

**COVID 19 Furloughs**  
**Memorandum of Understanding**  
**Walt Disney Parks & Resorts U.S.**  
**And**

**Teamsters Automotive, Industrial, Theme Park, Service Sector, and Allied Workers, Local No. 495,**  
**Affiliated with the International Brotherhood of Teamsters,**  
**Service Employees International Union – United Service Workers West,**  
**Bakery, Confectionary, Tobacco Workers and Grainmillers Union, Local No. 83, and**  
**United Food and Commercial Workers Union, Local No. 324**

This Memorandum of Understanding (“MOU”) is between Walt Disney Parks and Resorts U.S. (“Company”), and the Teamsters Automotive, Industrial, Theme Park, Service Sector, and Allied Workers, Local No. 495, Affiliated with the International Brotherhood of Teamsters (“Teamsters Local 495”), Service Employees International Union – United Service Workers West (“SEIU-USWW”), Bakery, Confectionary, Tobacco Workers and Grainmillers Union, Local No. 83 (“BCTGM”), and United Food and Commercial Workers Union, Local No. 324 (“Union”), collectively referred to as the “Parties” with respect to the 2018 Disneyland Park and Disney California Adventure Master Services Agreements (“Agreements”).

As a result of legal mandates and guidance issued by federal, state and local authorities, the Company was required to close Disneyland Resort and other associated work sites where employees represented by the Union are employed on March 14, 2020. These operations remain closed until further notice.

Due to the uncertainty regarding the timing of the resumption of business operations, the Union and the Company agree that effective April 19, 2020, non-essential employees covered by the Agreements will be considered furloughed without pay until further notice.

1. Non-furloughed employees (Essential Employees)

- a. During this time period, full-time non-furloughed employees will be scheduled to work to support essential business functions or support the resumption of business operations.
- b. The essential business functions and the necessary skills, qualifications and abilities to perform those essential functions will be identified by the Company. Essential work by classification may be identified in scheduling group. The assignment of essential employees will be based on full-time seniority order, accepting volunteers first. Once all volunteers are exhausted, the essential employees will be assigned to the least senior employee in the job classification who possesses such skills, qualifications and abilities.
- c. During this period, non-furloughed employees who are scheduled to work should continue to report to their work location and clock in and out as normal. They will receive their regular rate of pay, including any premiums and/or differentials for which they are eligible under the Agreement, for all hours worked.
- d. All provisions of the Agreements will be honored during this period.
- e. In the event that a shop steward is requested, but one is not available due to the limited workload, the Company will contact a business agent for representation.

## 2. Furloughed Employees (Non Essential Employees)

- a. Full time employees placed on a furlough will remain eligible for group insurance benefits (i.e. medical, dental, vision, life insurance and disability) in accordance with their current enrollment, with the Company paying both the employer and employee weekly contributions until such time they as the employee is recalled from furlough. Employees who have not elected coverage, including employees on a leave of absence who have not elected coverage, will not be eligible for Company paid benefits.
- b. Furloughed Part Time employees who are currently eligible and elected medical insurance in accordance with the Affordable Care Act for calendar year 2020 will remain eligible in accordance with their current enrollment, with the Company paying both the employer and employee weekly contributions until such time they as the employee is recalled from furlough. Part Time Employees who have not elected coverage, including employees on a leave of absence, will not be eligible for Company paid benefits. Eligibility for Affordable Care Act medical coverage for calendar year 2021 for Part Time employees will be calculated by giving Part Time employee credit for average hours worked from the beginning of the monitoring period until the start of the furlough for each week of the furlough for the purposes of determining ACA eligibility only.
- c. While a full-time or CR-20 employee is on furlough during the closure and furlough period, the Company will calculate an additional 40 hours worked per furloughed week towards the 2020 Full Time Monitoring process. Full-time employees who are trending below the minimum number of hours will receive notification upon recall.
- d. 107 CR employees within Union bargaining units have been approved to receive a status conversion from Regular Part Time to Regular Full Time effective April 19, 2020. The Company will amend the previously scheduled status conversion date from April 19, 2020, to now reflect a date of status conversion as of April 12, 2020.
- e. Furloughed employees shall be recalled to work in accordance with Section 20.A.1.a., Seniority, of the Agreement.
- f. Furloughed employees will remain eligible for privileges and perquisites on the same basis as all Disneyland Resort employees of the Company during the length of the furlough (e.g. Disney Aspire, Main Entrance Pass, Hub Access, etc.)
- g. Furloughed employees who participate in the Disney and Associated Companies Retirement Plan (Hourly) will receive credit for the length of the furlough for the purpose of determining Credited Years of Service and Credited Hours of Service.
- h. Any request to receive payment for accrued vacation or paid days off in accordance with Sections 13, Vacation, and 14.IV, Casual Regular – Paid Days Off, or sick pay in accordance with Section 26, Sick Leave, will not be honored during the furlough period. Any previously approved and scheduled vacations or Paid Days Off effective April 19, 2020 and continuing through the furlough period will be canceled and no hours will be deducted.

3. General Provisions

- a. The Parties agree to continue the progression of all open grievances.
- b. The Parties agree that the following contractual timelines will be automatically extended for the length of the furlough for furloughed employees: probationary periods and qualifying periods.
- c. The Parties agree to meet as necessary to discuss any employee impacts not addressed herein related to the resumption of business operations.
- d. Upon the signing of this Memorandum of Understanding, each furloughed employee will receive a letter from the Company stating that they are furloughed.
- e. The Company will endeavor to communicate with the Union as soon as is practicable regarding the Company's plans to resume business operations and will diligently work to address Union concerns.

This Memorandum of Understanding is non-precedent setting and shall not be used as an interpretation of the Agreement.

This Memorandum of Understanding expires upon conclusion of the closure and furlough period.

[SIGNATURE PAGE TO FOLLOW]

