

July 14, 2015

MEMORANDUM OF AGREEMENT OF AUGUST 1, 2015
BETWEEN PRODUCER AND
THE ANIMATION GUILD AND AFFILIATED OPTICAL ELECTRONIC AND
GRAPHIC ARTS, LOCAL #839, IATSE

This Memorandum of Agreement is entered into as of August 1, 2015 between the International Alliance of Theatrical Stage Employees, 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, IATSE (such International Alliance and Local #839 being referred to collectively as “the Union”), on the one hand, and the following Producers, on the other hand:

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.
Watercooler Productions, Inc.

This Memorandum of Agreement reflects the complete understanding reached between the parties. As soon as practicable, this Memorandum of Agreement will be reduced to formal contract language. This Memorandum of Agreement is not contract language, except where the context clearly indicates otherwise.

The provisions of the Memorandum of Agreement are subject to ratification of this Agreement by the membership of The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839, IATSE.

All of the provisions of the current collective bargaining agreements between these parties (hereinafter collectively referred to as “the Agreement”) shall remain the same unless otherwise specifically changed as noted herein.

The provisions herein shall be effective upon ratification or August 1, 2015, whichever is later, unless a contrary date is specified, in which case such provision shall be effective as of the date so specified.

In consideration of the mutual agreements herein contained, the parties hereto agree as follows:

1. **Term of Agreement**

The term of the Agreement shall be for three (3) years, commencing on August 1, 2015 and continuing to and including July 31, 2018.

2. **Wage Increases**

Minimum wage rates shall be increased as follows:

- a. By three percent (3%) effective August 2, 2015;
- b. By three percent (3%) effective July 31, 2016; and
- c. By three percent (3%) effective July 30, 2017.

These increases shall be compounded.

3. **Health and Pension**

Revise the Agreement to provide the same modifications to the Pension Plan, Health Plan and Individual Account Plan provisions as negotiated between the IATSE and the AMPTP for a successor agreement to the Producer-I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2012, including but not limited to the following:

- a. Increase the current hourly Producer contribution rate to the defined benefit Pension Plan by \$0.18 per hour effective August 2, 2015, by an additional \$0.18 per hour effective July 31, 2016 and by an additional \$0.18 per hour effective July 30, 2017; and
- b. The bargaining parties agree to recommend that the pension improvements negotiated for the bargaining unit under the Producer-I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2015 shall likewise apply to the Local #839 bargaining unit.

- c. The bargaining parties agree to recommend to the Directors of the Motion Picture Industry Health Plan that the number of years required to qualify for retiree health coverage in the Retired Employees Fund shall increase, effective January 1, 2016, from fifteen (15) qualified years to twenty (20) qualified years for participants who have not earned at least one “Qualified Year” as of January 1, 2016. (The definition of “Qualified Year” as used herein is set forth in Section 24 of Article I of the Motion Picture Industry Pension Plan Restated 1993 Trust Agreement, revised January 2015.)

4. **Unit Rates – Writer and Storyboard Classification**

- a. Effective August 2, 2015, increase the number of hours on which pension, health and welfare contributions are made on behalf of individuals working under “Unit Rates” in the Storyboard classification as follows:
 - i. For short subjects four (4) to seven (7) minutes in length, increase the number to sixty (60) hours.
 - ii. For short subjects over seven (7) minutes to fifteen (15) minutes, increase the number to seventy-five (75) hours.
 - iii. For half-hour subjects, increase the number to one hundred forty (140) hours.
 - iv. For one hour or more subjects, increase the number to two hundred ten (210) hours.
- b. Revise the wage scales to provide that the “Unit Rate” applicable to an Animation Story Person/Animation Writer engaged on a television or theatrical short subject less than four (4) minutes in length is freely negotiable between the Producer and the individual, provided that the Producer shall make pension, health and welfare contributions on behalf of such individual in the minimum amount specified for short subjects of four (4) to seven (7) minutes in length.

5. **Unit Rates – Freelance Timing**

- a. Establish a Unit Rate for Sheet Timers employed on a freelance basis as follows:
 - i. \$3.25 per foot effective August 2, 2015;
 - ii. \$3.35 per foot effective July 31, 2016; and
 - iii. \$3.45 per foot effective July 30, 2017.
- b. For Sheet Timers employed under the Unit Rate above, Producer shall make eight (8) hours of pension and health contributions for each one hundred (100) feet, which may be made on a *pro rata* basis.

6. **Sick Leave**

a. **California Sick Leave Act**

Modify Article 7 (“Sick Leave”) by replacing the current language with the following:

“A. *California Sick Leave Act*

“1. Accrual. Commencing July 1, 2015, eligible employees covered by this Agreement shall accrue one hour of paid sick leave for every 30 hours worked in California for Producer, up to a maximum of 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 30 days in California for the Producer and after their 90th day of employment in California with the Producer (based on days worked or guaranteed), with a bank of 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 30 days in California within a one-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 after the eligible employee has been employed by the Producer in California for 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 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.’¹ 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 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 30-day and 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.

“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.

¹ “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.

“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.”

Make conforming changes.

b. **Waiver of New York Earned Sick Time Act and Similar Laws**

Add a new paragraph to Article 7 (“Sick Leave”) to provide as follows:

“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 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) and Trenton, New Jersey; 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.”

Make conforming changes, including by adding the official citations to the Ordinances when available.

7. **Holidays**

The AMPTP will issue the following bulletin to Producers signatory to the 2015 Local #839 Agreement:

“NOTICE TO PRODUCERS SIGNATORY TO THE 2015 LOCAL #839 AGREEMENT:

“Re: Paid Holidays

“During negotiations for the 2015 Local #839 Agreement, the Union advised the Producers that employees sometimes work on one or more of the nine (9) paid holidays listed in Article 6 (New Year’s Day, Presidents’ Day, Good Friday, Memorial Day,

Fourth of July, Labor Day, Thanksgiving Day, the day after Thanksgiving and Christmas Day) in order to complete an assignment and meet a production deadline. The Union expressed a desire for employees to be able to take the day off on a paid holiday.

“To the extent that it is possible to give employees the day off on a paid holiday, we encourage productions to do so. However, if an employee must work on a paid holiday, this is a reminder that Article 6 requires a Producer to pay double time for all work done on a paid holiday.”

8. **Sideletter Re: Productions Made for New Media**

- a. *Modify Sideletter N Re: Productions Made for New Media in the 2012 Local #839 Agreement by inserting a new Paragraph F. and G., and making conforming changes, including but not limited to modifying Paragraphs C.-E. to provide that they do not apply to “High Budget” Derivative and Original Dramatic New Media Productions Made for Initial Exhibition on a Subscription Video-on-Demand Consumer Pay Platform (“High Budget SVOD Program”):*

“F. “High Budget” 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 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**”):

<u>Length of Program as Initially Exhibited*</u>	<u>“High Budget” Threshold</u>
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.

“(3) **“Tier 1” and “Tier 2” Defined**

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

Program Length	Budget Tier
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)

“(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).²

(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

² 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.

July 31, 2016 to July 29, 2017 shall apply).³

- (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:

- “(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%.⁴
- “(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.

³ 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.

⁴ 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.

“(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 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%.⁵

⁵ 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.

- (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).⁶
 - (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

⁶ 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.

July 31, 2016 to July 29, 2017 shall apply).⁷

- (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.

“(c) 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

⁷ 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.

representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.”

Make conforming changes as necessary.

- b. Except as modified in Item 8.a. above, renew the Sideletter re: Productions Made for New Media.

9. **Job Classification Titles**

Representatives from Local #839 and representatives from DreamWorks Animation LLC and DreamWorks Animated Television, Inc. shall form a committee which will meet within ninety (90) days of ratification to discuss the renaming of the job classifications in Sideletter E of the Agreement.

Representatives of Walt Disney Pictures also agree to form such a committee with representatives from Local #839 which will meet within ninety (90) days of ratification to discuss the renaming of job classifications in Sideletters C and D of the Agreement.

10. **Contract Services Administration Trust Fund**

- a. Increase the four cents (\$0.04) per hour contribution rate to the Contract Services Administration Trust Fund (“CSATF”) by two cents (\$0.02) effective August 2, 2015 and an additional two cents (\$0.02) effective July 30, 2017 and apply this rate to all Producers and all employees on whose behalf contributions are submitted to CSATF.
- b. Employees will be required to complete harassment prevention training on 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.
- c. Effective August 1, 2015, each employee in the bargaining unit covered by this Agreement who attends required harassment prevention training administered by the Contract Services Administration Trust Fund shall be paid a stipend of \$20.00 for each hour the employee attends such training.

11. **Probationary Employee**

Modify the third paragraph in Article 12.A.6. as follows:

“Any probationary employee, as defined in Article 16.A. of this Agreement, who is engaged for ninety (90) days or less~~eight (8) or fewer weeks~~ and who is released from employment shall not be eligible for notice or payment in lieu of notice under the terms of this provision.”

12. **Sideletter E**

Make Sideletter E in its entirety available to Warner Bros. Animation Inc. and Warner Specialty Productions Inc.

13. **Housekeeping re Simplifying Wage Rates**

Express wage rates in no more than two (2) decimal points. For example, instead of an hourly rate for a weekly employee of \$31.608, the hourly rate would be expressed as \$31.61. Rates will be rounded up when the last digit is a "5" or higher.

14. **Housekeeping – Article 11**

Re-title Article 11 to "Loaning Employees to Other Companies."

15. **Disavowals**

- a. The Union disavows the practice of allowing unit rates to be paid for freelance animation checking. Freelance checking is to be paid at the daily/weekly rate.
- b. Warner Bros. Animation Inc. and Warner Specialty Productions Inc. disavow any practice of paying a daily rate to employees for days worked in a partial workweek in the event of layoff and will instead adhere to Article 12.A.6.

16. **Withdrawal of Producers' Proposal 3**

The Producers withdraw their Proposal 3 regarding grievance and arbitration. The bargaining parties agree that all discussions and documents pertaining to Producers' Proposal 3 shall be expunged from the bargaining history record of these negotiations.

17. **Sideletters**

All sideletters will remain in full force and effect except as amended in these negotiations.

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

_____ Date: _____

**THE ANIMATION GUILD AND AFFILIATED OPTICAL ELECTRONIC AND
GRAPHIC ARTS, LOCAL #839, I.A.T.S.E.**

_____ Date: _____

ABC STUDIOS

Date: _____

ADELAIDE PRODUCTIONS, INC.

Date: _____

ANIMATED PRODUCTIONS INC.

Date: _____

CARTOON NETWORK STUDIOS, INC.

Date: _____

COLUMBIA PICTURES INDUSTRIES, INC.

Date: _____

DISNEY TELEVISION ANIMATION

Date: _____

DREAMWORKS ANIMATION LLC

Date: _____

DREAMWORKS ANIMATION TELEVISION, INC.

Date: _____

FOX ANIMATION LOS ANGELES, INC.

Date: _____

FOX TELEVISION ANIMATION, INC.

Date: _____

KATY MAC SESSION PRODUCTIONS, INC.

Date: _____

MARVEL ANIMATION, INC.

Date: _____

METRO-GOLDWYN-MAYER ANIMATION INC.

Date: _____

MUDDY WATER ENTERTAINMENT, INC.

Date: _____

OBELISK PRODUCTIONS, INC.

Date: _____

PARTRICKS ROAD PRODUCTIONS II, INC.

Date: _____

RUTHERFORD BENCH PRODUCTIONS, INC.

Date: _____

TURNER 1050 PRODUCTIONS, INC.

Date: _____

UNIVERSAL ANIMATION STUDIOS LLC

Date: _____

UNIVERSAL CITY STUDIOS LLC

Date: _____

WALT DISNEY PICTURES

Date: _____

WARNER BROS. ANIMATION

Date: _____

WARNER SPECIALTY PRODUCTIONS INC.

Date: _____

WATERCOOLER PRODUCTIONS, INC.

Date: _____