



June 17, 2020

Via steven.ross@nabet53.org

Steve Ross
President
Nabet-CWA Local 53
1918 West Burbank Boulevard
Burbank, CA 91506

Re: Termination Of Transitional Services Agreements

Dear Steve:

As we discussed in the context of our Extension Agreement, the Company performs Broadcast Operations, Promo Post-Production (“Post”) and Broadcast Systems Engineering (“BSE”) services for the Networks Fox retained after the merger (e.g., Fox Broadcast Channel, Fox Sports 1 and 2). The Company performs these services pursuant to Transitional Services Agreements (“TSAs”) and employs, among others, Daily Engineers covered by the Company’s Agreement with NABET-CWA Local 53 (“Agreement”) to perform these services.

Termination of Post And BSE TSAs

While the TSAs provided for a term of up to 24 months from March 2019, Fox retained the right to terminate the TSAs on sixty (60) days’ notice. Fox has notified the Company that our services will no longer be required under the TSAs for Post and BSE after August 17, 2020. As a result, the Company will no longer need to engage beyond August 17, 2020:

- (1) Sixty-one (61) Daily Engineers who perform Post services for Fox.
- (2) Twenty-four (24) Daily Engineers in BSE.

I have attached a list of those employees that we will no longer engage, as a result of the termination of these TSAs. We do not know whether Fox will need their services.

We wish everyone the best of luck and appreciate their services during the TSA period, especially as we all had to cope with a pandemic during this period.

The TSA for Broadcast Operations remains in effect at the present time.

Employees The Company Intends To Continue To Engage

Post-Production: We intend to continue to engage approximately thirty-nine (39) Daily Engineers to perform Post and related services for FX at Pico, subject of course to any changing operational needs. As we have discussed in negotiations, the Company's FX Post operation is not affected by any TSA with Fox and we have no plans to discontinue that operation at this time. All of these employees currently perform services for FX.

Maintenance and Systems Engineering: There may be some BSE project work on an as-needed, unpredictable project basis in the future to service FX Post in Building 103. Section 6.02(e)(i) of the Agreement provides that "Maintenance and Systems Engineering work performed in building 103 may be performed on a non-exclusive basis." Nonetheless, without waiving our rights, we intend to continue to engage approximately six (6) Daily Engineers to provide Maintenance service to FX Post, subject to changing operational needs.

We will be communicating with those employees we intend to continue to engage individually. We look forward to our continued relationship with NABET-CWA Local 53.

Severance/Stay Bonus

Our Agreement further provides for a Retention Bonus ("Bonus") if a Daily Engineer has worked 1000 hours in 2018 or the period between March 20, 2018 and March 19, 2019 ("Qualification Period") and has accepted 80% of the shifts the Company has offered, as well as 80% of the shifts the Company will offer through August 17, 2020. I will provide you with a list of Bonus-eligible Daily Engineers shortly.

Provided a Bonus-eligible Daily Engineer executes a Release, he or she will receive: (1) the greater of 30% of the Daily Engineer's gross compensation in the Qualification Period or 30% of the Daily Engineer's gross compensation between August 19, 2019 and August 17, 2020, and (2) an additional lump sum payment based on the following continuous, uninterrupted years of service:

- Up to 5 years of service= \$1,500
- Over 5 up to 10 years of service= \$2,500
- Over 10 years up to 20 years of service= \$4,500
- Over 20 years of service= \$7,500

The Bonus shall be payable regardless of whether a Daily Engineer is retained by the Company after August 17, 2020, and regardless of whether they obtain employment with Fox.

Bonus-eligible Daily Engineers will receive the Release by September 1, 2020, and must execute and return the Release within forty-five (45) days to receive the Bonus, although they can execute the Release earlier if they choose. These Daily Engineers will have an additional seven (7) days to revoke before the Release becomes effective. The Company will issue payment within

ten (10) business days thereafter. Please note that these Bonus-eligible Daily Engineers may still become ineligible for the Bonus if they did or do not accept 80% of the shifts the Company offers every month from June through August 17, 2020.

Employees with questions about their medical benefits should contact the Entertainment Industry Flex Plan at <https://www.flexplan.com/contactus.php> or 888.353.9401.

If you have any question, please call.

Very truly yours,

A handwritten signature in black ink that reads "Sean Quinn". The signature is written in a cursive, slightly slanted style.

Sean T. Quinn