

**MEMORANDUM OF AGREEMENT OF MAY 1, 2022
BETWEEN WAG PICTURES INC. AND THE INTERNATIONAL
ALLIANCE OF THEATRICAL STAGE EMPLOYEES, I.A.T.S.E.**

This Memorandum of Agreement (“MOA”) between WAG Pictures Inc., (“Employer”) and the International Alliance of Theatrical Stage Employees, (“IATSE” or “Union”) is entered into as of May 1, 2022 and modifies the existing Agreement between the parties which became effective on May 1, 2019.

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

All of the provisions of the 2019 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 unless a contrary date is specified, in which case such provision shall be effective as of the date so specified.

The provisions of the MOA are subject to ratification of this Agreement,

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

1. **Term of Agreement**

The term of the 2022 Agreement shall be for three (3) years, commencing on May 1, 2022 and continuing to and including April 30, 2025.

2. **Wages Increases**

Minimum wage rates shall be increased as follows:

- a. By three percent (3%) retroactive to May 1, 2022;
- b. By three percent (3%) effective May 1, 2023; and
- c. By three percent (3%) effective May 1, 2024.

These increases shall be compounded.

3. **Health and Pension**

Effective as of May 1, 2022, contributions shall be made to the Motion Picture Industry Pension and Health Plans, Retirees 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).

4. **Article 5 - Hours (On-Call)**

Modify end of Article 5.B. (Hours) as follows:

If an employee employed pursuant to Article 5, Paragraph B., 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 (1-1/2) times one-fifth (1/5) of the employee's weekly rate for each day so worked. Such employee(s) shall receive ~~shall receive sixty (60)~~sixty-five (65) hours of contributions for pension and health benefits for a five (5) day work week; ~~sixty-eight (68)~~seventy-seven (77) hours of such contributions for a six (6) day work week; and ~~seventy-six (76)~~eighty-nine (89) hours of such contributions for a seven (7) day work week.

5. **Labor Management Cooperative Committee**

Add a new Article to the Agreement as follows:

"LABOR-MANAGEMENT COOPERATIVE COMMITTEE

"A Labor-Management Cooperative Committee, consisting of no more than four (4) representatives from 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 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 Employer 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), Employer will propose any additional topics that it wishes to discuss at the meeting. Employer and the Union must mutually agree upon the agenda prior to the meeting."

6. **Remote Work Outside Los Angeles County During the Pandemic:**

Add the following as an Unpublished Sideletter to the Agreement:

"During negotiations for the 2022 WAG Pictures Inc. ("Employer") and the International Alliance of Theatrical Stage Employees, ("IATSE" or "Union") Agreement (the "Agreement"), the parties discussed the disruptions to traditional modes of work in the animation industry caused by the COVID-19 pandemic. In particular, the parties acknowledged that Employer has 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 Employer while 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, 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 on the first Sunday following the Employer's receipt of notice of ratification, 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 in the following circumstances:
 - “i. (1) The employee had been working for the Employer under the Agreement at Employer's offices in Los Angeles County before March 2020 (i.e., before the inception of the pandemic in Los Angeles County), and Employer, for COVID-related reasons, subsequently allowed the employee to work remotely during the pandemic; or
 - (2) The employee was hired by Employer in Los Angeles County on or after March 2020 (during the pandemic), and Employer, 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. 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 [the first Sunday following the Employer'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. Employer does not require the employee to return to the

Employer's offices for the remainder of the employee's employment on the production.¹

- "b. In addition, from [the first Sunday following Employer's receipt of notice of ratification] through April 30, 2025, 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 90 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 April 30, 2025, 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 April 30, 2025 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, including any period of employment that occurs after April 30, 2025.
- "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

¹ For clarification, the provisions of Paragraph 2.a. above also apply to an employee whom the Employer employed in Los Angeles County and, during the period on or after March 20, 2020 to [the first Sunday following Employer'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.

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 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 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 Employer, 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 Employer to further discuss the employee's circumstances, and the parties shall meet promptly thereafter. Employer's 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."

7. **Holidays**

Modify the language in Article 7.A. so that the one additional holiday designated by the Employer shall be replaced with Martin Luther King Jr. Day, as follows:

- A. There shall be nine (9) paid holidays during the year: (1) New Year's Day, (2) Martin Luther King Jr. Day, (3) Presidents' Day, (4) Memorial Day, (5) Fourth of July, (6) Labor Day, (7) Thanksgiving Day, (8) the Friday following Thanksgiving Day, and (9) Christmas Day. ~~and one (1) additional date to be designated by the Employer not later than November 1st of the preceding year.~~ Every weekly employee shall receive straight time pay for each un-worked holiday; double time shall be paid for all work done on said holidays.

8. **Attachment D: Writer Unit Rates and MPI Hours**

Modify the final paragraph of Attachment “D” Unit Rate Screen Minimums as follows:

For animated programs subject to a license agreement entered into on or after May 1, 2022 (or in the absence of a license agreement, commences production animation on or after May 1, 2022):

“A contribution to the Motion Picture Industry Pension and Health Plans will be made based on ~~four hundred (400)~~ four hundred and fifty (450) hours. An additional contribution of ~~eighty (80)~~one hundred and fifty (150) hours will be made for any re-write or re-work for which compensation is made or credited. A contribution of eighty (80) hours will be made for a polish for which compensation is made or credited.

Add the following language to Attachment D:

If an additional polish is required by the Employer, or if a polish of another writer’s screenplay is required, 10% of the aforementioned Unit minimum shall be paid for each polish.

9. **Flexible Scheduling of Freelance Work**

Add a new Article 5.G. 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.

10. **Animation Intern**

Renew Letter of Understanding #7 “Animation Interns”

11. **Update Letter of Understanding #6 re Sick Leave Waiver**

Modify the third paragraph of Letter of Understanding #6 re Sick Pay as follows:

“The Union expressly waives, to the full extent permitted by law, application of the following to all employees employed under this Agreement: the New York City Earned Safe and Sick Time Act (N.Y.C. Admin. Code, Section 20-911 et seq.); the New York State paid sick leave law of 2020 (New York Labor Law Section 196-B); the Westchester County Earned Sick Leave Law (Section 700.36 et seq. of the Laws of Westchester County); the New Jersey Paid Sick Leave Act (C.34:11-56a et seq.); Section 1-24-045 of the Municipal Code of Chicago; the Cook County Earned Sick Leave Ordinance (Ordinance No. 16-4229); the San Francisco Paid Sick Leave Ordinance (San Francisco Administrative Code Section 12W); the Paid Sick Leave Ordinance of Berkeley, California (Municipal Code Chapter 13.100); all requirements pertaining to “paid sick

leave” in Chapter 37 of Title 5 of the Municipal Code of Emeryville, California (including, but not limited to, Chapter 37.01.e), 37.03, 37.07.a)1) B.ii. and 37.07.f)); the City of Los Angeles Emergency Order regarding Supplemental Paid Leave Due to COVID-19 (amended February 10, 2021); the Los Angeles County COVID-19 Worker Protection Ordinance (Title 8, Chapter 8.200 of the Los Angeles County Code); Los Angeles County Employee Paid Leave for Expanded Vaccine Access (Title 8, Chapter 8.205 of the Los Angeles County Code); the Oakland Sick Leave Law (Municipal Code Section 5.92.030.); Chapter 4.62.025 of the Santa Monica Municipal Code (enacted by Ordinance No. 2509); ~~the Seattle Paid Sick and Safe Time Ordinance (Ordinance No. 123698)~~; Chapter 18.10 of Title 18 of the Municipal Code of the City of Tacoma, Washington (enacted by Ordinance No. 28275); Article 8.1 of Title 23, Chapter 2 of the Arizona Revised Statutes; Chapter 160 of the Ordinances of the Township of Bloomfield, New Jersey (enacted by Ordinance No. 15-10); the Paid Sick Time for Private Employees Ordinance of East Orange, New Jersey (Ordinance No. 21-2014; East Orange Code Chapter 140, Section 1 et seq.); the Paid Sick Time Law of Jersey City, New Jersey (Chapter 4 of the Jersey City Municipal Code); Chapter 8.56 of the Revised General Ordinances of the City of New Brunswick, New Jersey; Chapter 8, Article 5 of the Municipal Code of the City of Plainfield, New Jersey; the Sick Leave for Private Employees Ordinances of Elizabeth, New Jersey (Ordinance No. 4617); Irvington, New Jersey (Ordinance No. MC-3513); Montclair, New Jersey; Morristown, New Jersey (Ordinance No. O-35-2016); Newark, New Jersey (City Ordinance 13-2010); Passaic, New Jersey (Ordinance No. 1998-14); Paterson, New Jersey (Paterson Code Chapter 412); and Trenton, New Jersey (Ordinance No. 14-45) and any other ordinance, statute or law requiring paid sick leave that is hereafter enacted. It is understood that the Union and the Employer shall memorialize any such waiver for any newly-enacted law by letter agreement.

12. Housekeeping: Project Information

Clarify that Project Information Sheet also applies to feature length primarily animated productions made for new media by modifying the language in Article 17.J. as follows:

“For animated theatrical motion pictures **and feature length primarily animated productions made for new media** commencing on or after January 1, 2020, Employer shall provide written notice to IATSE with the following information, if known (or may submit the information, if known, in the form of a Project Information Sheet, attached as Attachment ‘E’ to this Agreement), for each animated theatrical motion picture **and feature length primarily animated production made for new media** on which employees are employed under this Agreement no later than two (2) weeks after a Line Producer or another person in an equivalent role commences services for such motion picture or production.”

13. Housekeeping: Grievance Procedure

Update the Employer’s Labor Relations Contact in Article 11. Grievance Procedure as follows:

“STEP THREE - - Prior to proceeding to arbitration, either regular or expedited, the President of the IATSE or his designee and ~~Stephen Carroll~~ the Head of Warner Bros. Labor Relations or ~~his~~ their designee shall meet and attempt to resolve and determine the dispute. Their decision shall be final and binding upon the Union, the Employer and the employee(s) involved in the dispute.”

ACCEPTED AND AGREED:

<small>DocuSigned by:</small> <i>Michael F. Miller, Jr.</i>	4/24/2023
<small>855F26894DA44E4</small> International Alliance of Theatrical Stage Employees (“IATSE”)	Date
<i>Jane C. Lee</i>	4.24.2023
WAG Pictures Inc.	Date