

October 15, 2007

MEMORANDUM OF UNDERSTANDING

On October 15, 2007, at the culmination of collective bargaining between the American Federation of Musicians (“Federation”) and the Association of National Advertisers (“ANA”) and the American Association of Advertising Agencies (“AAAA”) Joint Policy Committee on Broadcast Talent Union Relations (“JPC”), referred to herein as the “Employer,”¹ the parties have agreed to enter into a successor agreement to the Television and Radio Commercial Announcements Agreement (“Agreement”), as follows:

1. This Agreement shall be effective from October 17, 2007 continuing in effect through October 16, 2009.
2. By the terms of this Agreement, the Television and Radio Commercial Announcements Agreement in effect from October 17, 2004 – October 16, 2007 shall be modified as set forth below.²
3. In all other respects, the provisions of the October 17, 2004 – October 16, 2007 Agreement shall remain in full force and effect commencing on October 17, 2007 and continuing throughout the term of this Agreement.

AMERICAN FEDERATION OF MUSICIANS
OF THE UNITED STATES AND CANADA

ANA-AAAA JOINT POLICY
COMMITTEE ON BROADCAST
TALENT UNION RELATIONS

By: _____
Thomas F. Lee, President

By: _____
Douglas Wood, Chief
Negotiator/Counsel

By: _____
Jeffrey Freund, Chief Negotiator/
General Counsel

¹ The lists of ANA and AAAA companies that have agreed to be bound by this Agreement are attached.

² In addition, the parties agree to make such non-substantive changes to the Agreement as may be appropriate.

1. Term

Article I, Section 2 is amended to read as follows:

“This Agreement shall be in effect commencing October 17, 2007 – or in the case of any new signatory Employer, on the effective date in the Letter of Adherence – and continuing through October 16, 2009.”

2. Wages

A. Effective October 17, 2007 and continuing throughout the term of this Agreement, the minimum call session fee (Article VIII, Section 1) shall be increased from \$110 to \$115 and \$220 to \$230 respectively.

B. Effective October 17, 2007 and continuing throughout the term of this Agreement, Initial Use Payments (Article XIV, Section 1) shall be increased from \$31 to \$32 and from \$62 to \$64 respectively.

C. Effective October 17, 2007 and continuing throughout the term of this Agreement, all use/reuse payments in Article XIV shall continue to be based on the current ratio to the applicable session fee.

D. Effective October 17, 2007 and continuing throughout the term of this Agreement, all other wages earned under this Agreement including Foreign Use but excluding fixed allowances such as cartage shall be increased by 4.5%.

3. Health and Welfare Payments

A. Increase initial payment in Article XVIII, Section 1A from \$15.00 to \$17 per session for each original service performed up to a maximum of two such services daily.

B. Increase the Health and Welfare percentage contribution rate in Article XVIII, Section 1B from 2% to 3%.

4. New Media Commercial Announcements

Amend Article XI of the Contract to provide that the provisions thereof shall apply, inclusively, to the engagement of Musicians with respect to the production and use of music tracks used in commercial announcements made for initial use on either or both the Internet and/or other digital, electronic, or any other similar type of delivery platform including, but not limited to, podcasts, delivery to mobile phones and other digital and electronic media (“New Media”) with payments as provided below.

Example

- A. An Employer employs a Musician to provide services in a single recording session.

B. The results will be used in a commercial or commercials made for initial use on either or both the Internet and New Media.

C. Payments:

- (1) One session payment for all recordings recorded in the session (as set out in Article XI, Section 2B); and
- (2) One set of re-use payments as provided in Article XI.2.C through Article XI.4 for all of the tracks made and used pursuant to this paragraph 4.