

**AGREEMENT OF AUGUST 1, 2015**

**between**

**PRODUCER**

**and**

**THE ANIMATION GUILD AND AFFILIATED OPTICAL  
ELECTRONIC AND GRAPHIC ARTS, LOCAL #839**

**and**

**INTERNATIONAL ALLIANCE OF THEATRICAL STAGE  
EMPLOYEES AND MOVING PICTURE TECHNICIANS,  
ARTISTS AND ALLIED CRAFTS OF THE UNITED STATES,  
ITS TERRITORIES AND CANADA**

THIS AGREEMENT is executed as of this first day of August, 2015 between the following Producers: ABC Studios; Adelaide Productions, Inc.; Animated Productions Inc.; Cartoon Network Studios, Inc.; Columbia Pictures Industries, Inc.; Disney Television Animation; DreamWorks Animation LLC; DreamWorks Animation Television, Inc.; Fox Animation Los Angeles, Inc.; Fox Television Animation, Inc.; Katy Mac Session Productions, Inc.; Marvel Animation, Inc.; Metro- Goldwyn-Mayer Animation Inc.; Muddy Water Entertainment, Inc.; Obelisk Productions, Inc.; Partricks Road Productions II, Inc.; Rutherford Bench Productions, Inc.; Turner 1050 Productions, Inc.; Universal Animation Studios LLC; Universal City Studios LLC; Walt Disney Pictures; Warner Bros. Animation Inc.; Warner Specialty Productions Inc.; and Watercooler Productions, Inc. as well as others who subsequently become signatory hereto (hereinafter collectively referred to as the "Producer"), on the one hand, and the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada, and The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839 of the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada (both hereinafter referred to as the "Union"), on the other hand. In consideration of the mutual agreements hereinafter contained, it is agreed as follows:

## ***Basic Purposes Of Agreement***

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### **WITNESSETH**

The basic purposes of this Agreement are:

1. To assist each other in every fair and constructive way to secure uninterrupted work in the Producer's place or places of business and the general stabilization of working conditions therein. To that end, Producer agrees to discuss its annual production schedules and its personnel requirements with the Union.

2. To provide methods for the fair and peaceful adjustment of all disputes between the Producer and the Union or members of the Union for the mutual benefit of the Producer and its employees.

3. Both parties hereto agree that these fundamental purposes shall serve as a guiding influence in the settlement of all problems, disputes, grievances and differences between them during the term of this Agreement.

4. The Union hereby warrants and agrees that it is not under any disability of any kind, either arising out of the provisions of its Articles of Incorporation, Constitution, By-laws or otherwise, that will prevent it from fully carrying out and performing each and all of the terms and conditions of the Agreement, and the Producer hereby warrants and agrees that it is not under any disability of any kind, either contractual or otherwise, that will prevent it from fully carrying out and performing all of the terms and conditions hereof.

### **AUTHORITY OF UNION AND PRODUCER**

The Union and the Producer each agrees that it will not maintain or adopt any Articles or By-laws or any rules or orders which will be in conflict with this Agreement.

Each party hereto agrees that it will not take any action that will impede or prevent the full and complete performance of every term and condition hereof.

## *Authority of Union and Producer*

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Nothing herein contained shall be deemed to vest in Local 839 (hereinafter sometimes referred to as the "Local Union") any rights, powers or privileges not granted to it by the provisions of the Constitution and By-laws of the I.A.T.S.E. in effect during the life of this Agreement, or which may be inconsistent with said provisions.

As Local #839 is a member of the I.A.T.S.E., nothing in this Agreement shall ever be construed to interfere with any obligation Local #839 owes to the I.A.T.S.E. by reason of a prior obligation.

NOW, THEREFORE, in consideration of the mutual understandings contained, the parties covenant and agree as follows:

### **ARTICLE 1.**

#### ***SCOPE OF AGREEMENT***

This Agreement shall be applicable to all persons employed by the Producer to perform services in this County of Los Angeles, or employed by the Producer in the County of Los Angeles to perform services outside said County, in any of the job classifications hereinafter set forth except where the employee is required to work under the jurisdiction of another union contract.

### **ARTICLE 2.**

#### ***RECOGNITION***

The Producer recognizes the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States, its Territories and Canada as the exclusive collective bargaining representative of all classifications listed in this Agreement, employed by the Producer. The Union makes this Agreement on behalf of such employees employed by the Producer, the majority of whom the Union warrants are members of the Union in good standing.

The Local Union represents that the terms of this Agreement have been submitted to its membership and have been duly approved thereby.

## *Recognition*

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### **ARTICLE 3.** *SHOP REQUIREMENTS*

A. Each and every employee subject to this Agreement hired by the Producer to perform services in the County of Los Angeles, or hired by the Producer in the County of Los Angeles to perform services outside said County, except where he is required to work under another union's jurisdiction, shall be and remain a member in good standing of the Union on and after the thirtieth day following the beginning of his first employment, as hereinafter defined, or the effective date of this Agreement, whichever is the later. The foregoing requirements of Union membership as a condition of employment shall be subject to the obligations of the parties under law.

B. The Producer may employ or continue to employ any such employee who does not become or is not a member of the Union as required under Paragraph A. above until:

(1) the Union first gives the Producer a written notice that such employee has not become or is not then a member of the Union as above required, because of such employee's failure to tender the periodic dues and the initiation fees uniformly required as a condition of acquiring or retaining such membership, and

(2) such employee fails to tender to the Union such required periodic dues or initiation fees, as the case may be, within three (3) working days after Producer receives such notice in which event Producer upon receipt of written notice by the Union requesting the discharge of such employee for non-membership, as herein provided, shall discharge said employee at the close of shift on which such employee is working at the time Producer receives such notice.

C. Producer agrees to inform the Local Union in writing within seven (7) days (Sundays and holidays excluded) from the date of employment hereafter of any employee subject to this Agreement,

## *Shop Requirements*

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of such employee's name, residential address, social security number, classification, applicable scale wage, and date of employment.

Producer agrees to inform the Local Union in writing within seven (7) days (Sundays and holidays excluded) of severance of employment and of permanent promotions.

*D.* "First employment" as referred to in Paragraph A. of this Article shall (unless determined otherwise by the N.L.R.B., its General Counsel, or a court of competent jurisdiction) mean, in the case of all employees, the first such employment in any of the classifications covered hereunder by any Producer in the animated film cartoon industry in Los Angeles County.

*E.* The parties hereto agree that the above Union Security provisions shall be interpreted and enforced in accordance with and subject to the provisions of the National Labor Relations Act, as amended in 1947, or subsequent amendments thereto, or any other applicable law. When and if such National Labor Relations Act, as amended in 1947, is amended to provide more favorable conditions for the Union than those provided herein with respect to said Union Security, or if the respective portions of the National Labor Relations Act, as amended in 1947, relating to said Union Security are held to be unconstitutional by the Supreme Court of the United States, then in either of such events, the Union may, within sixty (60) days thereafter by written notice to Producer, signify its intention to negotiate a modification of such Union Security provisions only.

Such notice shall set forth in detail the proposals and recommendations of the Union. The parties agree to commence negotiations concerning the proposals or recommendations set forth in such notice, within ten (10) days after receipt of such notice by the Producer, and to continue such negotiations diligently and in good faith until agreement is reached on such proposals and recommendations. In the event that no agreement to modify said Union Security provision is reached within sixty (60) days after commencement of such negotiations, then within thirty (30) days thereafter, either party hereto may, by not less than sixty (60) days' advance written notice to the other party hereto, terminate this Agreement. If no such sixty (60) day notice to terminate is so served, then the terms and conditions of the existing Agreement shall continue in full force and effect.

## *Wage Scales, Hours of Employment and Working Conditions*

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### **ARTICLE 4.**

#### ***WAGE SCALES, HOURS OF EMPLOYMENT AND WORKING CONDITIONS***

Wage scales, hours of employment and working conditions shall be as set forth in the Wage Scales, Hours of Employment and Working Conditions attached hereto.

A. The rates of pay now being received by any employee shall not be decreased by reason of the execution of this Agreement.

B. It is recognized that weekly employees in classifications covered by this Agreement who are exempt under the Fair Labor Standards Act of 1938, as amended, and whose rate is higher than one hundred ten percent (110%) of the applicable Journey rate may, at the Producer's option, be considered on an "on call" basis if mutually agreeable with the employee. An employee placed in such category shall not be subject to the provisions set forth in Article 5 ("HOURS") of this Agreement for work performed on a regularly-scheduled workday as provided in Article 5 hereof and may be required to work additional hours as required during those days. If an employee employed pursuant to Article 5, Paragraph A., below shall be required to work a sixth or seventh workday as defined in this Agreement, then he shall be paid one and one-half (1½) times one-fifth (1/5) of the minimum basic weekly rate provided herein for such employee's classification for each day so worked.

C. Nothing in this Agreement shall prevent any individual from negotiating and obtaining from the Producer better conditions and terms of employment than those herein provided. Further, the Union and the Producer agree that the Producer shall have the right to adjust compensation, conditions and benefits at the sole discretion of the Producer, but in no event less than the applicable minimum compensation, conditions and benefits provided herein for such employee's classification.

For any employee whose salary is in excess of one hundred ten percent (110%) of the minimum scale required hereunder, any premium time payments required under this Agreement may be credited, to the

## *Wage Scales, Hours of Employment and Working Conditions*

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extent legally permissible, to all overtime payments required under this Agreement.

*D.* If an employee shall be engaged in more than one (1) classification of work during any workweek, he shall be paid on a pro rata basis for time spent in each classification.

### *E. Homework Assignment for Weekly Employees*

1. Homework for employees currently employed on a weekly basis shall be voluntary. Overtime, where applicable, shall be paid in accordance with Article 5 ("HOURS") of this Agreement.

2. Contributions to the Pension Plan, Active Health Plan and Retired Employees Fund shall include hours worked or guaranteed on homework assignments.

### *F. Deductions for Time Off*

Whether due to tardiness or other causes, deductions shall not be in excess of time lost.

### *G. Documentaries and Industrials*

The Producer and Union agree to negotiate separate agreements for the production of documentaries, commercials, educational or industrial films when and as needed.

### *H. Materials: Tools and Equipment*

If, because of lack of facilities, the Producer requires an employee to work away from the studio, the Producer will furnish material and tools of the trade customarily furnished by the Producer. Necessary equipment shall likewise be furnished unless the employee has such equipment available.

## *Technological Change*

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### *I. Technological Change*

*1. Definition of Technological Change:* As used herein, the term "technological change" means the introduction of any new or modified devices or equipment for the purpose of performing any work by employees covered by this Agreement, which work directly results in a change in the number of employees employed under this Agreement or which results, with respect to the performance of work in any classification hereunder, in materially changing the job description thereof, if any, provided herein, or in requiring substantially different training, qualification or skills therefor.

*2. Producer's Right to Institute Technological Changes:* The parties hereto agree that Producer has the unrestricted right to make technological changes and that such right shall not be subject to grievance or arbitration or any other proceeding. However, Producer's right to make technological changes shall be subject to the provisions of subparagraphs 3., 4., 5. and 6. of this Article 4, Paragraph I.

*3. Notice of Technological Change:* If Producer proposes to make any technological change, it shall give written notice thereof to Union and to any other union affected by such change. Such notice shall be given as soon as possible but no less than thirty (30) days prior to instituting such change.

*4. Retraining:* If any technological change permanently displaces any person in the performance of his job classification for Producer, and

1) such person, as of the date of such displacement, is entitled under the provisions of subparagraph 9. hereof to be credited with at least one (1) "qualified year" arising out of his employment by Producer and



2) such person is qualified to be retrained for an available job resulting from such technological change or for other jobs which Producer has available within Union's jurisdiction, or within the jurisdiction of any other union which is a party to the Memorandum of Agreement of 1965, or for any other available job opportunity with Producer,

Producer agrees to endeavor to retrain such person for such available job at Producer's expense in which event the provisions of subparagraph 5. below shall not apply.

Union agrees, anything in this Agreement to the contrary notwithstanding, to permit such retraining and to cooperate with Producer with respect thereto. Union further agrees for the benefit of other union parties to the Memorandum of Agreement of 1965, in consideration of the inclusion in their respective contracts of a clause identical with this Article 4, Paragraph I, to permit retraining within this Union's jurisdiction of employees displaced from jobs within the jurisdiction of such other union parties; provided, however, that such other union parties' displaced employees are qualified for retraining in this Union's jurisdiction and provided, further, that such permission shall be on condition (applicable to this Article 4, Paragraph I only) that this Union has been notified of such available job and within forty-eight (48) hours thereafter (excluding Saturdays, Sundays and holidays) is unable to furnish competent available persons on the Studio Seniority Roster, if any, applicable to this Union, to fill such available job. Any such persons offered retraining pursuant to this subparagraph 4. shall, of course, have the right to reject the same, but any such rejection shall discharge Producer's obligations under this Article 4, Paragraph I, unless the job opportunity for which Producer offered retraining was at a lower rate of pay than the job from which employee is being displaced.

## *Technological Change*

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5. Displacement Pay: If any such technological change permanently displaces any person in the performance of his job classification for Producer, and

1) such person, as of the date of such displacement, is entitled under the provisions of subparagraph 9. hereof to be credited with at least one (1) "qualified year" arising out of his employment by Producer and

2) such person makes written application to Producer within thirty (30) days after such displacement, to receive Displacement Pay (as herein defined),

Producer shall pay him the amount of compensation set forth in the following tabel and upon such payment he shall be removed from the Studio Seniority Roster, if any.

## *Technological Change*

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<i>Qualified Years as of the Date Of Displacement</i>	<i>Number of Weeks of Displacement Pay Payable</i>
1 or 2	1
3	1 1/2
4	2
5 to 9 (inclusive)	3
10 or 11	5
12 or 13	6
14 or 15	7
16 or 17	8
18 or 19	9
20 or more	10

The payment of Displacement Pay as above provided shall be separate and apart from any obligation Producer may have to pay Dismissal Pay to such displaced person under the provisions of Article 14 hereof ("DISMISSAL PAY"). Anything in this subparagraph to the contrary notwithstanding, no such displaced person shall be eligible for Displacement Pay if:

- 1) Producer offers the training referred to in subparagraph 4. above and such person rejects it, unless the training rejected is for a job at a lower rate of pay, or
- 2) such person is offered a job by Producer at an equal or better rate of pay, or
- 3) such person accepts any job with Producer even though such job is at a lower rate of pay.

## *Technological Change*

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6. Negotiation of New Rates: If any technological change results, with respect to the performance of work in any classification hereunder, in materially changing the job description thereof, if any, provided herein, or in requiring substantially different training, qualification or skills therefor, and either the Producer or the Union desires to negotiate a new rate or classification for such job, the party desiring such negotiation shall give written notice to such effect to the other party within thirty (30) days following the date upon which any such job is so affected. Upon receipt of such notice the parties shall immediately endeavor to agree upon the proper classification or rate for such job. Any such agreement shall be final and binding upon the parties concerned. If no such agreement is reached within thirty (30) days after such written notice is received, either party to this Agreement may, within thirty (30) days thereafter, invoke Step Three of the grievance procedure provided in Article 15 hereof, or, if they mutually agree to waive Step Three, may proceed immediately to Step Four of the grievance procedure so provided. The rate or classification determined by such agreement or by any arbitration pursuant to Step Four of the grievance procedure shall be effective retroactive to the date upon which any employee commenced performing services in any such affected job, but no reduction in rate shall be retroactive.

7. Experimental Technological Changes: The provisions of subparagraphs 3., 4., 5. and 6. above shall not apply to any experimental technological change except that, if any such change becomes other than experimental and any increased rate for a job affected thereby is negotiated pursuant to subparagraph 6. above, such increased rate shall be retroactive to the date upon which an employee commenced performing the changed services in such affected job. As used herein, the term "experimental" technological change shall mean a technological change which is instituted by Producer for the primary purpose of

determining, under operating conditions, the feasibility and adequacy of performance of any new or modified device or equipment; provided, however, that the change shall no longer be considered experimental after the date upon which its operation by persons under the jurisdiction of this Agreement is no longer subject to supervision by the technicians or engineers concerned with its development. Nothing in this subparagraph shall be construed to deprive Union of jurisdiction over any job over which it otherwise has jurisdiction hereunder.

8. Disputes Concerning Retraining, Displacement Pay and Negotiation of New Rates: If a dispute arises between Union and Producer with respect to any determination required by subparagraphs 4., 5., 6. or 7. of this Article 4, Paragraph I., such dispute shall be subject to the grievance procedure set forth in Article 15 of this Agreement, but any award arising out of such grievance or arbitration shall be limited to the enforcement of the provisions of said subparagraphs hereof and shall not affect Producer's right to make technological changes.

9. "Qualified Years:" As used herein, the term "qualified years," with respect to any employee, shall refer to the number of consecutive periods, of three hundred sixty-five (365) consecutive days each, calculated backward from the date of his severance, in each of which the employee has been employed by Producer for two hundred (200) or more work days (including paid vacation days as work days), it being understood and agreed that if in any such three hundred sixty-five (365) day period such employee was employed for less than two hundred (200) work days by Producer, such three hundred sixty-five (365) day period shall not be counted as a qualified year, but shall be "bridged" for displacement pay purposes, with the result that any such three hundred sixty-five (365) day period or periods prior to such "bridged" year in which employee was employed

## *Technological Change*

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by Producer for two hundred (200) or more work days shall be counted as qualified years; provided, however, that any three hundred sixty-five (365) day period in which employee received any authorized leave of absence without pay shall be extended by the length of such leave, and provided, further, that the computation of qualified years shall be subject to the following exceptions:

*a.* If an employee is determined to have less than two (2) qualified years, the employee shall be credited with a qualified year only if, in addition to having been employed for at least two hundred (200) or more days in the three hundred sixty-five (365) days immediately preceding the date of displacement, the employee shall have been employed for at least one (1) day during the first six (6) months of the eighteen (18) month period immediately preceding the date of displacement, in which case the employee shall be credited with one (1) qualified year.

*b.* Any period of two hundred seventy (270) consecutive days commencing prior to January 31, 1961 in which such employee was not actually employed by Producer will be deemed to have broken the employment record of such employee and no period prior to the completion of such two hundred seventy (270) days shall be considered in determining qualified years of such employee.

*c.* With respect to any severance of employment of an employee which occurred between February 1, 1961 and January 31, 1965, both dates inclusive, the passage of two hundred seventy (270) days following such severance in which such employee was not employed and did not receive an offer of comparable employment under the terms and conditions specified in the predecessor collective bargaining agreement or this Agreement shall result in his being a new employee for displacement pay purposes upon the completion of such two hundred seventy (270) day period.

*d.* If an employee on the date of the displacement from employment under this Agreement after January 31, 1961, with Producer,

would otherwise have had one (1), two (2), three (3), or four (4) consecutive "qualified years" with Producer, but had received full dismissal pay or displacement pay prior to February 1, 1965, then the employee shall be deemed to be a new employee for displacement pay purposes after being rehired and the applicable consecutive qualified years shall be based and computed only upon employment with Producer after the employee so became such a new employee.

## **ARTICLE 5.**

### *HOURS*

Employees may be employed on a weekly or a daily basis as herein prescribed. The full payroll week shall be midnight Saturday through midnight Saturday.

#### *A. Weekly Employment*

1. Employees employed pursuant to this Paragraph A. shall be guaranteed a minimum of forty (40) hours in any five (5) workdays out of seven (7) consecutive days, with two (2) consecutive days off and shall be guaranteed a minimum of one (1) week's employment. A day off at the end of any workweek immediately followed by another day off at the beginning of the next workweek shall satisfy the two (2) consecutive days off requirement. A workday starting on one calendar day and running into the next calendar day shall be credited to the first calendar day.

All time worked in excess of eight (8) hours per day or forty (40) hours per week shall be paid at one and one-half (1½) times the hourly rate provided herein for such employee's classification.

## *Hours*

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### *2. Sixth and Seventh Days*

*a.* Time worked on the employee's sixth workday of the workweek shall be paid at one and one-half (1½) times the hourly rate provided herein for such employee's classification. Time worked on the employee's seventh workday of the workweek shall be paid at two (2) times the hourly rate provided herein for such employee's classification.

*b.* Minimum call for the sixth and seventh days shall be four (4) hours.

*3.* Absences not to exceed eight (8) hours in any one regularly-scheduled workday occasioned by the following shall be included in determining whether or not overtime shall be paid under the applicable clause.

*a.* Where absence is occasioned by the occurrence of a holiday on which no work is scheduled for the employee concerned.

*b.* Where absence is occasioned by a certified illness for which the employee is paid sick leave, or by an accident on the job.

*c.* Where the employee reported to work, or was ready and willing to report for work, but was laid off for the full day or part thereof due to lack of available work.



*d.* Where the employee has been granted a leave of absence during his normal working hours in order to conduct Union business.

4. Producer shall give notice of at least five (5) working days to employee of any change in that employee's regular weekly schedule, except when exigencies of production make such notice impractical or impossible. If an employee so notified of such change in his regular weekly schedule requests that Producer delay the implementation of such schedule change due to the employee's unusual or emergency circumstances, the Producer shall not unreasonably or arbitrarily deny such request.

*B. Daily Employment*

1. Employees employed pursuant to this Paragraph B. shall be guaranteed a minimum of four (4) hours in any one day. All time worked up to eight (8) hours per day shall be paid at 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification. All time worked in excess of eight (8) hours per day shall be paid at one and one-half (1½) times the applicable hourly rate provided herein for such employee's classification.

2. Employees employed on a daily basis shall receive written confirmation from Producer prior to commencement of employment that employment is on a daily basis.

## *Hours*

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3. In the event that an employee's employment status is changed from daily to weekly or weekly to daily, written notice of such change shall be furnished to the affected employee at least seven (7) calendar days prior to the effect of such change, except when exigencies of production make such notice impractical or impossible.

4. A weekly employee shall not be changed to daily employment for the purpose of avoiding holiday pay pursuant to Article 6 ("HOLIDAYS") below.

C. Overtime premiums payable under any provision of this Agreement shall not be compounded. When practicable, overtime shall be distributed equally.

### *D. Golden Hours Provision*

All time worked in excess of fourteen (14) consecutive hours (including meal periods) from the time of reporting to work shall be Golden Hours and shall be paid at two (2) times the applicable hourly rate provided herein for such employee's classification.

### *E. Short Workweek*

Weekly employees who are unable to work a full workweek, either at the studio or at home, shall apply to the Union for a waiver.

## **ARTICLE 6.**

### *HOLIDAYS*

A. There shall be nine (9) paid holidays during the year: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day. Every employee shall receive straight time pay for each unworked

holiday; double time shall be paid for all work done on said holidays.

*B.* For holidays not worked, 3.719% of the employee's annual straight time earnings shall be payable upon request of the employee after March 15 in the calendar year subsequent to the calendar year in which such earnings are accumulated. The total amount of salary paid in the period of a calendar year hereunder for recognized holidays not worked shall be offset against an amount equal to 3.719% of such employee's accumulated earnings within the same period. The employee shall be paid the amount by which such 3.719% computation exceeds the amount of holiday pay such employee has received for such period.

*C.* Said holidays shall be counted as eight (8) hours of work in computing the forty (40) hour week.

*D.* If any such holiday falls on the sixth day of an employee's workweek, then the fifth workday of such employee's workweek shall be considered as the paid holiday, unless another day off is mutually agreed upon by the Producer and the employee.

*E.* If any such holiday falls on the seventh day of an employee's workweek, then the first workday of the following workweek shall be considered as the paid holiday, unless another day off is mutually agreed upon by the Producer and the employee.

*F.* To make it possible for the employees to enjoy an extended holiday, the sixth day may be worked in any week in which a holiday falls in place of a regularly-scheduled work day, provided it is mutually agreeable between the Producer and the Union. If an employee has not worked forty (40) hours in any such workweek, the time worked on the sixth day shall be paid for at straight time.

*G.* In the event a holiday should occur during the vacation period on a day the employee is normally scheduled to work, an additional day's vacation shall be allowed an employee, or the Producer, at its discretion, may pay for such extra day in lieu thereof.

## *Holidays*

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### *H. Procedure for Payment of Vacation and Holiday Pay*

The following system shall be implemented regarding the payment of vacation and holiday pay:

1. Producers which currently pay for vacations and holidays on a weekly basis shall continue to adhere to their existing practice.

2. Producers which currently pay for vacations and holidays at the end of the calendar year shall comply with the following procedure:

*a.* On or about March 15 of the year following the calendar year in which vacation and/or holiday pay was earned, employees and their Local Unions will be notified as to the amount of vacation and holiday pay earned in the preceding year. Employees on payroll may request vacation and holiday pay and schedule their vacations according to the Agreement. Employees on layoff may claim vacation and holiday pay pursuant to the provisions of the existing Agreement.

*b.* In or about February of the second calendar year following the year in which vacation and/or holiday pay was earned ("the second calendar year"), employees who have not taken or claimed vacation or holiday pay, and their Local Union, will be notified that they must claim such pay by June 1 of that year. On or about May 15 of the second calendar year, the Local Union will be notified that, unless claimed by June 15, unclaimed vacation and holiday pay will be paid to the Motion Picture Industry Pension Plan. On or

about June 15 of the second calendar year, unclaimed vacation and holiday pay will be contributed to the Motion Picture Industry Pension Plan and credited to the appropriate employee pension plan account.

**ARTICLE 7.**

***SICK LEAVE***

*A. California Sick Leave*

1. *Accrual.* Commencing July 1, 2015, eligible employees covered by this Agreement shall accrue one (1) hour of paid sick leave for every thirty (30) hours worked in California for Producer, up to a maximum of forty-eight (48) hours or six (6) days. (In lieu of the foregoing hourly accrual of paid sick leave, and provided that advance notice is given to the employee, a Producer may elect to provide employees, upon their eligibility to use sick leave as provided below (i.e., upon working thirty (30) days in California for the Producer and after their ninetieth (90th) day of employment in California with the Producer (based on days worked or guaranteed), with a bank of twenty- four (24) hours or three (3) days of sick leave per year, such year to be measured, as designated by the Producer, as either a calendar year or starting from the employee's anniversary date. Under this elected option, such banked sick leave days may not be carried over to the following year.)

2. To be eligible to accrue paid sick leave, the employee must have worked for the Producer for at least thirty (30) days in California within a one (1) year period, such year to be measured, as designated by the Producer, as either a calendar year or starting from the employee's anniversary date. Sick leave may be used in minimum increments of four (4) hours upon oral or written request

## *Sick Leave*

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after the eligible employee has been employed by the Producer in California for ninety (90) days (based on days worked or guaranteed), such period to be measured, as designated by the Producer, as either a calendar year or starting from the employee's anniversary date. Reasonable advance notification of the need for sick leave is required if the use is foreseeable; otherwise, notice is required as soon as practicable. Sick days accrued on an hourly basis shall carry over to the following year of employment; however, the Producer may limit the use of such accrued time to no more than twenty-four (24) hours or three (3) days during each year of employment as defined by the Employer in advance.

3. For employees employed on an hourly or daily basis, a day of sick leave pay shall be equal to eight (8) hours' pay at the employee's straight time hourly rate. If a four (4) hour increment of sick leave is taken, the employee shall be paid four (4) hours of pay at his straight time hourly rate. For weekly employees (including "on call" employees), a day of sick leave pay shall be equal to one-fifth (1/5th) of the employee's weekly rate under the minimum wage scales (or fifty percent (50%) thereof for a four (4) hour increment of sick leave taken). Replacements for weekly employees (including "on call" employees) may be hired on a pro rata basis of the weekly rate regardless of any contrary provision in this Agreement. The employee shall not be required to find a replacement as a condition of exercising his right to paid sick leave.

4. Sick leave may be taken for the diagnosis, care or treatment of an existing health condition of, or preventive care for, the employee or the employee's "family member."

"Family member" means any of the following:  
(1) a biological, adopted or foster child, stepchild, legal ward or a child to whom the employee stands in loco parentis; (2)

a biological, adoptive or foster parent, stepparent or legal guardian of the employee or the employee's spouse or registered domestic partner or a person who stood in loco parentis when the employee was a minor child; (3) a spouse; (4) a registered domestic partner; (5) a grandparent; (6) a grandchild; or (7) a sibling.

Sick leave also may be taken by an employee who is a victim of domestic violence, sexual assault or stalking.

5. Accrued, unused sick leave is not paid out on termination, resignation or other separation from employment. If an employee is rehired by the Producer within one (1) year of the employee's separation from employment, the employee's accrued and unused sick leave shall be reinstated, and the employee may begin using the accrued sick leave upon rehire if the employee was previously eligible to use the sick leave or once the employee becomes eligible as provided above.

6. Producer shall include in the employee's start paperwork the contact information for the designated Producer representative whom the employee may contact to confirm eligibility and the amount of accrued sick leave available. Such start paperwork shall also include information with respect to the year period (i.e., calendar year or the employee's anniversary date) that the Producer selected to measure the thirty (30) day and ninety (90) day eligibility periods and the cap on accrual set forth in Paragraph 2. above or, alternatively, if the Producer elected to provide employees with a sick leave bank, the year period (i.e., calendar year or the employee's anniversary date) that the Producer selected for the bank of three (3) sick days as provided in Paragraph 1. above. Producer also shall notify the Union of the name and contact information of the designated Producer representative.

## *Sick Leave*

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7. Any Producer that has a sick leave policy, or paid leave or paid time off policy that permits the use of paid sick time, as of June 30, 2015, may continue such policy in lieu of the foregoing. Nothing shall prevent a Producer from negotiating a sick leave policy with better terms and conditions. There shall be no discrimination or retaliation against any employee for exercising his or her right to use paid sick leave.

8. Any dispute with respect to sick leave for employees covered under this Agreement shall be subject to the grievance and arbitration procedures provided in Article 15 of this Agreement.

*B.* The Union expressly waives, to the full extent permitted by law, application of the following to all employees employed under this Agreement: the New York City Earned Sick Time Act of 2013; the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); all requirements pertaining to "paid sick leave" in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.01.e), 37.03, 37.07.a)1)B.ii. and 37.07.f)); the Oakland Sick Leave Law (Municipal Code Section 5.92.030.); the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698); Chapter 18.10 of Title 18 of the Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); Chapter 160 of the Ordinances of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the Paid Sick Time for Private Employees Ordinance of East Orange, New Jersey (Ordinance No. 21- 2014; East Orange Code Chapter 140, Section 1 et seq.); the Paid Sick Time Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal Code); the Sick Leave for Private Employees Ordinances of Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412); Trenton, New Jersey (Ordinance No. 14-45) and Elizabeth, New Jersey (Ordinance No. 4617); and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the Union and the AMPTP shall memorialize any such waiver for any newly-enacted law by letter agreement.



**ARTICLE 8.**  
**VACATIONS**

All weekly employees covered by this Agreement shall be given vacations as follows:

A. Employees who have had one (1) year of continuous employment with the Producer shall be entitled to two (2) weeks' paid vacation.

B. Employees who have been with the Producer more than one (1) continuous year shall accumulate vacation at the rate of one (1) week for each six (6) months of employment.

C. Employees who have less than one (1) year of continuous employment with the Producer whose services are terminated shall be paid vacation pay at the rate of four percent (4%) of straight time earnings.

D. Vacation shall not be cumulative between calendar years and shall be taken at times approved by the Producer. As much notice as possible will be given to employee.

E. An employee's sixth and seventh work days occurring during vacation periods are excluded as days granted.

F. When any portion of the vacation period is less than a full payroll week, by mutual agreement between the Producer and the employee, the Producer may grant leave of absence without pay for the remaining fractional portion of the payroll week.

G. The Producer, at its election, may compute any payment of vacation pay on the employee's personal income tax earnings year, or the employee's anniversary year, or the studio's established fiscal vacation year. The Producer will notify the Union accordingly.

## *Vacations*

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### *H. Additional Vacation Provisions*

The following vacation provisions shall apply to employees who meet the necessary eligibility qualifications:

#### *1. Eligibility Requirements*

Eligible employees shall be entitled to one hundred twenty (120) hours of vacation after eight (8) years. Eligible employees are those who actually worked for Producer for eight (8) consecutive "eligible" years.

As used in this provision, the term "year" shall mean the employee's personal income tax earnings year (also hereinafter referred to as "tax year"). The Producer, at its election, may substitute for the tax year the employee's anniversary year or the studio's established fiscal vacation year; the term "eligible year" shall mean a tax year in which the employee worked one hundred (100) or more straight time days for Producer; the term "straight time days" shall be deemed to include the five (5) days of employment specified under the normal workweek.

Any tax year in which employee actually works less than one hundred (100) "straight time days" for Producer shall be excluded in computing the required eight (8) eligible tax years.

Employees who fail to work more than one hundred (100) straight time days for such Producer in each of any two (2) consecutive tax years shall, at the end of such second year, be considered a new employee hereunder with no previous employment credit with the Producer for the purpose of establishing the above eligibility requirements; provided, however, that in determining such two (2) consecutive years, no year shall be included (and the straight

time days worked in such year shall not be counted for any eligibility purposes hereunder) in which the employee could not work one hundred (100) straight time days for Producer due to either or both of the following:

*a.* The period of recorded leaves of absence granted by the Producer;

*b.* The period during which the employee was absent and physically unable to work for Producer solely as a result of an "Industrial Accident" occurring to such employee while employed by the Producer.

## *2. Vacation Days and Pay*

Such employees who become eligible as above provided shall, beginning with the date they so become eligible, earn with Producer fifty percent (50%) more in vacation time and money based upon the vacation schedule set forth above. Any such employee shall be limited to earning a maximum of one hundred twenty (120) hours vacation per year; provided that, for the remainder of any such tax year in which such an employee becomes eligible, he shall only earn additional vacation time and money, as above provided, based solely on the straight time days he worked for Producer after he so became eligible and within the remaining portion of such year; to be computed separate and apart at the rate of one-half ( $\frac{1}{2}$ ) of the vacation benefit specified under the above vacation schedule.

## *3. Loss of Eligibility*

Employees who become eligible, as above provided, but who thereafter either resign from employment with Producer or fail to work for Producer more than one

## *Vacations*

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hundred fifty (150) straight time days in any one (1) tax year shall, as of the last day of such tax year or, in the case of resignation, the date of such resignation, lose such eligibility and right to earn the additional vacation days and pay above provided; in such event, they shall thereupon be considered new employees hereunder with no previous employment credit with Producer for the purpose of subsequently establishing the above eligibility requirements.

In determining whether any employee loses his eligibility for failure to work for Producer more than one hundred fifty (150) straight time days in a tax year as above provided, no such year shall be counted for this purpose in which the employee could not work at least one hundred fifty-one (151) straight time days for Producer due to either or both of the following:

*a.* The period of recorded leaves of absence granted such employee by the Producer;

*b.* The period during which such employee was absent and physically unable to work for Producer solely as a result of an "Industrial Accident" occurring to him while employed by Producer.

#### *4. Eligibility Credit*

For the purposes of determining "eligible" years and "loss of eligibility" only, as above provided, employees who leave the employ of Producer to perform military service and who remain in the Armed Forces of the United States in accordance with the applicable National Selective

Service Act (or other subsequently enacted comparable national legislation then in effect pertaining to such service) shall be credited as having worked for Producer the number of applicable days the employee would normally have been employed by Producer for straight time days in each workweek of the period of such service.

5. The method of payment of vacation and holiday pay shall be as set forth in Article 6 ("HOLIDAYS"), Paragraph H.

**ARTICLE 9.**

*NON-DISCRIMINATION*

The parties agree to continue to comply with all applicable federal and state laws relating to non-discriminatory employment practices.

Claims alleging a violation of this "Non-Discrimination" provision are not subject to grievance nor arbitration.

**ARTICLE 10.**

*MILITARY SERVICE PROVISIONS*

In addition to abiding by all federal laws in regard to employees serving in the Armed Forces of the United States, the Producer agrees not to deduct any monies from the salary of any employee for time spent in being interviewed or examined by the Draft Board or any Medical Board prior to rejection from or induction into the Armed Forces. The Producer may require evidence of the necessity of such an interview from the Draft Board.

## *Loaning Employees To Other Companies*

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### **ARTICLE 11.**

#### *LOANING EMPLOYEES TO OTHER COMPANIES*

Employees loaned out by Producer shall continue to retain and to accumulate their seniority and shall receive at least the hourly rate provided herein for such employee's classification. Whenever an employee so loaned out by Producer is actually subjected to any additional expense because of such loan out, then he shall be compensated therefor by the borrowing Producer.

### **ARTICLE 12.**

#### *SENIORITY*

Seniority shall be cumulative from the first day of employment with the Producer. Seniority shall be broken by discharge for cause, voluntary resignation (including refusal to accept any job assignment commensurate with the employee's experience at an hourly rate not less than such employee's then-current hourly rate; however, in no instance shall the rate exceed one hundred ten percent (110%) of the average hourly rate for bargaining unit work performed by such employee for Producer over the preceding one (1) year period), unauthorized leave of absence, layoff in excess of twelve (12) months, or an absence in excess of twelve (12) months due to illness or injury. In no event may the above conditions be combined to extend the applicable period.

In hiring, layoffs and recalls, the principle of seniority shall apply as set forth below, except that where the merit and ability of one individual is, in the sole discretion of the Producer, superior to that of another individual, Producer's judgement shall prevail unless the Union can demonstrate that Producer did not reach its decision fairly and reasonably and without illegal discrimination of any kind. The concept of merit and ability includes an employee's work performance in relationship to the Producer's reasonable production standards, qualitative or quantitative. The principle of promotions from within the organization is hereby acknowledged, but this principle or the seniority principle shall not prevent the Producer from obtaining new talent.

*A. Hiring, Layoffs and Recalls*

1. If additional personnel are required by the Producer in any classification covered by this Agreement, the Producer agrees to give first preference of employment to persons on layoff with seniority provided merit and ability are relatively equal in the sole discretion of the Producer pursuant to the above.

2. If Producer determines that there are no qualified available persons eligible for recall under Paragraph A.1. above, the Producer agrees to give preference of employment to all qualified available persons having six (6) months or more experience in the animated cartoon industry in any job classification set forth in this Agreement, provided the merit and ability of these applicants are equal to or greater than the merits and abilities of other applicants in the sole discretion of the Producer. The Producer shall in all events exercise said discretion fairly and reasonably and without illegal discrimination of any kind.

In the event that Producer shall employ an individual pursuant to this Paragraph A.2., which individual has not had at least six (6) months' experience within Los Angeles County at the time of hire, then Producer shall furnish the Union with a summary of such employee's experience within ten (10) business days of such employee's commencement of employment. The Producer's decision in this regard shall be upheld unless the Union can demonstrate that such decision was arbitrary.

3. In the event there are insufficient available qualified persons under Paragraphs A.1. and A.2. above to meet the employment needs of the Producer in said classifications, the Producer may secure employees from any source.

## *Seniority*

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4. If layoffs in personnel are effected, such layoffs shall be made in conformity with the principle of seniority provided merit and ability are relatively equal in the sole discretion of the Producer pursuant to the preamble of this Article 12. The Producer shall in all events exercise said discretion fairly and reasonably and without illegal discrimination of any kind.

5. Layoffs or reclassifications of personnel shall not result in placing unreasonable or abnormal duties or work upon any of the remaining employees.

6. If an employee is laid off, the Producer shall provide either five (5) days' notice or five (5) days' pay, provided that the layoff was not occasioned by an act of God or other occurrence beyond the Producer's control. Any weekly employee given notice as prescribed above may be laid off prior to the end of such employee's scheduled five (5) day workweek; in such event, such employee shall be paid on a pro rata basis for those days required to complete his assigned work, but in no event less than the number of days required to comply with the five (5) day notice requirement. Such notice may be given orally but must be confirmed in writing and given to the individual employee.

Without need for additional notice, Producer shall orally advise employee in the event such dismissal date is extended in order to complete an assignment. The foregoing does not affect the Producer's right to prorate payment for a partial workweek.

Any probationary employee, as defined in Article 16.A. of this Agreement, who is engaged for ninety (90) days or fewer and who is released from employment shall not be eligible for notice or payment in lieu of notice under the terms of this provision.



*B.* Any alleged violation of any provision contained in this Article 12 shall be arbitrable only by Expedited Arbitration as provided herein, except where the parties shall mutually agree otherwise in writing, in which event such alleged violation may be submitted to Regular Arbitration as provided herein. However, if such alleged violation is submitted to Regular Arbitration, the authority of the Arbitrator to award any damages or remedies to the parties shall nonetheless be governed by the provisions of Expedited Arbitration below.

**ARTICLE 13 (none)**

**ARTICLE 14.**

*DISMISSAL PAY*

*A.* Whenever an employee has been laid off by the Producer for more than one hundred ten (110) days and has not been offered employment by the Producer during that time and is eligible for Dismissal Pay, he or she shall be paid Dismissal Pay according to the provisions of this Article.

*B.* Employees with three (3) months, but less than six (6) months, of continuous employment shall receive one and one-fourth (1 $\frac{1}{4}$ ) days' pay.

*C.* Employees with six (6) months, but less than one (1) year, of continuous employment shall receive one (1) week's pay.

*D.* Employees with one (1) or more years of continuous employment shall receive two (2) weeks' pay.

*E.* Employees earning between one hundred percent (100%) and one hundred fifty percent (150%) of the applicable minimum hourly rate on the date of layoff and otherwise entitled to Dismissal Pay shall

## *Dismissal Pay*

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receive Dismissal Pay calculated at the employee's contracted rate of pay in effect on the date of layoff. Employees earning more than one hundred fifty percent (150%) of the applicable minimum hourly rate on the date of layoff and otherwise entitled to Dismissal Pay shall receive Dismissal Pay calculated at one hundred fifty percent (150%) of the applicable minimum rate in effect on the date of layoff, unless a higher rate has been previously negotiated and agreed upon between the employee and the Producer.

Neither interest, penalty or additional payment of any kind shall be applicable in the event of non-timely payment of Dismissal Pay.

*F.* Employees who are discharged for cause or who voluntarily resign (including failure to accept any job assignment commensurate with the employee's experience at an hourly rate not less than such employee's then-current hourly rate; however, in no instance shall the rate exceed one hundred ten percent (110%) of the average hourly rate for bargaining unit work performed by such employee for Producer over the preceding one (1) year period) or who are laid off as a result of physical incapacity, epidemic, fire, action of the elements, strikes, walk-outs, labor disputes, governmental order, court order or order of any other legally constituted body, act of God, public enemy, war, riot, civil commotion, or for any other cause or causes beyond the control of the Producer, whether of the same or any other nature, shall not be entitled to the above Dismissal Pay.

*G.* For purposes of this Article only, continuous employment shall begin from the employee's starting date. Continuous employment shall be broken by:

*1.* Voluntary resignation (including failure to accept any job assignment commensurate with the employee's experience at an hourly rate not less than such employee's then-current hourly rate; however, in no instance shall the rate exceed one hundred ten percent (110%) of the average hourly rate for bargaining unit work performed by such employee for Producer over the preceding one (1) year period);

2. Discharge for cause;
3. Layoff for more than one hundred ten (110) days;
4. Absence due to illness or injury in excess of twelve (12) months; or
5. Unauthorized leave of absence.

An employee re-employed after his continuous employment has been broken as stated above in Paragraph F.3. shall be considered a new employee with respect to Dismissal Pay, but this shall not affect his seniority.

## **ARTICLE 15.**

### *GRIEVANCE PROCEDURE*

In the event of any dispute between the Local Union or any of the persons subject to this Agreement and the Producer with regard to discipline (up to and including discharge), wages, hours or other conditions of employment or with regard to the interpretation of this Agreement, the procedure, unless otherwise specifically provided herein, shall be as set forth in this Article 15.

Failure to settle the dispute within ten (10) business days after the invocation of Step One entitles either party to proceed to Step Two; failure to settle the dispute within ten (10) business days after the invocation of Step Two entitles either party to proceed to Step Three, or to Regular Arbitration in the event of a written mutual agreement between the parties to waive the Step Three procedure, or to Expedited Arbitration in cases requiring such; failure to settle the dispute within ten (10) business days after the invocation of Step Three, or the written mutual agreement to proceed to Step Three in cases requiring Expedited Arbitration, entitles either party to proceed to Regular Arbitration, or to Expedited Arbitration in cases requiring such.

## *Grievance Procedure*

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In the event the grieving party does not exercise its option to proceed to the next step by serving notice upon the other party as required hereunder within ten (10) business days of entitlement to do so as provided herein, then such grieving party shall be deemed to have waived such grievance unless the parties mutually stipulate otherwise in writing.

Each party agrees to provide, upon written request by the other party, non-proprietary information which is relevant and necessary to the processing of any grievance hereunder. Such information shall be provided to the requesting party in a timely manner.

*STEP ONE* - The representative of the Local Union and the Producer's representative shall immediately discuss the matter and the dispute shall be settled if at all possible. The decision, if any, of these representatives shall be final and binding upon the parties to the dispute.

*STEP TWO* - In the event of a failure to settle the dispute under Step One above, the grieving party shall present the grievance in written form to the representative of the other party. Such written notice shall contain the specific contract section(s) which are alleged to have been violated, the date(s) or approximate date(s) of the alleged violation(s), the specific facts and details or a summary of the alleged violation(s) on which the grievance is based, the name of the production (if any), the remedy sought and the name(s) of the individual(s) aggrieved, except for group claims for which the classification(s) of the individuals aggrieved shall be listed.

In the event the party receiving the Step Two notice does not feel that the written notice complies with the preceding, then the party receiving the Step Two notice shall notify the grieving party within five (5) working days of receipt of such Step Two notice. This response shall indicate those areas in which more specific information is required. The grieving party shall then have five (5) working days to provide such additional information. This procedure tolls the running of the time limitations otherwise applicable.

## *Grievance Procedure*

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The Business Agent of the Local Union and the Labor Representative of the Producer will then meet in an attempt to settle the same; their decision, if any, shall be final and binding upon the parties to the dispute.

*STEP THREE* - In the event of a failure to settle the dispute under Steps One or Two above, the aggrieved party shall deliver to the other party a written notice of intent to proceed to Step Three. The grievance shall thereupon be presented to a Grievance Committee. Such Committee shall consist of an International Representative of the IATSE and a representative of the CSATF. Such Grievance Committee shall immediately discuss the matter and the dispute shall be settled if at all possible.

Upon written mutual agreement of the parties, this Step Three procedure may be waived and the aggrieved party may proceed directly to Step Four.

In any case where Expedited Arbitration is required pursuant to Article 12 ("SENIORITY") or Article 16 ("DISCIPLINE AND DISCHARGE") hereof, this Step Three process shall not apply unless the parties mutually agree otherwise in writing.

### *STEP FOUR*

*A. REGULAR ARBITRATION:* In the event of a failure to settle the dispute under Steps One, Two or Three above, the aggrieved party may elect to proceed to Regular Arbitration by delivering or mailing to the other party a written demand for arbitration. In such event, an Arbitrator shall be mutually agreed upon by the parties to the dispute and such Arbitrator shall promptly proceed to hear the matter and settle the dispute. In the event the parties to the dispute cannot mutually agree upon said Arbitrator as aforesaid, then the aggrieved party may immediately request the Federal Mediation and Conciliation Service ("FMCS") to submit a list of five (5) names of Arbitrators to the parties to the dispute for the purpose of selection of an Arbitrator; each party shall be entitled to strike

## *Grievance Procedure*

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two (2) names from the list of five (5) names submitted by the FMCS and the remaining name shall be the sole Arbitrator to hear and determine the matter. The selection of such Arbitrator shall be made within five (5) workdays, excluding Saturdays, Sundays and holidays, after receipt by the parties to the dispute of the names of the Arbitrators submitted by the FMCS. The Arbitrator selected shall notify the parties as to the time and place of the arbitration hearing if the parties cannot agree.

The subject of the arbitration shall be limited to the specific issues and facts set forth in the written notice required under Step Two above. The decision of the Arbitrator shall be binding upon the parties hereto and upon the persons subject to this Agreement. The Arbitrator shall have the power to interpret and apply the provisions of this Agreement, but shall not have power to amend or modify any of its provisions, nor shall he have power to effect a change in any of its provisions. The Arbitrator shall not have power to determine jurisdictional disputes between the Local Union and any other labor organization.

Fees and expenses of the arbitration shall be borne equally by the parties to the dispute.

***B. EXPEDITED ARBITRATION:*** In cases involving any alleged violation of any provision of Article 12 ("SENIORITY") or Article 16 ("DISCIPLINE AND DISCHARGE"), in the event of a failure to settle the dispute under Steps One or Two or, if applicable, Step Three above, the aggrieved party may elect to proceed to Expedited Arbitration by delivering or mailing to the other party a written demand for Expedited Arbitration.

Cases that are submitted to Expedited Arbitration shall be heard within ten (10) business days after the party served receives the demand for Expedited Arbitration if the selected Arbitrator is available. If the Arbitrator is not available, he may hear the case as soon as mutually agreed by the parties. The method of selection of the Arbitrator shall be as prescribed under Paragraph A., Regular Arbitration, above. The parties, who may be represented by outside counsel, will not file post-hearing briefs

nor will a stenographic record be made, but the parties may, prior to or during the hearing, present a written statement of the facts. The Arbitrator shall have authority to rule on all motions and decide the case. The writing of an opinion will be at the discretion of the Arbitrator. The decision of the Arbitrator, which shall be issued orally at the conclusion of the hearing and confirmed in writing to both parties within three (3) days, or which shall be issued in writing within three (3) days from the conclusion of the hearing (the choice being at the sole discretion of the Arbitrator), shall be final and binding upon the parties and any employees concerned. The Arbitrator shall have the power to determine only the specific grievance or dispute and, where applicable, award wage payments, adjustments and/or damages consistent with this Agreement, but in no event shall the amount of any such award exceed fifteen thousand dollars (\$15,000.00). The Arbitrator shall not have power to amend, modify or effect a change in any of the provisions of this Agreement. The Arbitrator shall not have power to determine jurisdictional disputes between the Local Union and any other labor organization. The decision of the Arbitrator shall be non-precedential and his decision and/or opinion, if any, shall not be offered or admitted into evidence in any proceeding other than 1) a judicial act seeking confirmation, correction or vacation of such decision, or 2) a grievance or arbitration proceeding involving the Producer and Local Union.

Fees and expenses of the arbitration shall be borne equally by the parties to the dispute.

*CLAIMS* - Any grievance for the payment of wages not presented under Step Two within three hundred sixty-five (365) calendar days after the employee is entitled to such wages shall be deemed to be waived.

Any grievance for the payment of Dismissal Pay not presented under Step Two within one hundred and twenty (120) calendar days after the date the employee is eligible under Article 14 for such Dismissal Pay shall be deemed to be waived. Any grievance arising from an alleged breach of any provision of Article 12 ("SENIORITY") or Article 16 ("DISCIPLINE AND DISCHARGE") hereof not presented under Step One within ten (10) business days after the occurrence of the subject

## *Discipline And Discharge*

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matter of the grievance shall be deemed to be waived. Any other grievance not presented under Step Two within sixty (60) calendar days after the occurrence of the subject matter of the grievance shall be deemed to be waived.

Upon mutual agreement of the parties, the powers hereby granted to the Arbitrator may be deemed to include, among the other powers specifically granted by the terms hereof, such other and additional powers granted to an Arbitrator pursuant to the provision of Sections 1280 to 1292, inclusive, of the Code of Civil Procedures of the State of California; the parties hereto hereby agree that the Superior Court of the State of California in and for the County of Los Angeles, may, upon notice to both parties hereto, specifically enforce any decision or award made by said Arbitrator.

### **ARTICLE 16.**

#### *DISCIPLINE AND DISCHARGE*

A. The Producer shall have full rights to discipline or discharge for cause any employee subject to this Agreement provided that the rules set forth in this Article have been followed; provided that an employee, when hired by the Producer for the first time or rehired after a break in seniority, may be discharged or disciplined for any reason during his first ninety (90) days of employment ("Probation Period"). Employees who have completed the applicable Probation Period shall only be disciplined or discharged for cause.

B. Before any employee subject to this Agreement shall be discharged for unsatisfactory work performance, including qualitative and quantitative work performance, at least two (2) written notices shall have been served upon the employee. If the employee cannot be contacted, the Producer shall so notify the Business Representative of the Local Union.

C. The first notice shall clearly state in what manner the employee's work performance is considered to be unacceptable, and



## *Discipline And Discharge*

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shall clearly warn the employee of the possibility of discipline including discharge if his work performance does not improve.

The second notice may be served upon the employee no sooner than five (5) working days after the service of the first notice. The second notice, if final, shall set the date and time of termination of employment, which may be contemporaneous with such notice.

*D.* Copies of all notices provided for in this Article shall be mailed or delivered to the Business Representative not more than two (2) working days after service of the notice to the employee.

*E.* Failure of an employee to challenge a disciplinary warning notice shall not constitute an admission of guilt under that warning notice. Disciplinary memos issued to an employee are admissible evidence in a grievance and/or arbitration proceeding. However, such disciplinary memoranda issued more than one (1) year prior to the incident or event giving rise to said grievance shall not be admissible. The employee shall have the right to challenge such disciplinary memo under the grievance and arbitration procedure of this Agreement.

*F.* An employee need not be warned prior to any possible disciplinary action based on dishonesty, alcohol or drug use, fighting, gross insubordination, recklessness resulting in serious accident while on duty, gambling, or other offenses of a similar nature. The foregoing is not intended to affect the meaning of "cause."

*G.* Any alleged violation of any provision contained in this Article 16 shall be arbitrable only by Expedited Arbitration as provided herein, except where the parties shall mutually agree otherwise in writing, in which event such alleged violation may be submitted to Regular Arbitration as provided herein. However, if such alleged violation is submitted to Regular Arbitration, the authority of the Arbitrator to award any damages or remedies to the parties shall nonetheless be governed by the provisions of Expedited Arbitration.

## *Leave Of Absence*

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### **ARTICLE 17.**

#### *LEAVE OF ABSENCE*

A. The Producer may grant a leave of absence with or without pay to any employee for a period of up to six (6) months. Based on the operational needs of Producer, such leave may be extended by Producer in increments of up to thirty (30) days.

B. An initial leave of absence of thirty (30) consecutive days or less shall not be deducted from the continuous employment record of employee.

C. In a leave of absence of more than thirty (30) consecutive days, the number of days in excess of such thirty (30) days shall be deducted from the continuous employment record of the employee, except in case of jury duty. The Producer will notify the Local Union of any leave of absence in excess of thirty (30) days. Inadvertent failure to notify the Local Union shall not be considered a breach of this Agreement.

### **ARTICLE 18.**

#### *EMPLOYEE BENEFITS*

##### A. Pension Plan

The Producer shall, for the period commencing August 1, 2015 to and including July 31, 2018, pay to the Motion Picture Industry Pension Plan, through its Administrator, in accordance with the provisions of the 2015 I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement, except as modified in the unit rates of The Animation Guild Wage Scales as set forth on pages 72 to 78 of this Agreement. "On call" weekly contributions shall be based upon a fifty-six (56) hour week.

*B.* Individual Account Plan

Provisions of the Individual Account Plan shall be as provided in the I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2015. "On call" weekly contributions shall be based upon a fifty-six (56) hour week.

*C.* Health Plan

Provisions of the Motion Picture Industry Health Plan shall be as provided in the I.A.T.S.E. & M.P.T.A.A.C. Basic Agreement of 2015, except as modified in the unit rates of The Animation Guild Wage Scales as set forth on pages 72 to 78 of this Agreement. "On call" weekly contributions shall be based upon a fifty-six (56) hour week.

*D.* Retired Employees Fund

Provisions of the Retired Employees Fund shall be as provided in Article XIV of the I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2015. "On call" weekly contributions shall be based upon a fifty-six (56) hour week.

*E.* Supplemental Markets

The Supplemental Markets provisions shall apply to animated features as provided in the I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2015.

**ARTICLE 19.**  
*PRODUCER'S RIGHTS*

Except as expressly limited by the specific provisions of this Agreement, the Producer retains, among other rights, the sole and exclusive prerogative to determine the types of production to be made, locations, schedules of productions, methods, processes and means of production, the size of its workforce and facilities and workshifts, starting and stopping times, to hire, promote, discharge or discipline for cause, including unsatisfactory work standards, qualitative or quantitative, to increase wages above the rates set forth in this Agreement for excellent work performance, qualitative or quantitative, to maintain discipline and efficiency of employees, to subcontract out work, to assign personnel special work requirements and overtime, and to do all things necessary and lawful to run its business. The foregoing list of rights reserved to Producer shall not be construed as complete or exhaustive. Accordingly, any rights not expressly limited by the specific provisions of this Agreement are reserved by, and shall be exclusive to, Producer. Such rights shall not be used directly or indirectly to illegally discriminate against any employee.

**ARTICLE 20.**  
*STUDIO PASS*

The duly authorized Business Representative of the Local Union shall be furnished a pass to the studio. He shall be permitted to visit any portion of the Studio necessary for the proper conduct of the business of the Local Union during working hours provided that any such visits shall not unreasonably interrupt production.

**ARTICLE 21.**  
*GENERAL PROVISIONS*

*A. Posting of Notices*

The Union shall be accorded the privilege of posting official bulletins or Union notices on the regular bulletin boards on the premises in which its members are employed. It shall not post notices of a political nature.

*B. Screen Credit*

Screen credit shall be required to be given only to the classifications of animation, story, background and layout in theatrical pictures and in television pictures of one-half (½) hour or longer network shows which are now non-segments. Credits shall be given on a per-picture or per-show basis for work performed.

In any screen credit dispute under this section, the parties will refer any unresolved disputes to the President of the I.A.T.S.E. (or his designee) and the Head of the Labor Relations Department of the affected studio for adjudication. The decision of the adjudicators is final and is not subject to grievance and arbitration procedures.

*C. New Classifications*

In the event any classifications of employment are created during the life of this Agreement, the wage scale for employees in such new or additional classifications shall be negotiated by the Local Union and the Producer and shall thereupon become a part of this Agreement.

*D. Safety*

1. It is agreed by the parties that too great an emphasis cannot be placed on the need to provide a safe working environment. In that context, it shall be incumbent on Producer to furnish employment and a place of employment which are safe and healthful for the employees therein; to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations, and processes which are reasonably adequate to render such

employment and place of employment safe and healthful; to do every other thing reasonably necessary to protect the life, safety and health of employees. Correspondingly, Producer shall not require or permit any employee to go or be in any employment or place of employment which is not safe and healthful. In addition, Producer and every employee shall comply with occupational safety and health standards and all rules, regulations and orders pursuant to applicable laws which are applicable to his own actions and conduct; no person (employer or employee) shall remove, displace, damage, destroy or carry off any safety device, safeguard or notice of warning furnished for the use in any employment or place of employment; no person shall interfere with the use of any method or process adopted for the protection of any employee, including himself, in such employment or place of employment.

2. Rigid observance of safety regulations must be adhered to and willful failure of any employee to follow safety rules and regulations can lead to disciplinary action including discharge; however, no employee shall be discharged or otherwise disciplined for refusing to work on a job that exposes the individual to a clear and present danger to life or limb. No set of safety regulations, however, can comprehensively cover all possible unsafe practices of working. The Producer and the Union therefore undertake to promote in every way possible the realization of the responsibility of the individual employee with regard to preventing accidents to himself or his fellow employees.

3. It is also agreed that, when unresolved or continuing disputes exist regarding Safety and Health compliance, non-compliance or interpretation therein of Title 8, Chapter 4, Subchapter 7, General Industry Safety Orders, said disputes shall be referred to the Alliance of Motion Picture and Television Producers and CSATF-administered Labor Management Safety Committee for review, investigation, interpretation and advisory

recommendations to the Producer. It is understood that it is not the responsibility of the Safety Committee, or any member of the Committee, the IATSE or its Local Unions, the Basic Crafts, CSATF or the AMPTP to implement or comply with any such recommendations.

4. The Labor-Management Safety Committee shall meet at least once a month.

5. The cost of the Labor-Management Safety Committee will be borne by the Contract Services Administration Trust Fund.

6. A separate bulletin shall be issued by the AMPTP to provide the following:

*a.* The Producer reaffirms its commitment to regularly inspect the studio working areas and to establish preventive maintenance procedures to assure safe working conditions.

*b.* Complaints of unsafe conditions will be promptly investigated by the Producer and appropriate action will be taken if the Producer finds that an unsafe condition does exist.

*c.* Each Producer will designate an individual as the responsible safety officer for its respective studio, facility, laboratory or location site. Except on location, each safety officer will have a well-publicized "hot-line" phone number which employees can anonymously call to alert management to any existing safety problems which may require correction.

## *Subcontracting*

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*d.* The Producer will provide access to all working areas to the Safety Director of CSATF so that he will periodically inspect same.

*e.* Communications regarding safety policy will be made available to all affected employees directly or by posting on bulletin boards.

7. An employee's failure to successfully complete required safety training courses shall be grounds for disciplinary action.

### *E. Subcontracting*

#### *1. Within Los Angeles County*

The Producer retains the right to purchase or rent stock art work and/or stock film of any kind or nature.

The Producer shall not, by independent contract or subletting, utilize the services of any individual, firm, partnership or corporation to perform work in Los Angeles County, California which would otherwise be performed by available and qualified persons subject to this Agreement unless such work is performed at wages and conditions no less favorable than those provided herein.

However, before any such work is subcontracted or sublet, the Producer agrees to discuss the matter with the Business Representative of the Union.



*2. Outside Los Angeles County*

Producer agrees that, fourteen (14) days prior to the commencement of a production outside the County of Los Angeles, Producer shall give written notice to the Local Union of the name of the production and the general nature and approximate length of production work to be performed. Notwithstanding the foregoing, if Producer itself has less than twenty-one (21) days' advance notice, it shall provide such written notice to the Local Union as soon as reasonably possible. All information shall be held by the Local Union in strictest confidence.

*F. Stewards*

The Business Representative of the Union may appoint a reasonable number of stewards to inspect all working conditions affecting the term of this Agreement. Any member so appointed shall be permitted to perform these duties provided that such duties do not interfere with his work or with production activities. The Union shall discuss the matter with the Producer before making such an appointment.

*G. Supervisory Employees*

Notwithstanding anything contained in the Constitution and By-laws of the Union, or in the obligation taken by a person upon becoming a member of the Union, or otherwise, which directly, indirectly or by implication places upon a supervisory employee within the meaning of that term as set forth in the Labor Management Relations Act of 1947, as amended, the duty or obligation to accord an unlawful employment preference to members of the Union, such supervisory employee shall not give or recommend any unlawful employment preference, and the Union shall not in any manner discipline or threaten with discipline any such supervisory employee for failing or refusing to give or recommend any such unlawful employment preference.

## *Quarterly Reports*

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### *H. Quarterly Reports*

Producer agrees to provide the Union with a quarterly report of the name, earnings and hours worked of each employee subject to this Agreement.

### *I. Personal Service Contracts*

1. The Producer agrees that any Personal Service Contract entered into between the Producer and the employee for work performed under the jurisdiction of the Local Union shall provide that all of the applicable provisions of this Agreement between the Producer and the Local Union shall be deemed by reference to be incorporated and made a part of the Personal Service Contract.

2. If any such work at the Producer's discretion is to be performed away from the studio premises, such agreement shall be reduced to writing and a copy furnished to the Local Union within seven (7) working days.

### *J. No Strike - No Lockout*

The Union agrees during the existence of this Agreement, unless the Producer fails to comply with an arbitration award, not to strike against, picket or boycott the Producer for any reason whatsoever, and to order its members to perform their obligations to the Producer hereunder and to use its best efforts to get the employees to perform such obligations. The Producer agrees not to engage in any lockout unless the Union fails to comply with an arbitration award. However, the Producer's or Union's properly-served notice to the other party of its intention to attempt to set aside an arbitration award in a court of competent jurisdiction (including continuation through the appropriate appeals procedure) shall not constitute failure to comply with said award.

The Producer will not discipline any employee covered by this Agreement because of his refusal as an individual to cross an I.A.T.S.E. picket line, provided that such picket line has been sanctioned by the I.A.T.S.E.

No employee covered by this Agreement shall be required by the Producer to go through any picket line where there is an actual and imminent danger of bodily harm to the employee.

*K. Gender - Included Meanings*

Words used in this Agreement in the masculine gender include the feminine and the neuter.

*L. Computer As A Tool*

The parties to this agreement recognize that the computer can be one of the many tools utilized by artists performing animation duties traditionally covered under this Agreement. The sole fact that an artist performs such traditional animation duties on a computer will not serve to remove such artist from coverage under this Agreement.

*M. Co-Operative Committee*

A Co-Operative Committee will meet on an ad hoc basis to explore mechanisms to increase employment opportunities under the collective bargaining agreement.

## *Contract Services Administration Trust Fund*

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### **ARTICLE 22.**

#### *CONTRACT SERVICES ADMINISTRATION TRUST FUND*

A. The Producer shall pay to the Contract Services Administration Trust Fund ("CSATF") four cents (\$0.04) per hour effective August 1, 2015 (six cents (\$0.06) per hour effective August 2, 2015 and eight cents (\$0.08) per hour effective July 30, 2017) for each hour worked or guaranteed hereunder.

B. The Producer will establish a procedure whereby any interested party may contact CSATF to obtain information relative to the past employment of an individual on a specific motion picture. In response to such an inquiry, CSATF will make a good faith effort to contact the involved Producer and secure such information on behalf of the interested party. The Producer on its part will make a good faith effort to respond to such inquiries by CSATF.

#### *C. Harassment Prevention Training*

1. Employees will be required to complete harassment prevention training by a date scheduled by CSATF. Should an employee fail to successfully complete the training, the Producer shall not be obligated to call or continue to employ such employee.

2. Effective August 1, 2015, each employee in the bargaining unit covered by this Agreement who attends required harassment prevention training administered by CSATF shall be paid a stipend of \$20.00 per hour for each hour the employee attends such training during non-working time.

**ARTICLE 23.**

*TERM OF AGREEMENT*

A. Except as noted in this Article, the term of the Agreement shall be for a period of three (3) years commencing August 1, 2015 and continuing to and including July 31, 2018.

B. Without affecting the status of the International Union as bargaining agent for the employees covered hereby, this Agreement authorizes Local Union 839 to conduct the bargaining for such employees on matters relating to wages, hours, conditions and the term of the Local Agreement, except that the International Union will do the bargaining relating to pension, Individual Account Plan, health and welfare and CSATF.

C. Either party may, by written notice to the other, served on or before May 1, 2018, request renegotiations of the "Wage Scales, Hours of Employment and Working Conditions" of this Agreement. Such notice shall set forth in detail the proposals or recommendations of the party serving said notice of request for renegotiations. If such notice is served, the parties agree to commence negotiations within thirty (30) days after May 1, 2018 concerning the proposals or recommendations set forth in such notice and to continue negotiations diligently and in good faith on such proposals and on counterproposals relating to the above said subject matter which are submitted in such negotiations.

*D. Retroactive Terms and Effective Dates*

The terms and conditions of this Agreement relating to wages, pension contributions, Individual Account Plan contributions, health and welfare contributions, retiree health and welfare contributions, Supplemental Markets contributions and CSATF contributions shall be effective commencing with August 1, 2015. All other terms and conditions of this Agreement shall be effective on August 27, 2015 (the date of ratification of this Agreement), except to the extent that a different date is specified.

## *Talent Development Program*

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### **ARTICLE 24.**

#### *TALENT DEVELOPMENT PROGRAM*

A Talent Development Program has been established by Producer. Trainees shall be added to or deleted from the Talent Development Program, at the discretion of Producer, on a non-discriminatory basis. Producer shall notify the Local Union of the name and date of hire of each Trainee.

The normal period of enrollment in the Talent Development Program shall be eighteen (18) months. At the discretion of Producer, a Trainee may be placed in an appropriate classification and paid as set forth in the current Agreement between Producer and the Local Union before the end of the eighteen (18) months or allowed additional time to complete the program where extenuating circumstances exist. In addition, the Producer may request one six (6) month extension from the Local Union, and the Local Union agrees that approval of such extension shall not be unreasonably denied.

Trainees who have not completed the Talent Development Program shall not receive Seniority and the dismissal of a Trainee from the Program and/or employment shall not be subject to the grievance procedure.

Each and every Trainee shall be and remain a member in good standing of the Union on and after the ninetieth day following the beginning of his employment with Producer. Any Trainee who is a member of the Union at the time of entry into the Program will be required to remain a member in good standing. It is not the intent of Producer to utilize this Program to perform work which would otherwise be performed by available and qualified persons subject to this Agreement. After the initial thirty (30) days of training, Trainees may perform production services within the scope of this Agreement as long as a full complement of non-Trainees is maintained in accordance with Producer's past practice of staffing.

The wage scales and hours of employment shall be as set forth on page 66 of this Agreement.

The provisions of this Agreement shall be applicable except where modified by this Article or where it may not be practical to apply certain provisions of this Agreement to the Talent Development Program.

**ARTICLE 25.**  
*MISCELLANEOUS*

The parties acknowledge that, during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties, after the exercise of that right and opportunity, are set forth in this Agreement.

Therefore, the Producer and the Union, for the life of this Agreement, each voluntarily and unqualifiedly waives the right and each agrees that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered in this Agreement or with respect to any subject or matter not specifically referred to or covered by this Agreement.

All provisions of this Agreement shall be subject to and superseded by the laws, rules, regulations, requirements and orders which may be imposed by the Government of the United States and/or the State of California.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective on the day and year first herein written.

AGREED TO:

ABC STUDIOS

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

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ADELAIDE PRODUCTIONS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

ANIMATED PRODUCTIONS INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

CARTOON NETWORK STUDIOS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

COLUMBIA PICTURES INDUSTRIES, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_



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DISNEY TELEVISION ANIMATION

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

DREAMWORKS ANIMATION LLC

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

DREAMWORKS ANIMATION TELEVISION, INC

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

FOX ANIMATION LOS ANGELES, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

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FOX TELEVISION ANIMATION, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

KATY MACK SESSION PRODUCTIONS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

MARVEL ANIMATION INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

METRO-GOLDWYN-MAYER ANIMATION INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

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MUDDY WATER ENTERTAINMENT, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

OBELISK PRODUCTIONS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

PATRICKS ROAD PRODUCTIONS II, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

RUTHERFORD BENCH PRODUCTIONS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

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TURNER 1050 PRODUCTIONS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

UNIVERSAL ANIMATION STUDIOS LLC

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

UNIVERSAL CITY STUDIOS LLC

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

WALT DISNEY PICTURES

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

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WARNER BROS. ANIMATION INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

WARNER SPECIALTY PRODUCTIONS INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

WATERCOOLER PRODUCTIONS, INC.

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

.....

The Animation Guild and Affiliated Optical Electronic and Graphic Arts  
Local #839 IATSE

By: \_\_\_\_\_

Title: Business Representative Date: \_\_\_\_\_

.....

THE INTERNATIONAL ALLIANCE OF THEATRICAL STAGE  
EMPLOYES AND MOVING PICTURE TECHNICIANS, ARTISTS AND  
ALLIED CRAFTS OF THE UNITED STATES, ITS TERRITORIES AND  
CANADA

By: \_\_\_\_\_

Print name \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_



**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

	First period 8/2/2015-7/30/2016			Second period 7/31/2016-7/29/2017			Third period 7/30/2017-7/31/2018		
	<u>Hourly</u>	<u>Weekly</u>		<u>Hourly</u>	<u>Weekly</u>		<u>Hourly</u>	<u>Weekly</u>	
<b><u>ANIMATION</u></b>									
21-027 <b>Production Board</b>									
1st 6 months	\$48.24	\$1,929.60		\$49.69	\$1,987.60		\$51.18	\$2,047.20	
2nd 6 months	\$49.34	\$1,973.60		\$50.82	\$2,032.80		\$52.34	\$2,093.60	
Journey	\$51.18	\$2,047.20		\$52.72	\$2,108.80		\$54.30	\$2,172.00	
21-012 <b>Animator**</b>									
21-032 <b>Background**</b>									
21-042 <b>Layout**</b>									
21-052 <b>Model Designer**</b>									
21-022 <b>Animation Story Person/Animation Writer**</b>									
21-801 <b>Staff Comic Strip Story Person and/or Artist</b>									
1st 6 months	\$41.95	\$1,678.00		\$43.21	\$1,728.40		\$44.51	\$1,780.40	
2nd 6 months	\$42.90	\$1,716.00		\$44.19	\$1,767.60		\$45.52	\$1,820.80	
Journey	\$44.50	\$1,780.00		\$45.84	\$1,833.60		\$47.22	\$1,888.80	

*(Subject to right of Producer to request extension which Union shall not unreasonably deny)*



21-112	<b>Key Assistant Animator</b>	\$42.65	\$1,706.00	\$43.93	\$1,757.20	\$45.25	\$1,810.00
21-102	<b>Assistant Animator / Storyboard Revisionist</b>						
21-122	<b>Assistant Background / Assistant Layout</b>						
21-132	<b>Assistant Model Designer</b>						
21-802	<b>Assistant Staff Comic Strip Story Person and/or Artist</b>						
	1st 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
	2nd 6 months	\$36.41	\$1,456.40	\$37.50	\$1,500.00	\$38.63	\$1,545.20
	Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40
	<i>(Subject to right of Producer to request extension which Union shall not unreasonably deny)</i>						
21-142	<b>Breakdown</b>						
	1st year	\$32.56	\$1,302.40	\$33.54	\$1,341.60	\$34.55	\$1,382.00
	Journey	\$33.46	\$1,338.40	\$34.46	\$1,378.40	\$35.49	\$1,419.60

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

\*\* An Animator, Background or Layout person designated by the Producer to be responsible for and supervise the work of others in his classification shall be paid the key rate of 15% above the minimum Journey rate for his classification during such an assignment.

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

	First period 8/2/2015-7/30/2016			Second period 7/31/2016-7/29/2017			Third period 7/30/2017-7/31/2018		
	<u>Hourly</u>		<u>Weekly</u>	<u>Hourly</u>		<u>Weekly</u>	<u>Hourly</u>		<u>Weekly</u>
<b>21-152 Inbetweener</b>									
1st 6 months	\$30.19	\$1,207.60	\$31.10	\$1,244.00	\$32.03	\$1,281.20			
2nd 6 months	\$31.06	\$1,242.40	\$31.99	\$1,279.60	\$32.95	\$1,318.00			
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80			
<b>21-202 Apprentice Layout, Model Designer, Background and Production Board</b>									
6 months	\$32.52	\$1,300.80	\$33.50	\$1,340.00	\$34.51	\$1,380.40			
<i>(Subject to right of Producer to request extension which Union shall not unreasonably deny)</i>									
<b>21-232 Blue Sketch</b>									
1st year	\$31.90	\$1,276.00	\$32.86	\$1,314.40	\$33.85	\$1,354.00			
Journey	\$32.81	\$1,312.40	\$33.79	\$1,351.60	\$34.80	\$1,392.00			
<b>21-312 Story Sketch</b>									
1st year	\$39.39	\$1,575.60	\$40.57	\$1,622.80	\$41.79	\$1,671.60			
Journey	\$39.99	\$1,599.60	\$41.19	\$1,647.60	\$42.43	\$1,697.20			



**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

	First period		Second period		Third period	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
		<b>8/2/2015-7/30/2016</b>		<b>7/31/2016-7/29/2017</b>		<b>7/30/2017-7/31/2018</b>
<b>21-252 Animation Checker</b>						
1st 3 months	\$31.90	\$1,276.00	\$32.86	\$1,314.40	\$33.85	\$1,354.00
Next 9 months	\$32.81	\$1,312.40	\$33.79	\$1,351.60	\$34.80	\$1,392.00
Next 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
Next 6 months	\$36.48	\$1,459.20	\$37.57	\$1,502.80	\$38.70	\$1,548.00
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

**INK AND PAINT (Inking, Special Effects, Painters)**

<b>21-412 Assistant Supervisor (Ink and Paint, Xerox, Color Model or Paint Lab)</b>						
1st 6 months	\$32.68	\$1,307.20	\$33.66	\$1,346.40	\$34.67	\$1,386.80
2nd 6 months	\$33.48	\$1,339.20	\$34.48	\$1,379.20	\$35.51	\$1,420.40
Journey	\$34.61	\$1,384.40	\$35.65	\$1,426.00	\$36.72	\$1,468.80



**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

	Weekly employment*					
	First period		Second period		Third period	
	8/2/2015-7/30/2016	7/31/2016-7/29/2017	7/30/2017-7/31/2018			
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>21-501 Color Stylist</b>	\$0.00	\$1,276.00	\$32.86	\$1,314.40	\$33.85	\$1,354.00
1st 3 months	\$31.90	\$1,312.40	\$33.79	\$1,351.60	\$34.80	\$1,392.00
Next 9 months	\$32.81	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
Next 6 months	\$35.53	\$1,459.20	\$37.57	\$1,502.80	\$38.70	\$1,548.00
Next 6 months	\$36.48	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40
Journey	\$38.09					
<b>21-522 Painter</b>	\$0.00	\$1,137.20	\$29.28	\$1,171.20	\$30.16	\$1,206.40
1st month	\$28.43	\$1,182.00	\$30.44	\$1,217.60	\$31.35	\$1,254.00
Next 6 months	\$29.55	\$1,216.00	\$31.31	\$1,252.40	\$32.25	\$1,290.00
Next 6 months	\$30.40	\$1,265.60	\$32.59	\$1,303.60	\$33.57	\$1,342.80
Journey	\$31.64					

21-542	<b>Xerox Processor</b>	\$0.00					
	1st 3 months	\$28.43	\$1,137.20	\$29.28	\$1,171.20	\$30.16	\$1,206.40
	2nd 12 months	\$30.92	\$1,236.80	\$31.85	\$1,274.00	\$32.81	\$1,312.40
	Journey	\$31.64	\$1,265.60	\$32.59	\$1,303.60	\$33.57	\$1,342.80
21-552	<b>Key Xerox Processor</b>	\$32.04	\$1,281.60	\$33.00	\$1,320.00	\$33.99	\$1,359.60
<b><u>CHECKERS</u></b>							
21-562	<b>Xerox Checker</b>						
	1st year	\$32.37	\$1,294.80	\$33.34	\$1,333.60	\$34.34	\$1,373.60
	Journey	\$32.96	\$1,318.40	\$33.95	\$1,358.00	\$34.97	\$1,398.80
21-572	<b>Animation Stock Librarian</b>						
	1st 6 months	\$30.96	\$1,238.40	\$31.89	\$1,275.60	\$32.85	\$1,314.00
	2nd 6 months	\$31.74	\$1,269.60	\$32.69	\$1,307.60	\$33.67	\$1,346.80
	Journey	\$32.96	\$1,318.40	\$33.95	\$1,358.00	\$34.97	\$1,398.80
21-632	<b>Production Final Checker/Mark-Up</b>						
	1st 6 months	\$30.96	\$1,238.40	\$31.89	\$1,275.60	\$32.85	\$1,314.00
	2nd 6 months	\$31.74	\$1,269.60	\$32.69	\$1,307.60	\$33.67	\$1,346.80
	Journey	\$32.96	\$1,318.40	\$33.95	\$1,358.00	\$34.97	\$1,398.80

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
21-633 <b>Head Final Checker</b>	\$33.88	\$1,355.20	\$34.90	\$1,396.00	\$35.95	\$1,438.00
21-652 <b>Paint Checker</b>						
1st 6 months	\$30.19	\$1,207.60	\$31.10	\$1,244.00	\$32.03	\$1,281.20
2nd 6 months	\$31.06	\$1,242.40	\$31.99	\$1,279.60	\$32.95	\$1,318.00
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80
21-672 <b>Picture Set-Up</b>						
1st year	\$31.90	\$1,276.00	\$32.86	\$1,314.40	\$33.85	\$1,354.00
Journey	\$32.91	\$1,316.40	\$33.90	\$1,356.00	\$34.92	\$1,396.80
21-682 <b>Scan Checker</b>						
1st 6 months	\$29.41	\$1,176.40	\$30.29	\$1,211.60	\$31.20	\$1,248.00
2nd 6 months	\$30.22	\$1,208.80	\$31.13	\$1,245.20	\$32.06	\$1,282.40
Journey	\$31.31	\$1,252.40	\$32.25	\$1,290.00	\$33.22	\$1,328.80



21-692	<b>Cel Service</b>								
	1st 6 months	\$29.27	\$1,170.80	\$30.15	\$1,206.00	\$31.05	\$1,242.00		
	2nd 6 months	\$30.03	\$1,201.20	\$30.93	\$1,237.20	\$31.86	\$1,274.40		
	Journey	\$30.99	\$1,239.60	\$31.92	\$1,276.80	\$32.88	\$1,315.20		
21-722	<b>Mix and Match</b>								
	1st year	\$30.55	\$1,222.00	\$31.47	\$1,258.80	\$32.41	\$1,296.40		
	Journey	\$31.76	\$1,270.40	\$32.71	\$1,308.40	\$33.69	\$1,347.60		
21-742	<b>Paint Technician</b>								
	1st year	\$32.99	\$1,319.60	\$33.98	\$1,359.20	\$35.00	\$1,400.00		
	Journey	\$34.14	\$1,365.60	\$35.16	\$1,406.40	\$36.21	\$1,448.40		
21-792	<b>Letter Artist</b>								
	1st 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00		
	2nd 6 months	\$36.48	\$1,459.20	\$37.57	\$1,502.80	\$38.70	\$1,548.00		
	Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40		
21-222	<b>Trainee</b>								
	1st 6 months	\$28.82	\$1,152.80	\$29.68	\$1,187.20	\$30.57	\$1,222.80		
	2nd 6 months	\$30.20	\$1,208.00	\$31.11	\$1,244.40	\$32.04	\$1,281.60		
	3rd 6 months	\$31.58	\$1,263.20	\$32.53	\$1,301.20	\$33.51	\$1,340.40		

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

		First period		Second period		Third period	
		8/2/2015-7/30/2016	7/31/2016-7/29/2017	7/30/2017-7/31/2018			
		<u>Hourly</u>	<u>Hourly</u>	<u>Hourly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Weekly</u>
<b><u>COMIC STRIP (Work presently assigned)</u></b>							
21-812	<b>Class I (Story Person or Artist doing two Sunday pages or six daily strips per week)</b>						
	1st year	\$40.97	\$42.20	\$43.47	\$1,638.80	\$1,688.00	\$1,738.80
	After 1 year in classification	\$42.77	\$44.05	\$45.37	\$1,710.80	\$1,762.00	\$1,814.80
21-822	<b>Class II (Writes or draws one Sunday page per week)</b>						
	1st year	\$37.06	\$38.17	\$39.32	\$1,482.40	\$1,526.80	\$1,572.80
	After 1 year in classification	\$38.54	\$39.70	\$40.89	\$1,541.60	\$1,588.00	\$1,635.60
21-832	<b>Staff Assistant</b>						
	1st year	\$28.68	\$29.54	\$30.43	\$1,147.20	\$1,181.60	\$1,217.20
	2nd year	\$29.91	\$30.81	\$31.73	\$1,196.40	\$1,232.40	\$1,269.20
	3rd year	\$31.54	\$32.49	\$33.46	\$1,261.60	\$1,299.60	\$1,338.40
	Journey	\$32.12	\$33.08	\$34.07	\$1,284.80	\$1,323.20	\$1,362.80

**COMIC STRIP (New work)**

21-842	<b>Six Panels (Writes and draws)</b>				
	1st year	\$33.36	\$1,334.40	\$34.36	\$1,374.40
	After 1 year in classification	\$34.80	\$1,392.00	\$35.84	\$1,433.60
21-852	<b>Six Strips (Writes and draws)</b>				
	1st year	\$37.06	\$1,482.40	\$38.17	\$1,526.80
	After 1 year in classification	\$38.54	\$1,541.60	\$39.70	\$1,588.00
21-862	<b>One Sunday Page (Writes and draws)</b>				
	1st year	\$33.36	\$1,334.40	\$34.36	\$1,374.40
	After 1 year in classification	\$34.80	\$1,392.00	\$35.84	\$1,433.60

**PROMOTION AND PUBLICITY ARTISTS**

21-872	<b>Class I (Responsible)</b>				
	1st year	\$40.97	\$1,638.80	\$42.20	\$1,688.00
	After 1 year in classification	\$42.85	\$1,714.00	\$44.14	\$1,765.60
21-882	<b>Class II (Assistant)</b>				
	1st year	\$37.06	\$1,482.40	\$38.17	\$1,526.80
	After 1 year in classification	\$38.54	\$1,541.60	\$39.70	\$1,588.00

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Unit rates**

First period	Second period	Third period	H & W & Pension Hours
8/2/2015-7/30/2016	7/31/2016-7/29/2017	7/30/2017-7/31/2018	
\$3.25 per foot	\$3.35 per foot	\$3.45 per foot	8 hrs/100 feet (or pro rata)

**FREELANCE TIMING**

**Sheet Timers**

**WRITING AND STORYBOARD CLASSIFICATION**

**Short Subjects - Less than 4 Minutes (TV or Theatrical)**

Synopsis and Outline Storyboard Only Teleplay or Screenplay	Per individual	Per individual	33
	Negotiation	Negotiation	60
			67

**SHORT SUBJECTS - 4 to 7 Minutes (TV or Theatrical)**

Synopsis and Outline	\$968.63	\$997.69	33
Storyboard Only	\$1,343.24	\$1,383.54	60
Teleplay or Screenplay	\$2,314.00	\$2,383.42	67

<b><u>SHORT SUBJECTS - Over 7 to 15 minutes (TV or Theatrical)</u></b>				
Synopsis and Outline	\$977.41	\$1,006.73	\$1,036.93	47
Storyboard Only	\$1,626.62	\$1,675.42	\$1,725.68	75
Teleplay or Screenplay	\$3,187.99	\$3,283.63	\$3,382.14	153
<b><u>HALF-HOUR SUBJECTS (TV or Theatrical)</u></b>				
Synopsis and Outline	\$1,738.77	\$1,790.93	\$1,844.66	91
Storyboard Only	\$3,088.87	\$3,181.54	\$3,276.99	140
Teleplay or Screenplay	\$6,110.21	\$6,293.52	\$6,482.33	309
<b><u>HALF-HOUR SUBJECTS (TV or Theatrical) — "New Animation Writers"§</u></b>				
Synopsis and Outline	\$1,602.31	\$1,650.38	\$1,699.89	91
Teleplay or Screenplay	\$5,630.69	\$5,799.61	\$5,973.60	309

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Unit rates**

	<b>First period</b>	<b>Second period</b>	<b>Third period</b>	<b>H &amp; W &amp; Pension Hours</b>
	<b>8/2/2015-7/30/2016</b>	<b>7/31/2016-7/29/2017</b>	<b>7/30/2017-7/31/2018</b>	
<b><u>ONE HOUR OR MORE SUBJECTS (TV or Theatrical)</u></b>				
Synopsis and Outline	\$2,587.62	\$2,665.25	\$2,745.21	93
Storyboard Only	\$4,607.27	\$4,745.49	\$4,887.85	210
Teleplay or Screenplay	\$9,191.54	\$9,467.29	\$9,751.31	307
<b><u>ONE HOUR OR MORE SUBJECTS (TV or Theatrical) — "New Animation Writers"§</u></b>				
Synopsis and Outline	\$2,372.89	\$2,444.08	\$2,517.40	93
Teleplay or Screenplay	\$8,428.86	\$8,681.73	\$8,942.18	307

In reference to the above Unit rates, the Employer may require two re-writes or re-works after the presentation by the Story Person/ Animation Writer without additional compensation. If an additional re-write or re-work is required by the Employer, an additional 20% of the original Unit maximum shall be paid for each re-write or re-work. Any amount negotiated in excess of the above minimums may be applied against any additional compensation for re-write or rework when due.

§ In the event a script written by such a writer is produced, said Animation Story Person/Animation Writer shall be paid the difference between the applicable New Animation Writer rate and the Journey-person rate.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.

Wage Scales, Aug 1, 2015-July 31, 2018

Weekly employment\*

SIDELETTER A

[Disney — Composer]

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>Composer<sup>D</sup></b>						
1st month	\$28.43	\$1,137.20	\$29.28	\$1,171.20	\$30.16	\$1,206.40
Next 6 months	\$29.55	\$1,182.00	\$30.44	\$1,217.60	\$31.35	\$1,254.00
Next 6 months	\$30.40	\$1,216.00	\$31.31	\$1,252.40	\$32.25	\$1,290.00
Journey	\$31.64	\$1,265.60	\$32.59	\$1,303.60	\$33.57	\$1,342.80



**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER B**

**[Warner Bros. — Visual Development]**

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>Visual Development<sup>WF</sup></b>						
1st 6 months	\$41.95	\$1,678.00	\$43.21	\$1,728.40	\$44.51	\$1,780.40
2nd 6 months	\$42.90	\$1,716.00	\$44.19	\$1,767.60	\$45.52	\$1,820.80
Journey	\$44.50	\$1,780.00	\$45.84	\$1,833.60	\$47.22	\$1,888.80

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

Wage Scales, Aug 1, 2015-July 31, 2018

Weekly employment\*

**SIDELETTER C**

[Walt Disney Pictures — CGI Animator/Modeler]

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>CGI Animator/Modeler</b>						
1st 6 months	\$41.95	\$1,678.00	\$43.21	\$1,728.40	\$44.51	\$1,780.40
2nd 6 months	\$42.90	\$1,716.00	\$44.19	\$1,767.60	\$45.52	\$1,820.80
Journey	\$44.50	\$1,780.00	\$45.84	\$1,833.60	\$47.22	\$1,888.80
<b>Key Assistant CGI Animator/Modeler</b>						
	\$42.65	\$1,706.00	\$43.93	\$1,757.20	\$45.25	\$1,810.00

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**Assistant CGI Animator/Modeler I**

1st 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
2nd 6 months	\$36.41	\$1,456.40	\$37.50	\$1,500.00	\$38.63	\$1,545.20
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

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**Assistant CGI Animator/Modeler II**

1st year	\$32.56	\$1,302.24	\$33.53	\$1,341.20	\$34.54	\$1,381.60
Journey	\$33.46	\$1,338.20	\$34.46	\$1,378.40	\$35.49	\$1,419.60

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**Assistant CGI Animator/Modeler III**

1st 6 months	\$30.19	\$1,207.60	\$0.00	\$1,244.00	\$32.03	\$1,281.20
2nd 6 months	\$31.06	\$1,242.40	\$31.99	\$1,279.60	\$32.95	\$1,318.00
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80

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\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER D**

[Walt Disney Pictures— Technical Directors]

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>Production Technical Director I</b>						
1st 6 months	\$41.95	\$1,678.00	\$43.21	\$1,728.40	\$44.51	\$1,780.40
2nd 6 months	\$42.90	\$1,716.00	\$44.19	\$1,767.60	\$45.52	\$1,820.80
Journey	\$44.50	\$1,780.00	\$45.84	\$1,833.60	\$47.22	\$1,888.80
<b>Production Technical Director II</b>						
	\$42.65	\$1,706.00	\$43.93	\$1,757.20	\$45.25	\$1,810.00

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**Production Technical Director III**

1st 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
2nd 6 months	\$36.41	\$1,456.40	\$37.50	\$1,500.00	\$38.63	\$1,545.20
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

**Production Technical Director IV**

1st year	\$32.56	\$1,302.24	\$33.53	\$1,341.20	\$34.54	\$1,381.60
Journey	\$33.46	\$1,338.20	\$34.46	\$1,378.40	\$35.49	\$1,419.60

**Production Technical Director V**

1st 6 months	\$30.19	\$1,207.60	\$31.10	\$1,244.00	\$32.03	\$1,281.20
2nd 6 months	\$31.06	\$1,242.40	\$31.99	\$1,279.60	\$32.95	\$1,318.00
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80

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\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER E+**

**Inc., Warner Bros. Animation Inc. and Warner Specialty Productions Inc.]**

	First period		Second period		Third period	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
	8/2/2015-7/30/2016		7/31/2016-7/29/2017		7/30/2017-7/31/2018	
<b>CGI Animator/Modeler 1</b>						
1st 18 months	\$42.42	\$1,696.80	\$43.69	\$1,747.60	\$45.00	\$1,800.00
Journey	\$44.50	\$1,780.00	\$45.84	\$1,833.60	\$47.22	\$1,888.80
<b>CGI Animator/Modeler 2</b>						
1st 18 months	\$40.73	\$1,629.20	\$41.95	\$1,678.00	\$43.21	\$1,728.40
Journey	\$42.65	\$1,706.00	\$43.93	\$1,757.20	\$45.25	\$1,810.00

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**CGI Animator/Modeler 3**

1st 18 months	\$35.97	\$1,438.80	\$37.05	\$1,482.00	\$38.16	\$1,526.40
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

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**CGI Animator/Modeler 4**

1st 18 months	\$32.56	\$1,302.40	\$33.54	\$1,341.60	\$34.55	\$1,382.00
Journey	\$33.46	\$1,338.40	\$34.46	\$1,378.40	\$35.49	\$1,419.60

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**CGI Animator/Modeler 5**

1st 18 months	\$30.62	\$1,224.80	\$31.54	\$1,261.60	\$32.49	\$1,299.60
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80

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\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

+ DreamWorks Animation disavows any practice of moving artists up to a higher job classification based on time, rather than on function and skill set. The Producer and Local #839 confirm that journey-person classification levels are based upon artist function and skill set required for an assignment.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER E+**

[DreamWorks Animation LLC, DreamWorks Animation Television, Inc., Warner Bros. Animation Inc. and Warner Specialty Productions Inc.]

	First period		Second period		Third period	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
	8/2/2015-7/30/2016		7/31/2016-7/29/2017		7/30/2017-7/31/2018	
<b>Digital Scene Planning</b>						
1st 18 months	\$37.99	\$1,519.60	\$39.13	\$1,565.20	\$40.30	\$1,612.00
Journey	\$39.57	\$1,582.80	\$40.76	\$1,630.40	\$41.98	\$1,679.20
<b>Scan Checker</b>						
1st 18 months	\$29.81	\$1,192.40	\$30.70	\$1,228.00	\$31.62	\$1,264.80
Journey	\$31.79	\$1,271.60	\$32.74	\$1,309.60	\$33.72	\$1,348.80



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**Digital Check**

1st 3 months	\$31.90	\$1,276.00	\$32.86	\$1,314.40	\$33.85	\$1,354.00
Next 9 months	\$32.81	\$1,312.40	\$33.79	\$1,351.60	\$34.80	\$1,392.00
Next 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
Next 6 months	\$36.48	\$1,459.20	\$37.57	\$1,502.80	\$38.70	\$1,548.00
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

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**Production Technical Director 1**

1st 18 months	\$42.42	\$1,696.80	\$43.69	\$1,747.60	\$45.00	\$1,800.00
Journey	\$44.50	\$1,780.00	\$45.84	\$1,833.60	\$47.22	\$1,888.80

---

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

+ DreamWorks Animation disavows any practice of moving artists up to a higher job classification based on time, rather than on function and skill set. The Producer and Local #839 confirm that journey-person classification levels are based upon artist function and skill set required for an assignment.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER E+**

[DreamWorks Animation LLC, DreamWorks Animation Television, Inc., Warner Bros. Animation Inc. and Warner Specialty Productions Inc.]

	First period		Second period		Third period	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
	<b>8/2/2015-7/30/2016</b>		<b>7/31/2016-7/29/2017</b>		<b>7/30/2017-7/31/2018</b>	
<b>Production Technical Director 2</b>						
1st 18 months	\$39.93	\$1,597.20	\$41.13	\$1,645.20	\$42.36	\$1,694.40
Journey	\$41.63	\$1,665.20	\$42.88	\$1,715.20	\$44.17	\$1,766.80
<b>Production Technical Director 3</b>						
1st 18 months	\$35.97	\$1,438.80	\$37.05	\$1,482.00	\$38.16	\$1,526.40
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

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**Production Technical Director 4**

1st 18 months	\$32.56	\$1,302.40	\$33.54	\$1,341.60	\$34.55	\$1,382.00
Journey	\$33.46	\$1,338.40	\$34.46	\$1,378.40	\$35.49	\$1,419.60

**Production Technical Director 5**

1st 18 months	\$30.62	\$1,224.80	\$31.54	\$1,261.60	\$32.49	\$1,299.60
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80

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\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

+ DreamWorks Animation disavows any practice of moving artists up to a higher job classification based on time, rather than on function and skill set. The Producer and Local #839 confirm that journey-person classification levels are based upon artist function and skill set required for an assignment.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER E+**

[DreamWorks Animation LLC, DreamWorks Animation Television, Inc., Warner Bros. Animation Inc. and Warner Specialty Productions Inc.]

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>Digital Painter</b>						
1st month	\$28.43	\$1,137.20	\$29.28	\$1,171.20	\$30.16	\$1,206.40
Next 6 months	\$29.55	\$1,182.00	\$30.44	\$1,217.60	\$31.35	\$1,254.00
Next 6 months	\$30.40	\$1,216.00	\$31.31	\$1,252.40	\$32.25	\$1,290.00
Journey	\$31.64	\$1,265.60	\$32.59	\$1,303.60	\$33.57	\$1,342.80
<b>Trainee</b>						
1st 6 months	\$26.03	\$1,041.20	\$26.81	\$1,072.40	\$27.61	\$1,104.40
2nd 6 months	\$28.81	\$1,152.40	\$29.67	\$1,186.80	\$30.56	\$1,222.40
3rd 6 months	\$30.02	\$1,200.80	\$30.92	\$1,236.80	\$31.85	\$1,274.00

*(Subject to the right of Producer to request one six-month extension which Union shall not unreasonably deny.)*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER F**

[Walt Disney Pictures and Warner Bros. Animation Inc. — Animation/Timing Directors]

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>Animation Director</b>						
1st 6 months	\$49.01	\$1,960.40	\$50.48	\$2,019.20	\$51.99	\$2,079.60
2nd 6 months	\$50.13	\$2,005.20	\$51.63	\$2,065.20	\$53.18	\$2,127.20
Journey	\$52.02	\$2,080.80	\$53.58	\$2,143.20	\$55.19	\$2,207.60
<b>Timing Director</b>						
1st 6 months	\$47.00	\$1,880.00	\$48.41	\$1,936.40	\$49.86	\$1,994.40
2nd 6 months	\$48.07	\$1,922.80	\$49.51	\$1,980.40	\$51.00	\$2,040.00
Journey	\$49.87	\$1,994.80	\$51.37	\$2,054.80	\$52.91	\$2,116.40

\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

+ DreamWorks Animation disavows any practice of moving artists up to a higher job classification based on time, rather than on function and skill set. The Producer and Local #839 confirm that journey-person classification levels are based upon artist function and skill set required for an assignment.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER G**

[Walt Disney Pictures — 3D Compositors]

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>CGI 3D Compositor I</b>	\$39.83	\$1,593.20	\$41.02	\$1,640.80	\$42.25	\$1,690.00
<b>CGI 3D Compositor II</b>						
First 3 months	\$31.90	\$1,276.00	\$32.86	\$1,314.40	\$33.85	\$1,354.00
Next 9 months	\$32.81	\$1,312.40	\$33.79	\$1,351.60	\$34.80	\$1,392.00
Next 6 months	\$35.53	\$1,421.20	\$36.60	\$1,464.00	\$37.70	\$1,508.00
Next 6 months	\$36.48	\$1,459.20	\$37.57	\$1,502.80	\$38.70	\$1,548.00
Journey	\$38.09	\$1,523.60	\$39.23	\$1,569.20	\$40.41	\$1,616.40

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER H**

**[Warner Bros. Animation - Animation Processors]**

	First period 8/2/2015-7/30/2016		Second period 7/31/2016-7/29/2017		Third period 7/30/2017-7/31/2018	
	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>	<u>Hourly</u>	<u>Weekly</u>
<b>21-162 Animation Processor</b>						
1st 6 months	\$30.19	\$1,207.60	\$31.10	\$1,244.00	\$32.03	\$1,281.20
2nd 6 months	\$31.06	\$1,242.40	\$31.99	\$1,279.60	\$32.95	\$1,318.00
Journey	\$32.20	\$1,288.00	\$33.17	\$1,326.80	\$34.17	\$1,366.80

The job of Animation Processor shall entail animatics work (the synching of production board images to soundtrack), cataloguing and storing black and white and color images from overseas studios which are used to repair or change images that also came back from overseas. Further, they shall be doing scanning work and line repair.

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\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

*The following minimum wage scales are in effect between Local 839 IATSE and the indicated employers only.*

**THE ANIMATION GUILD, LOCAL 839 I. A. T. S. E.**

**Wage Scales, Aug 1, 2015-July 31, 2018**

**Weekly employment\***

**SIDELETTER I**

**[Cartoon Network Studios, Inc. and Warner Bros. Animation Inc. - 2D Digital Animator]**

	First period		Second period		Third period	
	8/2/2015-7/30/2016	7/31/2016-7/29/2017	7/30/2017-7/31/2018	Hourly	Hourly	Hourly
<b>21-951 Digital Animator I</b>						
1st 6 months	\$41.95	\$43.21	\$44.51	\$1,728.40	\$44.51	\$1,780.40
2nd 6 months	\$42.90	\$44.19	\$45.52	\$1,767.60	\$45.52	\$1,820.80
Journey	\$44.50	\$45.84	\$47.22	\$1,833.60	\$47.22	\$1,888.80
<b>21-952 Digital Animator II</b>						
1st 6 months	\$35.53	\$36.60	\$37.70	\$1,464.00	\$37.70	\$1,508.00
2nd 6 months	\$36.41	\$37.50	\$38.63	\$1,500.00	\$38.63	\$1,545.20
Journey	\$38.09	\$39.23	\$40.41	\$1,569.20	\$40.41	\$1,616.40



**21-953 Digital Animator Trainee**

1st 6 months	\$28.82	\$1,152.80	\$29.68	\$1,187.20	\$30.57	\$1,222.80
2nd 6 months	\$30.20	\$1,208.00	\$31.11	\$1,244.40	\$32.04	\$1,281.60
Journey	\$31.58	\$1,263.20	\$32.53	\$1,301.20	\$33.51	\$1,340.40

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\* Minimum scale for daily employees shall be 117.719% (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.

**SIDELETTER J**  
*SKILL EVALUATIONS*

During the negotiations between the Producers and IATSE Local 839, the bargaining parties discussed the concern raised by IATSE Local 839 that skill evaluations or "tests" administered by the Producers in making hiring, promotion, and/or assignment decisions were excessive. The bargaining parties agreed that such evaluations should require only a reasonable amount of work to complete and should be related to the hiring, promotion, and/or assignment decision. Evaluations which do not meet this criteria should be discontinued or redesigned. Concerns or questions about the propriety of such tests should be directed to Labor Relations.

The parties further agree to form an abuse review committee, which shall meet upon request for the purpose of addressing alleged abuses of this sideletter.

**SIDELETTER K**  
*CLASSIFICATION STUDY*

During the course of negotiations, the parties agreed to form a joint committee to review job classifications covered under the collective bargaining agreement.

The study will initially be conducted on a Producer-by-Producer basis to identify obsolete classifications and identify working titles unique to each Producer. The Committee will then attempt to standardize such classifications for inclusion in the Codified Basic Agreement. The Union shall designate an individual to meet with representatives from each Producer. The Committee shall commence meeting within ninety (90) days from ratification.

*Sideletter L [Jury Duty]*  
*Sideletter M [Distant Location Working Conditions]*  
*Sideletter N [Productions Made For New Media]*

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**SIDELETTER L**

*JURY DUTY*

During the course of negotiations, the parties agreed that each of the Producers would provide the Union with a copy of its written jury duty reimbursement policies, if any, applicable to Local 839-represented employees. Those Producers without a written policy shall respond in writing to the Union's request setting forth their jury duty policy/practice.

**SIDELETTER M**

*DISTANT LOCATION WORKING CONDITIONS*

The producers agree to discuss on a Company-by-Company basis the conditions for the performance of covered work on distant location.

**SIDELETTER N**

*PRODUCTIONS MADE FOR NEW MEDIA*

This Sideletter confirms the understanding of the International Alliance of Theatrical Stage Employees (hereinafter "the IATSE"), on behalf of itself and The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839, on the one hand, and the Producers signatory to the successor agreement to the 2012 Agreement between Producer and The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839 (collectively "the parties"), on the other hand, concerning the terms and conditions applicable to the production of entertainment motion pictures of the type that have traditionally been covered under the Local #839 Agreement (hereinafter "the Local #839 Agreement"), that are made for the Internet, mobile devices, or any other new media platform in existence as of August 1, 2009 (hereinafter collectively referred to as "New Media")<sup>1</sup> With respect to such productions intended for initial use in new media, the parties agree as follows:

<sup>1</sup> This Sideletter applies to the production of certain types of programs intended for initial use in New Media and does not cover work involved in the selection of content for, design or management of any website or any other New Media platform on which productions made for New Media appear.

## *Sideletter N [Productions Made For New Media]*

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The parties mutually recognize that the economics of New Media production are presently uncertain and that greater flexibility in terms and conditions of employment is therefore mutually beneficial. If one or more business models develop such that New Media production becomes an economically viable medium, then the parties mutually recognize that future agreements should reflect that fact.

### *A. Recognition*

The Producer recognizes the IATSE as the exclusive bargaining representative of employees employed within the classifications covered by the Local #839 Agreement on entertainment motion pictures of the type traditionally covered under said Agreement which are intended for initial exhibition in New Media, but excluding news, sports, documentaries and "Experimental New Media Productions," as that term is defined below, within the geographic scope covered by the Local #839 Agreement for the classifications covered by that Agreement.

### *B. Coverage*

Coverage shall be at the Producer's option with respect to "Experimental New Media Productions." Should the Producer elect to cover an Experimental New Media Production, the terms and conditions applicable to employment on Original New Media Productions, as set forth in Paragraph D. below, shall apply.

An "Experimental New Media Production" is defined as any Original New Media Production: (1) for which the actual cost of production does not exceed: (a) \$15,000 per minute of program material as exhibited, and (b) \$300,000 per single production as exhibited, and (c) \$500,000 per series of programs produced for a single order; and (2) on which any combination totaling fewer than four (4) employees as hereinafter described are working in job classifications covered by the Local #839 Agreement within the geographic scope of that Agreement. Such employees shall include any person having six (6) months or more experience in the animated cartoon industry in any job classification covered by the Local #839 Agreement.

*Sideletter N [Productions Made For New Media]*

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The actual cost of the "Experimental New Media Production" shall consist of all direct costs actually incurred in connection with the Production. The only costs excluded in determining the actual cost of production shall be development costs, overhead charges, financing costs (i.e., loan origination fees, gap fees, legal fees and interest), contingency of up to ten percent (10%), essential elements insurance costs, the cost of the completion bond, marketing expenses, contingent payments to talent or other parties which are based on the proceeds derived from the exploitation of the Production and received after recoupment of the negative cost, and delivery items required by sales agents, distributors or sub-distributors (i.e., delivery materials beyond the answer print, NTSC Video Master if the Production is delivered on videotape, or the digital equivalent if the Production is delivered in a digital format).

If the Producer began production of an "Experimental New Media Production" which the Producer elected not to cover under the terms of this Sideletter, but subsequently employs four (4) or more employees on the production in classifications covered by the Local #839 Agreement, which employees meet the description in the second sentence of the first paragraph of this Paragraph B., then said production shall automatically be deemed covered hereunder, starting from the first day on which at least four (4) or more such employees are so employed on the production and continuing until the production is finished.

Producer shall use reasonable efforts to notify the IATSE that it intends to cover an "Experimental New Media Production" as of the date of commencement of layout or animation, as applicable.

*C. Terms and Conditions of Employment on Derivative New Media Productions (Other Than an "Animated High Budget" New Media Production Made for Initial Exhibition on a Subscription Video-On-Demand Consumer Pay Platform ("Animated High Budget SVOD Program"))*

A "Derivative New Media Production" is a production for New Media based on an existing television motion picture covered by the Local #839 Agreement that was produced for "traditional" media -- e.g.,

*Sideletter N [Productions Made For New Media]*

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a free television, basic cable or pay television motion picture ("the source production") -- and is otherwise included among the types of motion pictures traditionally covered by the Local #839 Agreement.

Employees may be employed by a Producer and assigned to a "Derivative New Media Production" as part of their regular workday on the source production. The work for the Derivative Production shall be considered part of the workday for the Employees on the source production and shall trigger overtime if work on the Derivative Production extends the workday on the source production past the point at which overtime would normally be triggered on the source production. All other terms and conditions, including benefits, shall continue as if the employee were continuing to work on the source production.

In all other situations, terms and conditions of employment are freely negotiable between the Employee and the Producer, except for those provisions identified in Paragraph E. below.

*D. Terms and Conditions of Employment on Original New Media Productions (Other Than an "Animated High Budget SVOD Program")*

Terms and conditions of employment on Original New Media Productions (other than an "Animated High Budget SVOD Program" as defined in Paragraph F. below) are freely negotiable between the Employee and the Producer, except for those provisions identified in Paragraph E. below.

*E. Other Provisions (For Other Than an "Animated High Budget SVOD Program")*

*(1) Union Security*

The provisions of Article II, "Union Security," of the Basic Agreement shall apply to New Media Productions, except that the requirement to become a member in good standing of the Union shall

*Sideletter N [Productions Made For New Media]*

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not apply until an individual has been employed for at least thirty (30) workdays on New Media Productions covered under this Sideletter, or for a combined total of thirty (30) workdays on New Media Productions covered under this sideletter and on motion pictures of the type traditionally covered under the Local #839 Agreement. In addition, all references in Article II to "West Coast Studio Locals" shall be replaced with "Local #839" for purposes of this Sideletter.

The Union acknowledges and agrees that the obligations set forth in subparagraph (c) of Article II apply only to newly-hired employees who are not members of the IATSE or of Local #839.

*(2) Pension, Health and Individual Account Plans*

On covered New Media Productions budgeted at \$25,000 or less per minute (using the same cost elements as described in the second paragraph of Paragraph B. above), Producer's only obligation hereunder shall be to make contributions to the Active Health Fund, as required by Article XII of the Basic Agreement, and to the Retired Employees Fund, as required by Article XIV of the Basic Agreement, on behalf of each Employee employed under the terms of this Sideletter.

On New Media Productions budgeted at more than \$25,000 per minute (using the same cost elements as described in the second paragraph of Paragraph B. above), or when Employees are assigned by the Producer to a Derivative New Media Production as part of their regular workday on the source production, Producer shall be obligated to make pension, health and Individual Account Plan contributions in accordance with the provisions of Articles XII, XIII, XIII A and XIV of the Basic Agreement.

*(3) Seniority*

There shall be no preference of employment of any kind or nature in the employment of Employees on New Media Productions hereunder. The provisions of Article 12, "Seniority," of the Local #839 Agreement shall not be applicable to New Media Productions.

## *Sideletter N [Productions Made For New Media]*

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### *(4) Grievance and Arbitration*

Any dispute with regard to wages, hours of employment or working conditions concerning an Employee employed by Producer under the terms of this Sideletter shall be resolved in accordance with the grievance and arbitration procedure set forth in Article XXXII of the Basic Agreement, except that references therein to "the Local Union" shall be replaced with "the IATSE" and the provisions with respect to the Step Two Conciliation Committee shall be deleted. In addition, the reference in Article XXXII to "West Coast Studio Locals" shall be replaced with "Local #839."

### *(5) Staffing*

It is expressly understood and agreed that there shall be no staffing requirements on Productions made for New Media and that there will be full interchange of job functions among Employees, so that a single Employee may be required to perform the functions of multiple job classifications covered hereunder.

### *(6) No Strike, No Lockout*

During the term of this Agreement, the Union agrees not to engage in any strike, sympathy strike or work stoppage against the Producer. The Producer agrees not to engage in any lockout of its Employees employed hereunder during the term of this Agreement.

### *(7) No Other Terms Applicable*

Except as expressly provided in this Sideletter, no other terms and conditions shall be applicable to Employees employed on New Media Productions.



*Sideletter N [Productions Made For New Media]*

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*F. "High Budget" Animated Derivative and Original Dramatic  
New Media Productions Made for Initial Exhibition on a Subscription  
Video-on-Demand Consumer Pay Platform*

*(1) Prospective Application*

The terms and conditions set forth in this Paragraph F. shall be applicable prospectively only. They shall not apply to:

*(a)* any program or series that would otherwise qualify as an "Animated High Budget SVOD Program" within the meaning of this Sideletter for which production animation commenced prior to November 1, 2015 (in the case of a series, production animation of the first episode must have commenced prior to November 1, 2015); or

*(b)* any program or series that would otherwise qualify as an "Animated High Budget SVOD Program" within the meaning of this Sideletter for which production animation commenced after November 1, 2015 (in the case of a series, production animation of the first episode must have commenced after November 1, 2015), if such program or series was produced pursuant to the terms of a bona fide license agreement with fixed and definite terms entered into by the Producer prior to November 1, 2015. However, if such license agreement is entered into subject to conditions precedent, then all such conditions must be satisfied prior to November 1, 2015.

Any program or series described in subparagraphs (a) or (b) above shall continue to be subject to the terms of Sideletter N Re: Productions Made for New Media under the 2012 Local #839 Agreement. However, with respect to any such program or series described in subparagraphs (a) or (b) above, if the licensee orders additional programs or episodes pursuant to the terms of the license agreement after November 1, 2015

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and the Producer has the right to negotiate with respect to the material terms and conditions of the license for the additional programs or episodes, then such additional programs or episodes shall be subject to the terms of this Sideletter.

Notwithstanding the foregoing, the Producer shall not reduce the terms and conditions of employment previously provided to Local #839-represented employees on programs or series covered by subparagraphs (a) or (b) above.

*(2) "Animated High Budget SVOD Programs" Defined*

The terms and conditions set forth in Paragraph F. of this Sideletter shall be applicable only to animated original and derivative dramatic new media productions made for initial exhibition on a subscription video-on-demand consumer pay platform which meet the following "high budget" criteria (hereinafter "Animated High Budget SVOD Programs"):

Length of Program as Initially Exhibited*	"High Budget" Threshold
20-35 Minutes	\$1,300,000 and above
36-65 Minutes	\$2,500,000 and above
66 Minutes or more	\$3,000,000 and above

\* Programs less than 20 minutes are not considered "high budget" for the purpose of this Sideletter, regardless of their budgets.

*Sideletter N [Productions Made For New Media]*

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(3) "Tier 1" and "Tier 2" Defined

For purposes of Paragraph F.(4) below, Tier 1 and Tier 2 shall be defined as follows:

<b>Program Length</b>	<b>Budget Tier</b>
20-35 Minutes	Tier 1: \$2,000,000 or more (\$2,100,000 or more effective August 1, 2017)
	Tier 2: \$1,300,000 or more but less than \$2,000,000 (\$2,100,000 effective August 1, 2017)
36-65 Minutes	Tier 1: \$3,700,000 or more (\$3,800,000 or more effective August 1, 2017)
	Tier 2: \$2,500,000 or more but less than \$3,700,000 (\$3,800,000 effective August 1, 2017)
66-95 Minutes	Tier 1: \$4,000,000 or more
	Tier 2: \$3,000,000 or more but less than \$4,000,000
96 Minutes or more	Tier 1: \$4,500,000 (plus \$2,250,000 for each additional 35 minutes or portion thereof) or more
	Tier 2: \$3,000,000 or more but less than \$4,500,000 (plus \$2,250,000 for each additional 35 minutes or portion thereof)

## *Sideletter N [Productions Made For New Media]*

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### *(4) Terms and Conditions*

(a) The terms and conditions for employees employed on Animated High Budget SVOD Programs in Tier 1, as defined in subparagraph (3) above, that are intended for initial exhibition on a subscription video-on-demand consumer pay platform with 15 million or more subscribers in the United States and Canada shall be the terms and conditions set forth in the 2015 Local #839 Agreement for a television motion picture, subject to the following clarifications and modifications:

(i) An Animated High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a half-hour program, and a High Budget SVOD Program 36 minutes or more in length shall be treated as a one hour or more program.

*(ii) Animated High Budget SVOD Programs Fewer Than 66 Minutes in Length*

(A) The following shall apply to one-time Animated High Budget SVOD Programs and Animated High Budget SVOD pilots that are fewer than 66 minutes in length and the first season of an Animated High Budget SVOD series consisting of episodes that are fewer than 66 minutes in length:

(1) The minimum rates for the period immediately preceding the period in question shall apply (e.g., during the period July 30, 2017 to July 31, 2018, the wage rates for the period July 31, 2016 to July 29, 2017 shall apply).<sup>2</sup>

<sup>2</sup> The minimum scale for daily employees, which is ordinarily 117.719% of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 110% of the minimum rate for the period immediately preceding the period in question, in order to account for the modifications in vacation and holiday pay provided in subparagraphs (A)(2) and (A)(3) below.

*Sideletter N [Productions Made For New Media]*

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(2) Producer shall not be required to make any payment for holidays which are not worked.

(3) Producer shall not be required to pay the percentage of salaries as vacation pay.

(B) The following shall apply to the second season of an Animated High Budget SVOD series:

(1) The minimum rates for the period immediately preceding the period in question shall apply (e.g., during the period July 30, 2017 to July 31, 2018, the wage rates for the period July 31, 2016 to July 29, 2017 shall apply).<sup>3</sup>

(2) Unworked holiday pay will be payable at one-half of the amount due under Article 6 of the Local #839 Agreement.

(3) Vacation will be payable at one-half of the applicable percentage in Article 8 of the Local #839 Agreement.

*(iii) Animated High Budget SVOD Programs 66 Minutes or More in Length*

For a one-time Animated High Budget SVOD Program or Animated High Budget SVOD pilot that is 66 minutes or more in length, or an Animated High Budget SVOD series consisting of episodes that are 66 minutes or more in length:

<sup>3</sup>The minimum scale for daily employees, which is ordinarily 117.719% of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 113.86% of the minimum rate for the period immediately preceding the period in question, in order to account for the modifications in vacation and holiday pay provided in subparagraphs (B)(2) and (B)(3) below.

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(A) The minimum wage rates shall be the applicable minimum rates set forth in the Local #839 Agreement for a television motion picture, reduced by 15%.<sup>4</sup>

(B) Producer shall not be required to make any payment for holidays which are not worked.

(C) Producer shall not be required to pay the percentage of salaries as vacation pay.

(b) The terms and conditions for employees employed on Animated High Budget SVOD Programs in Tier 2, as defined in subparagraph (3) above, that are intended for initial exhibition on a subscription video-on-demand consumer pay platform with 15 million or more subscribers in the United States and Canada, or for Animated High Budget SVOD Programs that are intended for initial exhibition on a subscription video-on-demand consumer pay platform with fewer than 15 million subscribers in the United States and Canada, shall be the terms and conditions set forth in the 2015 Local #839 Agreement for a television motion picture, subject to the following clarifications and modifications:

(i) An Animated High Budget SVOD Program between 20 and 35 minutes in length shall be treated as a half-hour program, and an Animated High Budget SVOD Program 36 minutes or more in length shall be treated as a one hour or more program.

(ii) *Animated High Budget SVOD Programs Fewer Than 66 Minutes in Length*

(A) The following shall apply to one-time Animated High Budget SVOD Programs and Animated High

<sup>4</sup> The minimum scale for daily employees, which is ordinarily 117.719% of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 93.5% of the applicable minimum basic hourly rate for weekly employees, in order to account for the modifications in vacation and holiday pay provided in subparagraphs (B) and (C) below.

*Sideletter N [Productions Made For New Media]*

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Budget SVOD pilots that are fewer than 66 minutes in length and the first season of an Animated High Budget SVOD series consisting of episodes that are fewer than 66 minutes in length:

(1) The minimum rates shall be the applicable minimum rates set forth in the Local #839 Agreement for a television motion picture, reduced by 15%.<sup>5</sup>

(2) Producer shall not be required to make any payment for holidays which are not worked.

(3) Producer shall not be required to pay the percentage of salaries as vacation pay.

(B) The following shall apply to the second season of an Animated High Budget SVOD series:

(1) The minimum rates for the period immediately preceding the period in question shall apply (e.g., during the period July 30, 2017 to July 31, 2018, the wage rates for the period July 31, 2016 to July 29, 2017 shall apply).<sup>6</sup>

<sup>5</sup>The minimum scale for daily employees, which is ordinarily calculated as 117.719% of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 93.5% of the applicable minimum basic hourly rate for weekly employees, in order to account for the modifications in vacation and holiday pay as provided in subparagraphs (A)(2) and (A)(3) below.

<sup>6</sup>The minimum scale for daily employees, which is ordinarily 117.719% of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 110% of the minimum rate for the period immediately preceding the period in question, in order to account for the modifications in vacation and holiday pay provided in subparagraphs (B)(2) and (B)(3) below.

*Sideletter N [Productions Made For New Media]*

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(2) Producer shall not be required to make any payment for holidays which are not worked.

(3) Producer shall not be required to pay the percentage of salaries as vacation pay.

(C) The following shall apply to the third season of an Animated High Budget SVOD series:

(1) The minimum rates for the period immediately preceding the period in question shall apply (e.g., during the period July 30, 2017 to July 31, 2018, the wage rates for the period July 31, 2016 to July 29, 2017 shall apply).<sup>7</sup>

(2) Unworked holiday pay will be payable at one-half of the amount due under Article 6 of the Local #839 Agreement.

(3) Vacation will be payable at one-half of the applicable percentage in Article 8 of the Local #839 Agreement.

*(iii) Animated High Budget SVOD Programs 66 Minutes or More in Length*

Paragraph F.(4)(a)(iii) above applies to a one-time Animated High Budget SVOD Program or Animated High Budget SVOD pilot that is 66 minutes or more in length, or an Animated High Budget SVOD series consisting of episodes that are 66 minutes or more in length.

<sup>7</sup>The minimum scale for daily employees, which is ordinarily 117.719% of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 113.86% of the minimum rate for the period immediately preceding the period in question, in order to account for the modifications in vacation and holiday pay provided in subparagraphs (C)(2) and (C)(3) below.



*Sideletter N [Productions Made For New Media]*

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(A) The second paragraph of Paragraph C. of this Sideletter shall apply to a Derivative New Media Production that falls within the definition of an Animated High Budget SVOD Program as provided in this Paragraph F.

G. The International Alliance of Theatrical Stage Employees ("IATSE") has been granted the right under the Producer-IATSE Basic Agreement to review the budget of a covered new media production solely for the purpose of determining whether the covered new media production falls within the definition of a High Budget SVOD Program, and, if so, whether the production meets the budget break in Tier 1 or Tier 2 as set forth in Paragraph F.(3) above. Local #839 may request that the IATSE conduct such review of the budget of an Animated High Budget SVOD Program and make such determination. In the event that the IATSE refuses to do so, Local #839 reserves its right to conduct such review. All information received or reviewed by representatives of the IATSE or Local #839 shall be kept confidential, and neither the IATSE, Local #839, nor their representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

*H. "Sunset" Clause*

The parties recognize that these provisions are being negotiated at a time when the business models and patterns of usage of productions in New Media are in the process of exploration, experimentation and innovation. Therefore, the provisions of this Sideletter shall expire on the termination date of the Local #839 Agreement and will be of no force and effect thereafter. No later than sixty (60) days before that expiration date, the parties will meet to negotiate new terms and conditions for reuse of productions made for New Media.

The parties further acknowledge that conditions in this area are changing rapidly and that the negotiation for the successor agreement will be based on the conditions that exist and reasonably can be forecast at that time.

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