

May 26, 2022

MEMORANDUM OF AGREEMENT OF AUGUST 1, 2021
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, 2021 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 Alliance of Motion Picture and Television Producers, on behalf of those Producers who are part of the single multi-employer bargaining unit (each hereinafter respectively referred to as the “Employer” and collectively referred to as the “Employers” and listed in Exhibit “A” attached hereto), on the other hand.

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.

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

The provisions of the Memorandum of Agreement are subject to ratification by the membership of The Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839, IATSE. Provided that the AMPTP receives notice of ratification on or before July 6, 2022, the provisions herein shall be effective as of the first Sunday following the date that the AMPTP receives notice of ratification, 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 2021 Local #839 Agreement shall be three (3) years, commencing on August 1, 2021 and continuing through July 31, 2024.

2. **Wage Minimums**

Except as otherwise provided herein (see Items 4.b., 5 and 7), the minimum wage rates shall be increased as follows:

By three percent (3%) retroactive to August 1, 2021;
By three percent (3%) effective July 31, 2022; and
By three percent (3%) effective July 30, 2023.

These increases shall be compounded. All retroactive payments shall be made as soon as practicable.

3. **Health and Pension**

Update the references in Article 18 to the "2018 I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement" to the "2021 I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement," and update the reference to "the period commencing August 1, 2018 to and including July 31, 2021" to "the period commencing August 1, 2021 to and including July 31, 2024," so as to result in the following:

- a. Increase the "Basic Rate" in Article 18.C. of the Agreement for any Producer which qualifies as a "\$15 Million Contributor" by forty cents (\$0.40) per hour for each hour worked by or guaranteed an employee effective August 1, 2021; by an additional forty cents (\$0.40) per hour for each hour worked by or guaranteed an employee effective July 31, 2022; and by an additional forty cents (\$0.40) per hour for each hour worked by or guaranteed an employee effective July 30, 2023. Any retroactive payments shall be made as soon as practicable.
- b. In recognition of the disproportionate level of Post '60s and Supplemental Market contributions made to the Motion Picture Industry Pension and Health Plans by certain signatory Producers, the parties agree to increase the "Premium Rate" in Article 18.C. of the Agreement for Producers which do not qualify as a "\$15 Million Contributor" by one dollar and twenty cents (\$1.20) per hour for each hour worked by or guaranteed an employee effective August 1, 2021; by an additional one dollar and twenty cents (\$1.20) per hour for each hour worked by or guaranteed an employee effective July 31, 2022; and by an additional one dollar and twenty cents (\$1.20) per hour for each hour worked by or guaranteed an employee effective July 30, 2023. Any retroactive payments shall be made as soon as practicable.
- c. The bargaining parties agree to recommend that the pension improvements and contingencies negotiated for the bargaining unit under the Producer-I.A.T.S.E. and M.P.T.A.A.C. Basic Agreement of 2021 shall likewise apply to the Local #839 bargaining unit.

d. **Increase Benefits for On-Call Employees**

The bargaining parties agree to recommend to the Directors of the Motion Picture Industry Pension and Health Plans to increase the basis for making “on call” weekly contributions under Articles 18.A., B. and C. as follows:

"On call" weekly contributions shall be based upon a fifty-six (56) hour week (sixty (60) hour week effective [insert date that is the first Sunday following the AMPTP's receipt of notice of ratification]."

4. **Animation Timers**

a. **Job Classification - Rename Sheet Timers to Animation Timer**

Rename “Sheet Timer” to “Animation Timer” in Occupation Code 21-335 and in the Unit Rates.

b. **Freelance Timing**

Modify the freelance timing Unit Rates for the now-titled Animation Timer job classification as follows:

Animation Timer	Rate	H&W and Pension Hours
<i>Effective on or after the first Sunday following the AMPTP's receipt of notice of ratification:</i>	\$4.20/foot	8 hours/70 feet (contributions may be made on a <i>pro rata</i> basis)
<i>Effective the first Sunday one year after the AMPTP receives notice of ratification:</i>	\$4.41/foot	
<i>Effective January 1, 2024</i>	\$4.63/foot	

The foregoing rates are not subject to general wage increases.

5. **Color Designer**

a. Effective on the first Sunday following the AMPTP's receipt of notice of ratification, increase the minimum wage rates for Color Designer (21-501) to:

- (1) 1st 6 months: \$1,742.94/week; \$43.57/hour*
- (2) 2nd 6 months: \$1,782.34/week; \$44.56/hour*

(3) Journey: \$2,000.00/week; \$50.00/hour**

*The foregoing rates in (1) and (2) above are not subject to the general wage increase in the first year of the Agreement, but will be eligible for the negotiated general wage increase in the second and third years of the Agreement.

**The foregoing rate in (3) above shall not be subject to the general wage increases in the first and second years of the Agreement, but will be eligible for the negotiated wage increase in the third year of the Agreement.

- b. *Add the following asterisked footnote “***” to “21-501 Color Designer” in the wage scales for weekly employment to apply to such classification effective the first Sunday following the AMPTP’s receipt of notice of ratification, as follows:*

“*** Effective [insert date that is the first Sunday following the AMPTP’s receipt of notice of ratification], a Color Designer designated by the Producer to be responsible for and supervise the work of others in the same classification shall be paid the key rate of 15% above the minimum Journey rate for the classification during such an assignment.”

- c. Effective on the first Sunday following the AMPTP’s receipt of notice of ratification, the Color Designer (21-501) classification shall not apply to background painting. In the event that an employee employed as a Color Designer believes that background painting has been assigned to the employee, the employee should promptly bring the matter to the attention of the Producer. Should the Color Designer perform background painting at the request of a Producer, the Color Designer should be paid the minimum scale of a Background Artist (21-032) for such work.
- d. The Union agrees to withdraw the pending grievances against Fox Animation Television, Inc. and forever relinquishes all known and unknown claims regarding the use of the classification of Color Designer prior to the date that the AMPTP receives notice of ratification.
- e. The parties agree that the 21-501 – Color Designer classification will be removed from “Ink and Paint,” and the placement of the classification in the Wage Scales shall be discussed during the drafting of the Agreement.

6. **Board Artists**

a. **Supervising Storyboard Artists**

Add the following asterisked footnote “***” to “21-022 Animation Story Person/Animation Writer” in the wage scales for weekly employment to apply to

such classification effective the first Sunday following the AMPTP's receipt of notice of ratification, as follows:

“** An Animator, Background or Layout person designated by the Producer to be responsible for and supervise the work of others in the same classification shall be paid the key rate of 15% above the minimum Journey rate for the his classification during such an assignment. Effective [insert date that is the first Sunday following the AMPTP's receipt of notice of ratification], an Animation Story Person designated by the Producer to be responsible for and supervise the work of others in the same classification shall be paid the key rate of 15% above the minimum Journey rate for the classification during such an assignment.”

b. **Production Board**

Add the following footnote to 21-027 Production Board:

“**Effective [insert date that is the first Sunday following the AMPTP's receipt of notice of ratification], when designated by the Producer to be responsible for and supervise the work of others in the same classification, the employee shall be paid the key rate of 15% above the minimum Journey rate for the classification during such an assignment.”

c. **Trainee Classification Reference in Sideletter O (“Story Artist Progression”)**

The parties agree that the Trainee classification (21-222) referenced in Sideletter O (“Story Artist Progression”) applies when used in connection with a Talent Development Program as provided in Article 24.

d. **Retire Scene Planner Job Classification**

The parties agree to retire the job classification of 21-242 Scene Planner.

e. **Storyboard Classification Unit Rates**

Modify the Storyboard Classification Unit Rates on the following animated programs subject to a license agreement entered into on or after August 1, 2022 (or in the absence of a license agreement, commences production animation on or after August 1, 2022; in the case of a series or mini-series, production animation of the first episode or part commences on or after August 1, 2022) as follows:

Short Subjects – Over 7 to 15 Minutes (TV or Theatrical)

	Rate (Subject to General Wage Increases)	H&W and Pension Hours
Storyboard Only	\$1,961.12	100 (currently 80)

Half-Hour Subjects (TV or Theatrical)

	Rate (Subject to General Wage Increases)	H&W and Pension Hours
Storyboard Only	\$3,724.09	240 (currently 148)

Subjects One Hour or More (TV)

	Rate (Subject to General Wage Increases)	H&W and Pension Hours
Storyboard Only	\$5,554.73	320 (currently 222)

Subjects One Hour or More But Less than 75 Minutes (Theatrical)

<i>Effective for contracts entered into on or after August 1, 2022:</i>	Rate (Subject to General Wage Increases)	H&W and Pension Hours
Storyboard Only	\$5,554.73	320 (currently 222)

Subjects 75 Minutes or More (Theatrical)

<i>Effective for contracts entered into on or after August 1, 2022:</i>	Rate (Subject to General Wage Increases)	H&W and Pension Hours
Storyboard Only	\$7,477.53	425 (currently 222)

7. **Animation Writers**

a. **Animation Writer Progression**

The following is effective the first Sunday following the AMPTP's receipt of notice of ratification, unless provided otherwise below, for new hires and for current employees after satisfactory completion of the current level of progression.

The following progression will apply to animation writers (wages to be increased by the general wage increases). (New Occ. codes will need to be determined to identify these new job classifications.)

- (1) Trainee under a Talent Development Program as provided in Article 24 of the Agreement. Following completion of a Talent Development Program, the animation writer may be paid at the Animation Writer 1st 6 months rate.

As an alternative, and in an effort to promote and support a pathway for the progression of animation writers, the following classification of Associate Animation Writer may apply:

Associate Animation Writer

1st 6 mos.: \$37.81 hourly; \$1,512.40 weekly

2nd 6 mos.: \$43.23 hourly; \$1,729.20 weekly

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

- (2) Animation Writer

1st 6 mos.: \$48.65 hourly; \$1,946.00 weekly

Journey: \$53.66 hourly; \$2,146.56 weekly.

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

(3) Supervising Animation Writer – \$61.71 hourly; \$2,468.54 weekly.

- b. *Effective for animated programs subject to a license agreement entered into on or after August 1, 2022 (or in the absence of a license agreement, commences production animation on or after August 1, 2022; in the case of a series or mini-series, production animation of the first episode or part commences on or after August 1, 2022):*

Modify the animation writer progression set forth in Item 7.a. above as provided in this Item 7.b. below. The following rates are not subject to any general wage increases in the first and second years of the Agreement:

- (1) Associate Animation Writer
1st 6 mos.: \$40.11 hourly; \$1,604.50 weekly
2nd 6 mos.: \$45.86 hourly; \$1,834.51 weekly

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

- (2) Animation Writer Level 1
1st 6 mos.: \$51.61 hourly; \$2,064.51 weekly
Journey: \$56.93 hourly; \$2,277.29 weekly.

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

- (3) Add the optional classification of Animation Writer Level 2 at the rate of \$63.00 hourly; \$2,520 weekly.
- (4) Supervising Animation Writer –\$72.50 hourly; \$2,900 weekly. This classification applies to an Animation Writer designated by the Producer to be responsible for and supervise the work of other writers.

c. **Unit Rates for Animation Writers**

- (1) Establish the following new Writer Classification Unit Rates for animated programs subject to a license agreement entered into on or after August 1, 2022 (or in the absence of a license agreement, commences production animation on or after August 1, 2022; in the case of a series or mini-series, production animation of the first episode or part commences on or after August 1, 2022) (other than those animated programs set forth in subparagraph (2) below):*

* See special effective date for Subjects One Hour or More (Theatrical)

The following are not subject to any general wage increases in the first and second years of the Agreement, but would be subject to any general wage increase in the third year of the Agreement.

Short Subjects – Over 7 to 15 Minutes (TV or Theatrical)

	Rate (Subject Only to the General Wage Increase in Year 3)
Synopsis and Outline	\$1,262.18
Teleplay or Screenplay	\$4,116.87

Half-Hour Subjects (TV or Theatrical)

	Rate (Subject Only to the General Wage Increase in Year 3)
Synopsis and Outline	\$2,318.07
Teleplay or Screenplay	\$8,145.92

Subjects One Hour or More (TV)

	Rate (Subject Only to the General Wage Increase in Year 3)	H&W and Pension Hours
Synopsis and Outline	\$3,405.22	100 (150 for TV Subjects 75 Minutes or More)

	Rate (Subject Only to the General Wage Increase in Year 3)	H&W and Pension Hours
Teleplay	\$12,095.76	325 (350 for TV Subjects 75 Minutes or More)

Subjects One Hour or More But Less than 75 Minutes (Theatrical)

<i>Effective for contracts entered into on or after August 1, 2022:</i>	Rate (Subject Only to the General Wage Increase in Year 3)	H&W and Pension Hours
Synopsis and Outline	\$3,405.22	100
Teleplay or Screenplay	\$12,095.76	325

Subjects 75 Minutes or More (Theatrical)

<i>Effective for contracts entered into on or after August 1, 2022:</i>	Rate (Subject Only to the General Wage Increase in Year 3)	H&W and Pension Hours
Synopsis and Outline	\$4,455.44	150
Teleplay or Screenplay	\$15,826.23	560

- (2) Eliminate the “New Animation Writer” rates effective for contracts entered into on or after the first Sunday following the AMPTP’s receipt of notice of ratification. No general wage increases shall apply to the “New Animation Writer” rates that continue in effect during the term of the Agreement.

- (3) *Effective for contracts entered into on or after the first Sunday following 30 days after the AMPTP receives notice of ratification, Producers agree to establish the following “Pilot Development” rate to apply to a Synopsis and Outline, Teleplay and two rewrites or re-works on a pilot.**

Pilot Development Rates (TV)

	Rate (Subject Only to the General Wage Increase in Year 3)	H&W and Pension Hours
Over 7 to 15 Minutes	\$6,725.00	250
Half-Hour Subjects	\$13,080.00	425
One Hour or More Subjects	\$19,500.00	530

**If an additional re-write or re-work is required by the Producer, an additional 20% of the applicable Teleplay Unit rate shall be paid for each rewrite or re-work. Any amount negotiated in excess of the above minimums may be applied against any additional compensation for re-write or re-work when due.*

- (4) *Effective for contracts entered into on or after the first Sunday following 30 days after the AMPTP receives notice of ratification, Producers agree to increase MPI hours for bibles as follows:*

	Current H&W and Pension Hours	Proposed H&W and Pension Hours
Pitch bible	33	40
Mini bible	100	115
Full bible	250	300

8. **Sideletter E**

- a. Effective the first Sunday following thirty (30) days after the AMPTP receives notice of ratification (see attached Exhibit 1's chart showing the dates of implementation for current employees), Sideletter E shall provide the following minimum rates, subject to the general wage increases set forth in Item 2 above. (The parties agree that no employee shall have the employee's wages reduced solely as a result of this new structure.)

	Hourly	Weekly
CGI Animator/Modeler 1		
Journey	\$51.60	\$2,064.00
CGI Animator/Modeler 2		
Journey	\$49.45	\$1,978.00
CGI Animator/Modeler 3		
1 st 18 months	\$41.69	\$1,667.60
Journey	\$44.16	\$1,766.40
CGI Animator/Modeler 4		
1st 18 months	\$35.49	\$1,419.60
Journey	\$37.35	\$1,494.00

	Hourly	Weekly
Production Technical Director 1		
Journey	\$51.60	\$2,064.00
Production Technical Director 2		
Journey	\$49.45	\$1,978.00
Production Technical Director 3		
1 st 18 months	\$41.69	\$1,667.60
Journey	\$44.16	\$1,766.40
Production Technical Director 4		
1st 18 months	\$35.49	\$1,419.60
Journey	\$37.35	\$1,494.00

- b. The Union withdraws the pending grievances against DreamWorks Animation Television LLC (and its related or affiliated entities) and forever relinquishes all known and unknown claims regarding the classification of employees under

Sideletter E arising prior to the date that the AMPTP receives notice of ratification.

- c. Effective on the first Sunday following the AMPTP's receipt of notice of ratification, Sideletter E shall be available to all signatory Producers. In addition, the Union agrees that Producers may continue to use Sideletters when they previously have requested and obtained the permission of the Union to do so. The Union shall not unreasonably deny a Producer's future request(s) to use a Sideletter. In the absence of Union permission to use a Sideletter, the Producer may not unilaterally adopt its terms. The Union's denial of a Producer's request to use a Sideletter is grievable by the Producer under Article 15.

9. **Placement of New Hires in Wage Classifications Below Journey Levels**

Within thirty (30) days of the AMPTP's receipt of notice of ratification, the AMPTP agrees to distribute a Bulletin providing guidance to signatory Producers about the placement of new hires in wage classifications at below journey levels, as follows:

“During the 2022 negotiations, the parties discussed the Union's concerns that new hires with significant experience in a journey classification on the same types of projects for other producers may be placed in wage classifications below journey levels. The Producers agree that as a matter of general guidance, when a Producer makes decisions about the placement of a new employee in a wage classification, it should take into consideration the experience level of the employee, including the employee's experience on the same type of production for other producers. The Union may bring to the attention of Labor Relations any issues regarding the placement of new employees with significant journey-level experience in below-journey level classifications.”

10. **Sideletter K - Classification Study**

The bargaining parties agree that the joint committee established in Sideletter K to review job classifications covered under the collective bargaining agreement shall meet within ninety (90) days following the AMPTP's receipt of notice of ratification of the Animation Guild Master Collective Bargaining Agreement with the goal of identifying obsolete classifications and working titles unique to each Producer. The joint committee will attempt to standardize such classifications for inclusion in the Master Collective Bargaining Agreement. The parties additionally agree that the availability of Sideletter B to all Producers may be a topic for discussion as part of the classification study provided in Sideletter K.

11. **Skills Evaluations**

Modify Sideletter J (“Skill Evaluations”) to provide as follows:

“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, that a reasonable amount of time should be provided to complete the evaluation and that the evaluation should be related to the hiring, promotion, and/or assignment decision. Evaluations which do not meet this criteria should be discontinued or redesigned. In addition, the bargaining parties agreed that as a matter of courtesy, Producers should endeavor to provide a response to those who submitted evaluations within a reasonable time after the hiring, promotion and/or assignment decision has been made. Concerns or questions about the propriety of such tests should be directed to Labor Relations and/or raised with the Labor Management Committee.

“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.”

In addition, the Producers agree to issue a Bulletin to signatory Producers to remind them of the provisions of Sideletter J.

12. **Labor-Management Cooperative Committee**

Add a new Article 28 to the Agreement as follows:

“**ARTICLE 28.**
“**LABOR-MANAGEMENT COOPERATIVE COMMITTEE**

“A Labor-Management Cooperative Committee, consisting of no more than four (4) representatives from a Producer and four (4) representatives appointed by the Union, shall meet, upon the request of the Union, to exchange ideas and discuss matters of mutual interest that are specific to that Producer. The meetings shall take place at least twice per year at mutually-agreed upon dates and times.

“At the time of its request for a meeting, the Union will provide the Producer with a written agenda of proposed topic(s) for the meeting. As soon as reasonably practicable after being informed of the Union’s proposed topic(s), the Producer will propose any

additional topics that it wishes to discuss at the meeting. The Producer and the Union must mutually agree upon the agenda prior to the meeting.”

13. **Remote Work Outside Los Angeles County During the Pandemic**

Add the following as an Unpublished Sideletter to the Agreement:

“During negotiations for the 2021 Animation Guild, Local #839 Agreement (the ‘Agreement’), the Producers represented by the Alliance of Motion Picture Television Producers and the Animation Guild and Affiliated Optical Electronic and Graphic Arts, Local #839 (the ‘Union’) discussed the disruptions to traditional modes of work in the animation industry caused by the COVID-19 pandemic. In particular, the parties acknowledged that Producers have assigned many employees to work remotely during the pandemic in the interest of the employees' health and safety. In addition, the parties discussed various personal circumstances that led employees who had been hired in Los Angeles County and had been working in Los Angeles County to decide to relocate outside of Los Angeles County and continue working for the Producer while the Producer permitted remote work during the pandemic and approved the employee to do so at a specified location in the United States (but outside of Los Angeles County).

“In recognition of the foregoing circumstances, the parties agree to the following concerning the employment of individuals outside of Los Angeles County:

- “1. Under current practice, a Producer may hire an employee in Los Angeles under the Agreement to perform temporary services outside the Los Angeles area in connection with a production. The employee continues to be covered by the Agreement for the duration of the employee's employment on the production. The parties confirm that the current practice may continue.
- “2. Notwithstanding Paragraph 5 below, effective on the first Sunday following the AMPTP's receipt of notice of ratification, and subject to Paragraphs 2.d. and e. below:
 - “a. Producer agrees to cover an employee under the Agreement for the duration of the employee's employment on a production (or in the case of a series, the duration of the employee's employment on a season of the series) in the following circumstances:
 - “i. (1) The employee had been working for the Producer under the Agreement at the Producer's offices in Los Angeles County before March 2020 (i.e., before the inception of the pandemic in Los Angeles County), and the Producer, for COVID-related reasons,

subsequently allowed the employee to work remotely during the pandemic; or

- “(2) The employee was hired by the Producer in Los Angeles County on or after March 2020 (during the pandemic), and the Producer, for COVID-related reasons, allowed the employee to work remotely during the pandemic;
- “ii. The employee's employment is on a Los Angeles-based production;
- “iii. The Producer allowed the employee to work remotely at a specified location in the United States (but outside Los Angeles County) under the coverage of the Agreement at some point during the period March 2020 (i.e., the inception of the pandemic in Los Angeles County) to [*the first Sunday following the AMPTP's receipt of notice of ratification*];
- “iv. The employee continues to work under the coverage of the Agreement at that approved specified location; and
- “v. The Producer does not require the employee to return to the Producer's offices for the remainder of the employee's employment on the production or for the production season in the case of a series.¹
- “b. In addition, from [*the first Sunday following the AMPTP's receipt of notice of ratification*] through July 31, 2024, Producer agrees to continue to cover under the Agreement an employee who meets the conditions set forth in Paragraph 2.a. above when the employee is ‘continuously employed’ by the Producer on a subsequent production for the duration of the production. ‘Continuously employed’ for purposes of this provision means subsequent

¹ For clarification, the provisions of Paragraph 2.a. above also apply to an employee whom the Producer employed in Los Angeles County and, during the period on or after March 20, 2020 to [*the first Sunday following the AMPTP's receipt of notice of ratification*] allowed to work remotely outside Los Angeles County (but within the United States) for family or medical-related reasons during the pandemic.

employment with the Producer within 110 days of the prior employment.

“c. In the circumstances set forth in Paragraphs 2.a. and 2.b. above, the Producer is not required to travel the employee to Los Angeles County for contributions made on behalf of the employee to be accepted by the Motion Picture Industry Pension and Health Plans.

“d. The Directors of the Motion Picture Industry Pension and Health Plans adopt a resolution approving contributions made on behalf of an employee under the circumstances described in this Paragraph 2. The provisions of this Paragraph 2 shall not be effective until the foregoing resolution has been adopted.

“e. The provisions of Paragraphs 2.a. and 2.b. shall automatically terminate on July 31, 2024, and, except as provided in the next sentence, shall have no force or effect thereafter. However, any employee hired to render services on a production under the provisions of Paragraph 2.a., or hired before July 31, 2024 to render services on a subsequent production or production season under the provisions of Paragraph 2.b., shall be covered by the Agreement for the duration of the employee's employment on that production (or production season in the case of a series under Paragraph 2.b.), including any period of employment that occurs after July 31, 2024.

“3. The foregoing does not supersede the MPI Travel Waiver program.

“4. The bargaining parties agree to seek confirmation from the MPI Plans that the foregoing is consistent with the Trust Agreement. Should any of the Trust Agreements need to be amended to effectuate the foregoing provisions, the parties agree to recommend to the MPI Directors that an amendment(s) to the Trust Agreement be adopted as soon as practicable. In that event, none of the foregoing provisions shall become effective until the necessary amendment(s) to the Trust Agreement(s) is (are) adopted by the Plans.

“5. In addition to Paragraph 2 above, the bargaining parties affirm the right of the Producer to decide, in its sole discretion, whether to allow an employee covered by the Agreement to work outside of Los Angeles County as well as the right of the Producer to require an employee who had previously been allowed to work outside of Los Angeles County during the pandemic to return to the workplace in Los Angeles County. Without restricting the rights of the Producer, the Producer shall give good faith consideration to

the employee's circumstances when making the decision as to whether an employee shall be permitted to work under the Agreement outside of Los Angeles County or shall be required to return to the workplace in Los Angeles County after working outside Los Angeles County during the pandemic. If the Producer determines the employee will work in Los Angeles County or requires the employee to return to the workplace in Los Angeles County after working outside Los Angeles County during the pandemic, the Union may request a meeting with the Producer to further discuss the employee's circumstances, and the parties shall meet promptly thereafter. The Producers' decision following such discussions shall not be subject to grievance and arbitration.

“6. Further, the bargaining parties agree that any employee covered by Paragraphs 1 or 2 above or covered by the MPI Travel Waiver program shall be treated as if the employee were employed in California for purposes of application of Article 7, Section A of the Agreement.”

14. **Holidays**

- a. *Add Martin Luther King Jr. Day to Section A of Article 6 and increase the unworked holiday percentage in Section B of Article 6 from 3.719% to 4%, effective January 1, 2023, as follows:*

“ARTICLE 6.
“HOLIDAYS

“A. Prior to January 1, 2023, 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. Effective January 1, 2023, there shall be ten (10) paid holidays during the year, with the addition of Martin Luther King Jr. Day to the foregoing list. 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 (4% effective January 1, 2023) 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% (4% effective January 1, 2023) of such employee's accumulated earnings within the same period. The employee shall be paid the amount by which such 3.719% (4% effective January 1, 2023) computation exceeds the amount of holiday pay such employee has received for such period.”

Make conforming changes, including:

i. *Modify Article 5.B.1. as follows:*

“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% (118% effective January 1, 2023) (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.”

ii. *Modify the * footnote to the wage schedules as follows:*

“* Minimum scale for daily employees shall be 117.719% (118% effective January 1, 2023) (which rate is inclusive of vacation and holiday pay) of the minimum basic hourly rate provided herein for such employee's classification.”

iii. *Modify footnotes 6 and 12 to Sideletter N as follows:*

“The minimum scale for daily employees, which is ordinarily 117.719% (118% effective January 1, 2023) 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. . .”

iv. *Modify footnotes 7 and 13 to Sideletter N as follows:*

“The minimum scale for daily employees, which is ordinarily 117.719% (118% effective January 1, 2023) of the minimum basic hourly rate provided for weekly employees, inclusive of vacation and holiday pay, shall instead be 113.86% (114% effective January 1, 2023) of the minimum rate for the period immediately preceding the period in question. . .”

v. *Modify footnotes 8 and 11 to Sideletter N as follows:*

“The minimum scale for daily employees, which is ordinarily 117.719% (118% beginning on January 1, 2023) 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. . .”

- b. The Union confirms that Producers may continue to adhere to their existing practices concerning the payment of vacations and/or unworked holidays and agrees that during the term of the Agreement, the Union shall meet on a Producer-by-Producer basis at the request of any Producer which pays for vacations and holidays pursuant to Article 6.H.2. to discuss allowing the Producer to elect to make vacation and/or holiday payments on a weekly basis, and to discuss implementation of such election on an individual, production-by-production or company-wide basis.

15. **Family and Medical Leave**

Modify Article 27 to provide as follows:

“ARTICLE 27.

“FAMILY AND MEDICAL LEAVE ~~PARENTAL LEAVE~~

“A. An employee employed under a Personal Service Contract that guarantees at least twenty-six (26) weeks of employment or under an “all episodes produced” or “run of season” guarantee that is anticipated to produce at least twenty-six (26) weeks of employment, other than an employee employed under a unit rate, shall be entitled to up to a total of eight (8) consecutive weeks within a one-year period of unpaid leave for the birth of a child or to care for to bond with a newborn child, newly adopted child or newly placed foster child, to care for a family member² with a serious health condition or a serious health condition that makes the employee unable to perform the essential functions of his or her employment. If an employee requests leave under this Article, then the employee must use all eight (8) weeks within a year of the start of the employee’s initial leave. No more than eight (8) weeks of leave may be used within any twelve (12) month period. When parental leave is requested, the ~~The~~ leave must be taken within one year of the birth, adoption or placement of the employee’s child. An employee shall request ~~such~~ leave under this Article at least thirty (30) days in advance of the start of the leave, unless such notice is impracticable, in which case the employee shall make the request within a reasonable time in advance of the leave. An employee is not required to use the eight (8) weeks of leave under this Article consecutively and, with the Producer’s approval, may use the leave intermittently, provided that the employee requests the leave as provided under this Article. Scheduling of the leave provided in this Article must be done with the Producer’s approval when practicable.

² “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.

“B. Any employee who takes a leave of absence hereunder shall be entitled to be reinstated to ~~his or her~~ the employee’s original position upon conclusion of the leave, provided that such position continues to exist at the end of the leave. The employee shall have no greater employment right than if the employee had been continuously employed during the leave of absence.

“C. The leave provided for hereunder shall run concurrently with any other leave entitlement. Producer may require that an employee first use vacation during a ~~parental~~ leave period under this Article prior to taking unpaid ~~parental~~ leave which, in the aggregate, shall be no more than eight (8) ~~consecutive~~ weeks. Producer reserves the right to request verification (e.g., a doctor’s note) to confirm the need for leave.”

16. **Sideletter N - Productions Made for New Media**

a. *Add the following new paragraph to Paragraph C. of Sideletter N:*

“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., 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 as provided in the following paragraph, and except for those provisions identified in Paragraph E. below.

“The minimum rate payable to an employee employed on a ‘Derivative New Media Production’ which is subject to a license agreement

entered into on or after August 1, 2022, is made for a subscription video-on-demand consumer pay platform, is at least eleven (11) minutes in length and is budgeted at more than \$25,000 per minute shall be the applicable minimum rates set forth in the Local #839 Agreement for a television motion picture, reduced by 15%. When the Derivative New Media Production meets the foregoing requirements, but there is no license agreement, this provision shall apply provided that production animation commences on or after August 1, 2022. In the case of a series, production animation of the first episode must commence on or after August 1, 2022.³”

- b. *Add the following new paragraph to Paragraph D. of Sideletter N:*

“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 as provided in the following paragraph, and except for those provisions identified in Paragraph E. below.

“The minimum rate payable to an employee employed on an Original New Media Production (other than an ‘Animated High Budget SVOD Program’ as defined in Paragraph F. below) which is subject to a license agreement entered into on or after August 1, 2022, is made for a subscription video-on-demand consumer pay platform, is at least eleven (11) minutes in length and is budgeted at more than \$25,000 per minute shall be the applicable minimum rates set forth in the Local #839 Agreement for a television motion picture, reduced by 15%. When the Original New Media Production meets the foregoing

³ If the licensee orders additional programs or episodes of a ‘Derivative New Media Production,’ the production animation of which will commence on or after August 1, 2022, pursuant to a license agreement entered into prior to August 1, 2022, 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 the programs or episodes shall be subject to the applicable minimum rates set forth in the Local #839 Agreement for a television motion picture, reduced by 15%, under the fourth paragraph of Paragraph C. of this Sideletter. In the event that Producer asserts that a ‘Derivative New Media Production’ does not fall within the preceding sentence, a limited number of representatives of the IATSE, subject to the execution of a confidentiality agreement satisfactory in form to Producer, may inspect those portions of the license agreement that are relevant to determine whether the Producer had the right to renegotiate with respect to the material terms and conditions of the license for the additional programs or episodes. All information received or reviewed by representatives of the IATSE shall be kept confidential, and neither the IATSE nor its representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

requirements, but there is no license agreement, this provision shall apply provided that production animation commences on or after August 1, 2022. In the case of a series, production animation of the first episode must commence on or after August 1, 2022.⁴

c. *Modify Paragraph F(1) of Sideletter N as follows:*

“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

“(a) The terms and conditions set forth in this Paragraph F. shall not apply to the following:

“(a)(i) Any program or series that continues in production on or after August 1, ~~2018~~2021 and was grandfathered, and remains grandfathered, pursuant to Paragraph F.(1)(a) or (b) of Sideletter N to the 2015 Local #839 Agreement.

“(ii) Any program or series that continues in production on or after August 1, 2021 and was grandfathered, and remains grandfathered, pursuant to Paragraph F.(1)(b) or (c) of Sideletter N to the 2018 Local #839 Agreement. Paragraph F. of Sideletter N to the 2015 Local #839 Agreement shall apply instead, except that minimum wage and fringe rates shall be subject to the increases negotiated during the 2021 negotiations.

⁴ If the licensee orders additional programs or episodes of an Original New Media Production (other than an ‘Animated High Budget SVOD Program’ as defined in Paragraph F. below) the production animation of which will commence on or after August 1, 2022, pursuant to a license agreement entered into prior to August 1, 2022, 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 the programs or episodes shall be subject to the applicable minimum rates set forth in the Local #839 Agreement for a television motion picture, reduced by 15%, under the second paragraph of Paragraph D. of this Sideletter. In the event that Producer asserts that an Original New Media Production (other than an ‘Animated High Budget SVOD Program’ as defined in Paragraph F. below) does not fall within the preceding sentence, a limited number of representatives of the IATSE, subject to the execution of a confidentiality agreement satisfactory in form to Producer, may inspect those portions of the license agreement that are relevant to determine whether the Producer had the right to renegotiate with respect to the material terms and conditions of the license for the additional programs or episodes. All information received or reviewed by representatives of the IATSE shall be kept confidential, and neither the IATSE nor its representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

“(b) Subject to the final paragraph of this subparagraph (b), the terms and conditions set forth in this Paragraph F. shall not apply to:

“(b)(i) Any program or series other than those described in subparagraph (a) above that would otherwise qualify as an “Animated High Budget SVOD Program” within the meaning of this Sideletter for which production animation commences prior to ~~January 1, 2019~~ August 1, 2022 (in the case of a series, production animation of the first episode must have commenced prior to ~~January 1, 2019~~ August 1, 2022). Paragraph F. of Sideletter N to the ~~2015~~ 2018 Local #839 Agreement shall apply instead, except that minimum wage and fringe rates shall be subject to the increases negotiated during the ~~2018~~ 2021 negotiations.

“(c)(ii) Any Animated High Budget SVOD Program or episode of an Animated High Budget SVOD series, the production animation of which commences on or after ~~January 1, 2019~~ August 1, 2022 pursuant to a license agreement entered into prior to ~~January 1, 2019~~ August 1, 2022.⁵ Paragraph F. of Sideletter N to the ~~2015-2018~~ Local #839 Agreement shall apply instead, except that minimum wage and fringe rates shall be subject to the increases negotiated during the ~~2018~~ 2021 negotiations.

“Eliminate grandfathering for any new season of an Animated High Budget SVOD series the production animation of the first episode of which commences on or after August 1, 2023. All episodes of that season and any subsequent season of the series shall be subject to the terms and conditions applicable during the contract year in which the episode is produced.”

- d. See attached charts for changes to terms and conditions for High Budget SVOD Programs with conforming changes provided below.

⁵ If the licensee orders additional Animated High Budget SVOD Programs or episodes of an Animated High Budget SVOD series, the production animation of which will commence on or after ~~January 1, 2019~~ August 1, 2022, pursuant to a license agreement entered into prior to ~~January 1, 2019~~ August 1, 2022, 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 the Animated High Budget SVOD Program or episodes of the Animated High Budget SVOD series shall be subject to the terms of Sideletter N to the ~~2018-2021~~ Local #839 Agreement. In the event that Producer asserts that an Animated High Budget SVOD Program is grandfathered under the provisions of Paragraph F.(1)~~(c)~~(b)(ii) above, a limited number of representatives of the IATSE, subject to the execution of a confidentiality agreement satisfactory in form to Producer, may inspect those portions of the license agreement that are relevant to determine whether the Producer had the right to renegotiate with respect to the material terms and conditions of the license for the additional programs or episodes. All information received or reviewed by representatives of the IATSE shall be kept confidential, and neither the IATSE nor its representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

Effective for animated programs subject to a license agreement entered into on or after August 1, 2022 (or in the absence of a license agreement, commences production animation on or after August 1, 2022; in the case of a series or mini-series, production animation of the first episode or part commences on or after August 1, 2022), modify the “High Budget” thresholds as follows:

Length of Program	“High Budget” Threshold
20-35 Minutes	\$500,000 \$550,000 and above (to be increased by the wage increases in each year of the Agreement) ⁶
36-65 Minutes	\$1,750,000 \$2,500,000 and above

Make conforming changes, including to the Project Information Sheet.

Add the following language to the end of Paragraph F.(2) as a conforming change:

“Any program or series budgeted at less than \$583,495 for a 20-35 minute program or less than \$2,500,000 for a 36-65 minute program as of August 1, 2022 that would otherwise qualify as an “Animated High Budget SVOD Program” under this Sideletter shall be subject to Paragraph C. if a “Derivative New Media Production” (other than an “Animated High Budget SVOD Program”) or to Paragraph D. if an “Original New Media Production” (other than an “Animated High Budget SVOD Program”) of this Sideletter, if:

- “(1) production animation of the program, or the first episode in the case of a series, commences prior to August 1, 2022; or
- “(2) production animation of the program, or the first episode in the case of a series, commences on or after August 1, 2022 pursuant to a license agreement entered into prior to August 1, 2022.”⁶

⁶ If the licensee orders additional programs or episodes of the series, the production animation of which will commence on or after August 1, 2022, pursuant to a license agreement entered into prior to August 1, 2022, 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 the program or episodes of the series shall be subject to the terms of Paragraph F. of Sideletter N to the 2021 Local #839 Agreement. In the event that Producer asserts that a program or series is grandfathered under this provision, a limited number of representatives of the IATSE, subject to the execution of a confidentiality agreement satisfactory in form to Producer, may inspect those portions of the license agreement that are relevant to determine whether the Producer had the right to renegotiate with respect to the material terms and

- e. Renew the Sideletter re: Productions Made for New Media, subject to the modifications provided herein.

17. **Flexible Scheduling of Freelance Work**

Add a new Article 5.F. to allow a guaranteed minimum of eight (8) hours of freelance work to be performed at the convenience of the employee with the approval of the Producer, excluding an employee who works for the Producer as a regular, full-time staff employee.

18. **Written Confirmation of New Classification**

Add a new subparagraph 3 to Article 21, Section I to provide:

“3. The Producer agrees to provide each newly hired employee with a written confirmation of employment, such as a Personal Services Contract or an offer letter or email, which specifies the employee’s job title, occupation code and wage scale classification name. The Producer also agrees to provide any employee who moves to a new classification (whether promotion or transfer) with written confirmation of the employee’s new job title, occupation code and wage scale classification name.

“There shall be no penalty for inadvertent failure to comply with this provision.”

19. **Housekeeping – Sick Leave Waivers**

Update the sick leave waiver provisions of Article 7.B.

20. **Sideletter P (“Animation Interns”)**

Renew the sunset clause in Sideletter P (“Animation Interns”).

conditions of the license for the additional programs or episodes. All information received or reviewed by representatives of the IATSE shall be kept confidential, and neither the IATSE nor its representatives shall disclose any such information, except as necessary to enforce its rights under this Agreement.

21. **Remove Gender References**

The parties agree to review the Agreement for references to gender and replace any such references with gender neutral terms, provided that such replacement does not result in any grammatical errors or substantive changes and that the failure to make a change shall not be subject to grievance and arbitration.

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

_____ Date: _____
Matthew D. Loeb, International President

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

_____ Date: _____
Steve Kaplan, Business Representative

**FOR THE ALLIANCE OF MOTION PICTURE AND TELEVISION PRODUCERS, ON
BEHALF OF THE COMPANIES LISTED IN EXHIBIT "A" ATTACHED HERETO**

_____ Date: _____
Carol A. Lombardini, President

EXHIBIT “A”
Companies Represented by the AMPTP
in the 2021 Local #839 Negotiations

4th Floor Productions, Inc.

ABC Signature, LLC fka Touchstone
Television Productions, LLC
Adelaide Productions, Inc.
Air Raid Productions, LLC
Alien Animation, LLC
American Animation Institute, Inc.
Animal Head Animation, LLC
Animated Productions Inc.
Applause Productions, LLC
Apple Studios LLC

Bento Box Animation, LLC
Big Indie Pictures, Inc.
Bird City, LLC

Cartoon Network Studios, Inc.
Corporate Management Solutions, Inc. DBA
CMS Productions
Chuck Productions, Inc.
Cranetown Media LLC
CRD Productions, Inc.

Disney Television Animation
Doniley, LLC
DreamWorks Animation L.L.C.
DreamWorks Animation Television, LLC

Eye Animation Productions Inc.

Fox Animation Los Angeles, Inc.
Fox Sidecar Animation, LLC
Fox Television Animation, Inc.

Good Dreams, LLC

Kapital Productions, LLC
Katy Mac Session Productions, Inc.

LD Productions, LLC
Legendary Features Productions US, LLC
Legendary Pictures Productions, LLC
Legendary Television Animation, LLC
Marvel Film Productions, LLC
Metro-Goldwyn-Mayer Animation Inc.
Minim Productions, Inc.
Muddy Water Entertainment, Inc.

Netflix Animation, LLC
Next Step Productions LLC

Obelisk Productions, Inc.
Odd Planet, LLC

Partricks Road Productions II, Inc.

Robin Red Breast, Inc.
Rough Draft Studios, Inc.
Rutherford Bench Productions, Inc.

Shawndan Animation, Inc.
Solar Opposites LLC
STX Animation, LLC

Tomorrow Friends LLC
Turner 1050 Productions, Inc.

Universal Animation Studios LLC
Universal City Studios LLC

Walt Disney Pictures
Warner Bros. Animation Inc.
Warner Specialty Productions Inc.
Williams Street Productions, LLC
Woodridge Productions LLC

EXHIBIT 1 – Sideletter E (Item 8)

The below chart sets forth the implementation of the new progressions for current employees employed as CGI Animator/Modeler and Production Technical Director under the current Sideletter E.

Agreed-upon Implementation of New Classifications for Current Employees	
CGI Animator/Modeler 1 or Production Technical Director 1	
1st 18 months	Moves to Level 1 Journey on completion of the first 18-month period at Level 1.
Journey	No change
CGI Animator/Modeler 2 or Production Technical Director 2	
1st 18 months	Moves to Level 2 Journey on completion of the first 18-month period at Level 2.
Journey	No change
CGI Animator/Modeler 3 or Production Technical Director 3	
1st 18 months	No change
Journey	No change
CGI Animator/Modeler 4 or Production Technical Director 4	
1st 18 months	Moves to Level 3 1st 18 months on the later of (i) 6 months after the first Sunday following 30 days after the AMPTP receives notice of ratification or (ii) completion of the first 18-month period at Level 4.
Journey	Moves to Level 3 1st 18 months on the date that is 6 months after the first Sunday following 30 days after the AMPTP receives notice of ratification
CGI Animator/Modeler 5 or Production Technical Director 5	
1st 18 months	Reclassified as Level 4 effective on 1st Sunday following receipt of notice of ratification; otherwise, no change.
Journey	

**EXHIBIT 2 - Examples of Grandfathering
for “Animated High Budget SVOD Programs”**

Example 1:

A license for an Animated High Budget SVOD series is first entered into on August 1, 2016.

- Season 1 is produced between August 1, 2016 and July 31, 2017;
- Season 2 is produced between August 1, 2017 and July 31, 2018;
- Season 3 is produced between August 1, 2018 and July 31, 2019;
- Season 4 is produced between August 1, 2019 and July 31, 2020;
- Season 5 is produced between August 1, 2020 and July 31, 2021;
- Season 6 is produced between August 1, 2021 and July 31, 2022;
- Season 7 is produced between August 1, 2022 and July 31, 2023;

In this example, the entire Animated High Budget SVOD series would remain grandfathered and subject to the terms of Sideletter N, “Productions Made for New Media” of the 2015 Local #839 Agreement, and not subject to Sideletter N, “Productions Made for New Media” of the 2021 Local #839 Agreement, except that the minimum wage and fringe rates shall be subject to the general increases negotiated during the 2021 negotiations.

Example 2:

A license for an Animated High Budget SVOD series is first entered into on May 1, 2022.

- Season 1 is produced between August 1, 2022 and July 31, 2023;
- Season 2 is produced between August 1, 2023 and July 31, 2024;

Season 1 of the Animated High Budget SVOD series would be grandfathered and would be subject to the terms of Sideletter N, “Productions Made for New Media” of the 2018 Local #839 Agreement, except that the minimum wage and fringe rates shall be subject to the general increases negotiated during the 2021 negotiations.

Season 2 of the Animated High Budget SVOD series would not be grandfathered and would be subject to the changes reflected in the Producers’ High Budget SVOD Chart re Episodic Series and Mini-Series dated March 14, 2022.

Example 3:

A license for an Animated High Budget SVOD series is first entered into on August 1, 2022.

- Season 1 is produced between August 1, 2022 and July 31, 2023;
- Season 2 is produced between August 1, 2023 and July 31, 2024;

Both seasons 1 and 2 of the Animated High Budget SVOD series would be subject to the changes reflected in the Producers' High Budget SVOD Chart re Episodic Series and Mini-Series dated March 14, 2022.

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

HB SVOD Series and Mini-Series - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD series or mini-series subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, a series for which the production animation of the first episode or part, as applicable, commences on or after August 1, 2022).

	Platform	Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
Episodic Series				
20-35 Mins. †	Made for 20M+ subscribers	Tier 1 (\$1,591,350* or more)	<u>1st season</u> - TV rates 1x back; no unworked holiday pay; no vacation <u>2nd season</u> - TV rates 1x back; 50% unworked holiday pay; 50% vacation <u>3rd season</u> - TV rates; 100% unworked holiday pay; 100% vacation	No change
		Tier 2 (\$583,495* <u>\$500,000</u> - <\$1,591,350*)	<u>1st season</u> - TV rates reduced by 15%; no unworked holiday pay; no vacation <u>2nd season</u> - TV rates 1x back; no unworked holiday pay; no vacation <u>3rd season</u> - TV rates 1x back; 50% unworked holiday pay; 50% vacation <u>4th/subseq. seasons</u> - TV rates; 100% unworked holiday pay; 100% vacation	<u>1st season</u> - TV rates 2x back; no unworked holiday pay; no vacation <u>2nd/subseq. seasons</u> - no change to current

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

HB SVOD Series and Mini-Series - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD series or mini-series subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, a series for which the production animation of the first episode or part, as applicable, commences on or after August 1, 2022).

	Platform	Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
Episodic Series				
20-35 Mins. † (continued)	Made for <20M subscribers	Tier 1 (\$1,591,350* or more)	<u>1st season</u> - TV rates reduced by 15%; no unworked holiday pay; no vacation <u>2nd season</u> - TV rates 1x back; no unworked holiday pay; no vacation <u>3rd season</u> - TV rates 1x back; 50% unworked holiday pay; 50% vacation <u>4th/subseq. seasons</u> - TV rates; 100% unworked holiday pay; 100% vacation	<u>\$4M** or more:</u> <u>1st season</u> - TV rates 1x back; no unworked holiday pay; no vacation; <u>2nd season</u> - TV rates 1x back rates; 50% unworked holiday pay; 50% vacation; <u>3rd/subseq. seasons</u> - TV rates; 100% unworked holiday pay; 100% vacation <u>\$1,591,350* - <\$4M**:</u> <u>1st season</u> - TV rates 2x back; no unworked holiday pay; no vacation; <u>2nd/subseq. seasons</u> - no change to current
		Tier 2 (\$583,495* \$500,000 - <\$1,591,350*)		no change to current

† It is understood that two (2) eleven (11) minute segments produced for and initially exhibited as a unit qualify as an Animated HB SVOD Program, provided that the combined budget of the segments meets the "high budget" threshold.

* Budget threshold subject to general wage increases in each year of the Agreement starting on August 1, 2021

**Budget threshold subject to general wage increases in each year of the Agreement starting on July 30, 2023

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

HB SVOD Series and Mini-Series - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD series or mini-series subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, a series for which the production animation of the first episode or part, as applicable, commences on or after August 1, 2022).

	Platform	Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
Episodic Series				
36-65 Minutes	Made for 20M+ subscribers	Tier 1 (\$3,800,000 or more)	<u>1st season</u> - TV rates 1x back; no unworked holiday pay; no vacation <u>2nd season</u> - TV rates 1x back; 50% unworked holiday pay; 50% vacation <u>3rd season</u> - TV rates; 100% unworked holiday pay; 100% vacation	No change
		Tier 2 (\$2,500,000 <u>\$1,750,000</u> - <\$3,800,000)	<u>1st season</u> - TV rates reduced by 15%; no unworked holiday pay; no vacation <u>2nd season</u> - TV rates 1x back; no unworked holiday pay; no vacation <u>3rd season</u> - TV rates 1x back; 50% unworked holiday pay; 50% vacation <u>4th/subseq. seasons</u> - TV rates; 100% unworked holiday pay; 100% vacation	<u>1st season</u> - TV rates 2x back; no unworked holiday pay; no vacation <u>2nd/subseq. seasons</u> - no change to current

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

HB SVOD Series and Mini-Series - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD series or mini-series subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, a series for which the production animation of the first episode or part, as applicable, commences on or after August 1, 2022).

	Platform	Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
Episodic Series				
36-65 Minutes (continued)	Made for <20M subscribers	Tier 1 (\$3,800,000 or more)	<u>1st season</u> - TV rates reduced by 15%; no unworked holiday pay; no vacation <u>2nd season</u> - TV rates 1x back; no unworked holiday pay; no vacation <u>3rd season</u> - TV rates 1x back; 50% unworked holiday pay; 50% vacation <u>4th/subseq. seasons</u> - TV rates; 100% unworked holiday pay; 100% vacation	<u>\$8.0M** or more:</u> <u>1st season</u> - TV rates 1x back; no unworked holiday pay; no vacation; <u>2nd season</u> - TV rates 1x back rates; 50% unworked holiday pay; 50% vacation; <u>3rd/subseq. seasons</u> - TV rates; 100% unworked holiday pay; 100% vacation <u>\$3.8M - <\$8.0M**:</u> <u>1st season</u> - TV rates 2x back; no unworked holiday pay; no vacation; <u>2nd/subseq. seasons</u> - no change to current
		Tier 2 (\$2,500,000 <u>\$1,750,000</u> - <\$3,800,000)		no change to current

* Budget threshold subject to general wage increases in each year of the Agreement starting on August 1, 2021

**Budget threshold subject to general wage increases in each year of the Agreement starting on July 30, 2023

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

HB SVOD Series and Mini-Series - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD series or mini-series subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, a series for which the production animation of the first episode or part, as applicable, commences on or after August 1, 2022).

	Platform	Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
Mini-Series				
<66 Minutes	Made for 20M+ subscribers	\$1,591,350* or more for 20-35 min./ \$3.8M or more for 36-65 min.	TV rates 1x back; no unworked holiday pay; no vacation	No change
		\$583,495* \$500,000 - <\$1,591,350* for 20-35 min./ \$2.5M \$1.75M - <\$3.8M for 36-65 min.	TV rates reduced by 15%; no unworked holiday pay; no vacation	TV rates 2x back; no unworked holiday pay; no vacation
	Made for <20M subscribers	\$1,591,350* or more for 20-35 min./ \$3.8M or more for 36-65 min.	TV rates reduced by 15%; no unworked holiday pay; no vacation	<u>\$8.0M** or more</u> : TV rates 1x back; no unworked holiday pay; no vacation
		\$583,495* \$500,000 - <\$1,591,350* for 20-35 min./ \$2.5M \$1.75M - <\$3.8M for 36-65 min.		<u>Less than \$8.0M**</u> : TV rates 2x back; no unworked holiday pay; no vacation

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	Platform	Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
Mini-Series (continued)				
66+ Minutes	Made for 20M+ subscribers	> \$4M/part	TV rates reduced by 15%; no unworked holiday pay; no vacation	No change
		\$3.0M - \$4.0M/part		
	Made for <20M subscribers	> \$4M/part	TV rates reduced by 15%; no unworked holiday pay; no vacation	<u>\$9.5M** or more</u> : TV rates 1x back; no unworked holiday pay; no vacation <u>>\$6.0M** - <\$9.5M**</u> : TV 2x back; no unworked holiday pay; no vacation <u>\$3.0M - \$6.0M**</u> : no change
		\$3.0M - \$4.0M/part		

* Budget threshold subject to general wage increases in each year of the Agreement starting on August 1, 2021

**Budget threshold subject to general wage increases in each year of the Agreement starting on July 30, 2023

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

Comparison re Rates and Terms and Conditions for One-Time High Budget SVOD Programs

One-Time High Budget SVOD Programs - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD Programs subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, the production animation of which commences on or after August 1, 2022).

		Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
<66 Minutes (not pilot)	Paragraph 4(a) of NM SL - Tier 1 made for 20M+ subs.	n/a	TV rates 1x back; no unworked holiday; no vacation	No change
	Paragraph 4(b) of NM SL - Tier 2 made for 20M+ subscribers; all programs made for <20M subs.	n/a	TV rates reduced by 15%; no unworked holiday; no vacation	No change
66-84 Minutes (not pilot)	Paragraph 4(a) of NM SL - Tier 1 made for 20M+ subs.	n/a	TV rates reduced by 15%; no unworked holiday; no vacation	No change
	Paragraph 4(b) of NM SL - Tier 2 made for 20M+ subscribers; all programs made for <20M subs.	n/a	TV rates reduced by 15%; no unworked holiday; no vacation	No change
85-95 Minutes (not pilot)	Paragraph 4(a) of NM SL - Tier 1 made for 20M+ subs.	<\$30M*	TV rates reduced by 15%; no unworked holiday; no vacation	No change
		>=\$30M*		TV rates 2x back; no unworked holiday; no vacation
	Paragraph 4(b) of NM SL - Tier 2 made for 20M+ subscribers; all programs made for <20M subs.	<\$30M*	TV rates reduced by 15%; no unworked holiday; no vacation	No change
		>=\$30M*		TV rates 2x back; no unworked holiday; no vacation

2021 LOCAL #839, THE ANIMATION GUILD, NEGOTIATIONS

Comparison re Rates and Terms and Conditions for One-Time High Budget SVOD Programs

One-Time High Budget SVOD Programs - The Animation Guild, Local #839

Changes to rates or terms and conditions apply only to High Budget SVOD Programs subject to a license agreement entered into on or after August 1, 2022 (or, in the absence of a license agreement, the production animation of which commences on or after August 1, 2022).

		Budget	Current (2018 Local #839 Agreement)	2021 Local #839 Agreement
96+ Minutes (not pilot)	Paragraph (4(a) of NM SL - Tier 1 made for 20M+ subs.	<\$30M*	TV rates reduced by 15%; no unworked holiday; no vacation	No change
		\$30M* to \$47.7M**		TV rates 2x back; no unworked holiday; no vacation
		>=\$47.7M**	Theatrical rates and terms & conditions	No change
	Paragraph (4(b) of NM SL - Tier 2 made for 20M+ subscribers; all programs made for <20M subs.	<\$30M*	TV rates reduced by 15%; no unworked holiday; no vacation	No change to current
		>=\$30M*		TV rates 2x back; no unworked holiday; no vacation

*Budget threshold subject to general wage increases in each year of the Agreement starting on July 30, 2023

**\$47,740,500 budget threshold subject to general wage increases in each year of the Agreement starting on August 1, 2021