

October 31, 2022  
Revised December 2, 2022

**2021-2024**  
**MEMORANDUM OF AGREEMENT OF OCTOBER 31, 2021**  
**BETWEEN**  
**IATSE AND TSL & TTL**

This Memorandum of Agreement is entered into as of October 31, 2021, between The Secret Lab ("TSL") and The Traveling Lab ("TTL") (hereinafter referred to individually and jointly as the "Employer") and the International Alliance of Theatrical Stage Employees (hereinafter referred to as the "Union").

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

All provisions of the 2018 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 herein shall be effective upon ratification of the Agreement unless a contract 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 October 31, 2021, and continuing to and including November 2, 2024.

- a. Year One: Effective October 31, 2021 - October 29, 2022
- b. Year Two: Effective October 30, 2022 - October 28, 2023
- c. Year Three: Effective October 29, 2023 - November 2, 2024

**2. Wage Increases**

Minimum wage rates shall be increased during the term of this Agreement as follows:

1. Effective October 31, 2021-October 29, 2022: three percent (3%)
2. Effective October 30, 2022-October 28, 2023: three percent (3%)
3. Effective October 29, 2023 - November 2, 2024: three percent (3%)

Upon ratification of the Agreement, any applicable minimum contract wage increase shall be retroactive to the commencement date of the Agreement.

### **3. Benefit Contributions**

The Employer shall make contributions to the Motion Picture Industry Pension and Health Plans, Retiree Health Plan, and the Individual Account Plan as provided for in the current IATSE Basic Agreement (including Article XII, Article XIII, Article XIII A, and Article XXXIV(d)). Increase the "Basic Rate" of contributions as follows:

- a. Effective October 31, 2021, increase contributions by forty cents (\$0.40)
- b. Effective October 30, 2022, increase contributions by forty cents (\$0.40)
- c. Effective October 29, 2023, increase contributions by forty cents (\$0.40)

The increase in contributions shall be on a per-hour basis for each hour worked by or guaranteed an employee throughout the term of the Agreement. Upon ratification of the Agreement, any applicable increase in benefit contributions shall be retroactive to the commencement date of the Agreement.

### **4. Article 26. Loan-Outs**

Add a new Article (Article 26.) to the Agreement (see below), based on the corresponding Loan-Out provision in the 2021 Local 839-AMPTP Master Agreement.

#### Article 26. Loan-Outs

The Employer may utilize the services of an employee on a loan-out basis for work covered by this Agreement under the following conditions:

- A. All provisions of the collective bargaining agreement shall be fully applicable.
- B. Employer shall provide at least the minimum compensation and conditions under this Agreement to the loan-out company but shall not be responsible for payment by the loan-out company to its employee.
- C. Any claims or disputes between the employee on loan-out and the Employer regarding salaries or terms and conditions of employment that would be covered by the grievance and arbitration provisions of this Agreement if the employee had been hired directly by the Employer shall be subject to such grievance and arbitration provisions with the right of The Animation Guild to file grievances on behalf of an employee on loan-out.
- D. With respect to pension and health and contract services administration, during such time as an employee is engaged by a borrowing Employer through the employee's loan-out company, the borrowing Employer shall make pension and health and CSATF contributions directly to the Motion Picture Industry Health Plan and the Motion Picture Industry Pension Plan on behalf of the employee so employed based upon hours worked or guaranteed, whichever is greater. Contributions may not be

made by loan-out companies.

“Loan-out company” for purposes of this Article is defined as a company controlled by the loaned-out employee, who is the only employee of the loan-out company who performs work covered by this Agreement.

## 5. Article 6. Holidays

Add Martin Luther King Jr. Day to Article 6. The below is to be added following the first paragraph in Article 6 of the Agreement as noted below.

Effective January 1, 2023, there shall be ten (10) paid holidays during the year: New Year's Day, Martin Luther King Jr. Day, Presidents Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day, Christmas Day, and two (2) dates to be designated by the Employer not later than November 1<sup>st</sup> of the preceding year. Every employee shall receive straight-time pay for each un-worked holiday; double time shall be paid for all work done on said holidays.

Add the following (see parentheses) to the below related unworked holiday provision.

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.

## 6. Article 27. Labor-Management Cooperative Committee

Add a new Article (Article 27.) to the Agreement (see below), based on the corresponding Labor-Management Cooperative Committee provision from the 2021 Local 839-AMPTP Master Agreement

### ARTICLE 27.

#### LABOR-MANAGEMENT COOPERATIVE COMMITTEE

A Labor-Management Cooperative Committee, consisting of no more than four (4) representatives from the Employer 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 the Employer.

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 Employer with a written agenda of the proposed topic(s) for the meeting. As soon as reasonably practicable after being informed of the Union's proposed topic(s), the Employer will propose any additional topics it wishes to discuss at the meeting.

The Employer and the Union must mutually agree upon the agenda prior to the meeting.

**7. Remote Work Outside of Los Angeles Studio During Pandemic**

Add a new Unpublished Sideletter, which shall conform to the 2021 Local 839-AMPTP Remote Work Outside of Los Angeles Studio During Pandemic (excluding the term of the Agreement, which shall extend through November 2, 2024).

See Unpublished Sideletter as Exhibit A.

**8. Restoring the Forty (40) Hour Workweek**

Add new Unpublished Sideletter - See below.

The Employer agrees to a sliding scale (i.e., reduction of workweek hours) with respect to restoring the forty (40) hour work week from the current forty-five (45) hour work week under the following parameters commencing with Year Two of the Agreement (i.e., October 30, 2022) while maintaining current weekly rate, calculated on the basis of forty (40) straight time hours, plus five (5) hours of pre-approved overtime per week for a total of forty-five (45) workweek hours per week.

Thus, the graduated reduction of workweek hours from forty (40) straight time hours, plus five (5) hours of pre-approved overtime per week to forty (40) straight time hours per week, will not result in any loss of pay on a weekly basis contingent upon the employee working any five (5) workdays out of seven (7) consecutive days, for each week of employment with a minimum total of forty (40) straight time hours, plus two (2) hours of pre-approved overtime per week in Year Two of the Agreement and forty (40) straight time hours in Year Three of the Agreement (excluding floating days, vacation and designated holidays which shall be based on Employer policy).

- a. Year One: Effective October 31, 2021, maintain a forty-five (45) hour workweek consisting of forty (40) straight-time hours per week, plus five (5) hours of weekly pre-approved overtime.
- b. Year Two: Effective October 30, 2022, reduce the prior term's forty-five (45) hour workweek to a forty-two (42) hour workweek, which shall consist of forty (40) straight time hours, plus two (2) hours of weekly pre-approved overtime.
- c. Year Three: Effective October 29, 2023, reduce the prior term of forty-two (42) hour workweek to a forty (40) hour workweek.

The application of the terms and conditions of this Unpublished Sideletter shall be expressly limited to those Employees who were previously authorized by the Employer to work a forty (40) hour work week plus five (5) hours of pre-approved overtime.

**9. On-Call Hours**

Modify Article 5.B of the Agreement as follows:

If an employee employed pursuant to this paragraph shall be required to work a sixth (6th) or seventh (7th) workday as defined in this Agreement, then she/he shall be paid one and one-half (1- ½) times one-fifth (1/5) of the employee’s weekly rate for each day so worked. Such employee(s) shall receive sixty-five (65) hours of contributions for pension and health benefits for a five (5) day work week; for the 6th day worked, employee shall receive 12 hours of benefit contributions, and employee shall receive 12 hours benefit contributions for the 7th day worked.

**10. Article 25. Productions Made for New Media**

Update Article 25 of the Agreement as follows:

*Made for New Media provisions agreed to by the parties regarding Made for New Media Productions and Sideletter N to the 2021 Master Agreement between IATSE and Local 839 (Animation Guild) and the Alliance of Motion Pictures and Television Producers are deemed to be incorporated into Article 25 of the Agreement.*

**11. Animation Interns – Sideletter 6.**

Renew Sideletter 6 to the Agreement, based on the corresponding Animation Interns provision from the 2021 Master Agreement between Local 839 and the Alliance of Motion Pictures and Television Producers.

**12. Sideletter No. 4 Sick Leave Waiver**

Update the Sick Leave Waiver provision to conform with the 2021 Master Agreement between Local 839 and the Alliance of Motion Pictures and Television Producers.

On behalf of I.A.T.S.E

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

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

On behalf of TSL

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

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

On Behalf of TTL

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

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



Exhibit A.

**Unpublished Sideletter**  
**Remote Work Outside of Los Angeles Studio During Pandemic**

During negotiations for the 2021 TSL Animation Agreement (the “Agreement”), the Animation Guild, Local #839 (the "Union"), and TSL (the “Employer”) discussed the disruptions to traditional modes of work in the animation industry caused by the COVID-19 pandemic. In particular, the parties acknowledged that the Employer had 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 while the Employer 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, the Employer 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 \_\_\_\_\_, 2022, and subject to Paragraphs 2.d. and e. below:
  - a. Employer 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:
    1. (1) The employee had been working for the Employer under the Agreement at the Employer's offices in Los Angeles County before March 2020 (*i.e.*, before the inception of the pandemic in Los Angeles County), and the Employer, for COVID-related reasons, subsequently allowed the employee to work remotely during the pandemic; or
    - (2) The employee was hired by the Employer in Los Angeles County on or after March 2020 (during the pandemic), and the Employer, for COVID-related reasons, allowed the employee to work remotely during the pandemic;
  11. The employee's employment is on a Los Angeles-based production;

111. The Employer 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 \_\_\_\_\_, 2022;
    - 1v. The employee continues to work under the coverage of the Agreement at that approved specified location; and
    - v. The Employer does not require the employee to return to the Employer's offices for the remainder of the employee's employment on the production or for the production season in the case of a series.
  - b. In addition, from \_\_\_\_\_, 2022 through November 2, 2024, Employer 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 Employer on a subsequent production for the duration of the production. "Continuously employed" for purposes of this provision means subsequent employment with the Employer within 110 days of the prior employment.
  - c. In the circumstances set forth in Paragraphs 2.a. and 2.b. above, the Employer 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 November 2, 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 November 2, 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 Employer 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 Employer 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 Employer, the Employer 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 Employer 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 Employer to further discuss the employee's circumstances, and the parties shall meet promptly thereafter. The Employers' 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.

