**Statement of Work for 3Q Digital Search Engine Marketing and Consulting**

**NO SERVICES MAY BE PERFORMED UNTIL FACEBOOK AND VENDOR SIGN THIS STATEMENT OF WORK AND FACEBOOK ISSUES A VALID PURCHASE ORDER**

The purpose of this SOW is to describe the Services and Deliverables that Vendor will provide to Facebook under the terms of the Professional Services Agreement entered into between 3Q Digital, Inc. (“**Vendor**”) and Facebook, Inc. (“**Facebook**”) on January 1, 2015 (the “**Agreement**”). Capitalized terms used and not defined in this SOW have the meanings given such terms in the Agreement. This SOW is effective as of January 1, 2021 (“**SOW Effective Date**”). Unless otherwise terminated earlier in accordance with the terms of the Agreement or Section 7 below or extended by written amendment, the Services and Deliverables will end on the completion of the Services and Deliverables by Vendor, which in no event shall be later than December 31, 2021, and acceptance of the Services and Deliverables by Facebook.

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| Vendor | Facebook |
| Project Manager: Blair Matsuura | Project Manager: David Castor |
| Email: blair@3qdigital.com | Email: dcastor@fb.com |

1. **Services**.Vendor shall provide the following Services and Deliverables to Facebook:
   1. Description:Digital advertising media strategy, planning, buying and optimization services to evaluate and improve Facebook’s current SEM and Display practices. Services may include but are not limited to:
2. Digital Media Consulting
   1. Paid Search Management
      1. Refine Facebook’s channel strategy and execution plan
      2. Search engine recommendations and testing
      3. Recommend search engines beyond Google AdWords.
      4. Implement full campaigns and test efficiency.
      5. Execute and optimize SEM tests including, but not limited to ad copy testing, regional testing.
   2. Programmatic display, CTV, audio, and video user acquisition and reengagement Management
      1. Refine Facebook’s channel strategy and execution plan
      2. Implement display and video campaigns across Google GDN, YouTube, DSPs and other platforms mutually agreed upon.
      3. When applicable, utilize an ad server to set up tracking and serve ads on active campaigns.
      4. Where applicable, recommend direct media buys with online publishers and negotiate these placements.
      5. Identify and test new 3rd party display and other programmatic networks
      6. Execute and optimize programmatic tests including, but not limited to, creative testing, incrementality testing
   3. Paid Mobile App Acquisition and reengagement Management
      1. Refine Facebook’s channel strategy and execution plan
      2. Run App campaigns across Google UAC and ACe, as well as other applicable mobile networks
      3. Recommend and test new mobile app networks
      4. Implement full campaigns and test efficiency.
      5. Provide quality assurance (“**QA**”) on Facebook’s mobile attribution implementation.
      6. Where requested, perform app store optimization services
      7. Execute and optimize mobile app tests including, but not limited to, creative testing, incrementality testing
   4. Paid Social Management
      1. Refine Facebook’s channel strategy and execution plan
      2. Manage paid social campaigns on existing social channels
      3. Recommend and test new social channels
      4. Implement full campaigns and test efficiency.
      5. Execute and optimize paid social tests including, but not limited to creative testing, incrementality testing
   5. Keyword discovery within applicable marketing channels
      1. Use multiple keyword research tools to expand existing keyword sets.
      2. Analyze competitor keywords and add these keywords to campaigns.
      3. Add appropriate match types (exact, phrase, broad) to each keyword.
   6. Targeting within applicable marketing channels
      1. Analyze targeting opportunities, including geo-targeting, day-parting and day-of-week-parting, IP exclusion, site targeting and site exclusion, negative keyword exclusion, distribution network exclusion, re-targeting/re-marketing, and behavioral targeting.
      2. Organize ad groups to minimize quality score impact.
   7. Bidding optimization across applicable marketing channels
      1. Optimize bidding based upon Facebook’s business objectives (e.g. Cost-per-acquisition (“**CPA**”) goal, break even, margin, or profit dollars) throughout each marketing channel at varying levels of granularity.
      2. Utilize advanced bidding techniques based on day-parting, geo-targeting, behavioral and demographic data, and distribution sources.
   8. Conversion tracking implementation
      1. Review of existing conversion tracking to ensure best practice implementation.
      2. As needed, deliver code and implementation instructions provided to internal development team.
      3. Advanced conversion tracking implementation, including multi-click/multi-channel attribution.
   9. Market Research
      1. Leverage 1st and 3rd party data to identify market and user trends
      2. Implement research learnings in creative and campaign strategies
   10. Performance creative strategy
       1. Develop and iterate global performance creative strategy
          1. Recommend and create ad text, image, and video, with clear call to action and benefit statements.
          2. Periodic review of competitor ad text, image, and video.
       2. Scope new concepts and develop creative iterations by app, region, language, and audience
       3. Design creative tests and measure lift of performance creative
   11. Analytics and Data Science
       1. Perform regression analysis for projection modeling
       2. Develop seasonal and regional trend modeling and forecasting
       3. Develop and perform fraud monitoring pursuant to guidelines in partnership with Facebook
       4. Identify emerging technologies and analysis techniques and implement recommendations as applicable
   12. Reporting
       1. Provide performance reporting across all media channels.
       2. Provide test-specific performance reports as tests are conducted.
       3. Weekly status meetings.
       4. In-person meetings as requested (any travel if authorized in advance and in writing, will be paid by Facebook).
3. Media Purchases
   1. Authorization for purchases
      1. When purchasing media services pursuant to this SOW, all purchases by Vendor made in accordance with this SOW shall be purchased for Facebook with Vendor acting as an agent on behalf of Facebook, unless otherwise agreed in writing or prohibited by law; provided, however, in no event may Vendor agree to or accept any terms or conditions as Facebook’s agent without Facebook’s prior written approval other than those solely identifying the media placement, fees for same and payment terms in accordance with the relevant media plan and Estimate approved by Facebook (collectively, the “**Approved Media Plan**”). Vendor will use best efforts to ensure that all purchases made hereunder by Vendor are made under the principle of sequential liability where Vendor will be held liable for payments to Approved Media Owners to the extent Vendor has been paid by Facebook for such purchases. Facebook shall be responsible for amounts owing but not paid to Vendor. Whenever an Approved Media Owner refuses to agree to sequential liability, Vendor will inform Facebook in writing and the parties shall discuss in good faith and mutually agree on how to proceed.
      2. Facebook authorizes Vendor to purchase and place media with agreed upon publishers on behalf of Facebook, and execute Insertion Orders (“**IOs**”) governed by version 3.0 Standard Terms and Conditions for Internet Advertising for Media Buys One Year or Less as “Agency” on behalf of Facebook as “Advertiser”.
   2. Authorization process for media purchases
      1. Individual media purchases shall be confirmed in writing between the parties (email shall suffice) (“Authorized Media Purchase(s)”). Such confirmation shall include, but not be limited to, the dollar amount of each Media Purchase and the time period for such purchase. Vendor Parties shall not make any media bookings in the course of providing the media services without first obtaining the prior written approval of Facebook nor shall it incur any third party expenditure for which Facebook shall be billed, without first obtaining the approval of Facebook for the estimated cost thereof. Written approvals under this SOW shall include transmissions via electronic mail or written instructions from the Facebook Project Manager or other person(s) identified by Facebook from time to time. For clarity, approval of an Approved Media Plan signed by representative of Facebook shall amount to written approval in relation to the relevant media services outlined therein for the purpose of this Section 9. Facebook must be made aware of and approve the use of any ad network(s) or ad exchanges before any media purchases are made by Vendor.
   3. Media placement requirements
      1. Vendor must ensure that Facebook ads do not appear on sites or adjacent to any content promoting pornography, non-gaming violence or infringement of intellectual property rights (including, without limitation, music or video piracy). Facebook shall have no obligation to pay any fees or charges (and shall be entitled to full reimbursement from Vendor for any amounts paid) in respect of any clicks, impressions, conversions or other ad traffic whatsoever derived from ad placement in breach of this requirement. Vendor further agrees that if notified by Facebook that Facebook ads must not be delivered to or appear on a particular domain or app, Vendor will comply with such instruction within 24 hours of receipt of notice.
   4. Media purchase invoices
      1. Notwithstanding anything to the contrary in the Agreement, Media Purchases shall be invoiced by Vendor to Facebook once an order or confirmation to purchase is received from Facebook and payment shall be made by Facebook within thirty (30) days of the date of the Vendor’s undisputed invoice to Facebook.
      2. Media Purchases for each publisher shall be listed as separate line items within any Vendor invoice to Facebook.
4. Device Identification Encryption and Exclusion Project for Ad Targeting Purposes
   1. Vendor shall send all device advertising identification numbers that appear on its publisher networks in relation to the advertising campaigns Vendor manages for Facebook under the SOW (“**Device IDs**”) to Facebook, via Facebook’s Secured File Transfer Protocol.
   2. Vendor and Facebook both agree not to disclose the Device IDs to any other party whatsoever. Furthermore, Facebook and Vendor both agree not to disclose the encryption key or the Secured File Transfer Protocol information to any third party.
   3. Upon receipt of the Device IDs from Vendor, Facebook shall run overlap / cross-checking analysis against its own database of identifiers of devices that are known to be associated with existing user accounts (for the relevant Facebook apps) and create the list for ad targeting (the “**Targeting List**”), by separating out device IDs which are assumed to be associated with existing user accounts.
   4. Facebook sends the Targeting List back to Vendor, also via Facebook’s Secured File Transfer Protocol.
   5. Once received, Vendor shall use the Targeting List for targeting purposes as part of the advertising campaigns set up and managed by Vendor for Facebook pursuant to the SOW.
   6. Vendor agrees not to disclose the Targeting List to any third party or to use the Targeting List other than, and solely to the extent necessary, in order to perform or optimize the advertising campaigns Vendor manages for Facebook under the SOW for Facebook’s benefit.
5. Fraud Monitoring
   1. Vendor shall actively monitor all ad campaigns for signs of fraudulent activity (including, without limitation, click fraud, install fraud, impression fraud and any non-human activity counted or otherwise used as part of calculations for ad campaign performance) and shall alert Facebook immediately in the event that any such activity is detected or suspected.
   2. Vendor shall use all reasonable endeavors to recover any amounts spent or paid by or on Facebook’s behalf as a result of any such fraudulent activity.
   3. Facebook will block all conversions that are deemed fraudulent or blacklisted by Facebook’s third-party sources, including but not limited to Facebook’s attribution partner, Kochava.
   4. **Placement Transparency**: All ad platform and inventory will need to support impression tracking. Placement level data such as the (Pub ID, Sub Pub ID, App/Site Name & App Bundle) are required to be passed back by Vendor via the click trackers and SFTP in order to qualify for conversion attribution, unless otherwise requested by Facebook (or a third party acting on Facebook’s behalf, e.g. 3Q) via email
   5. **Non-Incentivized Campaigns**: Vendor must ensure that ad campaigns are not run on incentivized traffic, unless otherwise requested by 3Q (acting on Facebook’s behalf) or Facebook via email.
   6. Facebook shall have no obligation to pay Vendor any fees or charges (and shall be entitled to full reimbursement from Vendor for any amounts paid) in respect of any clicks, installs, impressions, conversions or other ad traffic whatsoever deemed to be fraudulent by Facebook, Vendor or any third party verification or attribution service provider (e.g., Kochava). Reimbursement shall be made by way of credit (ie, set-off) against amounts owed by Facebook to Vendor for a subsequent invoice period, or as otherwise directed by Facebook.
6. Creative Asset Production and Other Additional Services to be billed at cost to Facebook (if and when required)
   1. Video production, landing page and image ad design, and other creative production services, as requested by Facebook and agreed upon by the parties
   2. All creative services are approved before 3Q or its approved subcontractor begins production according to the following process:
      1. Facebook requests creative service
      2. 3Q writes creative brief in collaboration with Facebook point of contact
      3. 3Q develops scopes resources and hours and breaks such resources out by phase (e.g. Concepting, storyboard, Design, Copywriting, Production, Animation, Localization, QA).
      4. 3Q presents aggregated briefs in creative approval documentation in weekly creative meetings.
      5. Facebook reviews and approves each brief. For creative services provided by 3Q, they will be scoped at a rate set forth in Attachment B (“Rate Card”). For creative services provided by a third party, those costs will be directly passed through to Facebook.
      6. Display buys that require a DSP or ad server
   3. Translation services
   4. Other services or projects as approved by Facebook and agreed upon by the parties
   5. Services Location. At Vendor’s facilities. Facebook’s Menlo Park campus will be available for Vendor to perform the Services, subject to Vendor’s compliance with the terms of the Agreement and all applicable Facebook policies.
7. **Deliverables**.Vendor will deliver the following Deliverables, which will meet the requirements set forth below:

2.1 General Description of Deliverables: Day to day campaign management, optimization, tracking and tuning of all aspects of campaigns including but not limited to search engines, display networks, campaign structure, keywords, ad copies, bidding optimization, targeting. Keeping track of new and emerging solutions by major search engines for campaign management and optimization.

2.2 Description of Documentation for Deliverables: Weekly status reports, weekly reports with details of CPA and efficiency improvements, tests planned for improvements, tasks performed by on-site and offsite personnel, project plans and monthly presentations with details of project execution and progress.

**IMPORTANT NOTE**: Vendor will not incorporate into or provide in conjunction with any Deliverable or create any Deliverable with a dependency upon any Background Technology or Third Party Materials without strictly complying with all of the conditions described in Section 9.1(e) of the Agreement.

2.3 Background Technology (if any): Are any Background Technologies incorporated into or provided in conjunction with any Deliverable or is any Deliverable dependent on any Background Technology? Yes  No

The following Background Technology may be incorporated into current or future Deliverables for Facebook:

1. Write to GSheets (this uses custom python that 3Q built)
2. API upload offline conversions
3. 3Q’s proprietary ETL (this includes JAVA ETL and cross-client Matillion jobs)
4. 3Q’s proprietary data warehouse QA
5. 3Q's proprietary Anomaly Detection/QA system
6. 3Q's proprietary Campaign Creation tool
7. 3Q's proprietary Keyword Token Parsing tool

2.4 Third Party Materials (if any):Are any Third Party Materials incorporated into or provided in conjunction with any Deliverable or is any Deliverable dependent on any Third Party Materials?Yes  No

The following Third Party Materials may be incorporated into current or future Deliverables for Facebook:

1. Snowflake
2. Matillion
3. Tableau (Desktop, Server)
4. Google products (GSheets, BigQuery, Data Studio)
5. Amazon services (S3, EC2)
6. sFTP
7. Coding languages (SQL, Python, Java)
8. The following open source libraries:  
   a. Bayesian Structural Time Series - https://cran.r-project.org/web/packages/bsts/bsts.pdf  
   b. Causal Impact - https://cran.r-project.org/web/packages/CausalImpact/CausalImpact.pdf  
   c. Tidyverse - https://cran.r-project.org/web/packages/tidyverse/index.html  
   d. Bayesian Regression Models using Stan - https://cran.r-project.org/web/packages/brms/brms.pdf

Notwithstanding Section 9.1(e)(ii)(1) of the Agreement, the parties acknowledge and agree that all Third Party Materials to be used hereunder cannot be specifically identified at this time. In no event will Vendor make use of any Third Party Materials without: (a) first obtaining the prior approval of Facebook for each such use and (b) complying with Attachment B, “Guidelines for Sourcing Third-Party Content for Media Projects.” Vendor is responsible for providing Facebook with any signed licenses, consents, waivers and releases required for the Deliverables under this SOW as specified in Attachment B.

**IMPORTANT NOTE**: For any and all Open Source Software (“**OSS**”) specified in Section 2.4, provide a link to the applicable license.

1. **Performance**.
   1. Reports. Vendor will provide written reports to Facebook documenting Vendor’s performance of the Services. See Attachment A attach hereto.
   2. Facebook Resources. Subject to the Agreement, Facebook may make resources available to Vendor, provided however, that any and all property and assets, whether tangible or intangible, provided by Facebook to Vendor shall remain Facebook property.
   3. Third Party Assessments. Whenever requested by Facebook, Vendor shall participate in Facebook’s Third Party Assessment (“**TPA**”) process evaluating Vendor’s data privacy and security capabilities and must receive TPA results that are satisfactory to Facebook. Notwithstanding anything in the Agreement to the contrary, Facebook may immediately terminate the Agreement and/or this SOW upon written notice to Vendor if Vendor fails to meet the requirements of this Section.
2. **Timeline**.Vendor will continue to improve efficiency and reduce CPA for the duration of this SOW.
3. **Acceptance.** The Services and Deliverables will conform to the following requirements:
   1. Detailed Requirements for the Services: All of the services must be performed utilizing industry best practices and should be documented on a weekly/monthly basis. Services must meet the objective of CPA reduction or campaign efficiency improvement.
   2. Detailed Requirements for the Deliverables: Deliverables must be communicated on a weekly basis.
4. **Fees**.
   1. Delivery and Invoice Schedule.Delivery and invoice for Services and Deliverables shall be as follows: Time and material basis as follows: Vendor will provide the Services on a time and materials basis based on the applicable hourly charges for Vendor that are set forth below. Vendor will invoice Facebook within five (5) business days of the first day of each month for the hours actually spent providing Services during the preceding month. Vendor acknowledges that the actual time it spends on these Services may exceed the estimated hours stated below, but that the Services will continue until Acceptance of the Project and will not exceed the estimated total fees as calculated based on the estimated hours and hourly rate set forth below. If the scope of Services is materially changed, the parties reserve the right upon mutual written agreement to adjust the estimated number of hours set forth below.

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| **Resources** | **Resource Location** | **Estimated Start Date** | **Estimated End Date** | **Estimated Monthly Hours** | **Hourly Rate** | **Monthly Fees\*** | **Maximum Authorized Fees** |
| Senior Director or Vice President | San Francisco or New York | 1/1/2021 | 12/31/2021 | 150 | $260 | $39,000 | $468,000 |
| Other (San Diego, Chicago, Austin) | 1/1/2021 | 12/31/2021 | 0 | $240 | $0 | $0 |
| Director | San Francisco or New York | 1/1/2021 | 12/31/2021 | 370 | $225 | $83,250 | $999,000 |
| Other (San Diego, Chicago, Austin) | 1/1/2021 | 12/31/2021 | 280 | $200 | $56,000 | $672,000 |
| Lead | San Francisco or New York | 1/1/2021 | 12/31/2021 | 410 | $175 | $71,750 | $861,000 |
| Other (San Diego, Chicago, Austin) | 1/1/2021 | 12/31/2021 | 150 | $155 | $23,250 | $279,000 |
| Senior Manager | San Francisco or New York | 1/1/2021 | 12/31/2021 | 1260 | $145 | $182,700 | $2,192,400 |
| Other (San Diego, Chicago, Austin) | 1/1/2021 | 12/31/2021 | 1190 | $130 | $154,700 | $1,856,400 |
| Manager | San Francisco or New York | 1/1/2021 | 12/31/2021 | 885 | $125 | $110,625 | $1,327,500 |
| Other (San Diego, Chicago, Austin) | 1/1/2021 | 12/31/2021 | 365 | $115 | $41,975 | $503,700 |
| Coordinator or Associate | San Francisco or New York | 1/1/2021 | 12/31/2021 | 530 | $70 | $37,100 | $445,200 |
| Other (San Diego, Chicago, Austin) | 1/1/2021 | 12/31/2021 | 650 | $65 | $42,250 | $507,000 |
| Total Estimated Fee |  | | | | | $842,600 | $10,111,200 |

\*Estimated monthly fee not to be exceeded without prior written approval by Facebook.

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| **Maximum Services Costs** | Up to and not to exceed: $10,111,200 |

* In addition to the fees referred to above in Section 6.1, Facebook shall also pay Vendor, at Vendor’s net (i.e., actual) cost for all media charges, for the media in which any of Facebook’s advertising is placed by Vendor with Facebook’s authorization.
* For media bought on Facebook’s advertising platform (“On Platform Media”), Facebook will provide Vendor with a House Ads account to fund campaign activity. Prior to purchasing any media on Facebook’s behalf, Vendor will provide to Facebook, for Facebook’s prior written approval (in each instance), media authorization forms that will include estimates of the media charges and corresponding media commissions for the media to be purchased by Vendor based on these media authorization forms.

For Creative and Other Additional Services, Vendor will provide the Services on a time and materials basis based on the applicable rates as set forth in Attachment B (“**Rate Card**”). Vendor will invoice Facebook per project and Facebook’s successful receipt and acceptance of all Services and Deliverables for the respective project.

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| **Maximum Creative and Other Additional Services Costs** | Up to and not to exceed: $2,000,000 |

* 1. Third Party Costs. “**Third Party Costs**” shall mean all costs incurred from Approved Media Owners by Vendor on behalf of Facebook in performing the Services. For the avoidance of doubt, Third Party Costs do not include Agency Fees or Expenses. “Approved Media Owners” means third parties approved in writing by Facebook to publish advertising or promotions placed by Vendor pursuant to this SOW in any media, existing now or in the future. Upon Facebook’s request, Vendor will obtain quotes from multiple Approved Media Owners.

Vendor shall provide Facebook with estimates for all Third Party Costs to be incurred by Vendor on behalf of Facebook in performing the Services (“**Estimates**”) for Facebook’s review and approval. Vendor shall not incur any Third Party Cost until it has received Facebook’s approval of the corresponding Estimate and an applicable Purchase Order from Facebook. All Third Party Costs will be charged to Facebook at net cost paid, without any mark up, and with full credit to Facebook for any Facebook Discounts, as set forth in Section 8 below. Vendor will advise Facebook promptly of any changes in estimated Third Party Costs. Vendor will use best efforts to verify that all Approved Media Owners provide the services obligated to be provided in accordance with the applicable contracts and IOs. Further, Vendor shall verify that all amounts billed by Approved Media Owners reflect those amounts agreed upon and that such billed amounts are for services actually provided under the applicable third party contract. Vendor shall promptly seek makegoods, refunds or credits (as applicable) where invoices do not match the services delivered. Vendor will use available industry systems, technology and proprietary tools which provide proof of appearance of media placements and ensure placement compliance with the insertion order, industry best practices, and Facebook guidelines. Vendor will notify Facebook in writing promptly if Vendor becomes aware that any Approved Media Owner is, or is likely to, prevent from being published or aired or become unable, for any reason, to publish or air any media placement which has been purchased by or on behalf of Vendor for Facebook. Upon request, Vendor will disclose to Facebook all payment and termination terms for Third Party Costs as negotiated and committed to with the relevant Approved Media Owner and, if requested, will supply Facebook with evidence of such terms and with copies of the contracts with Approved Media Owners relating to the Services.

The actual cost to Vendor of Third Party Costs in respect of materials or services purchased overseas for the Deliverables may be more or less than the approved Estimate at the date when Vendor ordered the relevant materials or services (or obtained Facebook’s approval for such Third Party Costs) as a result of fluctuations in the rate of currency exchange. If so, Vendor will charge Facebook at the rate of currency exchange in operation on the date Vendor pays for the relevant Third Party Costs, which will be deemed to be the Bloomberg 9:00 am Pacific Time mid-point rate in the United States.

If the cost of actual work performed by an Approved Media Owner is less than the payment made by Facebook to Vendor based on the approved Estimate, Vendor will return the difference as soon as reasonably possible but in no event later than three (3) months from the time the overpayment was made.

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| **Third Party Creative Costs** | $1,000,000 |
| **Media Costs** | $30,000,000 |
| **Maximum Third Party Costs** | Up to and not to exceed: $31,000,000 |

* 1. Expenses. Subject to the Agreement, in particular the terms of Section 4 of the Agreement, and Attachment C, the following expenses may be eligible for reimbursement under this SOW (state estimated amounts at cost): Expenses outlined above.

Travel outside Bay Area when explicitly approved for a specific amount.

All fees associated with third party services, data and/or technology platforms used by Vendor on behalf of Facebook must be pre-approved in writing by Facebook, and paid for by Facebook.

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| **Maximum Authorized Expenses** | Up to and not to exceed: $5,000 |

* 1. Up to and Not to Exceed Figure.All fees, costs and expenses for all Services and Deliverables under this SOW shall be up to and not to exceed the “Maximum Amount” below, which is the combined total of the Maximum Authorized Fees and the Maximum Authorized Expenses. Facebook’s maximum liability for all Services and Deliverables under this SOW shall not exceed the amount of the PO(s) issued referencing this SOW.

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| **Maximum Amount** | **Up to and not to exceed: $43,116,200** |

1. **Termination**. Facebook may terminate this SOW at any time and for any or no reason upon ten (10) days written notice to Vendor. In addition, Facebook shall have the right to cancel media placements: (i) if such cancellation is permitted under the relevant agreement between Vendor and the Approved Media Owner; or (ii) for campaigns that include a schedule that is longer than two (2) weeks, in the event such media placement fails to perform as required under the terms negotiated with the Approved Media Owner. In such event, Facebook may cancel a media placement and, in the event of any such cancellation, Vendor will cancel the corresponding media in a way that minimizes Facebook’s financial exposure for the cancelled media. Cancellations of media and placements must be made in writing, which writing may be made electronically (e.g., e-mail correspondence). In the event the relevant agreement does not permit cancellation, Vendor shall, at Facebook’s request and cost (provided such costs are reasonable and are directly associated with such cancellation negotiations), engage in good faith negotiations with the Approved Media Owner to cancel the agreement in a manner that best minimizes Facebook’s financial exposure for the cancelled media. Any Third Party Costs approved by Facebook in writing resulting from such early cancellation shall be paid by Facebook. Facebook may request Vendor modify media purchases. Vendor shall comply promptly with such written requests so as to minimize the expense to Facebook. Vendor shall, before fulfilling such request, notify Facebook of any cost associated with a modification and obtain Facebook’s prior written approval, which approval shall not be unreasonably withheld. Any unused Media Plans prepared by Vendor for Facebook will remain Facebook’s property and can be used by Facebook for future media buying activities without further payment to Vendor.
2. **Discounts.** Upon Facebook request, Vendor will inform (e.g. frequency, payment timing and other conditions) and will request payment in advance from Facebook in order to obtain early / prompt payment discounts (“Early Payment Discounts”) if they are available. If payment is made by Facebook to Vendor in reasonable time to allow Vendor to achieve the Early Payment Discounts then Facebook will receive the benefit of those Early Payment Discounts however, if payment from Facebook is not received by Vendor in reasonable time, then the Vendor is entitled to make the payments on Facebook's behalf and then retain those Early Payment Discounts for its own account.

Save in the case of Early Payment Discounts (the procedure for which is outlined above), Facebook shall receive the benefit of all discounts, credits, concessions, cost reductions and rebates actually received by Vendor in relation to Facebook’s advertising spend (“Facebook Discounts”). For clarity, in the event that Vendor receives discounts and / or rebates in connection with advertising spend of more than one of its clients, the portion corresponding to Facebook’s advertising spend shall also be deemed to be a Facebook Discount. Facebook Discounts will be forecasted by Vendor quarterly, and monitored and reported to Facebook monthly, including total spend and rebate, bonus or Unbilled Media, and Discounts by media by media vendor. Facebook Discounts will generally be passed back as credit notes issued against the oldest debt outstanding at that time between Vendor and Facebook. Where these old items relate to disputed fees or commissions, such credit notes will not be issued against these disputed items. Where Facebook Discounts cannot for any reason be passed back as credit notes issued against the oldest debt outstanding they will be passed back in the same form as received by Vendor unless otherwise agreed. Vendor shall: (i) abide by all industry media transparency principles followed by reputable advertising agencies in the advertising industry and as recommended by the Association of National Advertisers, (ii) disclose any rebates or incentives received by Vendor arising out of Vendor’s relationship with Facebook, and (iii) not enter into any arrangements that would or could lead to any conflicts of interest.

1. **Unbilled Media.** Unbilled media, defined as media activity ordered by Vendor where such media has appeared and been paid for by Facebook but where Vendor has been only partly invoiced or not invoiced at all for such media (“**Unbilled Media**”). Vendor will reconcile once annually and return any Unbilled Media two years in arrears. Any such amounts due will be paid within thirty (30) days of the date of review. If Vendor is subsequently invoiced for the media by the media owner, Vendor will notify Facebook and Facebook shall ensure an applicable Purchase Order is open to Vendor. Upon receipt of an applicable Purchase Order, Vendor may invoice Facebook for any such Unbilled Media costs according to the applicable provisions set forth in the Agreement with respect to payment.
2. **Additional Terms.**
   1. Creative. Vendor may only use creative and ads assets approved by Facebook for placement of media in strict accordance with Facebook’s instructions and compliance with any branding and other guidelines provided or made available by Facebook.
   2. User Preferences. Vendor shall require Approved Media Owners to honor users’ opting out of interest-based ads made available on Android (“**User Opt Outs**”) and on iOS (“**User Setting**”).
   3. Tagging. “**Tags**” means tracking pixels, web beacons, tags, retargeting technology enablers or other similar software codes (e.g., JavaScript) or mechanism, including third party, fourth party and piggybacked tracking devices appended thereto, used to collect any type of data in connection with any Facebook media placement or a Facebook owned or operated digital property or website. Vendor will not place, verify, install, remove, or edit Tags. To the extent approved by Facebook, Vendor may utilize any existing Tags as available in order to perform the Services requested hereunder. Thereafter, Vendor shall not, and shall not permit any third party to, modify Tags without further prior written approval from Facebook. Vendor will routinely monitor data collected by any Facebook-approved Tags to detect and prevent unauthorized data collection, sharing or modification. Facebook reserves the right but not the obligation to reject placement of Tags, to monitor and audit Tag functionality, and to request the removal of Tags at any time. Tags placed by Vendor or an Approved Media Owner are considered Services under the Agreement. Upon Facebook’s request, Vendor will work with a third party installation tracking service provider selected by Facebook to enable tracking of installations of Facebook properties and to track Facebook’s media campaigns as necessary to provide credit back the media channel used. All data collected by Tags is considered Facebook Data, and may not be disclosed to any third party except upon Facebook’s prior written approval and strictly in accordance with Facebook’s instruction.
   4. Approved Media Owner Obligations. Vendor will use best efforts and skill in the selection and appointment of Approved Media Owners to optimize Facebook’s return on investment in the media placements and to reach the optimal objectives and desired consumer profiles of Facebook with media placements outlined in the Approved Media Plan. Vendor shall contractually require Approved Media Owners to ensure that all ads placed pursuant to this SOW shall not be placed adjacent to any content that: (i) promotes pornography, violence, or the use of firearms; (ii) contains obscene or indecent language; (iii) constitutes or promotes hateful, threatening, harassing or abusive conduct; (iv) incites or intends to incite terrorism, racial hatred or other forms of unlawful discrimination; (v) relates to illegal drugs or drug paraphernalia; (vi) is defamatory or trade libelous; (vii) is otherwise harmful, unlawful or illegal; (vii) is or promotes fake news or disinformation; (viii) violates Facebook’s Advertising Policies; or (ix) other similar content. If Vendor learns of any violation of this Section 10.4, it shall immediately notify Facebook and use best efforts to remove the ads that are placed in violation of Section 10.3(b) and remove or otherwise cease all use of Tags in violation of Section 10.3(a).
   5. Research. To the extent applicable to the Services (if any), Vendor shall conduct any research, testing, or focus groups in accordance with Facebook’s reasonable instructions, including, without limitation, having all participants execute Facebook’s template participation agreement or other participant agreement approved by Facebook in writing.
   6. Approved Media Owner Agreements. Unless expressly agreed in writing otherwise and subject to Section 8 of the Agreement, Vendor will at all times act as an agent and in the best interest of Facebook when negotiating and entering into third party contracts with Approved Media Owners. Vendor will negotiate media placements with Approved Media Owners in accordance with the Approved Media Plan and no media placement order may be made by Vendor without Facebook’s prior approval. Unless Facebook requests otherwise or Vendor informs Facebook and Facebook approves in writing (email to suffice), Vendor will, to the extent applicable, order media from Approved Media Owners wherein such Approved Media Owners will agree to comply with the Internet Advertising Bureau (IAB) Standard Terms and Conditions for Internet Advertising v.3.0 (or such other terms and conditions provided by Facebook), all applicable laws (including the California Consumer Privacy Act and, with respect to cookies, self-regulatory guidelines, industry standards and best practices, such as MRC 3MS Standards), Facebook’s publicly stated privacy policy and Facebook’s promotional guidelines provided to Vendor in writing, in each case as they may be amended from time to time. To the extent that the IAB Standard Terms and Conditions do not govern the media placement and without limiting Section 1 (Media Purchases), Vendor shall submit to Facebook for its approval, all templates for media placements, contracts or other forms used by Vendor to secure intellectual property or media integration rights on behalf of Facebook, and shall not use any such forms to secure intellectual property or media integration rights unless and until Facebook’s Legal department has provided written approval for use. Vendor shall retain all executed intellectual property and media integration contracts in performance of this Agreement and, upon Facebook’s request, provide same or copies thereof to Facebook. When and where applicable, Vendor shall ensure that contracts with Approved Media Owners provide that the Approved Media Owner shall:
   * Provide Vendor and Facebook with access to Facebook Data associated with Facebooks’ media placements on a real-time basis, but no less than twenty-four (24) hours after the applicable media placement was delivered.
   * Clearly label and provide a definition of all data fields and attributes in the Transaction Data (defined below) and communicate any changes to the fields to Facebook and Vendor in writing.
   * Attest in writing, upon request of Facebook or Vendor, that the Facebook Data provided is accurate and has not been manipulated in any manner.
   * Transfer control and ownership of Facebook Data to Facebook at Facebook’s request.

“**Transaction Data**” means performance metrics as well as pricing, costs and fees incurred in the process of purchasing any media for Facebook (whether by negotiation or winning bid, independently or jointly with other Vendor clients) and any other data reasonably requested by Facebook in order to validate media placements and the performance, costs, expenses and Approved Media Owners leveraged along the supply chain.

* 1. Custom Content. In the event that an Approved Media Owner is engaged by Vendor to create custom content for Facebook, Vendor shall use commercially reasonable efforts to cause the Approved Media Owner to: (a) negotiate and obtain all necessary talent, art releases, and licenses for the use of copyrights, trademarks, trade names, etc., permissions and clearances for materials or services produced for Facebook; (b) negotiate and obtain all necessary usage arrangements, publishing, licenses, contracts, royalties and fees with the legal owner (or its authorized agent or representative) of said artwork, music, premiums and other materials; and (c) negotiate and obtain the participation of actors, celebrities or other third parties whose names, likenesses, images, or photographs or appearances are used in any artwork, television or radio spots, motion pictures, commercials, social media, photographs, slides, negatives, proofs, tapes, direct mail and other advertisements, speeches and any other advertising materials prepared, purchased or furnished for Facebook by or from Approved Media Owners.
  2. Social Media and Behavioral Advertising. To the extent Vendor’s Services involve the use or social media influencers for marketing purposes, Vendor shall ensure that the influencers services comply with Facebook’s Branded Content Policies available here and here and that the content created by the influencer will be the original work and creation of the influencer and will not infringe on the rights (including without limitation, any intellectual property rights) of any third party.
  3. Competitors. Vendor will staff accounts of any online social media or instant messaging services other than Facebook with different account managers than those working on this SOW.

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| Accepted and agreed to by:  **3Q Digital, Inc.** | | Accepted and agreed to by:  **Facebook, Inc.** | |
| Signature:  Name:  Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | Signature:  Name:  Title: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_    \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

#### Attachment A

**REPORTS**

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| **Report Name** | **Report Description** | **Delivery Method and Acceptance Criteria, if applicable** |
| Quarterly Business Review (“**QBR**”) | Formal account check-in to provide feedback to both Vendor and Facebook. Report shall include but is not limited to the following:   * Qualitative review of Facebook and Vendor relationship * Summary of contract compliance, billing information, staffing hours (including reconciliation), remuneration, and marketplace related issues and opportunities. | Meetings will be conducted live or via video conference during the month following the end of the previous calendar quarter. Facebook and Vendor will provide a standardized format to be used for each QBR. |
| Staff Plan Report (“**Staff Plan**”) | Report that will track the mutually approved staffing plan for Vendor resources for each campaign and/or project. Report shall include but is not limited to the following:   * Total fees approved for each role and office location by the Facebook Growth Marketing Manager. * Total resource hours approved for each role and office location by the Facebook Growth Marketing Manager. * Total travel expenses approved for each Vendor resource. * Qualitative plan of the Service delivery. | Report shall be one Excel file to be completed and provided to the Facebook Sourcing Manager and Growth Marketing Manager on a monthly basis before the fifteenth (15th) business day of the following month with a sheet dedicated to each Facebook business unit and a one summary sheet that provides an aggregate view of the Staff Plan Report. |
| Staff Reconciliation Report (“**Reconciliation**”) | Report that will reconcile the Staff Plan against the actual fees and resources spent for each campaign and/or project. Report shall include but is not limited to the following:   * Resource hours completed and reported in thirty (30) minute increments for each Vendor resource. * Travel expenses incurred for each Vendor resource. * Project delivery and fee statuses. * Billing information, remuneration, and marketplace related issues and opportunities. * Qualitative review of the Service delivery against the Staff Plan. | Report shall be one Excel file to be completed and provided to the Facebook Sourcing Manager and Growth Marketing Manager on a monthly basis before the fifteenth (15th) business day of the following month with a sheet dedicated to each Facebook business unit and a one summary sheet that provides an aggregate view of the Reconciliation Report. |
| End of Term Reconciliation Report | Compilation of the monthly Staff Plan and Reconciliation reports in this SOW. | Report shall be one Excel file to be completed and provided to the Facebook Sourcing Manager and Growth Marketing Manager Thirty (30) days after the end of this SOW. |

* Facebook may require Vendor to enter Staff Plan into a 3rd party tool of Facebook’s choosing.
* Staff Plan may be subject to review and or adjustment for the purposes of forecasting and estimating service costs at Facebook’s request.
* Vendor shall establish jobs in its timecard system to ensure proper tracking of hours by campaign and/or project.
* Vendor shall generate/maintain formal internal policy guidelines to ensure the accuracy and completeness of the time recording process.
* If Facebook is due a credit from Vendor, Vendor will have thirty (30) days to issue a credit to Facebook. Facebook, in its sole discretion, may choose to roll over any credits into a new SOW.
* Unless otherwise approved by Facebook pursuant to Section 6.1 above, there will be no additional fee or other compensation due to the Vendor for providing more staff hours or variation of staff hours against the Staff Plan resulting in additional fees or incurring costs in addition to those called for in the Staff Plan in this SOW.

**Attachment B**

**3Q Digital, Inc – Facebook Rate Card**

* Rates below are “not to exceed” amounts.
* Rates as itemized below will apply to all new Quotes / work conducted by Vendor at the request of Facebook.
* Rates exclude all 3rd party / outside costs (e.g. music or stock images) which will be paid by Facebook at no mark-up as a pass-through cost, if applicable.
* Rates are fully burdened, inclusive of all overhead and profit.
* For any work not covered in the Rate Card, including overtime, weekend rates, and different work, the pricing for such work is to be discussed and agreed upon in writing by the Facebook Project Manager prior to commencement of any such work. Overtime to be presumed at 1.5X the regular rate, per hour.

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| **Resources** | **Resource Location** | **Hourly Rate** | **Maximum Authorized Fees** |
| Creative Director | San Francisco or New York | $260 |  |
| Other (San Diego, Chicago, Austin) | $240 |  |
| Design Director | San Francisco or New York | $225 |  |
| Other (San Diego, Chicago, Austin) | $200 |  |
| Art Director | San Francisco or New York | $175 |  |
| Other (San Diego, Chicago, Austin) | $155 |  |
| Graphic Designer | San Francisco or New York | $145 |  |
| Other (San Diego, Chicago, Austin) | $130 |  |
| Illustrator | San Francisco or New York | $125 |  |
| Other (San Diego, Chicago, Austin) | $115 |  |
| Etc. | San Francisco or New York | $70 |  |
| Other (San Diego, Chicago, Austin) | $65 |  |

**Attachment C**

**Facebook Vendor Travel Policy**

**Purpose**

This policy applies to Facebook Vendors. The purpose of this policy is to outline the procedures to be followed in order to reimburse Vendors for expenses incurred while traveling on behalf of Facebook. Expenses may be billed for out-of-town resources only. No Expenses will be billed for in-town resources. An “In-Town” resource is defined as any resource that is based out of a Vendor office that is within sixty-five (65) miles of the Facebook’s facility where the Services are to be performed. Whether out-of-town or In-Town, Facebook will not be charged for a resource’s travel time.

Vendors are responsible for submitting the cost estimate via email for approval by a Facebook Project Manager with budget authority. Once approved, Facebook will consider allowable travel costs reasonable if expenses are necessary, include no markup and are incurred in accordance with the agreement and this policy. In addition, Facebook reserves the right to not pay for travel that is not in line with this policy.

**Vendor Responsibilities**

* Vendors may take advantage of the negotiated agreements in Facebook’s Travel Program for hotels. In the event the Vendor has negotiated a lower corporate discount, the lowest rate options must be accepted.
* Vendors must minimize travel expenses whenever possible by selecting the least expensive option that does not result in unreasonable or ineffective use of work time.
* Vendors must submit all expense receipts including itineraries related Facebook travel.
* Vendors traveling on behalf of Facebook must pay with their own credit card.
* All insurance for Vendors is the responsibility of the Vendor's employer. Facebook is not responsible for providing insurance coverage.
* Spouse, family members or significant others are not eligible for any Facebook negotiated discounts.

**Air Transportation**

* Vendors should purchase non-refundable airline tickets
* Vendors are required to purchase airfares 14 days prior to departure when possible
* Vendors are required to fly in Economy/Coach class unless authorized in writing by a Facebook Project Manager who also controls the project budget bearing the expense
* Vendors must book the Lowest Logical Fare (LLF) which is defined as the lowest fare within a 2-hour departure/arrival window and may require connections that do not add more than a two (2) hour layover.
* Exceptions to the LLF must be authorized in advance by a Facebook Project Manager who also controls the project budget bearing the expense

**Hotels**

* Vendors must select the lowest hotel rate for the destination city whether the Vendor uses their own corporate hotel program or Facebook’s program
* Reimbursement for lodging is limited to a single standard room rate. No upgraded room category will be reimbursed by Facebook.
* Expense reimbursement for staying in a private home (e.g., family, friends or at a Vendor’s personal residence in lieu of hotel costs are not reimbursable. No compensation in the form of gifts or meals is allowed.

**Car Rental**

* Vendors must select the lowest car rate for the destination city whether the Vendor uses their own corporate car program or Facebook’s program
* Vendors will be reimbursed for a midsize or smaller vehicle.
* Refueling charges are not reimbursable. Vendors are responsible for refueling before returning the car
* Insurances are not reimbursable
* Full size vehicles are allowed only when being shared by 3 or more people
* No Fuel Charges from the rental car company may be expensed. The cost for a Fuel Purchase Option (FPO) should be considered when a traveler anticipates driving over 150 miles and may not have the time to refuel prior to returning the car

**Rail Travel**

* Rail Transportation is a reimbursable travel expense in the areas where rail travel is appropriate or necessary
* Rail Travel should be in the standard class of service unless otherwise approved by a Facebook Project Manager who also controls the project budget bearing the expense

**Frequent Flyer/Frequent Guest Programs**

* Awards for such programs may be retained by Vendors for personal use
* Influence in loyalty programs will not determine the selection of airlines, hotel chain or car rental chain
* Participation in these programs should not influence flight, lodging or car rental selections in any manner that would result in increased costs to Facebook.

**Cancellations**

* Vendor shall not seek reimbursement for incurred travel expenses that are cancelled by the Vendor
* When a trip is cancelled by Facebook after the ticket has been issued, the traveler shall inquire about utilizing the remaining value of the ticket minus airline imposed cancellation fees for future travel for Facebook In the event this is not possible, Facebook will work the airline to obtain a full refund to be applied to any request by Vendor for reimbursement
* Vendors are responsible for cancellation in accordance with hotel cancellation policies. Facebook will not reimburse for no-show billings for failure to cancel

**EXPENSE REIMBURSEMENT**

**Reimbursable Expenses**

The following items may be reimbursable to Vendors when necessary and reasonable, and incurred while conducting Facebook business. Reimbursable items include but are not limited to:

* Commercial airfare and surface transportation (Economy/Coach Class) including
* parking fees and tolls
* Actual gratuity tips paid, when reasonable and customary
* Hotel/lodging
* Meals incurred during out-of-town trip (up to and not to exceed $75.00 USD per day). This is not a per diem.
* Hotel high-speed internet connection
* Business related telephone calls

**Non-Reimbursable Expenses**

Non-reimbursable items include but are not limited to:

* Airline club memberships
* No-show fees for hotels, airfare, or car rentals
* Cancellation fees except those unavoidable due to business requirements
* Class of service upgrades
* Car, train, and air phones
* Barber, hair stylist, manicurist, spa services, shoe shines, and other grooming/personal service expenses
* Lost or stolen personal items
* Personal entertainment including movies and DVD rentals
* Traffic/parking violations
* Family member or other non-business associate’s expenses
* Credit card fees including annual or membership fees, late fees, and interest charges
* Insurance premiums
* Clothing purchases
* Entertainment (including entertaining Facebook employees and any event entertainment
* Foreign travel document requirements
* Free or upgrade certificates for flight, hotel, or car rental
* Laundry and dry cleaning unless trip exceeds 5 business days
* Membership fees (including frequent flyer/frequent guest programs)
* Use of private jet
* Telephone calls (not Facebook business related)
* Trip or flight insurance
* Pet care or kennel costs
* Babysitters or house-sitters