

COLLECTIVE BARGAINING AGREEMENT

NICKELODEON ANIMATION STUDIOS, INC.

AND

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

This agreement (the "CG Agreement") is made by and between The Animation Guild and Affiliated Optical Electronic and Graphics Artists, I.A.T.S.E. Local #839 (the "Union") and Nickelodeon Animation Studios Inc. ("Producer"), and this CG Agreement shall constitute a successor collective bargaining agreement to the collective bargaining agreement between Union and Producer for the period from August 1, 2016 through July 31, 2018 (the "2016 NASI CG CBA")

Producer has recognized Union as the sole and exclusive representative for the purposes of collective bargaining with Producer for the following bargaining unit of Producer's employees (the "Employees"): All computer graphic ("CG") production employees in the following classifications: CG (Digital) Animator, Generalist, Character Modeler, Character Technical Director, Technical Director, Environment Artist, FX Artist, Lighting/Comp Artist, Texture Artist, Lead CG (Digital) Animator, Lead Generalist, Lead Character Modeler, Lead Character Technical Director, Lead Technical Director, Lead Environment Artist, Lead FX Artist, Lead Lighting/Comp Artist, Lead Texture Artist, VFX Technical Director, Asset Technical Director, CG Animation Technical Director, Compositing Director, Asset Finaler and Trainee.

Managerial personnel, supervisors as defined by the National Labor Relations Act, guards, Pipeline Technical Directors and all other employees of Producer are excluded from the bargaining unit. Producer reserves the right to use the title Animation Supervisor for statutory supervisors who are excluded from the unit.

The term of this CG Agreement shall be for three (3) years, commencing on August 1, 2018 and continuing to and including July 31, 2021.

Except as otherwise provided herein, the wages, hours and other terms and conditions of employment for the Employees shall be those set forth in the collective bargaining agreement (the "2018 TAG Master Agreement"), entered into as of August 1, 2018, between the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artist and Allied Crafts of the United States, its Territories and Canada and Union, on the one hand, and the Alliance of Motion Picture and Television Producers, on the other hand, a copy of which is attached hereto and incorporated herein by this reference as Exhibit "A."

1. **Article 1 ("Scope of Agreement")** of the 2018 TAG Master Agreement shall be deleted and replaced with the following: This CG Agreement shall be applicable to all persons employed by the Producer to perform services in the County of Los Angeles, or employed by Producer in the County of Los Angeles to perform work outside of said county, in any of the job classifications covered by the CG Agreement, except where an Employee is required to work under the

jurisdiction of another I.A.T.S.E. Local. It is understood that the scope of this CG Agreement is limited to CG entertainment programs produced for initial exhibition on television (in theaters (as well as direct-to-video and shorts) and, to the extent provided in Sideletter N, in new media as defined therein. To the extent that employees cross over between covered and non-covered work, whether or not their employment is covered by this CG Agreement shall depend on whether their "primary" (more than 50%) scope of work in a consecutive 60-day period is within the scope of the included job classifications as set forth above.

2. **Article 4, Paragraph I ("Technological Change")** of the 2018 TAG Master Agreement shall be modified as follows:
 - a. Subparagraph I.2. ("Producer's Right to Institute Technological Changes") shall not be subject to the provisions of subparagraph I.5.
 - b. Subparagraph I.4. ("Retraining") shall be deleted and replaced with the following: If any technological change permanently displaces any person in the performance of his or her job classification for Producer, Producer shall make its best effort to assist the Union in the retraining of such person.
 - c. Subparagraph I.5. ("Displacement Pay") shall be deleted in its entirety.
 - d. The reference to subparagraph 5 shall be deleted from subparagraph I.8.
 - e. Subparagraph I.9. ("Qualified Years") shall be deleted in its entirety.

3. **Article 7, Paragraph A ("California Sick Leave")** of the 2018 TAG Master Agreement shall be deleted and replaced with the following: Employees shall continue to receive ten (10) paid sick days under the same terms and conditions as paid sick days are payable to Producer's employees who are not represented for collective bargaining purposes.

4. **Article 14 ("Dismissal Pay")** of the 2018 TAG Master Agreement shall be deleted and replaced with the following:
 - A. Whenever an employee has been laid off by the Producer for more than ninety (90) days and has not been offered employment by the Producer during that time and is eligible for Dismissal Pay, upon written application of the employee to the Producer he or she shall be paid dismissal pay according to the provisions of this Article.
 - B. Employees with six (6) months but less than one (1) year of continuous employment shall receive one (1) week's pay.
 - C. Employees with one (1) or more years of continuous employment shall receive two (2) weeks' pay.
 - D. 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 Producer, whether of the same or any other nature, shall not be entitled to the above Dismissal Pay.

- E. 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 ninety (90) 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 or her continuous employment has been broken as stated above in Paragraph E.3. shall be considered a new employee with respect to Dismissal Pay, but shall not affect his or her seniority.

5. **Bulletin Re: Paid Holidays:** Producer shall not be obligated to issue a bulletin as described in Paragraph 11 of the 2018 TAG Master Agreement Memorandum of Agreement (the "2018 TAG Master MOA").
6. **Article 21, Paragraph N ("Project Information"):** For purposes of this Agreement, the parties agree that the requirements set forth in the new Paragraph N of Article 21 of the 2018 TAG Master Agreement, as set forth in Paragraph 16 of the 2018 TAG Master MOA, shall only be applicable to programs that are 20 minutes or longer in total running time, as well as all episodic and series work regardless of running time. It is understood that two (2) animated segments, each of which is ten (10) minutes or longer and which are produced and initially exhibited as a unit would be subject to the requirements set forth in Paragraph N of Article 21.
7. **Sideletter J – Skill Evaluations:** The second paragraph Sideletter J is deleted and replaced with the following: The parties agree to "meet and confer" in the event that the Union believes that Producer is not complying with the requirements set forth in this Sideletter J.
8. **Texture Artist (21-6009) and Lead Texture Artist (21-6109):** The classification of "Texture Artist" shall be renamed as "Look Development Artist"; and the classification of "Lead Texture Artist" shall be renamed as "Lead Look Development Artist."

9. **Wage Scales:** The wage rates provided for in the 2016 NASI CG CBA shall increase by the same percentages and on the same dates (i.e., on July 29, 2018, August 4, 2019 and August 2, 2020) as provided for in the 2018 TAG Master MOA, except that the rate for Asset Finaler (21-6030) for the period of July 29, 2018 through and including August 3, 2019 shall be \$23.18 per hour for daily hires or \$927.20 per week for weekly hires. The wages scales for the job classifications in this CG Agreement shall be as set forth in the Nickelodeon CG Wage Scales, to be attached hereto and incorporated herein by this reference as Addendum "1."

By signing below, Union and Producer hereby acknowledge their acceptance of and agreement to all of the foregoing terms and conditions hereof, subject to the ratification of this agreement by the bargaining unit members of the Union.

The Animation Guild and Affiliated Optical Electronic and Graphics Artists, I.A.T.S.E. Local #839

By: _____

Jason MacLeod, Business Representative

Nickelodeon Animation Studios, Inc.

By:  _____

David Steinberg, Senior Vice President, Production

SIDELETTER NO. 1

Effective as of August 1, 2018

Jason MacLeod, Business Representative
The Animation Guild, I.A.T.S.E. Local #839
1105 N. Hollywood Way
Burbank, CA 91505

SIDELETTER RE: HOLIDAYS

Dear Jason:

Reference is hereby made to the collective bargaining agreement (the "CG Agreement"), effective as of August 1, 2018, by and between I.A.T.S.E. Local 839 ("Union") and Nickelodeon Animations Studios, Inc. ("Producer"). Producer and Union agree that, during the term of the CG Agreement, there shall continue to be ten (10) paid holidays per calendar year in accordance with Producer's holiday schedule and Producer shall have no obligation to include Good Friday as a paid holiday. The provision of this Sideletter No. 1 shall expire on the termination date of the CG Agreement and will be of no force and effect thereafter.

Very truly yours,



David Steinberg
Senior Vice President, Production
Nickelodeon Animation Studios, Inc.

ACCEPTED & AGREED TO:

I.A.T.S.E. Local 839

By: _____
Jason MacLeod, Business Representative

ADDENDUM "1"

NASI – TAG CG ANIMATION WAGE SCALES FOR PERIOD OF: July 29, 2018 – July 31, 2021

