

SESAME WORKSHOP  
AND  
WRITERS GUILD OF AMERICA, EAST, AFL-CIO  
EFFECTIVE  
AS OF APRIL 20, 2024 THROUGH APRIL 19, 2029

MEMORANDUM OF AGREEMENT

SESAME WORKSHOP (“**Sesame**”) and the WRITERS GUILD OF AMERICA, EAST, INC. (the “**Guild**” or “**WGA**”), having concluded negotiations to amend the current collective bargaining agreement between the Parties, known as the WGA-Sesame Workshop 2019 Agreement, with an effective date of March 8, 2019, as amended on January 7, 2020 (the “**Current Agreement**”) and have agreed to set forth in this Memorandum of Agreement (the “**MOA**”) all changes to the Current Agreement which the Parties have negotiated.

**WHEREAS** the Parties agree as follows:

1. The Current Agreement shall continue in full force and effect, except as specifically modified by this MOA.
2. All references in the Current Agreement to “Sesame Street Season 51, 52, 53, 54 and 55” shall be deleted and replaced with “Sesame Street Season 56, 57, 58, 59 and 60”.
3. All references to “2017 WGA Theatrical and Television Basic Agreement” in the Current Agreement shall be changed to “2023 WGA Theatrical and Television Basic agreement” and all references to “2017 MBA” in the Current Agreement shall be changed to “2023 MBA”. The Producers-Writers Guild of America Pension Plan and the Writers Guild Industry Health Fund shall be defined herein as “**PWGA**”.
4. All minimum rates and reuse rates shall increase annually at the same percentage amount and on the same date as the rate increases agreed to in the 2023 MBA and any successor agreement thereto over the term of this Current Agreement.
5. **Article VI. A. 1.**, Basic Script Fees and the portion of **Article VI.A. 3. (c)** outlining “Rates for programs other than 30 minutes or 60 minutes” in the Current Agreement are hereby deleted in full and replaced with the following:

1. Basic Script Fees for series or programs (for content other than Sesame Street the series) for exhibition on linear television or a commercial exhibition platform ; (e.g., SVOD) subject to the rights below.

(a) 5-minutes or less

Effective 5/2/2023 \$2,052, as per the Current Agreement

Effective 5/2/2024 \$2,124

Effective 5/2/2025 \$2,188

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(b) 10-minutes or less, but greater than 5-minutes

Effective 5/2/2023 \$4,107, as per the Current Agreement

Effective 5/2/2024 \$4,251

Effective 5/2/2025 \$4,379

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(c) 20-minutes or less, but greater than 10-minutes

Effective 5/2/2023 \$5,799, as per the Current Agreement

Effective 5/2/2024 \$6,002

Effective 5/2/2025 \$6,182

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(d) 30-minutes or less, but greater than 20-minutes

Effective 5/2/2023 \$11,574, as per the Current Agreement

Effective 5/2/2024 \$11,980

Effective 5/2/2025 \$12,339

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(e) 60-minutes or less, but greater than 30-minutes

Effective 5/2/2023 \$17,791, as per the Current Agreement

Effective 5/2/2024 \$18,414

Effective 5/2/2025 \$18,966

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(f) 90-minutes in length or less, but greater than 60 minutes

Effective 4/20/2024 \$42,000

Effective 5/2/2024 \$43,470

Effective 5/2/2025 \$44,774

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(g) 120-minutes in length or less, but greater than 90-minutes

Effective 4/20/2024 \$54,000

Effective 5/2/2024 55,890

Effective 5/2/2025 \$57,567

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

Rates shall purchase a single PBS play pattern at Sesame's election (i.e., i. 12 releases over 1 year; ii. 6 releases over 2 years; or iii. 4 releases over 3 years, with

a release meaning unlimited exhibitions over any seven (7) consecutive day period) and unlimited exhibitions for 26 weeks on any single primary commercial exhibition platform (for rights both domestically and internationally). Reuse beyond the first 26 weeks will be paid at 1.2% of accountable receipts. Reuse on other commercial new media platforms, must pay 1.2% of accountable receipts. For the avoidance of doubt, in the event that the production budget is less than \$25,000/minute, the script will be bought out for all uses.

Reuse on public television will be subject to the terms outlined in Article VI.C.2.

For the avoidance of doubt, residuals and/or reuse payments will not be payable to a writer for any writing of an animated series or program other than for the limited circumstance where an Animated Sesame Insert (as further defined herein below) appears as part of a whole or entire episode of Sesame Street and only to the extent that such writer of the Animated Sesame Insert's participation does not impact the total dollar amount of the participation pool; by way of example, 1.2% of accountable receipts or the fixed dollar participation that all writers share in for reuse on PBS (per VI.C.2. (a) of the Current Agreement) which amounts do not change regardless of the number of writers on an episode of Sesame Street.

6. A new **Article VI. A. 1A.**, Basic Script Fees shall be added as follows:

1A. Basic Script Fees (where the primary exhibition is on new media, outreach or education platforms; e.g. Social Media or Homer or where the series or program is for grant funded distribution). For clarity, marketing and promotion (i.e. material that is entirely centered on advertising or tuning into Sesame content) and audio-only programs shall remain uncovered content.

(a) 30 secs or less:

Effective 4/19/2024 \$110

Effective 5/2/2024 \$114

Effective 5/2/2025 \$117

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(b) One minute (and for each minute thereafter):

Effective 4/19/2024 \$220

Effective 5/2/2024 \$228

Effective 5/2/2025 \$235

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

Article VI.A 1A. scripts will be bought-out for all uses in perpetuity. Notwithstanding the foregoing, should such programs comprised of Article VI.A. 1A. scripts be used on a primary commercial exhibition platform, then the programs used on such platform(s) will be treated as “reused” content (unless the program is animated and then no residuals shall apply).

To the extent that full-time Sesame staff, who have writing as part of their job description, engage in writing Article VI.A. 1A. scripts, it is agreed that those individuals will, if requested by Company, write and deliver no less than 25 segments scripts (provided such amount of writing does not exceed 25 cumulative minutes in total) without any additional compensation in each year of this Agreement (the “**Staff Covered Work**”). Any writing work performed in excess of the Staff Covered Work will be separately compensated at no less than the applicable minimum, and the company will pay Pension contributions on top of said agreed writing fee. This new arrangement will go into effect as of the date of this Agreement and each Sesame staff member will start their moving forward tally of Staff Covered Work as of that date and reset each year thereafter.

7. **Article VI.A. 2 (a) – (c)** of the Current Agreement will be amended and replaced with the following:

Consistent with past practice, each Sesame Street script for Seasons 56, 57, 58, 59 and 60 may be comprised of some combination of (i.) originally commissioned minutes of content (the “**Original Minute(s)**”) and/or (ii) reused minutes of content, that is content that has previously been used in a prior Season or in another episode of the current Season (the “**Reused Minute(s)**”). Sesame shall only be required to pay the Initial Original Minute Compensation (see definition below) for animated content appearing in an episode of Sesame Street (other than content that has been created and delivered as part of an acquired live-action film or animation as per historic practice) (an “**Animated Sesame Insert(s)**”). For the avoidance of doubt, the Initial Reused Minute Compensation (also defined below) will not be payable for reuse of an Animated Sesame Insert within Sesame Street. No residuals or reuse payments of any nature will be payable to any writers of Animated Sesame Inserts other than for the limited circumstance where Animated Sesame Inserts appear as part of a whole or entire episode of Sesame Street and only to the extent that such writer of the Animated Sesame Insert’s participation does not impact the total dollar amount of the participation pool; by way of example, 1.2% of accountable receipts or the fixed dollar participation that all writers share in for reuse on PBS (per VI.C.2. (a) of the Current Agreement)

which amounts do not change regardless of the number of writers on an episode of Sesame Street.

(a) “Initial Original Minute Compensation”

Effective 5/2/2023 \$1,345, as per the Current Agreement  
Effective 5/2/2024 \$1,392  
Effective 5/2/2025 \$1,434  
Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026  
Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027  
Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

(b) “Initial Reused Minute Compensation”

Effective 5/2/2023 \$486, as per the Current Agreement  
Effective 5/2/2024 \$503  
Effective 5/2/2025 \$518  
Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026  
Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027  
Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

For the avoidance of doubt, after its first use in a script, an Original Minute other than when used a second time in a script, becomes a Reused Minute for all uses thereafter (with the specific exclusion of Animated Sesame Inserts). Collectively the Initial Minute Compensation and the Initial Reused Minute Compensation, when applicable, shall be referred to herein as “Sesame Street Initial Compensation”.

(c) Sesame shall be entitled to use a rate based on 50% of the Initial Original Minute Compensation for writing of :30 or less limited to writing for: (i) transitions; and (ii) open and close segments.

8. A “new” **Article VI. A. 3.** (d) shall be included as follows:

(d) Specials based on Sesame Street

i. of 30-minutes in length

Effective 4/20/2024 \$18,000  
Effective 5/2/2024 \$18,630

Effective 5/2/2025 \$19,189  
Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026  
Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027  
Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

ii. of 60-minutes in length,

Effective 4/20/2024 \$30,000  
Effective 5/2/2024 \$31,050  
Effective 5/2/2025 \$31,982  
Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026  
Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027  
Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

iii. of 90-minutes in length,

Effective 4/20/2024 \$42,000  
Effective 5/2/2024 \$43,470  
Effective 5/2/2025 \$44,774  
Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026  
Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027  
Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

iv. of 120-minutes in length,

Effective 4/20/2024 \$54,000  
Effective 5/2/2025 \$55,890  
Effective 5/2/2025 \$57,567  
Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026  
Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027  
Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

Rates shall purchase a single PBS play pattern at Sesame's election (i.e., i. 12 releases over 1 year; ii. 6 releases over 2 years; or iii. 4 releases over 3 years, with

a release meaning unlimited exhibitions over any seven (7) consecutive day period) and unlimited exhibitions for 26 weeks on any single primary commercial exhibition platform (for rights both domestically and internationally). Reuse beyond the first 26 weeks will be paid at 1.2% of accountable receipts. Reuse on other commercial platforms must pay 1.2% of accountable receipts. For the avoidance of doubt, in the event that the production budget is less than \$25,000/minute, the script will be bought out for all uses.

Reuse on Public Television shall be subject to the terms outlined in Article VI.C.2.

For the avoidance of doubt, residuals and/or reuse payments will not be payable to any writer of an animated series or program, other than for the limited circumstance where an Animated Sesame Insert appears as part of a whole or entire episode of Sesame Street and only to the extent that such writer of the Animated Sesame Insert's participation does not impact the total dollar amount of the participation pool; by way of example, 1.2% of accountable receipts or the fixed dollar participation that all writers share in for reuse on PBS (per VI.C.2. (a) of the Current Agreement) which amounts do not change regardless of the number of writers on an episode of Sesame Street.

9. **Article VI. A. 5.** of the Current Agreement shall be amended by including a “new” weekly writer rate. This new weekly writer rate shall apply i. regardless of number of weeks worked; and ii. to both one-hour programs and half-hour programs (the “**New Series Weekly Writer Rate**”). This New Series Weekly Writer Rate may only be paid on a particular program or series provided that a Series Consultant and/or Head Writer (hired in accordance with the Current Agreement) has already been retained on said program or series, as follows:

Effective 4/20/2024 weekly rate of \$4,042

Effective 5/2/2024 weekly rate of \$4,184

Effective 5/2/2025 weekly rate of \$4,310

Effective 5/2/2026, rate to be increased in accordance with MBA increase, if any, in 2026

Effective 5/2/2027 rate to be increased in accordance with MBA increase, if any, in 2027

Effective 5/2/2028 rate to be increased in accordance with MBA increase, if any, in 2028

For the avoidance of doubt, such rates as contained in Article VI. A. 5. (as amended) will not apply to any Head Writing or Series Consultant or Weekly Writer services (or such similar services) for animation based programs or series which rates will remain based upon compensation freely negotiated between Sesame and said writers for these services. Sesame will pay Pension, Health and Paid Parental Leave contributions on any such freely negotiated rates.



10. **Article VI. A. 6** of the Current Agreement shall be deleted in full and replaced with the following:

At the time a writer is requested to commence work, the writer will receive a written (email to suffice) summary of the employment terms as follows:

- Content description and name (or working title if name is not known)
- Length of the script
- Compensation for the script
- Delivery date expected

Sesame will make good faith efforts to get the contract (or amendment as the case may be) to a writer within five (5) business days of their receipt of the email outlining the terms of employment; notwithstanding the foregoing, work may commence upon receipt of the detailed email.

All payments hereunder are gross and are subject to all withholdings and other deductions required by law.

For scripts of three (3) minutes in length or longer, Sesame will pay as follows:

- 40% upon delivery of Outline;
- 50% upon delivery of First Draft Script; and
- 10% upon delivery of Final Draft Script.

If a script is less than three (3) minutes in length, Sesame will pay 100% of the script fee upon delivery of the script, provided that writers are willing to provide revisions if requested, as per normal protocols.

Writers shall receive payment no later than 14 days upon delivery of any commissioned script/literary material.

11. **Article VI.C.2. (c)** of the Current Agreement shall be deleted in full and replaced with the following:

In addition to the foregoing, and also as consideration for the Sesame Street Initial Compensation paid to the writer as above in Article VI.A.2., for Sesame Street Seasons 56, 57, 58, 59 and 60, Sesame is entitled to unlimited exhibitions of a script over three (3) years on any single primary commercial exhibition platform (for rights both domestically and internationally). Uses beyond the said first 3 years will be paid at 1.2% of accountable receipts and such amount will also be shared amongst writers who have written an Animated Sesame Insert (limited to distribution of whole or entire Sesame Street episodes, but not for standalone distribution of the Animated Sesame Inserts). In addition, any amounts payable to writers for reuse of a whole or entire episode of Sesame Street on PBS, as per VI.

C. 2. (a), will include writers of any Animated Sesame Inserts. Reuse on other commercial new media platforms must pay 1.2% of accountable receipts.

12. **Article VII. A.** of the Current Agreement shall be deleted in full and replaced with the following:

Other than for Staff Covered Work, all Sesame staff entitled to full Sesame staff benefits, and who provide writing services under this agreement, shall be entitled to receive pension contributions on such additional compensation.

13. **Article VII. D.** of the Current Agreement shall be deleted in full and replaced with the following:

Upon notice by the Guild or any writer covered by this Agreement, Sesame will make an additional flat fee contribution, not to exceed \$2,300, which amount represents any shortfall in contributions (i.e., the percentage of earnings paid by Sesame as a contribution to the Writers Guild Industry Health Fund (the “**Fund**”) on behalf of a writer employed by Sesame under the Agreement) necessary to hit the threshold required for a writer to receive full health benefits in accordance with the terms of the Fund (the “**Contribution**”). Notwithstanding the foregoing, in no event will Sesame make the Contribution to a writer who: (i) is a Sesame Workshop employee and receiving Sesame health benefits; (ii) does not have earnings from Sesame of at least \$35,000 in a single writers’ annual WGA earning period; and (iii) has WGA earnings from another source which supplement the Sesame earnings, and which trigger the benefits under the Fund (and Sesame may request such information from the Guild and will rely on the Guild’s good faith representation regarding the same).

14. Add a new **Article VII. E.**, as follows:

E. SESAME shall also make an additional contribution to the PWGA of .5% towards the Paid Parental Leave Fund, pursuant to Article 71 of the 2023 MBA. In the event the rate of contributions to the Paid Parental Leave Fund under the 2023 MBA, or any successor agreement thereto, shall be increased or decreased in any future negotiations between the WGA and the AMPTP during the term hereof, said increase or decrease shall be made in the rates under the Current Agreement effective on the date that they take effect in the MBA.

Additionally, a writer employed by SESAME shall be entitled to up to eight (8) consecutive weeks of leave to bond with a newborn child, newly adopted child or newly placed foster child. The leave must be taken within one year of the birth, adoption or placement of the writer's child. A writer shall request such leave at least 30 days in advance of the start of the leave, unless such notice is impracticable, in which case the writer shall make the request within a reasonable time in advance of the leave.

Any writer who takes a leave of absence hereunder shall be entitled to be reinstated to his or her original position on the series or program upon conclusion of the leave provided such original position is still an active position upon conclusion of the leave.

15. **Article X** of the Current Agreement, Additional Series, shall be deleted in full and replaced with the following:

The parties agree that the terms of this Agreement, as applicable, shall apply to all writing services furnished to Sesame for all audio-visual series, programs, segments and stand-alone segments of any budget or length regardless of distribution method (including but not limited to, linear television, New Media, DVD, grant funded distribution and territories and channels), inclusive of both live-action and animated programming. For the avoidance of doubt, animated content will be excluded from any residual obligations under this MOA or any other agreement other than for the limited circumstance where an Animated Sesame Insert appears as part of a whole or entire episode of Sesame Street and only to the extent that such writer of the Animated Sesame Insert's participation does not impact the total dollar amount of the participation pool; by way of example, 1.2% of accountable receipts or the fixed dollar participation that all writers share in for reuse on PBS (per VI.C.2. (a) of the Current Agreement) which amounts do not change regardless of the number of writers on an episode of Sesame Street.

16. **Article XII** of the Current Agreement shall be deleted in full and replaced with the following:

After completion of a season, and only upon request, a Sesame Street writer will be furnished with a water-marked digital version of the air script he/she has written for said production season ("**Digital Script**"). The copy of the Digital Script is only for the personal use of the writer and any other use will be subject to Sesame's prior written approval and writer's acknowledgement of Sesame's Portfolio Policy.

17. **Article XIII** of the Current Agreement shall be deleted in full and replaced with the following:

After completion of a season, and only upon request, a Sesame Street writer will be furnished with a water-marked digital version of the episode (i.e. a digital video file) he/she has written for said production season ("**Digital Video**"). The copy of the Digital Episode is only for the personal use of the writer and any other use will be subject to Sesame's prior written approval and writer's acknowledgement of Sesame's Portfolio Policy.

18. Delete Article XVII.L.

19. **Article XVIII** of the Current Agreement is hereby deleted in full and replaced with the following:

Sesame Workshop is an Equal Opportunity Employer and is committed to complying with all federal, state and local equal employment opportunity (“EEO”) laws. Sesame Workshop and the Guild agrees that there will be no discrimination against employees and applicants for employment because of the individual’s race or color, religion or creed, alienage or citizenship status, sex (including pregnancy), national origin, age, sexual orientation, gender identity or expression, disability, marital status, familial status, domestic partnership status, genetic information or predisposing genetic characteristics, military status, domestic violence victim status, or any other characteristic protected by law. Sesame Workshop also considers for employment qualified applicants with criminal histories consistent with federal, state, and local law.

20. **Article XXI** of the Current Agreement is hereby deleted in full and replaced with the following:

The term governing those matters dealt with in this MOA shall commence as of April 20, 2024 through April 19, 2029 or the date on which writing services for Season 60 of Sesame Street are completed, whichever is later; provided that Sesame shall provide to the Guild, upon commencement of writing for Season 60, the actual date on which writing services for Season 60 of Sesame Street will be completed.

21. **Sideletter #8** of the Current Agreement shall be deleted in full and replaced with the following:

Audio-visual series and programs produced for new media will be governed by the terms of this MOA, as applicable. For the avoidance of doubt, animated content, will be excluded from any residual and/or reuse obligations under this MOA or any other agreement other than the payment of residuals for the Animated Sesame Inserts for the limited circumstance where an Animated Sesame Insert (as further defined herein below) appears as part of a whole or entire episode of Sesame Street and only to the extent that such writer of the Animated Sesame Insert’s participation does not impact the total dollar amount of the participation pool; by way of example, 1.2% of accountable receipts or the fixed dollar participation that all writers share in for reuse on PBS (per VI.C.2. (a) of the Current Agreement) which amounts do not change regardless of the number of writers on an episode of Sesame Street.

22. A new **Sideletter #9** shall be included, with respect to Artificial Intelligence, as follows:

A. The parties acknowledge that definitions of generative artificial intelligence ('GAI') vary, but agree that the term generally refers to a subset of artificial intelligence that learns patterns from data and produces content, including written material, based on those patterns, and may employ algorithmic methods (e.g., ChatGPT, Llama, MidJourney, Dall-E). It does not include 'traditional AI' technologies such as those used in CGI and VFX and those programmed to perform operational and analytical functions.

B. Sesame agrees that because neither traditional AI nor GAI is a person, neither is a 'writer' or 'professional writer' as defined in Articles 1.B.1.a., 1.B.1.b., 1.C.1.a. and 1.C.1.b. of the 2023 WGA Theatrical and Television MBA, and, therefore, written material produced by traditional AI or GAI shall not be considered literary material under this or any prior Agreement.

C. Should Sesame furnish a writer with written material produced by GAI which has not been previously published or exploited, and instruct the writer to use the GAI-produced material as the basis for writing literary material:

1. Sesame shall disclose to that writer that the written material was produced by GAI.
2. The GAI-produced written material shall not be considered assigned material for purposes of determining the writer's compensation.
3. The GAI-produced written material shall not be considered source material for purposes of determining writing credit.
4. The GAI-produced written material shall not be the basis for disqualifying a writer from eligibility for separated rights.

This subparagraph C. also applies when a writer, with the consent of Sesame, uses GAI in the course of preparing literary material. Sesame agrees that it will not publish or exploit GAI written material for the purposes of evading this provision.

When a writer, with the consent of Sesame, uses GAI in the course of preparing written material or incorporates GAI-produced material in written material, such written material shall be considered literary material and not material 'produced' by GAI.

D. A writer will be required to adhere to Sesame's policies regarding the use of GAI (e.g., policies related to ethics, privacy, security, copyrightability or other protection of intellectual property rights). Any purchase of literary material from a professional writer is also subject to such policies. A writer must obtain Sesame's

consent before using GAI. Sesame retains the right to reject the use of GAI, including the right to reject a use of GAI that could adversely affect the copyrightability or exploitation of the work.

E. Sesame may not require, as a condition of employment, that a writer use a GAI program which generates written material that would otherwise be 'literary material' (as defined in Article 1.A.5. of the 2023 WGA Theatrical and Television Basic Agreement) if written by a writer (as defined in Article 1.B.1.a. and Article 1.C.1.a. of the 2023 WGA Theatrical and Television Basic Agreement) (e.g., Sesame may not require a writer to use ChatGPT to write literary material). The preceding sentence does not prohibit Sesame from requiring a writer to use a GAI program that does not generate written material, such as a GAI program that detects potential copyright infringement or plagiarism.

F. The parties acknowledge that the legal landscape around the use of GAI is uncertain and rapidly developing and each party is reserving all rights relating thereto unless otherwise expressly addressed in this Article.

G. Sesame agrees to meet with the Guild during the term of this Agreement at least semi-annually at the request of the Guild and subject to appropriate confidentiality agreements to discuss and review information related to Sesame's use and intended use of GAI in motion picture development and production. The foregoing provision shall not be construed to waive any right of the Guild under the National Labor Relations Act, including but not limited to the right to seek information necessary and relevant to the administration and enforcement of this article.

23. A new **Sideletter #10** shall be included, with respect to Animation, as follows:

Rates under this agreement, as applicable, shall also apply to the writing of animated content. It is specifically agreed that no residuals shall be payable for animation writing which scripts will be provided to Sesame on a buy-out basis, other than for the limited circumstance where an Animated Sesame Insert (as further defined herein below) appears as part of a whole or entire episode of Sesame Street and only to the extent that such writer of the Animated Sesame Insert's participation does not impact the total dollar amount of the participation pool; by way of example, 1.2% of accountable receipts or the fixed dollar participation that all writers share in for reuse on PBS (per VI.C.2. (a) of the Current Agreement) which amounts do not change regardless of the number of writers on an episode of Sesame Street.

Rates for head writing and other series consulting for animated content will be freely negotiated. P&H will apply to such freely negotiated rate.

**AGREED AND ACCEPTED:**

**SESAME WORKSHOP**

DocuSigned by:  
By: Kay Wilson Stallings  
0B387BF82A9A4A3...

**WRITERS GUILD OF AMERICA, EAST, INC.**

By: [Signature]