

Status of AFTRA Interactive Media Agreement Negotiations

Issue	Summary of Interactive Companies' Prior Proposals As of 10/18/2016	SAG-AFTRA Response 10/18/2016	Companies' Comprehensive Revised and Enhanced Final Package Proposal (written proposal 10/19/2016)
<p>Financial Compensation</p>	<p>Companies increased their wage rate proposal from 2% per year to 3% per year as previously proposed by Union but</p> <p>Provided the IMA is ratified by December 1, 2016, proposed accelerating the increase in wage rates to 9% effective as of the first Sunday after ratification in lieu of annual increases.</p>	<p>Union agreed</p>	<p>Provided the IMA is ratified by December 1, 2016, proposed accelerating the increase in wage rates to 9% effective as of the first Sunday after ratification in lieu of annual increases.</p>
	<p>Provided the IMA is ratified by December 1, 2016, Performers shall receive Additional Compensation for work on a program of up to \$900 as follows:</p> <ul style="list-style-type: none"> - 1 Session, \$0 Incremental - 2 Sessions, \$50 Incremental (\$50 in aggregate) - 3 Sessions, \$100 Incremental (\$150 in aggregate) - 4 Sessions, \$100 Incremental (\$250 in aggregate) - 5 Sessions, \$150 Incremental (\$400 in aggregate) - 6 Sessions, \$150 Incremental (\$550 in aggregate) - 7 Sessions, \$150 Incremental (\$700 in aggregate) - 8 Sessions, \$200 Incremental (\$900 in aggregate) - 9 Sessions or more, \$0 (\$900 in aggregate) <p>Such additional compensation shall be paid no later than the release date. Overscale compensation may be credited against these bonus payments. Such Additional Compensation payments are subject to benefit contributions up to the ceiling. Additional Compensation payments are excluded from Total Applicable Base Compensation.</p>	<p>Proposed two options:</p> <p>“Option “A”: Principal Performers may be engaged with no prepayment of contingent compensation, in which case each Performer whose performance is included in the Interactive Program shall be entitled to a Secondary Payment for each 2,000,000 units sold or unique subscribers (when games are not sold by units) up to a total of 4 Secondary Payments. Each Secondary Payment shall be based upon 25% of scale for each session worked by the Performer, up to a maximum of 4 sessions (100% scale)”</p> <p>Option B: Deemed a prepayment of Option A money. Structure is similar to Companies’ proposal but includes an additional \$50 at “1 Session” level (aggregate capped at \$950) and payment to be made at the same time as the session payment</p> <p>Agreed that Interactive Programs comprised of 10 or fewer sessions in the aggregate shall not be subject to the</p>	<p>Reasserted and improved Companies’ proposal for Additional Compensation by adding an additional \$50 to the “8 Sessions” level (thereby matching the maximum aggregate Additional Compensation of \$950 from Company’s response)</p>

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Pension and Health Contributions	Proposed a 0.5% increase and specific contractual language concerning SAG Pension and Health Plans	Proposed a 0.5% increase, but revised contractual language re specific contractual language	Agreement on 0.5% increase ; proposed parties work with ERISA counsel to reach agreement on specific contractual language
Stressful Voice	<p>Companies' proposed:</p> <ul style="list-style-type: none"> - Split Session: If Company reasonably believes that a session may be vocally challenging for a 4-hour session, it may be scheduled in advance as 2 two-hour portions; the second two-hour portion shall be within 5 business days of the first. - New Off-Camera Rate: if a Performer is booked with three performers or more for recording at the same session, each may be hired or a session of 6 hours at a rate of \$1000 for the day, in order to rotate vocally stressful work. - Increased Cooperation / Cooperative Committee: Parties agree to more proactive cooperation in the establishment of "best practices" - Savings Clause: Parties to reopen agreement in the event Cal-OSHA rules on vocal stress" 	<p>Union responded as follows:</p> <ul style="list-style-type: none"> - Split Session: Union rejects proposal. - New Off-Camera Rate: revises language to be consistent with existing rates and sessions already allowed under expired IMA - Increased Cooperation/Cooperative Committee: Agreed - Savings Clause: Agreed <p>Withdrawn "Union proposal #7 Vocally Stressful Sessions requiring such sessions to be no longer than 2 hours but paid at the 4-hour rate.</p>	<p>Companies responded as follows:</p> <ul style="list-style-type: none"> - Split Session: In light of Union's rejection of this proposal, Companies withdrew. - New Off-Camera Rate: in light of Union's rejection of this proposal, Companies withdrew. - Increased Cooperation / Cooperative Committee: Agreed - Savings Clause: Agreed
Stunt Coordination	Existing IMA already provides for a Stunt Coordinator to be on site for sessions that include stunts.	Revised its Discussion Item by referring the issue of stunt coordination to a Cooperative Committee	Companies agreed and committed to continue their past safety practices
Transparency [at time of booking]	<p>Responded to Union's proposal for additional information regarding the Interactive Program and committed to provide the following additional data points (to the extent known at the time of booking):</p> <ul style="list-style-type: none"> - the description of genre of the Interactive Program (as (1) fighting/shooter/RPG, (2) Simulation/Racing/Sports, or (3) 	In addition to Companies' proposal, Union reasserted desire to receive notice of the title of the program at time of booking and allowance for performers and agents to be placed under Non-Disclosure Agreements.	<p>Reasserted and enhanced Companies' proposal by agreeing that Companies shall also provide the agent or performer (to the extent known at time of booking and subject to a Non-Disclosure Agreement):</p> <ul style="list-style-type: none"> - the code name of the project and - whether the performer is being asked to reprise his/her role from a prior Interactive

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	<p>Puzzle/Casual/Kids & Family/Strategy);</p> <ul style="list-style-type: none"> - use of profanity, content of sexual or violent nature, racial slurs, and - whether stunts will be required 		<p>Program</p>
Limited Integration	<p>Addressed the <i>de minimis</i> use of existing "Integration" buy-out, by proposing a "Limited Integration" buy-out:</p> <p>Company may elect to utilize a "Limited Integration" buy-out of a Performer's work in any other program as follows:</p> <ul style="list-style-type: none"> - for each 300 lines bought out, the payment shall be the then current applicable scale rate. - For example, if Company buys out 600 lines for Limited Integration, then the payment would be 2 X the then current applicable scale rate. Limited Integration payments are applied to subsequent Integration buyouts. 	<p>Revised the Companies Proposal by deleting "300 lines" and replacing it with "session from which a Performer's work is taken." Also proposes that Company must verify the session date of the material to be reused.</p>	<p>Modified Companies' proposal by limiting Limited Integration buy-out to within a particular franchise (i.e., "if Limited Integration is paid, the material may be used in any or all Programs of a franchise")</p>
Most Favored Nations ("MFN")		<p>Proposed removing MFN in IMA</p>	<p>Rejected proposal to removal of the MFN in IMA</p>
Clearances	<p>Requested 24-hours response and acknowledgement that failure to respond grants clearance</p>	<p>Modified Companies' proposal: instead of 24 hours, 1 business day provided Producer utilizes the mutually agreed upon electronic clearance system (currently in development)</p>	<p>Accepted Union proposal subject to the mutual agreement of the parties regarding the currently-in-development electronic clearance system.</p>
<p>Union and Companies withdrew their respective proposals in other areas and are in tentative agreement on Length of Contract Term and the Professional Conduct Provisions</p>			