

Brandi, Dianne

From: Henry Reisch [HReisch@wma.com]
Sent: Friday, August 15, 2008 4:58 PM
To: Brandi, Dianne
Cc: hkrasst@wma.com
Subject: Catherine Herridge

Dear Dianne,
Please find our response to your offer of August 6.

1) The renewal of Catherine's contract and Catherine's making a claim of discrimination are entirely separate issues and should not be related to each other.

- a) Therefore, we cannot agree to Page 1 paragraph 2.
- b) we cannot agree to Page 6, paragraph 15.2.

2) Under the terms of Catherine's existing contract, "Fox agrees to offer terms at least as favorable as those contained herein" (page 3 footnote 2 contract February 21/06). Fox has not done so.

(a) Catherine's title has been downgraded from "general assignment news reporters, news correspondent, occasional anchor/co-anchor...." to "general assignment news reporter, news correspondent.... Performer agrees that she will not serve as an anchor/co-anchor, or an occasional anchor or co-anchor during the term thereof, unless, Fox in its sole discretion decides otherwise."

(b) Additionally, there is a new arbitration clause in this agreement (page 5, section 14) which we believe is a less favorable term as well.

3) We are seeking equitable compensation based on the quality and the quantity of Catherine's work. Catherine breaks important news stories in the three beats that she covers (Homeland Security, Department Justice, Intelligence community) based on ability, her 21 years of journalistic experience, plus her broad contacts and sources. In addition, Catherine has won an international prize for her investigative journalism work at Fox. Catherine routinely produces about 30% of the DC bureau output. Also to be considered is Catherine's coverage of the three aforementioned beats with one senior producer. She is the only correspondent at Fox, to our knowledge, who is responsible for more than one high profile beat. Competing broadcast and cable networks cover the same three beats with between 5 and 8 employees. Catherine's coverage of three beats with one senior producer is a significant cost savings for Fox.

Given the above factors, we propose the following pay scale over a 5 year guaranteed term.

1st year = \$621,000.00
2nd year = \$714,150.00
3rd year = \$821,272.00
4th year = \$903,399.00
5th year = \$993,739.00

4) We are also requesting 5 weeks of vacation, based on time served with the company.

Dianne, we look forward to hearing back from you. Please note that without waiving our objections to the difference in material terms, we are willing to negotiate in good faith.

Best regards,
henry.
