

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (“Memorandum”) is entered into by and between HBO Entertainment, Showtime Pictures Development Company and Starz Independent, LLC (referred to individually as “Employer” and collectively as “Employers”), on the one hand, and the International Alliance of Theatrical Stage Employees, Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, AFL-CIO, CLC (“Union”), on the other hand, and amends each Employer’s collective bargaining agreement with the Union effective January 1, 2011 through December 31, 2014 (referred to individually as “CBA” and collectively as “CBAs”). This Memorandum will become effective January 1, 2015, provided that it is approved by the Union’s Executive Board prior to that time. The CBA between each Employer and the Union, as amended by this Memorandum, will constitute the CBA between that Employer and the Union until it is replaced by a full collective bargaining agreement incorporating the terms of this Memorandum.

Effective January 1, 2015, each Employer’s CBA with the Union is amended as follows:

1. Term. January 1, 2015 through and including December 31, 2018.
2. Employee Lists. Article VI shall be amended to add the following language:

“Upon request by the Union, the Employer shall provide the Union with a complete current crew list. Upon request by the Union, the Employer shall provide the Union with a list of those employees classified as “Nearby Hires” and “Distant Hires,” as those terms are defined in subparagraphs (c) and (d) of Article XIX of this Agreement.”
3. Delete the word “set” in the two places it appears in the third sentence of subparagraph (a) of Article XV.
4. Rest Periods. Add the following new provision to Article XVII, “Rest Periods.”

“In the event that an employee works more than fourteen (14) hours on two (2) consecutive days, on the second such day, the employee will be offered either, at the Company’s discretion, transportation home and back to work the next day or hotel accommodations. Further, in such situations, in the event that the required rest period is invaded, the employee shall return at his or her rate in effect at the time of dismissal, plus an additional hour at straight time, for all hours worked until the required rest period is provided. In the event that an employee works more than sixteen (16) hours on any one (1) day, the employee will be offered either, at the Company’s discretion, transportation home and back to work the next day or hotel accommodations. This paragraph shall not apply to pilots.”

5. Meals.

a. Replace the word “should” with the word “shall” in subparagraph (b) of Article XVIII.

b. Add the following sentence at the end of subparagraph (b) of Article XVIII: “An employee who is provided a non-deductible breakfast shall be given a reasonable opportunity to sit down and eat without working.”

c. Replace the word “fifteen” in the first sentence of subparagraph (c) of Article XVIII with the word “twelve.”

d. Replace the term “3/4 hour” in both places where it appears in subparagraph (d) of Article XVIII with the words “half hour.”

e. Move the language currently contained in subparagraph (e) of Article XV to create a new subparagraph (f) of Article XVIII.

f. Add the following language as the second condition listed after the colon in Side Letter No. 7 (re “French Hours”): “The IATSE shall be notified as soon as practicable prior to the vote of the crew.”

6. Location/Travel

a. Effective January 1, 2015, increase the living allowance referenced in subparagraph (c) of Article XIX to \$392 per week or \$56 per day; effective January 1, 2017, increase the living allowance referenced in subparagraph (c) of Article XIX to \$406 per week or \$58 per day; effective January 1, 2018, increase the living allowance referenced in subparagraph (c) of Article XIX to \$420 per week or \$60 per day.

b. Effective January 1, 2015, increase the idle day payments referenced in subparagraph (c) and (d) of Article XIX to \$56 per day; effective January 1, 2017, increase the idle day payments referenced in subparagraph (c) and (d) of Article XIX to \$58 per day; effective January 1, 2018, increase the idle day payments referenced in subparagraph (c) and (d) to \$60 per day.

c. Effective January 1, 2015, increase the per diem payment referenced in subparagraph (e) of Article XIX to \$56 per day; effective January 1, 2017, increase the per diem payment referenced in subparagraph (e) of Article XIX to \$58 per day; effective January 1, 2018, increase the per diem payment referenced in subparagraph (e) to \$60 per day.

d. Add language to subparagraph (d) of Article XIX providing that an 8 hour minimum call shall be paid to employees hired on a daily basis for unworked days while on distant location that are not the 6th or 7th idle days.

e. Delete the words “For nearby and distant hires receiving per diem, the Employer shall pay per diem at the following rates per day:” from the preamble to subparagraph

(e) of Article XIX and replace them with the following: “For distant hires and nearby hires on overnight location, the Employer shall pay per diem at the following rates of pay”.

f. Add a sentence to subparagraph (h) of Article XIX stating: “If preapproved, the Company will reimburse all other forms of transportation to and from an overnight location.”

g. Effective January 1, 2015, replace the words “sixty (60) minutes of daily travel time” with the words “thirty (30) minutes of daily travel time each way” in the first sentence of subparagraph (i) of Article XIX. Effective January 1, 2016, amend the first sentence of subparagraph (i) of Article XIX to read: “For distant hires, travel time on overnight location from the housing facility to the production site will be considered as work time.” The remainder of the subparagraph will remain the same.

h. Add the following paragraph to Article XIX:

“In Los Angeles, the ‘thirty mile zone’ shall be the area within a circle thirty (30) miles in radius from Beverly Boulevard and La Cienega Boulevard, Los Angeles, California and includes Agua Dulce, Castaic (including Lake Castaic), Leo Carillo State Beach, Ontario International Airport, Piru and Pomona (including the Los Angeles County Fair Grounds) and the Metro- Goldwyn-Mayer, Inc. Conejo Ranch property.”

7. Cancellation of Calls. Add an additional sentence to Article XX, which reads as follows: “Calls may not be cancelled for employees not on the employer’s payroll at the time the call was given.”

8. Safety and Health.

a. Designate the current language of Article XXVI as subparagraph (a).

b. Add a new subparagraph (b) to Article XXVI incorporating the language from the “Extended Workday Safety Guidelines” established by the AMPTP, which new subparagraph (b) shall read as follows:

“(b) Extended Workday Safety Guidelines

It shall be the responsibility of the Employer to ensure that safety standards consistent with OSHA and prevailing industry safety standards are maintained during the production and that no unsafe equipment, procedures or practices are allowed on the set or work site. Employees shall cooperate with the Employer to maintain such safety standards at all times. No employee shall be discharged or otherwise disciplined for refusing to work on a job that exposes the individual to a clear and present danger to life and limb. Employer shall refer to CSATF Safety Bulletins at the following website - <http://www.csatf.org/bulletintro.shtml>.

Motion Picture productions are budgeted for specified hours of production. There are cost deterrents which encourage the production to be on budget and on time. When an extended work day is necessary, the need for same should be identified as far in advance as possible so that appropriate planning may occur.

The following guidelines set forth common sense measures which should be considered when extended work days are necessitated:

(i) Sleep deprivation, which may be caused by factors other than an extended work day, should be identified by the employee. The American Automobile Association (“AAA”) cautions drivers as to the following danger signs:

- Eyes closing by themselves
- Difficulty in paying attention
- Frequent yawning
- Swerving in lane

AAA warns that drivers experiencing any of these danger signs could fall asleep at any time. AAA recommends three basic solutions – sleep, exercise and caffeine. AAA urges drivers who are too drowsy to drive safely to pull off the road to a safe area, lock the doors and take a nap – even twenty minutes will help. Upon waking, the driver should get some exercise and consume caffeine for an extra boost.

(ii) Any employee who believes that he/she is too tired to drive safely should notify an authorized representative of the Employer before leaving the set. In that event, the Employer will endeavor to find alternative means of transportation or provide a hotel room or a place to rest. Such request may be made without any fear of reprisal and will not affect any future employment opportunities.

(iii) When the production company anticipates an extended work day, the employees should be encouraged to car pool.

(iv) When an extended work day is necessary, appropriate beverages and easily metabolized foods should be available.”

c. In the event that the Area Standards Agreement (“ASA”) negotiated by the AMPTP-represented companies is amended during the 2015 negotiations to provide that signatory producers shall participate in the IATSE Entertainment and Exhibition Industries Training Trust Fund (“the Fund”), the Employers agree that, effective the same date as that obligation is effective under the ASA, the Employers shall commence participation in the Fund on the same terms and conditions as are agreed to under the ASA. Alternatively, if a different

safety training program is agreed to in the 2015 ASA negotiations, the Employers agree to participate in such training effective on the same date and on the same terms and conditions as are agreed to in the ASA.

9. Specialized Work. Add a new Article to the CBAs, which shall read as follows:

“ SPECIALIZED WORK

(a) The Employer will not require any employee to perform any work that the employee reasonably considers to present a clear and present danger to his or her health and safety.

(b) The employees selected to perform specialized work and Employer are to negotiate and agree upon a rate in advance for such work and, if no agreement is so reached, the employee will not jeopardize working opportunities by refusing to perform such work. The employee may seek assistance from the Business Representative of the Local Union in connection with these negotiations, provided that there is no delay to the production in doing so. The Business Representative need not be present for the negotiations.

If an employee is required to sign a waiver for any state or governmental agency or owner of private property and refuses to sign such waiver, such employee may be replaced, but such refusal shall not limit such employee's future employment opportunities with Employer.

When the Employer knows in advance that such a waiver is required, the Employer will advise the Local Union of the situation.

(c) The Employer will strictly conform with all recognized industry health and safety standards and all applicable health and safety rules and regulations.

(d) (i) For taking motion pictures on aerial flights or submarine diving, employee shall receive sixty dollars (\$60.00) per flight or dive but with a maximum of payment in a single shift of one hundred eighty dollars (\$180.00).

(ii) Any employee designated by Employer to work completely under water using a diving mask, air helmet or diving suit, including skin diving, will be paid a bonus of twenty-five percent (25%) the rate in effect at the time of such performance for the entire work shift, except when the total time required by the employee to perform such work, including diving, is less than one (1) hour.

(iii) Any employee designated and required by Employer to dive to the depth of fifteen (15) feet or more in water using a diving mask, air helmet or diving suit, including skin diving, will be paid an allowance of sixty

dollars (\$60.00) for each dive with a maximum payment in a single shift of one hundred eighty dollars (\$180.00). Such allowance shall supersede and replace the twenty-five percent (25%) bonus referred to in subparagraph (2) above. When an employee is required to dive under water twenty (20) feet or more, he shall be accompanied by another diver.

(e) The following provisions shall be applicable to employees required to be under water when performing their work:

(i) A dressing room shall be provided.

(ii) Hot drinks or nourishment shall be available if water is cold.

(iii) A rest period of ten (10) minutes shall be allowed for each hour so worked. Not more than two (2) consecutive hours shall elapse without a rest period.

(iv) In the event safety conditions so warrant, it shall be the practice of underwater workers in the performance of such work to work jointly in pairs.

(v) Employer will provide suitable wearing apparel for abnormal cold or wet work.

(vi) When required by Employer to work in water three (3) feet or more in depth for a period of an aggregate of at least four (4) hours during any workday, employee will be paid a fifteen percent (15%) bonus above the applicable scale rate for all hours worked during the work shift.”

10. Side Letter No. 8. Amend Side Letter No. 8 by adding, with respect to Local 52-represented employees only, Section 23 of the Local 52 Agreement as an applicable provision. That Section provides:

“With respect to any shooting location in Harriman Park, New York that is within the New York City Zone (as defined in Section 1(d) above), the Employer may request a waiver to apply the working terms and conditions set forth in Sections 1(d) and 21(a)(2) herein. The Union shall not unreasonably withhold such a waiver.”

11. Preference of Employment. In the second sentence of subparagraph (b) of Article XII, replace the words “prior to the execution of an applicable `Project Agreement”” with the words “as soon as practicable but in no event later than the start of production.” The rest of the sentence will remain the same.

12. Wages:

a. Employees employed on the HBO series “Ballers,” “Veep” and “Looking” (the “Grandfathered Series”) shall, for the run of the Grandfathered Series, continue to be paid under the current wage schedules, with a 3% annual increase on January 1, 2015 and each January 1 thereafter, through and including January 1, 2018.

b. Employees employed under the New York rates shall continue to be paid at the applicable rates under the then current New York Majors Agreements.

c. Employees employed under the Los Angeles rates shall continue to be paid at the applicable rates under the then current Los Angeles Basic Agreement.

d. For employees represented by Local 600 (camera) currently paid under the rates set forth in Appendix “A” Production Cities and Appendix “B” Non-Production Cities, the differential between those rates and the applicable Local 600 (camera) Agreement rates will be phased out 25% per year, so that effective as of January 1, 2018, such employees will be paid the applicable rates under the Local 600 (camera) Agreement. The calculation of the increase necessary to reduce the differential between the rates by 25% each year shall take into account on any general increases in the Long-Form camera rates and Local 600 (camera) Agreement rates negotiated by the AMPTP and the IATSE during the term of this Agreement.

e. To the extent that a rate for a classification is specified in the ASA and except for employees employed in Chicago and San Francisco, employees not covered by the New York or Los Angeles rates shall be paid at the applicable rates under the then current ASA. This paragraph shall not apply to employees employed on the Grandfathered Series.

f. For those classifications that do not have a rate specified in the ASA (e.g., production office coordinators, assistant production office coordinators, art department coordinators), employees shall continue to be paid under the current wage schedules contained in the CBAs, with a 3% increase effective January 1, 2015. Effective January 1, 2016, 2017 and 2018, the then-current rates for these positions shall increase by the same percentages as the most recent rate increase under the Los Angeles Basic Agreement (e.g., the percentage increase, if any, that becomes effective on August 1 of 2015 shall be applied to the rates under the CBAs effective January 1, 2016.)

g. The classification currently referred to as “Assistant Production Accountant” shall be renamed “First Assistant Accountant” and the classifications of “Payroll Accountant” and “Additional Assistant Accountant” shall be added to the CBAs. Effective January 1, 2015, the rate for Payroll Accountants in production cities shall be \$18 per hour, with a 60 hour guarantee and the rate for Payroll Accountants in non-production cities shall be \$17.14 per hour, with a 60 hour guarantee. Effective January 1, 2015, the rate for Additional Assistant Accountants in production cities shall be \$15 per hour, with a 60 hour guarantee and the rate for Additional Assistant Accountants in non-production cities shall be \$14.28 per hour, with a 60 hour guarantee. Effective January 1, 2016, 2017 and 2018, the rates for Payroll Accountants and Additional Assistant Accountants set forth above shall increase by the same percentage as the most recent rate increase under the Los Angeles Basic Agreement (e.g., the percentage increase,

if any, that becomes effective on August 1 of 2015 shall be applied to the rates under the CBAs effective January 1, 2016.)

h. No employee currently employed on a production shall suffer a reduction in his or her wage rate during the current production or the current production season as a result of the adoption of any new wage schedule.

i. Amend Side Letter No. 4 to provide that the wage rates of the appropriate Digital Supplemental Agreement shall apply when such classifications are employed.

j. Move the language from Side Letter No. 10 into Article XXVIII – Wage Rates.

k. Representatives of the Union and the Employers shall meet and confer regarding the incorporation of the applicable wage rates from the Wage Schedules in the New York, Los Angeles and ASA Agreements into the CBAs.

13. Benefits.

a. Add “Art Directors/Production Designers” to the positions identified in the third sentence of subparagraph (a) of Article XXII.

b. Effective January 1, 2015, increase the contributions referenced in subparagraph (b) of Article XXII to \$91.50 per day; effective January 1, 2016, increase the contributions referenced in subparagraph (b) of Article XXII to \$94 per day; effective January 1, 2017, increase the contributions referenced in subparagraph (b) of Article XXII to \$97 per day; and effective January 1, 2018, increase the contributions referenced in subparagraph (b) of Article XXII to \$100 per day.

c. Effective January 1, 2017, increase the contributions referenced in subparagraph (c) of Article XXII to \$123.25 per day; and effective January 1, 2018, increase the contributions referenced in subparagraph (c) of Article XXII to \$124.50 per day.

d. Add a new subparagraph (g) to Article XXII which shall read as follows:

“(g) For Local 784, all pension contributions on behalf of covered personnel shall be remitted to the I.A.T.S.E. National Pension Fund, Plan C, except that such employees with three (3) or more years of credited service in the Local 16 Pension Trust Fund as of December 31, 2006 shall have contributions made to the Local 16 Pension Trust Fund on their behalf. Any employee who meets the above requirement shall notify the employer of their status immediately upon being hired. All employees who meet the requirement shall be paid pension benefits at the same pension rate as Local 16.”

14. Add a side letter to the CBAs confirming that, if an Employer produces a program intended for initial exhibition in new media, that Employer agrees to notify the Union in advance and, upon request, to negotiate an agreement covering the production.

Executed in the County of Los Angeles, State of California on the date or dates set forth below.

**HBO Entertainment**

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

**International Alliance of Theatrical Stage  
Employees, Moving Picture Technicians,  
Artists and Allied Crafts of the United  
States and Canada, AFL-CIO, CLC**

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

**Showtime Pictures Development Company**

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_

**Starz Independent, LLC**

By \_\_\_\_\_  
Title \_\_\_\_\_  
Date \_\_\_\_\_