MICROSOFT PLAYREADY MASTER AGREEMENT

This Microsoft PlayReady Master Agreement (the “Master Agreement”) is effective as of <<AgrEffDate>> (“Effective Date”) by and between Microsoft Corporation a Washington corporation, on behalf of itself and its Affiliates (“Microsoft”) and <<Company Corp Name>>, a corporation organized under the laws of <<Incorp>>, on behalf of itself and its Affiliates (“Company”). This Master Agreement contains the general terms and conditions governing the Microsoft technology(s) licensed under one or more PlayReady License(s). The licenses for PlayReady and WMDRM available as of the Effective Date are set forth below. In the event of a conflict between the Master Agreement and a PlayReady License, the terms in the PlayReady License shall apply. This Master Agreement and all of Company’s PlayReady Licenses together constitute the entire agreement (“Agreement”) between the parties.

Microsoft PlayReady Intermediate Product License
Microsoft PlayReady Final Product License
Microsoft PlayReady Server Development License
Microsoft PlayReady Server Deployment License

By signing below, the parties acknowledge that they have read and understood the terms of this Master Agreement and agree to be bound by these terms.

<table>
<thead>
<tr>
<th>MICROSOFT CORPORATION</th>
<th>&lt;&lt;TAG:COMPANY NAME&gt;&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>By (sign):</td>
<td>By (sign):</td>
</tr>
<tr>
<td>Name (print):</td>
<td>Name (print):</td>
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<tr>
<td>Title:</td>
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<tr>
<td>Date:</td>
<td>Date:</td>
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</tbody>
</table>

By (sign): MSOPSSignerSignHere
By (sign): OEMSigner1SignHere   OEMSigner2SignHere
Name (print): MSOPSSignerFullName
Name (print): OEMSigner1FullName    OEMSigner2FullName
Title: MSOPSSignerTitle
Title: OEMSigner1Title             OEMSigner2Title
Date: MSOPSSignerDateSigned
Date: OEMSigner1DateSigned   OEMSigner2DateSigned

CONFIDENTIAL<<VerFT>>

Form 2.8.<<CurrentTemplateRev>>
Document Tracking Number: <<NumberandRev>>
## ADDRESSES SCHEDULE
### GENERAL NOTICES

<table>
<thead>
<tr>
<th>Company Primary Agreement Contact*</th>
<th>Microsoft Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Company Name:</strong></td>
<td>Microsoft Corporation</td>
</tr>
<tr>
<td><strong>Street Address:</strong></td>
<td>One Microsoft Way</td>
</tr>
<tr>
<td><strong>City and State / Province:</strong></td>
<td>Redmond, Washington 98052</td>
</tr>
<tr>
<td><strong>Country and Postal Code:</strong></td>
<td>USA</td>
</tr>
<tr>
<td><strong>Primary Contact Name:</strong></td>
<td>Attention: WMLA Licensing</td>
</tr>
<tr>
<td><strong>Primary Contact Phone Number:</strong></td>
<td>Phone Number: (425) 882-8080</td>
</tr>
<tr>
<td><strong>Primary Contact Title:</strong></td>
<td>Fax Number: (425) 936-7329</td>
</tr>
<tr>
<td><strong>Primary Contact Fax Number:</strong></td>
<td><a href="mailto:WMLA@microsoft.com">WMLA@microsoft.com</a></td>
</tr>
<tr>
<td><strong>Primary Contact Email Address:</strong></td>
<td></td>
</tr>
</tbody>
</table>

Copies of all Company GENERAL NOTICES shall be sent to Consumer Media Technology Licensing at the address above, with an additional copy to:
Microsoft Corporation
One Microsoft Way
Redmond, Washington USA 98052
Attention: Legal and Corporate Affairs

* The person listed as the Company Primary Contact will receive copies of ALL communications related to the Agreement, including all execution copies and signed originals.
GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

1.1 “Affiliate” means, with respect to any legally recognizable entity, any other such entity Controlling, Controlled by, or under common Control with such entity. “Control” means direct or indirect (i) ownership of more than fifty percent (50%) of the outstanding shares representing the right to vote for members of the board of directors or other managing officers of such entity, or (ii) for an entity that does not have outstanding shares, more than fifty percent (50%) of the ownership interest representing the right to make decisions for such entity. An entity shall be deemed an Affiliate only so long as such Control exists.

1.2 “Certificate” means a unique PlayReady or WMDRM object used to verify trust.

1.3 “Channel Entities” means Company’s authorized distributors, resellers, dealers, and others in its distribution channels for Company’s Intermediate Products and/or Final Products.

1.4 “Compliance Rules” means Microsoft’s then-effective compliance rules for the applicable Licensed Technology component. The Compliance Rules for PlayReady are available, as of the Effective Date, at http://go.microsoft.com/fwlink/?LinkId=93849 and the Compliance Rules for WMDRM are available, as of the Effective Date, at http://go.microsoft.com/fwlink/?LinkId=152730.

1.5 “Confidential Information” means nonpublic information regarding the Licensed Technology, Deliverables or Developed Technology (including nonpublic information regarding Company’s distribution of Developed Technology) which (i) Microsoft or Company designates as confidential, or (ii) under the circumstances surrounding disclosure, ought to be treated as confidential. Confidential Information includes PlayReady or WMDRM source code Company receives from another Microsoft PlayReady Licensee, regardless of whether Company is licensed to receive such PlayReady or WMDRM source code under this Master Agreement or any PlayReady License. “Confidential Information” does not include information that (x) is or subsequently becomes generally available without breach of any obligation owed to the disclosing party; (y) is or subsequently becomes known to the receiving party from a source other than the disclosing party without any breach of an obligation of confidentiality owed with respect to such Confidential Information; or (z) is independently developed by the receiving party without reference to any Confidential Information supplied by the disclosing party.

1.6 “Deliverables” means the tangible items of the Licensed Technology provided or otherwise made available to Company under a PlayReady License, including source and object code, reference implementations, Specifications, Certificates, associated documentation, tools and testing files.

1.7 “Developed Technology” means a version of the Licensed Technology, in source and object code forms:

(i) as modified by or for Company pursuant to the terms of a Microsoft PlayReady Intermediate Product License, WMDRM Device Development and Intermediate Product Distribution License, or like agreement, solely for the purpose of enabling the Licensed Technology to operate on or with Intermediate Products or on Final Products;

(ii) as modified by or for another Microsoft PlayReady Licensee pursuant to the terms of a Microsoft PlayReady Intermediate Product License, WMDRM Device Development and Intermediate Product Distribution License or like agreement, and supplied to Company by such Microsoft PlayReady Licensee;

(iii) as modified by or for Company pursuant to the terms of a WMDRM 10 For Devices Interim Product Development and Distribution Agreement; or

(iv) as modified by or for a Microsoft licensee pursuant to the terms of a WMDRM 10 For Devices Interim Product Development and Distribution Agreement and supplied to Company by such Microsoft licensee.

1.8 “Disclosed Standard” means any of the standards listed in Exhibit A, as may be amended by Microsoft upon three (3) months notice to Company by (i) written or email notice; (ii) a prominent posting on a Microsoft web site relating to the licensing program for the Licensed Technology; or (iii) the inclusion of such information in the Licensed Technology. Disclosed Standards may include any standard published (in draft or final form) by any bona fide standards development organization (e.g., ITU, ISO, IEC, 3GPP, OMA, MPEG, W3C, IETF), consortium (e.g., UPnP), trade association (e.g., Infinitiband), special interest group (e.g., USB, SALT Forum), or like entity.

1.9 “Final Product” means:

(a) a software product that (i) is in a final form of design and development with a fully functional user interface, and (ii) is intended for distribution to and/or use by end users;

(b) a hardware product that (i) is in a final form of manufacturing with a fully functional user interface, and (ii) is intended for distribution to and/or use by end users;

(c) a service offering that (i) is intended for commercial access and/or use by end users, and (ii) displays a Company-owned brand and/or logo as the most prominently displayed brand in the user interface (e.g., a Company-branded online music service).

1.10 “Intermediate Product” means a software or hardware product (e.g., silicon implementation, digital signal processing chip, software SDK, optical drive mechanism, etc.) that is designed to be incorporated into or combined with a Final Product.

1.11 “Licensed Technology” means the version of the PlayReady or WMDRM technology identified as licensed in a PlayReady License, including any Deliverables or Supplemental Deliverables provided by Microsoft to Company under such PlayReady License or predecessor thereto.

1.12 “Microsoft PlayReady Licensee” means an entity that is licensed under a (i) Microsoft PlayReady Master Agreement and one or more associated PlayReady licenses, (ii) PlayReady PC Software Application Development and Distribution Agreement, or (iii) a like agreement, with Microsoft or an Affiliate of Microsoft.

CONFIDENTIAL<<VerFT>>
Microsoft PlayReady Master Agreement, #<<NumberandRev>>, dated <<AgrEffDate>>, between MS and <<COMPANYNAME>>
1.13 “Necessary Claims” means any and all claim(s), but only such claim(s), of a patent or patent application that (i) are owned or controlled by a party subject to the Agreement, or sublicensable by such party without payment of royalties to and/or requiring the consent of an unaffiliated third party, now or at any future time; and (ii) are necessarily infringed in connection with the use or implementation of the Licensed Technology pursuant to the terms and conditions of the applicable PlayReady license agreement. Notwithstanding the foregoing, Necessary Claims do not include any claims: (x) to any enabling technologies that may be necessary to make or use any product that includes the Licensed Technology (e.g., enabling semiconductor manufacturing technology, compiler technology, object oriented technology, operating system technology, protocols, programming interfaces, etc.); (y) covering the implementation of other specifications, technical documentation or technology merely referred to in the Licensed Technology; or (z) covering a Disclosed Standard to the extent such claims are available for licensing via a patent pool or other industry-recognized means.

1.14 “PlayReady” means Microsoft’s PlayReady™ content access and protection technology licensed under this Agreement.

1.15 “PlayReady License” means a license agreement for PlayReady that has been executed by Company and Microsoft under this Master Agreement.

1.19 “PlayReady Policy” means the actions permitted and/or required with respect to specific PlayReady Content, and the restrictions on those actions, as described in the data structure associated with such PlayReady Content. Such data structure contains, but is not limited to, PlayReady Policy and encrypted key(s) used to decrypt the associated PlayReady Content.

1.20 “Robustness Rules” means Microsoft’s then-effective robustness rules for the applicable Licensed Technology component. The Robustness Rules for PlayReady are available, as of the Effective Date, at http://go.microsoft.com/fwlink/?LinkId=93849 and the Robustness Rules for WMDRM are available, as of the Effective Date, at http://go.microsoft.com/fwlink/?LinkId=152730.

1.21 “Royalty Reporting Guidelines” means the then-current format and instructions for electronic submission of royalty reports to Microsoft. Microsoft reserves the right to reasonably modify the Royalty Reporting Guidelines upon sixty (60) days notice.

1.22 “Specifications” means the documents and technical specifications provided or otherwise made available by Microsoft under the PlayReady License(s) related to the Licensed Technology.

1.23 “Supplemental Deliverables” means additional Deliverables that Microsoft may provide or otherwise make available to Company under a PlayReady License as a supplement to, or replacement of, any portion of Licensed Technology. Supplemental Deliverables may include, without limitation, updates, bug fixes, maintenance releases, and/or, in Microsoft’s sole discretion, new versions of the Licensed Technology.

1.24 “WMDRM” means Microsoft’s Windows Media™ digital rights management technology licensed under this Agreement.

1.25 “WMDRM Content” means any digital content that has been encrypted using WMDRM in accordance with the applicable Specifications.

1.26 “WMDRM Policy” means the actions permitted and/or required with respect to specific WMDRM Content, and the restrictions on those actions, as described in the data structure associated with such WMDRM Content. Such data structure contains, but is not limited to, WMDRM Policy and encrypted key(s) used to decrypt the associated WMDRM Content.

2. **Affiliates**

   The rights and obligations under the Agreement extend to each of Company’s Affiliates just as if each Affiliate had executed the Agreement itself. Company may distribute copies of the Licensed Technology and/or Developed Technology it receives and/or that is made available to Company under the PlayReady License(s) to each of its Affiliates so long as Company uses a secure means to do so. Company shall cause all of its Affiliates to comply with the terms and conditions of the Agreement, and Company shall be jointly and severally liable with each of its Affiliates for breach of the Agreement by Company or any Company Affiliate. If Microsoft terminates this Master Agreement or any PlayReady License following a breach by Company or any Company Affiliate, the terminated Master Agreement or PlayReady License(s), as applicable, shall terminate with respect to Company and all of its Affiliates. All remedies available to Microsoft, including the ability to obtain injunctive relief, apply to Company Affiliates.

3. **License Limitations; Scope of License; Ownership; No Implied Licenses**

   3.1 License Limitations.

      (a) The licenses granted in the PlayReady License(s) do not include the right to, and Company shall not, distribute the Licensed Technology (or derivative works thereof, including Developed Technology) in any manner that would cause any Licensed Technology component to become subject to any of the terms of an Excluded License. An “Excluded License” means any version of the GNU General Public License (GPL), Lesser/Library GPL (LGPL), Mozilla Public License (MPL), Common Public License (CPL), Affero GPL (AGPL) or any other license for software where the license includes terms providing that (a) a licensee of the software is authorized to make modifications to, or derivative works of, the source code for the software, and (b) the licensee is authorized to distribute such modifications or derivative works of the software only if recipients are authorized to receive the source code for, modify or make further derivative works of licensee’s modifications or derivative works. For purposes of this clause, “distribute” includes providing access to the functionality of the code through a computer network.

      (b) The licenses granted in the PlayReady License(s) do not include the right to, and Company shall not, design, develop or distribute any PlayReady Intermediate Products or PlayReady Final Products which are designed, manufactured, reproduced, sold, leased, licensed or otherwise transferred through or by Company to a third party (or to customers of, or as directed by, a third party)
for the purpose of circumventing the terms of Section 5 or any payment obligation that otherwise would apply to such Intermediate Product or Final Product if manufactured by such third party under a license from Microsoft.

(c) The licenses granted in the PlayReady License(s) do not include the right to, and Company shall not, use the Licensed Technology (or any feature or functionality thereof) or any other Microsoft Confidential Information to design, develop or distribute Developed Technology, Intermediate Products or Final Products which (i) enable or facilitate the use or manipulation of PlayReady Content and/or WMDRM Content in a manner inconsistent with the PlayReady Policy and/or WMDRM Policy associated with such PlayReady Content and/or WMDRM Content; or (ii) otherwise circumvent the rights and restrictions set forth in the PlayReady Policy and/or WMDRM Policy for specific PlayReady Content and/or WMDRM Content.

3.2 Scope of License From Microsoft.

(a) Microsoft does not license Company any rights with respect to any portion of Developed Technology, Intermediate Products or Final Products other than the underlying Licensed Technology. Company is responsible for obtaining all necessary rights in all other intellectual property (if any) included in Company’s Intermediate Products, Final Products and/or Developed Technology.

(b) Company agrees that Microsoft is not in any manner responsible or liable to Company or to any third party with respect to (i) Intermediate Products and/or Final Products supplied by other Microsoft PlayReady Licensees; and/or (ii) the actions or omissions of other Microsoft PlayReady Licensees, including but not limited to negligence or any statements made by Microsoft PlayReady Licensees regarding their Intermediate Products and/or Final Products.

3.3 Ownership.

(a) Except as expressly licensed or covenanted to Company under the Agreement, Microsoft reserves all right, title and interest in and to the Licensed Technology.

(b) Subject to Microsoft’s ownership of the underlying Licensed Technology, Company reserves all right, title and interest in and to its Intermediate Products and its Final Products.

3.4 No Implied Licenses. Under no circumstances should anything in the Agreement be construed as granting to Company, by implication, estoppel or otherwise, (i) a license to any Microsoft technology other than the Licensed Technology; or (ii) any additional license rights for the Licensed Technology other than any licenses expressly granted in the Agreement. Microsoft reserves all rights in and to the Licensed Technology not expressly granted in the Agreement. Without limiting the generality of the foregoing, the Licensed Technology does not include, and Company does not obtain any licenses under the Agreement for, any audio or visual compression algorithms or codecs or other content protection systems. Under no circumstances should anything in the Agreement be construed as granting to Microsoft, by implication, estoppel or otherwise, a license to any Company intellectual property other than any licenses expressly granted in the Agreement.

4. COMPANY CONDITIONS AND OBLIGATIONS

4.1 Use On Site: Cloud Services Providers. Except as otherwise expressly authorized in an applicable PlayReady License, Licensed Technology and Developed Technology, as applicable, may only be used at Company’s premises (owned or leased) and only by (a) Company’s independent contractors who are individuals; and (b) Company’s full-time employees, provided that such independent contractors and employees (x) have a need to know for the purposes of creating PlayReady Intermediate Products or PlayReady Final Products; (y) have executed a suitable written non-disclosure agreement that does not permit disclosure or use except as permitted under the Agreement; and (z) are engaged on a basis such that, as between Company and such independent contractors and/or employees, Company is the sole and exclusive owner of all intellectual property rights, confidential information and materials arising from any work created by such persons.

Company’s use of a third-party information technology outsourcing services provider (“Cloud Services Provider”) that provides dedicated outsourced IT support services to Company does not violate the terms of this Section provided that all of the requirements of this Section have been met by Company. Company is liable for any breach of the Agreement by any independent contractor, employee of Company or Cloud Services Provider.

4.2 Proprietary Rights Notices. To the extent reasonably requested by Microsoft, Company agrees to display a proprietary rights notice in the form requested by Microsoft to protect Microsoft’s rights in the Licensed Technology. Company shall not remove or obscure, and shall retain in the PlayReady Intermediate Products or PlayReady Final Products, any copyright, trademark or patent notices that appear on or in the Licensed Technology.

4.3 Trademark Usage. Company shall not refer to any Developed Technology, Intermediate Products or Final Products in any manner which may create the appearance that Company is the owner or developer of the Licensed Technology.

4.4 PROHIBITED USES. COMPANY IS EXPRESSLY PROHIBITED FROM MANUFACTURING, MARKETING OR DISTRIBUTING INTERMEDIATE PRODUCTS OR FINAL PRODUCTS THAT ARE DESIGNED TO USE THE LICENSED TECHNOLOGY IN THE OPERATION OF NUCLEAR FACILITIES, IN AIRCRAFT NAVIGATION, IN AIRCRAFT COMMUNICATION, IN AIRCRAFT FLIGHT CONTROL, IN AIRCRAFT AIR TRAFFIC CONTROL SYSTEMS, OR IN OTHER DEVICES OR SYSTEMS IN WHICH SERIOUS INJURY OR DEATH TO THE OPERATOR OF THE DEVICE OR SYSTEM, OR TO OTHERS, DUE TO A MALFUNCTION (INCLUDING, WITHOUT LIMITATION, SOFTWARE RELATED DELAY OR FAILURE) COULD REASONABLY BE FORESEEN.

4.5 No Microsoft Warranties. Company shall not make any representation or warranty to any third parties (including Microsoft PlayReady Licensees) on behalf of Microsoft.

5. COMPANY PATENTS

5.1 License to Company Patents. As partial, material consideration for the rights granted to Company under the Agreement:

(a) Company, on behalf of itself and its Affiliates, agrees to grant to Microsoft, its Affiliates, and all other Microsoft PlayReady Licensees, a nonexclusive, nontransferable, non-sublicensable, non-assignable, personal, worldwide license under Company’s and its Affiliates’ Necessary Claims to make, have made, use, import, offer to sell, sell and otherwise distribute directly
or indirectly implementations of the Licensed Technology in any of Microsoft’s, its Affiliates, and other Microsoft PlayReady Licensees’ products or services on fair and reasonable terms and conditions. The foregoing grant does not apply to unique features in Company’s Developed Technology, Intermediate Products or Final Products separate from the Licensed Technology.

(b) Company agrees that any transfer or assignment of a patent or patent application having Company’s or its Affiliates’ Necessary Claims (i) to a third party, (ii) to an Affiliate, or (iii) through a transfer of Control of Company or its Affiliate(s), shall be subject to this Master Agreement and shall not affect the licenses granted herein. Any purported assignment or transfer of rights in derogation of the foregoing requirement shall be null and void.

5.2 Defensive Suspension. If Microsoft, Company or any of their Affiliates (the “Sued Party”) is sued for patent infringement by any entity, including either party to this Master Agreement or its Affiliates (the “Suing Party”), on account of the manufacture, use, sale, offer for sale, importation or other disposition or promotion of the Sued Party’s implementation of the Licensed Technology, then the Sued Party and its Affiliates may terminate all license grants and any other rights provided under the Agreement, or withhold the grant of licenses to its Necessary Claims, to the Suing Party and its Affiliates. Any such termination or withholding shall be applicable only against the Suing Party and its Affiliates.

6. CONFIDENTIALITY AND FEEDBACK

6.1 Protection of Confidential Information. Each party shall protect the Confidential Information of the other party from unauthorized disclosure or dissemination using at least the same degree of care it uses to protect its own like information, which shall be at least a reasonable degree of care. Neither party shall use the Confidential Information of the other party except as necessary to directly further the purposes of the Agreement. Except as expressly provided in Section 4.1 or a PlayReady License, neither party shall disclose the Confidential Information of the other party to third parties without the prior written consent of the other party. Except as expressly provided in the Agreement, no ownership or license rights are granted in any Confidential Information.

6.2 Residuals. Each party is free to use for any purpose the Residuals resulting from access to or work with the Confidential Information of the other party, provided that it maintains the confidentiality of the Confidential Information as provided herein. “Residuals” means information in non-tangible form, which may be retained in the minds of persons who have had access to the Confidential Information, including ideas, concepts, know-how or techniques contained therein. Neither party has any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from the use of Residuals. However, the foregoing does not grant a license under either party’s copyrights or patents.

6.3 Feedback.

(a) Company has no obligation to give Microsoft any suggestions, comments or other feedback relating to the Licensed Technology (“Feedback”). However, except as provided in Section 6.3(b), Microsoft may use and include any Feedback that Company voluntarily provides to improve the Licensed Technology and/or other related Microsoft technologies. Accordingly, if Company provides Feedback, Company agrees that Microsoft and its licensees may freely use, reproduce, license, distribute, and otherwise commercialize the Feedback in the Licensed Technology or other related technologies (including licensees’ Developed Technology). Company agrees not to provide any Feedback that (i) Company knows is subject to any patent, copyright or other intellectual property claim or right of any third party; or (ii) is subject to license terms which seek to require any products incorporating or derived from such Feedback, or other Microsoft intellectual property, to be licensed to or otherwise shared with any third party.

(b) The provisions of Section 6.3(a) do not apply to any Feedback that Company provides in writing so long as (i) Company first submits a request to drmfeed@microsoft.com describing the general subject matter, but not the details, of the Feedback and stating that Company desires to provide the Feedback under this Section 6.3(b); (ii) Microsoft agrees in writing to accept the proposed Feedback; and (iii) Company provides the Feedback in a single document that includes both the Feedback and a prominent written notice that the Feedback is being provided without any rights for Microsoft to use or implement.

6.4 Judicial Order. Either party may disclose Confidential Information in accordance with a judicial or other governmental order, provided that such party either (i) gives the other party reasonable notice prior to such disclosure to allow it a reasonable opportunity to seek a protective order or equivalent, or (ii) obtains written assurance from the applicable judicial or governmental entity that such entity will afford the Confidential Information the highest level of protection afforded under applicable law or regulation. Notwithstanding the foregoing, Company shall not disclose any source code that contains Confidential Information in accordance with a judicial or other governmental order unless it complies with clause (i) of this section.

7. PRESS RELEASES

Neither party shall issue any press releases or similar communications regarding the subject matter of the Agreement without the prior written approval of the other party. The content, timing and necessity of such press releases or similar public communications must be agreed upon in writing by both parties. Notwithstanding the foregoing, Company consents to Microsoft’s listing (i) Company as a licensee of the Licensed Technology at an appropriate Microsoft web page; and (ii) Company’s PlayReady Intermediate Products and/or PlayReady Final Products at an appropriate Microsoft web page. Nothing in the Agreement grants either party the right to use any logo or trademark of the other party.

8. NON-EXCLUSIVE; INDEPENDENT DEVELOPMENT

Nothing in the Agreement restricts either party’s ability to acquire, license, develop, manufacture or distribute similar technology performing the same or similar functions as the Licensed Technology, or to market and distribute such similar technology in addition to, or in lieu of, the Licensed Technology. Nothing in the Agreement prohibits Company from using or including in its products other digital rights management or content protection technologies.

9. WARRANTIES

9.1 Warranties.

(a) Microsoft and Company each represent and warrant that (i) it has the full power to enter into the Agreement; (ii) it has legal authority to bind itself and its Affiliates to all of the terms and conditions of the Agreement to the same extent as if each such
Company had executed the Agreement individually; and (iii) neither it, nor any of its Affiliates, have assigned any patent or patent application having one or more claims that otherwise would be a Necessary Claim in anticipation of entering into the Agreement.

(b) Company further represents and warrants that it is entering into the Agreement for the bona fide purpose of commercially distributing (i) PlayReady Intermediate Products, or (ii) PlayReady Final Products that conform to the Compliance Rules and Robustness Rules.

9.2 DISCLAIMER OF FURTHER WARRANTIES. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PARTY AND ITS SUPPLIERS AND AFFILIATES PROVIDE THE LICENSED TECHNOLOGY AND RELATED DOCUMENTATION, DEVELOPED TECHNOLOGY, INTERMEDIATE PRODUCTS, FINAL PRODUCTS, AND CONFIDENTIAL INFORMATION (COLLECTIVELY, THE “MATERIALS”) AND ANY TESTING OR SUPPORT SERVICES RELATED TO THE MATERIALS (“SUPPORT SERVICES”) “AS IS” AND WITH ALL FAULTS. EACH PARTY AND ITS SUPPLIERS AND AFFILIATES HEREBY DISCLAIM WITH RESPECT TO THE MATERIALS AND SUPPORT SERVICES ALL WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY (IF ANY) WARRANTIES OR CONDITIONS OF OR RELATED TO: MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, LACK OF VIRUSES, ACCURACY OR COMPLETENESS OF RESPONSES, RESULTS, WORKMANLIKE EFFORT, AND LACK OF NEGLIGENCE.

10. INDEMNIFICATION BY MICROSOFT

10.1 Scope. Company shall promptly notify Microsoft in writing of any third party claim, made against Company or its Affiliate(s), that the Licensed Technology infringes any third party intellectual property rights or misappropriates any third party trade secret. At Company’s written request and subject to Section 10.2, Microsoft agrees to defend and indemnify Company and its Affiliates at Microsoft’s expense in a lawsuit, judicial action, or similar proceeding, and pay the amount of any adverse final judgment (or settlement to which Microsoft consents) from such lawsuit, judicial action, or similar proceeding, for any third party claim(s) (i) that the Licensed Technology infringes copyright or trademark rights or any patent(s) issued and enforceable as of the Effective Date, other than claim(s) based on alleged infringement by an implementation of a Disclosed Standard; or (ii) that theLicensed Technology misappropriates any trade secrets (“Microsoft Claims”). The terms “misappropriates” and “trade secret” are used as defined in the Uniform Trade Secrets Act.

10.2 Conditions. With regard to any Microsoft Claim, Microsoft’s obligations are subject to the following conditions:

(a) Company must promptly notify Microsoft in writing of the Microsoft Claim;

(b) Company must allow Microsoft to have sole control over defense and/or settlement of the Microsoft Claim. Unless otherwise directed in writing by Microsoft, all settlement negotiations must be conducted by Microsoft. Company must promptly notify Microsoft in writing of any settlement proposal and allow Microsoft to determine whether to accept such proposal or negotiate different terms.

(c) With respect to any Microsoft Claim, Microsoft must promptly provide Company with written notice of its determination to settle or otherwise dispose of such claim, including whether Microsoft will assume any settlement costs, and Company must provide Microsoft with reasonable assistance in the defense of the Microsoft Claim.

(d) Company must promptly provide Microsoft with reasonable assistance in the defense of the Microsoft Claim.

(e) Company must provide Microsoft with reasonable assistance in the defense of the Microsoft Claim.

(f) If Company is the prevailing party in a Microsoft Claim, Company shall promptly reimburse Microsoft for its reasonable out-of-pocket expenses incurred in the defense of the Microsoft Claim.

10.3 Other Remedies. In addition to the obligations set forth in Section 10.1 above, if Microsoft receives information concerning a Microsoft Claim or potential Microsoft Claim, Microsoft may, at its expense, but without obligation to do so, undertake further actions such as:

(a) procuring for Company such copyright, trademark, or patent right(s) or license(s) as may be necessary to resolve the Microsoft Claim, or

(b) replacing or modifying the Licensed Technology or trademark to make it non-infringing. If and when Microsoft provides such a non-infringing alternative Licensed Technology or trademark, Company shall cease distribution of the allegedly infringing Licensed Technology or use of the allegedly infringing trademark as soon as Company depletes its then-existing inventory of PlayReady Intermediate Products and/or PlayReady Final Products, provided, however, that (i) Company ceases distribution of the allegedly infringing Licensed Technology or use of the allegedly infringing trademark within a commercially reasonable period; (ii) Microsoft shall have no obligation to indemnify Company for Intermediate Products or Final Products using the allegedly infringing Licensed Technology or trademark that are distributed by Company after Microsoft provides the non-infringing alternative, and (iii) Company shall indemnify Microsoft for any liability or damage Microsoft may incur in connection with such allegedly infringing Intermediate Products and/or Final Products distributed by Company after Microsoft provides the non-infringing alternative.

11. INDEMNIFICATION BY COMPANY

11.1 Scope. At Microsoft’s written request and subject to Section 11.2, Company agrees to defend and indemnify Microsoft and its Affiliates at Company’s expense in a lawsuit, judicial action, or similar proceeding, and pay the amount of any adverse final judgment (or settlement to which Company consents) from such lawsuit, judicial action, or similar proceeding, for any third party claim(s) based upon (i) features, attributes, or brand names present in Company’s or its Affiliates’ PlayReady Intermediate Products and/or PlayReady Final Products which features, attributes, or brand names are not present in the Licensed Technology; or (ii) any breach of the Agreement by Company (“Company Claims”).

11.2 Conditions. With regard to any Company Claim, Company’s obligations are subject to the following conditions:

(a) Microsoft must promptly notify Company in writing of the Company Claim;

(b) Company must allow Microsoft to have sole control over defense and/or settlement of the Company Claim, so long as Company does not enter into a settlement that requires Microsoft to make a payment to a third party or assume another obligation without Microsoft’s consent, which shall not be unreasonably withheld;

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Microsoft PlayReady Master Agreement, #<<NumberandRev>>, dated <<AgrEffDate>>, between MS and <<COMPANYNAME>>
(c) Microsoft must provide Company with reasonable assistance in the defense of the Company Claim. Company will reimburse Microsoft for its reasonable out-of-pocket expenses directly incurred in providing such assistance; and

(d) With respect to a Company Claim based upon allegations of patent infringement, Company’s obligations to defend and pay the amount of any adverse final judgment (or settlement to which Company consents) are limited to claims where features or attributes of the PlayReady Intermediate Products or PlayReady Final Product alone (excluding the Licensed Technology), without combination or modification, constitute infringement (including direct or contributory infringement).

12. Term

12.1 Term. The term of the Master Agreement commences as of the Effective Date and continues for as long as any PlayReady License remains in effect, unless earlier terminated pursuant to Sections 12.2, 12.3 or 12.4.

12.2 Termination By Either Party For Cause. Either party may terminate the Master Agreement and/or any PlayReady License(s) under this Master Agreement, as applicable, immediately upon written notice at any time if:

(a) The other party is in breach of any provision of this Master Agreement or any PlayReady License(s), as applicable, other than those contained in Section 6 of the Master Agreement and fails to cure that breach within thirty (30) days after written notice thereof;

(b) The other party is in material breach of Section 6 of the Master Agreement; or

(c) Subject to applicable law, a party becomes insolvent, enters bankruptcy, reorganization, composition or other similar proceedings under applicable laws, whether voluntary or involuntary, or admits in writing its inability to pay its debts, or makes or attempts to make an assignment for the benefit of creditors. Such termination shall be effective upon notice to such party or as soon thereafter as is permitted by applicable law.

12.3 Termination by Company for Convenience. Company may terminate the Agreement or any PlayReady License at any time upon thirty (30) days prior written notice to Microsoft.

12.4 Cross Termination. Termination of the Master Agreement by either party in accordance with Section 12.2 or Section 12.3 of this Master Agreement shall have the effect of terminating the Agreement, including all PlayReady License(s) then in effect. In addition, Microsoft may immediately terminate the Agreement for any material breach by Company of this Master Agreement or any PlayReady License where such material breach is not cured within the time period specified in Section 12.2, if any.

12.5 Effect of Termination.

(a) Following the expiration or any termination of a PlayReady License or the Agreement for any reason, any licenses granted to Company under the applicable PlayReady License(s) terminate and Company shall cease all distribution of the applicable Licensed Technology (and any derivative works thereof, including Developed Technology), provided, however, that if Company terminates a PlayReady License or the Agreement for Microsoft’s uncured material breach, Company may, in accordance with all applicable terms and conditions of the Agreement and for a period not to exceed six (6) months after such termination, continue to distribute applicable PlayReady Final Products that were in Company’s inventory as of the date of termination.

(b) Company shall pay all monies due to Microsoft under the applicable PlayReady License(s) within forty-five (45) days of the date of Microsoft’s final invoice.

(c) Within ten (10) business days after expiration or the effective date of termination of any PlayReady License(s) or the Agreement (as extended by the six (6) month wind-down period in subsection (a) above, as applicable), Company shall destroy and certify, in a writing reasonably acceptable to Microsoft, destruction of all copies of the applicable Licensed Technology, Developed Technology, and other applicable items embodying Microsoft’s Confidential Information in the possession of Company, its Affiliates, and its and its employees, independent contractors and Authorized Contractors (as defined in the applicable PlayReady License(s)). Notwithstanding the foregoing, Company may retain up to five (5) copies of the Developed Technology solely for support and maintenance purposes, provided that the applicable PlayReady License(s) was not terminated for Company’s breach.

(d) Sections 1, 2, 3.3, 3.4, 5 (but only as to Necessary Claims on inventions having an effective filing date earlier than (1) year after termination or expiration of this Master Agreement), 6, 8, 9, 10 (but only as to claims arising before termination), 12.5, 13 and 14 of this Master Agreement, as well as any Section(s) identified in the PlayReady License(s), survive the expiration or any termination of the Agreement.

(e) Neither party is liable to the other for damages of any sort resulting solely from terminating any PlayReady License(s) or the Agreement in accordance with its terms.

(f) Nothing in the Agreement obligates Company upon termination or expiration of the Agreement or the applicable PlayReady License(s) to reacquire PlayReady Intermediate Products or PlayReady Final Products that were distributed by Company prior to termination or expiration. Such Intermediate Products or Final Products remain licensed as long as Company continues to meet the terms and conditions of the Agreement as set forth in Section 12.5(d) above.

13. Limitation of Liabilities

13.1 Limitation of Amounts of Microsoft’s Liability; Exclusive Remedy.

(a) MICROSOFT’S OBLIGATIONS IN SECTION 10 WITH RESPECT TO DEFENDING COMPANY AGAINST MICROSOFT CLAIMS IN THE INCLUDED JURISDICTIONS ARE UNCAPPED AND NOT SUBJECT TO THE FOLLOWING LIMITATION. COMPANY AGREES THAT, EXCEPT AS OTHERWISE PROVIDED IN SECTION 13.1(b), TOTAL, CUMULATIVE LIABILITY OF MICROSOFT AND ITS AFFILIATES, WHETHER IN CONTRACT (INCLUDING ANY PROVISION OF THE AGREEMENT), TORT, OR OTHERWISE, SHALL NOT EXCEED THE GREATER OF (I) FIVE HUNDRED THOUSAND UNITED STATES DOLLARS (US$500,000); OR (II) TWENTY-FIVE PERCENT (25%) OF ALL AMOUNTS PAID BY COMPANY TO MICROSOFT UNDER THE AGREEMENT AS OF THE DATE THE CLAIM IS
SUBMITTED TO MICROSOFT. EXCEPT FOR COMPANY’S ABILITY TO TERMINATE THE AGREEMENT, COMPANY’S AND ITS AFFILIATES’ EXCLUSIVE REMEDY FOR ANY BREACH OF THE AGREEMENT BY MICROSOFT OR A MICROSOFT AFFILIATE WILL BE THE RECOVERY OF DAMAGES INCURRED, LIMITED TO THE FOREGOING AMOUNT.

(b) MICROSOFT’S OBLIGATIONS IN SECTION 10 WITH RESPECT TO THE PAYMENT OF ADVERSE FINAL JUDGMENTS (OR SETTLEMENTS TO WHICH MICROSOFT CONSENTS) IN CONNECTION WITH MICROSOFT CLAIMS, AS WELL AS MICROSOFT’S OBLIGATIONS WITH RESPECT TO DEFENDING COMPANY AGAINST MICROSOFT CLAIMS OUTSIDE THE INCLUDED JURISDICTIONS, ARE SUBJECT TO THE LIMITATION OF LIABILITY IN THIS SECTION, HOWEVER MICROSOFT’S OBLIGATIONS IN SECTION 10 WITH RESPECT TO DEFENDING COMPANY AGAINST MICROSOFT CLAIMS IN THE INCLUDED JURISDICTIONS ARE NOT SUBJECT TO THE LIMITATIONS OF LIABILITY IN SECTION 13.1(a).

(c) “INCLUDED JURISDICTIONS” MEANS AUSTRALIA, CANADA, CHINA, THE EUROPEAN UNION, JAPAN, KOREA, INDIA, MEXICO, NORWAY, SINGAPORE, SWITZERLAND, TAIWAN, AND THE UNITED STATES.

13.2 LIMITATION OF AMOUNTS OF COMPANY LIABILITY: EXCLUSIVE REMEDY. MICROSOFT AGREES THAT TOTAL, CUMULATIVE LIABILITY OF COMPANY AND ITS AFFILIATES, WHETHER IN CONTRACT (INCLUDING ANY PROVISION OF THE AGREEMENT), TORT, OR OTHERWISE SHALL NOT EXCEED FIFTEEN MILLION UNITED STATES DOLLARS (US$15,000,000) EXCEPT IN CASES WHERE SUCH LIABILITY IS BASED ON INTENTIONAL MISCONDUCT OR GROSS NEGLIGENCE. EXCEPT FOR MICROSOFT’S ABILITY TO SEEK AND OBTAIN INJUNCTIVE RELIEF OR OTHER EQUITABLE REMEDIES OR TO TERMINATE THE AGREEMENT, MICROSOFT’S AND ITS AFFILIATES’ EXCLUSIVE REMEDY FOR ANY BREACH OF THE AGREEMENT BY COMPANY OR A COMPANY AFFILIATE WILL BE THE RECOVERY OF DAMAGES INCURRED, LIMITED TO THE FOREGOING AMOUNTS.

13.3 EXCLUSION OF CERTAIN DAMAGES AND LIMITATION OF TYPES OF LIABILITY. EXCEPT WITH RESPECT TO AMOUNTS PAYABLE TO THIRD PARTIES IN CONNECTION WITH THE PARTIES’ INDEMNITY OBLIGATIONS HEREUNDER, BREACH OF SECTION 6, AND THE UNAUTHORIZED USE OF A PARTY’S INTELLECTUAL PROPERTY, OR AS PROHIBITED BY LAW, IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES BE LIABLE TO THE OTHER OR TO ANY THIRD PARTY FOR ANY SPECIAL, CONSEQUENTIAL, INCIDENTAL, INDIRECT, LOST PROFITS, LOST REVENUE, OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THE SUBJECT MATTER OF THE AGREEMENT. THE FOREGOING EXCLUSION AND LIABILITY LIMITATIONS APPLY EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, EVEN IN THE EVENT OF FAULT, TORT (INCLUDING NEGLIGENCE), MISREPRESENTATION, STRICT OR PRODUCT LIABILITY, AND EVEN IF ANY REMEDY FAILS OF ITS ESSENTIAL PURPOSE.

14. GENERAL

14.1 Notices. All notices and requests in connection with the Agreement are deemed given as of the day they are received by the recipient either by electronic mail, messenger, delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed as stated in the Addresses Schedule.

14.2 Independent Contractors. Nothing in the Agreement should be construed as creating an agency, partnership, joint venture, franchise, or employment relationship between the parties. Neither party has the authority to make any statements, representations or commitments of any kind or to take any action binding on the other except to the extent (if any) provided for in the Agreement.

14.3 Taxes. The amounts to be paid by Company to Microsoft under this Master Agreement or any PlayReady License(s) do not include any foreign, U.S. federal, state, local, municipal or other governmental taxes, duties, levies, fees, excises or tariffs, arising as a result of or in connection with the transactions contemplated thereunder. However, Company shall pay to Microsoft any applicable value added, sales or use taxes or like taxes that are owed by Company solely as a result of entering into this Master Agreement or any PlayReady License(s) and which are permitted to be collected from Company by Microsoft under applicable law. Company may provide to Microsoft a valid exemption certificate in which case Microsoft shall not collect the taxes covered by such certificate. Microsoft is not liable for any of the taxes of Company that Company is legally obligated to pay which are incurred or arise in connection with or related to the sale of goods and services under this Master Agreement or any PlayReady License(s), and all such taxes (including but not limited to net income or gross receipts taxes, franchise taxes, and/or property taxes) shall be the financial responsibility of Company. Company agrees to indemnify, defend and hold Microsoft harmless from any taxes (including sales or use taxes paid by Company to Microsoft) or claims, causes of action, costs (including, without limitation, reasonable attorneys’ fees) and any other liabilities of any nature whatsoever related to such taxes.

In the event taxes are required to be withheld on payments made by Company to Microsoft under this Master Agreement or any PlayReady License(s) by any U.S. (state or federal) or foreign government, Company may deduct such taxes from the amount owed to Microsoft and pay them to the appropriate taxing authority, provided that within (60) days of such payment, Company delivers to Microsoft an official receipt for any such taxes withheld or other documents necessary to enable Microsoft to claim a U.S.A Foreign Tax Credit. Company shall use reasonable efforts to minimize such taxes to the extent permissible under applicable law.

14.4 Governing Law. The Agreement shall be construed and controlled by the laws of the State of Washington. Venue over all disputes arising under or related to the Agreement shall be in the state or federal courts within King County, Washington. Both Company and Microsoft waive all defenses of lack of personal jurisdiction and forum non conveniens for actions commenced in those courts. Process may be served on either party in the manner authorized by applicable law or court rule. In any action or suit to enforce any right or remedy under the Agreement or to interpret any provision of the Agreement, the prevailing party is entitled to recover its reasonable attorney’s fees, costs and other expenses.

14.5 Export Restrictions. Company acknowledges that the Licensed Technology is subject to U.S. export jurisdiction. Company shall comply with all applicable international and national laws that apply to the Licensed Technology, including the U.S. Export
Administration Regulations, as well as end-user, end use and destinations restrictions issued by U.S. and other governments. For additional information, see http://www.microsoft.com/exporting/.

14.6 **English Language.** The Agreement is written only in the English language, which language will be controlling in all respects. Versions of the Agreement in any other language are only for accommodation and are not binding upon the parties. To be effective, communications and/or notices made or given pursuant to the Agreement must be in the English language, except as otherwise required by applicable law.

14.7 **Assignment.** Company may not assign the Agreement, or any rights or obligations hereunder, whether by operation of contract, law or otherwise, except with the express written consent of Microsoft, and any attempted assignment by Company in violation of this Section is void.

14.8 **Construction.** If for any reason a court of competent jurisdiction finds any provision of the Agreement, or portion thereof, to be unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of the Agreement will continue in full force and effect. No waiver of any breach of any provision of the Agreement shall constitute a waiver of any prior, concurrent or subsequent breach of the same or any other provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party. The parties and their respective counsel have had an opportunity to review the Agreement, which will be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either party.

14.9 **Entire Agreement.** Neither this Master Agreement, nor any PlayReady License(s), constitutes an offer by Microsoft and shall not be effective until signed by both parties. The Agreement, including the Master Agreement, the PlayReady License(s), and any Schedules or Exhibits attached thereto, all of which are incorporated by this reference, constitute the entire agreement between the parties with respect to its subject matter and merge all prior and contemporaneous communications. The Agreement shall not be modified except by a written agreement dated subsequent to the date of the Master Agreement or the PlayReady License(s), as applicable, and signed on behalf of Company and Microsoft by their respective authorized representatives. This Master Agreement and any PlayReady License(s) may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of this Master Agreement and/or any PlayReady License(s) by facsimile transmission is deemed effective as delivery of an originally executed counterpart of this Master Agreement and/or any PlayReady License(s), as applicable.
EXHIBIT A

DISCLOSED STANDARDS

1. MPEG-2 Systems (aka “MPEG-2 Transport Stream”)