

GUIDELINES FOR ALLOCATIONS IN OVERSCALE AGREEMENTS

These Guidelines for Allocations in Overscale Agreements (the “Guidelines”) have been developed by the Screen Actors Guild-American Federation of Television and Radio Artists (“SAG-AFTRA”) and the ANA-4A’s Joint Policy Committee on Broadcast Talent Relations (“JPC”) to assist Producers and Performers in determining appropriate allocations between covered and non-covered services as required pursuant to the AFTRA Health and Retirement Funds provision of the SAG-AFTRA Radio Recorded Commercials Contract (the “Contract”).

These Guidelines provide an important indication to Producers regarding those situations in which contributions to the Funds may be considered by SAG-AFTRA to be inadequate. In those situations, Producers will therefore have an opportunity to bring to SAG-AFTRA’s attention circumstances that a Producer believes warrants different contribution levels. In making the allocation, if a Producer believes that the application of these Guidelines is inappropriate in a particular situation, or has questions about the application or appropriateness of the Guidelines in a particular situation, Producer may bring those concerns to SAG-AFTRA’s and the JPC’s attention. In particular in the case of music tour contracts, or race car driver endorsement contracts meriting special consideration, Producers may wish to contact SAG-AFTRA and the JPC.

Provided a Producer allocates in accordance with the following Guidelines, such allocation shall be rebuttably presumed to be proper in any proceeding brought to challenge such allocation under the **ARBITRATION** and **AFTRA Health and Retirement Funds** provisions of the Contract.

GUIDELINES

Radio Commercial services include the right to produce and use commercials, whether or not that right is exercised.

- a) 100% of contract amount is reportable where compensation paid is solely for covered services.
- b) A 50% allocation for a multi-service contract where SAG-AFTRA radio commercial services are involved with non-covered services. This allocation also applies where no SAG-AFTRA radio commercials are produced or used in a given period but the Producer has a right to do so and to hold the performer to exclusivity. Notwithstanding the foregoing, in the event the performer’s principal source of income in the entertainment industry is derived from modeling services, the allocation may be 40% for such contracts.
- c) In lieu of any other allocations provided herein, 20% allocation for a multi-service contract of currently active or inactive athletes who endorse a product/brand with which they are strongly associated and who generally wear the corporate logo/image on their clothes or equipment or who have product lines or other collateral merchandise associated with their endorsement. This allocation does not apply to athletes advertising products that are unrelated to their sport. Guideline B would be applicable in those cases.
- d) In lieu of any other allocations provided herein, 40% allocation for commercials used exclusively outside the United States.
- e) In lieu of any other allocations provided herein, 40% allocation for a performer in commercials for products or product lines which the performer has had an active role in developing and features the performer’s name or image in the product, product line, or collateral merchandise.
- f) In lieu of any allocations provided herein, where compensation is comprised, in part, of royalties or stock, 40% of any upfront non-refundable guarantee to performers appearing in commercials for products or product lines, where performers have a financial interest in the sale of products or product lines, and other non-covered services are involved.

Where contracts under Guideline A hereof include services covered by the SAG-AFTRA Commercials Contract and the SAG-AFTRA Radio Recorded Commercials Contract, allocations for covered services may be split 80% to services covered by the SAG-AFTRA Commercials Contract and 20% to services covered by the SAG-AFTRA Radio Commercials Contract.

Where contracts include non-covered services and services covered by the SAG-AFTRA Commercials Contract and the SAG-AFTRA Radio Recorded Commercials Contract, allocations for covered services may be split 90% to services covered by the SAG-AFTRA Commercials Contract and 10% to services covered by the SAG-AFTRA Radio Recorded Commercials Contract. This provision is not intended to reduce the allocation to covered services to less than 50% as specified in Guideline B (e.g. a contract with covered services in both television and radio would result in a guideline allocation of 45% to television services and 5% to radio services for a total 50% allocation).