# OPERATING POLICY OF THE ABC TELEVISION NETWORK SALES DEPARTMENT

**February 2021**

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Clearance/Broadcast Standards</td>
<td>1</td>
</tr>
<tr>
<td>Commercial Positioning Definitions/ Product Protection</td>
<td>2-3</td>
</tr>
<tr>
<td>Formats Restrictions</td>
<td>4</td>
</tr>
<tr>
<td>DADTV Requirements</td>
<td>4</td>
</tr>
<tr>
<td>ABC Sectional Activity Requirements</td>
<td>4</td>
</tr>
<tr>
<td>Political Time Buy</td>
<td>4</td>
</tr>
<tr>
<td>Commercial Integration Charges</td>
<td>5</td>
</tr>
<tr>
<td>Commercial Requirements &amp; Information</td>
<td>5</td>
</tr>
<tr>
<td>ABC Scheduling Instructions</td>
<td>5</td>
</tr>
<tr>
<td>Commercial Hold/Delete Requirements</td>
<td>6</td>
</tr>
<tr>
<td>Watermarking/Tracking/Encoding Policy</td>
<td>6</td>
</tr>
<tr>
<td>Billboard Requirements &amp; Specs</td>
<td>6</td>
</tr>
<tr>
<td>Billboard Accrualment &amp; Placement</td>
<td>6-7</td>
</tr>
<tr>
<td>Buying Service/ In House Agency</td>
<td>7</td>
</tr>
<tr>
<td>Program Termination/Rescheduling &amp; Selloffs</td>
<td>7</td>
</tr>
</tbody>
</table>
Operating Policy of the ABC Television Network Sales Department

These policies are employed by the ABC Television Network Sales Department with regard to the scheduling and billing of commercials on the ABC Television Network.

We rely upon agencies to notify us of personnel changes among agencies and clients, so that our contracts, correspondence, e-mail and telephone calls will be properly addressed. This concern is on-going and very important.

COMMERCIAL CLEARANCE SUBMISSION POLICY

All commercials intended for air on the ABC Television Network (“The Network”) must be reviewed and approved by the Department of Broadcast Standards and Practices (“BS&P”). Advertisers (or their agencies) should submit to BS&P: storyboards/scripts, rough-cuts and final versions for each commercial intended to air on the Network. These materials should be submitted sufficiently in advance of the intended air date to permit for careful review and revision if warranted. Claim substantiation and related documents should be submitted for all claims and should accompany the initial submission of proposed advertising. Final creative should be accurately labeled and fully slated.

The ABC Television Network Advertising Standards & Guidelines are available via the link below:


The link above can also be used to help identify the relevant contact person on the BS&P team handling the campaign in question (based on product category).

For any additional information, please contact:

Chrysse.Spathas@abc.com

Chrysse Spathas, VP – Advertising Standards
ABC, Inc.
77 West 66th Street, 3rd Floor
New York, NY 10023-6298
Phone: 212.456.6395
POSITIONING DEFINITIONS

**Equitable Rotation**
Sales Scheduling will endeavor to give clients fair and equitable rotation of positions within our programming.

**Unit Separation**
ABC does not guarantee time separation between units within a broadcast day, however we will endeavor to provide maximum separation to the units of any advertiser airing a product multiple times within an individual program.

**:30 Commercials Product Protection & Pod Exclusivity**
For any commercial announcement of 30 seconds or more in length, ABC will not schedule within a commercial pod, on a network basis, a commercial and or promotional element for a product competitive to the product advertised by Advertiser.

The :30 commercial announcement remains the basic unit of sale. Single product :30 commercials will take precedence over :15 commercials for scheduling purposes.

ABC Policies will automatically prevail for standard product protection and equitable distribution of all commercials. Beware that some categories of product protection can be so broad as to make a commercial unacceptable to the network.

The :30 second advertiser always has the primary position vs. a secondary mention, such as a tag. If the tag is in conflict with a :30 second advertiser, it would not be allowed to run in that pod.

Secondary mentions cannot create product conflicts. For example, a :30 second commercial tagged with a retailer would be able to run in the same pod as a :30 second from that retailer. However, the tagged retail commercial would not be able to run in a pod with a :30 second retail advertiser from a competitive retailer.

We will not honor “antithetical or incompatible product protection”.

**Independent :15 Commercials**
Advertisers may designate all or a portion of their commercial time for :15’s, as available.

The following guidelines will apply to independent :15’s as well as split :30 commercials:
- :15 commercials do not get “A” positioning within a pod.
- Product protection does not apply to :15 commercials.
- Single product :30 commercials will take precedence over :15 commercials for scheduling purposes. This could result in :15 commercials receiving less than equitable rotation.
- Billboard will not be earned by :15 commercials, nor will they count toward the fulfillment of billboard time requirements.
- :15 commercials are limited to one product only.

Individual units of less than :15 of commercial time may air on the Network at the discretion/approval of Disney ABC Sales Senior Management.
Multiple Product Announcements

Multiple product announcements are those in which two or more products or services of the same advertiser are presented within a single :30 or longer commercial.

Approval of commercials containing more than one product is conditional due to product protection requirements. ABC Sales Scheduling may not always be able to schedule this commercial in certain programs.

Such announcements may either be integrated or nonintegrated two product announcements:

Integrated Multiple Product Announcement
An integrated multiple product announcement is one in which the products or services are related in a continuous transitional setting or when an audio and video bridging device is used to make a smooth transition between the presentation of the products or services. The products or services are presented with the same gender announcer.

Non-Integrated Two Product Announcement
A non-integrated two-product announcement is one in which no more than two products from one advertiser are presented without the requirements as to relativity with or without a bridging device.

Stand-alone multiple product announcements of less than :30 are not permitted except for the following:

- A commercial of less than :30 which has more than one product or product line mention is unacceptable unless “married” to another commercial for the same advertiser, both of which together make a complete commercial of at least :30 in length.
- Commercials for a retail establishment or a fast food restaurant may contain references to more than one product sold at the establishment.
- Commercials for a credit card may contain references to more than one product, service or entity associated with its use.

Bookending
This is a scheduling technique in which any two units, for the same advertiser are scheduled to air in a single commercial pod separated by at least one commercial announcement of another advertiser.

Bookending is permitted on the ABC Television Network where availabilities exist. Advertisers using this form will still be limited to their allotted slot in equitable positioning.

Piggyback
This is a scheduling technique in which any two units, for the same advertiser are requested to air in back to back positions within a pod.

Piggyback is permitted on the ABC Television Network where availabilities exist. Advertisers using this form will still be limited to their allotted slot in equitable positioning.
FORMATS

We will not contractually acknowledge any restrictions sought to be placed on our formats in order letters.

DADTV REQUIREMENTS

DADTV Integration Information

ABC SECTIONAL ACTIVITY REQUIREMENTS
Sectionals, Black-outs & Cut-ins are ordered through Sectional Sales Operations. Please contact:

David Young (212) 456-6511  David.Young@disney.com
Andrew Drake (212) 456-0603  Andrew.X.Drake@disney.com

Below are guidelines, order forms, map and markets list:

Sectional Sales Guidelines
Sectional Order Forms
Cut-in / Blackout Order Forms
ABC Affiliate Map
Markets List by Time Zone

POLITICAL TIME
Any inquiries about the purchase of political time should be made directly to:

Neal Cuevas (215) 871-1267  Neal.S.Cuevas@disney.com
Chris Larcade (215) 871-1264  Christopher.R.Larcade@disney.com
INTEGRATION CHARGES

Commercial integration charges, will be billed net and are separate from the package price. A facility is provided for agencies wherein invoicing for package price and commercial integration is cross-referenced by contract number for agency convenience.

The net rates indicated below are applicable to each commercial scheduled regardless of length or location with the program.

| PRIMETIME (7:00PM TO CONCLUSION) | $470.00  |
| WORLD NEWS TONIGHT WITH DAVID MUIR | $470.00  |
| WORLD NEWS TONIGHT SATURDAY/SUNDAY | $470.00  |
| AMERICA THIS MORNING | $125.00  |
| WORLD NEWS NOW (OVERNIGHT) | $ 30.00  |
| ALL OTHER TIME PERIODS AND PROGRAMS | $235.00  |
| DIFFERENT WEST COAST COMMERCIAL | $235.00 (WORLD NEWS NOW – $ 30.00 ) |

COMMERCIAL REQUIREMENTS & INFORMATION

This information is on page 1 of our Integration Manual here:


ABC SCHEDULING INSTRUCTIONS

This information is on page 7 of our Integration Manual here:

COMMERCIAL HOLD OR DELETE REQUIREMENTS

All commercials which remain unscheduled for a period of 60 days will be destroyed unless agencies request in writing that we continue to hold air material. Requests should be emailed to David.Young@disney.com and the subject title should be clearly marked “Hold or Delete Commercials”.

WATERMARKING/TRACKING/ENCODING TECHNOLOGIES

ABC permits the use of audio or video watermarking or tracking technologies embedded in ancillary data space or otherwise included in the materials for exhibition/transmission. However, ABC takes no responsibility for the use of such technologies or their preservation in transmission to the audience.

BILLBOARD DELIVERY REQUIREMENTS & SPECS

This information is on page 7 & 8 of our Integration Manual here:


BILLBOARD ACCRUEMENT & PLACEMENT

Commercial announcements of less than: 30 in length do not count towards the requirement for earned billboards.

When a product is mentioned and/or depicted in a billboard, said product must be mentioned and/or depicted in one of the client’s commercials scheduled in the program.

Any order placed within seven (7) days of air will not automatically earn billboards even though minimum sponsorship is met or exceeded. Consult with your ABC salesperson to make a determination if a billboard can be produced and inserted into the particular show

Unsupported billboards will not be allowed to air.

PRIMETIME

For one hour series programs, an advertiser must have a total of two (2) minutes, not counting: 15’s, to qualify for a billboard. For ½ hour series programs, an advertiser must have a total of: 90, not counting: 15s, to qualify for a billboard.

For one hour News Magazine programs, advertisers must have a total of: 90, not counting: 15’s, to qualify for a billboard.
SPECIALS & MOVIES
Specials containing billboards are scheduled on a show by show basis. Regular billboard allocation policies do not automatically apply to Specials & Movies. Each Special will be evaluated in the light of specific sponsorship. Billboard commitments are made on an equitable basis for clients earning them.

Some Movies may be designated by ABC as eligible for billboard usage. These will be discussed on a case-by-case basis.

NEWS PROGRAMS
One: 05 billboard per Thirteen: 30 commercial announcements purchased, after initial purchase, one billboard per eight: 30 commercials purchased.

Some billboards are allocated on a case by case basis by the News Sales Planning group, and are limited to corporate and/or product mention (with :03 copy, corporate mention only).

WEEKDAY DAYTIME
Billboards are available in “GMA 3 What You Need To Know” and “General Hospital” only. One: 05 opening billboard for every fifteen paid single: 30 commercials scheduled within the same program under a single contract.

“The View” Sponsorship billboards are available on a case by case basis. Consult with your Disney Advertising Sales contact.

BUYING SERVICE
When an order is placed by a media or buying service, we must, in addition to the contact and address, receive a formal statement of the relationship with agency and/or client.

IN HOUSE AGENCY
If an advertiser changes agencies or creates an “in house” agency to act as their agent in the purchasing of commercial time, a letter is needed from the advertiser outlining this. It must contain the name of the agency, address and contact, as well as the effective date.

PROGRAM TERMINATION AND/OR RE-SCHEDULING
ABC reserves the right at any time to terminate or to reschedule its broadcasting of any program or series sponsored.

In each such instance ABC will negotiate with Agency in good faith in order to provide a mutually acceptable substitute sponsorship on terms and conditions to be agreed upon between ABC and Agency.

ABC reserves the right, at any time, to make adjustments in the length of any program or series hereunder.

SELL-OFFS
All sell-off requests must be in writing. Such action by ABC would solely be an endeavor without obligation or guarantee to make the sell-off.

- ABC is solely the party to designate whether there will be a sell-off attempt.