

SIDELETTER TO FRANCHISE AGREEMENT

This Sideletter is entered into between Writers Guild of America, West, Inc. and Writers Guild of America, East, Inc. (collectively, "WGA"), on the one hand, and William Morris Endeavor Entertainment, LLC ("WME"), Endeavor Operating Company, LLC ("Endeavor"), Silver Lake Partners IV, L.P. ("SLP IV") and Silver Lake Group, L.L.C. ("Silver Lake Group") (Silver Lake Group, together with SLP IV and any other SLP IV or Silver Lake Group entity, including any fund, SPV, holdco, or other affiliate of, or entity controlled by, SLP IV or Silver Lake Group, are collectively referred to as "Silver Lake"), on the other. Any terms used but not defined herein have the meaning ascribed to them in the Franchise Agreement. To the extent any provisions of this Sideletter conflict with provisions of the Franchise Agreement, the provisions of this Sideletter shall control.

1. **WME COMPLIANCE WITH OWNERSHIP LIMITATIONS IN SECTION 3.B.1. OF THE FRANCHISE AGREEMENT.**

- a. WME will bring itself into compliance with Section 3.B.1. of the Franchise Agreement no later than the date listed in Exhibit A to this Sideletter ("Compliance Date") and provide the WGA with evidence of such compliance, including the details of all financial transactions relevant thereto, within five (5) business days of achieving such compliance.
- b. In achieving compliance with Paragraph 1.a. above, WME and Endeavor shall not sell any ownership interest in any Affiliate Production Entity, including Endeavor Content, LLC and its subsidiaries and Affiliate Production Entities ("Endeavor Content"), to any entity owned or controlled by Endeavor, a De Minimis Shareholder (as defined in Paragraph 9 below), or Silver Lake, or any portfolio company held by Silver Lake.

2. **ENDEAVOR CONTENT—ADDITIONAL PROTECTIONS.**

- a. From the Effective Date of the Franchise Agreement until WME achieves compliance with paragraph 1.a. above, (the "Transition Period"), WME, Endeavor and Silver Lake shall comply with the following additional protections against conflicts-of-interest:
 - i. The parties agree to the appointment of a third-party monitor ("Monitor") to oversee and ensure the divestment and business restructuring necessary for WME to achieve compliance with Paragraph 1.a. of this Sideletter and to ensure implementation of the additional protections set forth in this Paragraph 2. WME and Endeavor, on behalf of themselves and Silver Lake, shall report, no less frequently than monthly, to the Monitor on the steps taken to achieve compliance with Paragraph 1.a. of this

Sideletter. WME and Endeavor, on behalf of themselves and Silver Lake, shall cooperate with the Monitor and respond to reasonable information requests relevant to his function. The Monitor will provide the WGA with periodic status reports during the Transition Period. WME and Endeavor shall pay the fees and reasonable expenses of the Monitor. The Monitor shall be Louis Meisinger.

- ii. During the Transition Period, at the time Endeavor Content makes any offer of employment or purchase of literary material subject to a WGA collective bargaining agreement to a Writer represented by WME, WME shall disclose to the Writer and the Writer's attorney and manager that Endeavor Content and WME are both owned by Endeavor, and WME shall also concurrently provide the Monitor and the WGA a copy of the offer and the required disclosure.
 - iii. WME and Endeavor shall ensure that the Monitor is copied on any communications related to the negotiation with Endeavor Content of any offer of employment or purchase of literary material subject to a WGA collective bargaining agreement concerning a WME-represented Writer.
 - iv. The Monitor shall supervise each negotiation with Endeavor Content to ensure that WME has represented the Writer consistent with its fiduciary duty. WME and Endeavor, on behalf of themselves and Silver Lake, shall promptly respond to any request for information the Monitor may make to determine that WME is discharging its fiduciary duty to the Writer in any such negotiation. The Monitor shall promptly inform the WGA of any breach of fiduciary duty by WME.
 - v. WME shall, within five (5) business days of concluding such agreement on behalf of the Writer, provide the Monitor and the WGA a summary of essential deal terms. The Monitor shall, within 10 business days of receiving the essential deal terms, certify to the WGA whether WME and Endeavor have complied with their obligations in this Section 2.a. of the Sideletter.
- b. During the Transition Period, Endeavor shall place, or cause to be placed, in escrow (i) an amount equal to one hundred percent (100%) of Endeavor Content's after-tax gross profits during the Transition Period from its production of Motion Pictures; and (ii) an amount equal to after-tax Writer commissions and package fees

received by WME in connection with such Endeavor Content Motion Pictures. Such escrowed monies shall remain in escrow and shall not be released until WME, Endeavor, and Silver Lake are in compliance with Section 3.B.1. of the Franchise Agreement. Endeavor shall cause the escrow service to provide the WGA, on a monthly basis, an itemized statement of the monies escrowed pursuant to this paragraph.

- c. If WME has not achieved compliance with Section 3.B.1. of the Franchise Agreement by the Compliance Date, then the WGA shall have a right to elect to suspend the Franchise Agreement upon seven (7) days' notice and the suspension shall remain in effect until compliance is achieved ("Suspension Period"); provided, however, that if on or before the Compliance Date, WME and/or Endeavor are in the midst of negotiating definitive documentation with a proposed buyer, then the Compliance Date shall be extended by 30 days. During the Suspension Period, WME and Endeavor shall continue to place in escrow the monies described in Paragraph 2.b. Such monies shall not be released from escrow until WME achieves compliance with Section 3.B.1. of the Franchise Agreement, as required by paragraph 1.a. above. In addition, at any point during the Suspension Period, WGA may prohibit members from being represented by WME in any field of work covered by a WGA collective bargaining agreement.
- d. After achieving compliance in accordance with Paragraph 1.a. above, WME, Endeavor, and Silver Lake agree that any remaining ownership interest in Endeavor Content that either of them possesses shall be non-controlling, consistent with Section 3.B.1. of the Franchise Agreement, and shall not provide any "negative controls" other than typical minority owner protections which do not impact the day to day management of the business. Within five (5) business days of achieving compliance with Section 3.B.1. of the Franchise Agreement, WME shall provide the WGA a copy of Endeavor Content's operating agreement and any other documents sufficient to demonstrate that WME, Endeavor and Silver Lake do not have a controlling ownership or other financial interest in Endeavor Content in excess of that permissible in Section 3.B.1. of the Franchise Agreement.
- e. Upon achieving compliance in accordance with Paragraph 1.a. above, the combined ownership interests of WME, Endeavor, and Silver Lake in any Affiliate Production Entity, including Endeavor Content, shall not exceed 20%. For the avoidance of doubt, Silver

Lake's (other than SLP IV's) obligations in connection with Affiliate Production Entities in which neither WME nor Endeavor has any ownership or other financial interest are governed by Paragraph 4(e) below.

3. AFFILIATE PRODUCTION ENTITIES IN WHICH WME OR ENDEAVOR HAS AN INTEREST. With respect to any Affiliate Production Entity in which WME or Endeavor has an ownership or other financial interest, any ownership or other financial interest of Silver Lake and Endeavor in the same Affiliate Production Entity shall also be attributed to WME for purposes of applying the percentage ownership limitation in Section 3.B.1. of the Franchise Agreement.
4. AFFILIATE PRODUCTION ENTITIES IN WHICH WME AND ENDEAVOR HAVE NO OWNERSHIP OR OTHER FINANCIAL INTEREST.
 - a. Subject to Section 6 below, SLP IV agrees that it shall be bound by Section 3.B.1. of the Franchise Agreement for the Term of the Franchise Agreement (i.e., through April 12, 2025). For the avoidance of doubt, the ownership by Silver Lake other than SLP IV, individually or collectively, of any ownership interest in an Affiliate Production Entity shall not cause Silver Lake or WME vicariously to breach the Franchise Agreement. Instead, Paragraph 4(e) of this side letter shall govern. WME shall be vicariously liable for the actions of SLP IV in violation of any provision of the Franchise Agreement, consistent with this Sideletter and Section 2 of the Franchise Agreement.
 - b. The terms of the Franchise Agreement shall apply to Silver Lake (other than SLP IV) only as and solely to the extent expressly provided for in this Sideletter.
 - c. Silver Lake and SLP IV represent and warrant that (i) SLP IV does not possess a greater than 20% ownership interest in any Affiliate Production Entity other than through Endeavor; (ii) SLP IV, when aggregated with any ownership interest held by WME or Endeavor, does not currently possess a greater than 20% ownership interest in any Affiliate Production Entity other than Endeavor Content; and (iii) to the best of SLP IV's and Silver Lake's knowledge, information and belief, Silver Lake (other than SLP IV) does not possess a greater than 20% ownership interest in any Affiliate Production Entity.
 - d. Endeavor represents and warrants that Endeavor does not possess a greater than 20% ownership interest in any Affiliate Production

Entity other than Endeavor Content or Film 45, individually or together with any ownership interest held by Silver Lake.

- e. Where Silver Lake (other than SLP IV), individually or collectively, has a greater than 20% ownership interest in an Affiliate Production Entity other than Endeavor Content (which is addressed in Paragraphs 1 and 2 above), in which neither WME nor Endeavor has any ownership or other financial interest, Silver Lake and WME agree that the following safeguards shall apply for the purpose of preventing conflicts of interest:
 - i. At the time of making any offer of employment or purchase of literary material subject to a WGA collective bargaining agreement, if the Writer receiving the offer is represented by WME, WME shall disclose to the Writer and the Writer's attorney and manager that Silver Lake has an ownership interest in the Affiliate Production Entity, and WME shall also provide the WGA a copy of the offer and the required disclosure. WME shall, within five (5) business days of concluding an agreement on behalf of the Writer, provide the WGA a summary of essential deal terms to the WGA.
 - ii. On a quarterly basis, WME and Endeavor shall disclose, on behalf of SLP IV, to the WGA the identity of each entity that to the best of SLP IV's and Silver Lake's knowledge, information and belief as of such date is an Affiliate Production Entity in which Silver Lake has a greater than 20% ownership interest.

- 5. WME WAIVER OF OPT-OUT RIGHT (SECTION 7.B. OF FRANCHISE AGREEMENT). In exchange for the foregoing negotiated concessions from the WGA, including but not limited to the WGA's agreement to franchise WME prior to the disposition of its greater-than-20% ownership interest in Endeavor Content pursuant to Section 1 of this Sideletter, WME agrees that it shall not exercise its rights under Section 7.B. of the Franchise Agreement until it has achieved compliance with Section 3.B.1. of the Franchise Agreement.
- 6. EXPIRATION OF OBLIGATIONS. The obligations of SLP IV and Silver Lake shall terminate upon the date that no Silver Lake entity, directly or indirectly, owns any of the voting rights or any other ownership interests in WME.
- 7. ARBITRATION. Any dispute concerning the interpretation or application of the provisions of this Sideletter, including the alleged breach of its terms, shall be subject to the dispute resolution procedures set forth in Attachment 2 ("Rules Governing Arbitration") to the Franchise Agreement.

8. CONFIDENTIALITY. Exhibit A to this Agreement shall remain confidential except to the extent required to perform the obligations contained herein; to respond to any summons, subpoena, or discovery request; or to comply with any law or request of any judicial or government agency.
9. DE MINIMIS SHAREHOLDER EXEMPTION. "Shareholder," within the meaning of Section 2 of the Franchise Agreement between the WGA and WME, shall not include a de minimis holder of general stock ("De Minimis Shareholder") in WME or any parent or affiliated corporation ("Corporation"), defined to mean that (i) the De Minimis Shareholder does not hold more than five percent (5.0%) of the Corporation; (ii) the De Minimis Shareholder does not have voting or other control of the operation or management of the Corporation; and (iii) during the period the Corporation is privately-held, the De Minimis Shareholder is an institutional investor. The following safeguards shall apply with respect to De Minimis Shareholders.
 - a. **Disclosure of De Minimis Shareholders.** Within five (5) days of the Effective Date of the Franchise Agreement, WME agrees to identify to the WGA all De Minimis Shareholders. WME shall disclose to the WGA any new De Minimis Shareholders no less frequently than quarterly, so long as the Corporation is privately held. WME agrees to provide the WGA with the relevant portions of any shareholder agreement between the Corporation and a De Minimis Shareholder to confirm the de minimis status of the De Minimis Shareholder, which the WGA shall treat as highly confidential.
 - b. **Affiliate Production Entities in Which De Minimis Shareholders Have an Interest.** Where a De Minimis Shareholder (including any subsidiary, affiliate, or parent company of the De Minimis Shareholder) of the privately-held Corporation has a greater than 20% ownership interest in an Affiliate Production Entity, in which neither WME, Endeavor nor Silver Lake has any ownership or other financial interest, WME agrees that the following safeguards shall apply for the purpose of preventing conflicts of interest:
 - i. At the time such Affiliate Production Entity makes any offer of employment or purchase of literary material subject to a WGA collective bargaining agreement, if the Writer receiving the offer is represented by WME, WME shall disclose to the Writer and the Writer's attorney and manager that the De Minimis Shareholder has an ownership interest in the Affiliate Production Entity, and WME shall also provide the WGA a copy of the offer and the required disclosure. WME shall, within five (5) business days of concluding an agreement on behalf of the Writer,

provide the WGA a summary of essential deal terms to the WGA.

- ii. On a quarterly basis, WME shall disclose, on behalf of the De Minimis Shareholder, to the WGA the identity of each entity that as of such date is an Affiliate Production Entity in which the De Minimis Shareholder has a greater than 20% ownership interest.
 - c. **Disclosure by Publicly-Traded Corporation.** If the Corporation becomes publicly-traded, it shall publicly disclose the obligations of the Franchise Agreement and this Sideletter, and shall disclose such obligations to shareholders owning more than five percent (5.0%) of the Corporation.
 - d. **Application of Exemption to Section 3.B.1.** For the avoidance of doubt, Agent's ownership by a De Minimis Shareholder shall not cause Agent to violate Section 3.B.1. of the Franchise Agreement, except that any ownership interest of the De Minimis Shareholder (independent of its investment in WME) in any Affiliate Production Entity in which WME, Endeavor, or Silver Lake also has an ownership interest shall be attributed to WME.
10. **RESOLUTION OF RELATED LITIGATION.** The parties' agreement to enter into the Franchise Agreement and this Sideletter is expressly conditioned upon the concurrent entry of a binding settlement and release agreement, and dismissal no later than February 12, 2021, of all claims and counterclaims by and between WME on the one hand, and WGA on the other hand, in the civil action entitled *William Morris Endeavor Entertainment, LLC v. Writers Guild of America, West, Inc. et al*, Case 2:19-cv-05465-AB-AFM.

David J. Young
Executive Director
Writers Guild of America West, Inc.
on behalf of itself and Writers Guild of America East, Inc.

Richard Rosen
Founder & Partner
William Morris Endeavor Entertainment, LLC

Name:
Title:
Endeavor Operating Company, LLC

Name:
Title: Silver Lake Partners IV DE (AIV IV), L.P.
on behalf of itself and the other Silver Lake Equityholders
By: Silver Lake Technology Associates IV, L.P., its general partner
By: SLTA IV (GP), L.L.C., its general partner
By: Silver Lake Group, L.L.C., its managing member

Name:
Title:
Silver Lake Group, L.L.C.