

SAFIA SPECIFICATION LICENSE AGREEMENT

Evaluation License Convertible to Product License

This Security Architecture for Intelligent Attachment Device (“SAFIA”) Specification License Agreement (“Agreement”) is effective as of the latest date set out on the signature page hereof (the “Effective Date”) by and between SAFIA Agent and the “Adopter” which is named immediately below:

| | |
|--------------------------------------|--|
| Name of Adopter: | |
| Description of Adopter’s Business | |
| Name of Contact Person: | |
| Contact Person’s Address: | |
| Contact Person’s Title: | |
| Contact Person’s Phone number: | |
| Contact Person’s Fax number: | |
| Contact Person’s E-mail Address: | |
| Location of Principal Office: | |
| Jurisdiction of Adopter’s Formation: | |
| Year of Formation: | |
| Number of Employees: | |
| Amount of Capital: | |

BACKGROUND

- A. The Founders have developed a certain method for encryption, decryption, key exchange, authentication, and renewability for purposes of protecting certain digital content from unauthorized interception, retransmission and copying.
- B. Adopter wishes to receive a license, subject to the terms and conditions set forth in this Agreement for the purpose of developing and evaluating such method including, but not limited to, adherence to the Compliance Rules and the Robustness Rules.

Therefore, SAFIA Agent and Adopter agree as follows:

AGREEMENT

1. DEFINITIONS.

In addition to terms defined elsewhere in this Agreement, the following terms shall have the following meanings. All definitions herein shall apply equally to their singular and plural forms, all pronouns shall apply without regard to gender, and all references to Sections and Exhibits shall be deemed to be references to Sections of, and Exhibits to, this Agreement unless the context shall otherwise require.

- 1.1 “Activation”** means that the Adopter has executed the Activation Notice and has paid the fees referenced in Section 2.2, which are required to activate the Adopter’s manufacturing license.
- 1.2 “Adopter”** means the entity named at the beginning of this Agreement and includes its Affiliates.
- 1.3 “Affiliate”** means with respect to any person or entity, any other person or entity directly or indirectly controlling or controlled by or under direct or indirect common control with such person or entity. “Control” means the possession of beneficial ownership of more than 50% of the stock or other

similar interest entitled to vote for election of the Board of Directors or similar managing authority.

- 1.4 "Agreement"** means this agreement and any subsequent version of such agreement as may be issued by the Founders from time to time.
- 1.5 "Commercial Entertainment Content"** shall mean audio, video, text and/or graphics works that are (a) not created by the user of the Licensed Product, (b) offered for transmission, delivery or distribution, either generally or on demand, to subscribers or purchasers or the public at large, or otherwise for commercial purposes, not uniquely to an individual or a small, private group, and (c) received by a Commercially-Adopted Access Control method.
- 1.6 "Commercially Adopted Access Control Method"** shall mean (a) any commercially-adopted access control method, such as CSS, DigiCipher, Harmony, DBS and other commercially-adopted access control technology, including digitally-controlled analog scrambling systems, whether now or hereafter in commercial use, and (b) delivery of digital broadcast content as copy controlled or protected content under a governmental law or regulation or the equivalent.
- 1.7 "Common Device Proper Key and Common Device Class Certificate"** means a Device Proper Key and Device Class Certificate as contemplated in Section 2.2 of the Procedural Appendix.
- 1.8 "Compliance Rules"** means the requirements set out in Exhibit B, as such exhibits may be amended by the Founders from time to time pursuant to Section 3.3.
- 1.9 "Compliant"** refers to a product which is in compliance with all applicable Specifications, Compliance Rules and Robustness Rules, and, in the case of a product that incorporates a Common Device Proper Key and Common Device Class Certificate, is also in compliance with Section 2.2 of the Procedural Appendix.
- 1.10 "Confidential Information"** means Proprietary Information that is either marked "confidential" or "proprietary" when disclosed in written form or indicated as "confidential" or "proprietary" when disclosed orally and confirmed in writing within thirty (30) days after such disclosure.
- 1.11 "Content Participant"** means a company that has executed a Content Participant Agreement.
- 1.12 "Content Participant Agreement"** means any SAFIA Content Participant Agreement entered into by a provider of Commercial Entertainment Content and Founders or any entity authorized by Founders to execute a Content Participant Agreement.
- 1.13 "Device Class Certificate"** means a cryptographically encoded value which may be provided by SAFIA Agent or an entity so designated by Founders which authorizes a device to exchange certain Commercial Entertainment Content.
- 1.14 "Device Proper Keys"** means cryptographic values which may be provided by the Founders or their designee for use in devices, and include the "Device Private Key" and the "Device Public Key", all identified in the Specification.
- 1.15 "Eligible Content Participant"** means a Content Participant that (i) distributes, or causes or authorizes the distribution of, its Commercial Entertainment Content in commercial quantities to the general public, or authorizes the use of SAFIA for the recording of Commercial Entertainment Content from Prerecorded Media, a Pay Television Transmission, Pay-Per-View, Video-on-Demand or Subscription-on-Demand by the general public ("Eligible Content") and (ii) is not otherwise in material breach of any term or condition of its Content Participant Agreement, which breach has not been cured, or is not capable of cure, within thirty (30) days of Content Participant's receipt of notice thereof by the Founders or any Fellow Adopter.
- 1.16 "Fellow Adopters"** means all Founders and any other entity that has executed this Agreement with SAFIA Agent and delivered it to SAFIA Agent or its designee, and shall include any Affiliate of such entity.
- 1.17 "Founders"** means Hitachi, Ltd., PIONEER CORPORATION, SANYO Electric Co., Ltd., and SHARP CORPORATION.
- 1.18 "Generator"** means an entity that has been retained by Founders to generate Device Class

Certificates and Device Proper Keys for use by Adopters.

- 1.19 “Highly Confidential Information”** means Proprietary Information that is marked “Highly Confidential Information” when disclosed in written form or is otherwise designated as such hereunder.
- 1.20 “Interface”** means the protocols (including cryptographic algorithms) and data structures disclosed in the Specification.
- 1.21 “Licensed Component”** means a product, such as an integrated circuit, circuit board, or software module, which is designed to be assembled into a Licensed Product and which embodies a portion of the Specification (including, for avoidance of doubt, a product that incorporates a Device Proper Key or Device Class Certificate), and which does not embody the entirety of the Specification or does not completely satisfy the Compliance Rules and Robustness Rules.
- 1.22 “Licensed Product”** means a product, including a hardware device or software application, which:
- 1.22.1 Embodies the designs set out in the Specification, and
 - 1.22.2 is Compliant.
- 1.23 “Necessary Claims”** means claims of a patent or patent application relating to the Interface that must be infringed in order to make a product that complies with the Interface, which are owned or controlled by any Founder, Adopter or any Fellow Adopter or any of their respective Affiliates. “Necessary Claims” do not include any claims relating to semiconductor manufacturing technology; claims relating to aspects of any technology, standard or product that is not itself part of the Specification (including, by way of example, CSS, CPRM, IEEE 1394 and analog copy protection systems) even though such technology, standard or product may otherwise be mentioned or required by the Specification or Compliance Rules; claims with regard to which it would be possible to build a product in compliance with the Interface without infringing such claim (even if in the same patent as Necessary Claims); or claims which, if licensed, would require a payment of royalties by the licensor to unaffiliated third parties.
- 1.24 “Procedural Appendix”** means that document of the same name attached hereto which is hereby incorporated into this Agreement by reference, as may be amended by the Founders from time to time.
- 1.25 “Proprietary Information”** means any and all information relating to the Specification made available to Adopter directly by SAFIA Agent or its designees or representatives, or by any Fellow Adopter including, without limitation, specifications, software, hardware, firmware, documentation, designs, flow charts, technical data, outlines, blueprints, notes, drawings, prototypes, templates, systems, manuals, know-how, processes and methods of operation.
- 1.26 “Reseller”** means an entity that receives, resells and/or redistributes Licensed Product or Licensed Component in accordance with the terms of this Agreement.
- 1.27 “Robust Inactive Product”** means a product or component that (i) does not contain a Device Proper Key, (ii) is designed not to have its SAFIA functions be activated except by an Update, and (iii) is no less secure from circumvention (including but not limited to modification and/or compromise of Confidential Information or Highly Confidential Information) than Licensed Products are required to be hereunder. By way of example, a product or component consisting of software object code manufactured by Adopter shall be deemed a Robust Inactive Product if (x) the portions implementing SAFIA (including any portion of SAFIA) are encrypted using a commercially reasonable strength of encryption and the keys necessary to decrypt and use such portions are not made available to any person or entity other than Adopter and (y) the product or component does not contain a Device Proper Key.
- 1.28 “Robust Licensed Component”** means a Licensed Component that is designed to be modified via an Update to become, or designed to be incorporated via an Update into, a Licensed Product and that (i) complies with all applicable Robustness Rules and all other applicable Compliance Rules, (ii) is designed in such a way that unless such Robust Licensed Component is modified to become, or is incorporated into, a Licensed Product by means of Update, such Robust Licensed Component shall

not be able to transmit via any digital output any content using SAFIA or any components thereof, or decrypt or encrypt any content using SAFIA, and (iii) shall upon distribution of such Robust Licensed Component and at such time as such Robust Licensed Component (as distributed) is modified to become, or is incorporated into, a Licensed Product, be no less secure from interception of Device Proper Keys, Device Class Certificates and Decrypted SAFIA Content, and from circumvention (including but not limited to modification and/or compromise of Confidential Information or Highly Confidential Information) than Licensed Products are required to be hereunder. By way of example, Licensed Components consisting of software object code shall be deemed Robust Licensed Components if the object code is encrypted using a commercially reasonable strength of encryption and the keys necessary to decrypt and use such code are made available only to Fellow Adopters, SAFIA Associates and Have Made Parties, or such Licensed Components are capable of being Updated and the SAFIA functions are only activated when contained in a Licensed Product (i.e., the resultant product meets all of the requirements that a Licensed Product was required to meet at the time the Licensed Components were distributed).

- 1.29 “Robustness Rules”** means the requirements set out in Exhibit C, as such exhibit may be amended by the Founders from time to time pursuant to Section 3.3.
- 1.30 “SAFIA”** means that certain method for encryption, decryption, key exchange, authentication and renewability for purposes of protecting certain digital content from unauthorized interception and copying which method is described in the Specification.
- 1.31 “SAFIA Agent”** means an entity that has been authorized by appointment by the Founders, or by executing an agreement with the Founders, to execute this Agreement with Adopter on behalf of the Founders. The SAFIA Agent as of the Effective Date of this Agreement is Hitachi Consumer Electronics Co., Ltd. The Founders shall give notice to Adopter should any other entity in the future be authorized as a SAFIA Agent for any of the functions set forth in this Agreement.
- 1.32 “Specification”** means the specification entitled “SAFIA Specification” release 1.0 as may be amended from time to time pursuant to Section 3.3.
- 1.33 An “Update”** means, with respect to a Licensed Product or Robust Licensed Component distributed by a Fellow Adopter (a “Distributed Adopter Product”), the distribution by a Fellow Adopter of a Licensed Product or Robust Licensed Component (the “Adopter Update”) to modify or replace such Distributed Adopter Product (including but not limited to modifications that activate the SAFIA functions in such Distributed Adopter Product, or replace the Device Class Certificate or Device Proper Key in such Distributed Adopter Product), such that (i) the resultant product (i.e., the Distributed Adopter Product as modified or replaced by the Adopter Update) shall be a Licensed Product or Robust Licensed Component (i.e., shall comply with all of the requirements that Licensed Products or Robust Licensed Components, as the case may be, were required to meet at the time the Distributed Adopter Product was distributed) and (ii) upon distribution of the Adopter Update, and upon modification or replacement of the Distributed Adopter Product, such Adopter Update and Distributed Adopter Product shall be no less secure from interception of Device Proper Keys, Device Class Certificates and Decrypted SAFIA Content and from circumvention (including but not limited to modification and/or compromise of Confidential Information or Highly Confidential Information) than Licensed Products are required to be hereunder. By way of example but not limitation, an Update may take place by means of an on-line download of a Robust Licensed Component or the distribution of CD-ROM containing a Robust Licensed Component to end-users. For clarification, a “Distributed Adopter Product” and “Update” with respect thereto may be distributed at the same or different times.

2. FEES.

- 2.1 Annual Fee and Per Certificate Fee.** Within thirty (30) days of the Effective Date, Adopter shall pay to the Founders, by remitting payment to the SAFIA Agent, a nonrefundable sum in the amount of the Annual Fee set out in the Procedural Appendix (the “Annual Fee”). Adopter shall not be entitled to any refund thereof for any reason. Adopter shall pay to the Founders, by remitting payment to SAFIA Agent, the “Per Certificate Fees” set out on the Procedural Appendix in accordance with the procedures for ordering Device Class Certificates and Device Proper

Keys or Common Device Class Certificates and Common Device Proper Keys specified in the Procedural Appendix. Upon each anniversary of the Effective Date, or such other date as specified in the Procedural Appendix (the "Annual Payment Date"), Adopter shall pay to the Founders, by remitting payment to SAFIA Agent, the Annual Fee for the following year (or, in the final year of the Term, such portion of the Annual Fee as is specified in the Procedural Appendix). SAFIA Agent may, upon at least thirty (30) days notice to Adopter, modify the Annual Fee and Per Certificate Fees payable for the period beginning on the next Annual Payment Date, provided that any increase in such fees shall not exceed an amount commensurate with any increase in licensing administration costs (including but not limited to the cost of inflation). Without limiting the foregoing, where costs per set of Device Proper Keys or per Fellow Adopter decrease, the Founders shall use commercially reasonable efforts to reduce the Per Certificate Fee or Annual Fee, respectively.

- 2.2 Activation.** At any time after Adopter has paid the Annual Fee for the initial year, or any subsequent year, of the Term for the "Evaluator" or "Reseller" or "Adopter (Storage Device)" or "Adopter (TV Stream Recording)" or "Adopter (Audio Stream Recording)" category (as selected by Adopter with reference to the Fee Schedule set forth in the Procedural Appendix), Adopter may execute the Activation Notice attached hereto as Exhibit D in accordance with the procedures set out in Exhibit D. Prior to Activation, Adopter is not licensed to distribute any products or components hereunder, and the provisions of Sections 5.2, 5.3, 6.1, 6.2 and 6.3 shall only be applicable after Activation. Any Evaluation Fee (as set out in the Procedural Appendix) which Adopter has paid hereunder for the year in which Adopter elects Activation shall be credited as provided in such Activation Notice against the Annual Fee for such year payable upon Activation.
- 2.3 Device Class Certificate and Device Proper Keys.** Device Class Certificates and Device Proper Keys are necessary to manufacture Licensed Products. These are generated under the direction of the Founders and, except in the case that Adopter elects to use a Common Device Class Certificate and Common Device Proper Key for certain devices as described in the Procedural Appendix, are generated uniquely per device. Without limiting any other provision of this Agreement, Adopter may not use the same Device Proper Key or Device Class Certificate in more than one individual unit or copy of any product or component except for the use of Common Device Class Certificates and Common Device Proper Keys in accordance with Section 2.2 of the Procedural Appendix. Following Activation, Device Proper Keys and Device Class Certificates shall be made available according to the fee schedule set out in the Procedural Appendix, as updated from time to time in accordance with the terms of this Agreement. Prior to Activation, facsimile Device Class Certificates and facsimile Device Proper Keys shall be issued to Adopter for development purposes. Adopter is cautioned that such facsimile cryptographic materials will not inter-operate with commercial devices. Without limiting any other provision of the Agreement, Adopter may replace or cause the replacement of Device Class Certificates and Device Proper Keys by Update.

3. SPECIFICATION; COMPLIANCE RULES; ROBUSTNESS RULES; USERS GROUP.

- 3.1 Delivery.** Upon Adopter's execution hereof and SAFIA Agent's receipt of the applicable fee(s), SAFIA Agent shall distribute to Adopter the relevant portions of Proprietary Information and/or the Specification that Adopter has not previously received.
- 3.2 Acknowledgement.** Adopter agrees to provide copies of the Specification, Compliance Rules and Robustness Rules to those persons having supervisory responsibility for the design and manufacture of Licensed Products and Licensed Components for and on behalf of Adopter, in such manner and at such times as to promote Adopter's compliance with all applicable terms thereof.
- 3.3 Changes.** The Specification, the Compliance Rules and the Robustness Rules may be amended from time to time by the Founders only in accordance with this Section 3.3. Adopter shall be required to comply with all amendments (a) to the Compliance Rules or Robustness Rules within twelve (12) months after notification of the changes has been sent as specified

herein or, in extraordinary cases, within such shorter or longer period specified by the Founders and (b) to the Specification within eighteen (18) months after such notice. Changes in the Procedural Appendix, with the exception of the Annual Fees and Per Certificate Fees, shall be effective on no less than thirty (30) days' notice. Changes to the Annual Fees or Per Certificate Fees shall be permitted only as set out in Section 2.1. In the case of individual units or copies of Robust Licensed Components or of Licensed Products that are capable of being Updated and are shipped by Adopter after the effective date of such amendment, the requirements of this Section 3.3 may be met by ensuring that the required changes are implemented in such Robust Licensed Components and Licensed Products through an Update by or at the direction of Adopter before the SAFIA functions of such Licensed Products and Licensed Components may be used for the first time. Notwithstanding the foregoing, in the event Adopter issues, after the effective date of any such amendment, an Update to a Licensed Product or Robust Licensed Component that was distributed prior to the effective date of such amendment, the Update and the Licensed Product or Robust Licensed Component as Updated shall not be required to comply with such amendment, provided that it (a) is not a Different Licensed Product, and (b) complies with all applicable provisions of the Specification, Compliance Rules and Robustness Rules in effect at the time such Licensed Product or Robust Licensed Component was distributed.

For purposes of this Section 3.3, a "Different Licensed Product" means, with respect to an Update applied to a Licensed Product, a resulting Licensed Product that is the same as a Licensed Product that (x) is separately marketed by Adopter under a new product name or a higher numerical designation to the left of the decimal point (e.g., the change from Version 1.0 to Version 2.0, but not to Version 1.1), and (y) either--

(i) enables SAFIA protection of a service that would not have been protectable with SAFIA by the Licensed Product prior to the Update, or

(ii) performs the SAFIA functions by substantially different means and in a substantially different way than was performed by the Licensed Product prior to the Update.

3.3.1 The Founders shall not make any material changes to the Specification (including any changes that would expand the Specification to require new technical features, not included in version 1.0 of the Specification or such later version of the Specification as may be in effect as of the Effective Date, that would create compatibility problems with Licensed Products manufactured prior to such changes); provided, however, that the Founders may make such limited changes, if any, in the Specification as would permit SAFIA to be used with transports other than those permitted in version 1.0 of the Specification (or such later version of the Specification as may be in effect as of the Effective Date). Without limiting the foregoing, the Founders reserve the right to correct any errors or omissions in the Specification or to make changes that would clarify, but not materially amend, alter or expand the Specification, from time to time.

3.3.2 Adopter shall manufacture all Licensed Products that implement revocation with the capacity to store, in accordance with the provisions of this Agreement, a Revoked Device Class List as set forth in Section 8 of the SAFIA Specification "Protocol and Data Structure volume 1".

3.4 Most Current Update. At any time that Adopter activates a unit of a Licensed Product via an Update or replaces a Device Proper Key of a unit of a Licensed Product via an Update, Adopter shall issue one or more Updates to such unit as necessary so as to cause the resulting product to include the changes that would have resulted if the unit had received all sequential Updates designed for, and capable of properly functioning with, such unit since the time the unit was first distributed, provided, that if Adopter has, at any time, made available two or more versions of any such sequential Updates on different business terms (e.g., a free version and a fee-based version), the foregoing requirement shall apply with respect to the version of the Update(s) selected by the user of such unit.

3.5 Limitation for Licensed Products with Common Device Proper Key. Adopter shall not first activate the SAFIA functions of a unit or copy of a Licensed Product that uses a Common Device Proper Key and Common Device Class Certificate more than eight (8) years after the issuance of such Common Device Proper Key and Common Device Class Certificate, provided that a unit or copy of such Licensed Product for which the SAFIA functions were first activated during such eight-year period may be reactivated via an Update as permitted under Section 2.2 (ii) of the Procedural Appendix. In the event that Adopter reasonably concludes that a software application containing or consisting of a copy of Licensed Product that uses a Common Device Proper Key and Common Device Class Certificate and whose SAFIA functions were first activated during such eight (8)-year period on a particular device was subsequently re-installed on the same device, the activation or re-activation of the SAFIA functions of such re-installed copy shall not be deemed to be a "first activation" for purposes of this Section 3.5. If a software application containing or consisting of a copy of Licensed Product that uses a Common Device Proper Key and Common Device Class Certificate and whose SAFIA functions were first activated during such eight (8)-year period on a particular device is subsequently installed and activated via an Update on a different device, such activation of the SAFIA functions of such copy installed on the different device shall be deemed to be a "first activation" for purposes of this Section 3.5, subject to the reasonableness standard of the preceding sentence.

4. REVOCATION.

- 4.1 Generally.** The Specification includes means by which the Device Class Certificates of certain devices may be invalidated, rendering such devices with invalidated Device Class Certificates unable to exchange data via SAFIA with Licensed Products (generally, "Revocation" or "Revoked").
- 4.2 Revocation.** The Founders may revoke a Device Class Certificate when required to do so pursuant to Section 4.2.3 or it otherwise has determined, pursuant to the procedures set forth in the Procedural Appendix, that one or more of the Revocation Criteria have been satisfied. The "Revocation Criteria" mean the criteria set forth in Sections 4.2.1, 4.2.2 or 4.2.3:
- 4.2.1** (a) a Device Proper Key and corresponding Device Class Certificate (other than a Common Device Proper Key and Common Device Class Certificate) have been cloned such that the same Device Proper Key and corresponding Device Class Certificate are found in more than one device or product or (b) a Common Device Proper Key and corresponding Common Device Class Certificate are found in any product or component that is not manufactured by a Fellow Adopter or is not authorized by the Fellow Adopter that ordered such Common Device Proper Key and Common Device Class Certificate.
- 4.2.2** A Device Class Certificate and/or Device Proper Key has been lost, stolen, intercepted or otherwise misdirected, or made public or disclosed in violation of a License Agreement; or
- 4.2.3** The Founders are required to revoke a Device Class Certificate by court order, or other competent government authority.
- 4.2.4** Without limiting the foregoing, the Founders shall not Revoke a Device Class Certificate (a) based on Adopter's general implementations of the Specification in a model or product line that is not Compliant or otherwise based on Adopter's breach of this Agreement (except that if Adopter has caused any of the circumstances described in Sections 4.2.1 or 4.2.2, the Device Class Certificate of any device or product in which such a Device Proper Key has been included may be Revoked) or (b) to disable products or devices where the general security of SAFIA has been compromised (other than as described in Sections 4.2.1 and 4.2.2) by third parties.
- 4.2.5** Without limiting any other provision of this Agreement, Adopter shall be entitled to replace or cause the replacement of Revoked Device Class Certificates by Update.
- 4.2.6 Procedure.** The procedures set out in the Procedural Appendix shall govern Revocation and any rescission or cancellation thereof. At any time commencing nine (9) years following the issuance to a Fellow Adopter of a Common Device Class Certificate, such Common

Device Class Certificate may be Revoked without notice.

- 4.3 Remedies.** Except as otherwise expressly provided in this Section 4.3, Adopter's sole recourse with respect to Revocation shall be the objection and arbitration procedures set out in the Procedural Appendix. The Founders, SAFIA Agent, Generator and Eligible Content Participants shall each have no liability whatsoever with respect to any Revocation. Without limiting the foregoing, SAFIA Agent and the Founders shall not have any liability with respect to any Revocation, and no compensation shall be made to Adopter, except that if the Founders determine that a Revocation was performed in error, at the request of Adopter, the Founders may, at their discretion, (a) rescind the Revocation through substantially the same means as were used to effect the Revocation, or (b) provide for compensation to Adopter (or Adopter's affected customers) for each of its affected devices in an amount equal to the least of (i) the fair market value of each device, (ii) the cost of reworking each device to incorporate a new Device Class Certificate and Device Proper Keys or (iii) ¥2000 per device.

5. LICENSES.

- 5.1 Development.** Adopter may possess and use the Specification for development of Licensed Products or Licensed Components. Any distribution or disclosure of the Specification or of any product made with the use of the Specification must be in compliance with the other terms hereof.
- 5.2 License.** Subject to the other provisions hereof, including payment of all fees required, SAFIA Agent grants to Adopter (including its Affiliates) a nonexclusive, nontransferable, nonsublicenseable, worldwide sublicense under the Necessary Claims of the Founders, as well as under any trade secrets or copyrights embodied in the Specification to make, have made, use, import, offer to sell and sell Licensed Products and Licensed Components; provided that such sublicense shall not extend to features of a product which are not required to comply with the Specification or for which there exists a noninfringing alternative, and further does not extend to Adopter if Adopter is in violation of Section 5.3 below.
- 5.3 Reciprocal Non-Assertion Agreement.** Adopter, on behalf of itself and its Affiliates, promises not to assert or maintain against SAFIA Agent or Fellow Adopters and Affiliates thereof, and accepts Fellow Adopters' promise not to assert or maintain, any claim of infringement under its or their respective Necessary Claims, as well as under any trade secrets or copyrights embodied in the Specification for (a) with respect to Fellow Adopters, the making, having made, use, import, offering to sell and sale of Licensed Products and Licensed Components and (b) with respect to the Founders, the use of SAFIA; provided that in each case such promise shall not extend to features of a product which are not required to comply with the Specification or for which there exists a noninfringing alternative, and further does not extend to any person or entity which is asserting, or whose Affiliate is asserting, a Necessary Claim against Adopter if Adopter: (x) is not willfully in material breach of its obligations under the Compliance Rules or the Robustness Rules or Confidentiality Agreement; or (y) is not otherwise in material breach of the Compliance Rules or the Robustness Rules or Confidentiality Agreement, which breach has not been cured or is not capable of cure within thirty (30) days of Adopter's receipt of notice thereof.
- 5.4 Scope of Use.** This license, and the promises of non-assertion extended or accepted pursuant to Sections 5.3 and 5.4, shall, in each case, extend only to Licensed Products and to Licensed Components, only for transmission of content that, when received by the Licensed Component or Licensed Product, was protected using a Commercially Adopted Access Control Method, such as DigiCipher, Harmony, DBS, or otherwise constitutes Commercial Entertainment Content, and under a Device Class Certificate issued by or under the authority of the Founders following Activation. No license is granted, express or implied, and no promises of non-assertion extended or accepted pursuant to Sections 5.3 and 5.4, for (a) aspects of any technology, standard or product that is not itself part of the Specification (including, by way of example, CPRM, IEEE 1394 and analog copy protection systems) even though such technology, standard or product may be otherwise mentioned or required by the Specification or Compliance Rules or Robustness Rules or (b) implementation of any portion of the Specification other than for

enabling the implementation of SAFIA in Licensed Products.

- 5.5 Proper Use.** The licenses granted herein are subject to and conditioned on the requirements that Adopter shall not produce or sell devices or software (a) under color of this Agreement, or (b) using Confidential and Highly Confidential Information, where such devices or software are designed to circumvent the requirements or effectiveness of the Specification.

6. DISTRIBUTION OF PRODUCTS

- 6.1 Licensed Products.** Licensed Products may be disposed of in any commercially reasonable manner.
- 6.2 Licensed Components.** Except as otherwise expressly provided in Section 6.3, Licensed Components may only be furnished to Fellow Adopters and any person or entity that is providing services to Adopter pursuant to the right under Section 5.2 to “have made” Licensed Products or Licensed Components (a “Have Made Party”). Adopter shall contractually bind any Have Made Party to sell, distribute or otherwise dispose of Licensed Components furnished by or made for Adopter only to Adopter.
- 6.3 Robust Licensed Components.** Robust Licensed Components may be disposed of in any commercially reasonable manner.

7. CONFIDENTIALITY.

- 7.1 Treatment.** Adopter shall comply with the terms of Exhibit A (“the Confidentiality Agreement”). The portions of the Specification marked “Confidential” are to be treated as Confidential Information under the Confidentiality Agreement, and the materials designated by the Founders as “Highly Confidential” shall be treated as specified by the Confidentiality Agreement.
- 7.2 Compliance with Laws, Export.** Adopter will comply with all applicable rules and regulations of Japan, the United States and other countries and jurisdictions, including those relating to the export or re-export of commodities, software and technical data insofar as they relate to the activities under this Agreement. Adopter agrees that commodities, software and technical data provided under this Agreement are subject to restrictions under the export control laws and regulations of the United States, Japan and other countries and jurisdictions, as applicable, including but not limited to the U.S. Export Administration Act and the U.S. Export Administration Regulations and the Japanese Foreign Exchange and Foreign Trade Law, and shall obtain any approval required under such laws and regulations whenever it is necessary for such export or re-export.

8. TERM/TERMINATION.

- 8.1 Termination.** This Agreement shall be effective upon the Effective Date and shall continue until the tenth anniversary of the Effective Date (the “Term”) unless sooner terminated in accordance with any of the following events:
- 8.1.1 Termination by Adopter.** Adopter shall have the right to terminate this Agreement at any time upon ninety (90) days’ prior written notice to SAFIA Agent.
- 8.1.2 Breach Capable of Cure.** In the event that either party (i) materially breaches any of its obligations hereunder, which breach is not cured within thirty (30) days after written notice is given to the breaching party specifying the breach or (ii) repeatedly breaches any of its obligations hereunder and fails to cure and cease committing such repeated breaches within thirty (30) days after being given written notice specifying the breaches, then the party not in breach may, by giving written notice thereof to the breaching party, terminate this Agreement, upon the expiration of a thirty (30)-day period beginning on the date of such notice of termination. Notwithstanding the foregoing, SAFIA Agent shall not terminate this Agreement for reason that a Robust Inactive Product manufactured or distributed by Adopter would not comply with the Compliance Rules or the Robustness Rules if it were activated, provided that, no later than thirty (30) days after receiving notice of breach from

the SAFIA Agent, Adopter prevents activation of the SAFIA functions of such Robust Inactive Product until such time, if any, that an Update is applied to such Robust Inactive Product that causes it to be a Licensed Product.

8.1.3 Breach Not Capable of Cure. In the event of a material breach that is not capable of cure under the provisions of Section 8.1.2, the party not in breach may, by giving written notice of termination to the breaching party, terminate this Agreement. Such termination shall be effective upon receipt of such notice of termination.

8.2 Effect of Termination. Upon termination or expiration of this Agreement, Adopter shall immediately cease use of Device Class Certificates and Device Proper Keys. Within thirty (30) days after termination or expiration of this Agreement, Adopter shall (i) return such Device Class Certificates and Device Proper Keys and shall as directed by the SAFIA Agent: (ii) return all other Proprietary Information to the SAFIA Agent; or (iii) destroy all Proprietary Information in its possession, retaining no copies thereof, and certify such destruction in writing to the SAFIA Agent. Within thirty (30) days after termination or expiration of this Agreement, Adopter shall discontinue all manufacture, sale, or distribution of Licensed Products and Licensed Components. Notwithstanding the foregoing, in the event that Adopter, prior to the date of such termination or expiration, manufactures, distributes or sells to persons or entities Robust Inactive Products, Adopter shall have the right to continue to manufacture, distribute and sell the same version of such Robust Inactivate Products after such termination or expiration for a period of up to two (2) years, or such longer period as the Founders may, in extraordinary circumstances, approve in writing, provided that the SAFIA Functions in any such Robust Inactive Products sold or distributed after the date of such termination shall not be activated.

8.3 Survival. Following termination of this Agreement for any reason, the following Sections shall survive: 4.3, 5.3 and 5.4 (both with respect to the Specification in effect as of the date of termination), 8.2, this Section 8.3 [and Section 10.2].

9. DISCLAIMER AND LIMITATION OF LIABILITY.

9.1 Generally. The following terms limit the ability of the Adopter to recover any damages from the Founders or SAFIA Agent by Adopter under this Agreement. These provisions are an essential part of the bargain, without which the Founders and SAFIA Agent would not be willing to enter into this Agreement, nor would the Founders be willing to license their Necessary Claims to Adopter.

9.2 Disclaimer. ALL INFORMATION, MATERIALS, DEVICE PROPER KEYS, AND DEVICE CLASS CERTIFICATES ARE PROVIDED "AS IS." SAFIA AGENT AND THE FOUNDERS AND GENERATOR MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND EXPRESSLY DISCLAIM IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY EQUIVALENTS UNDER THE LAWS OF ANY JURISDICTION THAT MIGHT ARISE FROM ANY ACTIVITIES OR INFORMATION DISCLOSURES RELATING TO THIS AGREEMENT. SAFIA AGENT, THE FOUNDERS AND GENERATOR FURTHER DISCLAIM ANY WARRANTY THAT ANY IMPLEMENTATION OF THE SPECIFICATION, IN WHOLE OR IN PART, WILL BE FREE FROM INFRINGEMENT OF ANY THIRD PARTY INTELLECTUAL PROPERTY OR PROPRIETARY RIGHTS.

9.3 Limitation of Liability. NEITHER SAFIA AGENT NOR THE FOUNDERS NOR GENERATOR NOR ANY DIRECTOR, OFFICER, AGENT, MEMBERS, REPRESENTATIVES, EQUIVALENT CORPORATE OFFICIAL, OR EMPLOYEE OF ANY OF THEM ACTING IN THEIR CAPACITIES AS SUCH (COLLECTIVELY, THE "AFFECTED PARTIES") SHALL BE LIABLE TO ADOPTER FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF ANY CAUSE OF ACTION RELATING TO THIS AGREEMENT, OR BASED ON MAKING, USING, SELLING OR IMPORTING ANY PRODUCTS OF ADOPTER THAT IMPLEMENT PROPRIETARY INFORMATION OF SAFIA, WHETHER UNDER THEORY OF CONTRACT, TORT, INDEMNITY, PRODUCT LIABILITY OR OTHERWISE. TO THE EXTENT THAT ANY COURT OF COMPETENT JURISDICTION RENDERS JUDGMENT

AGAINST SAFIA AGENT OR THE FOUNDERS OR GENERATOR NOTWITHSTANDING THE ABOVE LIMITATION, THE AFFECTED PARTIES' AGGREGATE LIABILITY TO ADOPTER IN CONNECTION WITH THIS AGREEMENT SHALL IN NO EVENT EXCEED THE AMOUNTS OF MONEY RECEIVED FROM ADOPTER UNDER THIS AGREEMENT IN ANY ONE YEAR PERIOD.

10. REMEDIES.

- 10.1 Indemnification for Wrongful Acts of Adopter.** Adopter shall indemnify and hold SAFIA Agent, the Founders and Generator, and their officers, members, representatives, agents, directors, equivalent corporate officials, and employees, harmless from and against any and all any losses, claims, actions, suits, proceedings or litigation, and any losses, deficiencies, damages, liabilities, costs and expenses including without limitation, reasonable attorneys' fees and all related costs and expenses, to be paid or otherwise incurred in connection with the defense of any claim, action, suit, proceeding or litigation, which result from any material breach of any covenant, agreement, representation or warranty herein or negligent acts committed by Adopter.
- 10.2 Device Inspection.** The Founders may acquire products distributed hereunder on the open market for examination. Adopter shall provide reasonable cooperation in affording the Founders a sample of any product distributed hereunder if requested, and Adopter shall provide, once per model of product, and under the terms of a non-disclosure agreement equivalent to that document referred to by the Founders as the Evaluation NDA, the service manual for such product in order to assist in evaluation of it. Adopter may, at its option provide further information.
- 10.3 Equitable Relief.** The Founders and Adopter agree and acknowledge that due to the unique nature of certain provisions hereof and the lasting effect of and harm from a breach of such provisions, including any implementation of the Specification making available the means for widespread unauthorized copying of copyrighted content intended to be protected using the Specification, if Adopter breaches its obligations hereunder, money damages alone may not adequately compensate an injured party, and that injury to such party may be irreparable, and that specific performance or injunctive relief is an appropriate remedy to prevent further or threatened breaches hereof, provided, however, that injunctive relief shall not be available to prevent the distribution of a Robust Inactive Product that would not comply with the Compliance Rules or the Robustness Rules if it were Activated if, no later than thirty (30) days after receiving notice of breach from SAFIA Agent, Adopter prevents Activation of the SAFIA functions of such Robust Inactive Product until such time, if any, that an Update is applied to such Robust Inactive Product that causes it to be a Licensed Product. Notwithstanding the preceding sentence, Adopter agrees that the Founders shall be entitled to seek injunctive relief to prevent further or threatened breaches of this Agreement if Adopter has engaged in a pattern of behavior involving the repeated release of non-Compliant products or components for which Adopter received notice of the breach, whether or not Adopter corrected such repeated breaches following such notice.
- 10.4 Damages Measure and Limitation.** The parties agree that it would be impossible to estimate the amount of damages in the event of certain breaches. In the event of a material breach by Adopter (1) of the Confidentiality Agreement, Adopter shall be liable for one million dollars; (2) that involves the manufacture or distribution of devices or software, including but not limited to an Update, that fail to protect Device Proper Keys and Device Class Certificates as provided by the applicable Robustness Rules or as required by Section 6.2 or 6.3 or the requirements hereunder applicable to Updates, Adopter shall be liable in an amount equal to its profits on such devices or software, and in no event less than one million dollars nor more than eight million dollars; and (3) that involves any other provision of this Agreement, Adopter shall be liable in an amount equal to its profits on the affected devices or software, and in no event more than eight million dollars. The amounts payable by Adopter in accordance with this Section 10.4 shall be the Founders' exclusive monetary remedies available for any and all such breaches by Adopter, and such amounts shall be paid by Adopter in lieu of any and all other monetary damages to the Founders

relating to such breaches. For purposes of this Section 10.4, a series of substantially related events shall constitute a single material breach. A breach shall be "material" only if it has resulted in or would be likely to result in, at Founder's sole discretion, commercially significant harm to other users of SAFIA, including but not limited to Fellow Adopters and Content Participants, or constitute a threat to the integrity or security of SAFIA. In addition, the following is a non-exclusive list of circumstances in which, standing alone, there is no material breach of the applicable provisions by Adopter: (1) if no Confidential Information or Highly Confidential Information was released to a third party not permitted hereunder to have such information or could reasonably have been expected to have been released to such third party as a result of the breach; (2) if Adopter maintains an internal program to assure compliance herewith (including a program to assure maintenance of inventory, samples, and confidentiality of information for purposes in addition to compliance with this Agreement), the breach was inadvertent or otherwise unintentional, and the breach did not have a material adverse effect on the integrity or security of SAFIA or the function of SAFIA to protect Commercial Entertainment Content; (3) if Adopter brought the breach to the attention of SAFIA Agent in a timely manner as required by this Agreement and such breach did not have a material adverse effect on the integrity or security of SAFIA or the function of SAFIA to protect Commercial Entertainment Content.

10.5 Third-Party-Beneficiary Rights. Compliance of Adopter and other licensees with the terms hereof is essential to maintain the value, integrity, security and performance of SAFIA. As part of the consideration granted herein, upon Activation, Adopter agrees that each Eligible Content Participant shall be a third-party beneficiary of this Agreement and shall be entitled, during such period that such Content Participant is an Eligible Content Participant, to bring a claim or action to enforce rights against Adopter in accordance with the procedures set out in the Procedural Appendix with respect to Adopter's implementation of SAFIA in any product that receives or transmits data in a format in which Content Participant has made Eligible Content available. Such rights shall be limited to seeking injunctive relief against the manufacture, distribution, commercial use and sale of Adopter's products that are in material breach of the Compliance Rules or the Robustness Rules, and against disclosure of Highly Confidential Information in breach of this Agreement that affects the integrity or security of SAFIA, except where such Adopter has willfully breached, or engaged in a pattern or practice of breaching, such obligations, as to which attorneys' fees and costs shall be awarded to each Eligible Content Participant that is a prevailing party. Notwithstanding the provisions of this Section 10.5, injunctive relief shall not be available to an Eligible Content Participant to prevent the distribution of a Robust Inactive Product that would comply with the Compliance Rules and Robustness Rules if it were activated if, no later than thirty (30) days after receiving notice of breach from SAFIA Agent, Adopter complete Activation of the SAFIA functions of such Robust Inactive Product until such time, if any, that an Update is applied to such Robust Inactive Product that causes it to be a Licensed Product. Notwithstanding the preceding sentence, Adopter agrees that an Eligible Content Participant shall be entitled to seek injunctive relief to prevent further or threatened breaches of this Agreement if Adopter has engaged in a pattern of behavior involving the repeated release of non-Compliant products or components for which Adopter received notice of the breach, whether or not Adopter corrected such repeated breaches following such notice.

10.6 Adopter Claims. Following Activation, and while Adopter (i) is not willfully in material breach of any term or condition of this Agreement, and (ii) is not otherwise in material breach of any term or condition of this Agreement, which breach has not been cured, or is not capable of cure, within thirty (30) days of Adopter's receipt of notice thereof by SAFIA Agent, Adopter shall be a third-party beneficiary of each Content Participant Agreement and shall be entitled to bring a claim or action to enforce rights against a Content Participant, in accordance with the third-party-beneficiary procedures set out in the Procedural Appendix, with respect to such Content Participant's compliance with its obligations with respect to the Compliance Rules under its Content Participant Agreement; provided that such rights, pursuant to such Content Participant Agreement, shall be limited to seeking equitable relief, except where such Content Participant has willfully breached, or engaged in a pattern or practice of breaching, such obligations, as to which breach attorneys' fees and costs shall be awarded to each Adopter that

is a prevailing party.

11. MISCELLANEOUS.

- 11.1 Ownership.** All Proprietary Information and media containing Proprietary Information as provided by the Founders to Adopter shall remain the property of the Founders or its suppliers. Except as expressly provided herein, this Agreement does not give Adopter any license or other right to the Proprietary Information.
- 11.2 Entire Agreement.** This Agreement, the exhibits hereto and the Specification constitute the entire Agreement between the parties hereto with respect to the subject matter hereof and supersede all prior oral, written or other agreements. Except as otherwise provided herein, this Agreement may not be modified except by written agreement dated subsequent to the date of this Agreement and signed by both parties.
- 11.3 Controlled Entities.** Adopter represents and warrants that it has, or will have, the authority to bind its Affiliates to the terms of this Agreement.
- 11.4 Money.** All fees shall be remitted to SAFIA Agent in Japanese Yen by wire transfer or such other means as SAFIA Agent may reasonably specify. If Adopter is required by law to make any withholding from fees due under this Agreement, it may make such withholding but shall provide SAFIA Agent, at the time of payment, with evidence of such withholding adequate to permit SAFIA Agent or its assignee to claim relevant tax credits under applicable treaties.
- 11.5 Assignment.** The licenses granted hereunder are personal to Adopter, and Adopter's rights under this Agreement shall not be assigned or otherwise transferred except (a) with the written approval of the Founders or SAFIA Agent (which shall not be unreasonably withheld) or (b) to a corporation controlling, controlled by or under common control with Adopter or to the purchaser of all or substantially all of the outstanding capital stock or assets and obligations of Adopter or to the surviving entity in a merger, reorganization, or other business combination and where notice of such assignment has been provided in advance to SAFIA Agent and where the surviving or acquiring company agrees in writing to be bound by this Agreement. Subject to the limitations set forth in this Agreement, this Agreement will inure to the benefit of and be binding upon the parties, their successors and permitted assigns. The Founders may assign or transfer this Agreement to a party that agrees to assume the Founders' obligations hereunder, and will provide Adopter with written notice thereof.
- 11.6 Presumptions.** In construing the terms of this Agreement, no presumption shall operate in either party's favor as a result of its counsel's role in drafting the terms or provisions hereof.
- 11.7 Governing Law; Jurisdiction.** THIS AGREEMENT SHALL BE CONSTRUED AND CONTROLLED BY THE LAWS OF THE UNITED STATES OF AMERICA AND THE STATE OF NEW YORK APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH COUNTRY.
- 11.7.1 SUBJECT TO THE PROVISIONS OF SECTION 11.7.2, ANY LITIGATION ARISING OUT OF THIS AGREEMENT SHALL TAKE PLACE IN TOKYO, AND ALL PARTIES IRREVOCABLY CONSENT TO JURISDICTION OF THE TOKYO DISTRICT COURT. ADOPTER SHALL APPOINT AN AGENT IN TOKYO FOR ACCEPTANCE OF SERVICE OF PROCESS PROVIDED FOR UNDER THIS AGREEMENT AND SHALL NOTIFY SAFIA AGENT OF THE IDENTITY AND ADDRESS OF SUCH AGENT WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE.
- 11.7.2 ADOPTER WAIVES ANY OBJECTION TO THE JURISDICTION, PROCESS, AND VENUE OF ANY SUCH COURT, AND TO THE EFFECTIVENESS, EXECUTION, AND ENFORCEMENT OF ANY ORDER OR JUDGMENT (INCLUDING, BUT NOT LIMITED TO, A DEFAULT JUDGMENT) OF SUCH COURT PERTAINING TO THIS AGREEMENT, TO THE MAXIMUM EXTENT PERMITTED BY THE LAW OF THE PLACE WHERE ENFORCEMENT OR EXECUTION OF ANY SUCH ORDER OR JUDGMENT MAY BE SOUGHT AND BY THE LAW OF ANY PLACE WHOSE LAW MIGHT BE CLAIMED TO BE APPLICABLE REGARDING THE EFFECTIVENESS, ENFORCEMENT, OR EXECUTION OF SUCH ORDER OR JUDGMENT,

INCLUDING PLACES OUTSIDE OF TOKYO AND OF JAPAN AND THE UNITED STATES.

- 11.8 Notice.** All notices to be provided pursuant to this Agreement shall be given in writing and shall be effective when either served by personal delivery or upon receipt via certified mail, return receipt requested, postage prepaid, overnight courier service or sent by facsimile transmission with hard copy confirmation sent by certified mail, in each case to the party at the addresses set out herein.
- 11.9 Severability; Waiver.** Should any part of this Agreement judicially be declared to be invalid, unenforceable, or void by any court of competent jurisdiction, the parties agree that the part or parts of this Agreement so held to be invalid, unenforceable, or void shall be reformed by such court without further action by the parties hereto but only to the extent necessary to make such part or parts valid and enforceable. A waiver by either of the parties hereto of any of the covenants to be performed by the other party or any breach thereof shall not be effective unless made in writing and signed by the waiving party and shall not be construed to be a waiver of any succeeding breach thereof or of any covenant herein contained.
- 11.10 Most Favored Status.** The Founders will make available to Adopter its substantive commitments or clarifications regarding the standard License Agreement through notice on the SAFIA website or otherwise. The Founders also commit that the benefit of any of its clarifications or interpretations of language in the standard License Agreement will be extended to Adopter in accordance with this Section 11.10. Where the Founders agree to make a change to a particular Fellow Adopter's standard License Agreement, such change shall be reflected in the next regular revision of the standard License Agreement and Adopter will be given the ability to upgrade to such revised License Agreement. Prior to such time as it makes a revised or upgraded standard License Agreement available to all Fellow Adopters that have executed a standard License Agreement, where the Founders have agreed to include language in a particular Fellow Adopter's standard License Agreement that is more favorable than that in the then-current version of the standard License Agreement, the Founders will not enforce the language in Adopter's License Agreement to the extent that such language is less favorable than that found in such Fellow Adopter's License Agreement. For purposes of this Section 11.10, "standard License Agreement" refers to a License Agreement under which a Fellow Adopter receives a license with respect to activities that are the same as those activities licensed hereunder, but does not include, by way of example and not limitation, any License Agreement in which a Fellow Adopter is not licensed to manufacture Licensed Products.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**Hitachi Consumer Electronics Co., Ltd., in
its capacity as SAFIA Agent:**

Adopter:

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

Addresses for notices:

SAFIA Agent:

Adopter:

Procedural Appendix

Unless otherwise expressly stated in this Procedural Appendix, all section references in this Procedural Appendix are references to sections of this Procedural Appendix.

Fee Schedule

A. Annual Fee

Adopter may select whichever category or categories of license is appropriate. Future Annual Fees owed by such Adopter shall be due on the anniversary of the effective date of Adopter's notice, provided that the Annual Fee payable for the last year of the Term shall be pro-rated based on the number of months remaining in the Term.

| Category | Annual Fee (Japanese ¥) |
|---|-------------------------|
| Evaluator | ¥500,000- |
| Reseller | ¥500,000- |
| Adopter: Storage Device | ¥1,200,000- |
| Adopter - Limited: Storage Device | ¥600,000- |
| Adopter: TV Stream Recording | ¥1,200,000- |
| Adopter - Limited: TV Stream Recording | ¥600,000- |
| Adopter: Audio Stream Recording | ¥1,200,000- |
| Adopter - Limited: Audio Stream Recording | ¥600,000- |

Note:

The maximum Annual Fee for an Adopter selecting multiple categories is ¥2,400,000.

B. Unique Device Certificate Fee

| Category | Annual Limit | Per Certificate Fee (Japanese ¥) |
|---|--------------|----------------------------------|
| Evaluator | N/A | N/A |
| Reseller | N/A | N/A |
| Adopter: Storage Device | Unlimited | ¥10- |
| Adopter - Limited: Storage Device | Up to 12,000 | ¥10- |
| Adopter: TV Stream Recording | Unlimited | ¥10- |
| Adopter - Limited: TV Stream Recording | Up to 12,000 | ¥10- |
| Adopter: Audio Stream Recording | Unlimited | ¥10- |
| Adopter - Limited: Audio Stream Recording | Up to 12,000 | ¥10- |

Note:

Per Certificate Fee of a Device Class Certificate for Host Device that supports two categories (TV Stream Recording and Audio Stream Recording) is ¥12.

Order Fulfillment Fee is ¥50,000 per order. Orders shall be limited to a maximum of 1,000,000 sets of

Device Class Certificates and Device Proper Keys per order.

In the case of Limited Adopter, order(s) shall be limited to a maximum of 12,000 sets of Device Class Certificates and Device Proper Keys per year, and distribution of Licensed Products shall be limited to a maximum of 12,000 units per year.

C. Common Device Certificate Fee

- (i) A particular Common Device Class Certificate may be used in no more than the number of units or copies, as specified below, of the same Licensed Product or Robust Licensed Component. Such "same" Licensed Product or Robust Licensed Component may include, for purposes of assessment of fees under this Fee Schedule, units or copies that are substantially identical but are marketed under different names or model designations, and units or copies that have different version numerical designations to the right of the decimal point.
- (ii) Any Adopter that orders one or more Common Device Class Certificate(s) shall maintain accurate records of the number of Devices into which each Common Device Class Certificate was implemented by or with the authorization of Adopter. Adopter agrees to permit SAFIA Agent to audit those records at Adopter's place of business during normal business hours within sixty (60) days of receipt of written notice from SAFIA Agent of SAFIA Agent's intent to conduct said audit, or at such other place and time as may be mutually agreed by SAFIA Agent and Adopter. Adopter shall not be required to undergo an audit more than once during a single calendar year. Such audit may cover the three-year period preceding the audit. During said audit, Adopter shall provide the auditor with complete access to the aforementioned records and to records of shipments and sales of all products that incorporate SAFIA for the period covered by the audit, and shall provide all reasonable assistance to the auditors. Such audits shall be conducted by an independent auditor hired by SAFIA Agent and shall be conducted pursuant to generally accepted auditing standards. The costs to SAFIA Agent of the audit shall be borne by SAFIA Agent, except that if any such audit should reveal that any Common Device Class Certificate was implemented in more than the number of products covered by the selected option, Adopter shall pay SAFIA Agent's costs of such audit, as well as pay the discrepancy in fees. Adopter's failure to comply with any provisions of this paragraph shall constitute a material breach of this Agreement.

| Category | Per Certificate Fee (Japanese ¥) |
|---|---|
| Evaluator | N/A |
| Reseller | N/A |
| Adopter: Storage Device | N/A |
| Adopter - Limited: Storage Device | N/A |
| Adopter: TV Stream Recording | |
| Up to 100,000 units or copies - | ¥200,000- |
| Up to 1,000,000 units or copies - | ¥1,000,000- |
| Up to 10,000,000 units or copies - | ¥2,500,000- |
| Over 10,000,000 units or copies - | ¥5,000,000- |
| Adopter - Limited: TV Stream Recording | N/A |
| Adopter: Audio Stream Recording | N/A |
| Adopter - Limited: Audio Stream Recording | N/A |

Note:

Order Fulfillment Fee is ¥50,000 per order. Orders shall be limited to a maximum of 10 sets of Common

Device Class Certificates and Common Device Proper Keys per order.

1. PROCEDURES FOR HANDLING DEVICE CLASS CERTIFICATES AND DEVICE PROPER KEYS

Standards for the handling of Device Class Certificates will be supplied and Adopter agrees to comply with all such standards. These will include, by way of example, requirements that such Device Class Certificates be kept in a secure place and that a limited number of individuals have access to them. Device Proper Keys are Highly Confidential Information. Standards for the handling of Device Proper Keys will be supplied and Adopter agrees to comply with all such standards. These will include, by way of example, requirements that such Device Proper Keys be kept in a secure place and that a limited number of individuals have access to them.

2. PROCEDURE FOR ORDERING DEVICE CLASS CERTIFICATES AND DEVICE PROPER KEYS

2.1 Adopter will be supplied with a form and associated tools for ordering Device Class Certificates and Device Proper Keys. As set out in the Specification, such Device Class Certificates will reflect certain capabilities of the device into which they are intended to be installed. The number of Device Class Certificates and Device Proper Keys which may be ordered will be constrained to the Adopter's reasonably anticipated production run rate.

2.2 Requirements for use of Common Device Class Certificates and Common Device Proper Keys. Common Device Proper Keys and Common Device Class Certificates may be used only in Licensed Products or Robust Licensed Components where;

(i) such Common Device Proper Keys and Common Device Class Certificates (a) are implemented in software, firmware or a combination of software and firmware; and (b) are or will be capable of being replaced, via an Update, by valid Device Proper Keys and Device Class Certificates, including if and when such original Common Device Proper Keys and Common Device Class Certificates are Revoked; and

(ii) the SAFIA functions in each individual unit or copy of such Licensed Product or of a Licensed Product incorporating such Robust Licensed Component cease to function no later than one (1) year after the SAFIA functions of such unit or copy first functioned, unless the Common Device Proper Key and corresponding Common Device Class Certificate in such individual units or copies were sooner replaced via an Update, in which event the SAFIA functions shall cease to function no later than one (1) year from the date of such replacement or any subsequent replacement via an Update. Without limiting the last sentence of Section 2.3 of the Agreement, in the event the SAFIA functions of such individual units or copies so cease to function, Adopter may thereafter reactivate or cause the reactivation of such SAFIA functions by an Update that replaces the Common Device Proper Key and corresponding Common Device Class Certificate in such unit or copy with a new Common Device Proper Key and corresponding Common Device Class Certificate, in which event the SAFIA functions shall cease to function no later than one (1) year after such replacement or any subsequent replacement via an Update; and

(iii) each such Common Device Proper Key and Common Device Class Certificate is not used in connection with the activation of the SAFIA functions of a Licensed Product more than one (1) year after the first activation of a Licensed Product using such Common Device Proper Key and Common Device Class Certificate.

3. REVOCATION PROCEDURES

The procedures set forth in this Section 3 shall apply to Revocation other than Revocation of Common Device Class Certificates as contemplated in the last sentence of Section 4.2.6.

3.1 Notice of Revocation. In the event that Revocation is requested, SAFIA Agent shall provide any Fellow Adopter to whom the Founders or its designee had issued a Device Class Certificate for which Revocation has been requested with notice of such requested Revocation, provided, however, that the Founders may, in its sole discretion, reduce notice period as set forth in 3.2.1 hereafter where it deems circumstances warrant. If Adopter notifies SAFIA Agent in writing that Adopter consents to

such Revocation of any Device Class Certificate issued to it hereunder, or if SAFIA Agent is required to Revoke pursuant to Section 4.2.3 of this Agreement, SAFIA Agent may take steps to Revoke the applicable Device Class Certificate.

3.2 Assent to Revocation/Dispute Resolution

3.2.1 No more than fifteen (15) calendar days after the date of the notice of revocation from SAFIA Agent, Adopter shall notify SAFIA Agent whether Adopter desires to contest the grounds for such Revocation. If Adopter notifies SAFIA Agent that it does not wish to contest the requested Revocation, or if Adopter fails to respond timely to the notice from SAFIA Agent, the Revocation shall be deemed to be without objection and may proceed. If Adopter timely notifies SAFIA Agent of its intent to object to the requested Revocation, Adopter shall submit a written statement, under oath, which sets out any facts which disprove or contradict the stated grounds for Revocation ("Revocation Objection"). Within ten (10) business days after receipt of the Revocation Objection, SAFIA Agent shall provide notice of the Revocation Objection and the Revocation Objection itself to the entity that requested the Revocation. Within thirty (30) days after receipt from the SAFIA Agent of the notice of the Revocation Objection, the entity or entities that requested Revocation (the "Revocation Initiators") may initiate arbitration in accordance with the provisions of Section 3.4 to determine whether the requested Revocation may proceed.

3.2.2 Request for Revocation. Adopter may seek Revocation by providing to SAFIA Agent proof in a sworn affidavit (the "Adopter Affidavit") of any of the facts relating to any particular Device Class Certificate and/or associated Device Proper Keys issued to Adopter hereunder that would warrant Revocation of such certificate and satisfy one or more of the Revocation Criteria. The Adopter Affidavit shall be sufficiently detailed that SAFIA Agent can determine solely on the basis of such affidavit whether the facts averred on their face would satisfy one or more of the Revocation Criteria.

3.3 Indemnification. If Adopter has sought Revocation, it shall indemnify and hold harmless and, defend SAFIA Agent, the Founders, Generator, any Content Participant that carries the information applicable to such Revocation and each of their officers, directors, equivalent corporate officials, employees, representatives and agents ("Indemnified Parties") from and against any and all (i) claims, actions, suits, proceedings or litigation and any losses, deficiencies, damages, liabilities, costs and expenses associated therewith, including but not limited to reasonable attorneys' fees and expenses, arising out of the Revocation of any Device Class Certificate for which Adopter had sought Revocation and (ii) other costs or expenses incurred by SAFIA Agent and/or such Content Participant in connection with such Revocation including but not limited to any costs and expenses associated with the generation and distribution of information necessary to effect such Revocation and any amounts paid by SAFIA Agent to Adopters (or to Adopters' affected customers) or any other party on account of such Revocation. SAFIA Agent may require a bond or security reasonably anticipated for such costs.

3.4 Arbitration Procedures.

3.4.1 The parties to the arbitration shall be the Revocation Initiators, the affected Fellow Adopter(s), if any, that objected to the Revocation in accordance with their respective License Agreement(s) and/or any affected person or entity that such Fellow Adopter(s) may designate (such Fellow Adopters and designees, collectively, the "Affected Adopters") and/or at its election, SAFIA Agent (collectively, the "Arbitrating Parties"). The Revocation Initiators shall bear the burden of proof in demonstrating, by a preponderance of the evidence, that one or more of the Revocation Criteria have been satisfied.

3.4.2 There shall be a sole arbitrator, who shall be selected by the Arbitrating Parties from the National Panel of Commercial Arbitrators of the American Arbitration Association within fourteen (14) days of the initiation of arbitration; provided, however, that in the event the Arbitrating Parties cannot agree on a sole arbitrator within such fourteen (14)-day period, the Revocation Initiators, on the one hand, and the other Arbitrating Parties, on the other hand, shall each, promptly thereafter, select one arbitrator from the National Panel of Commercial Arbitrators of the American Arbitration Association and those two arbitrators shall jointly select a third arbitrator from the National Panel of Commercial Arbitrators of the American Arbitration Association, who shall serve as the presiding arbitrator and chairperson of such arbitration.

- 3.4.3** The arbitration shall be conducted in Los Angeles, California, in accordance with the International Arbitration Rules of the American Arbitration Association. The language of the arbitration shall be English.
- 3.4.4** The arbitrator(s) may conduct the arbitration in such manner as he, she or they shall deem appropriate, including the imposition of time limits that he, she or they consider(s) reasonable for each phase of the proceeding, but with due regard for the need to act, and make a final determination, in an expeditious manner. The arbitrator(s) shall set a schedule to endeavor to complete the arbitration within one (1) month.
- 3.4.5** The arbitrator(s) shall permit and facilitate such limited discovery as he, she or they shall determine is reasonably necessary, taking into account the needs of the Arbitrating Parties and the desirability of making discovery as expeditious and cost-effective as possible, recognizing the need to discover relevant information and that only one party may have such information.
- 3.4.6** The Arbitrating Parties and the arbitrator(s) shall treat the arbitration proceedings, any related discovery, documents and other evidence submitted to, and the decision of, the arbitrator(s) as Confidential Information. In addition, and as necessary, the arbitrator(s) may issue orders to protect the confidentiality of proprietary information, trade secrets and other sensitive information disclosed in discovery or otherwise during the arbitration.
- 3.4.7** Any decision by the arbitrator(s) shall be final and binding on the Arbitrating Parties, except that whether the arbitrator(s) exceeded his, her or their authority, as specifically described in this Agreement, shall be fully reviewable by a court of competent jurisdiction. Judgment upon any award shall be entered in a court of competent jurisdiction.
- 3.4.8** The arbitrator(s) shall be compensated at his, her or their hourly rates, determined at the time of appointment, for all time spent in connection with the arbitration, and shall be reimbursed for reasonable travel and other expenses. The arbitrator(s) shall determine all costs of the arbitration, including the arbitrator(s)' fees and expenses, the costs of expert advice and other assistance engaged by the arbitrator(s), the cost of a transcript and the costs of meeting and hearing facilities.
- 3.4.9** The arbitrator(s) is (are) empowered solely to determine (a) whether one or more of the Revocation Criteria have been satisfied and (b) if so, only in the circumstance set forth in clause (x) of this Section 3.4.9, whether Revocation is warranted. Any such determination by the arbitrator(s) shall be final and binding on the parties to the arbitration and on the Founders if the SAFIA Agent is not a party to the arbitration, except that whether the arbitrator(s) exceeded his, her or their, authority as specifically described in this Section 3.4.9, shall be fully reviewable by a court of competent jurisdiction. In any such arbitration, the Affected Adopter(s), if any, may introduce evidence solely to support the position that one or more of the Revocation Criteria have not been satisfied. In the event that the Arbitrator(s) determine(s) that the Revocation Criteria set forth in Section 4.2.2 of the Agreement have been satisfied, (x) if SAFIA Agent is a party to the arbitration and objects to Revocation, it shall have the burden of demonstrating, by a preponderance of the evidence, that Revocation is not warranted, and if the SAFIA Agent fails to meet such burden, Revocation shall be deemed warranted and (y) if SAFIA Agent is not a party to the arbitration, Revocation shall be deemed to be warranted. In the event that the arbitrator(s) determine(s) that the Revocation Criteria set forth in Section 4.2.1 of the Agreement have been satisfied, Revocation shall be deemed warranted.
- 3.4.10** All costs and fees shall be shared equally as between the Revocation Initiators, on the one hand, and the Affected Adopters, if any, that participate in the arbitration, on the other, provided, however, the arbitrator(s) may otherwise apportion such costs and fees among such Revocation Initiators and Affected Adopters, if any, as the arbitrator(s) may determine. The prevailing party in such arbitration shall provide to SAFIA Agent a copy of the arbitrator(s) decision. If, pursuant to this Section 3.4, Revocation is warranted, the Founders may, after they receive such decision, take steps to cause such Revocation.

4. PROCEDURES FOR THIRD PARTY BENEFICIARY CLAIMS

- 4.1** Prior to initiating or instituting any third-party-beneficiary claim by a Fellow Adopter ("Adopter Beneficiary Claim") or by a Content Participant ("Content Participant Beneficiary Claim") (each, a "Beneficiary Claim") against Adopter, any other Fellow Adopter or a Content Participant, as the case may be (each, a "Defendant"), a Content Participant Beneficiary (defined below) or Adopter Beneficiary (defined below) (each, a "Third-Party Beneficiary") shall provide SAFIA Agent notice and consultation reasonable under the circumstances regarding a proposed Beneficiary Claim; provided that such consultation with SAFIA Agent shall not affect such Third-Party Beneficiary's discretion in initiating such a Beneficiary Claim. Such Third-Party Beneficiary shall further provide SAFIA Agent with notice of actual filing of a Beneficiary Claim and, upon SAFIA Agent's request, any copies of material documents to be filed in such Third-Party Beneficiary's initiation or pursuit of such Beneficiary Claim. The Founders shall cooperate reasonably with such Third-Party Beneficiary in providing appropriate and necessary information in connection with the Beneficiary Claim to the extent that such cooperation is consistent with the preservation of the integrity and security of SAFIA and to the extent such cooperation does not involve release of information provided to SAFIA Agent by a Content Participant or Fellow Adopter that such Content Participant or Fellow Adopter has designated to SAFIA Agent to be its confidential and proprietary information. Documents provided to SAFIA Agent under these third-party-beneficiary procedures shall not include any documents filed or to be filed under seal in connection with such Beneficiary Claim.
- 4.1.1** "Adopter Beneficiaries" means Adopter (for so long as Adopter is in compliance with all of the terms and conditions of this Agreement), together with any one (or more) other Fellow Adopters that is (or are) eligible to bring third-party-beneficiary claims in accordance with a Content Participant Agreement.
- 4.1.2** "Content Participant Beneficiaries" means any one (or more) Content Participant(s) that is (or are) eligible to bring third-party-beneficiary claims against Adopter in accordance with Section 10.6 of this Agreement or against other Fellow Adopters in accordance with comparable provisions of their respective License Agreements.
- 4.2** SAFIA Agent shall provide all Fellow Adopters (in the case of an Adopter Beneficiary Claim) and all Content Participants (in the case of a Content Participant Beneficiary Claim) with prompt notice of SAFIA Agent's receipt of any notice of a Beneficiary Claim against a Defendant (a "Claim Notice"). Within thirty (30) days of the date of mailing of a Claim Notice, all Adopter Beneficiaries (in the case of an Adopter Beneficiary Claim), or all Content Participant Beneficiaries (in the case of a Content Participant Beneficiary Claim), shall elect whether to join such Beneficiary Claim, and the failure of any Fellow Adopter or Content Participant to provide written notice to SAFIA Agent of such election and to move to join such Beneficiary Claim within such thirty (30)-day period shall be deemed a waiver of such Fellow Adopter's or Content Participant's third party-beneficiary right under its respective License Agreement or Content Participant Agreement, as the case may be, with respect to all Beneficiary Claims against Defendant arising out of the alleged breach by Defendant raised in such Beneficiary Claim asserted by the Third-Party Beneficiary. The Third-Party Beneficiary instituting or initiating a Beneficiary Claim shall support, and Defendant shall not object to, any motion to so join by such Third-Party Beneficiaries electing to join such Beneficiary Claim within such thirty (30)-day period. Any judgment entered upon such Beneficiary Claim shall be binding on all Fellow Adopters and Content Participants that failed to join such Beneficiary Claim as if they had joined such Beneficiary Claim. Neither any Fellow Adopter's or Content Participant's failure to notify or consult with or to provide copies to SAFIA Agent, nor SAFIA Agent's failure to give notice to any Fellow Adopter or Content Participant pursuant to these third-party-beneficiary procedures, shall be a defense against any Beneficiary Claim or grounds for a request to delay the granting of any preliminary relief requested.
- 4.3** Third-Party Beneficiaries shall have no right to, and Adopter agrees that it will not, enter into any settlement that: (i) amends any material term of any License Agreement or Content Participant Agreement; (ii) has an adverse effect on the integrity, performance and/or security of SAFIA or on the operation of SAFIA with respect to protecting Commercial Entertainment Content from any unauthorized output, transmission, interception or copying, or the rights of Content Participants with

respect to SAFIA; or (iii) affects any of the Founders' rights in and to SAFIA or any intellectual property right embodied therein, unless the Founders shall have provided prior written consent thereto.

- 4.4** Nothing contained in these third-party-beneficiary procedures is intended to limit remedies or relief available pursuant to statutory or other claims that a Third-Party Beneficiary may have under separate legal authority.

EXHIBIT A
CONFIDENTIALITY AGREEMENT

1. PERMITTED USE.

1.1 Adopter shall use Proprietary Information, Confidential Information and/or Highly Confidential Information (and tangible embodiments of any of the foregoing) solely for purposes of its own implementation of SAFIA in accordance with the terms of this Agreement, and shall not use any mentally-retained recollections thereof to circumvent or copy the methods disclosed in Proprietary Information or Confidential Information or to circumvent any obligations under this Agreement.

2. CONFIDENTIALITY.

2.1 Highly Confidential Information. Adopter shall maintain the confidentiality of Highly Confidential Information in the following manner:

2.1.1 Adopter shall employ procedures for safeguarding Highly Confidential Information at least as rigorous as Adopter would employ for its own most highly confidential information, such procedures to include, at a minimum: (1) maintaining on Adopter's premises a secure location in which any and all Highly Confidential Information shall be stored; (2) such secure location shall be accessible only by authorized employees; (3) employees shall sign in and out each time such employees visit such secure location; and (4) when Highly Confidential Information is not in use, such information shall be stored in a locked safe at such secure location.

2.1.2 Adopter may disseminate Highly Confidential Information only to (a) the strictest minimum possible number of regular employees of Adopter: (1) who have an absolute need to know such Highly Confidential Information in order to enable Adopter to implement SAFIA in compliance with the Specification; and, (2) who are bound in writing by obligations of confidentiality sufficient to protect the Highly Confidential Information in accordance with the terms of this Agreement; and, (b) a third party that is providing services to Adopter pursuant to the right under Section 5.2 of the Agreement to "have made" Licensed Products or Licensed Components, provided that such third party is either a Fellow Adopter or has executed a nondisclosure agreement with SAFIA Agent consistent with the provisions hereof that authorizes such third party to receive such Highly Confidential Information.

2.1.3 Adopter shall not make any copies of any Highly Confidential Information. Adopter may request additional copies of such information. SAFIA Agent may in its sole discretion fulfill any such request.

2.2 Confidential Information. Adopter may disclose Confidential Information only to (i) regular employees and individuals retained as independent contractors subject to confidentiality obligations equivalent to those applicable to regular employees of Adopter who have a reasonable need-to-know and are bound in writing by obligations of confidentiality sufficient to protect the Confidential Information in accordance with the terms of this Agreement, (ii) Fellow Adopters, (iii) entities subject to a non-disclosure agreement with SAFIA Agent or Adopter that includes provisions substantially in the form of the provisions of this Confidentiality Agreement that relate to Confidential Information, provided that Adopter may disclose to such parties only information that such parties are entitled to receive under their License Agreement or nondisclosure agreement and, in the event that any such entity is not a Fellow Adopter, Adopter shall be liable for any failure by such entity to maintain the confidentiality of Confidential Information in accordance with the terms of this Confidentiality Agreement; or (iv) Adopter's attorneys, auditors or other agents who owe Adopter a duty of confidentiality and are bound to maintain such information in confidence as a result of a fiduciary relationship. Adopter shall use the same degree of care, but no less than a reasonable degree of care, to avoid unauthorized disclosure or use of Confidential Information as such party employs with respect to its comparably important confidential information. Notwithstanding the foregoing, Adopter and SAFIA Agent or the Founders may disclose Adopter's status (or lack of it) as a licensee of SAFIA, and such disclosure shall not constitute Confidential Information.

3. GENERAL.

- 3.1** Adopter shall make all reasonable efforts to assist the Founders in relation to any claim, action, suit, proceeding, or litigation with respect to any improper or unauthorized acts of any of its former employees or of such third parties identified in Section 2.1 and 2.2 of this Confidentiality Agreement.
- 3.2** Contact Person and Provision of SAFIA Information. Adopter shall designate a single employee and an alternate employee who shall receive all Confidential Information and Highly Confidential Information (the "Adopter Contact") disclosed by SAFIA Agent.
- 3.3** Notification of Unauthorized Use or Disclosure. Adopter shall notify SAFIA Agent in writing immediately upon discovery of any unauthorized use or disclosure of Proprietary Information, and will cooperate with SAFIA Agent in every reasonable way to regain possession of Proprietary Information and prevent its further unauthorized use or disclosure.
- 3.4** Disclosure Required by Law. If Adopter is required by law, regulation or order of a court or other authority of competent jurisdiction to disclose Confidential Information or Highly Confidential Information, Adopter shall notify SAFIA Agent as promptly as possible, and shall, upon such SAFIA Agent's request, reasonably cooperate in challenging or restricting the scope of such required disclosure.
- 3.5** Confidentiality Exceptions. The confidentiality restrictions contained in Section 2.1 and 2.2 of this Confidentiality Agreement shall not apply to information that Adopter can demonstrate: (i) is either Confidential or Highly Confidential Information which is or becomes or has become generally known to the public through no breach of Adopter's obligations owed to the Founders hereunder and which the Founders failed to remove from public availability or to enjoin such public disclosure within 120 days after the date such information is or becomes generally known as set forth above; or (ii) is or has been developed by Adopter's employees (whether independently or jointly with others) without having access (whether directly or through any intermediaries) to any such Confidential Information or Highly Confidential Information (or any translation, derivation or abstractions of Confidential Information or Highly Confidential Information) and without any breach of Adopter's obligations to the Founders, provided that the confidentiality restrictions shall continue to apply to Device Proper Keys provided to Adopter; or (iii) is or has been disclosed to Adopter by a third party which had developed (whether independently or jointly with others) such information without any access (whether directly or through any intermediaries) to any Confidential Information or Highly Confidential Information and without any breach of any such third party's obligations to SAFIA Agent or the Founders.

4. PERIOD.

The confidentiality obligations set forth herein shall continue until the later of (i) three (3) years after the last commercial use of SAFIA by the Founders or any Fellow Adopter; or (ii) the expiration of the last copyright that protects any SAFIA-encrypted/scrambled content which then exists in any country adhering to the Agreement on Trade Related Aspects of Intellectual Property Rights of the World Trade Organization dated April 15, 1994.

5. OTHER TERMS

Reverse Engineering. Adopter shall under no circumstances reverse engineer, decompile, disassemble or otherwise determine the operation of the Specification, including, without limitation, any encryption/decryption or scrambling/descrambling algorithm or logic of SAFIA, except that Adopter may, to the minimum extent necessary for the purposes of testing, engage in debugging, integration or tuning of Adopter's own Licensed Product or Licensed Component to ensure that such Licensed Product or Licensed Component works in its intended operational environment with other Licensed Product or Licensed Component and for no other purposes. Nothing herein shall be construed as an inducement for Adopter to reverse engineer any products of any Adopter or third party.

Exhibit B

COMPLIANCE RULES

Exhibit B is composed of the following parts that may be applicable depending on the nature of the Licensed Product.

**Part 1-1a Compliance Rules for Recording and Playback Device for TV Stream
Recording of Audiovisual Content**

**Part 1-1b Compliance Rules for Recording and Playback Device for TV Stream
Recording of Audio Content**

**Part 1-2 Compliance Rules for Recording and Playback Device for Audio Stream
Recording**

Part 2 Compliance Rules for Storage Device

The Founders may amend or add new part(s) to this Exhibit B, including for additional categories of Licensed Products.

Part 1-1a**COMPLIANCE RULES FOR RECORDING AND PLAYBACK DEVICE
FOR TV STREAM RECORDING OF AUDIOVISUAL CONTENT****1. GENERAL****1.1 Scope**

The Compliance Rules for Recording and Playback Device for TV Stream Recording of Audiovisual Content describe the method to enable a Licensed Product to access the TVRS AV Stream specified in iVDR TV Recording Specification, and the manner for such a Licensed Product to handle Audiovisual Content of SAFIA AV Stream and Usage Pass specified in "SAFIA Specifications, Recording and Playback Device for iVDR TV Recording Specification" (SAFIA/RPD-TV).

1.2 Definitions

Capitalized terms not herein defined shall have the meaning defined in the Agreement or the Specifications.

"AACs" means Advanced Access Content System that is licensed by the Advanced Access Content System Licensing Administrator, LLC.

"Analog Sunset Content" shall mean decrypted AACs content reproduced from an AACs Licensed Player after AACs analog sunset rules are applied and any audiovisual content for which the Analog Sunset Token is asserted. (Note: Founders may amend this definition in the future in accordance with Section 3.3 of the Agreement so as to designate other protected audiovisual content as Analog Sunset Content.)

"Analog Sunset Token" (AST) shall mean the field, as described in the SAFIA Specification, used to trigger certain restrictions on the analog output of Analog Sunset Content.

"APS trigger bits" shall mean the Analog Protection System trigger bits.

"Authorized Access Control Method" shall mean a method of delivery of content that is an Authorized Secure Digital Output or any other method of delivery of content, by which content is retained not viewable or accessible other than through a commercially adopted access control method, (e.g., CPRM, Digicypher, Harmony, DBS or other digital access control technologies, digitally controlled analog scrambling systems, whether now or hereafter in commercial use) that SAFIA is authorized to use by the licensor of such method.

"Authorized Secure Digital Output" shall mean a secure content digital transmission output method approved by Founders.

"Authorized Secure Recordable Medium" shall mean a recordable medium to which a content protection method approved by Founders is applied.

"Bound Recording Method" shall mean a method that makes a recording and playback in accordance with Copy Control Information, and effectively and uniquely associates a recording with a single playback device using a cryptographic means or other effective means so that such recording cannot be accessed in usable form by another product.

"CGMS-A" shall mean the Copy Generation Management System for analog video signal format.

"Copy Control Information (CCI)" shall mean the information that represents the copy control status of particular content to recording devices.

“Commercial Audiovisual Content” shall mean Commercial Entertainment Content in the form of audiovisual works.

“Computer Monitor Output” shall mean a connector for a monitor typically found and associated with a computer product and which carries uncompressed analog and/or digital RGB video signals (e.g., VGA, SVGA or XGA).

“Constrained Image” shall mean an image having the visual equivalent of no more than 520,000 pixels per frame (e.g., an image with resolution of 960 pixels by 540 pixels for a 16:9 aspect ration). A Constrained Image may be attained by reducing resolution, for example, discarding, dithering, or averaging pixels to obtain the specified value. A Constrained Image can be displayed using video processing techniques such as line doubling or sharpening to improve the perceived quality of the image. By way of example, a Constrained Image may be stretched or doubled, and displayed full-screen, on a 1000-line monitor.

“Copy Control Not Asserted” shall mean the status of CCI that indicates limitations on copying are not asserted.

“Copy Never” shall mean the status of CCI that indicates no copying is permitted.

“Copy One Generation” shall mean the status of CCI that indicates only one generation of copies may be made of such content.

“CPRM” means Content Protection for Recordable Media that is licensed by the 4C Entity, LLC.

“Device Interface” shall mean the interface between a Recording or Playback Device and a Storage Device, and such interface is a Serial ATA compatible interface mounted on or directly connected to such device described in the SAFIA Specification.

“Digital Only Token” (DOT) shall mean the field, as described in the SAFIA Specification, used to trigger the output of decrypted SAFIA AV Stream to only digital outputs.

“DTCP” means Digital Transmission Content Protection that is licensed by Digital Transmission Licensing Administrator, LLC (“DTLA”). “DTCP Specifications” means the specifications for DTCP as promulgated by DTLA.

“EPN” or “Encryption Plus Non-Assertion” shall mean the status of CCI indicating that numerical copying restrictions are not asserted over the content and such content is protected using a cipher technology.

“HDCP” means High-bandwidth Digital Content Protection that is licensed by Digital Content Protection, LLC.

“HDCP Specifications” means the specifications for HDCP as promulgated by Digital Content Protection, LLC.

“Image Constraint Token” (ICT) shall mean the field or bits, as described in the SAFIA Specification, used to trigger the output of a “Constrained Image”.

“ISDB Content” shall mean Commercial Audiovisual or Audio Content delivered by Japanese Integrated Services Digital Broadcasting in accordance with the Association of Radio Industries and Businesses (ARIB) Standards.

“Move” shall mean the transfer by digital transmission of content that is marked No More Copies from a single source device to a single recordable medium.

“No More Copies” shall mean the CCI status of content that indicates such content may have originated as “Copy One Generation”, but that the version being recorded is from that one generation copy and that therefore no more copies are permitted.

2. REQUIREMENTS FOR USE OF STORAGE DEVICES

Recording Device and Playback Device shall use Compliant storage devices and shall access such devices through a Device Interface if Recording Device or Playback Device accesses SAFIA AV Stream and Usage Pass(es) associated with the SAFIA AV Stream. Recording Device and Playback Device shall not have any interface other than the Device Interface to access Storage Device. After a Usage Pass is created by a Recording Device, the Recording Device shall pass the Usage Pass without any modifications or updates to a Storage Device through a Device Interface. Only a Storage Device has the entitlement to modify or update Usage Pass(es).

3. REQUIREMENTS FOR RECORDING DEVICE

3.1 General

A Recording Device may make SAFIA AV Stream from Commercial Audiovisual Content and create Usage Pass(es) associated with the SAFIA AV Stream when the usage rule associated with that Commercial Audiovisual Content allows the Recording Device to make a recording and the Recording Device makes such recording in accordance with section 3.2 of these Compliance Rules.

3.2 Rules for Recording Control

3.2.1 Rules for Analog Inputs

A Recording Device may create a Usage Pass and embedded SAFIA_CCI_visual of the SAFIA AV stream using information derived from a signaling technology described in this section 3.2.1 and the Recording Device may make a recording of such SAFIA AV Stream if content is transferred into the Recording Device in an applicable input signal using a signaling technology, as set forth in this Section 3.2.1. Founders may amend this requirement from time to time.

The applicable input signals are:

- (i) NTSC, PAL or SECAM composite video signals that include S-video in Y/C format,
- (ii) YUV component video signals,
- (iii) RGB signal from SCART connector that is carrying an NTSC, PAL or SECAM composite video signal if the composite signal is used for synchronization reference for that RGB signal, and,
- (iv) Any other input signal that in the future may be approved by Founders.

The signaling technologies are CGMS-A and Authorized Analog Copy Control Signal, as follows:

- (i) CGMS-A:
 - (a) NTSC signals, in IEC 61880 (for inclusion on Line 20) or CEA-608-D (for inclusion on Line 21),
 - (b) PAL, SECAM or YUV signals, in IEC 61880 (for inclusion on Line 20), in CEA-608-D (for inclusion on Line 21) or in CEA-805-C (for inclusion on Line 41) for YUV (525/60 systems) signals, or in ETS 300294 (for inclusion on Line 23) for PAL, SECAM and YUV (625/50 systems) signals,
 - (c) 525p (480p) progressive scan signals, in IEC 61880-2,
 - (d) 625p progressive scan signals, in IEC-62375.
- (ii) Authorized Analog Copy Control Signal:
 - (a) Automatic Gain Control signal as specified (a) for NTSC, PAL, SECAM or YUV analog video signals, in the document entitled “Specification of the Macrovision Copy Protection Process for DVD Products Revision 7.1.D1 (September 30, 1999)” and (b) for a 525p(480p) and 625p progressive scan analog video signal, in the document entitled “Specification of the Macrovision AGC Copy Protection Waveforms for Products with 525p and/or 625p YPbPr Progressive Scan Outputs, Revision 1.2 (February 24, 2003)”,
 - (b) Colorstripe as specified for NTSC analog video signals in the document entitled “Specification

of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1 (September 30, 1999)", or,

(c) Any other analog copy control systems that in the future may be approved by Founders.

3.2.1.1 Permitted Copies

A Recording Device shall check the input signal described in section 3.2.1 to detect the presence of Automatic Gain Control Signal and CGMS-A.

- (i) If Authorized Analog Copy Control Signal is detected, the Recording Device shall not make, or cause to be made, a recording of such signaled content.
- (ii) In the case that Authorized Analog Copy Control Signal is not detected,
 - (a) If CGMS-A is detected and the status of the CGMS-A indicates Copy Never the Recording Device shall not make, or cause to be made, a recording of such signaled content,
 - (b) If CGMS-A is detected and the status of the CGMS-A indicates Copy One Generation the Recording Device may make SAFIA AV Stream from such signaled content and create Usage Pass(es) associated with the SAFIA AV Stream and record the SAFIA AV Stream. In this case, the Control Count in ACs of the Usage Pass shall be set to Generation Count of No More Copies as the CCI status of the recorded SAFIA AV Stream. The Output Control in ACe of the Usage Pass shall be set to 0b, and the SAFIA_CCI_visual of the SAFIA AV Stream shall be set to No More Copies .

3.2.2 Rules for Digital Inputs through Authorized Access Control Methods

If Commercial Audiovisual Content is transferred to a Recording Device via an Authorized Access Control Method, the Recording Device shall manage Commercial Audiovisual Content using CCI that is transferred digitally with the Commercial Audiovisual Content in accordance with the rules set forth in this Section 3.2.2.

3.2.2.1 Permitted Copies

A Recording Device may make SAFIA AV Stream from Commercial Audiovisual Content and create a Usage Pass(es) associated with the SAFIA AV Stream and may record the SAFIA AV Stream and the Usage Pass if the CCI that is transferred with such Commercial Audiovisual Content indicates Copy One Generation or EPN. When making a recording of such content, the Recording Device shall create a Usage Pass(es) and SAFIA_CCI_visual of the SAFIA AV Stream in according with the following rules;

- (i) In case of Copy One Generation, the Control Count in ACs of the Usage Pass shall be set to Generation Count of No More Copies as the CCI status of the recorded SAFIA AV Stream. The Output Control in ACe of the Usage Pass shall be set to 0b except the case when DOT is asserted, and the SAFIA_CCI_visual of the SAFIA AV Stream shall be set to No More Copies except in the case of non-cognizant recording.
- (ii) In case of EPN asserted, the Control Count in ACs of the Usage Pass shall be set to Generation Count of Not Asserted. The Output Control in ACe of the Usage Pass shall be set to 0b, and the SAFIA_CCI_visual of the SAFIA AV Stream shall be set to Copy Control Not Asserted and EPN Asserted.
- (iii) In case of Analog Sunset Content, Analog Sunset Token of the SAFIA AV Stream shall be asserted.

3.2.2.2 Additional Rules for Copy of ISDB Content

A Recording Device may make SAFIA AV Stream from ISDB Content and create a Usage Pass(es) associated with the SAFIA AV Stream and may record the SAFIA AV Stream and the Usage Pass in according with the following rules if the copy control information transferred with such ISDB content indicates that a limited number of copying are permitted;

- (i) The Control Count in ACs of the Usage Pass shall be set to Copy Count of permitted 9 times and the SAFIA_CCI_visual of the SAFIA AV Stream shall be set to No More Copies as the CCI status of the recorded SAFIA AV Stream, and,
- (ii) The Control Type in ACe of the Usage Pass shall be set to ISDB Copy Count.

4. REQUIREMENTS FOR PLAYBACK DEVICE

4.1 Rules for Output Control

4.1.1 General

A Playback Device shall not transfer decrypted SAFIA AV Stream, whether in digital or analog form, to any outputs except as permitted in section 4.1.2 and 4.1.3 of these Compliance Rules. Founders may amend these requirements from time to time.

4.1.2 Permitted Outputs for Video Portions of SAFIA AV Stream

4.1.2.1 SD Analog Output

A Playback Device may output decrypted SAFIA AV Stream to a permitted output if the Playback Device generates copy control signals in accordance with the Copy_control_descriptor and/or Access Condition information described in the SAFIA/RPD-TV and the permitted output uses the following technologies:

The applicable analog outputs are:

- (i) NTSC, PAL or SECAM composite analog output that include S-video in Y/C format,
- (ii) YUV component analog output,
- (iii) RGB analog output from SCART connector that is carrying an NTSC, PAL or SECAM composite video signal if the composite signal is used for synchronization reference for that RGB analog output,
- (iv) Computer Monitor Output, and,
- (v) Any other analog outputs that in the future may be approved by Founders.

The signaling technologies are CGMS-A and Authorized Analog Copy Control Signal, as follows:

- (i) For an NTSC analog output, Authorized Analog Copy Control signals described in section 3.2.1 in accordance with the APS of the Copy Control Descriptor and the CGMS-A specifications contained in IEC 61880 (for inclusion on Line 20) or CEA-608-D (for inclusion on Line 21);
- (ii) For a PAL, SECAM or YUV analog output, Authorized Analog Copy Control signals described in section 3.2.1 in accordance with the APS of the Copy Control Descriptor and the CGMS-A specifications contained in IEC 61880 (for inclusion on Line 20), in CEA-608-D (for inclusion on Line 21), or in CEA-805-C (for inclusion on Line 41) for YUV (525/60 systems) signals, in ETS 300294 for PAL, SECAM and YUV (625/50 systems) signals;
- (iii) For a 525p progressive scan output, Authorized Analog Copy Control signals described in section 3.2.1 in accordance with the APS of the Copy Control Descriptor and the CGMS-A specifications contained in IEC 61880-2;
- (iv) For a 625p progressive scan output, Authorized Analog Copy Control signals described in section 3.2.1 in accordance with the APS of the Copy Control Descriptor and the CGMS-A specifications contained in IEC-62375;
- (v) For a SCART connector, Authorized Copy Control signals for the PAL, SECAM or NTSC signal carried by the connector in accordance with the APS of the Copy Control Descriptor if the component signal carried by the SCART connector must always be accompanied by a composite signal and such composite signal must provide the only synchronization reference for the component signal.

For a Computer Monitor Output, if the resolution of this output is equivalent to Constrained Image, A Playback Device may output decrypted SAFIA AV Stream to a Computer Monitor in such form.

A Licensed Product shall not apply APS to decrypted SAFIA AV Stream when CGMS-A does not indicate no copying permitted or no more copies, but it shall pass through, without alteration, the value of any APS trigger bits (as described in the Specification) in accordance with the specifications relating to APS contained in (a) IEC 61880 (for inclusion of such value on Line 20) or CEA-608-D (for inclusion such value on Line 21) for NTSC outputs or (b) IEC 61880 (for inclusion of such value on Line 20) or CEA-608-D (for inclusion of such value on Line 21) for YUV (525/60 systems) outputs.

Founders may amend certain obligations set forth in this section 4.1.2.1, or specify alternative means to comply, if Founders finds that the required technologies are not available on fair, reasonable and nondiscriminatory terms.

4.1.2.2 HD Analog Output

A Playback Device shall not output decrypted SAFIA AV Stream to a HD Analog Output unless both requirements (i) and (ii) are fulfilled:

(i) A Playback Device shall inspect a decrypted SAFIA AV Stream to detect for the presence of ICT. If ICT is detected, the Playback Device shall output decrypted SAFIA AV Stream to an HD Analog Output as a Constrained Image.

(ii) The Playback Device generates copy control signals using the following technologies;

- for a 750p (720p) progressive scan output, the CGMS-A specifications contained in (a) JEITA CPR-1204-2 and bit assignment definition in IEC 61880 (for inclusion on Line 24) or (b) CEA-805-C (for inclusion on Line 23);
- for a 1125i (1080i) interleave scan output, the CGMS-A specifications contained in (a) JEITA CPR-1204-2 and bit assignment definition in IEC 61880 (for inclusion on Line 19 and 582) or (b) CEA-805-C (for inclusion on Line 18 and 581)

4.1.2.3 Rules for Digital Only Token and Analog Sunset Token

(i) A Playback Device shall not output decrypted SAFIA AV Stream to any analog output, and any digital output which does not support Digital Only Token, when Digital Only Token is asserted in the decrypted SAFIA AV Stream.

(ii) A Playback Device shall output decrypted SAFIA AV Stream to any analog output in compliance with the AACS analog sunset rules for Analog Sunset Content when Analog Sunset Token is asserted in the decrypted SAFIA AV Stream.

4.1.2.4 Digital Outputs

A Playback Device may output decrypted SAFIA AV Stream to an Authorized Secure Digital Output as follows:

- (i) A DTCP protected output in accordance with the DTCP Specifications.
When passing decrypted SAFIA AV Stream to the DTCP protected output, the Playback Device shall reflect the copy control descriptor of such decrypted SAFIA AV Stream into the DTCP Descriptor and the value of Generation Count of the ACs in a Usage Pass associated with the decrypted SAFIA AV Stream into the EMI.
- (ii) An HDCP protected output in accordance with the HDCP Specifications.
- (iii) Any other methods that in the future may be approved by Founders.

4.1.3 Permitted Outputs for Audio Portions of SAFIA AV Stream

4.1.3.1 Analog Outputs

A Playback Device may output the audio portions of decrypted SAFIA AV Stream to analog outputs without limitations.

4.1.3.2 Digital Outputs

A Playback Device may only output the audio portions of SAFIA AV Stream to Authorized Secure Digital Outputs as follows:

- (i) A DTCP protected output in accordance with the DTCP Specifications.
- (ii) An HDCP protected output in accordance with the HDCP Specifications. When passing decrypted SAFIA AV Stream to the HDCP protected output, the Playback Device shall set the ACP_Type to IEC 60958-Identified Audio.
- (iii) Legacy Digital Audio outputs in accordance with the IEC-60958 or IEC-61937, provided that such audio portion is in compressed audio format (such as AC3) or in Linear PCM format in which the transmitted information is sampled at no more than 48 kHz and no more than 16 bits and

- includes SCMS information set to prevent copying.
- (iv) Any other secure digital output that in the future may be approved by Founders.

4.2 Permitted Recording Method

Decrypted SAFIA AV Stream that is EPN asserted may be recorded using the following methods:

- (i) Authorized Secure Recordable Medium
 - (a) SAFIA protected recordable media in accordance with the SAFIA specifications.
 - (b) CPRM protected recordable media in accordance with the CPRM specifications.
 - (c) AACS protected recordable media in accordance with the AACS specifications.
 - (d) other methods that in the future may be approved by Founders.
- (ii) Bound Recording Method

4.2.1 Rules for Digital Only Token and Analog Sunset Token

- (i) A Playback Device shall not cause to make any copy of decrypted SAFIA AV Stream using a recording method which does not support Digital Only Token when Digital Only Token is asserted in the decrypted SAFIA AV Stream.
- (ii) A Playback Device shall not cause to make any copy of decrypted SAFIA AV Stream using a recording method which does not comply with the AACS analog sunset rules for Analog Sunset Content when Analog Sunset Token is asserted in the decrypted SAFIA AV Stream.

4.3 Rules for Move Control

A Playback Device shall not Move a SAFIA AV Stream or decrypted SAFIA AV Stream to any storage medium except as follows:

- (i) Move control information described in the SAFIA Specifications permits a Move of such SAFIA AV Stream or decrypted SAFIA AV Stream,
- (ii) Such decrypted SAFIA AV Stream only shall be output using an Authorized Secure Digital Output,
- (iii) Such SAFIA AV Stream or decrypted SAFIA AV Stream shall be recorded only using—
 - (a) An Authorized Secure Recordable Medium, or,
 - (b) A Bound Recording Method.
- (iv) Only a single copy may be made from such SAFIA AV Stream or decrypted SAFIA AV Stream, and
- (v) In the process of a Move of such SAFIA AV Stream or decrypted SAFIA AV Stream, no more than one minute of the video portion of SAFIA AV Stream or decrypted SAFIA AV Stream in playback time shall coexist in usable form in the source device and the destination device.

4.4 Additional Rules for Copy Count Content

4.4.1 Copy of Copy Count Content

When Control Type in ACe of Usage Pass is Copy Count or ISDB Copy Count, Copy of a SAFIA AV Stream or decrypted SAFIA AV Stream shall be treated as Move of such stream permitted in Section 4.3 of these Compliance Rules.

4.4.2 Outputs of ISDB Copy Count Content

When Control Type in ACe of Usage Pass is ISDB Copy Count, CGMS-A on Analog Outputs and SCMS on Legacy Digital Audio Output can be set to Copy One Generation even though CCI status is No More Copies.

5. INTERNET RETRANSMISSION

SAFIA Adopter acknowledges that SAFIA Compliant Products shall not permit retransmission of decrypted SAFIA AV Stream to Internet.

6. SAFIA CONSENSUS WATERMARK

6.1 Watermark Non-interference

Following the date upon which the Founders declares the SAFIA Consensus Watermark in accordance with the decision of SAFIA Founders, SAFIA Adopter shall not

- (i) knowingly design or knowingly develop a Recording Device or a Playback Device or a component thereof for the primary purpose of stripping, changing, obscuring, or interfering with such SAFIA Consensus Watermark in Audiovisual Content, or,
- (ii) knowingly promote, knowingly advertise or knowingly cooperate in the promotion or advertising of a Recording Device or a Playback Device or a component thereof for the purpose of stripping, changing, obscuring, or interfering with such SAFIA Consensus Watermark in Audiovisual Content.

6.2 Product Features

Section 6.1 shall not prohibit a SAFIA Compliant Product from incorporating legitimate features (i.e., zooming, scaling, cropping, picture-in-picture, compression, recompression, image overlays, overlap of windows in a graphical user interface, audio mixing and equalization, video mixing and keying, downsampling, upsampling, and line doubling or conversion between widely-used formats for the transport, processing and display of audiovisual signals or data, such as between analog and digital formats and between PAL and NTSC or RGB and YUV formats, as well as other features as may be added to the foregoing list from time to time by Founders by amendment to these Compliance Rules) that are not prohibited by law, and such features shall not be deemed to strip, change, obscure or interface with the SAFIA Consensus Watermark.

Part 1-1b**COMPLIANCE RULES FOR RECORDING AND PLAYBACK DEVICE
FOR TV STREAM RECORDING OF AUDIO CONTENT****1. GENERAL****1.1 Scope**

The Compliance Rules for Recording and Playback Device for TV Stream Recording of Audio Content describe the method to enable a Licensed Product to access the TVRS AV Stream specified in iVDR TV Recording Specification and the manner for such a Licensed Product to handle Audio Content of SAFIA AV Stream and Usage Pass specified in "SAFIA Specifications, Recording and Playback Device for iVDR TV Recording Specification" (SAFIA/RPD-TV).

1.2 Definitions

Capitalized terms not herein defined shall have the meaning defined elsewhere in the Agreement or the Specifications.

"Commercial Audio Content" shall mean Commercial Entertainment Content comprising audio content other than the audio portion of an audiovisual work.

2. REQUIREMENTS FOR USE OF STORAGE DEVICES

Recording Device and Playback Device shall use Compliant storage devices and shall access such devices through a Device Interface if Recording Device or Playback Device accesses SAFIA AV Stream and Usage Pass(es) associated with the SAFIA AV Stream. Recording Device and Playback Device shall not have any interface other than the Device Interface to access Storage Device. After a Usage Pass is created by a Recording Device, the Recording Device shall pass the Usage Pass without any modifications or updates to a Storage Device through a Device Interface. Only a Storage Device has the entitlement to modify or update Usage Pass(es).

3. REQUIREMENTS FOR RECORDING DEVICE**3.1 General**

A Recording Device may make SAFIA AV Stream from Commercial Audio Content and create Usage Pass(es) associated with the SAFIA AV Stream when the usage rule associated with that Commercial Audio Content allows the Recording Device to make a recording and the Recording Device makes such recording in accordance with section 3.2 of these Compliance Rules.

3.2 Rules for Recording Control**3.2.1 Rules for Digital Inputs through Authorized Access Control Methods**

If Commercial Audio Content is transferred to a Recording Device via an Authorized Access Control Method, the Recording Device shall manage Commercial Audio Content using CCI that is transferred digitally with the Commercial Audio Content in accordance with the rules set forth in this Section 3.2.1.

3.2.1.1 Permitted Copies

A Recording Device may make a SAFIA AV Stream from Commercial Audio Content and create a Usage Pass(es) associated with the SAFIA AV Stream and may record the SAFIA AV Stream and the Usage Pass if the CCI that is transferred with such Commercial Audio Content indicates Copy One Generation. When making a recording of such content, the Recording Device shall create a Usage Pass(es) and SAFIA_CCI_audio of the SAFIA AV Stream in accordance with the following rules:

(i) The Control Count in ACs of the Usage Pass shall be set to Generation Count of No More Copies as the CCI status of the recorded SAFIA AV Stream. And, the SAFIA_CCI_audio of the SAFIA AV Stream shall be set to No More Copies except in the case of non-cognizant recording.

3.2.1.2 Additional Rules for Copy of ISDB Content

A Recording Device may make SAFIA AV Stream from ISDB Content and create a Usage Pass(es) associated with the SAFIA AV Stream and may record the SAFIA AV Stream and the Usage Pass in according with the following rules if copy control information transferred with such ISDB content indicates that a limited number of copying are permitted;

- (i) The Control Count in ACs of the Usage Pass shall be set to Copy Count of permitted 9 times and the SAFIA_CCI_audio of the SAFIA AV Stream shall be set to No More Copies as the CCI status of the recorded SAFIA AV Stream, and,
- (ii) The Control Type in ACe of the Usage Pass shall be set to ISDB Copy Count.

4. REQUIREMENTS FOR PLAYBACK DEVICE

4.1 Rules for Output Control

4.1.1 General

A Playback Device shall not transfer decrypted SAFIA AV Stream, whether in digital or analog form, to any outputs except as permitted in section 4.1.2 of these Compliance Rules.

4.1.2 Permitted Outputs for Audio Portions of SAFIA AV Stream

4.1.2.1 Analog Outputs

A Playback Device may output the audio portions of decrypted SAFIA AV Stream to analog outputs without limitation.

4.1.2.2 Digital Outputs

A Playback Device may output the audio portions of SAFIA AV Stream only to Authorized Secure Digital Outputs as follows:

- (i) A DTCP protected output in accordance with the DTCP Specifications. When passing decrypted SAFIA AV Stream to the DTCP protected output, the Playback Device shall use a content format of Type 1 Audio.
- (ii) An HDCP protected output in accordance with the HDCP Specifications. When passing decrypted SAFIA AV Stream to the HDCP protected output, the Playback Device shall set the ACP_Type to IEC 60958-Identified Audio.
- (iii) Legacy Digital Audio outputs in accordance with the IEC-60958 or IEC-61937, provided that such audio portion is in compressed audio format (such as AC3) or in Linear PCM format in which the transmitted information is sampled at no more than 48 kHz and no more than 16 bits and includes SCMS information set to prevent copying.
- (iv) Any other secure digital output that in the future may be approved by Founders.

4.2 Rules for Move Control

A Playback Device shall not Move SAFIA AV Stream or decrypted SAFIA AV Stream to any storage medium except as follows:

- (i) Move control information described in SAFIA Specifications permits a Move of such SAFIA AV Stream or decrypted SAFIA AV Stream,
- (ii) Such decrypted SAFIA AV Stream only shall be output using an Authorized Secure Digital Output,
- (iii) Such SAFIA AV Stream or decrypted SAFIA AV Stream shall be recorded only using—
 - (A) SAFIA protected recordable media in accordance with the SAFIA specifications, or
 - (B) A Bound Recording Method.
- (iv) Only a single copy may be made from such SAFIA AV Stream or decrypted SAFIA AV Stream, and

(v) In the process of a Move of such SAFIA AV Stream or decrypted SAFIA AV Stream, no more than one minute of the audio portion of SAFIA AV Stream or decrypted SAFIA AV Stream in playback time shall coexist in usable form in a source device and a destination device.

4.3 Additional Rules for Copy Count Content

4.3.1 Copy of Copy Count Content

When Control Type in ACe of Usage Pass is Copy Count or ISDB Copy Count, Copy of a SAFIA AV Stream or decrypted SAFIA AV Stream shall be treated as Move of such stream permitted in Section 4.2 of these Compliance Rules,

4.3.2 Outputs of ISDB Copy Count Content

When Control Type in ACe of Usage Pass is ISDB Copy Count, SCMS on Legacy Digital Audio Output can be set to Copy One Generation even though CCI status is No More Copies.

5. INTERNET RETRANSMISSION

SAFIA Adopter acknowledges that SAFIA Compliant Products shall not permit retransmission of decrypted SAFIA AV Stream to Internet.

6. SAFIA CONSENSUS WATERMARK

6.1 Watermark Non-interference

Following the date upon which the Founders declares the SAFIA Consensus Watermark in accordance with the decision of the SAFIA Founders, SAFIA Adopter shall not:

- (i) knowingly design or knowingly develop a Recording Device or a Playback Device or a component thereof for the primary purpose of stripping, changing, obscuring, or interfering with such SAFIA Consensus Watermark in Audio Content or
- (ii) knowingly promote, knowingly advertise or knowingly cooperate in the promotion or advertising of a Recording Device or a Playback Device or a component thereof for the purpose of stripping, changing, obscuring, or interfering with such SAFIA Consensus Watermark in Audio Content.

6.2 Product Features

Section 6 shall not prohibit a SAFIA Compliant Product from incorporating legitimate features (i.e., fade-in, fade-out, level control, dynamic range compression, pitch control, digital crossover, noise reduction for the purpose of removing hiss or other artifacts, noise shaping, fast-forward, fast-reverse, slow-forward, slow-reverse, reverse-playback, compression, decompression, channel mixing, equalization, and down sampling) that are not prohibited by law, and such features shall not be deemed to strip, change, obscure or interface with the SAFIA Consensus Watermark.

Part 1-2**COMPLIANCE RULES FOR RECORDING AND PLAYBACK DEVICE
FOR AUDIO STREAM RECORDING****1. GENERAL****1.1 Scope**

The Compliance Rules for Recording and Playback Device for Audio Stream Recording describe the method to enable a Licensed Product to access the ARS Audio Stream specified in iVDR Audio Recording Specification and the manner for such a Licensed Product to handle Audio Content of SAFIA Audio Stream and Usage Pass specified in "SAFIA Specifications, Recording and Playback Device for iVDR Audio Stream Recording" (SAFIA/RPD-Audio).

1.2 Definitions

Capitalized terms not herein defined shall have the meaning defined elsewhere in the Agreement or the Specifications.

"Audio Watermark" shall mean the Verance Audio Watermark that is specified for use in the SDMI Portable Device Specification Part 1 Version 1.0 and adopted by SDMI.

2. REQUIREMENTS FOR USE OF STORAGE DEVICES

Recording Device and Playback Device shall use Compliant storage devices if Recording Device or Playback Device accesses SAFIA Audio Stream and Usage Pass(es) associated with the SAFIA Audio Stream. After a Usage Pass is created by a Recording Device, the Recording Device shall pass the Usage Pass without any modifications or updates to a Storage Device. Only a Storage Device has the entitlement to modify or update Usage Pass(es).

3. REQUIREMENTS FOR RECORDING DEVICE**3.1 General**

A Recording Device may make SAFIA Audio Stream from Commercial Audio Content and create Usage Pass(es) associated with the SAFIA Audio Stream when the usage rule associated with that Commercial Audio Content allows the Recording Device to make a recording and the Recording Device makes such recording in accordance with section 3.2 of these Compliance Rules.

3.2 Rules for Recording Control**3.2.1 Rules for Digital Inputs through Authorized Access Control Methods**

If Commercial Audio Content is transferred to a Recording Device via an Authorized Access Control Method, the Recording Device shall manage Commercial Audio Content using CCI that is transferred digitally with the Commercial Audio Content in accordance with the rules set forth in this Section 3.2.1.

3.2.1.1 Permitted Copies

A Recording Device may make a SAFIA Audio Stream from Commercial Audio Content and create a Usage Pass(es) associated with the SAFIA Audio Stream and may record the SAFIA Audio Stream and the Usage Pass if the CCI that is transferred with such Commercial Audio Content indicates Copy One Generation. When making a recording of such content, the Recording Device shall create a Usage Pass(es) of the SAFIA Audio Stream in accordance with the following rules:

- (i) The Control Count in ACs of the Usage Pass of the SAFIA Audio Stream shall be set to Generation

Count of No More Copies as the CCI status of the recorded SAFIA Audio Stream.

3.2.2 Rules for Digital Inputs through Methods Other Than Authorized Access Control Methods

If Commercial Audio Content is transferred to a Recording Device via a method other than an Authorized Access Control Method that securely transmits CCI in digital form, the Recording Device shall execute watermark screening in accordance with SDMI Portable Device Specification Part 1 Version 1.0 and Amendment 3, and, if an Audio Watermark is present, shall manage such Commercial Audio Content in accordance with the rules set forth in this Section 3.2.2.

3.2.2.1 Permitted Copies

A Recording Device may make a SAFIA Audio Stream from Commercial Audio Content and create a Usage Pass(es) associated with the SAFIA Audio Stream and may record the SAFIA Audio Stream and the Usage Pass if the CCI of the Audio Watermark indicates Copy One Generation or Copy Control Not Asserted, or the Audio Watermark is not present. When making a recording of such content, the Recording Device shall create a Usage Pass(es) of the SAFIA Audio Stream in accordance with the following rules:

- (i) The Control Count in ACs of the Usage Pass of the SAFIA Audio Stream shall be set to Generation Count of No More Copies as the CCI status of the recorded SAFIA Audio Stream.

3.2.2.2 Copy Control Information Updating

Rules for updating the CCI of the Audio Watermark are not currently in force and will be imposed only upon adequate advance notice.

4. REQUIREMENTS FOR PLAYBACK DEVICE

4.1 Rules for Output Control

4.1.1 General

A Playback Device shall not transfer decrypted SAFIA Audio Stream, whether in digital or analog form, to any outputs except as permitted in section 4.1.2 of these Compliance Rules.

4.1.2 Permitted Outputs for Audio Portions of SAFIA Audio Stream

4.1.2.1 Analog Outputs

A Playback Device may output the audio portions of decrypted SAFIA Audio Stream to analog outputs without limitation.

4.1.2.2 Digital Outputs

A Playback Device may output the audio portions of SAFIA Audio Stream only to Authorized Secure Digital Outputs as follows:

- (i) A DTCP protected output in accordance with the DTCP Specifications. When passing decrypted SAFIA Audio Stream to the DTCP protected output, the Playback Device shall use a content format of Type 1 Audio and output as a No More Copies content.
- (ii) An HDCP protected output in accordance with the HDCP Specifications. When passing decrypted SAFIA Audio Stream to the HDCP protected output, the Playback Device shall set the ACP_Type to IEC 60958-Identified Audio.
- (iii) Any other secure digital output that in the future may be approved by Founders.

4.2 Rules for Move Control

A Playback Device shall not Move SAFIA Audio Stream or decrypted SAFIA Audio Stream to any storage medium.

5. INTERNET RETRANSMISSION

SAFIA Adopter acknowledges that SAFIA Compliant Products shall not permit retransmission of decrypted

SAFIA Audio Stream to Internet.

Part 2**COMPLIANCE RULES FOR STORAGE DEVICE****1. GENERAL****1.1 Scope**

The Compliance Rules for Storage Device describe the manner for a Licensed Product to storage the SAFIA AV (Audio) Stream and Usage Pass specified in "SAFIA Specifications, Storage Device with AT Attachment Interface" (SAFIA/SD).

1.2 Definitions

Capitalized terms not herein defined shall have the meaning defined elsewhere in the Agreement or the Specifications.

2. RECORDING RULES

- 2.1** With respect to the recording of a SAFIA AV (Audio) Stream received through a Device Interface, a Storage Device may record such SAFIA AV (Audio) Stream without restriction.
- 2.2** With respect to the recording of a Usage Pass(es) received through a Device Interface, a Storage Device shall modify or update such Usage Pass(es) only in accordance with the requirements described in the SAFIA Specifications.

3. PLAYBACK AND OUTPUT RULES

- 3.1** A Storage Device may output reproduced SAFIA AV (Audio) Stream to a Device Interface without restriction.
- 3.2** A Storage Device may only output reproduced Usage Pass(es) to a Device Interface in accordance with the requirement described in the SAFIA Specifications.

EXHIBIT C**ROBUSTNESS RULES****1. CONSTRUCTION**

1.1 Generally. Licensed Products as shipped shall meet the applicable Compliance Rules set forth in Exhibit B, and shall be manufactured in a manner clearly designed to effectively frustrate attempts to modify such Licensed Products to defeat the content protection requirements of SAFIA set forth in the Specification and Compliance Rules.

1.2 Defeating Functions. Licensed Products shall not include:

- (a) switches, buttons, jumpers or software equivalents thereof,
- (b) specific traces that can be cut, or
- (c) functions (including service menus and remote-control functions),

in each case by which the mandatory provisions of the Specification or the Compliance Rules, including the content protection technologies, analog protection systems, output protections, output restrictions, recording protections or recording limitations can be defeated, or by which compressed and decrypted SAFIA Content in such Licensed Products can be exposed to output, interception, retransmission or copying, in each case other than as permitted under this Agreement.

1.3 Keep Secrets. Licensed Products shall be manufactured in a manner that is clearly designed to effectively frustrate attempts to discover or reveal Device Proper Keys, the Highly Confidential cryptographic algorithms used in SAFIA, and any other Highly Confidential Information.

2. DATA PATHS. Decrypted SAFIA Content shall not be available on outputs other than those specified in the Compliance Rules. Within a Licensed Product that includes a Recording Device, decrypted SAFIA Content shall not be present on any User Accessible Buses in analog or unencrypted, compressed form.

2.1 A "User Accessible Bus" means (a) an internal analog connector that: (i) is designed and incorporated for the purpose of permitting end user upgrades or access or (ii) otherwise readily facilitates end user access or (b) a data bus that is designed for end user upgrades or access, such as an implementation of a smartcard, PCMCIA, Cardbus, or PCI that has standard sockets or otherwise readily facilitates end user access. A "user accessible bus" does not include memory buses, CPU buses, or similar portions of a device's internal architecture that do not permit access to content in a form useable by end users. Clause 2.1(a) should be interpreted and applied so as to allow Adopter to design and manufacture its products to incorporate means, such as test points, used by Adopter or professionals to analyze or repair products; but not to provide a pretext for inducing consumers to obtain ready and unobstructed access to internal analog connectors. Without limiting the foregoing, with respect to clause 2.1(a), an internal analog connector shall be presumed to not "readily facilitate end user access" if (i) such connector and the video signal formats or levels of signals provided to such connector, are of a type not generally compatible with the accessible connections on consumer products, (ii) such access would create a risk of product damage, or (iii) such access would result in physical evidence that such access had occurred and would void any product warranty.

2.2 Licensed Products shall be clearly designed such that when the video portion of uncompressed, decrypted SAFIA Content with a resolution greater than a Constrained Image is transmitted over a User Accessible Bus, such decrypted SAFIA Content are reasonably secure from unauthorized interception by using either Widely Available Tools or Specialized Tools, except with difficulty, other than Circumvention Devices. The level of difficulty applicable to Widely Available Tools is such that a typical consumer should not be able to use Widely Available Tools, with or without instructions, to intercept such decrypted SAFIA Content without risk of serious damage to the product or personal injury. Without limiting the foregoing, if Adopter at any time (the "Applicable Date") distributes a Licensed Product that is capable of protecting

uncompressed and decrypted SAFIA Content over a User Accessible Bus as set forth in this section 2.2, Adopter shall at such time and thereafter cause, to the extent technically feasible and commercially reasonable, all first activations of the SAFIA functions of units or copies of all versions of such Licensed Product to protect uncompressed and decrypted SAFIA Content over a User Accessible Bus as set forth in this section 2.2. In the event that Adopter reasonably concludes that a software application contains or consists of a copy of such Licensed Product whose SAFIA functions were activated prior to the Applicable Date on a particular device and subsequently re-installed on the same device, the activation or re-activation of the SAFIA functions of such re-installed copy shall not be deemed to be a "first activation" for purposes of this section 2.2. If a software application containing or consisting of a copy of such Licensed Product whose SAFIA functions were first activated on a particular device is installed and activated via an Update on a different device, such activation of the SAFIA functions of such copy installed on the different device shall be deemed to be a "first activation" for purposes of this section 2.2, subject to the reasonableness standard of the preceding sentence.

2.3 Adopter is alerted that these Robustness Rules may be revised in the future, upon notification by Founders, to require that, when Founders deems that it is technically feasible and commercially reasonable to do so, Licensed Products be clearly designed such that when uncompressed, decrypted SAFIA Content other than such data described in section 2.2 of these Robustness Rules are transmitted over a User Accessible Bus, such decrypted SAFIA Content are made reasonably secure from unauthorized interception by use of means that can be defeated neither by using Widely Available Tools nor by using Specialized Tools, except with difficulty, other than Circumvention Devices. The level of difficulty applicable to Widely Available Tools is such that a typical consumer should not be able to use Widely Available Tools, with or without instruction, to intercept such decrypted SAFIA Content without risk of serious damage to the product or personal injury. Adopter is further alerted that, when it is deemed technically feasible and reasonably practicable to do so, Founders will revise these Robustness Rules to require that uncompressed and decrypted SAFIA Content will be re-encrypted or otherwise protected before it is transmitted over such buses.

3. METHODS OF MAKING FUNCTIONS ROBUST. Licensed Products shall be manufactured using at least the following techniques in a manner that is clearly designed to effectively frustrate attempts to defeat the content protection requirements set forth below.

3.1 Distributed Functions. In a Licensed Product having SAFIA Content recording and/or playback functions, where SAFIA Content is delivered from one part of the Licensed Product to another, whether among integrated circuits, software modules, or otherwise or a combination thereof, the portions of the Licensed Product that perform authentication and decryption and the MPEG (or similar) decoder shall be designed and manufactured in a manner associated and otherwise integrated with each other such that decrypted SAFIA Content in any usable form flowing between these portions of the Licensed Product shall be reasonably secure from being intercepted or copied except as authorized by the Compliance Rules.

3.2 Software. Any portion of the Licensed Product that implements any of the content protection requirements of the Specification or Part 1 of Exhibit B in Software shall include all of the characteristics set forth in sections 1 and 2 of this Exhibit C. For the purposes of these Robustness Rules, "Software" shall mean the implementation of the content protection requirements as to which this Agreement requires a Licensed Product to be compliant through any computer program code consisting of instructions or data, other than such instructions or data that are included in Hardware. Such implementations shall:

3.2.1 Comply with section 1.3 of this Exhibit C by a reasonable method including but not limited to: encryption, execution of a portion of the implementation in ring zero or supervisor mode, and/or embodiment in a secure physical implementation; and, in addition, in every case of implementation in Software, using techniques of obfuscation clearly designed to effectively disguise and hamper attempts to discover the approaches used.

3.2.2 Be designed so as to perform self-checking of the integrity of its component parts such that

unauthorized modifications will be expected to result in a failure of the implementation to provide the authorized authentication and/or decryption function. For the purpose of this provision, a "modification" includes any change in, or disturbance or invasion of, features or characteristics, or interruption of processing, relevant to sections 1 and 2 of this Exhibit C. This provision requires at a minimum the use of "signed code" or more robust means of "tagging" operating throughout the code.

3.3 Hardware. Any portion of the Licensed Product that implements any of the content protection requirements of the Specification or Part 1 of Exhibit B in Hardware shall include all of the characteristics set forth in sections 1 and 2 of this Exhibit C. For the purposes of these Robustness Rules, "Hardware" shall mean a physical device, including a component, that implements any of the content protection requirements as to which this Agreement requires that a Licensed Product be compliant and that (i) does not include instructions or data other than such instructions or data that are permanently embedded in such device or component; or (ii) includes instructions or data that are not permanently embedded in such device or component where such instructions or data have been customized for such Licensed Product or Licensed Component and such instructions or data are not accessible to the end user through the Licensed Product or Licensed Component. Such implementations shall:

3.3.1 Comply with section 1.3 of this Exhibit C by any reasonable method including but not limited to embedding Device Proper Keys and Highly Confidential cryptographic algorithms in silicon circuitry or firmware that cannot reasonably be read, or employing the techniques described above for Software.

3.3.2 Be designed such that attempts to remove, replace, or reprogram Hardware elements in a way that would compromise the content protection requirements of SAFIA (including compliance with the Compliance Rules and Specification) in Licensed Products would pose a serious risk of rendering the Licensed Product unable to receive, decrypt, or decode SAFIA Content. By way of example, a component that is soldered rather than socketed may be appropriate for this means.

3.4 Hybrid. The interfaces between Hardware and Software portions of a Licensed Product shall be designed so that the Hardware portions comply with the level of protection that would be provided by a pure Hardware implementation, and the Software portions comply with the level of protection which would be provided by a pure Software implementation.

3.5 Level of Protection. "Core Functions" of SAFIA include encryption, decryption, authentication and key exchange, the Usage Pass transfer protocol including recovery process, maintaining the confidentiality of Highly Confidential cryptographic algorithms and Device Proper Keys and preventing exposure of compressed, decrypted SAFIA Content. The Core Functions of SAFIA shall be implemented in a reasonable method so that they:

3.5.1 Cannot be defeated or circumvented merely by using general-purpose tools or equipment that are widely available at a reasonable price, such as screwdrivers, jumpers, clips and soldering irons ("Widely Available Tools"), or using specialized electronic tools or specialized software tools that are widely available at a reasonable price, such as EEPROM readers and writers, debuggers or de-compilers ("Specialized Tools"), other than devices or technologies whether Hardware or Software that are designed and made available for the specific purpose of bypassing or circumventing the protection technologies required by SAFIA ("Circumvention Devices"); and

3.5.2 Can only with difficulty be defeated or circumvented using professional tools or equipment, such as logic analyzers, chip disassembly systems, or in-circuit emulators or any other tools, equipment, methods, or techniques not described in section 3.5.1 such as would be used primarily by persons of professional skill and training, but not including professional tools or equipment that are made available only on the basis of a non-disclosure agreement or Circumvention Devices.

3.6 Delivery of decrypted SAFIA Content to the functions described in Part 1 of Exhibit B, the permitted output function and the permitted recording function shall be implemented in a reasonable method that is

intended to make such functions difficult to defeat or circumvent by the use of Widely Available Tools, not including Circumvention Devices or Specialized Tools as defined in section 3.5.1.

3.7 Advance of Technology. Although an implementation of a Licensed Product when designed and first shipped may meet the above standards, subsequent circumstances may arise which, had they existed at the time of design of a particular Licensed Product, would have caused such products to fail to comply with these Robustness Rules ("New Circumstances"). If an Adopter has (a) actual notice of New Circumstances, or (b) actual knowledge of New Circumstances (the occurrence of (a) or (b) hereinafter referred to as "Notice"), then within eighteen (18) months after Notice such Adopter shall cease distribution of such Licensed Product and shall only distribute Licensed Products that are compliant with the Robustness Rules in view of the then-current circumstances.

4. EXAMINATION

4.1 Generally. A group of Content Participants is being or has been formed ("CPUG"). If CPUG so requests via Founders, Adopter shall provide, once per model or version of product, any publicly available technical design documentation and, under a reasonable, mutually-acceptable non-disclosure agreement, the service manual for such product, in order to assist in the evaluation of the compliance of such product with these Robustness Rules.

4.2 Inspection and Report. Upon a reasonable and good faith belief that a particular hardware model or software version of a Licensed Product designed or manufactured by Adopter does not comply with the Robustness Rules then in effect for such Licensed Product, and upon reasonable notice to Adopter via Founders, CPUG may request Adopter to submit promptly to an independent expert (acceptable to Adopter, which acceptance shall not be unreasonably withheld) for inspection such detailed information as Adopter deems necessary to understand such product's implementation of the Specification and Compliance Rules, such as would be sufficient to determine whether such product complies with these Robustness Rules. Adopter's participation in this inspection procedure is voluntary; no adverse inference may be drawn from Adopter's refusal of the CPUG request or refusal to participate, in whole or in part, in such inspection. The conduct of such inspection and the contents of any report made by the independent expert shall be subject to the provisions of a nondisclosure agreement, mutually-agreeable to CPUG, Adopter, and such expert, such agreement not to be unreasonably withheld, that also provide protections for Confidential Information and Highly Confidential Information relating to SAFIA that are no less stringent than those provided for in this Agreement. Such examination and report shall be conducted at the sole expense of CPUG. Nothing in this paragraph shall limit the role or testimony of such expert, if any, in a judicial proceeding under such protective orders as a court may impose. Adopter shall not be precluded or estopped from challenging the opinion of such expert in any forum; nor shall any party be entitled to argue that any greater weight or evidentiary presumption should be accorded to the expert report than to any other relevant evidence. This provision may not be invoked more than once per hardware model or software version, provided that such right of inspection shall include the right to re-inspect the implementation of such model or version if it has been revised in an effort to cure any alleged failure of compliance.

**EXHIBIT D
ACTIVATION NOTICE**

The undersigned (“Adopter”) having entered into a SAFIA SPECIFICATION LICENSE AGREEMENT – Development and Evaluation License (the “License Agreement”) with SAFIA Agent hereby activates its rights under the License Agreement in accordance with Section 2.2 of the License Agreement subject to the following:

- (1) Adopter chooses to be a:
 - Evaluator
 - Reseller
 - Adopter: Storage Device
 - Adopter – Limited: Storage Device
 - Adopter: TV Stream Recording
 - Adopter – Limited: TV Stream Recording
 - Adopter: Audio Stream Recording
 - Adopter - Limited: Audio Stream Recording

(Choose only one category of Evaluator, Reseller or Adopter. If Adopter, choose one or plural categories of Adopter.)

- (2) The fees to be paid in connection with the: (i) activation of the License Agreement and selection of an Adopter category; and (ii) issuance, shipping and handling of Device Class Certificates and Device Proper Keys, are set forth on Exhibit A to this Activation Notice, which may be amended by the Founders in accordance with the terms of the License Agreement.
- (3) The evaluation fee paid by Adopter shall be credited against the fees associated with the chosen Adopter category.
- (4) Adopter acknowledges and agrees that SAFIA Agent shall ship all orders for Device Class Certificates and Device Proper Keys in electronic form using Pretty Good Privacy 5.0 or 5.0i (PGP).
 - Adopter’s public key is set forth on the enclosed CD-ROM.

If Adopter does not have or is unable to provide SAFIA Agent its PGP public key, Adopter shall, at its own cost and expense, with each order placed with SAFIA Agent, designate an agent who shall pick up the generated Device Class Certificates and Device Proper Keys at a location designated by SAFIA Agent.
- (5) All capitalized terms not otherwise defined herein shall have the meanings set forth in the License Agreement.

Please send to SAFIA Agent an executed copy of this Activation Notice via registered mail (as well as facsimile), if available, together with a CD-ROM containing Adopter’s public key, and SAFIA Agent will inform Adopter via e-mail of the bank account number for remittance of fees.

Company Name

By: _____

Name: _____

Title: _____

Date: _____

TEL: _____

FAX: _____

E-mail: _____

**EXHIBIT A
TO THE
ACTIVATION NOTICE**

Any Fees paid by Adopter hereunder will be paid without deduction or withholding for or on account of any present or future tax, assessment, or governmental charge imposed or levied, unless in each case the withholding or deduction of such tax, assessment or governmental charge is required by law. In the event such withholding or deduction is so required, Adopter shall include with its payment written notification of such withholding and shall forward to SAFIA Agent in a timely manner evidence of such withholding adequate to permit SAFIA Agent to claim relevant tax credits under applicable treaties. Adopter assumes full responsibility for remitting such withholding to the proper authority.