt of notice of ratification;
- (b) A new Animated Derivative New Media series, the principal recording of the first episode of which commences before the first Sunday following the AMPTP's receipt of notice of ratification;
- (c) An Animated Derivative New Media Production, the principal recording of any one-time program or of the first episode in the case of a series, commences on or after the first Sunday following the AMPTP's receipt of notice of ratification pursuant to a license agreement entered into prior to the first Sunday following the AMPTP's receipt of the notice of ratification.^{1, 2}

¹ If the licensee orders additional programs or episodes of the series, the principal recording of which will commence on or after the first Sunday following the AMPTP's receipt of notice of ratification, pursuant to a license agreement entered into prior to the first Sunday following the AMPTP's receipt of notice of ratification, 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 program or episodes of the series shall be subject to the terms of this subparagraph.

² The Producer shall notify SAG-AFTRA of any such license agreement that it enters into prior to the first Sunday following the AMPTP's receipt of notice of ratification. The notice shall include the name of the licensee, the term of the license agreement, the license fee, the

- b. *Add the following new paragraph to Paragraph D.1. of the Sideletter re Programs Made for New Media (and make conforming changes) to provide as follows:*

1. Compensation

“Except as provided in the following paragraph, aAll terms and conditions of employment, including initial compensation and deferred compensation, if any, for animated original programs made for New Media, other than animated "high budget" dramatic original programs made for a subscription video-on-demand consumer pay platform described in Paragraph E. below, will be subject to negotiation between the Producer and the individual voice actor, except for those provisions of the Codified Basic Agreement or TELEVISION AGREEMENT incorporated herein by reference below. The Union agrees that it will not interfere in any such negotiations between the voice actor and the Producer.

“A voice actor employed on a dramatic Animated Original New Media Production, the principal recording of which commences on or after the first Sunday following the AMPTP’s receipt of notice of ratification, that is made for a subscription video-on-demand consumer pay New Media platform and is at least eleven (11) minutes in length and budgeted at \$25,000 per minute or more shall be paid in accordance with Articles I and II of the 2020 SAG-AFTRA Television Animation Agreement. The foregoing shall not apply to a voice actor employed on any of the following Animated Original New Media Productions:

“(a) An Animated Original New Media Production, the principal recording of which commences before the first Sunday following the AMPTP’s receipt of notice of ratification;

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 SAG-AFTRA’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.

- “(b) A new Original Derivative New Media series, the principal recording of the first episode of which commences before the first Sunday following the AMPTP’s receipt of notice of ratification;
- “(c) An Animated Original New Media Production, the principal recording of any one-time program or of the first episode in the case of a series, commences on or after the first Sunday following the AMPTP’s receipt of notice of ratification pursuant to a license agreement entered into prior to the first Sunday following the AMPTP’s receipt of the notice of ratification.”^{3, 4}

Make conforming changes.

³ If the licensee orders additional programs or episodes of the series, the principal recording of which will commence on or after the first Sunday following the AMPTP’s receipt of notice of ratification, pursuant to a license agreement entered into prior to the first Sunday following the AMPTP’s receipt of notice of ratification, 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 program or episodes of the series shall be subject to the terms of this subparagraph.

⁴ The Producer shall notify SAG-AFTRA of any such license agreement that it enters into prior to the first Sunday following the AMPTP’s receipt of notice of ratification. 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 SAG-AFTRA’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.

6. **Animated High Budget SVOD Programs**

- a. *Modify the Sideletter re Programs Made for New Media in the Television Animation Agreement to provide as follows with respect to Animated High Budget SVOD Programs: [Note the following is not redlined to the 2018 Television Animation Agreement.]*

1. **Prospective Application**

- a. An Animated High Budget SVOD series that continues in production on or after July 1, 2020 and was grandfathered, and remains grandfathered, pursuant to Paragraph E.1. of the 2014 Sideletter re Programs Made for New Media (*i.e.*, it is subject to the 2011 Sideletter re Programs Made for New Media, as applicable) shall continue to be grandfathered if it continues to meet the test in Paragraph E.1. of that Sideletter and shall not be subject to the 2020 Sideletter re Programs Made for New Media.
- b. An Animated High Budget SVOD series that continues in production on or after July 1, 2020 and was grandfathered, and remains grandfathered, pursuant to Paragraph E.1. of the 2018 Sideletter re Programs Made for New Media (*i.e.*, it is subject to the 2014 Sideletter re Programs Made for New Media, as applicable) shall continue to be grandfathered if it continues to meet the test in Paragraph E.1. of that Sideletter and shall not be subject to the 2020 Sideletter re Programs Made for New Media, except:
- (i) Footnote 4 of the 2020 Sideletter (quoted below in footnote 4) concerning program length applies;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 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.*

- (ii) Minimum initial compensation as provided in the 2020 SAG-AFTRA Television Animation Agreement shall apply to any animated program or episode of an animated series, which program or episode commences principal recording on or after July 1, 2020 and would otherwise meet the definition of an "Animated High Budget SVOD Program" under the 2014 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, or 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.
- c. Subject to the next paragraph, any Animated High Budget SVOD Program (including an episode of an Animated High Budget SVOD series) which commences principal recording prior to July 1, 2020 and any episodes of a High Budget SVOD series (other than those referred to in the preceding paragraphs) which commence principal recording on or after July 1, 2020 pursuant to a license agreement entered into prior to July 1, 2020⁵, ⁶ shall be

⁵ If the licensee orders additional High Budget SVOD Programs or episodes of a High Budget SVOD series, the principal recording of which will commence on or after July 1, 2020, pursuant to a license agreement entered into prior to July 1, 2020, 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 High Budget SVOD Program or episodes of the High Budget SVOD series shall be subject to the terms of the 2020 Sideletter re Programs Made for New

subject to grandfathering (*i.e.*, the 2018 Sideletter re Programs Made for New Media shall apply instead of the 2020 Sideletter re Programs Made for New Media), except that negotiated increases in the minimum salary rates and fringe rates shall apply.

Eliminate grandfathering for any new production period of an Animated High Budget SVOD series for which principal recording of the first episode of the production period commences on or after July 1, 2021. All episodes of that production period and any subsequent production period of the series shall be subject to the terms and conditions (including residuals) applicable during the contract year in which the episode is produced.

“2. "Animated High Budget SVOD Programs" Defined

The terms and conditions set forth in Paragraph E. of this 2020 Sideletter re Programs Made for New Media shall be applicable only to animated 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**") and are not grandfathered:

Length of Program as Initially Exhibited*	“High Budget” Threshold
20-35 minutes	\$550,000 <u>\$500,000</u> and above (See below for certain programs or series budgeted at less than <u>\$550,000 as of June 30, 2020</u>)

Media.

⁶ The Producer shall notify SAG-AFTRA of any such license agreement that it enters into prior to July 1, 2020. 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 SAG-AFTRA'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
36-65 minutes	\$2,500,000 \$1,700,000 and above (<u>\$1,750,000 and above effective July 1, 2022</u>) (See below for <u>certain programs or series budgeted at less than \$2,500,000 as of June 30, 2020</u>)
66 minutes or more	\$3,000,000 and above
* Programs less than twenty (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 of no more than thirty-five (35) minutes, qualify as a twenty (20) to thirty-five (35) minute program, provided that the combined budget of the segments meets the "high budget" threshold.	

“Any program or series budgeted at less than \$550,000 for a 20-35 minute program or less than \$2,500,000 for a 36-65 minute program as of June 30, 2020 that would otherwise qualify as an “Animated High Budget SVOD Program” under the 2020 Sideletter shall be subject to Paragraph B. if an “Animated Derivative New Media Production” (other than an “Animated High Budget SVOD Program”) or to Paragraph D. if an “Animated Original New Media Production” (other than an “Animated High Budget SVOD Program”) of the 2020 Sideletter re Programs Made for New Media, if:

- “(1) principal recording of the program, or the first episode in the case of a series, commences prior to July 1, 2020; or
- “(2) principal recording of the program, or the first episode in the case of a series, commences on or after July 1, 2020 pursuant to a license agreement entered into prior to July 1, 2020.”^{7, 8}

⁷ If the licensee orders additional programs or episodes of the series, the principal recording of which will commence on or after July 1, 2020, pursuant to a license agreement entered into prior to July 1, 2020, 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 program or episodes of the series shall be subject to the terms of 2020 Sideletter re Programs Made for New Media.

⁸ The Producer shall notify SAG-AFTRA of any such license agreement that it enters into prior to July 1, 2020. The notice shall include the name of the licensee, the term of the

b. **Residuals for Use on the Original Domestic SVOD Platform and Foreign SVOD Platform(s)**

- i. Increase the applicable ceiling set forth in Paragraph E.5.(a)(ii) of the Sideletter re Programs Made for New Media by seven and one-half percent (7.5%) effective July 1, 2020 and by an additional seven and one-half percent (7.5%) effective July 1, 2021. These increases shall be compounded.
- ii. Increase the “Percentage of ‘Total Actual Compensation’ (Subject to Applicable Ceiling) Payable for Residuals” in Paragraph E.5.(a)(ii)(A) as follows:

“(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>
Year 1 *	35.0% 45%
Year 2	30.0% 40%
Year 3	30.0% 35%
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%

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 SAG-AFTRA’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.

<u>Exhibition Year*</u>	<u>Percentage of 'Total Actual Compensation' (Subject to Applicable Ceiling)</u>
Year 12	2.5%
Each Year thereafter	1.5%

* Exhibition Year 1 shall commence on the first day that the Animated High Budget SVOD Program is made available for exhibition on the subscription 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 consumer pay platform following the conclusion of the prior one-year use period.

- iii. Modify the foreign Exhibition Year percentages for "Percentage of Domestic Residual" set forth in Paragraph E.5.(a)(iii)(A)1) of the Sideletter re Programs Made for New Media so that the foreign residual is calculated at fifteen percent (15%) of the domestic residual during all Exhibition Years.

c. **Animated High Budget SVOD Programs Exhibited on Related/Affiliated AVOD Platform**

Residuals for use of an Animated High Budget SVOD Program, the principal recording of which commences on or after July 1, 2020, on an AVOD platform that is related to or affiliated with the SVOD platform for which the Program was originally made (other than as provided in subparagraph (ii) below) shall be paid as follows:

- (i) five and one-half percent (5.5%) of the "total applicable minimum," as defined in Article X.A. of this Agreement, plus pension and health or health and retirement contributions, as applicable, for a twenty-six (26) consecutive week period beginning on the first day that the Animated High Budget SVOD Program is made available for streaming on the SVOD platform and within one (1) year of the exhibition on the SVOD service. If the Producer makes the Program available for streaming (other than as provided in subparagraph (ii) below) for all or any part of the twenty-six (26) consecutive week period immediately following the twenty-six (26) consecutive week period described in the preceding sentence, but within one (1) year of the initial exhibition on the SVOD platform, then it shall pay five and one-half percent (5.5%) of the "total applicable minimum," as defined in Article X.A. of this Agreement, plus pension and health or health and retirement contributions, as

applicable, for a twenty-six (26) consecutive week period beginning on the first day that the Animated High Budget SVOD Program is made available for streaming during such twenty-six (26) consecutive week period. None of the aforementioned twenty-six (26) consecutive week periods shall cover a period that is more than one (1) year after the initial exhibition of the Animated High Budget SVOD Program on the SVOD platform. In the event that streaming of the Animated High Budget SVOD Program is commenced on a date that does not allow for the full twenty-six (26) consecutive week period of use within one (1) year of the initial exhibition of the Animated High Budget SVOD Program on the SVOD platform, then the payment for that period shall be prorated in weekly units to cover the shorter use period.

(ii) Notwithstanding the foregoing, the Producer shall have the right to exhibit a 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 High Budget SVOD Program.

(iii) The residual described in Paragraph 2.A.(4)(b)(ii) of Sideletter I re Exhibition of Motion Pictures Transmitted Via New Media (*i.e.*, 6% of “Distributor’s gross”) (and in Paragraph E.5.(d) of the Sideletter re Programs Made for New Media) shall be payable if the High Budget SVOD Program is made available on the related/affiliated AVOD platform after the expiration of the one (1) year period following the date the High Budget SVOD Program is first made available on the related/affiliated SVOD platform.

d. **Subscriber Count**

Add a new Paragraph E.7. to the Sideletter re Programs Made for New Media as follows:

"7. Subscriber Count for High Budget SVOD Programs

"(a) The number of domestic subscribers shall be determined as of July 1st of each year of the Agreement and shall apply for all purposes under Paragraph E. of this Sideletter to a High Budget SVOD Program or episode of a High Budget SVOD series, the principal recording of which commences on or after July 1st of the measuring year but not later than June 30th of the following year. The number of domestic subscribers so determined shall apply to the Program or the episode of the High Budget SVOD series in perpetuity.

- "(b) The parties shall agree upon a methodology to determine the number of domestic subscribers whose subscription includes a video-on-demand platform for which a High Budget SVOD Program is made and other services, such as gaming, music or free shipping.
- "(c) In addition to any other exclusion agreed to by the parties, the subscriber count for any subscription consumer pay platform shall exclude subscribers during any 'free trial period' of no more than thirty (30) days.
- "(d) The following shall apply to a new subscription consumer pay platform that launches on or after July 1, 2020:
- "(i) Such platform is encouraged to enter into good faith discussions with the Union prior to launch to reach agreement on the number of domestic subscribers to be attributed to that platform for purposes of applying the provisions of this Sideletter pertaining to High Budget SVOD Programs.
- "(ii) The number of domestic subscribers to a new subscription consumer pay platform shall be determined ninety (90) days after launch, and shall apply for the remainder of the measuring year (i.e., until the July 1st immediately following the 90th day after launch). Thereafter, the number of domestic subscribers shall be determined as of July 1st of each year of the Agreement as provided in subparagraph 7.(a) above.
- "(iii) Absent any agreement to the contrary between the new subscription consumer pay platform and the Union:
- "(A) Initial compensation and other terms and conditions for a High Budget SVOD Program that commences principal recording prior to the ninetieth (90th) day after the launch of a new subscription consumer pay platform shall be those that are applicable to a High Budget SVOD Program made for a subscription consumer pay platform with fewer than 20 million domestic subscribers.

"(B) Residuals for High Budget SVOD Programs that commence principal recording prior to the ninetieth (90th) day after launch shall be calculated according to the number of domestic subscribers to the subscription consumer pay platform as of ninety (90) days after launch.

"The special crediting provisions applicable to a High Budget SVOD Program made for a subscription consumer pay platform with fewer than 20 million domestic subscribers as provided in Paragraph E.4.(e)(i) shall continue to apply to the Program even if the platform has 20 million or more domestic subscribers on the 90th day after launch, but shall not be applicable towards the payment of residuals."

Make conforming changes, including by deleting the last paragraph of Paragraph E.5(a)(ii)(B) of Sideletter No. 21 re Programs Made for New Media (and Sideletter H in the Television Agreement), which is incorporated in the above provisions.

e. **Inspection Rights Under Sideletter re Programs Made for New Media**

Add the following new Paragraph J (re-letter current Paragraph J ("Sunset Clause") to Paragraph K) as the penultimate paragraph of the Sideletter re Programs Made for New Media to provide:

"J. Agreements.

"On a semi-annual basis, within ten (10) business days after a request by SAG-AFTRA to conduct an inspection as provided herein, the Producer shall provide for inspection by SAG-AFTRA's designated employee or auditor, at Producer's premises in Los Angeles, full access* to all unredacted license, distribution, and other agreements pertaining to exploitation of covered motion pictures on domestic and foreign New Media platforms that were entered into during the immediately preceding inspection period. In any subsequent semi-annual inspection, SAG-AFTRA's designated employee or auditor may re-inspect any agreements previously inspected and inspect any agreements not previously inspected.

"The provisions of this Paragraph J do not apply to agreements relating to a multichannel video programming distributor ("MVPD") or any similar service that currently exists or may hereafter be developed.

"* Full access includes access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters, exhibits, addenda, and other ancillary documents."

Make conforming changes.

- f. *Modify the Sunset Clause in the Sideletter re Programs Made for New Media to provide:*

JK. 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 ~~2018~~2020 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."

g. *Add the following Sideletters to the Television Animation Agreement:*

i. **“Bundled” Subscription Consumer Pay Platforms**

“As of July 1, 2020

“Carol A. Lombardini
President
Alliance of Motion Picture and Television Producers
15301 Ventura Blvd., Bldg. E
Sherman Oaks, CA 91403

Re: **“Bundled” Subscription Consumer Pay Platforms**

“Dear Carol:

“During the 2020 negotiations, the parties discussed the difficulty of determining the number of domestic subscribers whose subscription includes a video-on-demand platform for which a High Budget SVOD Program is made and other services, such as gaming, music, or free shipping, (e.g., Amazon Prime). Ultimately, the parties reached agreement on the number of domestic subscribers that certain of those platforms (e.g. Amazon Prime) will be considered to have for the term of the 2020 SAG-AFTRA Television Animation Agreement.

“Should an issue arise during the term of the 2020 SAG-AFTRA Animation Agreement as to the number of domestic subscribers to a subscription consumer pay platform in these circumstances, the parties will enter into good faith discussions to reach agreement on the number of domestic subscribers to be attributed to that platform for purposes of applying the provisions of the Sideletter Re Programs Made for New Media to the 2020 SAG-AFTRA Television Animation Agreement pertaining to High Budget SVOD Programs. In such discussions, the parties shall be guided by their previous agreements.

“If the parties cannot reach agreement on the number of domestic subscribers for that platform, the issue will be submitted to a ‘best offer’ arbitration (that is, each party shall submit to the arbitrator its offer for the number of domestic subscribers and the arbitrator shall choose from the two figures offered). The parties will meet to discuss the list of potential arbitrators to decide this issue within sixty (60) days of the effective date of the 2020 SAG-AFTRA Television Animation Agreement. If the parties cannot agree upon the list of potential arbitrators, the arbitrator shall be selected utilizing the procedure in Section 9.F.(3) of the General Provisions of the SAG-AFTRA Codified Basic Agreement and using the Los Angeles list of arbitrators.

“Sincerely,

~~“David P. White~~Duncan Crabtree-Ireland

“Agreed:

“Carol A. Lombardini

ii. **Subscriber Tier for Peacock**

“As of July 1, 2020

~~“David P. White~~Duncan Crabtree-Ireland

National Executive Director
SAG-AFTRA
5757 Wilshire Boulevard
Los Angeles, California 90036

“Re: **Peacock Subscriber Tier**

“Dear ~~David~~Duncan:

“This will memorialize that in the 2020 SAG-AFTRA negotiations, the parties reached agreement on the subscriber tier applicable to Peacock for purposes of applying the provisions of the Sideletter Re Programs Made for New Media to the 2020 SAG-AFTRA Television Animation Agreement pertaining to High Budget SVOD Programs. For the first year of the 2020 SAG-AFTRA Television Animation Agreement (*i.e.* July 1, 2020 through June 30, 2021), Peacock shall be considered to be a bundled service with at least one million (1,000,000) and up to five million (5,000,000) domestic subscribers. During the second and third years of the Agreement, the parties shall determine the subscriber tier in accordance with the “‘Bundled’ Subscription Consumer Pay Platforms” sideletter dated July 1, 2020.

“Sincerely,

“Carol A. Lombardini

**“ACCEPTED AND AGREED:
SAG-AFTRA**

By: _____
~~David P. White~~Duncan Crabtree-Ireland
National Executive Director

iii. **Subscriber Tier for Amazon Prime**

“As of July 1, 2020

“~~David P. White~~Duncan Crabtree-Ireland
National Executive Director
SAG-AFTRA
5757 Wilshire Boulevard
Los Angeles, California 90036

“Re: **Amazon Prime Subscriber Tier**

“Dear ~~David~~Duncan:

“The parties agree that Amazon Prime shall be considered to be a bundled service with at least twenty million (20,000,000) and up to forty-five million (45,000,000) domestic subscribers for the first year of the 2020 SAG-AFTRA Television Animation Agreement (*i.e.*, July 1, 2020 through June 30, 2021). During the second and third years of the 2020 SAG-AFTRA Agreements, the parties shall determine the subscriber tier in accordance with the “‘Bundled’ Subscription Consumer Pay Platforms” sideletter dated July 1, 2020.

“Sincerely,

“Carol A. Lombardini

“**ACCEPTED AND AGREED:**
SAG-AFTRA

By: _____
~~David P. White~~Duncan Crabtree-Ireland
National Executive Director

iv. **Subscriber Tier for Apple TV+**

“As of July 1, 2020

“~~David P. White~~Duncan Crabtree-Ireland
National Executive Director
SAG-AFTRA
5757 Wilshire Boulevard
Los Angeles, California 90036

“Re: Apple TV+ Subscriber Tier

“Dear ~~David~~Duncan:

“This will memorialize that in the 2020 SAG-AFTRA negotiations, the parties reached agreement on the subscriber tier applicable to the Apple TV+ platform for purposes of applying the provisions of the Sideletter Re Programs Made for New Media to the 2020 SAG-AFTRA Television Animation Agreement pertaining to High Budget SVOD Programs. For the first year of the 2020 SAG-AFTRA Television Animation Agreement (*i.e.*, July 1, 2020 through June 30, 2021), Apple TV+ shall remain in subscriber Tier 3, which applies to services with more than five million (5,000,000) but fewer than twenty million (20,000,000) domestic subscribers. During the second and third years of the Agreement, the parties shall determine the subscriber tier in accordance with the parties’ “‘Bundled’ Subscription Consumer Pay Platforms” sideletter dated February 20, 2020.

“Sincerely,

“Carol A. Lombardini

CAL:ldv

**“ACCEPTED AND AGREED:
SAG-AFTRA**

By: _____
~~David P. White~~Duncan Crabtree-Ireland
National Executive Director

v. **Subscriber Tier for HBO Max**

“As of July 1, 2020

“~~David P. White~~Duncan Crabtree-Ireland
National Executive Director
SAG-AFTRA
5757 Wilshire Boulevard
Los Angeles, California 90036

“Re: HBO Max Subscriber Tier

“Dear ~~David~~Duncan:

“The parties agree that HBO Max shall be considered to be a service with over five million (5,000,000) but fewer than twenty million (20,000,000) domestic subscribers for the first year of the 2020 SAG-AFTRA Television Animation Agreement (*i.e.*, July 1, 2020 through June 30, 2020).

“Sincerely,

“Carol A. Lombardini

CAL:ldv

**“ACCEPTED AND AGREED:
SAG-AFTRA**

By: _____
David P. WhiteDuncan Crabtree-Ireland
National Executive Director

7. **HBO Max**

Add a Sideletter to the Television Animation Agreement to provide:

“The parties have discussed a new media over-the-top (‘OTT’) platform called ‘HBO Max’ (‘Max’). The following confirms the parties’ agreement concerning the application of the SAG-AFTRA Television Animation Agreement to Max.

“Max offers over-the-top delivery of HBO's pay television service and carries all of that service's programming (such programming, whether available on all, one, or any combination of the HBO linear service, HBO Go, and HBO Now, is referred to collectively as the ‘Pay Television Service’). Max also offers motion pictures and programs initially exhibited in theatrical and television markets (such motion pictures and programs are referred to as ‘Library Content’). Finally, Max offers original New Media productions made for initial exhibition on Max.

“Consumers can access Max by subscribing to Max directly. In addition, some subscribers to the Pay Television Service (such as subscribers to HBO Now and those who subscribe to HBO through DIRECTV, AT&T TV or AT&T U-verse TV, and other third party video distributors) will be given the opportunity to access Max at no additional charge by authenticating their Pay Television Service subscription and then accessing the Max

platform via a log-in process. In the future, consumers may also be able to access and subscribe to Max through other means, since Max is actively negotiating with other carriers and services to offer Max through their respective platforms.

“Based on the foregoing facts, the parties reached the following understanding:

- “1. All animated programs or motion pictures, including Library Content, made available or exhibited on the Pay Television Service and, therefore, made available on Max shall be treated as though exhibited on HBO's over-the-top pay television service pursuant to Sideletter U to the 2020 SAG-AFTRA Television Agreement re: Over-the-Top Service of Pay Television Service, as applicable.
- “2. Programs Made for HBO: With respect to animated programs made for initial exhibition on the Pay Television Service, the percentage residual payment set forth in Section 78(c)(1) of the 2020 SAG-AFTRA Television Agreement shall apply if a program is available on the Pay Television Service and, therefore, on Max, even if the animated program is available on only one of those services or platforms.
- “3. Library Content: Except as provided in Paragraph 1 above, exhibition on Max of: (1) animated television motion pictures covered under this Agreement or any prior Screen Actors Guild Television Animation Agreement, the principal recording of which commenced on or after July 20, 1952; and (2) animated television motion pictures produced under Exhibit A or The CW Supplement to the 2011 or any predecessor AFTRA Network Code, the principal recording of which commenced on or after November 16, 1973 shall be subject to the percentage residual formula set forth in Paragraph 1.A. (‘License for Limited Period or Fixed Number of Exhibitions’) of Sideletter No. 22 to the Codified Basic Agreement or Sideletter I to the Television Agreement re: Exhibition of Motion Pictures Transmitted via New Media, as applicable.
- “4. Programs Made for Max: Animated programs made for initial exhibition on Max shall be classified as programs made for a subscription consumer pay platform (‘SVOD’). The number of subscribers to Max for purposes of Sideletter No. 21 to the Codified Basic Agreement and Sideletter H to the Television Agreement re: Programs Produced for New Media shall include those who subscribe to Max directly, as well as those who access Max by authenticating their Pay Television Service and logging in to the Max platform.¹

¹ Should access to Max be offered at no additional charge with the sale of a product or another subscription or service fee, only those individuals who log in to the Max platform will be counted as a Max subscriber. Further, individuals who access Max on a promotional basis at no additional charge for no more than thirty (30) days will not be counted as Max subscribers.

“Subscribers to the Pay Television Service who are not offered access to Max through their third-party video distributor, and who do not subscribe directly to Max, will not be included as a Max subscriber. Likewise, Pay Television subscribers who are given the opportunity to access Max at no additional charge, but who do not actually authenticate their Pay Television Service subscription or otherwise 'opt in' to access the Max platform, shall not be included as Max subscribers.

"The parties recognize that Max is a new and emerging platform, and that its business model is subject to change. Therefore, the provisions of this Agreement shall expire on the termination date of the 2020 SAG-AFTRA Agreements and will be of no force and effect thereafter; however, this Agreement shall continue to apply to programs, the principal recording of which commenced on or before the termination date of this Agreement, or which were subject to a license agreement entered into on or before the termination date of this Agreement. No later than sixty (60) days before the termination date of the 2020 SAG-AFTRA Agreements, the parties will meet to negotiate any changes to this Agreement.”

Make conforming changes.

8. **Broadcast Syndication Sales of Animated Television Motion Pictures**

Modify the Television Animation Agreement, including Article X (“Additional Compensation for Reruns”) and the Sideletter re Programs Made for New Media, to provide a percentage residual formula of six percent (6%) of “distributor’s gross receipts” (as defined in Section 5.2 E. of the General Provisions of the Producer – SAG-AFTRA Codified Basic Agreement) for a new license entered into on or after July 1, 2020 for "domestic" broadcast syndication of animated television motion pictures (other than animated programs made for broadcast syndication, except as provided herein for an animated program made for The CW), animated basic cable or pay television motion pictures, covered animated new media programs and animated programs made for The CW when sold in broadcast syndication other than to The CW, whether such animated television or new media motion pictures or programs are produced under the 2020 SAG-AFTRA Television Animation Agreement or any prior SAG, AFTRA or SAG-AFTRA Agreement as to which a fixed residual or higher percentage residual otherwise would be payable.

The foregoing does not apply to residuals for reruns of animated television motion pictures and animated High Budget SVOD Programs in network prime time as provided in Article X (“Additional Compensation for Reruns”) or to promotional reruns as provided in Section 18(b)(3) of the Television agreement or to exhibitions in prime time on The CW. In addition, the foregoing does not apply to a license agreement, including options, entered into prior to July 1, 2020. As an example, assume that a current license agreement covers

the sale of the first and second seasons of an animated series to broadcast syndication and includes an option to license all subsequent seasons of the series also to broadcast syndication. Because the license agreement is in effect before July 1, 2020, the sale of all seasons of the series under that license, even pursuant to the options, would not be covered by this proposal.

Advance payment of "distributor's gross receipts"-based residuals for use in broadcast syndication as provided herein shall not be permitted under any contract with a voice actor entered into on or after the first Sunday following the AMPTP's receipt of notice of ratification.

The payment required hereunder includes health contributions to the SAG-AFTRA Health Plan and pension contributions to the SAG Pension Plan or retirement contributions to the AFTRA Retirement Fund (hereinafter "health and pension/retirement contributions"), as applicable, for animated television motion pictures, the principal recording of which commenced before July 1, 1998; health and pension/retirement contributions shall be paid in addition to the payment required hereunder for animated television motion pictures, the principal recording of which commenced on or after July 1, 1998. No IACF or AICF contributions shall be due in connection with such payments.

The Producer will prepare an annual statement of the "Distributor's gross receipts" for the animated programs described in the first paragraph of this provision which have been licensed to domestic broadcast syndication pursuant to an agreement entered into on or after July 1, 2020. The annual statement will show cash, barter, and any other consideration received by the Producer from the licensing to broadcast syndication of such motion pictures and programs and may be inspected by SAG-AFTRA at the premises of the Producer upon notice by SAG-AFTRA.

In addition, the parties confirm that SAG-AFTRA will have the right to audit these gross receipts-based residuals payments, and such audits shall be subject to the provisions of Section 6.1 of the Codified Basic Agreement.

On a semi-annual basis, within ten (10) business days after a request by SAG-AFTRA, the Producer shall provide for inspection by the Union's designated employee or auditor, at Producer's premises in Los Angeles, copies of all unredacted license, distribution and other agreements pertaining to domestic broadcast syndication of covered pictures that were entered into during the immediately preceding period.¹ In any subsequent semi-annual inspection, SAG-AFTRA's designated employee or auditor may re-inspect any agreements previously inspected and inspect any agreements not previously inspected. The

¹ The Union's designated employee or auditor shall have full access to all agreements, notwithstanding any confidentiality clause contained therein, and access to all sideletters, exhibits, addenda, and other ancillary documents.

information provided by the Producer to SAG-AFTRA, or made available for its inspection, will be treated as confidential pursuant to Section 6.1 of the Codified Basic Agreement, and appropriate arrangements will be made to safeguard the confidentiality of that information.

Make conforming changes.

9. **Residuals for Animated Made-for-Television Motion Pictures or SVOD Programs When Initial Exhibition is on a Platform Than Originally Intended**

Apply the Sideletter from Item 23 of the 2020 Live Action MOA, except that Example 1 shall not apply and footnote 1 shall provide: “Neither a limited theatrical exhibition under Article XVII nor a limited AVOD release under Paragraph E.5.(d) of Sideletter H re: Programs Made for New Media of the Television Agreement shall be considered as an exhibition in the primary market as provided in this Sideletter.”

10. **New Media Exhibition of Interstitial Bits**

a. *Modify Article IV of the Television Animation Agreement to provide as follows:*

“IV. Interstitial Bits

“The following applies to interstitial bits, the principal recording of which commences on or after the first Sunday following the AMPTP’s receipt of notice of ratification:

“A. Voice actors may record up to twenty-two (22) minutes of material to be used as interstitial bits upon payment of the minimum four (4) hour session fee, as adjusted for additional voices when required. No interstitial bit may exceed two (2) minutes in length.

“B. 1. Producer shall have the unlimited right to rerun such interstitial bits on free television, foreign free television, basic cable and pay television and in new media for a period of five (5) years beginning sixty (60) days after the date such interstitial was recorded upon payment to the voice actor of a cycle payment of either: (i) one hundred ninety-five ~~eighty-five~~ percent (195~~185~~%) of the voice actor's total applicable minimum salary if Producer reruns such interstitial(s) on a network during such five (5) year period; or (ii) otherwise, one hundred ~~seventy-eighty~~ eighty percent (180~~170~~%) of the voice actor's total applicable minimum salary.

“2. At any time after the expiration of such five (5) year period, if Producer desires to continue to rerun such interstitial bits on free television (including reruns on a network), foreign free television, basic cable or pay television and in new media, it may do so for the period set forth below upon payment to the voice actor of the amount indicated:

“(i) For a second five (5) year cycle of use, one hundred ten percent (110~~100~~%) of voice actor's total applicable minimum salary;

“(ii) For a third five (5) year cycle of use, eighty-five ~~seventy-five~~ percent (85~~75~~%) of voice actor's total applicable minimum salary; and

“(iii) For a fourth five (5) year cycle of use and each succeeding five (5) year cycle of use, fifty sixty percent (60~~50~~%) of voice actor's total applicable minimum salary.

“Each cycle payment shall be made not later than thirty (30) days after the commencement of a cycle.

“C. In the event that the Producer of such interstitial material desires to make a program comprised fifty percent (50%) or more of interstitials, it shall first negotiate with the Union as to the provisions to apply to such use. The parties agree to discuss this subject in the Contract Adjustment Committee.

“D. The foregoing shall not apply to public service announcements.”

Make conforming changes.

- b. The Union agrees to waive any known and unknown claims concerning the use in new media of interstitial bits made for traditional media (other than claims that arise under Article IV.C. of the Television Animation Agreement), and the payment of residuals for that use, arising prior to the first Sunday following the AMPTP's receipt of notice of ratification and under the 2018 Television and Basic Cable Animation Agreements and all prior Agreements.

11. **Pick-up Lines and Synchronized Lines**

- a. *Modify Article III.A. and B. of the Television Animation Agreement (and incorporate the changes in the Basic Cable Animation Agreement) to provide 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.

- b. *Make conforming changes to the unpublished ADR sideletter as follows:*

UNPUBLISHED SIDELETTER

As of _____, 2018
Revised as of July 1, 2020

Ray Rodriguez
Chief Contracts Officer
SAG-AFTRA
5757 Wilshire Boulevard
Los Angeles, California 90036-3600

Re: Recording ADR and/or Pick-up Lines for Multiple Episodes of a Television or Basic Cable Animated Series During a Session

Dear Ray:

“During negotiations for the successor agreements to the 2014 Producer – SAG-AFTRA Television Animation Agreement and 2014 SAG-AFTRA Producer – SAG-AFTRA Basic Cable Agreement for Animated Motion Pictures, the parties agreed to delete Article I.C.4. (and re-letter subparagraph 5. to subparagraph 4.) and to add the term “synchronized lines” wherever the term “pick-up lines” appears in Articles III.A. and B. of the Television Animation Agreement, and the Union agreed to withdraw its disavowal concerning the recording of ADR for multiple episodes of a television or basic cable animated series during a session, based on

the following understandings, which have been modified to reflect the changes to Article III made during the 2020 negotiations:

- “A. In the event that a voice actor is requested to attend a session called for the sole purpose of recording ADR and/or pick-up lines for previous episodes of a series, he or she may record ADR and/or pick-up lines for an unlimited number of episodes for a single session fee, provided that ~~the session does not exceed two (2) hours and~~ the voice actor has previously been engaged on the episodes for which he or she is recording ADR and/or pick-up lines.
- “B. In the event that a voice actor is requested to record ADR and/or pick-up lines for previous episode(s) during a principal recording session, he or she may record ADR and/or pick-up lines for an unlimited number of episodes without additional compensation, provided that ~~the recording of ADR and/or pick-up lines does not take more than one (1) hour during the session and~~ the voice actor has previously been engaged on the episode(s) for which he or she is recording ADR and/or pick-up lines.
- “C. To the extent that a voice actor performs additional voice(s) on an episode while recording ADR and/or pick-up lines for which he or she has not already been compensated, compensation for such additional voice(s) shall be governed by Article II of the Television Animation Agreement.

Sincerely,

Carol A. Lombardini

ACCEPTED AND AGREED:

Ray Rodriguez

12. **Reuse of Sound Track From One Episode to Another in the Same Series**

Add to Article XII (“Reuse of Sound Track in Other Episodes of a Series”) of the Television Animation Agreement (and incorporate the changes in the Basic Cable Animation Agreement) that a Producer may use sound track from one episode of a series in another episode of the same series without bargaining or making additional payment when: (i) the voice actor recording such sound track was employed for both episodes; (ii) any sound track reused from the first episode was from the episode as aired; and (iii) the voice

actor's terms of engagement on the second episode were not less than those on the first episode. Should the reused sound track introduce additional voices in the second episode that would require an additional payment under Article II of the Television Animation Agreement had those additional voices been recorded for the second episode, the Producer shall pay to the voice actor any additional amount required under Article II for the total number of voices used by the voice actor in the second episode as a result of the reuse of sound track from the first episode, which shall be obtained by adding the number of voices used by the voice actor in the reused sound track from the first episode to the number of voices used by the voice actor in the second episode, subject to a cap of the minimum session fee for any additional voice(s) beyond three (3)."

13. **Theatrical Exhibition of Covered Animated Programs**

Renew Article XVII.A. ("Limited Theatrical Exhibition") of the Television Animation Agreement (and incorporate the changes in the Basic Cable Animation Agreement).

14. **Sideletter Excluding COVID-19 Related Costs from Budget Thresholds**

Add a new Sideletter to the Television Animation Agreement allowing certain COVID-19-related budget increases to be excluded from assessment of budget tiers in accordance with the tentatively agreed-upon provision from the "Return-to-Work" negotiations for the SAG-AFTRA Live Action Agreements:

"Re: Budget Thresholds Exclude COVID-19-Related Expenses

"The parties have discussed the increased costs that productions will incur to implement various health and safety protocols related to the COVID-19 pandemic. Because those unprecedented costs are additive to the standard production costs on which the parties negotiated the budget tiers that determine terms and conditions of employment for an animated motion picture covered under the Television and Basic Cable Animation Agreements, the parties agree that the following costs shall be excluded from consideration of whether a program falls within a given budget tier: health screening (including testing, health assessment surveys and temperature checks), personal protective equipment, salaries of COVID-19 compliance monitor(s) performing only COVID-19-related duties, COVID-19-related cleaning costs in excess of ordinary or usual cleaning costs, portable hand washing stations (unless they would have been necessary in the absence of COVID-19), additional bathroom units, costs of lodging and per diem for employees who are required to isolate or self-quarantine and payments made to employees during any self-isolation or quarantine (other than those due to an "Eligible COVID-19 Event," as in the "Return-to-Work Agreement" with SAG-AFTRA).

"Should the parties in the "Return-to-Work" negotiations modify the list of costs to be excluded, the above paragraph shall be revised to reflect those modifications."

[SIGNATURE BLOCKS OMITTED.]

15. **Harassment Prevention Training for Voice Actors**

Harassment prevention training provided through CSATF shall be required for voice actors. Funding of a stipend (\$20 per hour) for required training shall be paid through IACF. Implementation to be discussed.

16. **Housekeeping: Update the Cross-References for the Reuse of Recording from an Animated High Budget SVOD Program**

Update Article XXI of the Television Animation Agreement and Paragraph E.4.(b) of the Sideletter re Programs Made for New Media to the Television Animation Agreement to take into account that the provisions of Paragraph 3 of the Sideletter re Exhibition of Motion Pictures Transmitted Via New Media apply to the reuse of recording from an Animated High Budget SVOD Program. Currently, Paragraph E.4.(b) of the Sideletter re Programs Made for New Media cross-references the reuse provisions in Paragraph 3 of the Sideletter re Exhibition of Motion Pictures Transmitted Via New Media, and Article XXI of the Television Animation Agreement incorporates the latter Sideletter in the Television Animation Agreement.

17. **Discussion Items – Information Whether Voice Actor to be Engaged on High Budget SVOD Program and Provision of Signed Contracts to Voice Actor**

- a. The Producers agree that if a voice actor or a voice actor's representative asks the Producer, for purposes of individual negotiations, whether an animated program made for a streaming platform qualifies as a "High Budget SVOD" program, the Producer should provide that information, if known at the time. The Union should raise any concerns with the Producer's Labor Relations Executives should an issue arise with the voice actor obtaining that information, and, if needed, contact the AMPTP for assistance.
- b. The Producers agree that voice actors should be provided with copies of their individual contracts if requested. The Union should raise any concerns with the Producer's Labor Relations Executives should an issue arise with the voice actor obtaining a copy of their individual contract(s), and, if needed, contact the AMPTP for assistance.

18. **Waiver of New York City Earned Safe and Sick Time Act and Other Similar Laws**

Modify Article XXIII of the Television Animation Agreement to set forth the provisions of Section 81 ("Waiver of New York City Earned Safe and Sick Time Act and Other Similar Laws") of the 2020 SAG-AFTRA TELEVISION AGREEMENT.

19. **Drafting Completion**

- a. Union agrees that the 2018 Television Animation Agreement does not incorporate the improvements relating to IACF contributions, money and schedule breaks, options, fixed AVOD residual improvements and fixed Derivative New Media Production payments in the 2017 SAG-AFTRA TELEVISION AGREEMENT and the SAG-AFTRA CODIFIED BASIC AGREEMENT OF 2017. Companies shall not have any right to recoup any excess payments under those provisions during the term of this Agreement.
- b. Parties agree to complete the drafting process for the 2018 and the 2020 Television Animation Agreements within six (6) months following ratification.

**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 21, 2023

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

By: 
Duncan Crabtree-Ireland

Date: April 18, 2023

EXHIBIT "A"
2020 PRODUCER--SAG-AFTRA TELEVISION ANIMATION
AUTHORIZATION LIST

ABC Signature Studios, Inc.	Kerner Films, LLC
Adelaide Productions, Inc.	Killer Content, Inc.
Air Raid Productions, LLC	
Alternate Theory Productions LLC	Lake Hartwell Productions, Inc.
Apple Studios LLC	Late Night Cartoons, Inc.
	Legendary Television Animation, LLC
Big Indie Pictures, Inc.	
BoJack Productions LLC	Magnificent Videos, LLC
Box Office Animation, Inc.	Mako Entertainment Inc.
Buddy X, LLC	Marvel Animation Studio LLC
	Metro-Goldwyn-Mayer Animation Inc.
Cartoon Network Studios, Inc.	Minim Productions, Inc.
Chuck Productions, Inc.	
	New Regency Productions, Inc.
Dallas & Robo, LLC	Next Step Productions LLC
Digisynd, Inc.	NonCal Animation, Inc.
Disney Television Animation	Northwest Shadow, LLC
DreamWorks Animation L.L.C.	
DreamWorks Animation Television, LLC	Over the Pond Productions, Inc.
Eye Animation Productions Inc.	Partricks Road Productions II, Inc.
	Pixar Talking Pictures
Film 49 Productions, Inc.	
Final Space, LLC	Q-Force Productions LLC
Frank & Bob Films II, LLC	
	Reassembled Productions LLC
Got Talent, LLC	Retro, Inc.
	Rutherford Bench Productions, Inc.
Halfworld Productions LLC	
Helmer Prexy Productions LLC	Seventeen Bridges, LLC
Hold Fast Productions, LLC	Shadow Animation, LLC
Hostage Productions, Inc.	Shadow Diaries, LLC
	Shawndan Animation, Inc.
In Development, LLC	Sid Is Dead LLC
	Sky Productions, LLC
Just Rewards Productions, Inc.	South Circle Productions LLC
	South Rock Productions LLC
Kapital Productions LLC	Spytime Productions, Inc.
Katy Mac Session Productions	STX Animation, LLC

Talent Court Productions Inc.
Touchstone Television Productions, LLC dba
ABC Studios
Thwip Productions LLC
TUPON LLC
Turner Films, Inc.
Twentieth Century Fox Film Corporation

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