

# NETSCAPE COMMUNICATIONS CORPORATION and AMERICA ONLINE, INC.

# PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

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AOL-0003474 CONFIDENTIAL

THIS PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOIN MARKETING AGREEMENT (this "Agreement") is made and entered into as of March 11, 1996 b and between: (i) NETSCAPE COMMUNICATIONS CORPORATION, a Delaware corporation ("Netscape"), with principal offices at 501 East Middlefield Road, Mountain View, CA 94043; and (ii AMERICA ONLINE, INC. ("AOL"), a Delaware corporation, with principal offices at 8619 Westwood Center Drive, Vienna, Virginia 22182, with reference to the following:

WHEREAS, AOL and the AOL Affiliates (as hereinafter defined) are in the business of producing, publishing, packaging, aggregating and/or providing access to information products and services transmitted through a variety of wide area electronic delivery media.

WHEREAS, AOL, among other business activities, owns and operates the current largest consumeroriented Online Information Service (as hereinafter defined) in the world, which service is known as "America Online" and which service currently has in excess of five million (5,000,000) subscribers.

WIIEREAS, Netscape has in the past and intends in the future to: (i) develop and distribute both client and server software products for use in browsing, providing access to and accounting for the use of information over the Internet; and (ii) establish a highly trafficked Website (as hereinafter defined) to promote its products.

WHEREAS, Netscape desires to increase its customer base among consumers for its software products including, but not limited to, its Internet client software product known as the "Netscape Navigator".

WHEREAS, Netscape desires to grant and provide to AOL and the AOL Affiliates, and AOL desires to obtain for itself, the AOL Affiliates and the AOL Services (as hereinafter defined) including but not limited to the "America Online" service, certain: (i) license rights to the Netscape client and server software products described above; and (ii) services related to the modification, enhancement and customization of such client products.

WHEREAS, in the case of the "America Online" service, AOL desires to have available for download an integrated version of the Netscape Navigator for all of its more than five million (5,000,000) subscribers.

WHEREAS, AOL and the AOL Affiliates desire the right to use and distribute the "Netscape Navigator" product as an Internet client software product in connection with AOL Services.

WHEREAS, in connection with the Netscape Website, the AOL Classic Service (as hereinafter defined), the GNN Service (as hereinafter defined) and certain other AOL Services, Netscape and AOL further desire to allow each other to participate in certain revenue generating advertising activities, and to cooperate in certain Website programming activities.

WHEREAS, this Agreement sets forth all the terms and conditions relating to the parties' relationship as described above.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

#### SECTION 1. DEFINITIONS

- 1.1 <u>Definitions</u>. For purposes of this Agreement, the following terms shall have the following meanings:
- (a) "Acceptance Date" shall mean the date on which a specified version of a Customized Product and Documentation therefor and/or Upgrades thereto are deemed accepted by AOL pursuant to Sections 3.2 and 9.7;
- (b) "Active Account" shall mean, as of the end of any calendar month, an End-User maintained as a separate identifiable account for billing purposes who was generated from the Netscape Registration Server, and who retains the right to access and use an AOL Service, has incurred charges for such right to access and use for two consecutive months and who has paid for such charges;
- (c) "Add-Ons" shall mean Netscape software products (whether created by Netscape or one or more third parties) that are designed for use with and are used in conjunction with Netscape Client Products and provide features or functions supplementary to the Netscape Client Products, and that are designated by Netscape as Add-Ons in accordance with Netscape's customary practices, and any Upgrades thereto and Internationalized and Localized Versions thereof and any Documentation for such products:
- (d) "Additional Custom Development Services" shall mean the services required to create Additional Customized Products as requested by AOL pursuant to the provisions of Section 10;
- (e) "Additional Customized Products" shall mean the software products developed by Netscape for AOL through the provision of the Additional Custom Development Services pursuant to Section 10, and any Upgrades thereto and Internationalized and Localized Versions thereof that are provided hereunder by Netscape and accepted by AOL;

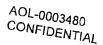
- (f) "Agreement" shall mean this Agreement and all attachments hereto;
- (g) "Alpha Version" of a Licensed Product shall mean a development version of such Licensed Product that is (i) designated by Netscape as an alpha version in accordance with Netscape's customary practices and (ii) in the case of Netscape Products, made available by Netscape to preferred customers pursuant to Netscape's then current early release program;
- (h) "AOL Affiliate" shall mean any corporation, limited liability company, partnership or other entity (collectively, an "Entity"), (i) of which AOL owns, whether directly or indirectly through one or more subsidiaries, 19.9% or more of any of the outstanding securities entitled to vote for the election of directors (or in the case of a partnership or joint venture, 19.9% or more of the equity interest entitled to vote for the election of the equivalent governing body no matter how such equity interest is evidenced) of such Entity, and (ii) which has elected to obtain the benefits of and meet the requirements of this Agreement, and has entered into a written agreement with AOL to be bound by all the relevant terms and conditions of this Agreement. An Entity shall be an AOL Affiliate for purposes of this Agreement only for such period(s) of time as such Entity meets all of the requirements of the immediately preceding sentence. Those Entities that the parties currently anticipate will meet the definition of an AOL Affiliate are as specified in Attachment I;
- (i) "AOL Classic Service" shall mean the AOL Service based in the United States that has the largest number of subscribers. The AOL Classic Service is currently operated under the name "America Online."
- (j) "AOL Service" shall mean any Online Information Service that is (i) owned exclusively by AOL or an AOL Affiliate, (ii) managed and operated by AOL or such AOL Affiliate, and (iii) advertised under one or more trademarks or trade names owned by AOL or such AOL Affiliate. Without limiting the generality of the foregoing, those Online Information Services currently meeting the definition of AOL Service are as specified in Attachment J.;
  - (k) "AOL Technology" shall have the meaning given to such term in Section 15.2;
- (I) "AOL Website" shall mean AOL's primary, most highly trafficked Website in the United States that is identified, operated and promoted under AOL's trademarks or trade names and AOL's localized versions of such a Website in foreign countries that have the same or substantially analogous Content as such United States Website, in each case, whether operated by AOL or an AOL Affiliate or by a third party for AOL or an AOL Affiliate.
- (m) "API" or "Application Program Interface" shall mean, with respect to any software product, a set of standard language, message and data formats, interrupts and calls used to initiate contact and communicate with another application program that provides services for such software product or for which such software product provides services;

- (n) "ART" shall mean (i) the multimedia software technology currently made available by JOHNSON-GRACE COMPANY or AOL and referred to by the name of "ART" which compresses interleaves, stores and decompresses (plays) various types of multimedia data, which, when ART formatted can be decoded/decompressed by an ART Player Plug-In and can be components of othe systems such as the page-based publishing systems known as "FDO" and "HTML", and (ii) any upgrades enhancements, add-ons, additions, improvements, extensions and other modifications to ART, including the extension of the ART format to include new data types and rich text as part of a meta-format publishing system;
- (o) "ART Player Plug-In" shall mean a software product made available by JOHNSON GRACE COMPANY or AOL that is capable of playing (i.e., decoding/decompressing, etc.) any ART formatted files and that is capable of being used in conjunction with the Netscape Client Products an the Customized Client Products;
- (p) "Beta Version" of a Licensed Product shall mean a development version of such License Product that is (i) designated by Netscape as a beta version in accordance with Netscape's customar practices and (ii) in the case of Netscape Products, made available by Netscape to preferred customer pursuant to Netscape's then current early release program;
- "Bundled Distribution" shall mean the distribution of Licensed Products either (i simultaneously with the provision of a subscription to an AOL Service or to existing subscribers of a AOL Service, in each case for use only with such AOL Service or (ii) in the case of Netscape Serve Products, Tools, and Netscape IAPPS Products only, for use only in the provision of an AOL Servic and/or the Content, Communications and/or Transactions Services included within such AOL Service provided that, in connection with such distribution of Licensed Products, (A) to the extent that suc Licensed Products are marketed or promoted, such Licensed Products are not marketed or promote other than as a component part of software to be used only with, or software only for the provisionin of, such AOL Service and (B) to the extent that there are advertising or marketing materials for suc Licensed Products, any such advertising or marketing materials primarily emphasize such AOL Servic and/or the Content, Communication and/or Transaction Services included within such AOL Service except that compliance with Section 5 shall not be deemed inconsistent with the obligations of this claus (B). Netscape and AOL acknowledge that AOL is under no obligation to cause the Licensed Product not to be able to access network services and information products other than the applicable AOL Servic which are based on compatible standards and protocols, and AOL shall be entitled (but not obligated to reference such broader use capabilities, if applicable, in promoting the Licensed Products; provide that AOL primarily emphasizes such AOL Service and/or the Content, Communication and/c Transaction Services included within such AOL Service as required above and that such promotion doe not emphasize Competitors of Netscape or the products or services of such Competitors in a manner tha is intended to adversely affect Netscape's goodwill. AOL agrees that it will not disable any feature c the Customized Integrated Client Products that requires an End-User to initiate access to the Interne only through a particular AOL Service:

- (r) "Change of Control" shall mean a change in the actual or beneficial ownership of more than fifty percent (50%) of the voting stock of a party in one or more related transactions (excluding financing transactions to the extent they involve investment companies such as venture capital funds purchasing securities solely for investment purposes);
- (s) "Communications Services" shall mean chat, e-mail, newsgroups, forums, bulletin boards, fax servers, telephony or the like;
- (t) "Competitor" shall mean, in the case of Netscape, any third party provider of products similar to or competing with Netscape Products and, in the case of AOL, any third party provider of Online Information Services similar to or competing with an AOL Service;
- (u) "Confidential Information" shall mean information about the disclosing party's business or activities which such party considers proprietary and confidential and shall include all business, financial, marketing, product and technical information of a party and any other information of a party designated by that party as confidential information (including, without limitation, Source Code and source materials); provided that information shall not be considered Confidential Information of a party if it can be shown that such information: (i) is or has become generally available without restriction to the public or to persons active in the computer, communications or media industries from a source other than the receiving party; (ii) is disclosed to the receiving party without restriction by a third-party who is not under any legal obligation prohibiting such disclosure; or (iii) is independently developed by the receiving party;
- (v) "Consumer" means a person who purchases a product or service (i) on an individual basis, and (ii) primarily for personal, family or household use rather than business use;
- (w) "Content" shall mean either text or multimedia information which contains any one or more of the following in digital form or such other forms as may now exist or hereafter become available: text, graphics, video, audiovisual images, sound, still images, data or the like. Content shall not include advertising materials;
- (x) "Current Account" shall mean an End-User maintained as a separate identifiable account for billing purposes who through a Netscape Client Product or a Customized Client Product accessed and used an AOL Service and has retained the right to access and use such AOL Service for the longer of (i) ninety (90) consecutive days or (ii) the term of Netscape's then-standard evaluation license for the Netscape Standard Client Products;
- (y) "Custom Client Development Services" shall mean the services required to develop the Customized Client Products pursuant to the provisions of Section 9;
- (z) "Customized Client Products" shall mean the initial versions of the Customized Integrated Client Products, Customized Standard Client Products and Customized Premium Client Products;

- (aa) "Customized Integrated Client Products" shall mean the initial version of the software products developed by Netscape for AOL pursuant to Section 9, by customizing Netscape Standard Client Products for integrated use with the AOL Classic Service, as further described in Attachment B, and any Upgrades thereto and Internationalized and Localized Versions thereof.
- (bb) "Custom Development Services" shall mean "Custom Client Development Services" and "Additional Custom Development Services";
- (cc) "Customized Premium Client Products" shall mean the initial version of the Netscape Premium Client Product as configured for use with a dialer for an AOL Service and as dual branded with the appropriate logos and trademarks for such AOL Service pursuant to Section 9, as further described in Attachment B, and any Upgrades thereto and Internationalized and Localized Versions thereof;
- (dd) "Customized Products" shall mean all Customized Client Products and all Additional Customized Products;
- (ee) "Customized Standard Client Products" shall mean the initial version of the Netscape Standard Client Product as configured for use with a dialer for an AOL Service and as dual branded with the appropriate logos and trademarks for such AOL Service pursuant to Section 9, as further described in Attachment B, and any Upgrades thereto and Internationalized and Localized Versions thereof;
- (ff) "Derivative Work" shall mean with respect to a software program or any related Documentation, any modification or enhancement thereof, including without limitation (i) all "derivative works" within the meaning of such term as defined in the Copyright Act (17 U.S.C., Section 101 et seq.) and (ii) all "compilations" within the meaning of such term as defined in the Copyright Act (17 U.S.C., Section 101 et seq.) which compilations include such software or Documentation or any portion thereof;
- (gg) "<u>Distribute</u>" or "<u>Distribution</u>" or "<u>distribution</u>" as used herein shall include, without limitation, Electronic Distribution solely to the extent expressly permitted hereunder.
- (hh) "Distribution Volume" shall be determined with respect to any applicable product on a continuing basis by aggregating the total number of copies of such product distributed by the relevant party within the previous three (3) full calendar months through all means of distribution, including without limitation, retail, bundling, download and any other form of distribution or disbursement now know or hereafter invented.
- (ii) "Distributor" shall mean a third party who obtains from AOL or another Distributor copies of a Licensed Product for further distribution to Distributors and/or End-Users to the extent permitted hereunder;
- (jj) "Documentation" shall mean, with respect to a software program, user documentation describing the functions, use and operation thereof;

- (kk) "Effective Date" shall mean the date first set forth above;
- (II) "Electronic Distribution" shall mean distribution, transmission or transfer of programs and/or data without the use of a physical storage medium to effect such distribution, transmission or transfer;
- (mm) "End-User" means, in the case of a product, a third-party customer to whom a copy of the product is licensed, sublicensed or otherwise distributed for such customer's use and not for further sublicense or distribution; and in the case of a service, a third-party customer to whom the service is provided;
- (nn) "Final Specifications" shall mean those Specifications for the initial versions of the Customized Client Products to be delivered by Netscape as provided in Attachment B;
  - (00) "GNN" shall mean the division of AOL operating the GNN Service;
- (pp) "GNN Service" shall mean the open environment/Internet-based AOL Service currently operated under the name "GNN" or "Global Navigator Network";
- (qq) "GNN Website" shall mean GNN's primary, most highly trafficked Website in the United States that is identified, operated and promoted under GNN's (or successor AOL Affiliate owner of the GNN Service) trademarks or trade names and GNN's localized version of such a Website in a foreign entity that has the same or substantially analogous Content as such United States Website, in each case, whether operated by GNN, AOL or another AOL Affiliate or by a third party for GNN, AOL or another AOL Affiliate;
- (rr) "Golden Master" shall mean the version of a Licensed Product that is designated by Netscape as a golden master in accordance with Netscape's customary practices;
  - (ss) "Initial Term" shall have the meaning given to such term in Section 17;
- (tt) "Intellectual Property Rights" shall mean trade secrets, patents, copyrights, and similar rights of any type under the laws of any governmental authority including, without limitation, all applications and registrations relating to patents and copyrights, whether presently existing or created in the future;
- (uu) "Internationalized Version" shall mean, with respect to any software and related Documentation, a version that has been written or modified to support text input processing and output independent of the character set or sets (including double-byte character sets) involved and that has been designed to facilitate translation and the creation of Localized Versions and is capable of being localized;



- (vv) "Internet Access Provider" means an entity that is in the business of selling, leasing or licensing telecommunications access to the Internet or to other telecommunications networks that interconnect with the Internet;
  - (ww) "Licensed Products" shall mean the Customized Products and the Netscape Products;
- (xx) "Localized Version" shall mean, with respect to any software and related Documentation, a version translated and modified as appropriate for a foreign language and culture:
- (yy) "Major Upgrade" means any Upgrade to a Licensed Product released by Netscape which is designated by a change to the left of the decimal point of the Release Number;
- (zz) "Minor Upgrade" means any Upgrade to a Licensed Product released by Netscape which is designated by a change to the right of the decimal point of the Release Number. Minor Upgrades do not involve additions of substantial functionality or substantial improvements in performance;
- (aaa) "Most Favored Price" shall mean, with respect to a license fee for a product, the lowest consideration charged by Netscape within the six (6) full calendar months immediately preceding the date on which the Most Favored Price is determined, for the same product, to any third party distributing such product in a channel or market that competes with AOL's business activities relating to such product, for committed volumes of such product or for present-value dollar commitments specifically for such product substantially similar to or lower than AOL's committed volumes or present-value dollar commitments specifically for such product;
- (bbb) "Netscape Affiliate" shall mean any corporation, limited liability company, partnership or other entity (collectively, an "Entity"), of which Netscape owns, whether directly or indirectly through one or more subsidiaries, fifty percent (50%) or more of any of the outstanding securities entitled to vote for the election of directors (or in the case of a partnership or joint venture, fifty percent (50%) or more of the equity interest entitled to vote for the election of the equivalent governing body no matter how such equity interest is evidenced) of such Entity. An Entity shall remain a Netscape Affiliate for purposes of this Agreement only for such period of time as such Entity meets the requirements of the immediately preceding sentence. Without limiting the generality of the foregoing, those Entities currently meeting the definition of Netscape Affiliate are as specified in Attachment I;
- (ccc) "Netscape Client Products" shall mean Netscape Standard Client Products and Netscape Premium Client Products;
- (ddd) "Netscape IAPPS Products" shall mean Netscape standard software products that offe an integrated solution to publishing and/or conducting commerce and/or conducting financial transaction over the Internet and that are designated by Netscape as IAPPS, Internet applications or commercial applications in accordance with Netscape's customary practices, and any Upgrades thereto an Internationalized and Localized Versions thereof and Documentation therefor;

- (eee) "Netscape Premium Client Products" shall mean those Netscape software products, and any Upgrades thereto and Internationalized and Localized Versions thereof and Documentation therefor that:
- (i) provide an End-User with both (1) features and functionality substantially similar to those material features and functions present in Netscape Standard Client Products and (2) significant enhanced, extended or additional features or functionality not present in Netscape Standard Client Products; and that
- (ii) Netscape generally distributes to End-Users only upon payment of a charge o license fee materially greater than the charge or license fee Netscape generally charges to End-Users fo the corresponding Netscape Standard Client Product.

Without limiting the generality of the foregoing, that client software product of Netscape currently meeting the definition of Netscape Premium Client Product is as specified in Attachment A. In addition in the event that Netscape has two or more versions of a particular Netscape Premium Client Product o two or more products that would otherwise meet the definition of a Netscape Premium Client Product and the only material difference between or among them is that one of such versions or products contain a preconfigured means of accessing telecommunications networks or the Internet, such as a stack and dialer, then the version or product that includes such means shall be excluded from the definition o Netscape Premium Client Products and AOL shall have no right to such version or product under thi Agreement;

- (fff) "Netscape Products" shall mean Netscape Client Products, Netscape Server Products Netscape IAPPS Products, Add-Ons and Tools;
- (ggg) "Netscape Registration Server" shall mean a service, whether domestic or foreign, throug which Netscape offers End-Users of Netscape Client Products the ability, through remote access, t register their Netscape Products with Netscape and provides information regarding the selection of a Internet Access Provider;
- (hhh) "Netscape Server Products" shall mean Netscape standard software products and an Upgrades thereto and Internationalized and Localized Versions thereof and Documentation therefor, the enable a computer to serve, through the use of any protocols, standards or platforms now or hereafte existing (including without limitation Internet or Internet derivative protocols, standards and platforms as a local or wide area network host or server for remote access by client software resident on othe computers in a client/server architecture, and that are designated by Netscape as server products accordance with Netscape's customary practices. Without limiting the generality of the foregoing, thos software products of Netscape currently meeting the definition of Netscape Server Products are a specified in Attachment A. Notwithstanding the foregoing, "Netscape Server Products" shall not in an event be deemed to include Netscape IAPPS Products:

- (iii) "Netscape Standard Client Products" shall mean Netscape standard client software products, and any Upgrades thereto and Internationalized and Localized Versions thereof and Documentation therefor, that, as determined from time to time:
  - (i) enables an End-User to view and browse the Internet; and
  - (ii) is the client software product that Netscape distributes in the largest Distribution Volume.

Without limiting the generality of the foregoing, that client software product of Netscape currently meeting the definition of Netscape Standard Client Product is as specified in Attachment A. In addition, in the event that Netscape has two or more versions of a particular Netscape Standard Client Product or two or more products that would otherwise meet the definition of a Netscape Standard Client Product and the only material difference between or among them is that one of such versions or products contains a preconfigured means of accessing telecommunications networks or the Internet, such as a stack and dialer, then the version or product that includes such means shall be excluded from the definition of Netscape Standard Client Products and AOL shall have no right to such version or product under this Agreement (such versions or products are currently designated the "Personal Edition");

- "Netscape Trademarks" shall mean those trademarks or trade names set forth in (iii) Attachment C with additions or deletions thereto by Netscape from time to time after the Effective Date on reasonable advance written notice to AOL which additions or deletions are approved in writing by AOL. The only basis for AOL's disapproval shall be a good faith dispute over whether such trademarks are invalid or infringe any trademark rights of AOL or third parties. Provided that Netscape provides written notice to AOL's General Counsel of any proposed additions or deletions to such trademarks or trade names and informs AOL's General Counsel in such written notice that the failure to disapprove such trademarks or trade names within thirty (30) days shall be deemed to constitute approval, any such additions or deletions that are not disapproved on such basis within thirty (30) days following such notice date shall be deemed approved. AOL may distribute Licensed Products bearing such new trademarks and/or trade names during such thirty (30) day period according to the terms of this Agreement without being deemed to have approved, or to have waived its right to disapprove, such new trademarks and/or trade names. In the event that AOL disapproves such trademarks and/or trade names during such thirty (30) day period and is therefore prohibited from distributing Licensed Products bearing such trademarks and/or trade names because of the trademark requirements of this Agreement, then the parties agree that Netscape shall not be deemed as a result thereof to be in breach of any obligation to provide or deliver such Licensed Products to AOL hereunder;
- (kkk) "Netscape Website" shall mean shall mean Netscape's primary, most highly trafficked Website in the United States that is identified, operated and promoted under Netscape's trademarks or trade names and Netscape's localized versions of such Website in foreign countries that have the same or substantially analogous Content as such United States Website, in each case, whether operated by Netscape, a Netscape Affiliate or by a third party for Netscape or a Netscape Affiliate;

- (III) "Object Code" or "object code" shall mean a machine readable, machine executable form of computer program code;
- "Online Information Service" shall mean a service (i) that provides material and (mmm) substantial Content, Communications Services and/or Transaction Services through the use of any protocols, standards, platforms, media or other methodology now or hereafter existing (including without limitation Internet or Internet derivative protocols, standards and platforms) for remote access of local or wide area network host server computers through the use of client software resident on other computers, by any means now or hereafter existing, including without limitation via telephone, ISDN, cable, fiber optics, satellite, wireless or other type of public or private wide area network, (ii) that is marketed to and targeted at a specific audience (e.g., Consumers, professionals, a specific profession or interest group, users or consumers of particular categories of goods or services, an audience sharing certain demographic characteristics, etc.); and (iii) for which a subscription or other recurring fee is generally charged or for which transaction or usage fees are generally charged or for which access is generally limited to registered subscribers or subscribers meeting certain specified characteristics, whether or not a fee is charged or which is supported or underwritten by advertisers or sponsors rather than by subscriber fees. A service that provides only a single Communications Service such as chat or e-mail or bulletin boards or fax servers or telephony or a single type of Transaction Service will not be deemed to constitute an Online Information Service unless such service provides that single Communications Service or Transaction Service as part of a package that includes other Content and/or Transaction Services which, when considered as a whole, provides material and substantial Content, Communication and/or. Transaction Services. For the purposes of clarification, as examples only and not as an exhaustive list, services that meet the definition of Online Information Service as they are currently conducted are the following: America Online and Global Network Navigator, while services that do not meet the definition of Online Information Service are the following: a fax service alone, mere telephone service alone, or mere Internet access alone without the provision of material and substantial Content, Communications Services and/or Transaction Services by the provider of such Internet access service;
- (nnn) "Permitted Modifications and Extensions" shall mean such modifications, enhancements, extensions and Derivative Works of a software product as can be created by use of API's that are made public by Netscape for such purpose or that are made available by Netscape to AQL for such purpose, or by using facilities included within such software product for such purpose or in authorized tools that are designed for such purpose, but without any reverse engineering or other attempts to derive the Source Code and without any use or modification of the Source Code of such software product;
- (000) "Preliminary Specifications" shall mean those Specifications for the initial versions of the Customized Client Products as described on Attachment B;
- (ppp) "Release Number" means the number that is used to identify the version of an Upgrade.

  Typically, the Release Number is shown after the product name;
  - (qqq) "Renewal Term" shall have the meaning given to such term in Section 17;

- (rrr) "Source Code" or "source code" shall mean a human readable form of program code;
- (sss) "Source Code and Source Documentation" shall mean Source Code fully documented and usable by a reasonably qualified programmer and all available source documentation, including flow charts and other source materials that would assist a qualified programmer in understanding the program code and facilitate the support, maintenance and enhancement of such code;
- (ttt) "Specification Nonconformity" shall mean, with respect to a Licensed Product, any reproducible nonconformity between such Licensed Product and such Licensed Product's Specifications, and any reproducible defect in an existing feature or function of the Licensed Software that results in data loss, data corruption, abnormal termination of the program (i.e. a crash, quit, exit or similar phenomenon), an infinite loop or a "hang," an arithmetic or logic error, or similar manifest malfunction;
- (uuu) "Specifications" shall mean, in the case of Netscape Products, the description of such products' features, functions, performance and requirements set forth in the Documentation, and in the case of Customized Products, the description of such products' features, functions, performance and requirements developed under the terms of this Agreement;
- (vvv) "Speculative Distribution" shall mean to distribute a product and allow trial use of such product or particular features of such product with the expectation of payment when the recipient subsequently becomes a subscriber to an AOL Service;
- (www) "Support Services" shall mean the maintenance and support services that Netscape shall provide to AOL pursuant to the provisions of Section 12.
- (xxx) "Timetable" shall mean, for each initial version of a Customized Client Product, the timetable set forth for the completion of such initial version (as such timetable may be modified from time to time by mutual written agreement of AOL and Netscape) in Attachment B;
- (ууу) "Tools" shall mean Netscape software products that are used primarily for the development or customization of software and are designated by Netscape as tools in accordance with Netscape's customary practices and any Upgrades thereto and Internationalized and Localized Version: thereof and Documentation therefor;
- (zzz) "Transaction Services" shall mean the remote sales or purchases of goods and service including the purchase and sale of electronic goods such as software, and other interactive applications including without limitation video on demand, pay per view and interactive games, as well as the remote sales or purchases of tangible goods with subsequent delivery and fulfillment services, and remote sale or purchases of real property and/or services. Transaction Services shall also include any online advertising, promotion or marketing in connection with such purchases or sales;
- (aaaa) "<u>Unbundled Distribution</u>" shall mean any distribution of Licensed Products that does no come within the definition of Bundled Distribution;

- (bbbb) "Upgrades" shall mean with respect to any product, Major Upgrades and Minor Upgrades; and
- (cccc) "Website" shall mean a website on the World Wide Web as such term is commonly used and understood in the computer industry and any true mirror (i.e., a website which duplicates all of the Content of the reference site for purposes of back-up and ease of use) of such website that is subject to the control of the party controlling the original website.
- Miscellaneous. As used in this Agreement, neutral pronouns and any variations thereof shall be deemed to include the feminine and masculine and all terms used in the singular shall be deemed to include the plural, and vice versa, as the context may require. The words "party" or "parties" when used herein refer, respectively, to a party and to both of the parties to this Agreement. The words "hereof, "herein," "hereunder" and other words of similar import refer to this Agreement as a whole, including any attachments hereto, as the same may from time to time be amended or supplemented and not to any subdivision contained in this Agreement. The word "including," when used herein is not intended to be exclusive and in all cases means "including without limitation." References herein to section, subsection, attachment or exhibit in or to this Agreement. The descriptive headings of this Agreement are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement.

#### SECTION 2. GRANT OF LICENSE TO AOL

#### 2.1 <u>Customized Integrated Client Products.</u>

- (a) License. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Customized Integrated Client Products, in object code form only, to:
- (i) use and reproduce copies of the Customized Integrated Client Products for internal use;
- (ii) sublicense to End-Users, and grant Distributors the right to sublicense to End-Users, the right to use and reproduce the Customized Integrated Client Products for internal use solely with an AOL Service that is accessed by an End-User through proprietary communications protocol(s) other than standard Internet or Internet compatible protocols and offers material and substantial Content via such proprietary communications protocol(s):
- (iii) distribute, reproduce as necessary to distribute, and sublicense Distributors the night to distribute and reproduce as necessary to distribute, the Customized Integrated Client Products through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, including through Speculative Distribution and Electronic

Distribution, provided that any AOL Service with which such Customized Integrated Client Products are distributed and used is accessed by an End-User through proprietary communications protocol(s) other than standard Internet or Internet compatible protocols and offers material and substantial Content via such proprietary communications protocol(s); and

this Section 2.1. (iv) sublicense to AOL Affiliates all rights and licenses granted to AOL pursuant to

In connection with the foregoing license, AOL shall have the right to create Permitted Modifications and Extensions to the Customized Integrated Client Product pursuant to the terms of Section 2.13 to create versions of the Customized Integrated Client Product for distribution and use with permitted AOL Services under this Section 2.1 other than AOL Classic Service.

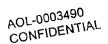
- (b) <u>Commitment to Make Available Via Download</u>. AOL agrees that it shall, as soon as practicable after the date of acceptance under Section 9 of the initial version of the Customized Integrated Client Product (that will be based on version 3.0 of the Netscape Standard Client Product), have available for download such Customized Integrated Client Product as an integrated component for use with version 4.0 of the AOL Classic Service client software, by all of the then current subscribers to the AOL Classic Service (and with respect to AOL and AOL Affiliates, any other AOL Service with which the Customized Integrated Client Product is used and distributed pursuant to Section 2.1(a)). It is Netscape's understanding, based upon recent public announcements by AOL, that the AOL Classic Service currently has more than five million (5,000,000) subscribers.
- 2.2 <u>Netscape Standard Client Products</u>. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Netscape Standard Client Products, in object code form only, to:
  - (a) use and reproduce copies of the Netscape Standard Client Products for internal use;
- (b) sublicense to End-Users, and grant Distributors the right to sublicense to End-Users, the right to use and reproduce the Netscape Standard Client Products for internal use;
- (c) distribute, and reproduce as necessary to distribute, the Netscape Standard Client Products through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution:
- (d) sublicense to Distributors the right to distribute the Netscape Standard Client Products through Bundled Distribution solely in such packages or forms as are provided by AOL to such Distributors, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;

- (e) distribute, and sublicense to Distributors the right to distribute, through Unbundled Distribution, the Netscape Standard Client Products solely in such packages or forms as are provided by Netscape or Netscape's authorized Distributors for Unbundled Distribution by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution; and
- (f) sublicense to AOL Affiliates all rights and licenses granted to AOL pursuant to this Section 2.2.
- 2.3 <u>Customized Standard Client Products</u>. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Customized Standard Client Products, in object code form only, to:
  - (a) use and reproduce copies of the Customized Standard Client Products for internal use;
- (b) sublicense to End-Users, and grant Distributors the right to sublicense to End-Users, the right to use and reproduce the Customized Standard Client Products for internal use;
- (c) distribute, and reproduce as necessary to distribute, the Customized Standard Client Products through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, including through Speculative Distribution and Electronic Distribution, except that, with respect to Electronic Distribution, AOL's rights shall be solely as specified in Section 2.10;
- d) sublicense to Distributors the right to reproduce the Customized Standard Client Products as necessary to distribute the Customized Standard Client Products to End-Users pursuant to the distribution rights granted in Section 2.3(e);
- (e) sublicense to Distributors the right to distribute the Customized Standard Client Products through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution; and
- (f) sublicense to AOL Affiliates all rights and licenses, except Electronic Distribution rights, granted to AOL pursuant to this Section 2.3.
- 2.4 <u>Netscape Premium Client Products</u>. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Netscape Premium Client Products, in object code form only, to:
  - (a) use and reproduce copies of the Netscape Premium Client Products for internal use;

- (b) sublicense to End-Users, and grant to Distributors the right to sublicense to End-Users, the right to use and reproduce the Netscape Premium Client Products for internal use;
- through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, except that (i) with respect to Electronic Distribution, AOL's rights shall be solely as specified in Section 2.10 and shall be limited to distribution to the then current subscribers of the applicable AOL Service; and (ii) neither AOL nor its Distributors shall engage in Speculative Distribution of the Netscape Premium Client Products;
- (d) sublicense to Distributors the right to distribute the Netscape Premium Client Products through Bundled Distribution solely in such packages or forms as are provided by AOL to such Distributors, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;
- (e) distribute, and sublicense to Distributors the right to distribute, through Unbundled Distribution the Netscape Premium Client Products solely in such packages or forms as are provided by Netscape or Netscape's authorized Distributors for Unbundled Distribution by all methods of distribution now know or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution; and
- (f) sublicense to AOL Affiliates all rights and licenses, except Electronic Distribution rights, granted to AOL pursuant to this Section 2.4.
- 2.5 <u>Customized Premium Client Products</u>. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Customized Premium Client Products, in object code form only, to:
  - (a) use and reproduce copies of the Customized Premium Client Products for internal use;
- (b) sublicense to End-Users, and grant Distributors the right to sublicense to End-Users, the right to use and reproduce the Customized Premium Client Products for internal use;
- (c) distribute and reproduce as necessary to distribute the Customized Premium Client Products through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, including through Electronic Distribution, except that (i) with respect to Electronic Distribution, AOL's rights shall be solely as specified in Section 2.10 and shall be limited to distribution to the then current subscribers of the applicable AOL Service; and (ii) neither AOL nor its Distributors shall engage in Speculative Distribution of the Customized Premium Client Products:

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- (d) sublicense to Distributors the right to distribute the Customized Premium Client Products through Bundled Distribution solely in such packages or forms as are provided by AOL to such Distributors, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;
- (e) sublicense to AOL Affiliates all rights and licenses, except Electronic Distribution rights, granted to AOL pursuant to this Section 2.5
- 2.6 Add-Ons. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6) world-wide license, under Netscape's Intellectual Property Rights in and to the Add-Ons in object code form only, to:
  - (a) use and reproduce copies of the Add-Ons for internal use;
- (b) sublicense to End-Users and grant Distributors the right to sublicense to End-Users, the right to use and reproduce the Add-Ons for internal use;
- (c) distribute and reproduce as necessary to distribute the Add-Ons through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, except that (i) with respect to Electronic Distribution, AOL's rights shall be solely as specified in Section 2.10 and shall be limited to distribution to the then current subscribers of the applicable AOL Service; and (ii) neither AOL nor its Distributors shall engage in Speculative Distribution of the Add-Ons;
- (d) sublicense to Distributors the right to distribute the Add-Ons through Bundled Distribution sotely in such packages or forms as are provided by AOL to such Distributors, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;
- (e) distribute, and sublicense to Distributors the right to distribute, through Unbundled Distribution the Add-Ons solely in such packages or forms as are provided by Netscape or Netscape's authorized Distributors for Unbundled Distribution, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution; and
- (f) sublicense to AOL Affiliates all rights and licenses, except Electronic Distribution rights, granted to AOL pursuant to this Section 2.6.
- 2.7 <u>Netscape Server Products</u>. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Netscape Server Products, in object code form only, to:



- (a) use and reproduce copies of the Netscape Server Products for internal use;
- (b) sublicense to End-Users, and grant Distributors the right to sublicense to End-Users, the right to use the Netscape Server Products for internal use;
- (c) distribute and reproduce as necessary to distribute the Netscape Server Products through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;
- (d) sublicense to Distributors the right to distribute the Netscape Server Products through Bundled Distribution solely in such packages or forms as are provided by AOL to such Distributors, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;
- (e) distribute, and sublicense to Distributors the right to distribute, through Unbundled Distribution the Netscape Server Products solely in such packages or forms as are provided by Netscape or Netscape's authorized Distributors for Unbundled Distribution, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution; and
- (f) sublicense to AOL Affiliates all rights and licenses granted to AOL pursuant to this Section 2.7.
- 2.8 <u>Tools</u>. Subject to all the terms of this Agreement, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Tools, in object code form only, to:
  - (a) use and reproduce copies of the Tools for internal use;
- (b) sublicense End-Users, and grant to Distributors the right to sublicense to End-Users, the right to use the Tools for internal use;
- (c) distribute and reproduce as necessary to distribute the Tools through Bundled Distribution in all media now known or hereafter developed and by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;
- (d) sublicense to Distributors the right to distribute the Tools through Bundled Distribution solely in such packages or forms as are provided by AOL to such Distributors, by all methods of distribution now known or hereafter developed, except that such distribution shall not include Electronic Distribution or Speculative Distribution;

- (e) distribute, and sublicense to Distributors the right to distribute, through Unbundle Distribution the Tools solely in such packages or forms as are provided by Netscape or Netscape authorized Distributors for Unbundled Distribution, by all methods of distribution now known chereafter developed, except that such distribution shall not include Electronic Distribution or Speculativ Distribution; and
- (f) sublicense to AOL Affiliates all rights and licenses granted to AOL pursuant to the Section 2.8.
- Netscape IAPPS Products. Subject to all the terms of this Agreement, Netscape hereby grant to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6) world-wide license, under Netscape's Intellectual Property Rights in and to the Netscape IAPPS Products, in object code form only, to use (subject to the express limitations set forth in the applicable End-User License Agreement in Attachment N, as the same may be modified or supplemented under Section 4.3 below) copies of the Netscape IAPPS Products for internal use for AOL. Netscape agrees to enter into such applicable End-User License Agreements for Netscape IAPPS Products with AOL Affiliates upon their request. Netscape further agrees to grant AOL distribution rights for Netscape IAPPS Products pursuant to Netscape's then current standard written agreement therefor.
- 2.10 Promotion and Facilitation of Electronic Distribution from AOL Website. For the products covered by Sections 2.3 (Customized Standard Client Products), 2.4 (Netscape Premium Client Products), 2.5 (Customized Premium Client Products), and 2.6 (Add-Ons), Electronic Distribution shall be limited to Electronic Distribution from a single Website for each of the following AOL Services: AOL Classic Service, GNN Service, each AOL Service in Europe (not to exceed three (3)), and one (1) AOL Service in Japan. The parties shall negotiate in good faith additional Electronic Distribution Websites for other AOL Services. AOL shall have the right in connection with the Electronic Distribution of such products to direct, and to authorize AOL Affiliates, Distributors and other third parties to direct, End-Users to such Website(s) via pointing, linking or other means in order to promote and encourage such Electronic Distribution from such Website(s).
- 2.11 <u>Distribution of Beta Versions</u>. In addition to the rights granted pursuant to Sections 2. Ithrough 2.8 above with respect to the distribution of Licensed Products, Netscape hereby grants to AOL and AOL hereby accepts a non-exclusive, non-transferable (except as provided in Section 22.6), world-wide license, under Netscape's Intellectual Property Rights in and to the Beta Versions of Licensed Products which Netscape makes publicly available, in object code form only, to reproduce and distribute such Beta Versions solely to the extent that, during the periods of time that, and in the same territories, forms, media and manners that, Netscape distributes such Beta Versions and subject to the limitations on Electronic Distribution contained in Section 2.10 above. Notwithstanding the foregoing, AOL may distribute a Beta Version during the period between such time as Netscape generally releases the applicable Licensed Product and such time as Netscape delivers to AOL a Golden Master of the applicable Licensed Product, unless in Netscape's reasonable determination such Beta Version is detrimental to or substantially unacceptable to End-Users or would subject Netscape to legal liability, in which case AOL shall cease distributing such Beta Version immediately upon notice of such

determination from Netscape. AOL shall have the right to sublicense the foregoing rights to AOL Affiliates. THE PARTIES AGREE THAT (i) NETSCAPE MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED OR STATUTORY WITH RESPECT TO THE PERFORMANCE, CONDITION, CORRECTNESS, SECURITY, OPERABILITY OR NONINFRINGEMENT OF THE BETA VERSIONS; (ii) NETSCAPE SHALL HAVE NO LIABILITY FOR ANY DAMAGES OR COSTS OF ANY KIND RESULTING FROM THE USE OR DISTRIBUTION OF THE BETA VERSIONS REGARDLESS OF THE TYPE, EXTENT OR CAUSE OF SUCH DAMAGES OR COSTS; AND (iii) ANY PARTY USING OR DISTRIBUTING THE BETA VERSIONS DOES SO SOLELY AT ITS OWN RISK.

- 2.12 <u>Distribution of Evaluation Copies</u>. Netscape further agrees that, in the event that Netscape changes its current policies so as to generally permit Internet Access Providers the right to distribute evaluation copies of Netscape Products such that applicable license fees do not accrue until the evaluation period is over, then Netscape shall offer to AOL (i) the right to distribute evaluations copies and (ii) such revised payment terms according to Netscape's then current policies and procedures therefor. If AOL accepts such offer, then the parties shall amend this Agreement to reflect such revised terms.
- Permitted Modifications and Extensions. Nothing contained in the foregoing license grant shall prevent or prohibit AOL from creating and/or having created, and Netscape expressly agrees that AOL, AOL Affiliates and Distributors shall have the right to create and have created, Permitted Modifications and Extensions to the Licensed Products and tools, software developer kits and other programs that facilitate the creation by third parties of Permitted Modifications and Extensions to the Licensed Products, so long as such Permitted Modifications and Extensions, tools, software kits and other programs do not violate, infringe or misappropriate any of Netscape's Intellectual Property Rights. Netscape agrees that for purposes of this Section 2.13, a Permitted Modification and Extension shall not be deemed to violate, infringe or misappropriate any of Netscape's Intellectual Property Rights merely because it uses APIs that are made public for this purpose by Netscape or exhibits similarities resulting from the permitted use of such APIs. The fact that AOL, AOL Affiliates or Distributors have created Permitted Modifications or Extensions shall not relieve either party of its obligations with respect to the Licensed Product that has been so modified or extended including, but not limited to, the obligation to pay license fees (on the part of AOL) or the obligation to provide support (on the part of Netscape).
- 2.14 Reseller Agreement. Unbundled Distribution of Netscape Products under Section 2 by AOL and AOL Affiliates shall be pursuant to the terms of Netscape's standard Reseller Agreement attached hereto as Attachment D, subject to such modification or amendments thereto to which the parties mutually agree.
- 2.15 Source Code Rights. Except as expressly provided in Sections 9.8, 12.3, 12.4 and Attachment H the licenses granted above do not include, and AOL shall have no right hereunder to receive or use copies of, the source code for any of the Licensed Products. To the extent enforceable under applicable law, AOL agrees not to decompile, disassemble, reverse engineer or otherwise attempt to derive source code from the object code of any Licensed Product; however, Netscape acknowledges and agrees that

the enforceability of restrictions on decompilation and disassembly may be limited in some jurisdictions such as the European Community.

- 2.16 <u>Licenses Are Not Exclusive</u>. AOL understands that Netscape may grant licenses similar to the licenses granted pursuant to this Section 2 to third parties.
- 2.17 <u>Limitation on AOL Affiliates' Exercise of License</u>. Unless otherwise agreed by Netscape, AOL remains primarily responsible for all obligations hereunder arising out of or in connection with each AOL Affiliate's performance. AOL Affiliates wishing to exercise rights hereunder and AOL Affiliates that are exercising rights hereunder shall contact Netscape only through AOL. In the event that any Entity ceases to be an AOL Affiliate hereunder, such Entity's rights as an AOL Affiliate hereunder shall immediately terminate provided that:
- (a) all sublicenses to End-Users which have been properly granted by such Entity pursuant to this Agreement prior to the date such Entity ceases to be an AOL Affiliate shall survive;
- (b) such Entity shall have the right to continue to sublicense the Customized Integrated Client Products for an additional nine (9) months and the Customized Standard Client Products and Customized Premium Client Products for an additional one-hundred twenty (120) days after the date such Entity ceases to be an AOL Affiliate on the same terms as are in effect pursuant to this Agreement immediately prior to the date such Entity ceases to be an AOL Affiliate; provided that such Entity shall not be entitled to receive any Major or Minor Upgrades developed by Netscape during such periods;
- (c) such Entity may continue to use and retain copies of the Licensed Products and Documentation that were obtained and paid for prior to the date such Entity ceases to be an AOL Affinate but only to the extent necessary to support Licensed Products rightfully distributed to End-Users by such Entity pursuant hereto; and
- (d) Netscape will offer any such Entity the right to continue to distribute Licensed Products previously distributed by such Entity pursuant to the terms of Netscape's then-current written standard distributor agreement; provided that Netscape has no reasonable basis to believe that such Entity will not be ready, willing and able to comply with the terms thereof.
- 2.18 No Implied Licenses. No licenses are granted, by implication, estoppel or otherwise, except the licenses expressly granted herein.

#### SECTION 3. DELIVERY OF NETSCAPE PRODUCTS

3.1 <u>Delivery.</u> Netscape shall deliver to AOL: (i) Alpha Versions; (ii) Beta Versions; and (iii) Golden Masters of each Licensed Product, (A) in the case of Netscape Products when (and if) made available by Netscape to other preferred customers pursuant to Netscape's then current early release program, or (B) in the case of Customized Products, as provided in Sections 9 and 10.

- 3.2 Acceptance. Each Golden Master of a Customized Client Product delivered to AOL shall be subject to acceptance by AOL in accordance with Section 9.7, based on satisfaction of such tests as AOL shall reasonably construct, subject to Netscape's approval not to be unreasonably withheld, in order to determine whether such product operates in accordance with Specifications, provided that AOL's general release of a Customized Client Product shall automatically be deemed acceptance thereof for purposes of this Agreement.
- 3.3 <u>Electronic Transmission</u>. All software (including, without limitation, Documentation therefor and all Alpha and Beta and Golden Master versions) shall be delivered by Netscape to AOL by electronic transmission and by such other means as AOL may reasonably request; provided, however, that prior to any such electronic transmission or distribution, the parties shall adopt procedures reasonably acceptable to Netscape to assure that the Licensed Products will be received only by the intended recipient and Netscape's obligation to deliver via means other than tangible media shall be subject to mutual agreement on such procedures. Netscape shall not deliver any of the software or Documentation to AOL in any tangible medium unless specifically requested to do so by AOL.

#### SECTION 4. DISTRIBUTION OF LICENSED PRODUCTS

- 4.1 <u>Distribution</u>. With respect to the distribution of Licensed Products by AOL and AOL Affiliates, the parties agree to the following:
- (a) When "Restricted Rights" or "Limited Rights" notices intended to preclude the acquisition of unlimited rights to technical data, software and documentation are embedded in the Licensed Product and displayed to the End-User upon first use thereof, AOL shall not and shall require in agreements with AOL Affiliates that such AOL Affiliates shall not remove such notices or disable such functionality. With respect to the 40-bit key encryption version of any Licensed Products, AOL shall and shall require in agreements with U.S. AOL Affiliates that such U.S. AOL Affiliates shall comply and shall require the U.S. Distributors to comply fully with all then-current applicable laws, rules and regulations relating to the export of technical data, including, but not limited to, any regulations of the United States Office of Export Administration and other applicable governmental agencies. With respect to the 128-bit key encryption version of any Licensed Products, AOL shall and shall require in agreements with AOL Affiliates that AOL Affiliates shall comply and shall require all of the Distributors to comply fully with all such laws, rules and regulations. Netscape agrees
- to cooperate in providing information reasonably requested by AOL as necessary to obtain any required licenses and approvals; provided that Netscape shall have no obligation to cooperate with AOL to obtain licenses or approvals if Netscape decides that such activities are not in its best business interests.
- (b) AOL shall, and shall require in agreements with AOL Affiliates that such AOL Affiliates shall, procure from each Distributor an executed copy of a distribution license ("Distributor License Agreement") sufficient to ensure that such Distributors are required to comply with the relevant material terms of this Agreement, to the extent enforceable in such Distributors' respective countries or jurisdictions; provided, however, that with respect to Bundled Distribution of the Customized Integrated

Client Products and the Customized Standard Client Products, no such written agreement shall be required.

- AOL Affiliates and Distributors shall and shall require their Distributors to, distributors that such AOL Affiliates and Distributors shall and shall require their Distributors to, distribute the Licensed Products to End-Users only under the terms of applicable end-user license agreements with terms at least as restrictive as those set forth in the end-user license agreements attached hereto as Attachment N ("End-User License Agreements") for the applicable Licensed Products. When the End-User License Agreement is embedded in the Licensed Product and displayed to the End-User for the End-User's agreement upon first use thereof, AOL shall not remove such agreement or disable such functionality. In the case of Bundled Distribution of Licensed Products to End-Users who are subscribers or potential subscribers of an AOL Service, then AOL and AOL Affiliates shall include a statement in the applicable terms of service for such AOL Service stating that third party software may be subject to additional terms which are contained in such software.
- (d) AOL shall, and shall require in agreements with AOL Affiliates that such AOL Affiliates shall, use commercially reasonable efforts to enforce each Distributor License Agreement and End-User License Agreement, as may be relevant, with at least the same degree of diligence used in enforcing similar provisions in its own similar agreements governing others. AOL shall, and shall require in agreements with AOL Affiliates that such AOL Affiliates shall, notify Netscape of any breach of a material obligation under a Distributor License Agreement or an End-User License Agreement affecting Licensed Products, of which it becomes aware, and shall cooperate with Netscape in any legal action to prevent or stop unauthorized use, reproduction or distribution of Licensed Products.
- (e) In the event that Netscape is required by a third-party software supplier to cease and to cause its licensees to cease reproduction and distribution of a particular version of a Licensed Product, AOL agrees to comply therewith as soon as commercially practicable. Netscape shall provide AOL with as much advance notice as is commercially practicable. Netscape shall replace such Licensed Product with an Upgrade thereto as soon as commercially practicable (unless the reason Netscape has allowed its agreement with such third-party software supplier to terminate is that it has determined to discontinue such Licensed Product). Notwithstanding the foregoing, Netscape agrees that it shall, at all times during the term of this Agreement, make available at least one version of the Netscape Standard Client Products and the Customized Integrated Client Products for distribution by AOL hereunder.
- (f) AOL acknowledges that because of the breadth of use and distribution rights granted in Section 2, and because Licensed Products may from time to time include third-party software, there may be exceptions to the rights granted in Section 2 for certain products. Netscape shall notify AOL in writing from time to time of any such exceptions to any Licensed Products prior to delivery of a Golden Master thereof. Any such exceptions for Licensed Products as of the Effective Date are set forth in Attachment M. Netscape agrees for any future third-party licenses to use its commercially reasonable efforts to secure all necessary third-party licenses to permit AOL to exercise all rights granted to AOL pursuant to Section 2.

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- 4.2 Internal Use. AOL and the AOL Affiliates' internal use of Licensed Products shall be subject to the terms of the applicable End-User License Agreements set forth in Attachment N, as the same may be modified or supplemented under Sections 4.3 below, provided, however, that the following provisions of such End-User License Agreements shall be superseded by the applicable provisions of this Agreement: warranties and disclaimers, indemnities, limitations on liability, support, assignment and transfer, termination, customer name usage, and "miscellaneous" provisions (such as, for example, governing law).
- 4.3 End-User License Agreements. Netscape shall have the right to amend the End-User License Agreements from time to time to reflect Licensed Product development including, but not limited to, the inclusion of third party software components in Licensed Products or changes in the law or business practices applicable to Licensed Products, and in addition, Netscape may create new End-User License Agreements for new Licensed Products or Upgrades that may be added to this Agreement. Notwithstanding the foregoing, the rights of AOL and the AOL Affiliates with respect to internal use of Licensed Products shall be at least as broad and as favorable as provided under the applicable End-User License Agreement set forth in Attachment N, unless AOL otherwise consents, except to the extent Netscape does not have the right to grant such rights with respect to any third party software components in such Licensed Products. Netscape shall give AOL notice of any such changes or new agreements as early as commercially practicable. With respect to changes or new agreements required in connection with versions of Licensed Products not previously distributed by AOL, AOL shall implement such changes or new agreements prior to commencing distribution of the applicable Licensed Products. With respect to changes or new agreements required in connection with versions of Licensed Products previously distributed by AOL, Netscape agrees that AOL, AOL Affiliates and Distributors shall have a period of at least ninety (90) days after the date of such notice in which to implement and incorporate any such changes in any End-User License Agreements manufactured or distributed via Electronic Distribution thereafter, and AOL, AOL Affiliates and Distributors shall in any event be entitled to distribute all existing tangible inventory containing any previous versions of End-User License Agreements. AOL, AOL Affiliates and Distributors shall have no obligation to distribute new versions of End-User License Agreements for copies of the Licensed Products previously distributed. Except in the case of End-User License Agreements that grant the End-User the right to copy and except in the case of Netscape IAPPS Products (which require signed End-User license agreements), End-User License Agreements may be in the form of shrink-wrap or online agreements and AOL makes no warranties or representations as to the enforceability of such agreements; provided, however, that AOL agrees that Netscape reserves the right to change its license practices with respect to Netscape Server Products and Tools to require signed End-User License Agreements if this becomes necessary because of third party software included therein or if Netscape otherwise deems it to be in its best business interests, provided that Netscape itself generally requires signed End-User License Agreements for such products and requires all other licensees and distribution entities to obtain signed End-User License Agreements for such products.
- 4.4 <u>Electronic Distribution</u>. In connection with any permitted Electronic Distribution of Licensed Products, AOL agrees that AOL and the AOL Affiliates' download accounting and auditing procedures will be sufficient to meet the requirements of Section 2, Section 13 and Attachment F.

Export Licensing. Netscape shall pursue and use diligent efforts to obtain sufficiently broad export and import licenses to all countries and territories outside the United States for all Netscape Products similar to the Department of Commerce notification previously received by Netscape assigning commodity classifications for certain of the Netscape Products so as to allow each of AOL and AOL Affiliates to fully exploit rights under this Agreement with respect to the Netscape Products; provided that Netscape shall not be required to obtain such export and import licenses to the extent it determines in the reasonable exercise of its discretion that obtaining such licenses is not commercially feasible; and provided, further, that AOL acknowledges that export licenses are not currently available in any event for Netscape Client Products or Customized Client Products that have 128-bit key encryption. In the event Netscape determines not to obtain an export or import license in any country or territory sufficient for AOL's requirements in accordance with Netscape's rights under this Section 4.5, Netscape shall cooperate in providing information requested by AOL as necessary for AOL to obtain any such desired licenses and approvals at AOL's expense; provided that Netscape shall have no obligation to cooperate with AOL to obtain licenses or approvals if Netscape decides that such activities are not in its best business interests. From time to time, the parties shall discuss with each other their plans with respect to export and import licenses for the Licensed Products.

#### SECTION 5. TRADEMARKS, TRADE NAMES AND COPYRIGHT NOTICES

Trademark License. AOL is hereby granted a non-transferable (except as provided in Section 22.6), non-exclusive, world-wide and restricted license to use and to sublicense AOL Affiliates and the Distributors to use "Netscape Navigator Included" on any packaging and in any advertising, marketing, technical or other materials which are distributed by AOL, AOL Affiliates or the Distributors in connection with distribution of Customized Client Products under this Agreement. In addition, AOL is. hereby granted a non-transferable (except as provided in Section 22.6), non-exclusive, world-wide and restricted license to use and to sublicense AOL Affiliates and the Distributors to use those Netscape Trademarks relating to the applicable Licensed Products in any advertising, marketing, technical or other materials related to such Licensed Products which are distributed by AOL, AOL Affiliates or the Distributors in connection with this Agreement. Such use shall be in accordance with Netscape's then current trademark guidelines (a copy of which is provided herewith as Attachment O) to be provided and updated by Netscape from time to time in Netscape's reasonable discretion. In the event that the trademark guidelines are amended or any Netscape Trademarks are modified or added, AOL and AOL Affiliates and their Distributors shall have the right to deplete existing and contractually committed for inventories of the Licensed Products and related materials that may not be in compliance with the amended guidelines and/or modified/added Netscape Trademarks and shall have a reasonable transition period in which to implement compliance. AOL and AOL Affiliates need not use any Netscape Trademarks in any country in which their connotation is offensive and shall consult with Netscape as to the foreign translation of Netscape Trademarks so that Netscape can help ensure uniformity with their use by Netscape or third parties. AOL shall, and shall require in agreements with AOL Affiliates that AOL Affiliates shall clearly indicate Netscape's ownership of Netscape's trademarks or trade names. All Netscape Trademark usage shall inure to Netscape's benefit. AOL agrees not to register, and agrees to obtain the agreement of AOL Affiliates and the Distributors not to register, any Netscape Trademarks or trade names without Netscape's express prior written consent. Upon Netscape's request from time to

time, AOL agrees to provide Netscape with copies of goods bearing any Netscape Trademark so that Netscape can verify that the quality of AOL's and AOL's Affiliates' use of such trademarks is comparable to that of Netscape's use thereof. AOL and AOL Affiliates shall, in a commercially reasonable manner, suspend use of Netscape Trademarks if such quality is reasonably deemed inferior by Netscape until AOL or AOL Affiliates have taken such steps as Netscape may reasonably require to solve the quality deficiencies. AOL and AOL Affiliates shall be permitted to use trademarks and trade names of AOL and the AOL Affiliates together with Netscape Trademarks in marketing materials in connection with the Bundled Distribution of Licensed Products hereunder. Netscape shall promptly notify AOL of any valid claim of infringement or invalidity of any Netscape Trademarks or any information known to Netscape which could reasonably be anticipated to result in such a valid claim or any action or inquiry by any trademark authority questioning the validity, enforceability or registrability of any Netscape Trademarks or trade names in any jurisdiction.

#### 5.2 Notices.

- Licensed Products. With respect to Licensed Products, AOL shall not, and shall require in agreements with AOL Affiliates and Distributors that AOL Affiliates and Distributors and their employees and agents shall not remove or alter any Netscape Trademark, copyright or other proprietary notices, legends, symbols or labels appearing on or in copies of such Licensed Products and Documentation or packaging therefor delivered to AOL by Netscape and shall use the same notices, legends, symbols, or labels in and on copies of Licensed Products and Documentation or portions thereof made pursuant to this Agreement as are contained in and on such Licensed Products and Documentation. AOL shall, and shall require in agreements with AOL Affiliates and Distributors that AOL Affiliates and Distributors shall, place or cause Netscape's copyright notice to appear (using the international copyrights symbol) in locations on the media and the packaging of the media containing such Licensed Products (if any) comparable to any such locations where AOL customarily places copyright notices in its own name on its comparable products.
- (b) <u>Customized Products</u>. With respect to Customized Integrated Client Products, AOL shall not, and shall require in agreements with AOL Affiliates and Distributors that AOL Affiliates and Distributors shall not remove or alter any Netscape Trademark appearing on such Customized Integrated Client Products in accordance with the provisions of Section 5.3 or as may be mutually agreed by the parties. In addition, AOL shall not, and shall require in agreements with AOL Affiliates and Distributors that AOL Affiliates and Distributors shall not, remove or alter any copyright or other proprietary notices, legends, symbols or labels appearing on or in copies of such Customized Integrated Client Products and Documentation provided that such notices, legends, symbols or labels are not implemented in a commercially reasonable manner. If AOL believes such notices, legends, symbols or labels are not implemented in a commercially reasonable manner, AOL shall notify Netscape of such view and the parties shall proceed to discuss and agree upon a mutually acceptable manner of displaying such notices, legends, symbols or labels. AOL shall, and shall require in agreements with AOL Affiliates and Distributors that AOL Affiliates and Distributors shall, place or cause Netscape's copyright notice to appear (using the international copyright symbol) in locations on the media and the packaging of the media containing such Customized Integrated Client Products (if any) and on screens of the Customized Integrated Client

Products comparable to any such locations and screens where AOL customarily places copyright notices in its own name on its own comparable products.

- Toolbar. In connection with, and as part of the development of the Customized Integrated Client Products pursuant to Section 9, the parties agree that a static Netscape Trademark shall be programmed to appear on the portion of the user interface of such Customized Integrated Client Products commonly known as the "toolbar" and such Netscape Trademark shall be visible to the End-User of the Customized Integrated Client Products whenever such toolbar is displayed. When pressed, such Netscape Trademark shall link to the Netscape Website. The Netscape Trademark appearing on the toolbar shall be of substantially similar size and appearance as any other icon or trademark on the toolbar. A graphical representation of the Netscape Trademark to be initially displayed is attached hereto as Attachment Q. The particular Netscape Trademark to be displayed can be changed at any time with the mutual agreement of the parties. On any screens of the user interface of Customized Integrated Client Products in which a toolbar does not normally appear but in which an AOL trademark or trade name appears, a Netscape Trademark shall also appear and such Netscape Trademark shall provide comparable attribution as is achieved when a toolbar is present. If there are any screens of the user interface of Customized Integrated Client Products in which a toolbar does not normally appear and an AOL trademark or trade name also does not normally appear, at some point in the End-User's use of the Customized Integrated Client Products, a Netscape Trademark will appear so as to ensure it is clear and evident that the End-User is using a Netscape product.
  - Additional Requirements. Provided that AOL or an AOL Affiliate is then distributing Netscape Client Products and/or Customized Client Products in larger volumes than AOL or such AOL Affiliate is distributing any similar product developed by AOL or a third party, AOL or such AOL Affiliate, as applicable, shall prominently display a Netscape Trademark wherever an AOL or AOL Affiliate trademark or trade name appears in connection with the marketing or promotion by AOL or such AOL Affiliate of the Internet browsing functionality of a Netscape Client Product, a Customized Client Product or an AOL Service. The size and position of the display of such Netscape Trademark shall be as reasonably determined by AOL; provided that the size and position is in accordance with Netscape's standard trademark guidelines. Notwithstanding the foregoing, until such time as AOL depletes its existing supply of marketing and packaging materials which do not display a Netscape Trademark, AOL shall not be required to comply with the provisions of this Section 5.4; provided that such materials are not inaccurate and provided, further, that distribution of such existing supply does not exceed 120 days. AOL shall, and shall require in agreements with AOL Affiliates and Distributors that such AOL Affiliates and Distributors shall use "Netscape Navigator Included" on any packaging which is distributed by AOL, AOL Affiliates or Distributors in connection with the Bundled Distribution of Customized Client Products under this Agreement. AOL shall, and shall require in agreements with AOL Affiliates and Distributors that such AOL Affiliates and Distributors shall use Netscape Trademarks of other Licensed Products on any packaging which is distributed by AOL, AOL Affiliate or any Distributors in connection with the Bundled Distribution of such Licensed Products.

#### SECTION 6. MARKETING AND PROMOTIONS

- 6.1 Press Releases. Netscape and AOL shall cooperate with each other with respect to the timing an content of press releases to be issued by the parties concerning this Agreement. Except as may be required by applicable law or regulation, neither party shall issue a press release or disclose the fact of terms of this Agreement without the prior approval of the other, which approval shall not be unreasonable withheld or delayed; neither party shall issue any press release that would violate the provisions of Section 16. The initial press release issued by the parties is provided in Attachment K. Netscape shall cooperate with AOL in its development of the initial marketing and sales materials used to promote the distribution of the Licensed Products.
- Promotions. Netscape shall, at AOL's reasonable request from time to time and for limited promotional periods, insert inside the retail packaging of Netscape Standard Client Products coupons of other advertising materials that promote AOL Services; provided that such coupons or advertising materials are prepared and supplied by AOL, meet the reasonable size and delivery requirements of Netscape and offer the End-User some special pricing or promotional offer. When the ART Player Plug In is included inside the retail packaging of Netscape Standard Client Products, then on the exterior of the retail packaging of such products, Netscape shall feature the logo of ART at least as prominently as it features the logos of other competitive third-party technology that is included in the packaging. It addition, the parties shall discuss and may mutually agree on other advertisement or promotion of AOL AOL Services and/or AOL products or services on, and/or by bundling floppy disks, CD-ROMs or the like in, the retail packaging of, Netscape Standard Client Products. If Netscape engages in other promotional activities on or in its retail packaging of Netscape Standard Client Products with respect to Competitors of AOL, AOL Services or AOL products or services, then Netscape shall provide comparable promotions for comparable lengths of time for AOL, AOL Services or AOL products or services, as the case may be.
- 6.3 Netscape Registration Server. For the first three (3) years of the Initial Term, on each version of the Netscape Registration Server, including foreign versions, Netscape shall provide most-preferred listing for up to three (3) AOL Services chosen by AOL, including without limitation, the AOL Classic Service and/or the GNN Service. The position given to the AOL Services chosen by AOL shall be no less favorable than that given to third-party Internet Access Providers who presently have most-preferred listing on the Netscape Registration Server as identified in Attachment L. During the first three (3) years after the Effective Date, Netscape shall not increase the number of most-preferred listings it provides to any third-parties. The initial format, ordering and contents of the listing of Internet Access Providers on the U.S. domestic version of the Netscape Registration Server shall be as provided in Attachment L.
- 6.4 <u>Introductions</u>. Netscape shall introduce and recommend AOL to the fifteen (15) largest organizations and entities with which Netscape has relationships for the indirect distribution of Netscape Products (i.e., indirect distribution channels), for the purpose of discussing the bundling of AOL products and/or AOL Services with the products sold or distributed by such organizations and entities. AOL acknowledges that Netscape's obligation under this Section 6.4 is limited to introduction and

recommendation, and Netscape has no obligation to facilitate or ensure the consummation of a relationship between AOL and such organizations or entities.

Customized Client Product in a manner that states or could reasonably be interpreted to imply that such product is inferior to any other Internet browser product. Merely making available more than one Internet browser product, or merely making available more than one Internet browser product through different manners of distribution, shall not be deemed to be a violation of this Section 6.5. In the event of breach of this Section 6.5 which breach is not cured within the cure period specified in Section 17.2(b) after notice of the breach from Netscape, then as Netscape's sole remedy, Netscape shall have the right to (i) terminate of this Agreement in accordance with the provisions of Section 17, and (ii) charge AOL for distribution of the Customized Integrated Client Product during the term of this Agreement and after the date of termination at the license fee applicable to the Customized Standard Client Product under Attachment F. The parties shall discuss at the quarterly meetings established under Section 7.6 any concerns Netscape may have under this Section 6.5.

#### SECTION 7. PROGRAMMING AND PROMOTIONAL ACTIVITIES

#### 7.1 Specific Cross-Promotional References. During the term of this Agreement:

- (a) Netscape shall create and maintain on the primary Netscape Website an AOL/GNN location from which a visitor to the Netscape Website can hyperlink to the AOL and GNN Websites (including specific content within the Website). For so long as AOL has at least five million (5,000,000) subscribers to the AOL Classic Service, such location shall be on a page that is no more than one mouse click away from the homepage of the Netscape Website. The size and style of such location shall be agreed to from time to time by Netscape and AOL, acting reasonably and in good faith; provided, however, that such size shall in no event be smaller than the Netscape banner as it appears on the GNN Website (as referenced in paragraph (b) below). Such hyperlinks shall be subject to and consistent with Netscape's general policies and guidelines relating to hyperlinks from the Netscape Website.
- (b) AOL shall create and maintain a Netscape folder in the "Internet Connection" section of the AOL Classic Service, from which a visitor to the AOL Classic Service could hyperlink to the Netscape Website. The size and style of this folder shall be agreed to from time to time by Netscape and AOL, acting reasonably and in good faith; provided, however, that such folder shall be generally similar in size or style to other folders within this section. In addition, GNN will continuously display a banner that hyperlinks to the homepage of the Netscape Website (the size of which shall be no less than the size of a standard "Netscape Now" button) in the primary GNN Website, from which a visitor to the GNN Service could hyperlink to the homepage of the Netscape Website. Such hyperlinks shall be subject to and consistent with the policies and guidelines of AOL and GNN, respectively, relating to hyperlinks from the AOL and GNN Websites.
- 7.2 Coop Advertising. In addition to the references described in Section 7.1, AOL and Netscape shall establish a coop advertising program in which the parties promote each other's products and services by

exchanging comparable advertising space in their respective Websites and services. Such advertising space shall include the provision of comparable pointers and links to and from such Websites and services. The parties shall act reasonably and in good faith in determining the relative value of the advertising space that is exchanged.

- 7.3 Events. It is the intention of AOL and Netscape to cooperate in jointly sponsoring at least two Consumer events during each calendar year during the term of this Agreement. It is the further intention of AOL and Netscape that, during 1996, such events will include the Elections and the Olympics. The parties agree to work together, acting reasonably and in good faith, to establish a project plan and budget for such events, and to use all reasonable efforts to complete the project plan and budget for the Elections and Olympics by no later than April 1, 1996.
  - Sales of Ad Banners. Netscape shall, by no later than ten (10) days prior to the commencement of each calendar quarter, give notice to AOL of (i) the number of Ad Banners which it intends to make available for sale to third parties (other than AOL and AOL Affiliates) on the primary Netscape Website during such quarter (each such quarter being referred to herein as the "Sales Period"), and (ii) the number of such Ad Banners which it is allocating to AOL, in AOL's capacity as Netscape's sales agent, to sell during such Sales Period. (Netscape shall allocate to AOL for each Sales Period a percentage of its Ad Banner inventory that is no less than the percentage of Netscape's Ad Banner inventory that was actually sold by AOL (at applicable rate-card rates) during the immediately prior Sales Period). For the first Sales Period, which shall commence July 1, 1996, Netscape shall allocate to AOL at least fifty percent (50)% of its Ad Banner inventory. AOL shall (i) sell such allocated Ad Banners on such terms as are reasonably set by Netscape from time to time, (ii) pursue the sale of such Ad Banners with at least as much diligence and vigor as it employs when selling similar advertising on its own services and Websites (and, without limiting the foregoing, in the event AOL approaches a prospective advertiser with spots for one or more of its own services and Websites as well as for the Netscape Website, it shall not favor its own Websites over the Netscape Website), and (iii) perform such other sales agency functions on Netscape's behalf as are reasonable and customary in the industry and requested by Netscape. In the event that Netscape and AOL are both selling Ad Banners during any Sales Period, they shall coordinate their sales efforts to the extent necessary to ensure that the revenues from such sales are maximized. AOL shall retain twenty-one percent (21)% of the gross proceeds (without reduction for buying-side agency costs or ad production costs) from its sale of an Ad Banner, and shall remit to Netscape, within thirty (30) days after the end of each Sales Period, an amount equal to the gross proceeds attributable to all Ad Banners sold by AOL during such Sales Period, less the twenty-one percent (21)% commission. As used herein, "Ad Banner" means an image on the primary Netscape Website that is made available for paid (i.e., money) advertising and that currently measures sixty (60) pixels deep by four hundred sixty eight (468) pixels wide and that Netscape currently refers to as an ad banner, and all direct successors thereto.
  - 7.5 Additional Advertising. Nothing stated in this Section 7 is intended to preclude any other advertising relationships between the parties which may be agreed to by them from time to time. The parties further agree to the Advertising Sponsorship Terms and Conditions attached hereto as Attachment R.

7.6 <u>Ouarterly Meetings</u>. In order to facilitate the joint promotion and advertising activities under this Agreement, senior marketing personnel (of at least VP level) from AOL, the GNN Service, and Netscape shall meet at least quarterly to discuss all relevant items and issues.

#### SECTION 8. CONSUMER FEATURE DEVELOPMENT AND IMPLEMENTATION

- 8.1 ART. Beginning with version 2.1 of the Netscape Standard Client Product and version 2.1 of the Netscape Premium Client Product and on an ongoing basis thereafter pursuant to Section 8.1(c) (unless otherwise requested by AOL), AOL grants to Netscape appropriate license rights to, and Netscape shall, distribute ART Player Plug-In as follows:
- (a) <u>Downloadable</u>. Netscape shall, as AOL may request in AOL's discretion, as promptly as commercially reasonable offer as an optional downloadable plug-in for all applicable Netscape Client Products (operating on platforms where plug-in products then exist), the then current object code version of the ART Player Plug-In. Such optional downloadable ART Player Plug-In will be available to End-Users, but not installed or called by the Netscape Client Products automatically; and
- (b) <u>Distribution as Standard Plug-In</u>. Netscape shall, as AOL may request from time to time in AOL's discretion, as promptly as commercially reasonable, distribute as a standard plug-in with all Netscape Client Products with which other standard plug-ins are distributed by Netscape (operating on platforms where plug-in products then exist), the then current object code version of the ART Player Plug-In; provided that the total size, including without limitation all code, data and other on-line support materials, for such version is less than one hundred fifty-three thousand six hundred bytes (150 KB). Such ART Player Plug-In shall be automatically installed in the applicable Netscape Client Product, whether such Netscape Client Product is downloaded or distributed on physical media.
- (c) <u>Term of ART Obligations</u>. Provided that AOL continues to license the right to distribute the ART Player Plug-In to Netscape, the foregoing obligations of Netscape with respect to the ART Player Plug-In shall continue for a period of two (2) years after initial delivery of the ART Player Plug-In to Netscape for distribution, but shall cease prior to the termination of such two (2) year period in the event of any of the following:
- (i) the ART Player Plug-In fails to meet the reasonable quality standards of Netscape for third party plug-ins or software.
- (ii) JOHNSON-GRACE COMPANY or AOL, as applicable, fails to provide adequate support and maintenance for the ART Player Plug-In directly to End-Users and others;
- (iii) AOL does not have, or loses its rights or licenses to give Netscape the rights set forth herein; or

AOL-0003504 CONFIDENTIAL (iv) the ART Player Plug-In fails to operate properly with the Netscape Standard Client Products or the Netscape Premium Client Products, as the case may be, without any modification or development effort required on the part of Netscape.

In no event shall Netscape have any obligation to modify the Netscape Client Products to operate with the ART Player Plug-In. If Netscape's obligations (as set forth in Sections 8.1(a) and (b)) are terminated by the occurrence of one or more of the events set forth in this Section 8.1(c), then Netscape shall have the right to remove the ART Player Plug-In from distribution in a commercially reasonable manner.

- (d) Optional License. Notwithstanding the foregoing, if the ART Player Plug-In is larger than one hundred fifty-three thousand six hundred bytes (150 KB) but Netscape nevertheless wishes to distribute the ART Player Plug-In as a standard plug-in pursuant to the provisions of Section 8.1(b), then AOL will license, or provide for third parties to license, as the case may be, to Netscape the right to continue distributing the ART Player Plug-In, pursuant to AOL's or such third parties' then-standard license terms for such products.
- (e) Announcement: Availability. Netscape shall participate in AOL's announcement regarding the ART Player Plug-In including announcing Netscape's intention to distribute the ART Player Plug-In in accordance with subsections (a) and (b) above. The optional, downloadable ART Player Plug-In shall be made available to End-Users in the same manner and shall be featured at least as prominently as any other similar plug-in or software available from Netscape. Netscape shall publish online and/or include in tangible form, as appropriate depending on the form of distribution, the relevant supporting Documentation, as provided by AOL to Netscape, for the ART Player Plug-In.
- (f) No Warranty: Limited Support. In addition, notwithstanding anything to the contrary contained herein or in Attachment G, Netscape shall have no obligation to provide warranties, support or maintenance for the ART Player Plug-In, except to the extent of the interface between the ART Player Plug-In on the one hand and the Netscape Client Products on the other hand, and the integration of the ART Player Plug-In with the Netscape Client Products.
- (g) Notice. Once Netscape has begun distribution of the ART Player Plug-In, AOL shall provide Netscape with no less than ninety (90) days notice prior to requesting that Netscape cease distributing the ART Player Plug-In.
- 8.2 Other Technologies. Without limiting the foregoing with respect to the ART Player Plug-In as set forth in this Section 8, Netscape agrees to consider and discuss with AOL the synergy of other consumer-oriented technologies supported or promoted by AOL with the Netscape Products.

### SECTION 9. DEVELOPMENT OF CUSTOMIZED CLIENT PRODUCTS

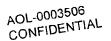
THE PARTIES HAVE EXECUTED THE AGREEMENT PRIOR TO REACHING A DEFINITIVE UNDERSTANDING WITH RESPECT TO THE PROVISIONS OF THIS

SECTION 9 AND ATTACHMENT B. THE PARTIES AGREE TO NEGOTIATE IN GOOD FAITH TO REACH SUCH A DEFINITIVE UNDERSTANDING WITH RESPECT TO THIS SECTION 9 WITHIN THIRTY (30) DAYS FROM THE EFFECTIVE DATE. THE PROVISIONS PROVIDED BELOW REPRESENT THE CURRENT LANGUAGE FOR SECTION 9 UNDER CONSIDERATION BY THE PARTIES BUT SHALL NOT BE BINDING ON EITHER PARTY UNTIL SUCH TIME AS THE PARTIES HAVE EXECUTED AN AMENDMENT TO THIS AGREEMENT WHICH PROVIDES DEFINITIVE TERMS FOR THIS SECTION 9. IN ADDITION, THE PARTIES AGREE TO NEGOTIATE IN GOOD FAITH A FINAL VERSION OF ATTACHMENT B AS SOON AS IS REASONABLY PRACTICABLE AND WITHIN A TIME SUFFICIENT TO ENSURE THAT NETSCAPE CAN ACHIEVE THE OBJECTIVE OF DEVELOPING A VERSION OF THE CUSTOMIZED INTEGRATED CLIENT PRODUCT BASED UPON VERSION 3.0 OF THE NETSCAPE STANDARD CLIENT PRODUCT SUITABLE FOR INTEGRATION WITH VERSION 4.0 OF THE AOL CLASSIC END-USER ACCESS SOFTWARE.

9.1 Obligations. Netscape shall develop or dual brand and deliver to AOL the Customized Client Products and Upgrades thereto ("Customized Client Product Upgrades") in accordance with the provisions of this Section 9.

#### 9.2 <u>Initial Development/Branding</u>.

- (a) <u>Customized Integrated Client Products</u>. Netscape shall use commercially reasonable efforts to develop and deliver to AOL the initial Customized Integrated Client Products in accordance with the Final Specifications and the Timetable for such initial Customized Integrated Client Products set forth in Attachment B-1. During the development of each initial Customized Integrated Client Product, Netscape shall deliver to AOL for evaluation and testing a complete copy of the object code for the Alpha and Beta Versions for such Customized Integrated Client Product and the Documentation therefor. AOL shall promptly report to Netscape in writing any Specification Non-Conformities identified by AOL during such evaluation or testing. Only the Golden Master version of such initial Customized Integrated Client Product shall be subject to the acceptance provisions of Section 9.7.
- (b) <u>Dual Branded Customized Standard Client Products</u>. Netscape shall use commercially reasonable efforts to dual brand and deliver to AOL the initial Customized Standard Client Products in accordance with the Custom Program Request Form and the Timetable for such initial Customized Standard Client Products set forth in Attachment B-2 for those AOL Services identified in Attachment B-2. The parties agree that up to three (3) additional AOL Services may be added to Attachment B-2 per year during the Initial Term and the Renewal Term of this Agreement. Only the Golden Master version of such initial Customized Standard Client Product shall be subject to the acceptance provisions of Section 9.7. The parties agree that in the event that Netscape produces and licenses to AOL software tools enabling AOL to perform the dual branding required under this Section 9.2(b), Netscape shall have no further obligation under this Agreement to produce such dual branded version of the Customized Standard Client Producis.



- 9.3 Upgrades of the Customized Integrated Client Product. Netscape shall develop and deliver Upgrades to the initial Customized Integrated Client Products as follows:
- (a) If Netscape develops and distributes an Upgrade to the Netscape Standard Client Products, then Netscape shall, subject to Sections 9.14 and 9.15, develop and deliver an Upgrade to the Customized Integrated Client Products specified in Attachment B-1 ("Customized Integrated Client Product Upgrade"), that incorporates, to the extent commercially and technically practicable, the same enhancements, corrections, modifications, additions and/or updates to the features and functionality of such Netscape Standard Client Products (including changes to the "look and feel"), in a comparable manner and with comparable performance, into the Customized Integrated Client Products. The parties intend that Netscape will develop the Customized Integrated Client Product Upgrades, including Beta Versions thereof, concurrently with the development of Upgrades to the Netscape Standard Client Products with the goal of releasing the Beta Versions and Golden Master versions in accordance with the time frames set forth below.
- (b) Immediately following the Acceptance Date for the initial Customized Integrated Client Product, Netscape shall use its best commercial efforts to deliver to AOL the Golden Master version (and Documentation therefor) of a Customized Integrated Client Product Upgrade based upon the most recent version of the Netscape Standard Client Product in general commercial release on such Acceptance Date, by the later to occur of (i) one hundred twenty (120) days following such Acceptance Date; or (ii) sixty (60) days following Netscape's general commercial release of the first Major Release of the Netscape Standard Client Product following the release upon which the initial Customized Integrated Client Product is based. Only the Golden Master version of such Customized Integrated Client Product Upgrade shall be subject to the acceptance provisions of Section 9.7.
- For each Customized Integrated Client Product Upgrade following the first Customized Integrated Client Product Upgrade, Netscape shall use commercially reasonable efforts to develop and deliver to AOL any Beta Version (and Documentation therefor) of a Customized Integrated Client Product Upgrade within thirty (30) days after the date of the distribution of a Beta Version of the subject Netscape Standard Client Product, and will use commercially reasonable efforts to develop and deliver to AOL a Golden Master version (and Documentation therefor) of a Customized Integrated Client Product Upgrade within thirty (30) days after general availability of the Golden Master of the subject Upgrade to the Netscape Standard Client Product, and shall use its best commercial efforts to develop and deliver such Beta Version and such Golden Master version of Customized Integrated Client Product Upgrades within a maximum of sixty (60) days after the date of the distribution of the respective Beta Version or Golden Master version of the subject Upgrade to the Netscape Standard Client Product. With respect to any Beta Version, AOL shall promptly report to Netscape in writing any Specification Non-Conformities identified by AOL. Only the Golden Master version of each Customized Integrated Client Product Upgrade shall be subject to the acceptance provisions of Section 9.7. Notwithstanding anything to the contrary contained in the foregoing, (i) in the case of Beta Versions, Netscape shall have no obligation to deliver any Beta Version of a Customized Integrated Client Product Upgrade sooner than sixty (60) days following its delivery of the Beta Version of the most recent Customized Integrated Client Product Upgrade; (ii) in the case of Golden Master versions, Netscape shall have no obligation to deliver any Golden Master version of a Customized Integrated Client Product Upgrade (excluding corrections

to a version that AOL has rejected pursuant to Section 9.7) sooner than sixty (60) days following AOL's acceptance pursuant to Section 9.7 of the Golden Master of the most recent Customized Integrated Client Product Upgrade.

- 9.4 <u>Upgrades of the Dual Branded Customized Client Products</u>. If Netscape generally commercially releases an Upgrade to the Netscape Standard Client Products or Netscape Premium Client Products, then Netscape shall use its best commercial efforts to dual brand such Upgrades for the AOL Services specified in Attachment B-2 and deliver such Upgrades to AOL as specified in Attachment B-2 within thirty (30) days following such general commercial release. Only the Golden Master version of such Upgrades shall be subject to the acceptance provisions of Section 9.7. The parties agree that in the event that Netscape produces and licenses to AOL software tools enabling AOL reasonably to perform the dual branding required hereunder, Netscape will have no further obligation under this Agreement to produce such dual branded version of the Netscape Client Products.
- 9.5 <u>AOL Obligations</u>. To enable Netscape to perform the customization work set forth in Sections 9.2, 9.3 and 9.4, AOL agrees from time to time, to provide such AOL software, information and assistance as may be reasonably required by Netscape.
- Change Orders. If either party desires to change the Final Specifications, the custom program request form or Timetable for the initial version of the Customized Client Products, the following procedures shall apply. If either party desires to change the Final Specifications or the Custom Program Request Form, then such party shall send the other party written notification of the proposed change. Such notification shall include a detailed description of the change, the reasons for the change and any resulting changes in the Timetable and additional charges (if any) therefor. If either party desires to change the Timetable, then such party shall send the other party written notification of the proposed change. The parties' respective designated project manager shall discuss the proposed change. Consent to a change shall not be unreasonably withheld, provided that it shall not be deemed unreasonable for AOL to withhold its consent to a delay in the Timetable proposed by Netscape if the delay is attributable to a failure by Netscape to assign adequate personnel and resources to meet the Timetable. Upon consenting to a change, the parties shall sign a change order that specifies applicable amendments to the Final Specifications or the custom program request form and Timetable, and any adjustments in charges.
- 9.7 <u>Acceptance</u>. Golden Master versions of the initial version of the Customized Client Products and Customized Client Product Upgrades delivered by Netscape to AOL shall be subject to the following acceptance procedure.
- (a) AOL shall use its best efforts immediately to evaluate whether any Golden Master version of software submitted by Netscape pursuant to this Section 9 contains any material Specification Nonconformities, and immediately notify Netscape in writing of the results of such evaluation, including AOL's acceptance of such software or its rejection of such software and all details reasonably necessary for Netscape to correct such material Specification Nonconformities. Notwithstanding the foregoing, AOL shall be deemed to have accepted any software for which AOL fails to provide Netscape with said

evaluation within fifteen (15) days following Netscape's submission of said software or upon AOL's general release of said software.

(b) In the event that AOL notifies Netscape of any material Specification Nonconformities in the software submitted to AOL pursuant to Section 9.7(a) within the time allotted in Section 9.7(a), Netscape shall use commercially reasonable efforts to correct such material Specification Nonconformities as promptly as practicable. Upon completing such correction, Netscape shall submit a corrected version of such software to AOL for evaluation pursuant to Section 9.7(a).

## 9.8 AOL's Remedies for Netscape's Failure to Deliver Acceptable Software.

- (a) In the event that Netscape fails, within the applicable maximum time period allowed under this Section 9, as such time period may be extended pursuant to Section 9.10(d) or by mutual consent of the parties (the "Maximum Time"), to deliver to AOL a Beta Version and/or Golden Master version that Netscape is obligated to deliver to AOL under this Section 9, AOL shall be entitled to notify Netscape in writing of such failure. Netscape shall have a period of ten (10) days following such notification to remedy such failure. In the event that Netscape does not remedy a failure within ten (10) days following such notice, AOL shall be entitled to:
- (i) send a reasonable number of employees and/or contractors ("AOL Personnel") to Netscape's software development facilities to work with Netscape's technical staff and the relevant Source Code and Source Documentation until such failure is resolved or the parties in good faith mutually agree upon an alternate plan of action. AOL agrees that the AOL Personnel shall be subject to the confidentiality provisions contained in Section 16 of this Agreement. Netscape shall assign a reasonable number of its senior engineering staff to work with the AOL Personnel. Netscape shall pay all reasonable out-of-pocket expenses incurred by the AOL Personnel in connection with the trip to Netscape's facilities, including without limitation transportation, meals, and hotels, but not including salary or any other form of compensation;
- (ii) have the AOL Personnel determine in good faith whether such failure was due to Netscape's assignment of an insufficient number of qualified engineers to the relevant project. If the AOL Personnel make such a determination, Netscape shall pay or credit AOL, at AOL's sole discretion, an amount equal to twenty-five percent (25%) of the larger of (x) the fees that Netscape has charged AOL for such project; or (y) the fees that Netscape reasonably should have charged AOL if Netscape had sufficiently staffed such project, per week (up to a maximum of four (4) weeks) that Netscape failed to deliver such Beta Version and/or Golden Master following the expiration of the Maximum Time; and
- (iii) in the event that such failure is not corrected within four (4) weeks following the expiration of the Maximum Time and AOL and Netscape have not agreed to a written plan to correct such failure, have the escrow agent release to AOL the Netscape Source Code and Source Documentation for the subject Licensed Product pursuant to the terms of the Escrow Agreement provided in Attachment H.

- (b) In the event that Netscape, within the Maximum Time, delivers to AOL a Golden Master version that Netscape is obligated to deliver to AOL under this Section 9, but AOL reasonably rejects such Golden Master version pursuant to Section 9.7, after the Maximum Time, then AOL shall be entitled to the same remedies as described in Section 9.8(a). Notwithstanding the foregoing, in the event that an arbitrator concludes that AOL unreasonably withheld its acceptance for such Golden Master, AOL shall refund or credit, at Netscape's sole discretion, all amounts paid by Netscape pursuant to Sections 9.8(a)(i) and Sections 9.8(a)(ii) in addition to any other damages that said arbitrator may award to Netscape consistent with this Agreement.
  - (c) If Netscape fails to allow the AOL Personnel access to its facilities or fails to assign senior technical engineers to work with the AOL Personnel as required by Sections 9.8(a) and 9.8(b), AOL shall be entitled to have released to it the Netscape Source Code and Source Documentation for the subject Licensed Product pursuant to the terms of the Escrow Agreement provided in Attachment H.

The remedies listed in this Section 9.8 shall be AOL's sole and exclusive remedies in the event that Netscape fails to deliver to AOL a Beta Version and/or acceptable Golden Master that Netscape is obligated to deliver to AOL under this Section 9.

- Internationalized Versions and Localized Versions. To the extent that Netscape has Internationalized Versions and/or Localized Versions of any or all of the Netscape Client Products, Netscape shall use reasonable commercial efforts to develop and deliver Internationalized Versions and corresponding Localized Versions of the Customized Client Products and Customized Client Product Upgrades to AOL hereunder pursuant to mutually agreed upon timetables. In the event Netscape does not have a Localized Version of a Netscape Client Product available for a particular country or territory and assuming an Internationalized Version exists which would enable AOL to do so without access to Netscape source code, (i) AOL shall have the right to create its own Localized Versions (subject to reasonable, agreed upon quality standards and terms), or (ii) Netscape will develop such Localized Versions for AOL at the per language, per product, per platform price of \$60,000 (for example, a particular product in Finnish on the Macintosh platform). Such Netscape development will otherwise occur pursuant to mutually agreed upon terms and timetables.
- 9.10 Resources. In furtherance of the Custom Client Development Services, the following resources shall be provided:
- (a) AOL shall initially provide, upon Netscape's prior written request, that number of full-time appropriately skilled, senior engineering personnel required by Netscape to assist Netscape in the development of the Initial Customized Client Products, provided that such number, shall not exceed four (4) at any one time. Except for the project manager required by Section 9.10(c), such number of engineering personnel may be reduced pursuant to the mutual agreement of the parties. AOL shall provide AOL personnel at its own expense.
- (b) Netscape shall provide that number of full-time appropriately skilled, engineers as Netscape determines will be required to (i) complete the development and delivery of the initial version of the Customized Client Products within the Timetables and in accordance with the Final Specifications

and Section 9.2, and (ii) complete the development and delivery of the Customized Client Product Upgrades in accordance with the Final Specifications and Sections 9.3 and 9.4.

- (c) Each party shall provide a full-time project manager to manage and coordinate the Custom Client Development Services. The two project managers will confer regularly on the progress of the development of the Customized Client Products and will work cooperatively to ensure the efficient and timely development of the Customized Client Products. Each party shall identify its initial project manager to the other party within thirty (30) days after the Effective Date. Each party may, at its sole discretion, replace its project manager upon reasonable notice to the other party.
- (d) In the event Netscape determines at any time that there are likely to be delays in meeting any Timetable or delivery date as specified in Section 9, Netscape shall promptly notify AOL in writing and provide AOL with a description of the cause for the delay and Netscape's best estimate of the likely impact of such delay, as well as a description of the steps Netscape is taking to minimize or eliminate the delay. If Netscape determines at any time that any failure, delay or inadequacy of performance of any of AOL's obligations may tend to prevent Netscape from meeting the Timetable or delivery date specified in Section 9, Netscape shall promptly notify AOL in writing, which notice shall specify in reasonable detail: (i) any alleged failure, delay or inadequacy of performance by AOL; and (ii) Netscape's best estimate of the impact of such alleged failure, delay, or inadequacy on the Timetable or delivery date. In the event that Netscape fails to meet the Timetable or delivery date as a result of a failure, delay or inadequacy of performance of any of AOL's obligations, regardless of whether Netscape has previously notified AOL thereof, then the date for Netscape's completion of its subject obligation shall be extended by one (1) day for each day AOL fails to fulfill such obligation. Netscape shall take reasonable actions to mitigate or reduce any delays incurred.
- (e) Netscape shall provide a development laboratory sufficient for the development of the Customized Client Products in accordance with this Section 9 complete with sufficient office space and equipment for all personnel involved in the project whether such personnel are provided by AOL or Netscape.
- (f) If necessary for the development of the Customized Client Products (to be determined by AOL engineering personnel of at least the Vice President level), AOL shall make available to Netscape engineering personnel at Netscape's premises subject to appropriate confidentiality safeguards as much of the source code of AOL's software products with which any of the Customized Clients Products are to be interfaced or integrated as required to facilitate such development.
- 9.11 Fee. The fee payable to Netscape for the Custom Client Development Services shall be as provided in Section 13.1(d).
- 9.12 <u>Support and Maintenance</u>. Netscape shall, as required by Section 12, provide support and maintenance services for the Customized Client Products as provided in Attachment G. Notwithstanding the foregoing, in the event that AOL has access to and makes use of the Source Code

AOL-0003511 CONFIDENTIAL pursuant to this Section 9, the parties will negotiate in good faith Netscape's obligation to support an maintain those programs created through AOL's modifications to the Source Code.

- 9.13 Ownership and License Rights. AOL shall have license rights in the Customized Client Product as provided in Section 2. Netscape shall retain all right, title and interest in and to the Customized Client Products and any related Documentation prepared by Netscape and in all Derivative Works thereo prepared by Netscape, and in all other information developed or owned by, or made available by third participation of any AOL employees in Netscape's development efforts. AOL retains all right, title and interest in and to its trademarks and trade names that are included in the CCustomized Client Products or related Documentation, and in all AOL materials provided under this Section 9.
- 9.14 <u>Termination and/or Modification of Netscape's Obligation to Provide Customized Versions</u>
  Netscape's obligation to provide AOL with Customized Client Products shall terminate or be modified pursuant to the mutual written agreement of the parties if the software technology used to integrate the Custom Integrated Client Products into the programs used to access the AOL Services is no longer supported by the then current release of the operating system upon which such Custom Integrated Client Products operate. In such event, the parties shall negotiate in good faith for Netscape to provide AOL with such Customized Client Products as the parties agree is commercially and technically reasonable.
- 9.15 <u>Limitation</u>. Netscape's development obligations set forth in this Section 9 shall be limited to the initial version of the Customized Client Products and Upgrades thereto that are based on Upgrades to Netscape Products. Any further development that may be required as a result, for example, any technological evolution of AOL Classic Service or GNN Service shall be done pursuant to the provisions of Section 10.

# SECTION 10. DEVELOPMENT OF ADDITIONAL CUSTOMIZED PRODUCTS

Obligations. In the event that AOL reasonably requests additional integrated (not plug-ins) key consumer features be added to the Customized Integrated Client Product that AOL reasonably believes are necessary for it to remain competitive with the client products of Online Information Services that are comparable to the AOL Classic Service, and such features require modification of the Source Code of the Customized Integrated Client Product, then the parties shall negotiate in good faith whether Netscape shall perform such development. In such negotiation, Netscape shall be permitted to consider factors including, but not limited to, the following: its business model, protection of its product line, technical feasibility and additional license fees for such features. AOL may request other features or products not covered by the first sentence hereof and Netscape shall have the right to agree or refuse to perform such development in its sole discretion. If the parties agree that Netscape will perform any development work under this Section 10.1, and in accordance with Sections 10.2 and 10.4, Netscape shall provide AOL with software development services of up to five (5) full-time experienced engineering personnel. AOL and Netscape shall mutually agree on appropriate qualifications and experience levels required for such personnel. To allow Netscape sufficient time to meet its staffing obligations hereunder,

Netscape shall have a period of sixty (60) days after the parties agree that Netscape will perform Additional Custom Development Services under this Section 10 within which to make available the development services of three (3) of the five (5) engineering personnel. Netscape shall make available the development services of the remaining two (2) engineering personnel within a period to be mutually agreed by the parties.

- Additional Terms. Prior to the commencement of any Additional Custom Development Services, AOL and Netscape shall in good faith agree upon specifications, deliverables, scope of ownership and license rights, timing of deliverables, acceptance criteria, remedies for failure of timely performance for such Additional Custom Development Services and support and maintenance obligations. Netscape shall complete such services in accordance with the terms of such good faith agreement. Unless otherwise agreed by both parties in writing, Attachment G shall not apply to Additional Customized Products. To the extent the Additional Custom Development Services requested by AOL involve modification or extension of Customized Products, in no event shall the scope of AOL's rights with respect to such Additional Customized Products be less than the rights set forth in Section 2 with respect to the Customized Product that is so modified or extended.
- Development Plans. If Netscape's then current development plans include plans to incorporate into any Licensed Product the software, features or functionality which is the subject of any request by AOL for Additional Custom Development Services (the "Requested Software"), Netscape shall so notify AOL in writing within ten (10) days following receipt by Netscape of AOL's request for Additional Custom Development Services (the "Requested Software Notice") and shall indicate the date on which the Requested Software is projected to be incorporated into the relevant Licensed Product. If the Requested Software Release Date is more than 120 days from the date of the Requested Software Notice, AOL shall be entitled to accelerate the Requested Software Release Date (to the extent applying additional resources could reasonably be anticipated to accomplish such acceleration) by paying Netscape an additional fee in an amount and manner to be agreed upon in good faith, it being the intention of AOL and Netscape that such fee is intended to cover the incremental costs associated with accelerating such development efforts, including incremental costs associated with reallocation of resources, but not to bear all development costs. In such event, AOL shall have the same rights hereunder with respect to the Requested Software as it has hereunder with respect to applicable Upgrades. Netscape shall bear all costs of developing the Requested Software. The provision by Netscape of any Additional Custom Development Services pursuant to this Section 10.3 shall also be subject to the provisions of Section 10.1 and 10.2,
- 10.4 <u>Fees</u>. The fees payable to Netscape for the Additional Custom Development Services shall be as provided in Section 13.1(e).

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# SECTION 11. DEVELOPMENT INTEGRATION AND COMMITMENTS

- 11.1 <u>Development Plans</u>. In order to facilitate AOL's ability to plan and prepare its design development and release process for AOL products, Netscape shall keep AOL informed of and shaprovide AOL with copies of all development and release schedules, and Alpha and Beta Versions and Netscape Products when made available by Netscape to other preferred customers pursuant to Netscape then current early release program and specifications and test plans for such products when and if mad available by Netscape to other preferred customers pursuant to Netscape's then current policies.
- 11.2 APIs. Netscape agrees to maintain and make publicly available throughout the term of thi Agreement open, unrestricted, public APIs with respect to the Netscape Client Products to facilitate third party developers' ability to interface with such Netscape Client Products.
- Customized Client Products and Add-Ons are compatible in accordance with industry standards, to the extent that such compatibility is within Netscape's control, with WINSOCK, TCP/IP and similar current and future prevailing industry standards; (b) all Customized Client Products and Add-Ons are compatible with one another in accordance with industry standards; (c) all Customized Client Products are compatible in accordance with industry standards with the APIs for Netscape Products and technology; and (d) any software developer kits developed by Netscape are compatible in accordance with industry standards with all the features and functionality in the Customized Integrated Client Products; and (e) all Licensed Products, when delivered and throughout the term of the Agreement, will be compatible with then current standard Internet and other Online Information Service communications protocols and application and operating systems and standards which are then widely adopted and supported by competitive products.
- 11.4 <u>Developer's Program</u>. The parties shall negotiate in good faith in an effort to reach agreement on the creation, deployment and implementation of a developers' program to promote the combined tools and formats of the parties, including a plan encompassing size, budget, timetables, proposed projects and responsibilities. In addition, Netscape may from time to time permit AOL to participate as a key and prominent participant at Netscape developers conferences and may from time to time actively promote AOL to its developer community and encourage Netscape developers to support AOL products and technology as it deems appropriate based upon AOL's demonstrated level of commitment to Netscape's products from time to time.
- 11.5 <u>AOL Technology</u>. Netscape agrees to evaluate such software and technology as may be available from AOL, and consider for use such AOL software and technology to the extent technically and commercially appropriate, on terms to be mutually agreed.
- 11.6 Quarterly Meetings. In order to promote the product quality, market share and profitability of the Licensed Products and of the AOL Services and to facilitate and monitor the progress of development activities under this Agreement, senior product management personnel (of at least the Vice-President level) from AOL, the GNN Service and Netscape shall meet at least quarterly to discuss issues such as

development and release schedules, specifications, test plans, product standards propagation, deploymer of consumer features, developers' programs and such other matters relating to this Agreement as eithe party may reasonably request. At such quarterly meetings, AOL will provide Netscape with writte notice of any additions or changes to (a) the list of AOL Affiliates specified in Attachment I and (b) the list of AOL Services specified in Attachment J. At such quarterly meetings, Netscape will provide AOI with written notice of any additions or changes to the list of Netscape Affiliates specified in Attachment I. At such meetings, AOL and Netscape shall also discuss whether AOL has any softward or technology available which it wishes to have Netscape evaluate.

# SECTION 12. PRODUCT WARRANTIES, MAINTENANCE, SUPPORT AND UPGRADES

- 12.1 Warranty. Netscape warrants that, for a period of six (6) months from the Acceptance Date of a Golden Master of each Customized Product, or the date a Netscape Product is first received by AOL, such Licensed Products, as delivered to AOL, shall (i) materially conform to all then applicable Specifications; and (ii) be backward compatible in accordance with then current industry standards with the Golden Master for not less than two prior Major Upgrade releases of said products (collectively, the "Performance Requirements"). Notwithstanding the foregoing, with respect to products packaged by Netscape and distributed by AOL, AOL Affiliates and Distributors pursuant to the Reseller Agreement, the Warranty Period and Performance Requirements shall be the same as those provided by Netscape in connection with the retail distribution of such products. All warranty claims not made in writing or not received by Netscape within the Warranty Period shall be deemed waived. Netscape's warranty and obligation is solely for the benefit of AOL, AOL Affiliates, Distributors and End-Users of AOL Services, who have no authority to extend this warranty to any other person or entity. NETSCAPE MAKES NO WARRANTY THAT ALL PROGRAM ERRORS OR FAILURES WILL BE CORRECTED; provided that Netscape shall comply with Sections 12.2 and 12.3 below.
- 12.2 Remedies. With respect to any Licensed Product that is found not to comply with the Performance Requirements during the Warranty Period, Netscape shall upon written notice from AOL, at no cost to AOL, use reasonable efforts promptly to, in accordance with the response and resolution times set forth in Attachment G: (i) repair and correct any Licensed Product that is not performing in accordance with the Performance Requirements, notwithstanding that such Licensed Product may have been accepted by AOL; and (ii) provide AOL with support with respect to such product as specified in Attachment G, so as to enable AOL to reproduce and release a corrected version of such Licensed Product, or to continue to manufacture such Licensed Product, as the case may be.
- 12.3 <u>Specification Nonconformities</u>. With respect to any Licensed Product, in the event Netscape fails to respond to a Specification Nonconformity within the period for response set forth in the table in Section 4.4 of Attachment G for such Specification Nonconformity or if Netscape fails to meet its obligations under Section 4.4 of Attachment G with respect to resolution of such Specification Nonconformities as set forth in the table in Section 4.4 of Attachment G and fails to cure such failure

within the following periods for the applicable Specification Nonconformity: (i) Priority 1: 2 days; Priority 2: 3 days; Priority 3: 7 days, then AOL may:

- (a) send a reasonable number of AOL Personnel (as defined in Section 9.8) to Netscape's software development facilities to work with Netscape's technical staff and the relevant Source Code and Source Documentation until such Specification Nonconformity is resolved or the parties in good faith mutually agree upon an alternate plan of action. AOL agrees that the AOL Personnel shall be subject to the confidentiality provisions contained in Section 16 of this Agreement. Netscape shall assign a reasonable number of its senior engineering staff to work with the AOL Personnel. Netscape shall pay all reasonable out-of-pocket expenses incurred by the AOL Personnel in connection with the trip to Netscape's facilities, including without limitation transportation, meals, and hotels, but not including salary or any other form of compensation. The Netscape technical staff shall devote diligent efforts to the best of their abilities to resolve Specification Nonconformities and, in the case of Priority I Specification Nonconformities, shall give resolution thereof their highest priority; and
- (b) with respect to the Netscape Client Products and Customized Client Products, in the event that such Specification Nonconformity has not been resolved within four (4) weeks for Priority 1 and Priority 2 Specification Nonconformities from the date upon which Netscape was required to resolve such Specification Nonconformity (as such date may have been extended pursuant to Section 12.3(a)), have the escrow agent release to AOL the Netscape Source Code and Source Documentation for the subject Licensed Product pursuant to the terms of the Escrow Agreement provided in Attachment H.
- 12.4 . Access to Source. If Netscape fails to allow AOL Personnel access to its facilities or fails to assign senior technical engineers to work with such AOL Personnel as required by Section 12.3(a), Netscape shall have the escrow agent release to AOL the Source Code and Source Documentation for the subject Netscape Client Products and Customized Client Products pursuant to the terms of the Escrow Agreement provided in Attachment H, as amended.
- 12.5 <u>Disclaimer</u>. THE EXPRESS WARRANTY SET FORTH IN THIS SECTION 12 CONSTITUTES THE ONLY WARRANTY WITH RESPECT TO THE NETSCAPE PRODUCTS. NETSCAPE MAKES NO OTHER REPRESENTATION OR WARRANTY OF ANY KIND WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW) OR STATUTORY WITH RESPECT TO THE NETSCAPE PRODUCTS. NETSCAPE EXPRESSLY DISCLAIMS ALL WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. NETSCAPE DOES NOT WARRANT, FOR EXAMPLE, THAT THE NETSCAPE PRODUCTS ARE ERROR-FREE OR THAT OPERATION OF THE NETSCAPE PRODUCTS WILL BE SECURE OR UNINTERRUPTED. THERE IS ALSO NO IMPLIED WARRANTY OF NONINFRINGEMENT; THE SOLE WARRANTY OF NONINFRINGEMENT IS SET FORTH IN SECTION 18 AND THE SOLE REMEDY FOR INFRINGEMENT IS PROVIDED IN SECTION 19.
- 12.6 Maintenance and Support. Netscape shall provide AOL with Support Services and Upgrades according to the terms of Attachment G.

12.7 <u>Netscape IAPPS Products</u>. Notwithstanding anything to the contrary in this Agreement, warranty, maintenance and support for Netscape IAPPS Products shall be as set forth in the applicable End-User License Agreement for such Netscape IAPPS Products and the provivious of this Section 12 shall not apply to Netscape IAPPS Products.

#### SECTION 13. FEES: AUDIT RIGHTS

- 13.1 AOL Fees. In exchange for the products and services provided by Netscape to AOL pursuant to this Agreement, AOL shall pay Netscape certain fees and amounts as follows:
- (a) For the license granted pursuant to Section 2, AOL shall pay Netscape license fees in accordance with the Schedule of License Fees provided in Attachment F. License fees shall accrue in the applicable corresponding quantity of Licensed Product copies upon: (i) the initial date of AOL's or an AOL Affiliate's or a Distributor's internal use of any Licensed Product; (ii) for Customized Integrated Client Products and Customized Standard Client Products which are distributed through Bundled Distribution, the date an End-User becomes a Current Account; (iii) for other Licensed Product copies (other than master copies intended only for reproduction for further distribution) which are distributed through Bundled Distribution or Unbundled Distribution, the date of initial distribution by AOL or an AOL Affiliate or a Distributor, whether to an AOL Affiliate, a Distributor or to an End-User. Netscape represents that the foregoing accrual terms represent Netscape's standard policies therefor and agrees that if Netscape changes such policies generally then Netscape shall offer the new accrual terms to AOL and if accepted by AOL, this Agreement will be amended by the parties to reflect the revised terms. AOL shall pay Netscape such royalties accrued during each calendar quarter (less any credits for returns) within forty-five (45) days following the end of such calendar quarter and each such payment shall be accompanied by a quarterly royalty report as described in Section 13.4.
- (b) For each new Active Account, AOL shall pay Netscape a one-time fee ("Bounty"). During the first thirty-six (36) months of the Initial Term, the amount of the Bounty shall be Eighteen Dollars (\$18.00). Thereafter, the Bounty shall be reduced on a semi-annual basis (if applicable) to reflect any lower bounty payments then customarily being paid to Netscape for other Online Information Services. Such amounts shall be paid monthly, within forty-five (45) days following the end of the month in which an End-User becomes an Active Account. In no event shall AOL be obligated to pay a Bounty more than once with respect to any particular End-User of a particular AOL Service, including an End-User who was previously a subscriber to a particular AOL Service and later resubscribes to the same AOL Service;
  - (c) AOL shall compensate Netscape for advertising as set forth in Section 7.6;
- (d) For the Custom Client Development Services provided by Netscape pursuant to Section 9 hereof, AOL shall pay Netscape for engineering personnel resources provided by Netscape for such Custom Client Development Services at the rate of Two Hundred Thousand Dollars (\$200,000) per engineer year (2,000 hours) based on time records kept by Netscape;

- (e) For the Additional Custom Development Services provided by Netscape pursuant to Section 10 hereof, AOL shall pay Netscape at rates to be negotiated that are competitive with industry standards for comparable work. Netscape's current standard rates for various types of Additional Custom Development Services and personnel used in connection therewith are set forth in Attachment E.
- (f) For the Support Services provided by Netscape pursuant to Section 12 hereof, AOL shall pay Netscape according to Attachment G.
- (g) With respect to the aggregate of the fees payable by AOL to Netscape pursuant to Sections 13.1(a), 13.1(c) and 13.1(e) during the Initial Term, AOL shall pay to Netscape a nonrefundable minimum payment of Twelve Million Five Hundred Thousand Dollars (\$12,500,000,00) as follows. As of each date set forth in the table below, AOL shall pay to Netscape an amount equal to the excess of the minimum payment for such date over the the cumulative fees previously paid by AOL to Netscape pursuant to Sections 13.1(a), 13.1(c), 13.1(e), and 13.1 (g). Such payment shall constitute a prepayment fully recoupable from future amounts subsequently due to Netscape pursuant to Sections 13.1(a), 13.1(c) and 13.1(e). Any amounts so recouped shall be considered fees actually paid under Section 13.1(a), 13.1(c) or 13.1(e), as applicable, and not amounts paid under this Section 13.1(g). All amounts paid hereunder are non-refundable.

Date	Minimum Payment
Six (6) months after Effective Date	\$1,250,000
One (1) year after Effective Date	\$2,500,000
Eighteen (18) months after Effective Date	\$3,750,000
Two (2) years after Effective Date	\$5,000,000
Thirty (30) months after Effective Date	\$6,250,000
Three (3) years after Effective Date	\$7,500,000
Forty-two (42) months after Effective Date	\$8,750,000
Four (4) years after Effective Date	\$10,000,000
Fifty-four (54) months after Effective Date	\$11,250,000
Five (5) years after Effective Date	\$12,500,000

- 13.2 Netscape Fees. Netscape shall compensate AOL for advertising as set forth in Section 7.5.
- 13.3 Most Favored Price. If Netscape is providing a product to AOL on a Most Favored Price basis as set forth on Attachment F and Netscape provides such product to a third party at a price that causes a reduction in the Most Favored Price for such product, Netscape shall provide notice to AOL of such reduction. If appropriate, adjustments on a prospective basis to the calculation of license fees for products shall be made to reflect proper application of the Most Favored Pricing provisions of this Section 13. Upon the request of AOL but no more frequently than once in any six (6) month period, Netscape shall inform AOL whether Netscape has entered into any contracts with third parties for the provision of a Licensed Product for a price that is lower than the price payable by AOL for such product, and shall inform AOL of the terms and commitments required to obtain such lower price, including (but not limited to) product volumes, prepaid fees or present-value dollar amount commitments. For thirty

- (30) days after the receipt of such information from Netscape, AOL shall have the option to make commitments to Netscape substantially equal to those made by any such third party in exchange for the same price provided to such third party. In the event that AOL twice requests and is provided information under this Section 13.3, and does not elect to make greater commitments as contemplated by this Section 6.5, then Netscape shall have no further obligation under this Section 6.5 to respond to AOL's requests for information or offer any lower price in return for greater commitment. The objective of this Section 13.3 is to provide AOL with the opportunity to obtain the lowest price offered by Netscape by substantially matching any greater commitments made by a third party which result in a lower price for such third party.
- 13.4 Records and Reports. Each party shall keep complete and accurate books and records of its activities hereunder and all relevant information needed to audit compliance with this Agreement. Without limiting the generality of the foregoing, AOL and AOL Affiliates shall keep books and records relating to the reproduction, distribution and sublicensing of the Licensed Products, Active Accounts, Current Accounts and End-Users of the Licensed Products, including Licensed Product type and version, platform and number of units. Within forty-five (45) days after the end of each calendar quarter, AOL shall provide to Netscape a written report containing aggregated information concerning the reproduction, distribution and sublicensing of Licensed Products hereunder which will include the Licensed Product type and version, platform and number of units for such calendar quarter. AOL will also work in good faith with Netscape to provide such information by geographic territory to the extent AOL has the capability to track and does routinely track such information.
- 13.5 Payment. All payments of amounts due hereunder shall be made in United States dollars at the relevant party's address as indicated in this Agreement or at such other address as such party may from time to time indicate by proper notice hereunder. Unless specified herein, any amounts payable hereunder shall be due within forty-five (45) days following submission of an invoice.
- 13.6 Taxes. Except for taxes based upon Netscape's income (other than withholding taxes), AOL shall be responsible for and pay all taxes, including sales, use, or value-added taxes, duties, withholding taxes and other assessments now or hereafter imposed, that arise as a consequence of (i) payments of amounts payable by AOL to Netscape under this Agreement, (ii) any sublicense granted pursuant to this Agreement, (iii) the transfer, use or distribution of Licensed Products, or (iv) program storage media; or in lieu thereof, AOL shall provide to Netscape a tax or other levy exemption certificate acceptable to the taxing or other levying authority. Except for taxes based upon AOL's income (other than withholding taxes), Netscape shall be responsible for and pay all taxes, including sales, use, or value-added taxes, duties, withholding taxes and other assessments now or hereafter imposed, that arise as a consequence of payment of amounts payable by Netscape to AOL hereunder, or in lieu thereof, AOL shall provide to Netscape a tax or other levy exemption certificate acceptable to the taxing or other levying authority.
- 13.7 Audits. AOL and Netscape agree to allow mutually acceptable independent CPA auditors, which auditors shall not be compensated on a contingency basis and shall be bound to keep all information confidential except as necessary to disclose discrepancies to the other party, to audit and analyze relevant records of each other to ensure compliance with all terms of this Agreement; in the case of Netscape,

such audit rights shall also include the right to audit AOL Affiliates. Any such audit shall be permitted within thirty (30) days of one party's receipt from the other of a written request to audit, during normal business hours, at a time mutually agreed upon. The cost of such an audit shall be borne by the requesting party unless a material discrepancy is found, in which case the cost of the audit shall be borne by the other party. A discrepancy shall be deemed material if it involves a payment or adjustment of more than five percent (5%) of the amount actually due from AOL, AOL Affiliate or Netscape (as applicable) in any given three (3) consecutive calendar month period. Audits shall occur no more frequently than annually and shall not interfere unreasonably with AOL's, AOL Affiliates' or Netscape's (as applicable) business activities and shall be conducted in the audited party's facilities during normal business hours on reasonable notice. An audit may cover any period; provided that: (i) the period has not been previously audited; and (ii) the period under audit is within a three year period immediately preceding the commencement of the audit. A party shall promptly reimburse the other for the amount of any discrepancy arising out of such audit which indicates that such party is owed amounts hereunder as well as the costs of the audit, if applicable, as provided above.

#### SECTION 14. ADDITIONAL AGREEMENTS

14.1 Other Business Opportunities. Except to the extent prohibited by applicable non-disclosure agreements, AOL and Netscape agree to consult with each other and discuss cooperative ventures with respect to business opportunities created by prospective customers wishing to obtain the expertise, resources, products or services of both parties where such expertise, resources, products or services could be provided to such customers more effectively and more profitably through the collaborative effort of AOL and Netscape.

# 14.2 Software Escrow Agreement.

- (a) Netscape has entered into a source code escrow agreement with escrow agent Data Securities International, Inc. ("DSI") dated September 19, 1995 (the "Source Agreement") that is attached hereto as Attachment H. The Source Agreement created a source code escrow account (the "Escrow Account").
- (b) On the Effective Date, AOL shall have the right to become a Preferred Registrant (as defined in the Source Agreement) under the Source Agreement with respect to Netscape Client Products and Customized Client Products. As of the Effective Date, the parties and DSI shall enter into an amendment to the Source Agreement providing that Netscape shall deposit into escrow the materials specified in this Section 14.2 and providing for the release of such materials to AOL upon the occurrence of any of the events which trigger release of such materials as provided in Sections 9.8, 12.3, and 12.4 of this Agreement.
- (c) Within thirty (30) days following the Effective Date, Netscape shall deposit into the Escrow Account all Source Code and Source Documentation for the then existing Netscape Client Products and Customized Client Products in accordance with the terms and conditions of the Source

Agreement, as amended, including any such Source Code and Source Documentation for any third party software included within each such Netscape Client Products and Customized Client Products (but only to the extent that Netscape has the right to provide such third party source code to AOL) (collectively "Netscape Source Code and Source Documentation"). In accordance with the terms of the Source Agreement, as amended, AOL shall have access to, and the right to use, the applicable Netscape Source Code and Source Documentation upon the occurrence of the events and for the purposes specifically described in this Agreement. Netscape shall be required to promptly update the Source Code and Source Documentation as necessary so as to ensure that at all times the most current Source Code and Source Documentation for the applicable Netscape Client Products and Customized Client Products are deposited in the source escrow.

- (d) Promptly following Netscape's release to AOL of an updated Golden Master for Netscape Client Products and Customized Client Products, Netscape shall add to the Escrow Account any updates of the Netscape Source Code and Source Documentation for products that AOL is licensed to use hereunder.
- (e) The Source Agreement, as amended, shall provide that DSI promptly notify AOL of any updated escrow deposit.
- (f) AOL shall bear all fees, expenses and other charges to maintain AOL as a Preferred Registrant under the Escrow Account. If AOL does not pay such charges when due, Netscape may close the Escrow Account or terminate AOL's status as a Preferred Registrant with no further obligation to AOL under this Section 14.2.
- (g) The contents of the Escrow Account shall be released to AOL through the procedures and under the conditions described in the Source Agreement, as amended.
- (h) Netscape hereby grants to AOL a nonexclusive, nontransferable right to use, modify and have modified the Netscape Source Code and Source Documentation solely to develop or maintain (as applicable) the Customized Client Products which Netscape has failed to provide or support (as applicable) hereunder. AOL retains all copyrights and other proprietary rights in and to any Derivative Works to any Netscape Client Product or Customized Client Product made and any interface code prepared by AOL under this Section 14.2, subject to Netscape's rights in the underlying Netscape Client Product or Customized Client Product. The object code derived from the Netscape Source Code and Source Documentation so modified shall be subject to the same rights and restrictions on use, reproduction, and disclosure and shall be subject to the same license fee obligations that are contained in this Agreement with respect to the Netscape Client Products or Customized Client Products. AOL shall have the right to copy the Netscape Source Code and Source Documentation only to create backup AOL shall not distribute, sell or sublicense the Netscape Source Code and Source Documentation. Subject to the licenses expressly granted in this Agreement, Netscape shall retain all right, title and interest in and to the Netscape Source Code and Source Documentation. All Netscape Source Code and Source Documentation released to AOL shall be subject to the confidentiality restrictions contained in Section 16, below.

- 14.3 <u>Limitations on Obligations</u>. Neither party makes any representations or warranties to the othe party with respect to the level of commercial success or revenues which may be achieved as a result o any of the activities undertaken pursuant to this Agreement.
- Subscriber Information. The parties agree to limit the use by Netscape of any information 14.4 regarding the names, screen names, addresses or any other identifying information of any subscribers of one or more AOL Services (collectively "AOL Subscriber Information") as provided in this Section 14.4. To the extent that AOL Subscriber Information first becomes available to Netscape as a consequence of an End-User's registration with Netscape of a Licensed Product distributed by AOL, an AOL Affiliate or a Distributor through Bundled Distribution, Netscape shall not use or permit any third party to use such AOL Subscriber Information (i) in a manner that identifies any subscribers of any AOL Service (an "AOL Subscriber") as a subscriber of such service or as a subscriber of an Online Information Service generally, or (ii) to solicit or participate in the solicitation of such AOL Subscribers for the benefit of Netscape or any third party, unless Netscape acquired from AOL in accordance with AOL's then standard terms and for AOL's then standard fees the right to use such AOL Subscriber Information or portions thereof. To the extent that AOL Subscriber Information first becomes available to Netscape as a consequence of referrals, marketing or promotions on an AOL Service that direct AOL Subscribers to Netscape (including links or pointers to the Netscape Website), Netscape shall not use or permit any third party to use such AOL Subscriber Information in a manner that identifies any AOL Subscribers as subscribers of an AOL Service. Except as provided in this section, Netscape may use any AOL Subscriber Information obtained by Netscape as a result of activities under this Agreement, including but not limited to any such information that may be obtained through the Netscape Registration Server, without restriction.

#### SECTION 15. PROPRIETARY INFORMATION AND RIGHTS

- 15.1 <u>Netscape Ownership</u>. Subject to the licenses granted to AOL in Section 2, as between Netscape and AOL, Netscape owns all right, title and interest in and to the Netscape Products and the Customized Products and all Derivative Works thereof provided to AOL by Netscape hereunder.
- 15.2 <u>AOL Ownership</u>. As between Netscape and AOL, AOL shall own all right, title and interest in and to all programming, data and other intellectual property created, without use or incorporation of any elements of any of Netscape's Confidential Information or Intellectual Property Rights, by AOL or for AOL by a third party (collectively, the "AOL Technology"). Nothing in this Section 15.2 shall be deemed as giving AOL any license to, or right, title or interest in any of Netscape's intellectual property, nor shall anything in this Section 15.2 be deemed to limit the provisions of Section 2.13.

#### SECTION 16. CONFIDENTIAL INFORMATION

16.1 Obligation. Netscape and AOL recognize that, in connection with the performance of this Agreement, each of them may disclose to the other its Confidential Information, including materials and

technology and techniques that are not generally known. Except as expressly permitted AOL under the terms of the license granted pursuant to Section 2 and except as expressly provided in Section 6.1 or any other provision of this Agreement, the party that receives any Confidential Information agrees to take reasonable precautions to maintain the confidential status of such Confidential Information, prevent the disclosure of any such Confidential Information to third parties, and to prevent the use of any such Confidential Information for any purpose other than the purpose for which it was originally disclosed to the receiving party (and in no case other than for the receiving party to fulfill its obligations hereunder), including without limitation, disclosing Confidential Information only to its employees, agents and/or contractors (i) with a need to know to further permitted uses of such information and (ii) who are parties to appropriate agreements with restrictions corresponding to this Section 16, and (iii) who are informed of the nondisclosure/nonuse obligations imposed by this Section 16. Both parties shall take appropriate steps to implement and enforce such nondisclosure/nonuse obligations.

- 16.2 Exception. It shall not be a breach of the obligations of this Section 16 if a receiving party is legally compelled to disclose Confidential Information; provided, however, that prior to any such compelled disclosure, the receiving party notifies the disclosing party as soon as practicable to allow the disclosing party to oppose or otherwise seek to restrict the compelled disclosure. In the event that such protection against disclosure is not obtained, the receiving party will be entitled to disclose the Confidential Information but only as and to the extent necessary to comply with the disclosure compelled by law.
- 16.3 <u>Return</u>. Each party shall, on the written request of the other party, deliver to the requesting party any written, printed or other materials embodying Confidential Information of the requesting party in its possession or in the possession of any of its respective Affiliates or representatives.
- 16.4 Employees, Etc. The foregoing obligations of confidentiality shall apply to directors, officers, employees, agents, contractors and representatives of the parties and any other person to whom the parties have delivered copies of, or permitted access to, such Confidential Information in connection with the performance of this Agreement. Each party agrees that execution by any such recipient of Confidential Information of a non-disclosure agreement that imposes confidentiality obligations substantially similar to the terms of this Section 16 and that applies to third-party information shall be sufficient to meet the obligations of this Section 16.5.
- 16.5 Third Party Information. Prior to disclosing any Confidential Information of a third party, the disclosing party shall notify the receiving party in writing of any confidentiality requirements required by such third party in addition to or in conflict with this Section 16. The receiving party may agree in writing to be bound by such requirements, in which case, such requirements shall apply, but only for such third party Confidential Information as described in the disclosing party's notice. The disclosing party may withhold disclosure if the receiving party does not so agree. If the receiving party fails to agree in writing to be bound by such requirements prior to the disclosure of such third party Confidential Information, then this Section 16 shall apply to such third party Confidential Information.

- 16.6 Terms. Each party agrees to hold in strict confidence the terms of this Agreement and matters relating thereto. Unless required by law, and except pursuant to Section 6.1 with respect to press releases, or as reasonably necessary to assert its rights hereunder subject to appropriate protective orders, or for disclosures to its own officers, directors, employees and professional advisers on a "need-to-know" basis, or to private investors or acquiring parties in confidence, each party agrees not to disclose the terms of this Agreement or matters relating thereto.
- 16.7 Source Code at Netscape. In the event that Netscape is obligated to provide any AOL employee, agent, and/or independent contractor access to Netscape's Source Code and Source Documentation at Netscape's facilities, AOL shall be subject to the foregoing confidentiality provisions contained in this Section 16. In addition, in order to protect Netscape's trade secret rights in Netscape's Source Code and Source Documentation, AOL agrees to the following:
- (a) AOL shall use reasonable care in selecting its employees, agents or independent contractors permitted to have access to Netscape's Source Code and Source Documentation and AOL shall notify Netscape promptly of the identities of such authorized individuals and promptly in the event of any changes thereto; and
- (b) AOL shall ensure that the authorized individuals are not employees, agents or independent contractors of any Netscape Competitor and have not been employees, agents or independent contractors of any Netscape Competitor during the one (1) year period prior to becoming authorized to have access to Netscape's Source Code and Source Documentation (unless such authorized individuals are employees of AOL by virtue of AOL's acquisition of a Netscape Competitor); and
- (c) AOL and its authorized individuals shall not permit access to Netscape's Source Code and Source Documentation by any third party including, but not limited to, any employees or agents of any shareholders, subsidiaries or affiliates of AOL; and
- (d) AOL and its authorized individuals shall comply with all reasonable security measures that Netscape imposes at its facility for the protection of Netscape's Source Code and Source Documentation; and
- (e) As a condition precedent to any obligation of Netscape to disclose Netscape's Source Code and Source Documentation to AOL's authorized individuals, AOL's authorized individuals shall sign a confidentiality agreement containing terms substantially similar to those contained in this Section 16.
- 16.8 Source Code at AOL. In the event that Netscape or an escrow agent transfers any of Netscape's Source Code and Source Documentation to AOL under this Agreement, AOL shall be subject to the foregoing confidentiality provisions contained in this Section 16. In addition, in order to protect Netscape's trade secret rights in Netscape's Source Code and Source Documentation, the following provisions shall apply to Netscape's Source Code and Source Documentation:

- (a) AOL shall restrict disclosure of Netscape's Source Code and Source Documentation to those of its employees or independent contractors who need to use it, up to six (6) individuals; and
- (b) AOL agrees to use reasonable care in selecting its employees or independent contractors permitted to have access to Netscape's Source Code and Source Documentation and AOL shall notify Netscape promptly upon receiving any Source Code and Source Documentation of the identities of the six (6) authorized individuals and promptly in the event of any changes thereto; and
- (c) the six (6) authorized individuals may not be employees or independent contractors of any Competitor of Netscape and may not have been employees or independent contractors of any Competitor of Netscape during the one (1) year period prior to becoming authorized to have access to Netscape's Source Code and Source Documentation (unless such authorized individuals are employees of AOL by virtue of AOL's acquisition of a Competitor of Netscape); and
- (d) AOL shall not permit access to Netscape's Source Code and Source Documentation by any third party including, but not limited to, any employees or agents of any shareholders, subsidiaries or affiliates of AOL; and
- (e) Netscape's Source Code and Source Documentation shall be used only in a secure, locked room with a door that locks automatically and with secure windows, with controlled access only to persons authorized to use Netscape's Source Code and Source Documentation; and
- (f) AOL shall maintain a log of people who enter the secure room and who access Netscape's Source Code and Source Documentation and shall provide copies of such log to Netscape upon Netscape's request; and
- (g) access to Netscape's Source Code and Source Documentation on computers must also be controlled by password and Netscape's Source Code and Source Documentation may not be used on a network to which unauthorized persons or persons outside the secure room may obtain access without password control; and
- (h) when not in use for an extended period of time as permitted under this Agreement, Netscape's Source Code and Source Documentation shall be deleted from computer memory and stored on tangible media in a locked file cabinet in the secure room or in a safe; and
- (i) AOL shall keep Netscape informed from time to time of the general scope of its development activities in which Netscape's Source Code and Source Documentation is used, including, but not limited to, disclosure to Netscape of any work orders or statements of work involving Netscape's Source Code and Source Documentation; and
- (j) AOL shall have advised each individual having access to Netscape's Source Code and Source Documentation of its obligations under this Section 16 and will enter into a confidentiality agreement with each such individual that incorporates the protections and restrictions set forth in this

Section 16, provides that the individual's obligations with respect to Netscape's Source Code and Source Documentation shall continue after the termination of the individual's employment or independent contractor relationship with AOL, and provides that Netscape is a direct and intended beneficiary of the agreement and entitled to enforce it directly against the individual. AOL shall furnish to Netscape a copy of each such executed agreement promptly upon the request of Netscape.

- (k) Netscape shall have the right, upon reasonable notice to AOL, to inspect AOL's facility to verify compliance with the provisions of this Section 16.8. In connection therewith, Netscape agrees to comply with AOL's reasonable visitor policies.
- (I) The restrictions set forth in this Section 16 shall survive for a period of ten (10) years after the termination of this Agreement with respect to Source Code and Source Documentation.
- (m) AOL shall be fully responsible for the conduct of its employees and independent contractors who may in any way breach this Section 16. AOL agrees to notify Netscape promptly in the event of any breach of its security under conditions in which it would appear that the trade secrets represented by Netscape's Source Code and Source Documentation were prejudiced or exposed to loss. AOL shall, upon request of Netscape, take all other reasonable steps necessary to recover any compromised trade secrets disclosed to or placed in the possession of AOL by virtue of this Agreement. The cost of taking such steps shall be borne by AOL.
- 16.9 <u>Remedies</u>. Each party acknowledges that any breach of any of its obligations with respect to confidentiality or use of Confidential Information hereunder is likely to cause or threaten irreparable harm to the other party and, accordingly, the parties agree that in such event the party not in breach shall be entitled to equitable relief to protect its interest therein, including, but not limited to, preliminary and permanent injunctive relief, as well as money damages.
- 16.10 Non-Solicitation. Each party agrees that, in view of its access to the Confidential Information of the other party, during the term of this Agreement and for a period of one (1) year after any termination, expiration or cancellation of this Agreement, it will not knowingly solicit to be an employee, independent contractor, or consultant for such party, any employee of the other party or independent contractor who works for the other party fifty percent (50%) or more of such contractor's work time (while such employment or independent contractor relationship exists) if such employee or independent contractor works or has worked for the other party within one (1) year prior to the solicitation on any matters pertaining to this Agreement.

#### SECTION 17. TERM AND TERMINATION

17.1 <u>Term and Renewal</u>. Unless earlier terminated under the provisions of this Section 17, this Agreement shall remain in full force and effect for a period of five (5) years from the Effective Date (the "Initial Term"). Upon the expiration of the Initial Term, this Agreement shall be automatically renewed for an additional five (5) year term (the "Renewal Term"), unless AOL provides Netscape with one

hundred eighty (180) days written notice prior to the end of the Initial Term. During the Renewal Ter all of the provisions of this Agreement shall remain in full force and effect.

- 17.2 Termination Events. This Agreement shall terminate under the following circumstances:
- (a) <u>Termination by AOL</u>. Provided that AOL is fulfilling its material obligations under the Agreement, AOL may, in its sole discretion, terminate this Agreement by written notice to Netscape upon the occurrence of any of the following events:
- ' (i) a Change of Control of Netscape involving a Competitor of AOL; provided the AOL exercises its right to terminate not later than sixty (60) days after AOL receives notice from Netscape that such Change of Control has actually occurred and which notice states that AOL's right to terminate this Agreement under this Section 17.2(a) will lapse if not exercised within sixty (60) days; of
- (ii) the material breach by Netscape of any of its covenants, obligation representations or warranties under this Agreement, unless within sixty (60) calendar days after writte notice of such default, Netscape remedies the default or, in the case of a default which cannot with du diligence be remedied within such sixty (60) day period, Netscape institutes within such sixty (60) day period steps necessary to remedy the default and thereafter diligently prosecutes the same to completion
- (b) Termination by Netscape. Provided that Netscape is fulfilling its material obligation under this Agreement, Netscape may, in its sole discretion, terminate this Agreement by written notic to AOL upon the material breach by AOL of any of its covenants, obligations, representations c warranties under this Agreement, unless within sixty (60) calendar days after written notice of suc default, AOL remedies the default or, in the case of a default which cannot with due diligence b remedied within such sixty (60) day period, AOL institutes within such sixty (60) day period step necessary to remedy the default and thereafter diligently prosecutes the same to completion.
- 17.3 Consequences of Change of Control of AOL. In the event of a Change of Control of AOI involving a Competitor of Netscape, Netscape may, in its sole discretion, elect upon written notice to AOL to (i) terminate Section 7 hereof, (ii) modify the Consumer Use and Internal Use pricing of Tables A through D of Attachment F such that the pricing for such products thereafter shall be in accordance with Netscape's then standard pricing, (iii) terminate all of AOL's rights hereunder with respect to Source Code for Licensed Products except pursuant to Netscape's then current standard Source Agreement (as defined in Section 14.2(a)), unmodified by the terms of this Agreement; and/o (iv) refuse to accept advertising under Section 7.6 and Attachment S that advertises products or service of such Competitor; provided that Netscape exercises its right(s) under this Section 17.3 not later that sixty (60) days after Netscape receives notice from AOL that such a Change of Control has actually occurred, which notice states that Netscapes's rights under this Section 17.3 will lapse if not exercised within sixty (60) days. In the event that Netscape exercises its rights under clause (iii), Netscape and AOL shall negotiate in good faith other appropriate means to ensure that Netscape meets its developmen obligations under this Agreement.

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- 17.4 No Waiver. Termination of this Agreement by either party shall not act as a waiver of any breac of this Agreement and shall not act as a release of either party from any liability for breach of such party obligations under this Agreement.
  - 17.5 Return of Materials. Within thirty (30) calendar days after termination of this Agreement, each party hereunder shall either deliver to the other, or destroy, all copies of any materials provided hereunde in its possession or under its control, and shall furnish to the other party an affidavit signed by an office of its company certifying that to the best of its knowledge, such delivery or destruction has been full 'effected.
  - 17.6 Payment of Amounts Due. Within forty-five (45) calendar days of termination of this Agreement each party shall pay the other all sums due and owing as of the time of the termination. Amounts that become due and owing after the date of termination shall be paid promptly in accordance with the terms of this Agreement.
  - 17.7 Effect of Termination. Notwithstanding the termination of this Agreement:
  - (a) all sublicenses to End-Users which have been properly granted by AOL, AOL Affiliates and Distributors pursuant to this Agreement prior to its termination shall survive;
  - (b) AOL shall have the right to continue to sublicense the Customized Integrated Client Products for an additional nine (9) months and the Customized Standard Client Products and Customized Premium Client Products for an additional one-hundred twenty (120) days after termination on the same terms as were in effect pursuant to this Agreement immediately prior to termination; provided that AOL shall not be entitled to receive any Major or Minor Upgrades developed by Netscape; and provided, further, that AOL pays for such Customized Integrated Client Products, Customized Standard Client Products and Customized Premium Client Products as required pursuant to Section 13.1(a); and
  - (c) AOL may continue to use and retain copies of the Licensed Products and Documentation that were obtained prior to termination but only to the extent necessary to support Licensed Products rightfully distributed to End-Users by AOL pursuant hereto.
  - 17.8 <u>Licenses Terminate</u>. Except as specified in Section 17.7 above, upon termination or expiration of this Agreement, all licenses for Licensed Products, Documentation and related Intellectual Property Rights and trademarks granted under this Agreement shall terminate.
  - 17.9 <u>Survival</u>. The respective rights and obligations of Netscape and AOL under the provisions of Sections 1, 2.13, 12.1-12.5 (for the period specified therein), 14.2 (for so long as Sections 12.1-12.5 survive), 14.3, 14.4, 15, 16, 18, 19, 20, 22 and this Section 17 shall survive expiration or termination of this Agreement.

#### SECTION 18. GENERAL REPRESENTATIONS AND WARRANTIES

- 18.1 AOL Representations and Warranties. AOL covenants, warrants, and represents to Netscape that:
- (a) AOL has the full corporate right, power and authority to enter into this Agreement and to perform the acts required of it pursuant to this Agreement;
- (b) the execution of this Agreement and the performance by AOL of its obligations and duties under this Agreement shall not violate any agreement to which AOL is a party; and
  - (c) AOL is not subject to any non-competition obligations which would prevent it from licensing, producing, or distributing (as applicable) for purposes contemplated herein, any Netscape Product or any product with which any Licensed Products are expected to be integrated or bundled (including without limitation the AOL Classic access program and the ART Player Plug-In) (collectively, the "AOL Bundled Products");
  - (d) to the best of its knowledge, AOL is not subject to any material claim or written threat of material claim by any person that the activities of AOL breach any obligations to any third-party or violate any right of any third-party, including any Intellectual Property Rights of such third-party, that could reasonably be anticipated to subject AOL to material financial liability or injunctive relief that would materially adversely affect Netscape's rights hereunder or AOL's ability to perform its obligations hereunder.
  - (e) to AOL's knowledge, no AOL Bundled Product violates or infringes, or will violate or infringe, any copyright, trade secret, trademark or other Intellectual Property Right of any third-party or any patent and to AOL's knowledge, no product or process used to develop any AOL Bundled Product violates or infringes, or will violate or infringe, any copyright, trademark, trade secret or other Intellectual Property Right of any third-party or any patent, which violation or infringement could reasonably be anticipated to subject either party to material financial liability or injunctive relief that would materially adversely affect Netscape's rights hereunder or AOL's ability to perform its obligations hereunder;
  - (f) AOL has obtained or will obtain all the necessary licenses and authorizations to use the third-party technology incorporated into AOL Bundled Products and the integration and/or bundling of any such technology is or will be permitted by such third-parties and, subject to the limitations of paragraph (e) above, AOL's and/or Netscape's use, reproduction, distribution or modification of such technology as permitted hereunder shall not be in violation of any third-party rights in such technology;
  - (g) AOL is not relying on nor does Netscape make any representations, warranties or agreements by Netscape not expressly provided for in this Agreement; and
  - (h) AOL expressly disclaims any implied warranties of noninfringement of third-party Intellectual Property Rights by AOL with respect to any AOL Bundled Products and AOL's sole obligation and Netscape's sole remedy for infringement of any Intellectual Property Rights shall be as provided in Section 19.

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- 18.2 <u>Netscape Representations and Warranties</u>. Netscape covenants, warrants, and represents to AOL that:
- (a) Netscape has the full corporate right, power and authority to enter into this Agreement, to perform the acts required of it, and to grant the rights granted by it, pursuant to this Agreement;
- (b) the execution of this Agreement and the performance by Netscape of its obligations and duties under this Agreement shall not violate any agreement to which Netscape is a party;
  - (c) Netscape is not subject to any non-competition obligations which would prevent it from producing, or delivering to AOL for purposes contemplated herein, any Licensed Product;
  - (d) to the best of its knowledge, except as disclosed in Attachment P, Netscape is not subject to any material claim or written threat of material claim by any person that the activities of Netscape breach any obligations to any third-party or violate any right of any third-party, including any Intellectual Property Rights of such third-party, that could reasonably be anticipated to subject Netscape to material financial liability or injunctive relief that would materially adversely affect AOL's rights hereunder or Netscape's ability to perform its obligations hereunder,
  - (e) to Netscape's knowledge, except as disclosed in Attachment P, no Licensed Product violates or infringes, or will violate or infringe, any copyright, trade secret, trademark or other Intellectual Property Right of any third-party or any patent; and to Netscape's knowledge, no product or process used to develop any Licensed Product violates or infringes, or will violate or infringe, any copyright, trademark, trade secret or other Intellectual Property Right of any third-party or any patent, which violation or infringement could reasonably be anticipated to subject either party to material financial liability or injunctive relief that would materially adversely affect AOL's rights hereunder or Netscape's ability to perform its obligations hereunder;
  - (f) Netscape has obtained (or as to Customized Products will obtain) all the necessary licenses and authorizations to use the third-party technology incorporated into any of the Licensed Products as contemplated hereby and the incorporation of any such technology into the Licensed Products is permitted by such third-parties and, subject to the limitations of paragraph (e) above and Section 4.1(f), AOL's use, reproduction, distribution or modification of the Licensed Products as permitted hereunder shall not be in violation of any third-party rights in such technology;
  - (g) Netscape is not relying on nor does AOL make any representations, warranties or agreements by AOL not expressly provided for in this Agreement; and
  - (h) Netscape expressly disclaims any implied warranties of noninfringement of third-party Intellectual Property Rights by Netscape with respect to the Licensed Products or the development thereof and Netscape's sole obligation and AOL's sole remedy for any infringement of any Intellectual Property Rights shall be as provided in Section 19.

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#### SECTION 19. INDEMNIFICATION AND REMEDIES

Netscape Indemnity. Netscape shall defend AOL and AOL Affiliates from any third-party claim or allegation, or at its option settle any such claim or allegation, of infringement of any patent existing as of the Effective Date, U.S. patent granted after the Effective Date, or any U.S. trademark, trade secret or copyright by any of the Licensed Products and will indemnify AOL and AOL Affiliates from anc against any final judgments awarded or settlements entered into in any such action; provided that AOL promptly notifies Netscape in writing of any such claim or allegation giving Netscape the sole right of defense or settlement, and assists Netscape, at Netscape's expense (except for the value of time of AOL or AOL Affiliate employees), to defend or settle such claim or allegation. AOL and any affected AOL Affiliate shall have the right to employ separate counsel and to participate in the defense of such claim at its own cost. Netscape shall not be liable for litigation expenses of or settlements by any third parties (other than AOL Affiliates to the extent expressly required under this Section 19.1) unless Netscape otherwise agrees in writing. If any infringement is alleged against Netscape or AOL or an AOL Affiliate, Netscape, at its option, may obtain a license at no cost to AOL or such AOL Affiliate permitting continued use of the alleged infringing elements on terms and conditions consistent with the rights granted AOL or such AOL Affiliate hereunder, or modify or remove the alleged infringing technology, or substitute software of comparable functionality and performance, or if none of the foregoing are commercially reasonable, terminate this Agreement with respect to the infringing Licensed Product. In the event that the infringement claim or allegation concerns the Customized Integrated Client Product, and Netscape is unable to obtain a license, modify the software to perform its intended function without infringing third party rights, or substitute software of comparable performance, and chooses to remove the infringing technology, Netscape shall pay to AOL any direct damages associated therewith in the amount of the cost of replacing the infringing technology in the Customized Integrated Client Products; provided that AOL uses its best efforts to mitigate such damages. Netscape shall not be liable for any infringement and the foregoing indemnity shall not apply to the extent that such infringement is due to any Licensed Products or portions thereof that are: (i) modified other than by Netscape; (ii) distributed without a Netscape Trademark; (iii) provided to Netscape by AOL or an AOL Affiliate or any third party; (iv) not the most up to date versions of such Licensed Products made available to AOL, where such infringement would not have occurred if AOL and/or the AOL Affiliate had used or distributed the most up to date version of the relevant Licensed Product; (v) distributed or used after Netscape has informed AOL in writing of an infringement claim or allegation and, with respect to the Customized Integrated Client Products only, has either obtained a license at no cost to AOL and the AOL Affiliates permitting continued use of infringed Intellectual Property Rights on terms and conditions consistent with the rights granted AOL hereunder, or substituted software of comparable functionality and performance and provided AOL and the AOL Affiliates with a commercially reasonable period of time in which to effectuate a transition to such substituted software; or (vi) distributed or used after Netscape has informed AOL in writing of a termination of rights under Section 4.1(f), unless Netscape failed to perform its obligations thereunder (collectively, the "Infringement Exceptions");

19.2 <u>AQL Indemnity</u>. AQL shall defend Netscape and Netscape Affiliates from any third party claim or allegation, or at its option settle any such claim or allegation, of infringement of any patent existing as of the Effective Date, U.S. patent granted after the Effective Date, or any U.S. trademark, trade secret,

or copyright by any item within the Infringement Exceptions or any AOL Bundled Product (as define in Section 18.1) and will indemnify Netscape and Netscape Affiliates from and against any final judgmen awarded or settlements entered into in any such action provided that Netscape promptly notifies AOI in writing of any such claim or allegation, giving AOL the sole right of defense or settlement and assist. AOL, at AOL's expense (except for the value of time of Netscape or Netscape Affiliate employees), to defend or settle such claim or allegation. Netscape and any affected Netscape Affiliate shall have the righ to employ separate counsel and to participate in the defense of such claim at its own cost. AOL shall no be liable for litigation expenses of or settlements by any third parties other than Netscape Affiliates (tc the extent expressly required under this Section 19.2) unless AOL agrees otherwise in writing. If any infringement is alleged against AOL, Netscape, or a Netscape Affiliate, AOL, at its option, may obtain a license at no cost to Netscape permitting continued use of the alleged infringing elements on terms and conditions consistent with the rights granted Netscape or such Netscape Affiliate hereunder, or modify or remove the alleged infringing technology, or substitute software of comparable functionality and performance, or if none of the foregoing are reasonably possible, terminate this Agreement with respect to the infringing item. AOL shall not be liable for any infringement and the foregoing indemnity shall not apply to the extent that such infringement is due to any item or portions thereof that are: (i) modified other than by AOL or AOL Affiliates or (in the case of ART and ART Player Plug-In) JOHNSON-GRACE COMPANY; (ii) distributed without an AOL and/or JOHNSON-GRACE COMPANY trademark or trade name; (iii) provided to AOL by Netscape or any third party; (iv) not the most up to date versions of such Licensed Products made available to AOL, where such infringement would not have occurred if Netscape had used or distributed the most up to date version of the relevant software; or (v) distributed or used after AOL has informed Netscape in writing of an infringement claim.

- 19.3 <u>Cooperation</u>. The parties agree to cooperate, share information (subject to the need to preserve any applicable privilege), and consult in good faith to the fullest extent possible in connection with any claim in respect of which indemnification is sought under this Agreement.
- 19.4 Sole Remedy: Sections 19.1 and 19.2 are the sole and exclusive rights, obligations and remedies of the parties with respect to infringement of Intellectual Property Rights including, but not limited to, with respect to breach of any Intellectual Property Rights, covenants, representation and warranties under Section 18; provided the indemnifying party performs in accordance with the provisions of this Section 19. Notwithstanding the foregoing, AOL shall have the right to terminate this Agreement pursuant to the provisions of Section 17.2 if a breach by Netscape of an Intellectual Property Right, covenant, representation or warranty under Section 18 would either (i) deprive AOL of the benefit of the bargain it receives from this Agreement, or (ii) materially adversely affect AOL's competitiveness in the Online Information Service industry.
- 19.5 Other Remedies Cumulative. Except where otherwise specified, the rights and remedies granted to a party under this Agreement are cumulative and in addition to, and not in lieu of, any other rights or remedies which the party may possess at law or in equity, including, without limitation, rights or remedies under applicable patent, copyright, trade secret or proprietary rights laws, rules or regulations.

#### SECTION 20. LIMITATION OF LIABILITY

**EXCEPT FOR INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY** RIGHTS OR A BREACH SECTION 16, THE PAYMENTS EXPRESSLY REQUIRED TO BE PAID UNDER THIS AGREEMENT, AND THE PARTIES' RESPECTIVE INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 19, THE MAXIMUM LIABILITY OF ONE PARTY TO THIS AGREEMENT TO THE OTHER PARTY TO THIS AGREEMENT (THE "OTHER PARTY"). FOR DIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT OR OTHERWISE, SHALL IN NO EVENT EXCEED THE LARGEST OF (i) THE TOTAL AMOUNT PAID TO NETSCAPE BY AOL UNDER THIS AGREEMENT OR (ii) THE TOTAL AMOUNT PAID TO AOL BY NETSCAPE UNDER THIS AGREEMENT OR (iii) TWENTY MILLION DOLLARS (\$20,000,000). EXCEPT FOR INFRINGEMENT OR MISAPPROPRIATION OF INTELLECTUAL PROPERTY RIGHTS, OR BREACH OF SECTION 16, OR THE PARTIES' RESPECTIVE INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 19, IN NO EVENT SHALL A PARTY TO THIS AGREEMENT BE LIABLE FOR LOST PROFITS, ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IN THE EVENT SUCH PARTY HAS BEEN ADVISED AS TO THE POSSIBILITY OF SUCH DAMAGES.

#### **SECTION 21. CHANGES OVER TIME**

- General Statement of Intent. The parties acknowledge that, because of the rapid pace of technological change and evolution in the industries associated with the provision of Online Information Services, the Internet and software related thereto, many of the underlying facts and circumstances (including assumptions regarding the facts and circumstances) that were the basis for the allocation of various rights and obligations pursuant to this Agreement are likely to change over time as such industries evolve. In drafting this agreement, the parties have addressed relevant facts and issues as they exist with current technologies and today's business models; however, the parties also intend for this Agreement to remain in force throughout the Initial Term (and, if applicable, the Renewal Term) as such technologies and business models change over time, with appropriate modifications to reflect such equitable adjustments as are required to maintain a substantially comparable allocation of rights and obligations in light of changed circumstances. The parties do not intend for this Agreement to be effectively nullified or abrogated because of changed circumstances, but rather intend that the intent and purpose of this Agreement be preserved as circumstances change. To such end, the parties agree that certain provisions regarding the parties' respective rights and obligations under this Agreement, while drafted to address current circumstances, are also intended to reflect general principles to be implemented by the parties in a pragmatic and meaningful way as such circumstances change.
- 21.2 <u>Examples</u>. Without limiting the generality of the foregoing, the parties expect that some or all of the following technological innovations or industry changes could impact the parties' respective rights and obligations hereunder, and it is the parties' intention that this Agreement remain in effect and permit the parties to conduct their respective business with such equitable adjustments to this Agreement as are

required to maintain a substantially comparable allocation of rights and obligations in light of such changed facts:

- (a) The parties' respective Websites and services may change in various respects such that, for example, a named service may change its name or character, or the substance of such service may be moved to a related entity. The parties intend that under such circumstances the rights and obligations set forth herein with respect to such service shall apply to the changed or moved service.
- (b) The Internet or the World Wide Web, as they exist today, may be superseded or replaced by new means and/or protocols for accessing and providing Online Information Services which become a key component of Netscape's and/or AOL's business. The parties do not intend that this Agreemen be limited to the Internet or World Wide Web, but rather that it should also pertain to any similar oper environment means or protocols for accessing Online Information Services that supersede or replace Netscape's and AOL's respective business models, as such may be developed or implemented in the future.
- (c) the form, appearance and presentation of Websites and Online Information Services of their successors may change, requiring that this Agreement be modified or interpreted in light of such changed form, appearance and/or presentation;
- (d) The form, appearance and presentation of Netscape Registration Servers or their successors or the means by which an End-User registers a Netscape Product may change but the parties intend that the equitable balance of the rights and obligations of Sections 6.3, 13.1(b) and 14.4, relating to placement on the registration server, bounties and limitation on the use of customer information are to continue, with such adjustments as are required to preserve a substantially comparable allocation or rights and obligations in light of such changed circumstances.
- (e) Various aspects of the technology and business of providing Online Information Services and distributing software may change. For example, references herein to 40-bit key encryption and 128-bit key encryption versions of Licensed Products may be obsolete as such products are replaced by longer-bit key encryption versions and/or the laws and regulations governing the import and/or export of such key encryption technology change, and the parties intend that this Agreement remain in effect with such adjustments as are required to preserve a substantially comparable allocation of rights and obligations in light of such changed circumstances.
- (f) The business model for proprietary Online Information Services (such as the AOL Classic Service is today) may change from a subscription-based model to some other model, including without limitation, a solely advertising-based model (i.e., users might no longer be charged a subscription fee and the Online Information Service might be supported entirely by the sale of advertising space). The parties intend that if such Online Information Services change to a wholly advertising-based model, AOL would continue to have the right to distribute Licensed Products hereunder and would continue to compensate Netscape for the use and distribution of Licensed Products hereunder, either by payment of the license fees presently set forth in the Agreement or, if more appropriate for such new business model, on another

basis that fairly and equitably maintains a substantially comparable allocation of rights, obligations and revenue in light of such changed circumstances.

- (g) In determining their respective rights and obligations under this Agreement, including without limitation payment and distribution rights, the parties have relied upon the current distinctions between Online Information Services that End-Users access through proprietary communication protocols and Online Information Services that End-Users access through open standard communications protocols. In determining such rights and obligations, the parties have also relied upon the current distinctions between stand alone browser software and browser software designed to be integrated with Online Information Services access software. If changed circumstances cause such distinctions to be enlarged, diminished, or eliminated, such rights and obligations shall be adjusted to preserve a substantially comparable allocation of rights and obligations in light of such changed circumstances; provided, that, notwithstanding the foregoing, it is not the intention of the parties that the license fee for Netscape Standard Client Products or Customized Standard Client Products that allow an End-User to access the Internet or Online Information Services through standard Internet or Internet compatible communications protocols rather than through proprietary communications protocol(s) be \$0.
- (h) The parties may bifurcate or consolidate certain product lines, or products currently defined hereunder may be superseded by new products. For example, what are currently referred to as Netscape Standard Client Products and Netscape Premium Client Products might be consolidated into a single category of Netscape Products or might be divided into more than two categories. As another example, the Netscape Standard Client Products could be modified no longer to provide the best Internet viewing and browsing functionality available in Netscape consumer products. Under such circumstances, the parties intend that AOL would continue to have distribution rights hereunder to such categories of products and/or functionality, subject to such terms as are required to preserve a substantially comparable allocation of rights and obligations in light of such changed circumstances.
- (i) In the event that Electronic Distribution becomes the predominate method of software distibution, and provided that such methods of distribution are in keeping with Netscape's then current policies regarding Electronic Distribution of its software by third parties, the parties agree that AOL's distribution rights shall be adjusted appropriately in a manner that preserves a substantially comparable allocation of rights and obligations in light of such changed circumstances.
- 21.3 <u>Procedure for Addressing Changes</u>. Recognizing that such changes are likely, and that the allocation of the parties' respective rights and obligations under this Agreement with respect to matters such as promotional activities, advertising, Website promotions, distribution rights, and other matters reflect general principles and a general framework for the allocation of rights, obligations and risks the implementation of which continue in a pragmatic and meaningful way as circumstances change, Netscape and AOL agree as follows:
- (a) Quarterly Meetings. The parties agree to meet at least once every quarter during the term of this Agreement to advise each other of pending or actual changes in technologies and business

practices and to determine how to maintain the substance of the agreements set forth in this Agreement with respect to their respective rights and obligations. In making such determinations, the parties will act reasonably and in good faith.

- (b) Inability to Agree. If the parties are unable to agree on how to maintain the substance of the agreements set forth in this Agreement with respect to their respective rights and obligations, the parties agree that any such disputes shall be submitted at the request of either party to the dispute resolution process described in Section 22.15, and that the arbitrator shall have the right and power to impose on the parties such modifications to this Agreement as such arbitrator deems appropriate in order to maintain the intent of the parties as expressed in this Section 21 and the balance of the parties respective rights and obligations in the light of changed facts and circumstances.
  - 21.4 <u>Limitation on Application of Section 21</u>. Notwithstanding the foregoing, the provisions of this Section 21 shall not apply to those rights and/or obligations that should not be affected by changes in technology and/or business models, including without limitation, Sections 15 through 23.

#### SECTION 22. MISCELLANEOUS PROVISIONS

- 22.1 <u>No Circumvention</u>. Neither party shall take any action through affiliates or third parties or enter into contracts or agreements with third parties for the purpose of circumventing such party's obligations hereunder.
- 22.2 Notices. Except as expressly provided herein to the contrary, any notice, request, demand or communication required or permitted hereunder shall be in writing and shall be deemed to be properly given upon the earlier of: (i) actual receipt by the addressee; and (ii) five (5) business days after deposit in the U.S. mail, postage prepaid, when mailed by registered or certified U.S. mail, return receipt requested, or two (2) business days after being sent via private industry courier to the respective parties at the addresses first set forth above or to such other person or address as the parties may from time to time designate in a writing delivered pursuant to this Section 22.2. Notices to: (i) Netscape shall be attention to: Ram Shriram, with a copy to: Roberta Katz, General Counsel: and (ii) AOL shall be attention to: David Colburn with a copy to: Ellen M. Kirsh, General Counsel.
- 22.3 Section 365(n) of Bankruptcy Code. All rights and licenses granted under or pursuant to this Agreement by Netscape to AOL with respect to the Licensed Products are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, 11 U.S.C. Section 101, et seq. (the "Bankruptcy Code"), licenses of rights to "intellectual property" as defined under Section 101(56) of the Bankruptcy Code. The parties agree that AOL, as a licensee of such rights and licenses, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code; provided it abides by the terms of this Agreement. Netscape further expressly acknowledges and agrees that the Source Agreement is an agreement "supplementary to" this Agreement for purposes of Section 365(n) of the Bankruptcy Code.

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- 22.4 Non-Exclusivity. Netscape and AOL agree except for any express obligations of AOL and Netscape as set forth in this Agreement, nothing in this Agreement is intended or shall be construed to prohibit or restrict either AOL or Netscape from developing, acquiring or offering products or services similar to or competitive with products or services of the other party.
- 22.5 Waiver. The waiver by either party of a breach of or a default under any provision of this Agreement, shall not be construed as a waiver of any subsequent breach of the same or any other provision of the Agreement, nor shall any delay or omission on the part of either party to exercise or avail itself of any right or remedy that it has or may have hereunder operate as a waiver of any right or remedy. Except as expressly provided herein to the contrary, no amendment or modification of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized signatory of Netscape and AOL.
- 22.6 Assignment. Neither this Agreement, or any interest herein, may be assigned, in whole or in part, by either party without the prior written consent of the other party except that either party shall have the right to assign this Agreement and the obligations hereunder to any successor of such party by way of merger or consolidation or the acquisition of substantially all of the business and assets of the assigning party relating to the Agreement (subject to the provisions of Section 17 regarding a Change in Control of the other party involving a Competitor). This right shall be retained provided that such successor shall expressly assume all of the obligations and liabilities of the assigning party liable and responsible to the other party hereunder.
- 22.7 <u>Costs and Expenses</u>. Except as expressly provided herein to the contrary, each party shall be responsible for its costs and expenses incurred in connection with the negotiation and execution of this Agreement and its performance hereunder.
- 22.8 <u>No Partnership.</u> No agency, partnership, joint venture, or employment is created as a result of this Agreement and neither AOL nor AOL's agents shall have any authority of any kind to bind Netscape in any respect whatsoever, nor shall Netscape or Netscape's agents have any authority of any kind to bind AOL.
- 22.9 <u>Headings</u>. The captions and section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.
- 22.10 Attorneys' Fees. If any party to this Agreement brings an action against the other party to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including without limitation, attorneys' fees and costs incurred in connection with such action, including any appeal of such action.
- 22.11 Severability. If the application of any provision or provisions of this Agreement to any particular facts or circumstances shall be held to be invalid or unenforceable by any court of competent jurisdiction, then: (i) the validity and enforceability of such provision or provisions as applied to any other particular facts or circumstances and the validity of other provisions of this Agreement shall not in any way be

affected or impaired thereby; and (ii) such provision or provisions shall be reformed without further action by the parties hereto and only to the extent necessary to make such provision or provisions valid and enforceable when applied to such particular facts and circumstances.

### 22.12 Injunctive Relief.

- (a) Notwithstanding anything to the contrary set forth herein, Netscape shall in no event be entitled to terminate the licenses granted herein to the object code version of the Customized Integrated Client Product during the Initial Term or Renewal Term or to enjoin or seek to enjoin AOL's or any AOL Affiliate's use, distribution, or licensing thereof in accordance with this Agreement, and Netscape hereby expressly waives any right to injunctive or other equitable relief to do so, whether based on statute, common law, or otherwise, arising out of any alleged default by AOL or any AOL Affiliate. Netscape expressly agrees that its sole and exclusive remedy in the event of any default by AOL or any AOL Affiliate with respect to the use, distribution or licensing of the object code version of the Customized Integrated Client Product shall be an action at law for damages. The foregoing shall not limit the provisions of Section 19.
- (b) Except as specifically provided in Section 22.12(a), AOL acknowledges that any breach of AOL's obligations with respect to Licensed Products may cause or threaten irreparable harm to Netscape, and, accordingly, AOL agrees that in such event Netscape shall be entitled to seek equitable relief to protect its interest therein, including but not only limited to, preliminary and permanent injunctive relief, as well as money damages.
- 22.13 Entire Agreement. This Agreement, including the attachments hereto, constitute the entire agreement between the parties concerning the subject matter hereof and supersedes all proposals or prior agreements whether oral or written, and all communications between the parties relating to the subject matter of this Agreement and all past courses of dealing or industry custom including but not limited to the Network Service Provider Distribution Agreement entered into between the parties as of March 8, 1996 and the Sponsorship Agreement entered into between the parties as of March 8, 1996. The terms and conditions of this Agreement shall prevail, notwithstanding any variation with any purchase order or other written instrument submitted by AOL, whether formally rejected by Netscape or not. As of the Effective Date, the parties have not yet finalized the Attachments. The parties agree to proceed diligently and in good faith to complete all Attachments within thirty (30) days after the Effective Date except Attachment B, which will be completed as soon as reasonably practicable.
- 22.14 No Presumptions. No presumption shall arise in interpreting the provisions of this Agreement by virtue of the role a party or its counsel played in drafting this Agreement or any provision hereof.

# 22.15 Dispute Resolution.

(a) In the event of any dispute or disagreement between the parties hereto either with respect to the interpretation of any provisions of this Agreement, the performance by Netscape or AOL hereunder, any purported termination of this Agreement or with respect to Section 21 hereof, then, except as

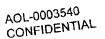
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otherwise provided herein, upon the written request of either party each of the parties will appoint a designated representative whose task it will be to attempt to resolve such dispute or negotiate for ar adjustment to such provision of this Agreement. Such representatives will discuss the problem and/or negotiate in good faith in an effort to resolve the dispute or renegotiate the applicable section or provisior without the necessity of any formal proceedings. During the course of such negotiation, all reasonable requests made by one party to the other for information, including requests for copies of relevant documents, will be honored: The specific format for such discussions will be left to the discretion of the designated representatives but may include the preparation of agreed upon statements of fact or writter statements of position furnished to the other party. If the designated representatives are unable to agree within fifteen (15) days of their first meeting, each representative shall appoint a designated officer, as the Senior Vice President level or higher, to meet to attempt to resolve the matter. If such designated officers are unable to agree within fifteen (15) days of their first meeting, the CEOs of Netscape and AOL shall meet in person or by telephone to attempt to resolve the matter. Except as provided below ir Section 22.15(b) and 22.15(d), no arbitration proceedings or litigation for the resolution of such dispute may be commenced until such a telephonic or face to face meeting between CEOs has occurred and either party has concluded in good faith that amicable resolution through continued negotiation of the matter does not appear likely (unless either party fails or refuses to schedule such a meeting of officers within a reasonable time after a request by the other party).

- (b) Despite the provisions of Section 22.15(a), (i) AOL may seek injunctive relief in a court of competent jurisdiction at any time to prevent any breach by Netscape of its obligation to provide the Support Services and Custom Development Services on all of the terms and conditions of this Agreement pending resolution of any dispute; and (ii) except as provided in Section 22.12 (a), either party may seek injunctive relief in a court of competent jurisdiction at any time to prevent any breach of Section 16 or any misuse or misappropriation of the proprietary rights of such party.
- (c) If any dispute occurs between the parties arising out of or related to the parties respective rights and obligations pursuant to Sections 6, 7, 9, 10 or 21 of this Agreement, such dispute will be submitted to binding arbitration at the request of either party if the parties are unable to resolve such dispute pursuant to Section 22.15(a). The arbitration will be conducted by one arbitrator under the commercial arbitration rules of the American Arbitration Association then in effect. The arbitrator wil be chosen from a panel of persons with a knowledge of industry practices in the computer software and Online Information Service industries and admitted to practice law in at least one state. In connection with any arbitration hearings, the parties shall be entitled to submit written legal briefs for consideration by the arbitrator in accordance with a schedule to be negotiated by the parties or to be established by the arbitrator if the parties are unable to agree. The parties agree that the arbitrator may award any remedy consistent with the commercial arbitration rules and with this Agreement; provided that the arbitrator wil not have the authority to award any punitive, exemplary or other non-compensatory damages, any penalties, or any costs or attorneys' fees relating to any dispute arbitrated or litigated, and the arbitrator will not have the power or right to resolve disputes over matters other than those arising under Sections 6, 7, 9, 10 or 21, unless the parties otherwise agree in writing. Without limiting the foregoing, the parties further specifically agree that in connection with disputes arising under Section 21, the arbitrator shall have the right and power to impose on the parties such modifications to this Agreement as such arbitrator

deems appropriate in order to maintain the intent of the parties and the balance of the parties' respective rights and obligations in the light of changed facts and circumstances as set forth in Section 21. The arbitration will be held in San Francisco or Washington, D.C. The parties agree to endeavor in good faith to select an arbitrator within thirty (30) days after either party provides written notice to the other of its election to arbitrate and to endeavor in good faith to complete the arbitration within ninety (90) days following such notice.

- (d) If any dispute occurs between the parties as to whether a release condition as defined in Section 15 of Attachment H has occurred which entitles AOL to a release of source code from escrow, then notwithstanding the provisions of Section 22.15(a), such dispute will be submitted to binding, expedited arbitration at the request of either party irrespective of whether the procedures set forth in Section 22.15(a) have been followed. The arbitration will be conducted by one arbitrator under the commercial arbitration rules of the American Arbitration Association then in effect. The arbitrator will be chosen from a panel of persons with a knowledge of industry practices in the computer software and online information services industries and admitted to practice law in at least one state. The sole issue to be resolved in such arbitration shall be whether a release condition as defined in Section 15 of Attachment H has occurred which entitles AOL to a release of source code from escrow. The arbitration will be held in San Francisco or Washington, D.C. The parties agree to endeavor in good faith to select an arbitrator within two (2) business days after either party provides written notice to the other of its election to arbitrate pursuant to this Section 22.15(d). If the parties are unable to agree on an arbitrator within such two (2) business day period, the American Arbitration Association shall be directed to appoint an arbitrator within two (2) business days thereafter. The arbitration hearing shall be scheduled and completed not later than five (5) business days after appointment of the arbitrator.
- (e) The parties agree to be bound by the decision of any arbitrator pursuant to this Agreement and judgment upon any award rendered thereby may be entered in any court having jurisdiction within the State of California or Virginia. The parties hereby submit to the in personam jurisdiction of the federal and state courts located in the States of California and Virginia for all purposes of this Section and any disputes arising under this Agreement. The Federal Arbitration Act (9 U.S.C. Sections 1-15), not state law, will govern the arbitrability of all claims and all aspects of any arbitration.
- 22.16 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of California, without regard to the principles of conflicts of laws, and with the same force and effect as if fully executed and performed therein. Any action or proceeding brought by either party against the other arising out of or related to this Agreement shall be brought in a state or federal court of competent jurisdiction located in the County of Santa Clara, California or the County of Fairfax, Virginia and AOL and Netscape each hereby submits to the in personam jurisdiction of such courts for purposes of any such action or proceeding.



IN WITNESS WHEREOF, the parties to this Agreement by their duly authorized representatives have signed their names below on the date indicated:

AMERICA ONLINE, INC.	NETSCAPE COMMUNICATIONS CORP.
Ву.	By
5-leve Case	
Name (Print or Type)	Name (Print or Type)
Physident 3 CED	
Title	Title

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AOL-0003541 CONFIDENTIAL IN WITNESS WHEREOF, the parties to this Agreement by their duly authorized representatives have signed their names below on the date indicated:

AMERICA ONLINE, INC.	NETSCAPE COMMUNICATIONS CORP.
By:	By Man Lahach 1
Бу	JAMES L BARKSDALE
Name (Print or Type)	Name (Print or Type)
	PRESIDENT, CEO
Title	Title

#### Attachment A

# TO THE

# PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

### Schedule of Netscape Products

This document is Attachment A to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth a list of the products currently within the definition of Netscape Products. In the event of a conflict between the terms of this Attachment A and the Agreement, the Agreement shall control.

- 1. NETSCAPE STANDARD CLIENT PRODUCTS
  - 1.1 Netscape Navigator Version 2.0 (LAN Edition)
- 2. NETS CAPE PREMIUM CLIENT PRODUCTS
  - 2.1 Netscape Navigator Gold Version 2.0
- 3. NETSCAPE SERVER PRODUCTS
  - 3.1 Netscape Commerce Server Version
  - 3.2 Netscape Communication Server Version
  - 3.3 Netscape Mail Server Version
  - 3.4 Netscape News Server Version
  - 3.5 Netscape Proxy Server Version
- 4. TOOLS
  - 4.1 Netscape LiveWire
  - 4.2 Netscape LiveWire Pro
- 5. ADD-ONS

[Netscape to provide.]

#### Attachment B

#### TO THE

# PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

Description of Initial Customized Client Products
Preliminary Specifications
Development Timetable

This document is Attachment B to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the descriptions, the preliminary specifications and the development timetables for the Initial Customized Client Products. In the event of a conflict between the terms of this Attachment B and the Agreement, the Agreement shall control.

THE PARTIES HAVE EXECUTED THE AGREEMENT PRIOR TO REACHING A DEFINITIVE UNDERSTANDING WITH RESPECT TO THE PROVISIONS OF AND ATTACHMENT B. THE PARTIES AGREE TO NEGOTIATE IN GOOD FAITH A FINAL VERSION OF ATTACHMENT B AS SOON AS IS REASONABLY PRACTICABLE AND WITHIN A TIME SUFFICIENT TO ENSURE THAT NETSCAPE CAN ACHIEVE THE OBJECTIVE OF DEVELOPING A VERSION OF THE CUSTOMIZED INTEGRATED CLIENT PRODUCT BASED UPON VERSION 3.0 OF THE NETSCAPE STANDARD CLIENT PRODUCT SUITABLE FOR INTEGRATION WITH VERSION 4.0 OF THE AOL CLASSIC END-USER ACCESS SOFTWARE.

# 1. DESCRIPTION OF INITIAL CUSTOMIZED CLIENT PRODUCTS.

- 1.1 Customized Integrated Client Products: Version 2.1 of the Netscape Standard Client Products, 40 -bit key encryption, customized for use with AOL Classic Service (as existing on the Effective Date) in accordance with the Preliminary Specifications to run on the Windows 3.1, Windows 95, Macintosh and Power Macintosh platforms.
- 1.2 Customized Standard Client Products: Version 2.1 of the Netscape Standard Client Products, 40 -bit key encryption, private-labeled and configured to work with the stack and dialers for one or more AOL Services (as existing on the Effective date) in accordance with the Preliminary Specifications to run on the Windows 3.1, Windows 95, Macintosh and Power Macintosh platforms.
- 1.3 Customized Premium Client Products: Version 2.1 of the Netscape Premium Client Product, 40 -bit key encryption, private-labeled and configured to work with the stack and dialers for one or more AOL Services (as existing on the Effective Date) in accordance with the Preliminary Specifications to run on the Windows 3.1, Windows 95, Macintosh and Power Macintosh platforms.
- 2. PRELIMINARY SPECIFICATIONS FOR THE INITIAL CUSTOMIZED CLIENT PRODUCTS.
- 2.1 Customized Integrated Client Products:

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- (a) Factor Netscape browser code into a UI-free custom control (Netscape Control) residing in a DLL on Windows platforms and a Code Fragment on Macintosh platforms. This Netscape Control must perform as well as the standard Netscape Navigator.
  - (b) Restrict Netscape Control to render content only to the browser control (the document window).
- (c) Enable Netscape Control to work with window handle that is passed to it via exported function, thereby constructing a new "browser control".
  - (d) Enable Netscape Control to handle these general facilities:
    - (i) scrolling
    - (ii) text selection / copy to clipboard
    - (iii) printing via <begin print>/<print page>/<end print> style requests
    - (iv) intra-frame-window frame sets
    - (v) navigation out of a frame set to another window is handled by Netscape Control event
    - (vi) document caches, both memory and disk-based
    - (vii) proxy servers
  - (e) Restrict Netscape Control from handling these general facilities:
    - (i) history list
    - (ii) helper applications
    - (iii) attendant UI and controls
- (f) Color palette specifications for the Netscape Control will be jointly defined by Netscape and AOL during the development of the final specifications.
- (g) [Windows] Netscape Control must subclass window passed in by the AOL client, and the new WindowProc installed by this subclassing then becomes the request procedure. The original WindowProc (known to the AOL client) becomes the event procedure. Communication, both request (into the Netscape Control) and event (out of the Netscape Control), must be accomplished via custom window messages.
- (h) [Mac] The initialization function must return an instance of an object with a request function that behaves like the corresponding Windows request procedure. The object returned must be a PowerPlant Broadcaster to effect event broadcasts.
- (i) Netscape Control must export an "idle" function that will be called in a timely manner by the AOL client. For Windows, those calls will be synchronized to the AOL client's message loop, and the Netscape control must maintain synchronization with the AOL client's message loop.
  - (j) Netscape Control must handle at least the following incoming requests (per window):
    - (i) load a specific URL
    - (ii) reload the current document
    - (iii) get "about"/version information
    - (iv) get/set preferences and configuration information

(v) get information regarding the current document (title, etc.)

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- (vi) get security information related to the current document
- (vii) search for a text string
- (viii) associate new username and password with a given URL for authentication
- (ix) copy text selection to clipboard
- (x) save document/image
- (xi) print current document via <begin print>/<print page>/<end print>)
- (k) Netscape Control must emit at least the following events (per window):
  - (i) hyperlink selected (URL passed to AOL)
  - (ii) cursor over hotspot
  - (iii) content type encountered during transfer
  - (iv) search/authenticate and other dialog boxes which need to be displayed
  - (v) document load status and percent complete
  - (vi) authentication failure during transfer
  - (vii) user request to save document (context menu)
  - (viii) user request to save image (context menu)
  - (ix) user request to print document (context menu)
- (1) Netscape Control must export at least the following functions (per Netscape Control):
  - (i) initialization
  - (ii) cleanup
  - (iii) reset network connection
  - (iv) purge cache
  - (v) get/set global configuration information
- (m) Netscape Control-exported initialization function must accept an "expected version" number from AOL client. The version number must be divided into three segments: major, interface, and revision. Differing major and/or interface versions shall cause the initialization function to fail.
- . (n) A mild degree of Netscape Control reentrance is required, in the sense that "action" requests must be callable from within their companion event. For example, the "Jump" request associated with the "DoJump" event (fired when the user selects a hotspot) will be sent to the Netscape Control while that "DoJump" event is being sent to the AOL client. Arbitrary reentrance, however, is not required.
- (o) Some Netscape extensions might require adaptations to the general approach outlined here (e.g., the Netscape Control might end up creating some of its own dialogues for security or other features).
- (p) Netscape Control must support multiple simultaneous browser controls onscreen, within a single instance of the AOL client.
- (q) The Netscape Control must support the Plug-in API. AOL will be responsible for providing Johnson-Grace ART Plug-ins.
  - (r) Netscape Control must support special port for compression server proxy.

- (s) [Windows] Netscape Control must be able to link to AOLSOCK instead of WINSOCK (AOLSOCK supports the same exact interface as WINSOCK).
- (t) [Windows] Netscape Control must support the following set of Netscape Client APIs (NCAPIs): Windows DDE, Windows Plug-in and Macintosh Apple Event API sets. Where appropriate, suitable replacement APIs must be provided for optimal conformance with NCAPIs. OLE2 Automation functionality must be removed from the Netscape Control.
- (u) Netscape Control must fully support Netscape Client commerce functionality, including the SSL protocol and the Persistent Client-State HTTP Cookies mechanism.
  - (v) [Windows] All OLE2 functionality must be removed from the Netscape Control.
  - (w) [parties must establish some requirements for memory footprint and speed]

#### 2.2 Customized Standard Client Products.

Netscape will create "dual branded" Netscape Navigator products, including the GNN Netscape Navigator, where the Netscape logo will appear on the toolbar and AOL and/or third-party artwork will appear in the spinner area. These customizations will follow the guidelines specified in the "Netscape Navigator Custom Request Form."

#### 2.3 Customized Premium Client Products.

Netscape will create "dual branded" Netscape Navigator Gold products, where the Netscape logo will appear on the toolbar and AOL and/or third-party artwork will appear in the spinner area. These customizations will follow the guidelines specified in the "Netscape Navigator Custom Request Form."

#### 3. TIMETABLE FOR INITIAL CUSTOMIZED CLIENT PRODUCTS.

#### 3.1 Customized Integrated Client Products

(a) Windows Platforms

Final Specifications	4/15/96
Alpha Version	6/15/96
Beta Version	7/15/96
Golden Master	9/15/96

(b) Macintosh Platforms

Final Specifications	4/15/96
Alpha Version	6/15/96
Beta Version	7/15/96
Golden Master	9/15/96

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## 3.2 Customized Standard Client Products

The delivery dates for Windows and Macintosh platforms will be as follows:

Beta Version: 30 days after release of Beta Version of Netscape Standard Client Product Golden Master: 60 days after FCS of Golden Master of Netscape Standard Client Product

# 3.3 Customized Premium Client Products.

Beta Version: 30 days after release of Beta Version of Nelscape Premium Client Product Golden Master: 60 days after FCS of Golden Master of Nelscape Premium Client Product

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#### Attachment C

#### TO THE

# PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Netscape Trademarks

This document is Attachment C to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and lists Netscape's trademarks and trade names. In the event of a conflict between the terms of this Attachment C and the Agreement, the Agreement shall control.

The following are trademarks of Netscape Communications Corporation in the United States and/or other countries:

the Netscape Communications Corporation logo

Netscape

Netsite

Mozilla

Netscape Navigator

Netscape Internet Applications

Netscape Communications Server

Netscape Commerce Server

Netscape News Server

Netscape Proxy Server

Netscape Merchant System

Netscape Community System

Netscape Publishing System

Netscape IStore

Netscape Navigator Included

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#### Attachment D

#### TO THE

# PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Reseller Agreement

This document is Attachment D to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and comprises the Reseller Agreement referenced in the Agreement. In the event of a conflict between the terms of this Attachment D and the Agreement, the Agreement shall control.

[Note to Netscape: This Reseller Agreement has been input into this draft of the Agreement but has not yet been reviewed by AOL or its counsel] NETSCAPE COMMUNICATIONS CORPORATION MASTER VAR AGREEMENT This Agreement is made and entered into by and between Netscape Communications Corporation, a U.S.A. Delaware corporation, having its principal place of business at 501 East Middlefield Road, Mountain View, California 94043, U.S.A. ("Netscape"), and corporation, having its principal place of business at WITNESSETH: WHEREAS, Netscape is engaged in the development, distribution and sale of computer software products; and WHEREAS, VAR wishes to become a value added reseller of such computer software products; NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties agree as follows: 1. APPOINTMENT AND LICENSE 1.1 Appointment Netscape hereby appoints VAR, and VAR hereby accepts appointment, as a nonexclusive value added reseller of the executable version (but not source code version) of the computer software products set forth on the attached Exhibit A (hereinafter the "Products"), as may be amended in writing by Netscape from time to time, in the territory which is (hereinafter the "Territory"). Netscape reserves the unrestricted right to enable other distribution in the Territory and to sell Products directly or indirectly to end users in the Territory. In addition, Netscape reserves the right to discontinue the manufacture, distribution, maintenance or license of any liability thereby

or any obligation to provide such improvements to Products previously purchased, licensed, and/or sold by VAR.

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#### 1.2 License

Netscape hereby grants and VAR hereby accepts a nonexclusive and nontransferable right and license in the Territory: (a) to distribute the Products to customers in the Territory who redistribute the Products ("Sub-VARs") to end user customers ("End Users") in the Territory, together with Netscape's End User License Agreement provided with the Products; and (b) to sell sublicenses for the Products directly to End Users in the Territory. If End User is a corporation or other entity, then "End User" means each individual within such corporation or entity licensed pursuant to this Agreement to use, but not to further distribute, the Products. VAR shall not advertise, sell or ship the Products outside the Territory or establish a support facility outside the Territory without the prior written consent of Netscape. VAR shall only sell Products to Sub-VARs in the Territory for resale to End Users within the Territory. VAR will refer to Netscape all orders or inquiries received by VAR relating to the supply of Products for use outside the Territory. All references herein to the sale, purchase and distribution of Products shall mean the sale or purchase of sublicenses for the Products. If all or any part of the Products or Updates delivered to VAR has been licensed to Netscape by a third party software supplier then, notwithstanding anything to the contrary contained in this Agreement. VAR is granted a sublicense to the third party software subject to the same terms and conditions as those contained in the agreement between Netscape and such third party software supplier. In addition, Netscape reserves the right to substitute Netscape and such third party software in the Products so long as the new third party software does not materially affect the functionality of the Products. Netscape represents that the current releases of the Products contain no third party software which would require VAR to agree to any terms and conditions in addition to those set forth in this Agreement.

#### 2. DISTRIBUTION

- 2.1 During the term of this Agreement, VAR shall:
- (a) In the reasonable judgment of Netscape, maintain staff, facilities and inventory capable of achieving the initial annual and quarterly sales goals jointly agreed upon by Netscape and VAR and set forth in Exhibit C. On each anniversary of the Effective Date, the sales goals for the preceding year will be reviewed by Netscape and the parties will amend in writing the sales goals for the following year. In order to be able to supply the Products to customers promptly from inventory, VAR agrees to carry such minimum levels of inventory of Products as reasonably specified from time to time by Netscape;
- (b) Exert its best efforts to promote, sell and otherwise create a market for the Products within the Territory, which may include, without limitation, sales calls, direct mail solicitation, advertising in appropriate journals and other publications or media and participation in trade shows and exhibits and the purchase and display of Product demonstration units. All marketing and promotional activities and materials used by VAR, other than those provided by Netscape, shall be subject to the prior written approval of Netscape;
- (c) Provide front-line support to its Sub-VARs and End Users as set forth in Exhibit E hereto;
- (d) Maintain and forward to Netscape monthly point-of-sales reports, monthly inventory reports, and any other reports Netscape may reasonably request by the fifth business day of each month for the preceding month. VAR point-of-sales reports will include ship-to zip/postal code location, city and country, date of sale; and quantity of Product sold by model. Inventory reporting should include unit quantity counts by model. VAR shall also provide, on a monthly basis pursuant to this subsection, good faith rolling forecasts for Product sales for each of the Products by month for the following six (6) months:

- (c) Agree that the Products are governed by Netscape's then current End User License Agreements as packaged with the Products. VAR agrees to distribute the Products only pursuant to such license agreements and shall use commercially reasonable efforts to enforce such license agreements. VAR will make no representations, guarantees or warranties regarding the performance or functional characteristics of the Products beyond those stated in such license agreement;
- (f) Not (or permit any third party to) reproduce, modify or translate the Products in any way (except for normal backup copies), without Netscape's prior written consent;
- (g) With the assistance of and subject to the written approval of Netscape, implement local VAR recruitment and VAR programs;
- (h) At all times maintain an established Internet connection and Netscape server for promotional activities and support services. VAR agrees that proper representation of Products requires a suitable site with appropriate hardware capable of performing to Sub-VARs' and End Users' satisfaction;
- (i) At its own cost and expense send an employee or agent to be trained in the use, operation and maintenance of the Products by Netscape at its Mountain View, California, U.S.A. office or other mutually agreed upon location with the one hundred and twenty (120) days after the Effective Date (as defined in Section 10) of this Agreement. VAR shall be responsible for training an additional number of employees or agents sufficient to demonstrate the Products to its customers and instruct its customers in the use, operations and maintenance of the Products, as applicable. In addition, VAR shall designate an employee in marketing or support to act as Netscape's main contact person for the Products;
- (j) Not offer, sublicense, sell, distribute, design or manufacture any products which are deemed, in the reasonable opinion of Netscape, to be competing with the Products without prior written authorization from Netscape. It is understood that in the event such authorization is granted Netscape may be required to withhold certain information from time to time regarding Netscape's general marketing strategies and product release schedules. Third party products which compete with the Products are those that are used for communication and commerce on the Internet World Wide Web using protocols such as HTTP, HTML and NNTP:
- (k) At its own expense, make, obtain, and maintain in force at all times during the term of this Agreement, all applicable filings, registrations, reports, licenses, permits and authorizations (collectively "Authorizations"). In the Territory in order to VAR to perform its obligations under this Agreement. Netscape shall provide VAR with such assistance as VAR may reasonably requires in making or obtaining any such Authorizations. In the event that the issuance of any Authorization is conditioned upon an amendment or modification to this Agreement which is unacceptable to Netscape, Netscape shall have the right to terminate this Agreement without liability or further obligation whatsoever to VAR:
- (l) Comply with all laws, regulations and other legal requirements that apply to this Agreement, including tax and foreign exchange legislation; advise Netscape of any legislation, rule, regulation or other law (including but not limited to any customs, tax, trade, intellectual property or tariff law) which is in effect or which may come into effect in the Territory after the Effective Date of this Agreement and which affects the importation of the Products into, or the use and the protection of the Products and the Intellectual property rights within, the Territory, or which has a material effect on any provision of this Agreement. VAR will provide Netscape with the assurances and official documents that Netscape periodically may request to verify VAR's compliance with this subsection;

- (m) Not, together with its employees and agents, in conformity with the United States Foreign Corrupt Practices Act and with Netscape's established corporate policies regarding foreign business practices, directly or indirectly make and offer payment, promise to pay, or authorize payment, or offer a gift, promise to give, or authorize the giving of anything of value for the purpose of influencing an act or decision of an official of any government within the Territory or of the United States Government (including a decision not to act) or inducing such a person to use his influence to affect any such governmental act or decision in order to assist Netscape in obtaining, retaining or directly any such business;
- (n) And hereby does, represent and warrant that no consent, approval or authorization of or designation, declaration or filing with any governmental authority in the Territory is required in connection with the valid execution, delivery and performance of this Agreement;
- (o) And hereby does, represent and warrant that the provisions of this Agreement, and the rights and obligations of the parties hereunder, are enforceable under the laws of the jurisdictions in the Territory;
- (p) Not (or permit any third party to) reverse assemble, reverse engineer, decompile, disassemble or otherwise attempt to derive source code from the Products; provided, however, that it VAR's address set forth above is located within a Member State of the European Community, then such activities shall be permitted solely to the extent, if any, permitted by Article 6 of the Council Directive of 14 May 1991 on the legal protection of computer programs, and implementing legislation thereunder;
- (q) In the event that Netscape is required by a third party software supplier to cease and to cause its licensees to cease distribution of a particular revision of the Products, VAR agrees to comply herewith provided Netscape provides VAR with thirty (30) days prior written notice and further provided Netscape replaces such affected Product with a functionally equivalent Product as soon commercially practicable.
- (r) Comply with and shall require its Sub-VARs to comply with all applicable laws, rules and regulations to preclude the acquisition of unlimited rights to technical data, software and documentation provided with the Products to a governmental agency, and ensure the inclusion of the appropriate "Restricted Rights" or "limited Rights" notices required by the U.S. Government agencies or other applicable agencies; and
- (s) Provide to Netscape upon execution of this Agreement, and thereafter on an annual basis, at least thirty (30) days prior to the commencement of VAR's fiscal year, a business plan for the ensuring year containing at least the minimum information specified by Netscape in Exhibit D hereto.
- 2.2 During the term of this Agreement, Netscape shall:
- (a) Use reasonable efforts to accept and promptly fill all orders for purchase of Products placed by VAR in conformity with this Agreement;
- (b) Conduct training sessions form time to time at its Mountain View, California, U.S.A. location for the Products and upon the introduction of new Products in a manner sufficient for VAR to satisfy its obligations under Section 2.1(i) above; and
- (c) Provide back-end support to VAR as set forth in Exhibit E hereto. During the warranty period of the affected Product, such back-end support shall be at no additional charge to VAR. Thereafter, Netscape will invoice VAR at Netscape's then current charges for maintenance and support. Netscape and VAR agree to work together to ensure the quality of VAR's front-line support, and methods for limiting the number of questions being sent to Netscape's

back-end support group by Sub-VARs and End Users. The foregoing does not constitute a warranty to VAR, Sub-VARs or End Users.

#### 3. PRICES

- The initial prices for the Products shall be those specified in the Netscape End User Price List attached hereto as Exhibit A ("List Price"), as may be modified by any subsequent List Price(s) delivered to VAR by Netscape during the term of this Agreement, which List Price(s) shall then constitute a part hereof. VAR's discount off of List Price shall be as set forth on Exhibit B. In addition, subject to Subsections 3.3 and 3.4 below, Netscape reserves the right to change any and all prices of the Products at any time during this Agreement. In the event of any conflict between any terms of this Agreement and any List Price which becomes a part hereof, the terms of such List Price shall control.
- All prices are in U.S. Dollars and are exclusive of any applicable taxes. The prices in this Agreement are for the Products only. VAR shall be responsible for all applicable national, state and local taxes, value added or sales taxes, levies and assessments pertaining to the sale of the Products (except taxes based upon Netscape's net income from the sale of the Products to VAR) except to the extent VAR provides Netscape with a tax exemption certificate. If any applicable law requires VAR to withhold amounts from any payments to Netscape hereunder, VAR shall effect such withholding, remit such amounts to the appropriate taxing authorities and promptly furnish Netscape with tax receipts evidencing the payment of such amounts.
- 3.3 In the event of a Product price increase, Netscape will honor the outdated prices for any order received during the earlier to lapse of: (i) thirty (30) days after the date of Netscape's written notice; of (ii) thirty (30) days after the effective date of such price increase; provided the quantity of VAR's orders following such price increase does not exceed VAR's monthly average as measured by the previous three (3) months.
- In the event of a Product price decrease, Netscape shall grant to VAR a credit with respect to such Product in VAR's Inventory and such Products in transit from Netscape to VAR on the effective date of the price decrease, which is equal to the difference between the price paid by VAR and the adjusted price; provided that VAR applies for such price protection credit within thirty (30) days from the date VAR receives written notice of the price decrease and VAR has been providing inventory reports pursuant to Section 2.1(d) above. Netscape will automatically adjust unshipped orders for all affected Products on the effective date of the price decrease to reflect the new price.

### 4. PURCHASE ORDERS

VAR shall place written purchase orders for Products listed on the then current List Price. Each purchase order placed by VAR shall contain the following information: (i) reference to the Agreement number on page one; (ii) identification of each Product ordered by model number, quantity and price; (iii) shipping instructions and destination; (iv) requested delivery date for each Period; (v) bill to address; and (vi) payment terms.

## 5. DELIVER, TITLE AND RISK OF LOSS

5.1 Deliver shall occur F.C.A. Netscape, Fremont, California, U.S.A. (the "F.C.A. Point"). "F.C.A." means Free Carrier Alongside and shall have the definition in ONCOTERMS 1990. If any conditions arise which prevent compliance with delivery schedules, Netscape shall not be liable to VAR for delay in delivery or for failure to give notice of delay or to deliver Products. Netscape will use reasonable efforts to notify VAR of any delays in scheduled delivery dates or inability to deliver Products.

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- In the event VAR fails to pay Netscape in accordance with the terms of this Agreement for any invoices for Products previously shipped to VAR, or VAR fails to perform any of its obligations under this Agreement, or Netscape develops a reasonable doubt relating to VAR's ability to fulfill any such obligations hereunder, Netscape may withhold or suspend, in whole or in part, shipment of the Products to VAR or may, at Netscape's option, sell the Products to VAR on a cash on delivery ("C.O.D.") basis.
- Risk of loss shall pay to VAR upon delivery of the Products to a common carrier at the F.C.A. Point. In the event of any loss of or damage to the Products following delivery to the F.C.A. Point, Netscape shall, upon request, cooperate with VAR in connection with the proof of loss claim presented to VAR to the carrier and/or insurer. Unless requested by VAR, Netscape shall exercise its discretion in selecting the method of shipment and the carrier. All packing materials and methods, the carrier and type of conveyance shall conform to standard commercial practices of Netscape for international shipment of its Products. The cost of any special packing materials and methods requested by VAR which do not conform to Netscape's standard commercial practice shall be borne by VAR.

#### 6. PAYMENT

Netscape shall ship Products and thereafter invoice VAR for such Products purchased under this Agreement. Such invoices shall state only VAR's price to Netscape for the Products. All payments shall be due and paid within thirty (30) days from the date of Netscape's invoice. All payments due and payable by VAR under this Agreement shall be made in United States dollars, at Netscape's option, (i) at Netscape's address as indicated in this Agreement or such other address as Netscape may from time to time indicate by proper notice hereunder or (ii) by wire transfer to a bank and account number designated by Netscape. Interest shall be payable at the rate of one percent (1%) per month or at the maximum rate permitted by law, whichever is less, on all overdue and unpaid invoices until paid in full. Each shipment of Products to VAR shall constitute a separate and independent transaction, obligating VAR to pay for such shipment, whether such shipment is complete or partial fulfillment of any purchase order or confirmation issued by Netscape. All applicable taxes, exchange, interest, banking, collection and other charges shall be at VAR's expense.

## RETURNS AND STOCK ROTATION

- 7.1 For the purpose of inventory balancing, VAR may return original sealed Products once per calendar quarter provided such returns are made within the thirty (30) days immediately following the close of any quarter and in accordance with Netscape's standard return material authorization procedure. The aggregate dollar amount of any individual VAR return shall not exceed ten percent (10%) of VAR's purchases of Products from Netscape during the three (3) months immediately preceding such return. The amount of the net invoice price paid by the VAR for the returned Product, in original sealed condition, shall be credited to VAR's account; provided, however, that VAR will submit purchase order(s) of equal or greater value to Netscape for other Products, thereby immediately utilizing such credited amount. VAR shall be responsible for all freight and insurance costs of returning Products to the F.C.A. Point.
- In the event that Netscape discontinues or makes obsolete any Product, Netscape shall give VAR written notification thereof, and Netscape agrees to repurchase, at VAR's request, all discontinued or obsolete Products (in original scaled condition) in VAR's Inventory reported in monthly inventory reports for the three (3) months immediately preceding the date of Netscape's notification of VAR's net Invoice price (the "Repurchase Price"), subject to VAR's requesting a return material authorization within forty-five (45) days of Netscape's notification specifying the Products to be repurchased by Netscape. The amount of the Repurchase Price for the returned Products shall be credited against future VAR Product purchases. Such repurchases shall not constitute any portion of the allowable Product returns set forth in Section 7.1. All such Products shall be shipped F.C.A. VAR's address set forth above, or such other address agreed to in writing by the parties, freight collect, via a carrier of Netscape's choice.

#### 8. RESCHEDULE OF PURCHASE ORDERS

VAR may reschedule any Product which is to be delivered under any purchase order with a minimum of thirty (30) days' written notice prior to the originally scheduled delivery date. If VAR violates this provision, VAR agrees to pay Netscape a restocking fee of ten percent (10%) of the value of the purchase order so rescheduled.

## 9. PURCHASE ORDER CANCELLATION

VAR may cancel any Product which is to be delivered under any purchase order within thirty (30) day's written notice prior to the originally scheduled delivery date provided that VAR is not in default of its obligations under this Agreement at the time of the cancellation request. If VAR violates this provision, VAR agrees to pay Netscape a restocking fee of ten percent (10%) of the value of the purchase order so canceled.

#### 10. TERM AND RENEWAL

On the date of execution by Netscape, this Agreement shall become effective (the "Effective Date") and shall continue in full force and effect for one year. Thereafter, the Agreement shall terminate automatically, unless renewed for subsequent one-year periods by the parties in writing at least sixty (60) days prior to the expiration of the initial term or any renewal term.

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#### 11. WARRANTY

- 11.1 Subject to the limitations set forth in this Agreement, Netscape warrants only to VAR that the Products, when properly adapted, installed, and used will substantially conform to the specifications in the applicable documentation in effect when the Products are shipped to VAR. Netscape's warranty and obligation shall extend for a period of ninety (90) days ("Warranty Period") from the date Netscape first delivers the Products to VAR. All warranty claims not made in writing or not received by Netscape within the time period specified above shall be deemed waived. Netscape's warranty and obligation is solely for the benefit of VAR, who has no authority to extend this warranty to any other person or entity. NETSCAPE MAKES NO WARRANTY THAT ALL ERRORS OR FAILURES WILL BE CORRECTED. Except as provided in Exhibit E, it is understood that Netscape shall have no responsibility to update any Product under its warranty obligation or otherwise through the installation or provision of new or improved software programs or packages.
- 11.2 THE FOREGOING WARRANTY OR CONDITION IS EXPRESSLY IN LIEU OF ANY EXPRESS OR IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW) WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND SHALL CONSTITUTE VAR'S SOLE RIGHT AND EXCLUSIVE REMEDY HEREUNDER WITH RESPECT TO A PRODUCT NETSCAPE DOES WARRANTY THAT THE PRODUCTS ARE ERROR-FREE OR THAT OPERATION OF THE PRODUCTS WILL BE SECURE OR UNINTERRUPTED AND HEREBY DISCLAIMS ANY AND ALL LIABILITY ON ACCOUNT THEREOF. EXCEPT AS PROVIDED HEREIN, THERE IS ALSO NO EXPRESS OR IMPLIED WARRANTY OF NON-INFRINGEMENT. VAR'S SOLE AND EXCLUSIVE REMEDY FOR INFRINGEMENT IS PROVIDED IN SECTION 14. This subsection shall be enforceable to the extent allowed by applicable law.
- 11.3 Netscape shall have no obligations under the warranty provisions set forth in Section 11.1 if any nonconformance is caused by: (a) VAR's incorporation, attachment or otherwise engagement of any attachment, feature, program, or device to the Products, or any part thereof; or (b) accident, transportation; neglect or misuse;

alteration, modification, or enhancement of the Products by VAR; failure to provide a suitable installation environment; use of supplies or materials not meeting specification; use of the Products for other than the specific purpose for which the Products are designed; use of the Products on any systems other than the specified hardware platform for such Products.

- 11.4 VAR shall be responsible for the shipping and delivery charges involved in returning Products to Netscape pursuant to the aforedescribed warranty while Netscape shall be responsible for such charges in returning repaired or replacement Products to VAR, or at Netscape's discretion, the VAR's customer.
- 11.5 VAR shall make no representations to third parties regarding the performance of function capabilities or characteristics of the Products beyond those stated in Netscape's then current printed literature, brochures and End User License Agreement contained with the Products. Netscape makes not warranty to VAR's customers. VAR shall indemnify, defend and hold harmless Netscape or its suppliers from and against any and all claims which may arise under or out of VAR's business dealing with its customers relating to the distribution, use or support of Products hereunder.

#### 12. LIMITATION OF LIABILITY

TO THE EXTENT ALLOWED BY APPLICABLE LAW, UNDER NO CIRCUMSTANCES SHALL NETSCAPE OR ITS SUPPLIERS BE LIABLE TO VAR OR TO ANY OTHER PERSON OR ENTITY UNDER ANY LEGAL THEORY, FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OR LOST PROFITS ARISING IN CONNECTION WITH THIS AGREEMENT OR TERMINATION HEREOF, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. THE LIABILITY OF NETSCAPE, ITS AGENTS, REPRESENTATIVES, EMPLOYEES AND SUPPLIERS TO THE VAR FOR DAMAGES OR ALLEGED DAMAGES WHETHER IN CONTRACT (INCLUDING BREACH OF WARRANTY) OR TORT (INCLUDING STRICT LIABILITY AND NEGLIGENCE) WITH RESPECT TO THE PRODUCTS IS LIMITED TO AND SHALL NOT EXCEED THE AMOUNT RECEIVED BY NETSCAPE FROM VAR DURING THE PREVIOUS TWELVE (12) MONTHS FOR THE PARTICULAR PRODUCT GIVING RISE TO THE DAMAGES.

#### MARKETING

- 13.1 Public relations and press releases regarding the Products shall be the sole and exclusive responsibility of .

  Netscape. VAR shall comply with Section 2.1(b) at all times and makes no public statement regarding this Agreement unless approved in advance and in writing by Netscape.
- 13.2 All cooperative advertising activities shall be coordinated and approved by Netscape in writing. VAR is eligible to participate in all then current VAR marketing programs offered by Netscape in the Territory, as applicable.

#### 14. INTELLECTUAL PROPERTY INDEMNIFICATION

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14.1 Netscape shall defend or settle, at its option, any action brought against VAR to the extent it is based on a claim that distribution by VAR of the Products furnished hereunder within the scope of the license granted hereunder directly infringes any valid United States patent as of the Effective Date, United States copyright, United State trademark or trade secret in the United States. Netscape will pay resulting costs, damages and legal fees finally awarded against VAR in such action which are attributable to such claim provided that VAR (a) promptly (within

twenty (20) days) notifies Netscape in writing of any such claim and Netscape has sole control of the defense or settlement negotiations, and (b) cooperates with Netscape, at Netscape's expense, in defending or settling such claim.

Should a product become, or be likely to become in Netscape's opinion, the subject of infringement of such 14.2 copyright, patent, trademark or tarde secret, Netscape may procure for VAR (i) the right to continue using the same or (ii) replace or modify it to make it non-infringing. Netscape shall have no liability for and VAR shall indemnify and hold Netscape harmless from and against any claim based upon: (a) use of other than the then current, unaltered version of the Product, unless the infringing portion is also in the then current, unaltered release; (b) use, operation or combination or Products with non-Netscape programs, data, equipment or documentation if such infringement would have been avoided but for such use, operation or combination if such infringement would have been avoided but for such use, operation or combination; (c) VAR's or its agent's activities after Netscape has notified VAR that Netscape believes such activities may result in such infringement; (d) compliance with VAR's designs, specifications or instruction; (e) any modification or marking of Products not specifically authorized in writing by Netscape; (f) VAR's use of any trademarks other than the Marks (Defined in Section 15.1 below); or (g) third party software. Netscape's liability to VAR under this Section 14 shall be limited to the amount received by Netscape from VAR during the previous twelve (12) months for the Products causing the infringement giving rise hereto. The foregoing states the entire liability of Netscape and the exclusive remedy of VAR with respect to infringement of any intellectual property rights.

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### 15. PROPRIETARY RIGHTS; USE OF TRADEMARKS

- 15.1 It is expressly agreed that ownership and all right, title and interest in and to any trademark, trade name, patent, copyright or other propriety right relating to the Products are and shall remain vested solely in Netscape or its suppliers; provided, however, that VAR may use only those proprietary right relating to the Products to the extent and only to such extent necessary to perform VAR's duties hereunder. VAR shall continually use its best efforts to protect Netscape's trademark, trade names, patents, copyrights, and other property rights. VAR shall promptly notify Netscape of any infringement thereof which it has actual knowledge. VAR shall not use, directly or indirectly, in whole or in part, Netscape's name or any other trade name or trademark that it owned or used by Netscape ("Marks") in connection with any product other than Netscape's Products, without the prior written consent of Netscape. Upon notice from Netscape or its objection to any improper or incorrect use of such marks, VAR shall correct or change such usage. VAR shall indemnify and hold Netscape harmless for any and all liability, charges and/or costs of defending against claims arising from improper use by VAR of such Marks after Netscape has in writing objected to VAR's use of them.
- All use of VAR of the Marks shall inure exclusively to the benefit of Netscape and Netscape shall retain the exclusive right to apply for and obtain registration of the marks in all states of the United States and all countries of the world. Upon request of Netscape, VAR shall assist Netscape in, but not bear the expense of, securing patents, trademarks, trade names or copyrights in the region(s) or country(ies) of the Territory in which products are or will be sublicensed under this Agreement, for technology or products developed by Netscape, or names or material originated by Netscape. Except as described in the previous sentence, VAR agrees not to obtain or attempt to obtain by any manner whatsoever any right, title or interest in or to any of the Marks or any mark or name confusingly similar thereto. VAR shall, and hereby does, assign to Netscape any and all proprietary interest it may obtain under the laws of any jurisdiction in the Territory in the name and/or trademarks or words associated with Netscape, or the Products, due to use or registration by VAR of such names, trademarks or words in the Territory. Unless otherwise agreed to in writing by Netscape, VAR shall sell Products only under the Territory. Unless otherwise agreed to in writing by Netscape, VAR shall sell Products only under the Marks affixed thereon or on the packages in which they are

delivered and VAR shall not have the right to eliminated such marks or add any other trademark, copyright of patent notice, or trade name thereto.

- 15.3 VAR shall promptly notify Netscape in writing of, and shall assist Netscape with any registrations or filing required to obtain copyright, trademark or other intellectual property right protection, in Netscape's name, for the Products in the Territory. Netscape shall be responsible for all fees or expenses incurred in connection with such registration or filings.
- 16. TERMINATION
- 16.1 This Agreement can be terminated as follows:
- (a) Mutual Consent. This Agreement may be terminated at any time upon mutual constant of the parties, evidenced by a written agreement signed by an authorized officer or representative of VAR and by an officer of Netscape.
- (b) For Cause. Either party may terminate this Agreement upon written notice to the other party without advance notify if the other party:
- (i) materially breaches the terms of this Agreement and such default continues uncorrected for a period of thirty (30) days after notice in writing thereof to such other party; or
- (ii) becomes insolvent or is adjudged as bankrupt; makes an assignment for the benefit of creditors; has a receiver appointed, files a petition of bankruptcy; initiates reorganization proceedings; causes or permits to occur any similar event under the laws of its domicile; or ceases to conduct its operations in the normal course of business.
- (c) Upon Merger. This Agreement shall be subject to immediate termination upon the occurrence of either of the following unless Netscape provides prior written consent thereto, which consent shall not be unreasonably withheld or delayed.
  - (i) VAR is acquired, merged into or consolidated with another corporation or organization; or
- (ii) VAR sells, transfers or leases all or any substantial part of its assets except in the ordinary course of business.
- (d) For Convenience. Either party may terminate this Agreement at its convenience upon sixty (60) days prior written notice to the other party.
- (e) Failure to meet or agree on sales goal. If VAR fails to meet any sales goals, Netscape shall send VAR a written notice to cure shortfall within a period of time specified therein. If VAR fails to cure shortfall within said time period, Netscape may, at its option, immediately torment this Agreement in writing. This Agreement may also be terminated immediately in writing by Netscape if the parties fail to agree on a sales goal for any ensuing year under section 2.1(a).
- (f) Breach of license of confidentiality. This Agreement maybe terminated immediately by Netscape in the event of any breach of Sections 1.2, 2.1(a), 2.1(f), 2.1(p) and/or 18.
- 16.2 Effect of Termination.

- (a) Termination of this Agreement shall not release VAR from the obligation to pay any sums to Netscape whether then or thereafter due or operate to discharge any liability which has been incurred by Netscape of by VAR prior to the effective date of such termination.
- (b) If VAR has products remaining in its inventory acquired under this Agreement on the effective date of such termination of this Agreement, then VAR shall first offer to sell or return such inventory to Netscape at the price VAR paid Netscape for such inventory. If Netscape refuses to repurchase all of such inventory within thirty (30) days of notice of the detailed composition thereof, then VAR may for six (6) months sell such Products, provided VAR abides by the provisions of this Agreement and provided further that if VAR intends to offer to sell such Products to any customer at a price below that which VAR paid Netscape for such Product, VAR shall first offer to return such Product or sell such Product at such prices to Netscape and Netscape shall have fifteen (15) days to respond to such offer. If VAR should violate any of these provisions then VAR shall, upon Netscape's request, return all Products then in its inventory to Netscape free of charge. While VAR is selling Products pursuant to this Section 16.2(b), the effectiveness of Section 16.1 shall be suspended.
  - 16.3 Upon termination of this Agreement at any time, for any reason, all licenses under this Agreement relating to the Products shall terminate immediately and VAR shall immediately return to Netscape (or certify as destroyed) all Property information as defined in Section 18 below (including all copies thereof) then in the possession or custody or control of VAR. Notwithstanding the foregoing, and provided VAR fulfills its obligations specified in this Agreement with respect to such items, VAR may continue to use and retain copies of the Products and applicable documentation to the extent, but only to the extent, necessary to support and maintain Products rightfully distributed to End Users by VAR prior to termination of this Agreement.
  - 16.4 Notwithstanding the termination of this Agreement, all End Users sublicenses which have been properly granted pursuant to this Agreement prior to its termination shall survive.
  - 16.5 It is further agreed and understood that Netscape shall not be liable to VAR in the event of termination, expiration or failure to agree upon an extension of the term of this Agreement, for compensation, reimbursement or damages on account of the loss of prospective profits, or anticipated sale, or on account of expenditures, investments, leases or commitments in connection with the business or goodwill of VAR.

#### 17. NOTICES

Any notice, request, demand, or other communication required or permitted hereunder shall be in writing and shall be deemed to be properly given upon the earlier of (i) actual receipt by the addressee, (ii) ten (10) days after deposit in the applicable country mail, postage prepaid, or (iii) three (3) days after deposit i an overnight industry courier, to the respective parties at the addresses first set forth above or to such other person or address as the parties may from time to time designate in writing delivered pursuant to this section.

# 18. PROPRIETARY INFORMATION/NONDISCLOSURE

- 18.1 VAR acknowledges that in the course of performing its duties under this Agreement, it may obtain information relating to the Products and to Netscape which is of a confidential and proprietary nature and therefore requires that certain steps be taken to ensure its protection. The term "Proprietary Information" shall mean all information Netscape discloses to VAR which has been either characterized in writing as confidential at the time of its disclosure or orally characterized as confidential at the time of disclosure, except for information which:
- (a) is previously rightfully known to the VAR without restriction on disclosure;

- (b) is or becomes, from no act or failure to act on the VAR's part, generally known in the relevant industry or public domain; or
- (c) is disclosed to the VAR by a third party as a matter or right and without restriction on disclosure.
- 18.2 The VAR shall have the burden of proving by clear and convincing evidence that one of the forgoing three exceptions applies and shall notify Netscape in writing of any proposed disclosure in reliance upon any of such exceptions at least fifteen (15) days in advance specifying the proposed disclosure and the relevant exception(s).
  - Although certain information may be generally known in the relevant industry, the fact that Netscape uses same may not be so known and in such instance would comprise Proprietary Information if so characterized. Furthermore, the fact that various fragments of information or data may be generally known in the relevant industry does not mean that the manner in which Netscape combines them, and the results obtained thereby, are so known and in such instance would also comprise Proprietary Information if so characterized. Such Proprietary Information may include, not by way of limitation, trade secrets, know-how, inventions, techniques, processes, programs, schematics, theories of operation, software source documents, data, customer lists, financial information, and business, sales and marketing plans and data.
  - VAR shall at all times, both during the term of the Agreement and for a period of at least five (5) years after its termination, keep in confidence and trust all such Proprietary Information using a standard of care VAR uses with its own information of this nature, but in no event less than reasonable care, and shall not use such Proprietary Information other than in the course of its duties under this Agreement, nor shall VAR disclose any of the Proprietary Information without the prior written consent of Netscape. VAR shall not disclose Proprietary Information to any consultant to or employee of VAR who does not have the need to know same to perform work for VAR and who is not party to an agreement with VAR to maintain the confidentiality of the Proprietary Information.

#### 19. GENERAL

- 19.1 This Agreement is entered into in the State of California, U.S.A., and this Agreement shall be governed by and construed in accordance with the laws of the State of California, U.S.S., without reference to its conflicts of law provisions. The parties agree that any suit or proceeding in connection with, arising our of or relating to, this Agreement shall be instituted only in a court of law located in the County of Santa Clara, State of California, U.S.S., and the parties hereby irrevocably agree and submit to the jurisdiction and venue of any such proceeding and agree that service of process may be effected in the same manner notice is given hereunder. This Agreement will not be governed by the United Nations Convention of Contracts of the International Sale of Good, the application of which is hereby expressly excluded.
- 19.2 A waiver by either party of any term or condition of this Agreement or any breach thereof, in any one instance, shall not be deemed or construed to be a waiver of such term or condition or may subsequent breach thereof.
- 19.3 Neither party shall be deemed to be in default of any provision hereof or be liable for any delay, failure in performance (excepting the obligation to pay) or interruption of service resulting directly or indirectly from act of war, act of God, act of civil or military authority, civil disturbance or any other cause beyond its reasonable control.
- 19.4 The relationship between Netscape and VAR is that of Independent contractors. Neither party, nor its agents or its employees shall be deemed to be the agent of the other party. Neither party shall have the right to bind the other party, transact any business in the other party's name or in its behalf or incur any liability for or on behalf of the other party.

- 19.5 If any dispute arises under this Agreement, the prevailing party shall be reimbursed by the other party for any legal fees and costs associated therewith.
- 19.6 The headings to the sections of this agreement are included merely for convenience of reference and shall not affect the meaning of the language included therein.
- 19.7 No provisions of this Agreement may be altered or amended unless such alteration or amendment is in writing and executed by duly authorized officers of both parties, except where otherwise specifically provided for in this Agreement.
- 19.8 The covenants contained in this Agreement which, by their terms, require or contemplate performance by the parties after the expiration or termination of this Agreement shall be enforceable notwithstanding said expiration or termination.
- 19.9 The right of VAR under this Agreement may not be assigned, in whole or in part, by operation of law or otherwise, without the prior express written consent of Netscape, which consent shall not be unreasonably withheld or delayed. The foregoing notwithstanding, and subject to the terms of this Agreement, either party can assign their rights and obligations under this agreement to an entity purchasing all or substantially all of the stock or assets of the assigning party so long as the acquiring party is not a competitor of the non-assigning party and the acquiring party agrees to comply with all of the terms and conditions of this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the parties, their successors and permitted assigns. Any attempted assignment of rights, duties, or obligations hereunder, exception accordance with this Agreement, shall be null and void.
- 19.10 This Agreement may be executed in counterparts or by facsimile, each of which shall be an original, but all of which together shall constitute one agreement.
- 19.11 This Agreement, together with its exhibits, constitutes the entire agreement and understanding between the parties relating to the subject matter hereof, supersedes all other agreements, oral or written, heretofore made between the parties with respect to such subject matter, as well as the standard terms and conditions in any VAR purchase order form and any other terms and conditions of purchase proposed by VAR. If any provision in this Agreement should be held illegal or unenforceable by a court having jurisdiction, such illegal or unenforceable provision shall be modified to the extent necessary to render it enforceable without losing its intent, or severed from this Agreement if no such modification is possible, and other provisions of this Agreement shall remain in full force and effect.
- 19.12 This Agreement is in the English language only, which language shall be controlling in all respects, and all versions hereof in any other language shall not be binding on the parties hereto. All communications and notices to be made or given pursuant to this Agreement shall be in the English language. Les parties aux presentes confirment leur volonte que cette convention de meme que tous les documents y compris tout avis qui s'y rattache, solent rediges en langue anglaise.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by duly authorized representatives of the parties effective as of the date of execution by Netscape ("Effective Date").

NETSCAPE COMMUNICATIONS CORPORATION	<u>.                                    </u>
Ву:	Ву;
•	

Name:	Name:
Print or type	Print or type
Title:	Title:
Date:	Date:

EXHIBITS .

. .

- À Products and List Price
- B Discount
- C Sales Goals
- D VAR's Business Plan Required Information E Maintenance and Support

# EXHIBIT A

# Products and List Price

[To be completed]

Ship To Address for Deliveries. (not P.O. address)	Bill To Address for Invoice.	: •
	<u> </u>	
Attention:	Attention: Telephone:	
Netscape Sales Rep:		

# EXHIBIT B

Discount

[to be completed]

# **EXHIBIT C**

# Sales Goals

1. Annual Sales Goals (sell through as reported on VAR's point-of-sale reports

VAR hereby agrees to an annual sales goal of U.S. \$\_\_\_\_ in net revenue to Netscape for Products purchased within the Territory during the initial term.

2. Quarterly Sales Goals
[to be completed]

# EXHIBIT D

# VAR's Business Plan - Required Information

[to be completed]

#### EXHIBIT E

#### Maintenance and Support

## 1. Definitions.

- a. "Documentation" means those software user manuals, reference manuals and installation guides, or portions thereof, relating to Productions which Netscape may update form time to time.
- b. "Major and Minor Updates" means updates, if any, to the Products. Major Updates involve additions of substantial functionality while Minor Updates do not. Major Updates are designated by a change in the number to the left of the decimal point of the number appearing after the product name while Minor Updates are designated by a change in such number to the right of the decimal point. Netscape is the sole determine of the availability and designation of an update as a Major or Minor Update. Major Updates exclude software releases which are reasonably designated by Netscape as new products. Where used herein "Updates" shall mean Major Updates or Minor Updates interchangeably.
- c. "Program Errors" means one or more reproducible deviations in the Products from the applicable specifications shown in the Documentation.
- 2. Maintenance/Minor Updates. In consideration of the Maintenance and Support fee set forth in Exhibit A hereto, Netscape will provide to VAR any Minor Updates made generally available during the one (1) year term of the Maintenance and Support Agreement. VAR and not Netscape will be responsible for providing Minor Updates to its Sub-VAR's and End Users. The expenses of any such distribution will be paid by VAR. VAR and Netscape will favorably consider electronic or alternative dissemination methods of such Minor Updates to the extent consistent with policies o both companies. VAR and Netscape agree to discuss quarterly support issues and processes.
- Technical Support. In consideration of the Maintenance and Support fee set forth in Exhibit A hereto, Netscape will provide VAR with Netscape's back-end technical support services, as further described herein.
  - a. Back-end Support. Netscape will provide back-end support to VAR for Program Errors not resolved by VAR pursuant to VAR's support policies and in accordance with subsection (b) below. This support includes efforts to identify defective source code and to provide corrections, workarounds and/or patches to correct Program Errors. Netscape will provide VAR with a telephone number and an e-mail address which VAR may use to report Program Errors during Netscape's local California business hours (8am 5pm Pacific Standard Time). For priority I or 2 failures, VAR agrees to notify Netscape via both telephone and e-mail. VAR will identify one (1) member of its customer support staff and an alternate to act as the primary technical liaisons responsible for all communications with Netscape's technical support representatives. Such liaisons will have sufficient technical expertise, training and/or experience for VAR to perform its obligations hereunder. Within one (1) week after the Effective Date, VAR will designate its liaison(s). Notification will be in writing and/or e-mail to Netscape. VAR may substitute contacts at any time by providing to Netscape one (1) week's prior written and/or electronic notice thereof.

Netscape will make reasonable efforts to correct significant Program Errors that VAR identifies, classifies and reports to Netscape and that Netscape substantiates. Netscape may reclassify Program Errors if it reasonably believes that VAR's classification is incorrect. VAR will provide sufficient information to enable Netscape to duplicate the Program Error before Netscape's response obligations will commence. Netscape

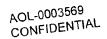
will not be required to correct any Program Error caused by: (a) any nonconformance caused by accident, transportation, neglect, misuse, alteration, modification, or enhancement of the Products; (b) the failure to provide a suitable installation environment; (c) use of the Products for other than the specific purpose for which the Products are designed; (d) use of the Products on any systems other than the specified hardware released by Netscape which corrects such Program Error.

Provided Program Error reports are received by Netscape during Netscape's local California business hours (8am - 5pm Pacific Standard Time), Netscape will use its best commercial efforts to communication with VAR about the Program Error via telephone or e-mail within the following targeted response times:

Priority	Failure Description	Response Time
1	Fatal (no useful work can be done)	10 working hours (U.S. and Canada) 1 working day (all others)
2	Severe Impact (functionality disabled): errors which result in a lack of application functionality or cause intermittent system failure	1 working day
3	Degraded Operations: errors causing malfunction of non-critical functions	3 working days
4	Minimal impact: attributes and/or options to utility programs do not operate as stated	Future release on business justifiable basis
5	Enhancement Request	When applicable

Netscape will use reasonable commercial efforts to resolve each significant Program Error by providing either a reasonable workaround, an object code patch, or a specified action plan for how Netscape will address the problem and an estimate of how long it will take to rectify the defect. Netscape reserves the right to change VAR additional fees at its then-standard rates for services performed in connections with reported Program Errors which are later determined to have been due to hardware or software not supplied by Netscape. Notwithstanding the foregoing, Netscape hardware or software not supplied by Netscape; or (i) which occur in the Netscape Product release which is not the then-current release.

b. Front-line Support. VAR, and not Netscape, will provide front-line, or first and second level, technical support to its Sub-VARs and End Users. Such support includes call receipt, call screening, installation assistance, problem identification and diagnosis, efforts to create a repeatable demonstration of the Program Error and, if applicable, the distribution of any defective media or Minor Updates. VAR agrees that any documentation distributed by VAR will clearly and conspicuously state that Sub-VARs and End Users should call VAR for technical support for the Products. Netscape will have no obligation to furnish any assistance, information or documentation with respect to the Products, to any Sub-VAR or End User. If Netscape customer support representatives are being contacted by a significant number of Sub-VARs or End Users then, upon Netscape's request, VAR and Netscape will cooperate to minimize such contact.



## Attachment E

#### TO THE

# PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Netscape Standard Development Rates

This document is Attachment E to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the standard rates charged by Netscape for development services similar to those contemplated to be provided as Additional Custom Development Services under the Agreement. In the event of a conflict between the terms of this Attachment E and the Agreement, the Agreement shall control.

[Netscape to provide.]

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#### Attachment F

# TO THE PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

# Schedule of License Fees

This document is Attachment F to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the Schedule of License Fees to be paid by AOL to Netscape. In the event of a conflict between the terms of this Attachment F and the Agreement, the Agreement shall control.

- 1. DEFINITIONS. The following capitalized terms used herein shall have the meaning set forth below:
- 1.1 "Basic Add-On" shall mean any Add-On that AOL distributes to its subscribers without separate charge and the principal purpose of which is to do merely some or all of the following:
- (a) provide the End-User with features or functionality customarily found in the standard client software provided as part of the basic service of other Online Information Services that are competitive with AOL Classic Service (e.g., standard E-mail capability, newsgroup readers, chat functions, etc.);
- (b) provide the End-User with features or functionality previously integrated into a Netscape Standard Client Product; or
- (c) provide support for underlying technologies or standards (e.g., the ability to read JavaScript or Shockwave) that do not materially enhance the features or functionality available to the End-User.
- 1.2 "Business Customer" shall mean any customer that is not a Consumer and Nonprofit Customer.
- 1.3 "Business Service" shall mean any AOL Service that is not a Consumer Service.
- 1.4 "Business Use" shall mean, in the case of the Customized Integrated Client Products, Bundled Distribution thereof to users or prospective users of a Business Service; and in the case of Licensed Products other than the Customized Integrated Client Products, any distribution thereof to prospective or actual Business Customers.
- 1.5 "Consumer and Nonprofit Customer" shall mean any distributee of Licensed Products (i) that is a Consumer, (ii) to which Netscape customarily distributes the applicable Licensed Product at no charge in accordance with its then current policy for nonprofit or academic institutions, or (iii) in the case of

AOL-0003571 CONFIDENTIAL Netscape Client Products and Customized Client Products only, to which AOL, an AOL Affiliate or a Distributor distributes ten (10) copies or fewer in a single transaction or series of related transactions

- 1.6 "Consumer Service" shall mean an AOL Service that is primarily targeted to Consumers. AOL Classic Service is a Consumer Service.
- "Consumer Use" shall mean, in the case of the Customized Integrated Client Products, Bundled Distribution thereof to users or prospective users of a Consumer Service; and in the case of Licensed Products other than the Customized Integrated Client Products, any distribution thereof to prospective or actual Consumer and Nonprofit Customers.
- 1.8 "Internal Use" shall mean internal use of a Licensed Product by AOL and/or an AOL Affiliate for the purpose of aiding in the provision of the AOL Service provided by AOL and/or an AOL Affiliate.
- 1.9 "Standard Distributor Price" shall mean with respect to any Licensed Product, the then standard U.S. price charged by Netscape to distributors of such Licensed Product. Currently, Netscape's standard distributor pricing is scaled according to the distributor's committed volumes of product or committed present-value dollar amounts. A schedule of Netscape's Standard Distributor Prices in effect as of the Effective Date is attached hereto as Exhibit A.
- 1.10 "Standard OEM Price" shall mean with respect to any Licensed Product, the then standard U.S. price charged by Netscape to original equipment manufacturers ("OEMs") who distribute such Licensed Product in connection with third-party hardware or software. Currently, Netscape's standard OEM pricing is scaled according to the OEM's committed volumes of product or committed present-value dollar amounts. A schedule of Netscape's Standard OEM Prices in effect as of the Effective Date is attached hereto as Exhibit B.
- 1.11 "Standard Price" shall mean in the case of a Licensed Product for Internal Use, Netscape's then suggested U.S. retail price for such Licensed Product; and in the case of a Licensed Product for resale or distribution, the Standard Distributor Price for such Licensed Product.
- 1.12 "Universal Distribution" of a Licensed Product shall mean a distribution scheme through which AOL and/or an AOL Affiliate (as appropriate) provides all subscribers to the relevant AOL Service with the subject Licensed Product.

Any other capitalized terms used in this Attachment F shall have the meaning ascribed to them in the Agreement.

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#### 2. INITIAL TERM PRICING.

- 2.1 Distribution of Licensed Products. During the Initial Term, the license fees that AOL shall pay to Netscape for distribution and/or Internal Use of the Licensed Products shall be as set forth in Table A attached hereto.
- 2.2 Distribution of Minor Upgrades to Licensed Products. During the Initial Term, AOL may distribute Minor Upgrades of the Licensed Products to its licensees hereunder of the immediately prior Release Number of such Licensed Products at no charge for so long as AOL has purchased support for and paid all support fees due for such Licensed Products.
- Distribution of Major Upgrades to Licensed Products. During the Initial Term, the license fees that AOL shall pay to Netscape for distribution and/or Internal Use of Major Upgrades to the Licensed Products shall be as set forth in Table B attached hereto, provided that such license fees shall only apply for (i) distribution of Major Upgrades to AOL's licensees to whom AOL had licensed the Release Number of such Licensed Products immediately preceding such Major Upgrade; or (ii) Internal Use of Major Upgrades for those Licensed Products that AOL had previously licensed for Internal Use under this Agreement, provided that the Release Number of such Licensed Product immediately preceded the Release Number supplied by such Major Upgrade. Under all other circumstances, during the Initial Term, distribution and/or Internal Use of Major Upgrades shall be deemed to be distribution and/or Internal Use of the Licensed Products and the license fees therefor shall be determined by reference to Section 2.1 of this Attachment.
- 2.4 Maximum Fee Amounts. During the Initial Term, the maximum license fees payable by AOL to Netscape for Basic Add-Ons shall be \$2,500,000 per year for Consumer Use and Internal Use.

#### 2.5 Volume-Based Pricing.

- (a) Bundled Distribution of Major Upgrades to Netscape Standard Client Products and Customized Standard Client Products. For the Bundled Distribution of Major Upgrades to Netscape Standard Client Products and Customized Standard Client Products where the license fee is scaled based on volume, AOL shall initially pay Netscape license fees at the highest volume rate. Within thirty (30) days after the three year (3) year period during which such fees are payable in such manner, if AOL has not achieved such highest volume, AOL shall pay to Netscape, at its option, (i) an amount equal to the difference between the amount that would have been paid based on actual volume, or (ii) an amount equal to the difference between the amount paid and the amount that would have been paid at the highest volume rate if AOL had achieved the highest volume.
- (b) . Other Licensed Products. For all other Licensed Products for which the license fee is scaled based on volume, AOL shall initially pay Netscape license fees at the highest volume rate. Within thirty (30) days after the end of each two and one-half year (2-1/2) year period of the Initial Term, if AOL has not achieved such highest volume, AOL shall pay to Netscape, at its option, (i) an amount equal to the difference between the amount paid and the amount that would have been paid based on actual

volume, or (ii) an amount equal to the difference between the amount paid and the amount that would have been paid at the highest volume rate if AOL had achieved the highest volume.

## 3. RENEWAL TERM PRICING.

- 3.1 Distribution of Licensed Products. During the Renewal Term, the license fees that AOL shall pay to Netscape for distribution and/or Internal Use of the Licensed Products shall be as set forth in Table C attached hereto.
  - 3.2 Distribution of Minor Upgrades to Licensed Products. During the Renewal Term, AOL may distribute Minor Upgrades of the Licensed Products to its licensees of the immediately prior Release Number of such Licensed Products at no charge, provided that AOL has purchased support for and paid all support fees due for such Licensed Products.
  - Distribution of Major Upgrades to Licensed Products. During the Renewal Term, the license fees that AOL shall pay to Netscape for distribution and/or Internal Use of Major Upgrades to the Licensed Products shall be as set forth in Table D attached hereto, provided that such license fees shall only apply for (i) distribution of Major Upgrades to AOL's licensees to whom AOL had previously licensed the Release Number of such Licensed Products immediately preceding such Major Upgrade; or (ii) Internal Use of Major Upgrades for those Licensed Products that AOL had previously licensed for Internal use under this Agreement, provided that the Release Number of such Licensed Product immediately preceded the Release Number supplied by such Major Upgrade. Under all other circumstances, during the Renewal Term, distribution and/or Internal Use of Major Upgrades shall be deemed to be distribution and/or Internal Use of the Licensed Products and the license fees therefor shall be determined by reference to Section 3.1 of this Attachment.
  - 3.4 Maximum Fee Amounts. Notwithstanding anything to the contrary contained in the Agreement or this Attachment, during the Renewal Term, the maximum license fees payable by AOL to Netscape for Basic Add-Ons shall be \$5,000,000 per year for Consumer Use and Internal Use.
  - 4. Monitoring of Upgrades. AOL agrees that, to the extent reasonably technically feasible, it will monitor the use of those Netscape Client Products and Customized Client Products that are distributed through Speculative Distribution to End-Users who are then using a previous Release Number of the applicable Netscape Client Products and/or Customized Client Products to determine if such End-User uses the Release Number of the Netscape Client Products and/or Customized Client Products so distributed, in which case, AOL shall be required to pay the applicable Upgrade license fee for the product so distributed and used. In the event that AOL determines that it must pay an Upgrade license fee for the distribution of such Netscape Client Products and/or Customized Client Products under this Section 4, then AOL shall not also be required to pay any Initial license fee for such distribution of such Netscape Client Products.
  - 5. BETA PRICING. Notwithstanding anything to the contrary provided above, with respect to any Licensed Product, the Beta Versions of which Netscape distributes without charge, the license fee

for the distribution by AOL of Beta Versions (including customized Beta Versions) of such License Product to any party shall be zero.

Table A

Initial Term. Initial Distribution License Fees

Product	Consumer Use and Internal Use	Business Use
Bundled Distribution of Customized Integrated Client Products	The license fee shall be zero dollars (\$0) during the first three (3) years of the Initial Term. Following such three (3) years, if all AOL Services distributing the Customized Integrated Client Product combined are verifiably the largest Consumer-oriented Online Information Service measured by the number of active paying subscribers, the license fee shall continue to be zero dollars (\$0). If not, the license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.	The license fee shall be five dollars (\$5) for 0-500,000 of such units; four dollars (\$4) for 500,001-1,000,000 of such units; and three dollars (\$3) for all such units thereafter.
Bundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be four dollars (\$4) for 0-500,000 of such units; three dollars (\$3) for 500,001-1,000,000 of such units; and two dollars (\$2) for all such units thereafter	The license fee shall be five dollars (\$5) for 0-500,000 of such units; four dollars (\$4) for 500,001-1,000,000 of such units; and three dollars (\$3) for all such units thereafter.
Unbundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Bundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	For Universal Distribution, the license fee shall be the highest level Standard OEM Price less a discount of eighty-three percent (83%), not to exceed five dollars (\$5) for Release Number 2.1. Under any other circumstances, the license fee shall be the highest level Standard OEM Price less a discount of sixty-seven percent (67%), not to exceed ten dollars (\$10) for Release Number 2.1.	The license fee shall be equal to the Standard Distributor Price.
Unbundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Add-Ons, Tools, and Netscape Server Products	The license fee shall be equal to the Standard OEM Price less a discount of three percent (3%).	The license fee shall be equal to the Standard Distributor Price.
Netscape IAPPS Products	The license fee shall be equal to the Standard Price.	The license fee shall be equal to the Standard Price.

Table B

Initial Term. Major Upgrade License Fees

Product	Consumer Use and Internal Use	Business Use
Bundled Distribution of Customized Integrated Client Products	The license fee shall be zero dollars (\$0) during the first three (3) years of the Initial Term. Following such three (3) years, if all AOL Services distributing the Customized Integrated Client Product combined are verifiably the largest Consumer-oriented Online Information Service measured by the number of active paying subscribers, the license fee shall continue to be zero dollars (\$0). If not, the license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee. Notwithstanding the foregoing, the license fee shall not exceed five dollars (\$5).
Bundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	During the first two (2) years of the Initial Term, the license fee shall be equal to three dollars (\$3). Thereafter, the license fee will be fifty percent (50%) of the relevant published end-user upgrade fee for 0-2,500,000 of such units; forty percent (40%) of the relevant published end-user upgrade fee for 2,500,001-5,000,000 of such units; thirty-five percent (35%) of the relevant published end-user upgrade fee for 5,000,001-10,000,000 of such units; and twenty-five percent (25%) of the relevant published end-user upgrade fee for all such units thereafter.	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee. Notwithstanding the foregoing, the license fee shall not exceed five dollars (\$5).
Unbundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Bundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.
Unbundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Add-Ons, Tools, and Netscape Server Products	The license fee shall be equal to the Standard OEM Price less a discount of three percent (3%).	The license fee shall be equal to the Standard Distributor Price.

Netscape IAPPS	The license fee shall be equal to the	The license fee shall be equal to the
Products	Standard Distributor Price.	Standard Distributor Price.

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Table C

Renewal Term, Initial Distribution License Fees

Product	Consumer Use and Internal Use	Business Use
Bundled Distribution of Customized Integraled Client Products	The license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.	The license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.
Bundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.	The license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.
Unbundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Bundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	For Universal Distribution, the license fee shall be the highest level Standard OEM Price less a discount of eighty-three percent (83%), not to exceed five dollars (\$5) for Release Number 2.1. Under any other circumstances, the license fee shall be the highest level Standard OEM Price less a discount of sixty-seven percent (67%), not to exceed ten dollars (\$10) for Release Number 2.1.	The license fee shall be equal to the Standard Distributor Price.
Unbundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Add-Ons, Tools, and Netscape Server Products	The license fee shall be equal to the Standard OEM Price less a discount of three percent (3%).	The license fee shall be equal to the Standard Distributor Price.
Netscape IAPPS Products	The license fee shall be equal to the Standard Price.	The license fee shall be equal to the Standard Price.

Table D

Renewal Term. Upgrade Distribution License Fees

Product	Consumer Use and Internal Use	Business Use
Bundled Distribution of Customized Integrated Client Products	The license fee shall be equal to the Most Favored Price for the Netscape Standard Client Products.	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.
Bundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.
Unbundled Distribution of Netscape Standard Client Products and Customized Standard Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Bundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.	The license fee shall be equal to fifty percent (50%) of the relevant published end-user upgrade fee.
Unbundled Distribution of Netscape Premium Client Products and Customized Premium Client Products	The license fee shall be equal to the Standard Distributor Price.	The license fee shall be equal to the Standard Distributor Price.
Add-Ons, Tools, and Netscape Server Products	The license fee shall be equal to the Standard OEM Price less a discount of three percent (3%).	The license fee shall be equal to the Standard Distributor Price.
Netscape IAPPS Products	The license fee shall be equal to the Standard Price.	The license fee shall be equal to the Standard Price.

# Exhibit A

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Attachment F

Standard Distributor Prices

### Exhibit B

to

Attachmen(F

Standard OEM Prices

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#### Attachment G

## TO THE PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Netscape Support and Training Services

This document is Attachment G to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the support services Netscape shall provide to AOL ("Support Services"). In the event of a conflict between the terms of this Attachment G and the Agreement, the Agreement shall control.

- 1. Definitions.
- 1.1 The following capitalized terms used herein shall have the meaning set forth below:
- (a) "AOL Contact" means an AOL individual designated in writing to Netscape from time to time. AOL may substitute contacts at any time upon written notice thereof to Netscape pursuant hereto;
- (b) "Client Product" shall mean a Netscape Client Product or a Customized Client Product;
- (c) "Critical Specification Nonconformity" shall mean any condition that precludes core functions of a Licensed Product from being performed due to a suspected or actual Specification Nonconformity in such Licensed Product;
- (d) "Minimal Impact Specification Nonconformity" shall mean any condition that results in a significant loss or degradation of functionality of a Licensed Product due to a suspected or actual Specification Nonconformity in such Licensed Product:
- (e) "Minor Specification Nonconformity" shall mean any condition (i) that precludes one or more non-essential functions of a Licensed Product from being performed due to a suspected or actual Specification Nonconformity in such Licensed Product; or (ii) in which AOL's technical support personnel need assistance or information regarding the installation, use or operation of such Licensed Product;
- (f) "Moderate Specification Nonconformity" shall mean any condition that precludes one or more major functions of a Licensed Product from being performed due to a suspected or actual Specification Nonconformity in such Licensed Product;
- (g) "Support Center" means a Netscape facility from which Support Services are provided hereunder. The sole Support Center in operation as of the Effective Date is Netscape Communications Customer Solutions, 501 E. Middlefield Road, Mountain View, California 94043 with a telephone number (415) 254-1900 and facsimile number (415) 254-2693; and
- (h) "Workaround" means a method by which an End-User can, by making a limited number of procedural changes, prevent or mitigate the occurrence of a Specification Nonconformity.
- 1.2 Any other capitalized terms used in this Attachment G shall have the meaning ascribed to them in the Agreement.

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- 2. Fees. AOL shall receive all the Support Services described herein in consideration for the fees (the "Support Fees") set forth below:
- 2.1 The aggregate fees payable by AOL to Netscape for the Support Services for all Client Products shall be \$300,000 per year during the Initial Term (up to two full time equivalent support personnel). Thereafter, the parties shall agree in good faith on appropriate fees for the Support Services for Client Products based on the quality of End-Users, the quantity and complexity of the Client Products and Netscape's then current rate for support services.
  - 2.2 After the expiration of the applicable warranty period(s) under Section 12.1 of the Agreement, the fees payable by AOL to Netscape for Support Services for Netscape Server Products, Add-Ons, Tools and Additional Customized Products shall be 8% per year of the license fees, if any, paid by AOL or the AOL Affiliates for such Netscape Server Products, Add-Ons, Tools and Additional Customized Products during the Agreement, not to exceed \$500,000 in the aggregate in any consecutive 12 month period. The initial annual fee will be calculated by multiplying the royalties due Netscape from the distribution of the Netscape Server Products, Add-Ons, Tools and Additional Customized Products during the quarter following the expiration of the warranty period(s) applicable to such products by eight percent (8%). Fees for subsequent years shall be due and payable upon each anniversary of the quarter in which such fee for the applicable product was first paid.
  - 2.3 Fees due for the Support Services set forth in Section 2.1 shall be paid quarterly in advance. Fees due for the Support Services set forth in Section 2.2 shall be paid quarterly in arrears. AOL shall have the right to discontinue at any time the Support Services for any product, or any portion thereof, upon written notice. In the event AOL discontinues Support Services as to any product, AOL shall no longer have any obligation to pay Support Fees, if any, with respect thereto. If AOL discontinues Support Services with respect to a Licensed Product, AOL may restart Support Services with respect to such Licensed Product at any time subject to the obligation to pay Support Fees.

#### 3. Obligations of AOL.

- 3.1 AOL shall designate not more than six (6) AOL Contacts for communication with Netscape's representatives at the Support Centers and shall use its best efforts to minimize redundancy in support requests. Such efforts shall include: providing a help desk for AOL, GNN and AOL Affiliates such that Netscape communicates only with AOL's help desk; ensuring that all liaisons have sufficient technical expertise, training and/or experience to perform the obligations required hereunder; and notifying (through Documentation, Terms of Sale or otherwise) End-Users to contact AOL, GNN or the AOL Affiliates, and not Netscape, for support.
- 3.2 AOL, GNN and AOL Affiliates shall provide first level telephonic technical support for all Licensed Products to End-Users including, but not limited to: call receipt, call screening, installation assistance, problem identification and diagnosis, general support and maintenance; and distribution and installation of Upgrades and Workarounds.

### Obligations of Netscape.

- 4.1 Netscape shall provide the following to AOL:
  - (a) access to Support Centers for the AOL Contacts;
  - (b) electronic distribution of two (2) copies of each Upgrade issued; and

- (c) access to knowledge solutions information databases, diagnostics, and suppor documentation as specified herein.
- 4.2 Netscape shall provide AOL with telephonic access to Netscape's technical support engineers at the Support Center(s) as follows:
- (a) Support Center engineers shall operate a technical support hotline Monday Friday (8:00 AM 5:00 PM) Pacific Standard Time at the Support Center, exclusive of Netscape's local holidays. Support Center engineers shall also be available by pager, on a 24 hour per day, 365 day per year basis, to respond to Critical and Moderate Specification Nonconformities:
- (b) Provided AOL has fulfilled its support obligations under Section 3 of this Attachment, Support Center engineers shall answer questions and address problems regarding the use of Licensed Products by End-Users including, but not limited to: (i) Licensed Product installation and configuration; (ii) use of Netscape manuals and Documentation; and (iii) use of the Licensed Products;
- (c) Netscape shall assist in determining the cause of problems encountered by End-Users in the use of Licensed Products including, but not limited to: (i) technical advice and recommendations regarding Specification Nonconformities based on AOL's description of such Specification Nonconformities, provided any such Specification Nonconformities shall be reproducible by AOL; and (ii) instruction on the use of diagnostics and tools; and
- (d) Netscape shall provide a means of reporting Specification Nonconformities by electronic mail, voice mail, fax or telephonic recording capability at the Support Center. AOL agrees to notify Netscape via both telephone and E-mail for Critical and Moderate Specification Nonconformities.
- 4.3 Upon a AOL Contact's reasonable request to a Support Center, Netscape shall, from time to time, provide telephonic technical support directly to AOL's personnel at AOL's customer site.
- 4.4 Netscape shall: (i) assist AOL in determining the cause of Specification Nonconformities encountered by AOL, the AOL Affiliates and each of their Distributors and End-Users in the use of a Licensed Product; (ii) make reasonable efforts to correct all Specification Nonconformities that are identified, classified and reported to Netscape and that Netscape can substantiate (the parties may mutually agree on the reclassification of a Specification Nonconformity if Netscape reasonably believes that AOL's classification is incorrect); and (iii) provide an Upgrade, Workaround, patch or temporary fix, if commercially practicable, with accompanying support to AOL as provided below. AOL shall provide sufficient information for Netscape to duplicate the Specification Nonconformity before Netscape's response obligations shall commence. Netscape shall respond to Specification Nonconformity reports in accordance with the following table:



Type of Specification Nonconformity	After Support Center is alerted, Netscape technician shall respond within:	After Netscape's technician's initial response, Netscape technician shall deliver action plan within:	Upgrade, Workaround, patch or temporary fix shall be delivered within:
Priority 1 - Critical	One (1) hour	Two (2) hours	Two (2) day
Priority 2 - Moderate	Two, (2) hours	Four (4) hours .	Seven (7) days
Priority 3 - Minor	One (1) day	Two (2) days	Twenty (20) days
Priority 4 - Minimal Impact	Two (2) days	Five (5) days	Future release on business justifiable basis

- 4.5 With respect to Upgrades, and subject to AOL's payment of Upgrade fees in accordance with Section 2 above (except as provided in Section 4.5(d)), Netscape shall:
- (a) provide to AOL any Upgrade for any Licensed Product. Such Upgrades shall be provided to AOL electronically, with applicable Documentation and instructions for installation and use. Any Upgrade to a Netscape Product shall be provided to AOL as soon as it becomes generally available, or in accordance with Sections 9 and 10;
- (b) provide to AOL any Documentation changes which Netscape determines are required to describe a Licensed Product changed under any Upgrade with each such Upgrade, in either machine readable, or at AOL's option, hard copy form. If AOL requests more than two (2) hard copies, Netscape shall provide such copies, and AOL shall pay Netscape's reasonable costs therefor, provided, however, that if Netscape is not able to grant the right to duplicate such documentation because of restrictions due to inclusion of third party-owned materials in such documentation, Netscape shall notify AOL of such restrictions no later than the date of Documentation delivery to AOL, and shall provide sufficient copies thereof, to meet AOL's needs;
- (c) Netscape shall, pursuant to the terms of this Attachment, support each Release Number of a Licensed Product for the shorter of (i) twelve (12) months after Netscape's general release of the next successive Release Number of a Licensed Product; or (ii) until Netscape's general release of the second successive Release Number of such Licensed Product;
- (d) Notwithstanding the foregoing, the obligation of Netscape to provide Upgrades to Customized Client Products shall be as provided in Section 9 of the Agreement. In the event that AOL decides, pursuant to Section 2.3 of this Attachment, to discontinue Support Services for Customized Client Products, then the parties shall negotiate in good faith an appropriate reduced fee to cover Upgrades only for such products.
- 4.6 Netscape shall provide to AOL two (2) copies of all generally available and released; (i) diagnostics and applicable updated versions of such diagnostics, including related diagnostic documentation (e.g., release notes); (ii) support documentation (e.g., service bulletins and technical tips); and (iii) knowledge solutions as developed for support (e.g., frequently asked questions ("FAQs"), call histories, symptom/cure databases, HTML support information, and HTML forms) for all Licensed Products as Netscape makes them available. AOL may copy such

materials for the internal use of AOL and the AOL Affiliates for support, provided that: (i) all such copies shall include all trademarks, proprietary rights and copyright notices supplied by Netscape; and (ii) such copies shall be provided only to and used only by AOL employees for the sole purpose of providing customer support to AOL, the AOL Affiliates and each of their End-Users and Distributors of Licensed Products. On or before the date Netscape delivers the diagnostics and support documentation to AOL, Netscape shall notify AOL in the event any such diagnostics or documentation contain third party-owned material, and/or if Netscape does not have the right to grant to AOL the right to duplicate such materials.

#### 5. Training.

- 5.1 Netscape shall provide training to AOL with respect to the Licensed Products as follows:
- (a) Netscape shall provide training to the technical support personnel of AOL and the AOL Affiliates in accordance with this Section 5 to assist such support personnel in providing first level support for the Licensed Products to End-Users as required by Section 3 of this Attachment. AOL will have access to Netscape's then-available training courses, as well as to Netscape's training materials for the Licensed Products in accordance with this Section 5;
- (b) Netscape shall provide to AOL free of charge, one (1) 2-day Train the Trainer course for the Netscape Navigator (LAN) product. Such training shall be offered by 2 Netscape trainers at AOL's site to between 6 and 14 individuals, at a time to be mutually agreed upon by the parties. AOL agrees to pay all out-of-pocket expenses, material costs and reasonable travel and entertainment expenses associated with such training. With respect to all other training, Netscape shall provide AOL, the AOL Affiliates and Distributors a fifteen percent (15%) discount off of Netscape's then current published list price on standard product training courses provided by Netscape. Netscape shall from time to time upon ninety (90) days' prior written notice from AOL make course instructors available for training classes of between 6 and 14 individuals, at locations of AOL's choosing for \$6,000 per day, plus out-of-pocket expenses, materials, and reasonable travel and entertainment costs; and
- Netscape shall provide to AOL appropriate training materials based on those Licensed Products hereby distributed by AOL and based on the general availability of such materials from Netscape. Subject to payment by AOL to Netscape of 15% of Netscape's applicable costs for such training materials, AOL may copy such training material for AOL's internal use, provided that: (i) all copies made by AOL shall include all proprietary rights and copyright notices supplied by Netscape; (ii) such copies shall be provided to and used only by AOL employees solely for the purpose of providing customer support to AOL customers of AOL products; and (iii) all such copies shall include AOL's trademarks and otherwise appear to a trainee to be the materials of AOL, not Netscape. Netscape shall notify AOL, on or before the date such training materials are delivered to AOL, if any such training documentation contains third party-owned material, and Netscape does not have the right to grant to AOL the right to duplicate such materials. Netscape grants to AOL and the AOL Affiliates and each of their Distributors and End-Users, solely for the purpose of providing training on Licensed Products, by a "certified trainer" and subject to AOL's payment of the fee designated above, a limited, non-exclusive, nontransferable, personal, worldwide license and right to duplicate, distribute, and incorporate into other training materials, the Netscape training materials provided under this Agreement, provided that all copies (in whole or in part and in any form) shall include all proprietary rights and copyright notices supplied by Netscape. For purposes of this Agreement, a "certified trainer" is one that has completed Netscape's then current Train the Trainer course for the applicable product.

#### 6. Exclusions.

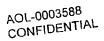
Netscape shall not be required to provide the Support Services described in this Attachment with respect to any Specification Nonconformity caused by (i) incorporation or attachment of a feature, program or device to the Licensed Products other than through normal use of the API for such Licensed Product, (ii) misuse, alteration, modification or enhancement to the Licensed Product other than alterations, modifications or enhancements prepared by Netscape pursuant to this Agreement or accomplished through normal use of the API for such Licensed Product, (iii) use of the Licensed Products for purposes other than the specific purpose for which the Licensed Products were designed and (iv) failure to incorporate any Upgrade previously provided by Netscape which corrects such Specification Nonconformity.

#### 7. Liaisons.

Netscape shall designate a technical support liaison, and one (1) backup to be the primary contact persons for the AOL Contacts ("Netscape Support Contacts"). Such Netscape Support Contacts, together with the AOL Contacts, will define and implement the process for technical support information exchange and requirements. Netscape shall also designate a training liaison to be the primary contact person for the AOL Contacts or other AOL employees ("Netscape Training Contact"). Such Netscape Training Contact, together with the appropriate AOL contact, will coordinate the attendance of AOL's training staff in training programs.

#### 8. Intelesystem Data.

Netscape has established a database of technical support information designed to assist End Users of Netscape's current products (hereafter "Intelesystem"). Netscape agrees to provide the data from such database to AOL pursuant to this Section 8. Netscape will provide AOL with monthly updates of the data residing in Netscape's Intelesystem.



#### Attachment H

## TO THE PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

## Preferred Registration Technology Escrow Agreement

This document is Attachment H to the Promotion, License, Distribution, Development and Joint Marketing 'Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the Support Services Netscape shall provide to AOL. In the event of a conflict between the terms of this Attachment H and the Agreement, the Agreement shall control.

[AOL to provide comments on Netscape's agreement with DSI.]

AOL-0003589 CONFIDENTIAL

#### Attachment I

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### **AOL** Affiliates

This document is Attachment I to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL"). This document names the entities that currently meet the definitions of AOL Affiliates and Netscape Affiliates under the Agreement. In the event of a conflict between the terms of this Attachment I and the Agreement, the Agreement shall control.

[AOL to provide list of AOL Affiliates; Netscape to provide list of Netscape Affiliates]

#### Attachment J

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

### AOL Services

This document is Attachment J to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the online information services that meet the definition of AOL Services as currently conducted under the Agreement. In the event of a conflict between the terms of this Attachment J and the Agreement, the Agreement shall control.

[AOL to provide]

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#### Attachment K

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Press Release

This document is Attachment K to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the press release to be issued by the parties as contemplated by Section 6.1 of the Agreement. In the event of a conflict between the terms of this Attachment K and the Agreement, the Agreement shall control.

[AOL and Netscape to prepare.]

AOL-0003592 CONFIDENTIAL

#### Attachment L

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

AOL Services and Netscape Registration Server Internet Access Providers

This document is Attachment L to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the initial three (3) AOL Services requested by AOL on the Netscape Registration Server and the initial format, ordering and contents of the listing of Internet Access Providers on the U.S. domestic version of the Netscape Registration Server, both as specified under Section 6.3 of the Agreement. In the event of a conflict between the terms of this Attachment L and the Agreement, the Agreement shall control.

[AOL and Netscape to provide.]

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#### Attachment M

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

### License Rights Exceptions

This document is Attachment M to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth any exceptions as of the Effective Date to the license rights set forth in Section 2.1 In the event of a conflict between the terms of this Attachment M and the Agreement, the Agreement shall control.

[Netscape to provide.]

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#### Attachment N

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### End-User License Agreements

This document is Attachment N to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth Netscape's current End-User License Agreements. In the event of a conflict between the terms of this Attachment N and the Agreement, the Agreement shall control.

[Note to Netscape: This End-User License Agreement has been input into this draft of the Agreement but has not yet been reviewed by AOL or its counsel]

BY OPENING THE PACKAGE OR CLICKING ON THE "ACCEPT" BUTTON, YOU ARE CONSENTING TO BE BOUND BY AND ARE BECOMING A PARTY TO THIS AGREEMENT. IF YOU DO NOT AGREE TO ALL OF THE TERMS OF THIS AGREEMENT, CLICK THE "DO NOT ACCEPT" BUTTON OR RETURN THIS PRODUCT TO THE PLACE OF PURCHASE FOR A FULL REFUND.

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MISCELLANEOUS. This Agreement represents the complete agreement concerning this license between the parties and supersedes all prior agreements and representations between them. It may be amended only by a writing executed by both parties. THE ACCEPTANCE OF ANY PURCHASE ORDER PLACED BY YOU IS EXPRESSLY MADE CONDITIONAL ON YOUR ASSENT TO THE TERMS SET FORTH HEREIN, AND NOT THOSE CONTAINED IN YOUR PURCHASE ORDER. If any provision of this Agreement is held to be unenforceable for any reason, such provision shall be reformed only to the extent necessary to make it enforceable. This Agreement shall be governed by and construed under California law as such law applies to agreements between California residents entered into and to be performed within California, except as governed by Federal law. The application of the United Nations Convention of Contracts for the International Sale of Goods is expressly excluded.

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#### Attachment O

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Trademark Guidelines

This document is Attachment O to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth Netscape's current Trademark Guidelines. In the event of a conflict between the terms of this Attachment O and the Agreement, the Agreement shall control.

[Netscape to provide to AOL.]

#### Attachment P

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Schedule of Exceptions

This document is Attachment P to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth exceptions to Netscape's representations and warranties. In the event of a conflict between the terms of this Attachment P and the Agreement, the Agreement shall control.

[Netscape to provide.]

#### Attachment Q

#### TO THE

## PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT AND JOINT MARKETING AGREEMENT

#### Netscape Trademark for Toolbar

This document is Attachment Q to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth graphical representation of the Netscape Trademark for the Toolbar. In the event of a conflict between the terms of this Attachment Q and the Agreement, the Agreement shall control.

[Netscape and AOL to prepare.]

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#### Attachment R

# TO THE PROMOTION, LICENSE, DISTRIBUTION, DEVELOPMENT & JOINT MARKETING AGREEMENT Advertising Sponsorship Obligations

This document is Attachment S to the Promotion, License, Distribution, Development and Joint Marketing Agreement (the "Agreement") between Netscape Communications Corporation ("Netscape") and America Online, Inc. ("AOL") and sets forth the Advertising Sponsorship Obligations of AOL & Netscape. In the event of a conflict between the terms of this Attachment S and the Agreement, the Agreement shall control.

- 1. DEFINITIONS. The following capitalized terms used herein shall have the meaning set forth below:
  - 1.1 "Advertising Space" means the space for Advertisements, stored on Netscape Servers.
  - 1.2 "Advertisement" means the graphic image file (GIF) supplied by AOL which can be selected by users as a Link.
    - 1.3 "Link" means a request for information from a server other than one of Netscape's Servers.
    - 1.4 "Slot" means an HTML page which includes one or more Netscape Advertising Spaces.
  - 1.5 "Start Date" means the first day the Netscape Server will display Sponsor's Advertising Space, which will be no later than the earlier to occur of the following: (i) the date that AOL distributes a co-branded Netscape Navigator<sup>TM</sup> product or (ii) June 1, 1996.
  - 1.6 "Finish Date" means the last day the Netscape Server will display Sponsor's Advertisement, which shall be one (1) year after the Start Date, or, at Sponsor's option as described in the "Commitment to Fulfilling Terms of Agreement" paragraph below, two (2) years after the Start Date.
    - 1.7 "Netscape Server" means a server computer of Netscape's that users may access via the Internet.
  - "Usage Statistics" means a set of numbers compiled by Netscape and reported on a monthly basis to AOL pursuant hereto, for the purpose of assessing a value, and for estimating future rates. A sample set of Usage Statistics is attached hereto as Exhibit C; the Usage Statistics reported to AOL may be changed from time to time in Netscape's reasonable discretion.
    - 1.9 "Term" shall mean the period beginning with the Start Date and ending with the Finish Date.
  - 2. PARTICIPATION: Netscape shall reserve Advertising Space on Netscape Servers during the Term. Netscape shall provide AOL with Advertising Space for the services and products of AOL under the terms set forth herein. During each month of the Term, Netscape will provide AOL with a total of four (4) Platinum Ads, three (3) Gold Ads and three (3) Silver Ads (collectively, the "Ad Set"), as further described on Exhibit A attached hereto, together with the "11th Hour Changes" and "Targeting" features for the Advertisements (collectively, the "Feature Set"), as further described on Exhibit B attached hereto. In the event the Ad Set or Feature Set shall change during the first year of the Term, Netscape shall provide AOL with alternative advertising programs and feature sets, the aggregate value of which, based on Netscape's then-published rates for such programs and sets, shall be equal to no

1: PUBLICIBI MIXI IX 1.04 03:11.96 less than three hundred thirty three thousand three hundred thirty three dollars (\$333,333) per month. AOL shall supply Netscape with the appropriate Advertisement and Universal Resource Locator for the Link within the time frames described on Exhibits A and B. Netscape shall use all reasonable efforts to distribute the display of Sponsor's Ad Set approximately evenly during the Term. During the Term specified in this Attachment, (i) AOL shall be listed on the Netscape Sponsorship Index on Netscape's web site, and (ii) AOL shall be entitled to participate, on a non-exclusive basis with other preferred sponsors, in Netscape's introduction of new feature sets related to advertising on Netscape's web site.

- 3. PAYMENT: For the Advertising Space provided by Netscape to AOL during the first year of the Term specified in this Attachment, AOL shall pay to Netscape \$2,000,000 in the aggregate, payable in equal monthly installments. For the Advertising Space provided by Netscape to AOL during the second year of the Term, Netscape will provide AOL with a discount of fifty percent (50%) ("Discount Rate") off Netscape's published rates in effect on the first anniversary of the commencement of the Term for Netscape's then current advertising programs and related advertising feature sets; provided that the Discount Rate shall apply to no more than \$4,600,000 worth of undiscounted advertising programs and advertising feature sets purchased by AOL during the second year of the Term (i.e., AOL shall have the right to purchase, in its discretion, up to \$2,300,000 in Advertising Space during the second year of the Term at rates fifty percent (50%) off Netscape's then-published rates as of the end of the first year of the Term). All payments by AOL for Advertising Space provided by Netscape hereunder shall be paid monthly in arrears within ten (10) days after invoicing from Netscape, which invoicing shall be generally after the amounts have accrued.
- RIGITTO REFUSE UNACCEPTABLE ADVERTISEMENTS: Netscape reserves the right to refuse 4. any Advertisement (i) that does not conform to the Technical Specifications on Exhibit A or (ii) that provides the viewer a Link to a web site other than a web site of AOL. Netscape reserves the right to refuse any Advertisement that does not arrive prior to the deadline for such Advertisement as set forth in Exhibit B. Due to Netscape's extensive. involvement with the education community, Netscape does not accept advertising from companies that produce or provide tobacco, alcohol, or pornographic products or services (which Netscape shall have complete discretion to define), or their subsidiaries, or foundations funded by such companies whose function is to improve acceptance of such products by the public. In the event Netscape becomes aware that AOL has any involvement with tobacco, alcohol, or pomographic products or services reasonably deemed objectionable by Netscape, Netscape shall notify AOL of the objectionable matter and AOL shall promptly, and in any event within thirty (30) days, resolve, with Netscape's reasonable cooperation, such objectionable matter to Netscape's reasonable satisfaction. In the event such objectionable matter is not resolved within such thirty (30) day period, Netscape may immediately terminate this Attachment Agreement without any further liability of AOL to Netscape. The foregoing shall not reduce the liability of AOL to Netscape, if any, under the paragraph entitled "Truth in Advertising/Indemnification for Liability." In addition. Netscape may refuse the use of any other advertising that it reasonably deems inappropriate based on moral or ethical sensitivities.
- 5. USAGE STATISTICS: Netscape will provide AOL with Usage Reports covering a one (1) month time period which shall be delivered within fifteen (15) days following the end of the applicable month. NETSCAPE MAKES NO GUARANTEE THAT USAGE STATISTICS WILL BE EQUAL TO ANY PUBLISHED NUMBERS AT ANY GIVEN TIME. NETSCAPE SHALL NOT BE HELD LIABLE FOR ANY CLAIMS AS THEY RELATE TO THE RELIABILITY, ACCURACY OR USEFULNESS OF SAID USAGE STATISTICS.
- 6. MAKE GOOD: NETSCAPE RESERVES THE RIGHT TO SUBSTITUTE, EXCHANGE, ADD, CHANGE OR DELETE ANY SLOT FOR ANY REASON AT ANY TIME FOR ANY LENGTH OF TIME; provided, however, that in the event that Sponsor's Advertisements have not, for a given calendar quarter, received the number of exposures, as further described on Exhibit A, to which they are entitled under the particular set of

advertising programs purchased by AOL hereunder, Netscape shall promptly make good the number of exposures following such calendar quarter.

TRUTH IN ADVERTISING/INDEMNIFICATION FOR LIABILITY: As between Netscape and AOL, 7. AOL is solely responsible for any legal liability arising out of or relating to (1) an Advertisement, and/or (2) any material to which users can link through an Advertisement. AOL represents and warrants that the Advertisements and Links comply with the terms hereof, and within a commercially reasonable period of time following Netscape's promulgation and written notice to AOL of advertising standards, if any, will comply with such standards; and that it holds the necessary rights to permit the use of the Advertisements and Links by Netscape for the purpose of this Agreement; and that the use, reproduction, distribution, or transmission of the Advertisements and any material to which users can link through the Advertisements will not violate any criminal laws or any rights of any third parties, including, but not limited to, such violations as infringement or misappropriation of any copyright, patent, trademark, trade secret, music, image, or other proprietary or property right, false advertising, unfair competition, defamation, invasion of privacy or rights of celebrity, violation of any antidiscrimination law or regulation, or any other right of any person or entity. AOL agrees to indemnify Netscape and to hold Netscape harmless from any and all liability, loss, damages, claims, or causes of action, including reasonable legal fees and expenses that may be incurred by Netscape, arising out of or related to Sponsor's breach of any of the foregoing representations and warranties; provided that Netscape informs sponsor of any relevant third-party claims and AOL has the sole right to defend and settle with Netscape's reasonable approval.

#### **EXHIBIT A**

#### Netscape Sponsorship Rate Card

PROGRAMS (Note: Netscape may, from time to time, change the Pages in the "Pages in Rotation" as set forth below for the applicable Advertising Program):

PLATINUM PROGRAM

Cost: \$30,000 / month Estimated Monthly Exposures: 1.0 million

Pages in Rotation: News & Reference, Company & Products, Internet

White Pages, Netscape Products, Internet Search,

Internet News, Assistance Feedback

**GOLD PROGRAM** 

Cost: \$20,000 / month

Estimated Monthly Exposures: 750,000

Pages in Rotation: Internet Directory, About the Internet,

Table of Contents, What's New, Community

SILVER PROGRAM

Cost: \$15,000 / month

Estimated Monthly Exposures: 500,000

Pages in Rotation: Navigator FTP Sites, What's Cool, Netstore, Search,

Escapes.

TECHNICAL SPECIFICATIONS/FILE FORMATS (Note: Netscape may, from time to time and in a commercially reasonable manner, change the Technical Specifications set forth below upon reasonable advance notice to AOL)

Image File Format: GIF Format only

Image Dimensions: 468 pixels wide by 60 pixels deep

Image File Size: 72 dpi maximum at actual size, 10Kb maximum file size

Interlacing Mode: Please specify.

Text File Format: Microsoft Word or ASCII files only (We prefer Word 5.1 for Mac.)

MAP Files: Not accepted

Naming Files (U.S. version): Use mycompany\_ad.gif, as in netscape\_ad.gif

Naming Files (French version): Use mycompany\_fr\_ad.gif, as in netscape\_fr\_ad.gif Naming Files (German Edition): Use mycompany\_de\_ad.gif, as in netscape\_de\_ad.gif Naming Files (Japanese Edition): Use mycompany\_ja\_ad.gif, as in netscape\_ja\_ad.gif

Naming Files (Global Edition): Must send three files: Japanese, French, and German Editions

DEFINITIONS: Exposures - The number of times a reader is served the Sponsor's Advertisement. This is a more Advertiser-friendly way of determining exposure for an Advertisement.

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#### **EXHIBIT B**

### Description of 11th Hour Changes and Targeting Features

. 11th Hour Changes:

The Feature: Each year a maximum of 120 banner and URL changes may take place

during business hours (9 a.m. to 5 p.m., Pacific Time) with a one business

day turnaround.

The Benefit: Show an ad based on the latest news on your site and be assured that the

last minute changes will be handled swiftly by Netscape.

Standard Policy Without Feature: Once weekly changes of banner, with one week's notice.

Targeting1:

The Feature: Match your ad to your audience with Netscape targeting capabilities on

Netscape's web site. Target by domain name and time of day. A maximum of 120 banner and URL changes may take place each year,

where all changes are finalized one week in advance.

The Benefit: Show a college basketball banner to all EDU domains on Saturday

afternoons.

Standard Policy Without Feature: One banner is shown to all readers.

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Netscape cannot perform a one day turnaround for the Targeting feature.

### EXHIBIT C

Sample Usage Report

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Attachment B Initial Customized Client Products

Attachment C Netscape Trademarks

Attachment D Reseller Agreement

Attachment E Development Rates

Attachment F License Fees

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Attachment I AOL Affiliates

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Attachment M License Rights Exceptions

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Attachment Q Netscape Trademark for Toolbar

Attachment R Advertising Sponsorship Obligations