

**IAB / 4A's STANDARD ADDENDUM FOR DIGITAL VIDEO ADVERTISING IN TV LONG
FORM VIDEO**

Request for Comment

The Interactive Advertising Bureau ([IAB](#)) and [4A's](#) (American Association of Advertising Agencies) have released for public comment, the Standard Addendum for Digital Video Advertising in TV Long Form Video ("**LFV Addendum**"). This Addendum amends and supplements the standard Internet advertising terms and conditions, last modified in 2009. The LFV Addendum is intended to be voluntarily used by buyers and sellers as a starting point to address the technical and business issues specific to advertising within long-form digital video. To have your feedback considered, please email **comments by Monday, February 5, 2018, 5:00 PM EST to Eric John at eric@iab.com and/or Louis Jones at ljones@aaaa.org.**

CHECKLIST FOR THE PARTIES

This LFV Addendum applies to digital video ads that are dynamically inserted into TV long form video, and supplements and amends the existing terms between the parties with respect to video ads placed in TV long form video. To prepare this LFV Addendum for use with an Insertion Order (IO), the parties should complete the following:

- Identify the standard advertising terms between the parties to be supplemented and amended by the LFV Addendum. (Standard Terms, Sec. 1).
- Update in the LFV Addendum the section cross-references to the parties' standard terms.
- Confirm details of the campaigns. (Sec. 3.)
 - How will frequency caps be implemented in each Digital Platform?
 - What is the territory for the campaign?
 - Does any campaign require a Do Not Run List? Are there specific requirements, which will be included in the IO, to screen the content of TV Long Form Video?
 - If VOD is a Digital Platform, have all the campaign parameters, and implementation and measurement requirements (including Unmeasurable Digital Platform Rules) been specified?
- For Demo Guaranteed Campaigns only (Sec. 4)
 - What is the threshold for Excess Impressions based on Media Company's delivery plan?
 - What is the Full Tech Stack CPM?
- Specify terms of cancellation and termination. (Sec. 5.)
 - Uniform Buy: Follows the TV Terms? Describe the TV Terms.
 - Upfront, Digital-Only Buy: Specify percentage cancellable and notice required.
 - Scatter, Digital-Only Buy: Specify percentage cancellable and notice required.
- Specify applicable Billing Metrics and Controlling Measurements. (Sec. 8.)
 - Name the Additional Billing Metrics to be used.
 - For each Additional Billing Metric:
 - Identify the Controlling Measurement for that Billing Metric *for each Digital Platform*.
 - Agree on how the Controlling Measurement will be implemented for each Digital Platform.
 - Confirm that the party responsible for the Controlling Measurement will provide timely reporting to the other party. (Sec. 10.a.)

STANDARD ADDENDUM FOR DIGITAL VIDEO ADVERTISING
ON TV LONG FORM VIDEO

Introductory Comment: The Joint Working Group focused on the operational issues that together account for a significant majority of the challenges commonly faced by buyers and sellers of ad inventory that run in TV long form video. The terms and conditions in this LFV Addendum are designed to be future-resilient guidelines that address “most situations for most parties, most of the time.”

This Standard Addendum for Digital Video Advertising in TV Long Form Video, as supplemented by the information supplied by the parties in the LFV Attachment (as defined below) or other agreement between the parties (this “**Standard Addendum**”), offers media companies and advertising companies a standard for conducting business in a manner acceptable to both.

1. **Scope.** Once incorporated by the parties into an Insertion Order, the Standard Addendum (together with the LFV Attachment, the “**LFV Addendum**”) applies to Ads that are Dynamically Inserted (as defined below) into inventory offered by Media Company to run in TV Long Form Video (as defined below), and supplement and amend the following standard terms and conditions between the parties:

Standard Terms and Conditions for Internet Advertising for Media Buys One Year or Less, Version 3.0, as amended by the parties in writing (“**Standard Terms**”).

Comment: This template refers to the Standard Terms and Conditions for Internet Advertising for Media Buys One Year or Less, Version 3.0 (“Version 3.0”) as the Standard Terms between the parties. The parties using this template will substitute the underlying terms and conditions in effect between them, if other than Version 3.0, and make other needed changes to cross-references, definitions, and terms.

The Standard Terms, as supplemented and amended by this LFV Addendum, will be referred to in this document as these “**LFV Addendum Terms**.” As used in these LFV Addendum Terms, “agreement” and “agree” shall mean an agreement of the parties in writing, whether in an IO, these LFV Addendum Terms, or other legally binding document between the parties. In the event of a conflict between this LFV Addendum and the Standard Terms, this LFV Addendum will govern solely with respect to Ads placed within TV Long Form Video.

2. **Definitions.** Capitalized terms used in this LFV Addendum but not defined will have the definition specified in the Standard Terms.

“**Accredited**” is defined in **Section 8.d**.

“**Additional Billing Metric**” means a Billing Metric other than P2+ Impressions.

“**Audience Composition**” means the Billing Metric that measures the relevant demographic characteristics of users to whom Ads have been delivered, and is used in the context of Demo Guaranteed Campaigns to measure the demographic composition and impression goals specified in the IO. Audience Composition impressions are determined by applying those demographic percentages reported by the applicable Controlling Measurement to the P2+ Impressions measured for the campaign.

“**Auto-Play Video**” means a video ad or ad linked with video content that initiates “play” without user interaction or without an explicit action to start the video (essentially automatically starting without a “play” button being clicked by the user). If a user has a reasonable expectation that he/she will be requesting a video when clicking on a link (for example, a small video icon appears next to the link), this is not considered auto-play and is governed by standard video impression counting procedures. For the avoidance of doubt, neither of the following will be deemed Auto-Play Video: (i) a structure similar to a

commercial pod interspersed in TV Long Form Video; or (ii) Long Form Video streamed in a player that automatically advances to the next episode or show after a short interval (*e.g.*, 15 seconds).

“Billing Metric” means a quantified aspect of campaign delivery that is used by Media Company to invoice paid media and/or advertising fees. Calculating a Billing Metric may require reference to another Billing Metric or Controlling Measurement. For example, P2+ Impressions is the standard Controlling Measurement and Billing Metric used in the calculation of the measurements for Viewability and Audience Composition.

Comment: The calculation of a Billing Metric can require reference to other Billing Metrics and Controlling Measurements.

“Brand Safety Guidelines” is defined in Section 3.e.

“Broadcast Calendar” means the standard monthly and weekly calendar used in TV advertising.

“Broadcast Calendar Upfront Buy” means a transaction for digital inventory in the Upfront Market, in which Ad delivery starts in OND and continues through JAS of the following year.

“Calendar Upfront Buy” means a transaction for digital inventory in the Upfront Market, in which Ad delivery starts in JFM and continues through OND.

“Controlling Measurement” means the primary measurement used to calculate a Billing Metric, and consists of the following elements: (a) the entity, commonly Agency’s vendor, that provides the measurement; (b) the measurement, including selected features; (c) the manner in which the measurement will be implemented (*i.e.*, whether the parties will use Agency’s or Media Company’s version of the measurement Ad tags).

“Demo Guaranteed Campaign” means a campaign with guaranteed impression delivery for one or more demographic characteristics.

“Digital Platform” means any technology that delivers digital content and Dynamically Inserted Ads to any of the following groups of devices: (i) desktop and laptop PCs (*i.e.*, Web); (ii) mobile phone and tablet, whether via an app or mobile web; (iii) IP-connected TV, whether the digital video is received directly by the TV (*e.g.*, connected TV or smart TV) or through an Internet-connected device (*e.g.*, Blu-Ray player, gaming console, OTT streaming device, or IP-connected set top box that receives signals from digital video ad servers); (iv) VOD with Dynamic Ad Insertion functionality; and (v) other devices with similar Dynamic Ad Insertion functionality, as agreed to by the parties.

“Do Not Run List” is defined in Section 3.e.

“Dynamic Ad Insertion” means video ad technology that enables video ads to be targeted and served dynamically. For the avoidance of doubt, Dynamic Ad Insertion includes the practice of dynamic ad replacement.

“Dynamically Inserted” means that an Ad is, was or will be served by Dynamic Ad Insertion.

“Excess Impressions” is defined in Section 5.c.ii.

“First Party Ad Tag” is defined in Section 9.a.

“Fourth Party Ad Tag” is defined in Section 9.a.

“Full Tech Stack Costs” is defined in Section 5.c.ii.

“Full Tech Stack CPM” is defined in Section 5.c.i.

“**IVT**” is the Additional Billing Metric that measures whether an impression is generated by non-human or invalid traffic, using the definition agreed by the parties for the applicable Digital Platform, and if no definition is specified, then by the then-current MRC guidelines for the applicable Digital Platform. The current MRC guidelines are available at this URL:
[http://mediaratingcouncil.org/101515_IVT%20Addendum%20FINAL%20\(Version%201.0\).pdf](http://mediaratingcouncil.org/101515_IVT%20Addendum%20FINAL%20(Version%201.0).pdf).

“**JAS**” means the Quarter that includes the months of July, August and September.

“**JFM**” means the Quarter that includes the months of January, February and March.

“**LFV Addendum**” is defined in **Section 1**.

“**LFV Addendum Terms**” is defined in **Section 1**.

“**LFV Attachment**” is the attachment to this LFV Addendum.

“**LFV Deliverable**” means the inventory in TV Long Form Video that is available for Dynamic Ad Insertion.

“**MRC**” means the Media Ratings Council.

“**Non-Controlling Measurement**” is defined in **Section 10.b**.

“**OND**” means the Quarter that includes the months of October, November and December.

“**P2+ Impressions**” means the number of individuals aged two or more to whom an Ad has been delivered.

“**Quarter**” (and “**quarter**”) refers to either a calendar quarter or Broadcast Calendar quarter, as agreed by the parties.

“**Scatter Market**” or “**Scatter**” means the market for advertising inventory based on current market availability, typically to run in the current quarter or year. A Scatter buy can be a single quarter or multi-quarter commitment.

“**Standard Terms**” is defined in **Section 1**.

“**Third Party Ad Tag**” is defined in **Section 9.a**.

“**TV**” means linear television with advertising units, in which Ads are not delivered by Dynamic Ad Insertion.

“**TV Long Form Video**” means professionally-produced video content that is eight (8) minutes or longer in duration, and distributed either (i) via TV and Digital Platforms, or (ii) as a digital original via Digital Platforms only. TV Long Form Video also refers to a program consisting of multiple episodes, each of which is eight (8) minutes or longer in duration.

Comment: The LFV Addendum applies only to ad inventory that runs in TV Long Form Video. Modifications to the definition of TV Long Form Video can be made in the LFV Attachment, IO, or other agreement between the parties. The parties may wish to modify the definition to include additional or different categories of digital content (e.g., user-generated content).

“**TV Terms**” is defined in **Section 6.a.i**.

“**Unified Buy**” means a transaction in which digital inventory is purchased along with TV on-air inventory at either: (i) the TV on-air CPM; or (ii) the rate agreed upon by the parties. A Unified Buy can be made as an Upfront buy or Scatter buy.

“**Unmeasurable Digital Platform Rules**” is defined in **Section 8.c.i**.

“**Upfront Market**” or “**Upfront**” means the advance market for advertising inventory in which purchase commitments are made prior to the start of a broadcast or calendar year. An Upfront buy typically involves an annual spend and/or impression volume commitment.

“**Viewability**” is the Additional Billing Metric that measures whether a delivered Ad impression is deemed viewable by a user, using the definition of viewability agreed by the parties for the applicable Digital Platform, and if no definition is specified, then by the then-current MRC guidelines for the applicable Digital Platform. The current MRC guidelines are available at this URL: <https://www.iab.com/wp-content/uploads/2015/06/MRC-Viewable-Ad-Impression-Measurement-Guideline.pdf>.

“**VOD**” means a video on-demand set-top box.

3. IO Details

- a. Interpretation. This Section 3 supplements Section I.a. (IO Details) of the Standard Terms, and may modify the specifications in an IO.

Comment: At the start of many provisions of this LFV Addendum, a subsection titled “Interpretation” will explain how the provision relates to the Standard Terms, whether it supplements, amends or replaces the corresponding provision in the Standard Terms. If the Standard Terms are other than Version 3.0, the parties will need to revise the cross-references to the Standard Terms throughout the LFV Addendum.

- b. Frequency Caps. If the parties do not implement a single frequency cap across multiple Digital Platforms, then the parties will specify a frequency cap for a campaign using one of the following bases: episode start, user session, or wall clock. Under certain circumstances, Media Company’s deployment of a frequency cap may interfere, due to technical limitations, with a Billing Metric (e.g., Viewability); the parties acknowledge this possibility and agree to work in good faith to resolve all such issues that may arise.

Comment: Each Digital Platform presents a different technical environment for campaign execution and measurement. There will be situations in which a common campaign parameter, such as the frequency cap, will not be implementable. It is recommended that the parties’ ad operations teams are involved at the time the IO is prepared, to ensure that that the terms of the IO are implementable, and the manner of implementation clearly agreed.

- c. Pacing. The parties will review delivery metrics during a flight, and, if agreed, adjust campaign pacing. Media Company will make reasonable efforts to provide even pacing for campaigns, provided that Media Company, Agency, and Advertiser all acknowledge that supply is variable and that pacing variances are to some degree inevitable. For example, even delivery may not be possible for flights during tentpole or special events. Media Company will address in good faith Agency’s reasonable concerns regarding pacing variances. For flights that begin late due to Agency’s or Advertiser’s delay, Media Company is required only to use commercially reasonable efforts to achieve the IO’s pacing goals.
- d. Territory. The territory is the United States, which is composed of the fifty U.S. states, excluding the U.S territories, commonwealths and overseas military bases.

Comment: This provision defines the territory as the fifty U.S. states. The parties should review this provision to ensure that it is correct for their transaction.

e. Brand Safety; Do Not Run List.

- i. If an IO specifies a Do Not Run List, then (i) Media Company will not run Ads on any TV Long Form Video included on the Do Not Run List; and (ii) any TV Long Form Video that is not on the Do Not Run List will be deemed by the parties to comply with Advertiser's brand safety and content guidelines ("**Brand Safety Guidelines**"). A "**Do Not Run List**" is a list agreed by the parties of TV Long Form Video programs prohibited from running an Ad. The Do Not Run List should list specific programs, and not just descriptive categories of prohibited content; provided, however, that Agency may exclude as a category all TV Long Form Video with particular TV content ratings (*e.g.*, TV-MA V). See **Section 10.d.** for Media Company's additional reporting obligations for an IO subject to a Do Not Run List.
 - ii. Any additional obligations of Media Company to screen the content of TV Long Form Video, to assist Agency in satisfying the Brand Safety Guidelines, will be specified in the IO.
- f. Deliverables Requirements. Media Company will ensure the following: (i) no Ad will run as in-banner video or Auto-Play Video; and (ii) no LFV Deliverable will have been the result of non-organic, paid audience acquisition.

Comment: Ad inventory that runs in TV Long Form Video would currently meet these requirements handily. This provision provides assurance to buyers.

4. Upfront and Unified Buys.

- a. Interpretation. This Section 4 supplements Section I.b. (Availability; Acceptance) of the Standard Terms.
- b. Brand Allocations and Flight Dates. For IOs that are part of an Upfront or Unified Buy, Agency will use reasonable efforts to submit to Media Company the brand allocations and flight dates of the LFV Deliverables for each quarter no later than thirty (30) days prior to the start of such quarter. If such information is not timely submitted, then the parties will review the affected campaigns in good faith, and, if agreed, will modify the parameters of the campaign (*e.g.*, to extend the end of the flight, or to modify the pacing or frequency cap requirement).

5. Demo Guaranteed Campaigns.

Comment: In Demo Guaranteed Campaigns, Media Company guarantees the number of impressions that is delivered to users meeting specified demographic characteristics. Media Company will typically plan to over-deliver the number of impressions, to ensure that it has met its campaign obligations, even though Media Company is not paid for the excess impressions delivered. The over-delivery is a concern for Agency, because Agency incurs costs, typically to its tech vendors, in measuring the excess impressions (i.e., costs from its tech stack). These excess costs may not be reimbursable by the advertiser. This Section proposes a mechanism to address both parties' considerations in a manner that does not impede campaign management and performance.

- a. Interpretation. This Section 5 governs Demo Guaranteed Campaigns. The Standard Terms do not specifically address Demo Guaranteed Campaigns.
- b. Media Company's Delivery Plan. At the start of each Demo Guaranteed Campaign, Media Company will present Agency with a plan for the delivery of the Audience Composition and impression goals guaranteed in the IO, and an estimate of the P2+ Impressions necessary to deliver the guaranteed demographic impressions.

c. Cost to Agency of Excess Impressions.

- i. Prior to entering into an IO for a Demo Guaranteed Campaign, the parties will negotiate the CPM cost that will be deemed Agency's Full Tech Stack CPM. The "**Full Tech Stack CPM**" represents the out-of-pocket costs that Agency incurs for Ad rendering (*i.e.*, ad server) and Ad measurement (*e.g.*, demographic information, viewability, or invalid traffic) when Media Company delivers 1,000 impressions. The categories of out-of-pocket costs to be included in the Full Tech Stack CPM will be agreed in advance by the parties, and may include the out-of-pocket costs incurred by Agency when Agency's providers deliver content, monitor invalid traffic, and measure viewability. In cases where the Full Tech Stack CPM is a constant that does not vary over Agency's Demo Guaranteed Campaigns, then the parties will review the Full Tech Stack CPM on an annual basis, and revise as appropriate.
- ii. Media Company will be responsible for the Full Tech Stack Costs for impressions served in excess of [*insert 100+__*] % of the P2+ Impressions presented in Media Company's plan (the number over such threshold, the "**Excess Impressions**"). "**Full Tech Stack Costs**" means the Full Tech Stack CPM *multiplied by* the Excess Impressions.

Comment: The parties will negotiate the percentage over Media Company's plan.

- iii. In the event that Media Company has delivered Excess Impressions, then the parties will agree whether (i) Media Company will issue a credit memo to Agency, or (ii) Agency will issue an invoice to Media Company; and the amount of such credit memo or invoice will be equal to the Excess Impressions *multiplied by* the then-current Full Tech Stack CPM *divided by* 1,000.

6. Cancellation and Termination

- a. Notwithstanding Section V.a. (Without Cause) of the Standard Terms, and unless otherwise specified in the IO or another agreement between the parties:

- i. IO for a Unified Buy. LFV Deliverables in a Unified Buy, whether purchased in the Upfront or Scatter markets, may be canceled by Advertiser only in accordance with the terms in place between the parties for purchases of TV Ad inventory ("**TV Terms**"); provided, however, that if the parties do not have TV Terms, then the parties will agree in writing on the terms, if any, on which Advertiser will have the right to cancel such LFV Deliverables.

- ii. IO for an Upfront, Digital-Only Buy.

1. Broadcast Calendar Upfront. In an IO for a Broadcast Calendar Upfront Buy, Advertiser has the right to cancel, without penalty, up to ___% of the LFV Deliverables by giving Media Company written notice of cancellation not less than ____ (__) days before the start of the Quarter; except that the LFV Deliverables allocated to OND are not cancelable.

Comment: Two terms to be negotiated: percentage of the Broadcast Calendar Upfront buy that is cancelable, and the amount of notice required to cancel. Multiple factors affect the terms governing cancellation.

2. Calendar Upfront. In an IO for a Calendar Upfront Buy, Advertiser has the right to cancel, without penalty, up to ___% of the LFV Deliverables by giving Media Company written notice of cancellation not less than ____ (__) days before the start of the quarter; except that the LFV Deliverables allocated to JFM are not cancelable.

Comment: Two terms to be negotiated: percentage of the Calendar Upfront buy that is cancelable, and the amount of notice required to cancel. Multiple factors affect the terms governing cancellation.

- iii. IO for a Scatter, Digital-Only Buy. In an IO for the purchase of digital-only inventory in a Scatter buy, whether multi-quarter or single quarter, Advertiser has the right to cancel, without penalty, up to ___% of the LFV Deliverables by giving Media Company written notice of cancellation not less than _____ (__) days before the start of the quarter; except that the LFV Deliverables allocated to OND are not cancelable.

Comment: Two terms to be negotiated: percentage of the Scatter buy that is cancelable, and the amount of notice required to cancel. Multiple factors affect the terms governing cancellation.

- b. For the avoidance of doubt, the provisions of subsection a. of this **Section 6** do not apply to the cancellation of any Custom Material (including sponsorship content) that is created by Media Company for Advertiser. The terms governing the cancellation of Custom Material are set forth in Section V.a.iv. of the Standard Terms.

7. Ad Materials

Comment: The Joint Working Group identified late, incomplete and non-conforming materials as a primary factor leading to delayed launches and subsequent campaign management challenges (e.g., demo impressions and even pacing) that can adversely affect campaign performance. Agency members of the Joint Working Group noted that technical specifications vary widely among Media Companies, and are occasionally inaccurate or confusing. Creatives also occasionally arrive late from the creative agency, a factor over which media agencies have limited control. To address the operational and logistical complexity in preparing a campaign for launch, Section 7 sets out a reasonable timeline and workflow to support timely campaign execution.

- a. Interpretation. This Section 7 supplements Section IX (Ad Materials) of the Standard Terms, except that (i) Section 7.e. replaces Section IX.b. (Late Creative) of the Standard Terms, and (ii) Section IX.d. of the Standard Terms will not apply to any LFV Deliverables subject to the LFV Addendum Terms.
- b. Agency Submissions. Agency will use reasonable efforts to submit all the following materials to Media Company no later than five (5) business days prior to the flight start date: (i) ISCI code or Ad-ID for the relevant Ad creative(s), (ii) either VAST Ad tags or mezzanine file creative assets, (iii) any other optional additional tags (e.g., VPAID tags), and (iv) access by Media Company to the mezzanine file within the VAST tag; in each case, as required by the campaign and in accordance with the parties' agreed-upon implementation.
- c. Media Company Testing. Media Company will review and test the materials submitted by Agency within two (2) business days of receipt, to confirm that the submissions are complete and comply with the campaign parameters and Policies. Media Company will immediately notify Agency of material that is missing, not working properly, or not compliant with campaign parameters and Policies.
- d. Agency Response to Media Company Notification. Agency will use reasonable efforts to ensure that properly-working material is submitted or resubmitted to Media Company within two (2) business days following notice of an issue, and in any event prior to the flight start date. Where appropriate, Media Company and Agency will consider in good faith options to replace material that is missing, not working properly, or not compliant with campaign parameters and Policies, including having Media Company transcode broadcast TV creative for use in digital delivery.

- e. Incomplete Materials. If Media Company is unable to launch a campaign on the flight start date due to material that is missing, incomplete, not working properly, or not compliant with campaign parameters and Policies, then the parties will review the affected campaigns in good faith, and, if agreed, will modify the parameters of the campaigns (e.g., to extend the end of the flight, or to modify the pacing or frequency cap requirement).

Important Comment on Sections 8, 9 and 10: The Joint Working Group identified discrepancies in controlling measurements as a key factor that can lead to issues in campaign management and performance, and subsequent issues in billing and payment. To address these issues, the Joint Working Group defined two general classes of Billing Metrics and Controlling Measurements:

- P2+ (i.e., gross ad impressions), and
- Additional Billing Metrics (e.g., Viewability, Audience Composition, IVT).

In its discussions, the Joint Working Group reached a key insight: (a) managing and optimizing a campaign, (b) calculating billing metrics and controlling measurements, (c) deploying ad tags, and (d) reporting – four activities traditionally addressed separately in the terms and conditions – are, in fact, inextricably linked.

In the LFV Addendum, the terms of Sections 8 (Billing Metrics/Controlling Measurements), 9 (Ad Tags), and 10 (Reporting) are interdependent.

A few background facts necessary to review Sections 8, 9 and 10:

- As of 2017, Media Companies and Agencies tend to have accounts with the same vendors for Billing Metrics and Controlling Measurements. Each vendor offers an online platform to its customers to view reporting specific to the customer's campaigns. If Agency specifies Vendor X for Viewability, the Viewability measurement can be implemented using Agency's version of the Vendor ad tag (which is like using Agency's count as the definitive measurement) or Media Company's version of the Vendor ad tag (which is like using Media Company's count as the definitive measurement).
- Agency frequently requires its reporting (i.e. numbers) from Vendor X to be the definitive measure for billing, and the Agency's version of the Vendor ad tag to be deployed for all Billing Metrics/ Controlling Measurements. The reasons: (a) when Agency's numbers control, the advertiser is protected from billing discrepancies not in its favor, and (b) Agency has the benefit of reporting without additional coordination with the different Media Companies. (To understand this preference, note that in some cases, for known technical reasons, Vendor X's measurements for Media Company can be higher (but not lower) than Vendor X's measurements for Agency, even for the same campaigns.)
- There are, however, adverse consequences for campaign performance when Media Company's version of the Vendor tag is not used. Without real-time access to the reporting data, Publisher loses a primary tool in managing pacing and demo impressions, which can result in more instances of over-delivery and uneven pacing.

The following resolution emerged from the Joint Working Group's discussions and are reflected in the LFV Addendum:

- P2+: Agency's ad server is the Controlling Measurement for gross ad impressions. See Section 8.b.
- Additional Billing Metric: The parties will specify the Vendor and methodology for each Digital Platform, and the parties will use reasonable efforts to deploy Media Company's version of the Vendor ad tag. See Section 9.c. and d.
- The party responsible for the Controlling Measurement would be responsible for providing the other party with access to the reports. In addition, discrepancies would be capped at 5% (rather than 10%). Even if Media Company is responsible for the Controlling Measurement, Agency would have reporting access to Media Company's reporting received from Vendor X, and Agency's advertisers would be protected from substantial discrepancies. See Section 10.a. and c. (Note also that, as of 2017, discrepancies involving the primary Additional Billing Metrics -- Audience Composition and Viewability – are reportedly minor and resolvable in the ordinary course.)

8. Billing Metrics and Controlling Measurements

- a. Interpretation. Section XIII (Third Party Ad Serving and Tracking) of the Standard Terms is hereby replaced by **Sections 8, 9 and 10** of the LFV Addendum. For clarity, Section XIII of the Standard Terms does not apply to any LFV Deliverables subject to the LFV Addendum Terms.
- b. Gross Ad Impressions Delivered; P2+ Impressions.
 - i. Subject to **Section 10** below, the P2+ Impressions measured by Agency's ad server is the Controlling Measurement for gross Ad impressions delivered; except in the case that (i) Agency does not have an ad server, in which case the P2+ Impressions measured by Media Company's ad server will be the Controlling Measurement for gross Ad impressions delivered, or (ii) the parties agree otherwise in writing to a different Controlling Measurement for gross Ad impressions delivered. Unless the parties agree otherwise in writing, P2+ Impressions is also a Billing Metric.
 - ii. The parties will specify the details for the measurement of P2+ Impressions in writing in the LFV Attachment or other agreement between the parties.
- c. Controlling Measurement(s) for Additional Billing Metrics.
 - i. If the IO specifies an Additional Billing Metric (*e.g.*, Audience Composition, Viewability or IVT), then prior to the flight start date, the parties will agree on: (i) the Controlling Measurement(s) for each Additional Billing Metric, including, where applicable, the Controlling Measurement for each relevant Digital Platform to be measured, and the rules to be followed for any relevant Digital Platform that is not measurable ("**Unmeasurable Digital Platform Rules**"); and (ii) the methodology used to calculate the Additional Billing Metric from the Controlling Measurement(s). Unless otherwise agreed by the parties and to the extent technically feasible, a Controlling Measurement used to calculate an Additional Billing Metric (*e.g.*, Audience Composition, Viewability or IVT) will be designed to measure each LFV Deliverable impression individually. For clarity, a Controlling Measurement that measures only a sample of all LFV Deliverable impressions does not measure each impression individually. The parties acknowledge that the calculation of an Additional Billing Metric may require reference to one or more Billing Metrics or Controlling Measurements.

Comment: The "*Unmeasurable Digital Platform Rules*" address VOD, apps, and similar situations.
 - ii. For each Additional Billing Metric and Controlling Measurement, the parties will specify in the LFV Addendum or other agreement between them: (i) the entity performing the measurement, whether Media Company, Agency, or a vendor, and (ii) the specifications and methodology for the measurement, if variants are available.
- d. If the parties do not specify a Controlling Measurement for an Additional Billing Metric, then Media Company will provide the needed Controlling Measurement(s) (or if applicable, Unmeasurable Digital Platforms Rules); provided that (1) where available, the methodology used to calculate such Additional Billing Metric or Controlling Measurement will have been approved by the MRC or such other appropriate standard-setting and accreditation body, if not the MRC, such methodology to be deemed "**Accredited**", and (2) if the selected methodology is not Accredited, then Agency may object to such selection, provided that such objection is reasonable and timely made prior to the commencement of campaign delivery.
- e. Media Company reserves the right to decline to invoice on an Additional Billing Metric that is not Accredited, unless the parties agree in writing prior to the commencement of campaign delivery on

the methodology to be used to calculate such Additional Billing Metric. For example, as of December 2017, no Accredited methodology is available to calculate in-view Demo Guaranteed Campaign impressions. In an IO subject to this **Section 8.e.** for a Demo Guaranteed Campaign that monitors Viewability, Media Company may invoice on Audience Composition *or* Viewability, but is not required to invoice based on the desired Audience Composition impressions that are in view, unless the parties agree otherwise in writing.

9. Ad Tags for Controlling Measurements

Comment: We recommend consulting with your ad operations team when reviewing Section 9. In general, Media Company does not have visibility into Agency's deployment of Fourth Party Ad Tags, and the deployment of Fourth Party Ad Tags can lead to ad delivery and campaign performance matters that Media Company would have limited ability to address.

- a. A “**First Party Ad Tag**” is called by the Digital Platform and directs to the Media Company’s ad server. A “**Third Party Ad Tag**” is called by the Media Company’s ad server, and redirects to the Agency’s ad server (*e.g.*, to deliver Ad creative). The Agency’s ad server may also host a “**Fourth Party Ad Tag**” on its ad server, which redirects to Agency’s vendors. Agency is solely responsible for the performance of Agency’s ad server, including all issues related to the delivery, performance, and deployment of Ad creative and Fourth Party Ad Tags.
- b. The parties will deploy Agency’s Ad tags for P2+ Impressions (*i.e.* Fourth Party Ad Tags), notwithstanding **Section 9.a.**
- c. All non-P2+ Controlling Measurements (*e.g.*, Viewability and Audience Composition) will be deployed with either First Party Ad Tags or Third Party Ad Tags. Depending on technical capabilities and approval from Media Company, Agency may include in each such instance a Media Company-approved Fourth Party Ad Tag. The Fourth Party Ad Tag may be applied to either the Media Company’s or Agency’s ad servers.
- d. The following rules apply to Ad tags deployed to monitor non-P2+ Controlling Measurements (*e.g.*, Viewability and Audience Composition):
 - i. If the non-P2+ Controlling Measurement is integrated with Media Company’s systems, then the parties will use reasonable efforts to deploy Media Company’s Ad tags for such Controlling Measurement. Notwithstanding the foregoing, Media Company’s Ad tags for Audience Composition will be deployed, to enable Media Company to achieve the impression objectives specified in the IO.
 - ii. If the parties specify a non-P2+ Controlling Measurement that is not integrated with Media Company’s systems, or if the non-P2+ Controlling Measurement is integrated with Media Company’s systems and the parties agree to deploy Agency’s Ad tags for such Controlling Measurement, then Agency will (1) use reasonable efforts to deliver to Media Company no later than five (5) business days prior to campaign launch the Agency’s Ad tags for such Controlling Measurement; and (2) cooperate with Media Company to ensure that such Ad tags operate properly prior to launch.

10. Reports and Measurement Discrepancies

- a. Reporting Access to the Controlling Measurements. The party responsible for the applicable Billing Metric and Controlling Measurement will, within one (1) day after campaign launch, provide the other party with online or other automated access, as available, to the relevant reporting platform. The reports for each Billing Metric and Controlling Measurement will be provided to the other party as they become available, and the first report will be available no later than one (1) week after campaign

launch. In general, Media Company will provide Agency with access to all non-P2+ Controlling Measurements for which Media Company's Ad tags are used; and Agency will provide Media Company with access to reporting for P2+ Impressions, and any non-P2+ Controlling Measurement (if any) for which Agency's Ad tags are used pursuant to **Section 9.c.ii**. If the online or automated access (e.g., login credentials or automated reporting functionality integration) that is provided applies to all current and future IOs for one or more Advertisers, then new access for each IO is not necessary.

Comment: Section 10.a. is adapted from and replaces Section XIIIc. of the Standard Terms.

- b. Discrepancies That Emerge Mid-Flight. The party that is not responsible for a Controlling Measurement may monitor campaign delivery using a different measurement (the "**Non-Controlling Measurement**"). If such party notes a difference of greater than five percent (5%) between its Non-Controlling Measurement and Controlling Measurement in the middle of a flight, then such party is encouraged promptly (i) to notify the other party, and (ii) to provide the other party with relevant non-proprietary reports of the Non-Controlling Measurement for review. Upon receipt of such notice, the parties will work diligently and in good faith to identify the source of the discrepancy, and to adjust the campaign as needed.
- c. Discrepancies in the Invoice. In the event of a discrepancy between the Billing Metric (i.e., invoiced amount) and a Non-Controlling Measurement, Agency will pay based on the Billing Metric if the discrepancy with the Non-Controlling Measurement is five percent (5%) or less. If the discrepancy between the Billing Metric and the Non-Controlling Measurement exceeds five percent (5%) in a billing period, the parties will work diligently and in good faith to reconcile the discrepancy, including without limitation, reviewing the counting methodology to eliminate discrepancies caused by the technology of the Billing Metric and Controlling Measurement (e.g., invalid traffic monitoring that results in false positives or false negatives). If a discrepancy cannot be resolved after a good faith reconciliation effort, Agency reserves the right to either:
 - i. Consider the discrepancy an underdelivery of the Deliverables as described in Section VI.b. of the Standard Terms, whereupon the parties will act in accordance with that Section, including the requirement that Agency and Media Company make an effort to agree upon the makegood flight and delivery of any makegood will be measured by the Controlling Measurement; or
 - ii. Pay the invoice based on the Billing Metric plus the amount of the discrepancy, but in no event to exceed the lesser of five percent (5%) and the number of impressions specified in the IO.
- d. Post-Campaign Report. Provided that an IO is subject to a Do Not Run List, Media Company will, upon Agency's request, provide Agency with a post-campaign report of the TV Long Form Video on which the Ad(s) ran. The content of the report will be as agreed by the parties.

Comment: Since Media Companies can be subject to operational and contractual limitations, subsection d. leaves the parties to agree on the content of the report.

LFV ATTACHMENT

Comment: This optional LFV Attachment compiles in one place the detailed technical and operational terms referenced in the LFV Attachment. This information supplements the customary campaign flight and targeting information included in an IO.

Section 1. Scope

Name of Governing Terms & Conditions	List title and effective date of governing terms and conditions.
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Section 2. Definitions

Defined Term	Modifications to LFV Addendum Definition <i>If none, specify "None"</i>
TV Long Form Video	<i>For example, if the parties agree that TV Long Form Video should include sports programming, live events or user-generated content.</i>
Digital Platform	<i>For example, if the parties agree that the IO should include a device not specified in the definition of "Digital Platform" in the LFV Addendum.</i>
Territory	<i>For example, if the parties agree that "Territory" should include a U.S. territory or commonwealth, or U.S. overseas military base.</i>
Other, if applicable: Identify defined term to be modified.	

Section 3.b. Frequency Caps

Frequency Cap Basis	<i>To be defined by episode start, user session, wall clock, or as otherwise agreed, if the parties do not implement a single frequency cap across all Digital Platforms.</i>
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Section 5.b. Demo Guaranteed Campaigns; Media Company's Delivery Plan

Excess Impression Threshold	[100 + __%] of impressions in Media Company's plan
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Section 5.c. Cost to Agency of Excess Impressions

Full Tech Stack CPM	\$__.__ CPM
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Section 6. Cancellation and Termination

Type of Media Buy	Cancellation Terms
Unified Buy	<i>Specify TV Terms, or the applicable terms if parties do not have TV Terms.</i>
Broadcast Calendar Upfront, Digital-Only Buy	<i>Specify percentage of LFV Deliverables that may be cancelled without penalty and amount of advanced written notice to Media Company that is required.</i>
Calendar Upfront, Digital-Only Buy	<i>Specify percentage of LFV Deliverables that may be cancelled without penalty and amount of advanced written notice to Media Company that is required.</i>
Scatter, Digital-Only Buy	<i>Specify percentage of LFV Deliverables that may be cancelled without penalty and amount of advanced written notice to Media Company that is required.</i>

Section 8. Billing Metrics and Controlling Measurements

Gross Ad Impressions Delivered – P2+ Impressions -- Billing Metric			
Digital Platform	Controlling Measurement	Implementation	Methodology for Calculating Billing Metric
	<p><i>Identify provider (commonly a vendor) and the chosen measurement, including selected features.</i></p> <p><i>Indicate "NA" if a Digital Platform is not addressable.</i></p>	<p><i>Specify how the Controlling Measurement will be implemented, including whether Media Company's or Agency's version of the provider's Ad Tags will be deployed.</i></p> <p><i>Indicate "NA" if a Digital Platform is not addressable.</i></p>	<p><i>If a Digital Platform is not addressable, indicate the Unmeasurable Digital Platform Rules that apply.</i></p>
Desktop and laptop PCs			
Mobile phone and tablet			
IP-connected TV			
VOD			<i>If VOD is not addressable, specify Unmeasurable Digital Platform Rules.</i>
Other (identify):			

Comment: Prepare the following table for each Additional Billing Metric.

Additional Billing Metric – [SPECIFY: Audience Composition, Viewability, IVT, etc.]			
Digital Platform	Controlling Measurement <i>Identify provider (commonly a vendor) and the chosen measurement, including selected features.</i> <i>Indicate “NA” if a Digital Platform is not addressable.</i>	Implementation <i>Specify how the Controlling Measurement will be implemented, including whether Media Company’s or Agency’s version of the provider’s Ad Tags will be deployed.</i> <i>Indicate “NA” if a Digital Platform is not addressable.</i>	Methodology for Calculating Billing Metric <i>If a Digital Platform is not addressable, indicate the Unmeasurable Digital Platform Rules that apply.</i>
Desktop and laptop PCs			
Mobile phone and tablet			
IP-connected TV			
VOD			<i>If VOD is not addressable, specify Unmeasurable Digital Platform Rules.</i>
Other (identify):			

Section 10.d. Post Campaign Report

Describe the content and format of the Post Campaign Report.