

**ADVANCED ACCESS CONTENT SYSTEM (“AACS”)
CONTENT PARTICIPANT AGREEMENT**

This AACS Content Participant Agreement (“Agreement”) is effective as of _____ (the “Effective Date”) by and between Advanced Access Content System Licensing Administrator LLC, a Delaware limited liability company (“AACS LA”), the “Licensors” (as defined below), and the “Content Participant” named below:

Name of Content Participant

Name of Contact Person

Contact Person’s Phone No., Address, Fax No., E-mail Address

Location of Principal Offices

State or Country of Incorporation

Year of Incorporation

W I T N E S S E T H :

WHEREAS, a group of companies identified below as the Licensors has developed certain technology and methods for data encryption, encryption key management, encryption system renewability, and forensic tracing, for the purpose of controlling copying and preventing unauthorized distribution of copyrighted content, which methods are described in the Specifications entitled *Advanced Access Content System (AACS) Specifications* (as defined below);

WHEREAS, the Licensors have licensed or assigned aspects of the AACS Technology (as defined below) and Specifications to AACS LA and authorized AACS LA to further license the AACS Technology and administer such licenses, and whereas the Licensors shall license certain patent claims directly to Content Participant on an enabling basis through this Agreement;

WHEREAS, the Licensors previously have authorized the issuance of an Interim Adopter Agreement, an Interim Content Participant Agreement and an Interim Content Provider Agreement to facilitate the rapid development of the market for Licensed Products, and companies have entered into such agreements and developed and marketed products thereunder;

WHEREAS, the Licensors have ceased offering the interim agreements and hereafter will only offer final Approved Licenses;

WHEREAS, Content Participant has agreed to comply with all obligations set out herein;

NOW THEREFORE, in consideration of the foregoing premises and the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **DEFINITIONS.**

Capitalized terms shall have the meanings set forth in this Section 1 or elsewhere in this Agreement.

- 1.1. “415K Resolution” means an image having the visual equivalent of no more than 415,000 pixels per frame (*e.g.*, an image with resolution of 854 pixels by 480 pixels for a 16:9 aspect ratio).
- 1.2. “AACS Authorized Copying Method” means an MCOT set forth on Table C1 to the Compliance Rules.
- 1.3. “AACS Authorized Digital Output” means a digital output set forth on Table D1 to the Compliance Rules.
- 1.4. “AACS Content” has the meaning set forth in the Compliance Rules.
- 1.5. “AACS Keys” means, collectively, AACS Public Keys, Device Keys, Device Key Sets, MKBs, Media Keys, Sequence Keys, certificates, and all other cryptographic values referenced in the Specifications, other than Evaluation Keys, that are made available only by, or at the direction of and under license by, AACS LA. For clarification, Title Keys are not part of the definition of AACS Keys for the purpose of this Agreement; however requirements apply to the use and protection of Title Keys as otherwise provided in this Agreement and the Compliance and Robustness Rules.
- 1.6. “AACS No Home Use State” has the meaning set forth in the Compliance Rules.
- 1.7. “AACS Online Service” means those portions of the Online Transaction functions (including but not limited to Managed Copy authorization functions) of a product or service, which portions are made or performed under license from AACS LA and the Licensors and used in a production (as opposed to an evaluation) environment under an Approved License designated by AACS LA as an AACS Online Service Provider

Agreement expressly authorizing use of an AACS Online Service in a production environment and that: (i) embody and comply with all requirements of all applicable Specifications related to an AACS Online Service Provider and (ii) meet all applicable Compliance Rules under such AACS Online Service Provider Agreement.

- 1.8. “AACS Online Service Provider” means a party authorized to provide AACS Online Services under an Approved License designated by AACS LA as an AACS Online Service Provider Agreement.
- 1.9. “AACS Prepared Video Content” has the meaning set forth in the Specifications.
- 1.10. “AACS Public Keys” means cryptographic values used to verify signatures of items signed by AACS LA as described in the Specifications.
- 1.11. “AACS Technology” means the technology and methods developed by the Licensors and described in the Specifications, including, without limitation, the technology and methods for authentication, encryption, decryption, encryption key management, encryption system renewability, forensic tracing and Online Transactions, and the AACS Keys and the Evaluation Keys.
- 1.12. “AACS Trusted Source State” has the meaning set forth in the Compliance Rules.
- 1.13. “Adopter” means an entity that has executed an Adopter Agreement that remains in effect, and shall include its Affiliates.
- 1.14. “Adopter Agreement” means any Approved License entered into by AACS LA, Licensors and a party designated as “Adopter” that is called an Interim Adopter Agreement or an Adopter Agreement by AACS LA.
- 1.15. “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 fifty percent (50%) of the stock or other similar interest entitled to vote for election of the Board of Directors or similar managing authority.
- 1.16. “Approved License” means an Adopter Agreement, Content Participant Agreement, Content Provider Agreement, Reseller Agreement, AACS Online Service Provider Agreement or other license agreement for use of the Specifications and/or AACS Technology, approved by the Licensors.
- 1.17. “Arbitration Eligible Content Participant” means a Content Participant that (i) distributes or transmits, or causes or authorizes the distribution or transmission of, its AACS Content in commercial quantities to the general public pursuant to an Approved License; (ii) for the previous year, has gross revenues from theatrical releases of motion pictures that equal or exceed that of any member of the Motion Picture Association of America, Inc; and (iii) has reported to AACS LA that it has met conditions (i) and (ii). To the extent that any Book of the Specifications is common to the types of AACS Content covered by the Specifications hereunder and any other types of AACS Content, no other entity shall be considered an Arbitration Eligible Content Participant hereunder, even if such entity may have change management rights with respect to such Book of the Specifications

under an Approved License with respect to another type of AACS Content, unless determined by AACS LA pursuant to a process that comports with the Change Management Provisions.

- 1.18. “Authorization” means the process by which a Managed Copy is authorized through an Online Transaction in accordance with an Approved License and the Specifications.
- 1.19. “Authorized Reseller” means an entity that is authorized to receive and/or redistribute Licensed Components in accordance with a Reseller Agreement and an Adopter Agreement(s).
- 1.20. “Baseline Copy Offer” means the offer via an Online Transaction for Managed Copy to permit a Licensed Copier to make one Managed Copy, of Decrypted AACS Content (as defined in the Compliance Rules), into any AACS Authorized Copying Method requested by the Licensed Copier (1) at any resolution requested by such Licensed Copier from the Minimum Required Resolution up to the lesser of (a) the resolution of such Decrypted AACS Content and (b) if one exists, the maximum resolution permitted on Table C1 with respect to such AACS Authorized Copying Method and (2) including up to all of the functionality (*e.g.*, menu and interactivity features) of such Decrypted AACS Content, in each case (x) as supported by the copying method and to the extent supported and selected by the Licensed Copier, where such copy is not required to be permitted to be further copied, and (y) without restricting the Baseline Move Permission.
- 1.21. “Baseline Move Permission” means, with respect to an authorized copy of AACS Content, that such copy is permitted to be Moved (including multiple sequential Moves) (in each case as defined in the Compliance Rules) where supported by the AACS Authorized Copying Method and authorized as set forth in Table C1, provided that (a) a Move to a Removable Storage Medium is permitted only where such authorized copy was originally made to a Removable Storage Medium, (b) the destination of such Move at (i) above 415K Resolution is limited to AACS Authorized Copying Methods designated on Table C1 as being authorized for copying at above 415K Resolution or technologies that are otherwise approved by AACS LA in writing for such purpose, (ii) 415K Resolution or below is limited to technologies listed on Table C1 or technologies that are otherwise approved by AACS LA in writing for such purpose, and (c) in the case of a Move between two devices, the devices are determined to be within the same home or personal environment (i) by using localization methods of DTCP or other reasonable and similarly effective localization methods or (ii) by using reasonable and robust technical means, such as, without limitation, where both devices are under the control of an individual or a group of associated individuals, forming a household, where the devices are verifiable through reasonable and robust technical means to be under such control.
- 1.22. “Book” means version 0.93 or higher of a volume of the Advanced Access Control System Specifications with respect to which AACS LA has given public notice on its website that such version of a given Book is licensable under Approved Licenses. Each of the following volumes shall be considered a “Book” hereunder:

“AACS Introduction and Common Cryptographic Elements Book,”

“AACS Prepared Video Book,”

“AACCS Pre-recorded Video Book,”
“AACCS Recordable Video Book,”
“AACCS Blu-ray Disc Prepared Video Book,”
“AACCS Blu-ray Disc Pre-recorded Book,”
“AACCS Blu-ray Disc Recordable Book,”
“AACCS HD DVD and DVD Prepared Video Book,”
“AACCS HD DVD and DVD Pre-recorded Book,”
“AACCS HD DVD and DVD Recordable Book,”
“AACCS Signed CSS Book,”

and any future volume that extends the applications of the “AACCS Introduction and Common Cryptographic Elements Book,” “AACCS Pre-recorded Video Book,” and/or “AACCS Recordable Video Book” to additional Removable Storage Media to which content is cryptographically bound using AACCS Technology so that such content can be accessed by compliant products upon insertion of such media in such products, as any such Book may be amended from time to time but only in a manner consistent with the Change Management Provisions.

- 1.23. “Catalog Titles” means any Title published as a Licensed Content Product on a LCP Unit or Interim LCP Unit other than New Release Titles.
- 1.24. “CCI Managed Copy Equivalent” means a copy of a Licensed Content Product made pursuant to CCI (as defined in the Compliance Rules) in the Licensed Content Product which is set to “copy one generation” or to assert redistribution, but not copy, control.
- 1.25. “Change Management Provisions” shall mean Sections 3.6 and 3.7 of this Agreement.
- 1.26. “Compliance Rules” means, with respect to products licensed under this Agreement, the requirements set out in Exhibit E to this Agreement and, with respect to products licensed or manufactured under another Approved License, the requirements of such agreement entitled “Compliance Rules,” in each case, including the Robustness Rules contained therein, and as may be amended from time to time in accordance with the terms of the applicable Approved License.
- 1.27. “Confidential Information” means any and all information relating to this Agreement and/or the AACCS Technology and/or the Specifications that is marked “confidential” when disclosed in written form or indicated as confidential or proprietary to the discloser when disclosed orally, and confirmed by the discloser in writing within thirty (30) days to be Confidential Information, provided, however, that Evaluation Keys shall be treated as “Confidential Information” regardless of whether or not they are marked “confidential.”

- 1.28. “Content Certificate” means the unique certificate that identifies a Licensed Content Product, as described in the Specifications.
- 1.29. “Content Owner Authorized Copying Method” means a MCOT set forth on Table C2 to the Compliance Rules.
- 1.30. “Content Participant” means the Executing Entity, and shall include its Affiliates.
- 1.31. “Content Participant Agreement” means this Agreement, the Interim Content Participant Agreement, and any other AACS license agreement (including its Compliance Rules and associated exhibits) signed between AACS LA, and a party designated as “Content Participant” that includes substantially similar licensing and covenant provisions to this Agreement.
- 1.32. “Content Provider” means an entity that has executed a Content Provider Agreement that remains in effect, and shall include its Affiliates.
- 1.33. “Content Provider Agreement” means any Approved License entered into by AACS LA, Licensors and a provider of Digital Entertainment Content that is called an Interim Content Provider Agreement or a Content Provider Agreement by AACS LA.
- 1.34. “Designated AACS MC Server(s)” means one or more Managed Copy Servers (as defined in the Specifications) that individually or in the aggregate support all AACS Authorized Copying Methods, have a mechanism to support all Content Owner Authorized Copying Methods, and are designated by AACS as the “Designated AACS MC Server(s).”
- 1.35. “Device Key” means a cryptographic value used to decrypt portions of a Media Key Block in order to calculate a Media Key, as defined by the technical specifications contained in “AACS Introduction and Common Cryptographic Elements,” published by AACS LA.
- 1.36. “Device Key Set” means Device Keys which are provided to Adopter by AACS LA or its designee for use in a specific device or set of devices.
- 1.37. “Digital Entertainment Content” means audiovisual works and/or sound recordings as defined in 17 U.S.C. § 101, games, ebooks or software and related information or material intended for enjoyment by end-users that may include by way of example and not of limitation, graphics, liner notes, and interviews with or statements by artists, which is: (a) not created by a user of a particular Licensed Product (or, if originally created by a user of a particular Licensed Product, protected by AACS Technology by or under the direction of a Content Participant or Content Provider as copyright holder or licensee of the copyright in the user-created material); and (b) offered for transmission, delivery or distribution, either generally or on demand, to subscribers, purchasers, licensees, or the public at large, or otherwise for commercial purposes, not uniquely to an individual or a small, private group.
- 1.38. “Digital Only Token” has the meaning set forth in the Compliance Rules.

- 1.39. “Eligible Adopter” means (i) a Founder or its Affiliate that in either case is an Adopter or (ii) an Adopter under a Final Adopter Agreement that (a) has worldwide revenues of at least five million US dollars (US\$5,000,000) in the immediately preceding year from the sale of products that are or contain Licensed Components or Licensed Products produced by such Adopter (or for such Adopter pursuant to the have made provisions) under its Adopter Agreement, (b) is represented by one of its employees on the Video Board of the Consumer Electronics Association of America or is a member of the Intellectual Property Committee of the Information Technology Industry Council and (c) has reported to AACS LA that it has met such threshold, provided, however, that while eligibility under (ii) shall be judged taking into account the sales of the entity that signed the relevant Adopter Agreement and all or any of its Affiliates, a Third Party Beneficiary Claim under (ii) may only be brought by the entity that signed the relevant Final Adopter Agreement or any one of its Affiliates that has been identified to AACS LA in a notice pursuant to the equivalent of Section 11.11 of the Form Adopter Agreement that it will exercise rights under such Final Adopter Agreement.
- 1.40. “Eligible Content Participant” means (i) a Founder or its Affiliate that in either case is a Content Participant, or (ii) a Content Participant under a Final Content Participant Agreement that has sales of at least five million US dollars (US\$5,000,000) in the immediately preceding year from distribution of Digital Entertainment Content in a form protected by AACS Technology pursuant to an Approved License, and has reported to AACS LA that it has met such threshold, provided, however, that while eligibility shall be judged taking into account the sales of the entity that signed the relevant Content Participant Agreement and all or any of its Affiliates, a Third Party Beneficiary Claim under (ii) may only be brought by the entity that signed the relevant Final Content Participant Agreement or any one of its Affiliates that has been identified to AACS LA in a notice pursuant to the equivalent of Section 11.9 hereof that it will exercise rights under such Final Content Participant Agreement.
- 1.41. “Eligible Managed Copy IP Exception Adopter” means (a) a Founder or its Affiliate, whether or not an Adopter, or (b) an entity on Exhibit D or its Affiliate that is an Adopter under a Final Adopter Agreement; provided, however, that a Third Party Beneficiary Claim by an Adopter may only be brought by the entity that signed the relevant Final Adopter Agreement or any one of its Affiliates that has been identified to AACS LA in a notice pursuant to the equivalent of Section 11.11 of the Form Adopter Agreement that it will exercise rights under such Final Adopter Agreement.
- 1.42. “Eligible Watermark Content Participant” means a Content Participant under a Final Content Participant Agreement that: (i) has signed a license Agreement with Verance Corporation to embed the Audio Watermark, and (ii) and has U.S. box office revenues from theatrical releases at least equal to the smallest MPAA company (measured by 2006 revenues or the smallest of the current revenues of a member that was a member in 2006, whichever is lesser, but in no event less than fifty percent (50%) of 2006 smallest member revenue, provided, however, that while eligibility under (ii) shall be judged taking into account the sales of the entity that signed the relevant Content Participant Agreement and all or any of its Affiliates, a Third Party Beneficiary Claim under (ii) may only be brought by the entity that signed the relevant Final Content Participant Agreement or any one of its Affiliates that has been identified to AACS LA in a notice pursuant to the equivalent of Section 11.9 hereof that it will exercise rights under such Final Content Participant Agreement.

- 1.43. “Evaluation AACS Online Service” means those portions of the Online Transaction functions (including but not limited to Managed Copy authorization functions) of a product or service, which portions implement parts of the Specifications, make use of only Evaluation Keys, and are made or performed under license from AACS LA and the Licensors for testing, evaluation or development purposes or which is transferred or sold to an Adopter, Fellow Content Participant or Content Provider consistent with the terms of an Approved License.
- 1.44. “Evaluation Election Date” means the date upon which AACS LA confirms Content Participant’s election on Exhibit A to become an evaluation licensee pursuant to Section 2.2.
- 1.45. “Evaluation Keys” means such facsimile versions of AACS Keys as are supplied by, or at the direction of and under license by, AACS LA to allow a Content Participant to evaluate, test and develop Evaluation Licensed Content Products according to the Specifications.
- 1.46. “Evaluation Licensed Component” has the meaning set forth in the Form Adopter Agreement.
- 1.47. “Evaluation Licensed Content Product” means those portions of digital data in a pre-recorded or downloadable content product protected by or that implement AACS Technology, whether or not embodied in a physical medium, that implement one or more Specifications under license from AACS LA and the Licensors for testing, evaluation or development purposes or which is transferred or sold to an Adopter, Fellow Content Participant or Content Provider consistent with the terms of an Approved License and that may incorporate Evaluation Keys. For the avoidance of doubt, to the extent such data files are arranged or placed on a physical medium in a manner described with particularity by the mandatory parts of the Specifications, “Evaluation Licensed Content Product” includes such arrangement or placement, but excludes the physical medium.
- 1.48. “Evaluation Licensed Product” has the meaning set forth in the Form Adopter Agreement.
- 1.49. “Executing Entity” means the entity named on Page 1 of this Agreement on the line under “Name of Content Participant”.
- 1.50. “Expiration Criteria” has the meaning set forth in Section 6.3.
- 1.51. “Expiration Information” means information distributed to Adopters, Content Providers and Fellow Content Participants by or under the direction of AACS LA for purposes of distributing such information as required by the Specifications and Compliance Rules in order to Expire one or more AACS Keys.
- 1.52. “Expire” means steps set forth in the Specifications by which AACS Keys may be invalidated, rendering them unable to be used to decrypt, record or playback Digital Entertainment Content protected by AACS Technology (including, where the context requires, “Expiration” or “Expired”).

- 1.53. “Fellow Content Participant” means any entity (including Content Participant), which has executed a Content Participant Agreement that remains in effect with AACS LA and Licensors in order to use and implement any Specification and AACS Technology licensed pursuant to such Content Participant Agreement and shall include its Affiliates.
- 1.54. “Final Adopter Agreement” means an Adopter Agreement designated other than “interim” by AACS LA.
- 1.55. “Final Content Participant Agreement” means a Content Participant Agreement designated other than “interim” by AACS LA.
- 1.56. “Final Content Provider Agreement” means a Content Provider Agreement designated other than “interim” by AACS LA.
- 1.57. “Final CP License Publication Date” means June 5, 2009, the date upon which the final form of the Final Content Participant Agreement was published on the AACS LA website for execution by Content Participants.
- 1.58. “Form Adopter Agreement” means the form of Final Adopter Agreement dated June 19, 2009.
- 1.59. “Founder Studios” means The Walt Disney Company and Warner Bros. Technical Operations, Inc.
- 1.60. “Founders” means The Walt Disney Company, International Business Machines Corporation, Intel Corporation, Microsoft Corporation, Panasonic Corporation, Toshiba Corporation, Sony Corporation, and Warner Bros. Technical Operations, Inc.
- 1.61. “Good Faith Belief of Rights Issue” has the meaning set forth in Section 5.5.1.
- 1.62. “Highly Confidential Information” means information relating to this Agreement and/or the AACS Technology and/or the Specifications which information is marked “Highly Confidential Information” when disclosed in written form or indicated as “Highly Confidential” when disclosed orally and confirmed by any Licensors or AACS LA in writing within thirty (30) days to be “Highly Confidential,” provided, however, that those AACS Keys listed on Appendix 1 to the Compliance Rules shall be treated as “Highly Confidential Information” regardless of whether or not they are marked “Highly Confidential.”
- 1.63. “Image Constraint Token” has the meaning set forth in the Compliance Rules.
- 1.64. “Implementation” has the meaning set forth in the Form Adopter Agreement.
- 1.65. “Interim Adopter Agreement” means an Adopter Agreement designated as “interim” by AACS LA.
- 1.66. “Interim Content Participant Agreement” means a Content Participant Agreement designated as “interim” by AACS LA.

- 1.67. “Interim Content Provider Agreement” means a Content Provider Agreement designated as “interim” by AACCS LA.
- 1.68. “Interim LCP Unit” means a unit of pre-recorded Licensed Content Product (as defined in the Interim Content Participant or Interim Content Provider Agreement, as applicable) that has become subject to Section 5.2.3 of the Interim Content Participant Agreement or Interim Content Provider Agreement, as applicable.
- 1.69. “LCP Unit” means a unit of Licensed Content Product as embodied on Removable Storage Media and associated with a Content Certificate issued pursuant to this Agreement, unless explicitly and specifically noted otherwise in this Agreement. Except as explicitly and specifically noted otherwise, for purposes of this Agreement, “LCP Unit” does not include any Interim LCP Unit.
- 1.70. “Licensed Component” has the meaning set forth in the Form Adopter Agreement.
- 1.71. “Licensed Content Producer” means an Adopter that (i) engages in mastering or authoring of digital data and/or the use of such data to produce a glass master (or equivalent) as intermediate steps towards the production of pre-recorded physical media containing Evaluation Licensed Content Products or Licensed Content Products, or (ii) prepares Licensed Content Products for online delivery.
- 1.72. “Licensed Content Product” means those portions of digital data of a pre-recorded or downloadable content product protected by or using AACCS Technology (at least some of which data must contain a reproduction in digital form of Digital Entertainment Content), that: (i) implement one or more Specifications, whether or not embodied in Removable Storage Media; (ii) are not an Evaluation Licensed Content Product; (iii) are manufactured or produced under license from AACCS LA and the Licensors pursuant to an Adopter Agreement; (iv) embody and comply with all requirements of all applicable Specifications; and (v) meet all applicable Compliance Rules. For the avoidance of doubt, to the extent such data are arranged or placed on a physical medium in a manner described with particularity by the mandatory parts of the Specifications, “Licensed Content Product” includes such arrangement or placement, but excludes the physical medium.
- 1.73. “Licensed Product” has the meaning set forth in the Form Adopter Agreement.
- 1.74. “Licensed Production/Test Tool” has the meaning set forth in the Form Adopter Agreement.
- 1.75. “Licensors” means Intel GF Inc., International Business Machines Corporation, Panasonic Intellectual Property Corporation of America, Microsoft Corporation, SCA IPLA Holdings, Inc. (“Sony”), Toshiba America Information Systems, Inc., Disney Technology Operations and Licensing, and Warner Bros. Entertainment, Inc.
- 1.76. “Managed Copy” has the meaning set forth in the Compliance Rules.
- 1.77. “Managed Copy Activation Deadline” means, with respect to a particular Mandatory LCP Unit that is Released in a particular country, whichever of the following is latest, as applicable: (A) the Required Managed Copy Sunrise, (B) the Release Triggering Date,

(C) the date of Release of the Mandatory LCP Unit in such country, or (D) with respect only to a Mandatory LCP Unit that is an Interim LCP Unit, the Effective Date of this Agreement.

- 1.78. “Managed Copy Output Technology” or “MCOT” has the meaning set forth in the Compliance Rules.
- 1.79. “Mandatory LCP Unit” means a LCP Unit or an Interim LCP Unit (a) that (i) is encrypted using AACS Technology, (ii) is not a Rental Product or a Non-Consumer Product, and (iii) includes CCI that prevents the end user using a Licensed Copier from making a CCI Managed Copy Equivalent at up to the resolution and functionality supported by any of the AACS Authorized Copying Methods available with respect to such Licensed Copier, and (b) with respect to which (i) a MC IP Exception has not been asserted pursuant to Section 5.5 below, (ii) no Mandatory MC Offer has been exercised, and (iii) no Optional Offer has been exercised. For the avoidance of doubt, “Mandatory LCP Unit” does not include any LCP Unit or Interim LCP Unit to the extent that such LCP Unit (x) is itself a Managed Copy or CCI Managed Copy Equivalent or (y) contains AACS Content that results from the copying, transcoding or other transformation of content that was originally distributed to the consumer in playable form other than as AACS Content.
- 1.80. “Mandatory MC Obligations” has the meaning set forth in Section 5.2.1.
- 1.81. “Mandatory MC Offer” means the offer(s) to a consumer of a Managed Copy of a Mandatory LCP Unit in accordance with Section 5.2.1, which such offer(s) include, without limitation, at least the Baseline Copy Offer; provided, with respect to the requirement to offer at least the Baseline Copy Offer, offers that may be different from the Baseline Copy Offer (for example permitting the Managed Copy itself to be copied, or permitting different mappings than those set forth in the Compliance Rules) shall be deemed to meet such requirement if such offers are at least as permissive as the Baseline Copy Offer.
- 1.82. “Mastered” means, with respect to a Licensed Content Product, when the template for such Licensed Content Product has been finalized and a Content Certificate has been issued therefor.
- 1.83. “MC IP Exception” means the exception to the Mandatory MC Obligations further described in Section 5.5 below.
- 1.84. “Media Key” means a cryptographic value calculated by processing a Media Key Block using Device Keys, or that is delivered to a Licensed Content Producer, along with the corresponding Media Key Block.
- 1.85. “Media Key Block” or “MKB” means the encrypted block of keys which is provided for use with AACS Technology and defined by the Specifications.
- 1.86. “Minimum Required Resolution” means (i) QCIF vertical resolution (144 lines), (ii) 12 frames per second, and (iii) stereo, 11Khz/8 bit audio.
- 1.87. “Move” means any process by which:

- (i) content that is usable (as defined in the Compliance Rules) by only a first device is effectively rendered unusable by that device and is rendered usable by only one other device, only in such manner that the content is never simultaneously usable by both devices; or
 - (ii) content that is usable by only a given device is effectively rendered unusable by that device and is rendered usable in association with only a single instance of Removable Storage Medium, only in such manner that the content is never simultaneously usable both by the device and in association with such instance of Removable Storage Medium (except where such instance of Removable Storage Medium is reinserted in such device to render such content usable in association with such Removable Storage Medium); or
 - (iii) content that is usable in association only with a first single instance of Removable Storage Medium is rendered unusable in association with that instance of Removable Storage Medium and is rendered usable in association with another single instance of Removable Storage Medium, only in such manner that the content is never simultaneously usable in association with both instances of Removable Storage Media; or
 - (iv) content that is usable in association only with a single instance of a given Removable Storage Medium is rendered unusable in association with that instance of Removable Storage Medium and is rendered usable by a single device, only in such manner that the content is never simultaneously usable both in association with the instance of Removable Storage Medium and by the device (except where such instance of Removable Storage Medium is reinserted in such device to render such content usable by such device).
- 1.88. “Necessary Claims” means those claims of patents or patent applications as may issue that are necessarily infringed by Licensed Products, Robust Inactive Products, Licensed Components, Licensed Production/Test Tools, or AACS Online Services which implement a Specification. A claim in a patent (or patent application) is “necessarily infringed” if (i) the claim reads on the Specification and (ii) there are no alternatives for implementing the applicable portion(s) of the Specification that do not infringe such claim or any other claim of such patent (or such patent application as may issue). “Necessary Claims” shall not include any claims: (1) that read solely on any implementations of any portion of the Specification that are not within the bounds of the scope of use set forth in Section 2.5; (2) which, if licensed, would require a payment by the licensor to third parties that are not Affiliates of the licensor; (3) that relate to semiconductors and semiconductor manufacturing technology; or (4) that relate to aspects of any technology, standard or product that is not itself disclosed with particularity in the Specification (even though such technology, standard or product may otherwise be mentioned or required by the Specification), including claims: (i) that relate to aspects of any technology, codec, standard or product, including compression, encoding or decoding ability, tamper resistance, or other copy protection technologies; (ii) that relate to any technology that may be necessary to develop, design, manufacture, sell or use any product or portion thereof that complies with the Specification (examples of such technologies include, without limitation, Removable Storage Media technology -- including materials and materials-based methods that enable high data storage densities and/or distinguish genuine Removable Storage Media from counterfeit Removable

Storage Media, relying, at least in part, on a determination of the material composition of such Removable Storage Media); (iii) that relate to commercially available applications, application programming interfaces and user interfaces, including the technology used to generate or display such user interfaces or interact with a user through such interfaces, programming languages, compiler technology, object-oriented technology, basic operating system technology, middleware technology, database technology, networking, intranet, extranet, web services and Internet technology; (iv) that relate to content formats; and (v) that relate to watermarking and data embedding technology.

- 1.89. “New Release Title” means any Title first Released theatrically anywhere in the world after the Effective Date of this Agreement and published as Licensed Content Product on a LCP Unit or Interim LCP Unit.
- 1.90. “Non-Consumer Product” means a Licensed Content Product that is not sold or otherwise made available for consumer possession, such as airline exhibition or non-consumer screening.
- 1.91. “Online Transaction” has the meaning given in the Compliance Rules.
- 1.92. “Optional Offer” means, with respect to Digital Entertainment Content protected by AACS Technology and embodied on a Mandatory LCP Unit, the offer to the consumer of such Mandatory LCP Unit (which offer is associated with such Mandatory LCP Unit) of a version of such Digital Entertainment Content to one or more AACS Authorized Copying Methods or Content Owner Authorized Copying Methods, which copy (i) must include a version of the complete primary content file from the original, (ii) may have, but is not required to have, the same resolution, codec, bit rate or other functional characteristics of the original, (iii) may include, but is not required to include, features or functions (such as navigation or “extras”), or Digital Entertainment Content other than the complete primary content file, of the original.
- 1.93. “Party” or “Parties” means a party or parties to this Agreement.
- 1.94. “Production Election Date” means the date upon which AACS LA confirms Content Participant’s election, on Exhibit A, to become a production licensee pursuant to Section 2.3.
- 1.95. “Relatively Necessary Claim” means any claim of a patent or of a patent application that would be a Necessary Claim but for the existence of at least one implementation (of the relevant part of the Specification) that does not infringe such claim but which is commercially unreasonable in that such implementation or implementations would have a commercially significant adverse effect on performance, manufacturability, or manufacturing cost, although the price charged by the implementer for such alternative implementation shall not be considered.
- 1.96. “Release” means to make a particular Licensed Content Product commercially available, with the authorization of Content Participant, to consumers on a basis other than for test purposes.
- 1.97. “Release Triggering Date” means, with respect to a particular Title of Licensed Content Product in a particular country, (a) the date that is ninety (90) days after the Theatrical

Release of substantially similar Digital Entertainment Content in such country, (b) for a Title of Licensed Content Product that is Released in such country prior to the Theatrical Release of substantially similar Digital Entertainment Content in such country, the date upon which the Title of Licensed Content Product is first Released in such country, or (c) for a Title of Licensed Content Product for which there is no Theatrical Release of substantially similar Digital Entertainment Content in such country, the later of (i) ninety (90) days after the first Theatrical Release of such Title in any country in the world, if any, or (ii) the date upon which the Title of Licensed Content Product is first Released in such country.

- 1.98. “Removable Storage Media” means optical or other media that are designed primarily for transporting digital files between devices and that are removed in the ordinary course of consumer usage (*e.g.*, flash memory cards), and does not include other storage media that are generally considered to be fixed in ordinary consumer usage (*e.g.*, PC/laptop hard disk drives which are not meant to be removed when PC/laptop is running).
- 1.99. “Rental Product” means an LCP Unit or an Interim LCP Unit that is sold or otherwise distributed into the rental market (*i.e.*, an LCP Unit or Interim LCP Unit that the Content Participant reasonably believes is for rental purposes and not for immediate retail sale) and that can be distinguished through technical means by a Managed Copy Server from LCP Units or Interim LCP Units that have not been sold or otherwise distributed into the rental market.
- 1.100. “Required Managed Copy Sunrise” means the date, as determined by AACS LA, that the Designated AACS MC Server(s) are operational. *[Note to Content Participant: It is anticipated that the Designated AACS MC Server(s) will be operated by or on behalf of AACS LA or by an AACS LA-designated third party that provides such server on commercially reasonable terms, and, thus, the Required Managed Copy Sunrise will be approximately six (6) to twelve (12) months after the Final CP License Publication Date.]*
- 1.101. “Reseller Agreement” means an agreement between AACS LA, Licensors and an entity that is authorized thereunder to receive and redistribute Licensed Components, and which is called a Reseller Agreement by AACS LA.
- 1.102. “Robust Inactive Product” has the meaning set forth in the Form Adopter Agreement.
- 1.103. “Robustness Rules” means the requirements designated as such in the Compliance Rules set out in Exhibit E hereto, as may be amended by AACS LA from time to time.
- 1.104. “Safe Harbor Titles” has the meaning set forth in Section 5.5.2.1.
- 1.105. “Sequence Keys” has the meaning set forth in the Specifications.
- 1.106. “Shared Device Keys” has the meaning set forth in the Compliance Rules.
- 1.107. “Specification” or “Specifications” means one or more Books, all of which together constitute the “Advanced Access Content System Specifications.”
- 1.108. “Substantially Similar AACS Version” has the meaning set forth in Section 5.1.1.

- 1.109. “Theatrical Release” means to make particular Digital Entertainment Content commercially available to consumers in a cinema or theater on a basis other than for test purposes.
- 1.110. “Third Party Beneficiary” means an entity or person entitled to bring or join a Third Party Beneficiary Claim pursuant to Sections 3.3 and 10.4.
- 1.111. “Third Party Beneficiary Claim” means a claim brought pursuant to Sections 3.3 and 10.4.
- 1.112. “Title” means Digital Entertainment Content published under a given title, and any substantially similar versions thereof, including without limitation, versions of such title dubbed or subtitled in different languages or having different aspect ratios, or a director’s cut.
- 1.113. “Watermark Screening Obligations” means the requirements applicable to the Adopter set forth in the Section of the Compliance Rules entitled, “Watermark Compliance Rules” (including any references therein to other sections of the Compliance Rules), and the Robustness Rules as applicable to the implementation of such requirements.

2. **LICENSES GRANTED**

- 2.1. Generally. Content Participant may enter into the evaluation licenses set forth in Section 2.2, the production licenses set forth in Section 2.3, or both. Content Participant shall elect either or both of the licenses by their selection on Exhibit A upon execution of this Agreement, and by payment of the appropriate fees per Exhibit B. Content Participant electing one license upon execution may enter a second by submitting a revised Exhibit A, and by payment of the appropriate fees per Exhibit B. Content Participant’s license rights under this Agreement are expressly limited to those set forth in Section 2.2 and/or Section 2.3 as elected, as limited by Section 2.5. To the extent that a provision of this Agreement is applicable to Content Participant licensed only under Section 2.2 or Section 2.3, such applicability is specifically indicated in the relevant provision.
- 2.2. Evaluation Licenses. Upon execution of this Agreement, and an election by Content Participant to become an evaluation licensee on Exhibit A:
- 2.2.1 Evaluation Patent Licenses. Each Licensor grants, and shall cause its Affiliates (if any) that have the right to license any Necessary Claims to grant, to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable, worldwide license under its or their respective Necessary Claims to use the Specifications and the Evaluation Keys to make and use and have made and have used (including have designed, have developed and have used by third parties under contract with Content Participant for the sole account of Content Participant) (i) Evaluation Licensed Content Products and Licensed Production/Test Tools for the sole purpose of designing, developing, evaluating and testing such Evaluation Licensed Content Products, Licensed Content Products and Evaluation AACS Online Services and (ii) Evaluation AACS Online Services for the sole purpose of designing, developing, evaluating and testing, such Evaluation AACS Online Services, provided that Content

Participant may not use such Evaluation AACS Online Service in a production environment under this Agreement.

2.2.1.1 Defensive Suspension. If Executing Entity or any of its Affiliates (whether identified on an election pursuant to Section 11.9 or not) (i) initiates or becomes an adverse party to a legal action against a Licensor (or its Affiliate(s)) for patent infringement involving an Evaluation Licensed Product, Licensed Product, Evaluation Licensed Component, Licensed Component, Robust Inactive Product, Licensed Production/Test Tool, Evaluation AACS Online Service or AACS Online Service, based on a Necessary Claim or a Relatively Necessary Claim of Executing Entity or its Affiliate or (ii) breaches Section 2.4.6, such Licensor alone or with some or all of its Affiliates, at Licensor's option, may suspend its or their licenses under this Section 2.2.1 with respect to Executing Entity and its Affiliates, provided that if such cause of action relates to a Relatively Necessary Claim, such Licensor and its Affiliates must first indicate in writing their willingness to license their Relatively Necessary Claims to Executing Entity and its Affiliates under reasonable and non-discriminatory license terms for any Evaluation Licensed Content Product, Licensed Content Product, Evaluation AACS Online Service, or Licensed Production/Test Tool made, have made, used, offered for sale, sold or imported by Executing Entity or its Affiliates in a manner consistent with this Agreement at or prior to the time of the legal action.

2.2.2 Evaluation Trade Secret and Copyright License. AACS LA grants to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable, worldwide license under those trade secrets and copyrights embodied in the Specifications and Evaluation Keys, to use, reproduce, modify, display, perform and distribute them internally for the sole purpose of designing, developing, evaluating and testing (including having designed, developed evaluated and tested by third parties under contract with Content Participant for the sole account of Content Participant) Evaluation Licensed Content Products, Evaluation AACS Online Services, Licensed Content Products and Licensed Production/Test Tools.

2.2.2.1 Defensive Suspension. If Executing Entity or any of its Affiliates (whether identified pursuant to 11.9 or not) (i) initiates or becomes an adverse party to a legal action against AACS LA for infringement of Necessary Claims, Relatively Necessary Claims, copyrights or trade secrets of Executing Entity or its Affiliate with respect to the Specifications or (ii) breaches Section 2.4.6, AACS LA, at AACS LA's option, may suspend the foregoing license with respect to Executing Entity and its Affiliates.

2.2.3 Have Made Activities for Licensed Production/Test Tools. Pursuant to the licenses set forth in Sections 2.2.1 and 2.2.2 with respect to Licensed Production/Test Tools, Content Participant may provide a subcontractor with AACS Technology or Specifications only under terms of a separate agreement, setting forth the terms of this Section 2.2 as it applies to subcontractors, the applicable confidentiality obligations and other terms relating to subcontractor

use, such as but not limited to Section 2.5 and Section 2.6, for the subcontractor's design, development, testing and use of Licensed Production/Test Tools solely for the account of Content Participant, provided that Content Participant and such contractor also have a binding agreement that provides for the assignment to Content Participant of all Necessary Claims and Relatively Necessary Claims to inventions arising in the course of such design, development, testing and use. In the event a Content Participant subcontractor receives Highly Confidential Information (including a Licensed Production/Test Tool containing any of those AACS Keys listed on Appendix 1 to the Compliance Rules), such receipt shall be pursuant to Section 7.3.2. The have made licenses under Sections 2.2.1 and 2.2.2 above with respect to Licensed Production/Test Tools (i) shall only apply to Licensed Production/Test Tools provided to Content Participant by a subcontractor for which the designs were created for Content Participant after execution of this Agreement and an election by Content Participant to become an evaluation licensee on Exhibit A; and (ii) shall not apply to any products or components in the form manufactured or marketed by said subcontractor or any methods used by said subcontractor prior to execution of this Agreement and an election by Content Participant to become a production licensee on Exhibit A. If such subcontractor directly or indirectly initiates or becomes party to a legal action against a Licensor (or its Affiliate(s)) for patent infringement involving (x) a Licensed Production/Test Tool based on a Necessary Claim or Relatively Necessary Claim of such subcontractor or (y) any of the activities described in Section 2.4.6 with respect to Licensed Production/Test Tools, such Licensor alone or with some or all of its Affiliates, at Licensor's option, may suspend Content Participant's have made licenses with respect to Licensed Production/Test Tools with respect to such subcontractor. If such subcontractor initiates or becomes an adverse party to a legal action against AACS LA for infringement of copyrights or trade secrets of such subcontractor with respect to the Specifications, or patent infringement involving a Necessary Claim or Relatively Necessary Claim of such subcontractor, in each case with respect to Licensed Production/Test Tools, AACS LA, at its option, may suspend Content Participant's have made licenses from AACS LA with respect to Licensed Production/Test Tools with respect to such subcontractor.

2.2.4 Distribution Limitations. Except as set forth herein, Content Participant may not sell, transfer, distribute or otherwise dispose of Evaluation Licensed Content Products or Evaluation AACS Online Services to any third party (except as otherwise approved by AACS LA) without making an election on Exhibit A to obtain a production license as set forth in Section 2.3 below. Content Participant may not, under this Agreement, sell, transfer, distribute or otherwise dispose of Licensed Production/Test Tools to any third party (without prejudice to the rights set forth in Section 2.2.3).

2.3. Production Licenses. Upon execution of this Agreement, and an election by Content Participant to become a production licensee on Exhibit A:

2.3.1. Production Patent Licenses. Each Licensor grants, and shall cause its Affiliates, if any, that have the right to license any Necessary Claims to grant, to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable worldwide license under its or their respective

Necessary Claims to use the Specifications and AACS Keys to make and have made (only to the extent of (a) (i) duplicating of Licensed Content Products on Removable Storage Media or (ii) in the case of a downloadable Licensed Content Product, the download of such Licensed Content Product, and (b) (i) having duplicated on Removable Storage Media, or (ii) in the case of a downloadable Licensed Content Product, having downloaded such Licensed Content Product for the sole account of Content Participant)), use, offer to sell, sell and import Licensed Content Products.

2.3.1.1 Defensive Suspension. If Executing Entity or its Affiliate: (i) initiates or becomes an adverse party to a legal action against a Licensor (or its Affiliate(s)) for patent infringement involving an Evaluation Licensed Product, Licensed Product, Evaluation Licensed Component, Licensed Component, Licensed Production/Test Tools, Robust Inactive Product, Evaluation AACS Online Service or AACS Online Service, based on a Necessary Claim or a Relatively Necessary Claim of Executing Entity or its Affiliate; or (ii) breaches Section 2.4.6, then such Licensor alone or with some or all of its Affiliates, at Licensor's option, may suspend its or their license and covenant under this Section 2.3.1 with respect to Executing Entity and its Affiliates, provided that if such cause of action relates to a Relatively Necessary Claim, such Licensor and its Affiliates must first indicate in writing their willingness to license their Relatively Necessary Claims to Executing Entity and its Affiliates under reasonable and non-discriminatory license terms for any Evaluation Licensed Content Product, Licensed Content Product, Evaluation AACS Online Service or Licensed Production/Test Tool made, have made, used offered for sale, sold or imported by Executing Entity or its Affiliates in a manner consistent with this Agreement at or prior to the time of the legal action.

2.3.1.2 Limited Non Assertion by Licensors Against Content Participant. Each Licensor hereby covenants not to assert its Necessary Claims, and to cause its Affiliates, if any, that have the right to assert any Necessary Claims not to assert such Necessary Claims, against Content Participant (and its have made parties) for the use of the Specifications and AACS Keys to make and have made (only to the extent of (a) (i) duplicating of Licensed Content Products on Removable Storage Media or (ii) in the case of a downloadable Licensed Content Product, the download of such Licensed Content Product, and (b) (i) having duplicated on Removable Storage Media, or (ii) in the case of a downloadable Licensed Content Product, having downloaded such Licensed Content Product for the sole account of Content Participant)), use, offer to sell, sell and import, products that would be Licensed Content Products but for a failure to comply with the Compliance Rules, unless and until this Agreement is terminated by AACS LA pursuant to Section 8.1.3. Notwithstanding the foregoing, the Licensors may suspend the foregoing non-assertion covenant in the circumstances set forth in the defensive suspension provisions of Sections 2.2.1.1, 2.3.1.1 and 2.3.3.

- 2.3.2. Production Trade Secret and Copyright License. AACS LA grants to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable, worldwide license under those trade secrets and copyrights embodied in the Specifications and AACS Keys to (i) reproduce, modify, display and distribute the Specifications internally, and (ii) use, reproduce, modify, distribute, display, perform or otherwise transfer Licensed Content Products.
- 2.3.3 Defensive Suspension. If Executing Entity or its Affiliate (i) initiates or becomes an adverse party to a legal action against AACS LA for patent infringement involving a Necessary Claim or Relatively Necessary Claim or infringement of copyrights or trade secrets of Executing Entity or its Affiliate contained in the Specifications, or (ii) breaches Section 2.4.6, AACS LA, at AACS LA's option, may suspend the foregoing license with respect to Executing Entity and its Affiliates.
- 2.3.4 Transfer of Evaluation Products for Testing. Upon an election by Content Participant to become a production licensee on Exhibit A, each Licensor grants, and shall cause its Affiliates (if any) that have the right to license any Necessary Claims to grant, to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable, worldwide license under its or their respective Necessary Claims for Content Participant to transfer Evaluation Licensed Content Products and Evaluation AACS Online Services to an Adopter, a Fellow Content Participant or Content Provider solely for purposes of evaluation or testing. Upon an election by Content Participant to become a production licensee on Exhibit A, AACS LA grants to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable, worldwide license under those trade secrets and copyrights embodied in the Specifications and Evaluation Keys to Content Participant a nonexclusive, nontransferable (except as provided in Section 11.4), nonsublicensable, revocable, worldwide license under its or their respective Necessary Claims for Content Participant to transfer Evaluation Licensed Content Products and Evaluation AACS Online Services to an Adopter, a Fellow Content Participant or Content Provider solely for purposes of evaluation or testing.
- 2.3.5 For the avoidance of doubt, the above licenses under Section 2.3 shall not extend to mastering or authoring of digital data and/or the use of such data to produce a glass master (or equivalent), which activities are licensed only under the Adopter Agreement.
- 2.4. Non-Assertion Covenants. For the avoidance of doubt, any non-assertion covenant in this Section 2.4 shall continue to apply to any allegedly infringing actions taken by a party to an Approved License while such Approved License was in force, even after such Approved License expires or is terminated for any reason, unless and until the conditions for defensive suspension of such covenant not to assert are met.
- 2.4.1. Non-Assertion Against Adopters. From and after the Production Election Date, Executing Entity hereby covenants that it shall not assert or maintain, and shall cause each of its Affiliates not to assert or maintain, any claim of infringement of

its, or their respective, Necessary Claims or its, or their respective, copyrights and trade secrets in the Specifications, AACS Keys and Evaluation Keys against (i) Adopters, (ii) any entities with which an Adopter contracts to make or design products in accordance with such Adopter's Adopter Agreement solely with respect to such entities' activities under such contract with such Adopter, (iii) Adopters' direct and indirect vendors, resellers, distributors or other persons or entities in the chain of distribution, and (iv) end users, in each case of (i) through (iv) to the same extent promised by Adopters with respect to Fellow Adopters in Section 2.6.1 of the form of Form Adopter Agreement. Defined terms used in such Section 2.6.1 shall have the meanings assigned to them in the Form Adopter Agreement. Notwithstanding the foregoing, if Content Participant is also a Licensor, this Section 2.4.1 shall not apply unless and until Licensor and/or its Affiliate withdraws from the ACMS LA Founders Agreement, effective February 20, 2004.

- 2.4.2. Defensive Suspension. If an Adopter (for the avoidance of doubt, including any Affiliate included therein) initiates or becomes an adverse party to a legal action against Executing Entity (or its Affiliate(s)) for patent infringement involving an Evaluation Licensed Content Product or Licensed Content Product, or Evaluation AACS Online Service or Licensed Production/Test Tool (or, if Content Participant is also an Adopter, an Evaluation Licensed Product, Licensed Product, Evaluation Licensed Component, Licensed Component, or Robust Inactive Product) based on a Necessary Claim of such Adopter, Executing Entity alone or with some or all of its Affiliates, at Executing Entity's option, may suspend its or their covenant not to assert under Section 2.4.1 with respect to such Adopter. If a have made manufacturer directly or indirectly initiates or becomes party to a legal action against Executing Entity or its Affiliate for patent infringement involving a Necessary Claim of such manufacturer, Executing Entity alone or with some or all of its Affiliates, at Executing Entity's option, may suspend its or their covenant not to assert under Section 2.4.1 with respect to such have made manufacturer.
- 2.4.3. Non Assertion Against Fellow Content Participants and Content Providers. From and after the Production Election Date, Executing Entity hereby covenants that it shall not assert or maintain, and shall cause each of its Affiliates not to assert or maintain:
- (I) any claim of infringement of its, or their, respective Necessary Claims:
 - (a) against Fellow Content Participants or Content Providers (or their have made parties solely with respect to such entities' activities under such contract with a Fellow Content Participant or Content Provider) for
 - (i) making or having made (only to the extent of duplicating of Licensed Content Products on Removable Storage Media, or having duplicated on Removable Storage Media, for the sole account of such Fellow Content Participant or Content Provider and in the case of a downloadable Licensed Content Product, downloading

- or having downloaded such Licensed Content Product for the sole account of such Fellow Content Participant or Content Provider), using, selling, offering to sell and importing Licensed Content Products;
 - (ii) making or having made (including having designed and having developed by third parties for the sole account of Fellow Content Participant or Content Provider, as applicable) Evaluation Licensed Content Products and Licensed Production/Test Tools or using Licensed Production/Test Tools to design, develop, evaluate, test and produce Evaluation Licensed Content Products and Evaluation AACS Online Services and to design, develop, evaluate and test Licensed Content Products; or
 - (iii) for transferring Evaluation Licensed Products and Evaluation AACS Online Services to an Adopter, Fellow Content Participant or Content Provider solely for purposes of evaluation or testing; or
 - (b) against a Fellow Content Participant or Content Provider or a Fellow Content Participant's or Content Provider's direct and indirect vendors, resellers, distributors, or other persons or entities in the chain of distribution for distributing, displaying, performing or otherwise transferring, using, offering to sell, selling and importing Licensed Content Products; or
 - (c) against end users for the using of Licensed Content Products; or
- (II) any claim of infringement of those trade secrets and copyrights embodied in the Specifications, AACS Keys and Evaluation Keys against Fellow Content Participants or Content Providers for
- (a) using, reproducing, modifying, displaying or distributing them internally for the sole purpose of designing, developing, evaluating and testing Evaluation Licensed Content Products and Licensed Production/Test Tools or using Licensed Production/Test Tools to design, develop, evaluate, test and produce Evaluation Licensed Content Products and design, develop, evaluate and test Licensed Content Products;
 - (b) using, reproducing, modifying or displaying the Specifications internally;
 - (c) using, reproducing, modifying, distributing, displaying, or performing or otherwise transferring (i) Licensed Content Products or (ii) Evaluation Licensed Content Products or Evaluation AACS Online Services solely for purposes of evaluation or testing; or

- (d) using reproducing, modifying, displaying or performing Licensed Production/Test Tools to design, develop, evaluate, test and produce Evaluation Licensed Content Products or Evaluation AACS Online Services or to design, develop, evaluate and test Licensed Content Products.

Notwithstanding the foregoing, if Content Participant is also a Licensor, this Section 2.4.3 shall not apply unless and until Licensor and/or its Affiliate withdraws from the ACMS LA Founders Agreement, effective February 20, 2004.

- 2.4.4. Defensive Suspension. If a Fellow Content Participant or Content Provider (for the avoidance of doubt, including any Affiliate included therein) initiates or becomes an adverse party to a legal action against Executing Entity or its Affiliate(s) for patent infringement involving an Evaluation Licensed Component, Evaluation Licensed Product, Licensed Component, Robust Inactive Product, Evaluation AACS Online Service, Licensed Production/Test Tools or Licensed Product based on a Necessary Claim of such Fellow Content Participant or Content Provider, Executing Entity alone or with some or all of its Affiliates, at Executing Entity's option, may suspend its or their covenant not to assert under Section 2.4.3 with respect to such Fellow Content Participant or Content Provider, as applicable. If a have made party directly or indirectly initiates or becomes party to a legal action against Executing Entity or its Affiliate for patent infringement involving a Necessary Claim of such entity, Executing Entity alone or with some or all of its Affiliates, at Executing Entity's option, may suspend its or their covenant not to assert under Section 2.4.3 with respect to such have made party.
- 2.4.5. Acceptance of Non-Assertion Covenants. Content Participant hereby accepts the agreements of Fellow Content Participants, Content Providers and Adopters not to assert or maintain any claim of infringement under provisions equivalent to Sections 2.4.1 and 2.4.3 in their respective Content Participant Agreements, Final Content Provider Agreements and Adopter Agreements. This section applies whether another entity has become a Fellow Content Participant, Content Provider or Adopter before or after Content Participant signs this Agreement.
- 2.4.6. Non-Assertion Against Licensors and AACS LA. Executing Entity hereby covenants not to assert or maintain, and shall cause each of its Affiliates not to assert or maintain, against Licensors or AACS LA and Affiliates thereof any claim of infringement under Executing Entity's or its Affiliates' patents, patent applications, trade secrets or copyrights for the operation of the key generation facility and the provision of AACS Keys, Evaluation Keys, the operation of a service to make available offers for or authorize Managed Copies on behalf of Fellow Content Participants and Content Providers, and other services necessary to the administration of the Approved Licenses and the distribution and licensing of the Specifications and AACS Technology pursuant to such Approved Licenses.
- 2.4.7. Non-Assertion and Defensive Suspension as to AACS Online Service Providers. From and after the Production Election Date, Executing Entity hereby covenants

that it shall not assert or maintain, and shall cause each of its Affiliates not to assert or maintain, any claim of infringement of its, or their respective, Necessary Claims or its, or their respective, copyrights and trade secrets in the Specifications and AACS Keys against any AACS Online Service Provider for the operation of a service, or use of Licensed Production/Test Tools in relation to the development and operation of a service, to make available offers for or authorize Managed Copies on behalf of Fellow Content Participants and Content Providers. If an AACS Online Service Provider initiates or becomes an adverse party to a legal action against Executing Entity or its Affiliate(s) for patent infringement involving an Evaluation Licensed Component, Licensed Production/Test Tool, Evaluation Licensed Product, Licensed Component, Robust Inactive Product or Licensed Product or Evaluation AACS Online Service based on a Necessary Claim of such AACS Online Service Provider or its respective Affiliate, Executing Entity alone or with some or all of its Affiliates, at Executing Entity's option, may suspend its or their covenant not to assert under this Section 2.4.7 with respect to such AACS Online Service Provider.

2.4.8. Non-Assertion and Defensive Suspension as to Licensed Production/Test Tools. From and after the Production Election Date, Executing Entity hereby covenants that it shall not assert or maintain, and shall cause each of its Affiliates not to assert or maintain, any claim of infringement of its, or their respective, Necessary Claims or its, or their respective, copyrights and trade secrets in the Specifications and AACS Keys against any party for making, having made, using, offering to sell, selling and importing Licensed Production/Test Tools to the extent that such party (a "Tool Licensee") is licensed to do so by the Licensors and AACS LA under an Approved License. If a Tool Licensee initiates or becomes an adverse party to a legal action against Executing Entity or its Affiliate(s) for patent infringement involving an Evaluation Licensed Component, Licensed Production/Test Tool, Evaluation Licensed Product, Licensed Component, Robust Inactive Product or Licensed Product or Evaluation AACS Online Service based on a Necessary Claim of such Tool Licensee or its Affiliate, Executing Entity alone or with some or all of its Affiliates, at Executing Entity's option, may suspend its or their covenant not to assert under this Section 2.4.8 with respect to such Tool Licensee and its Affiliates.

2.5. Scope of Use. The licenses under Sections 2.2 and 2.3 and the non-assertion covenants under Sections 2.4.1, 2.4.3, 2.4.7 and 2.4.8 shall extend only to the use of AACS Technology for the protection of Digital Entertainment Content in compliance with the Specifications and Compliance Rules, only in Evaluation Licensed Content Products, Licensed Content Products, Robust Inactive Products, Evaluation Licensed Components, Licensed Components, Evaluation Licensed Products, Licensed Products, Licensed Production/Test Tools and/or Evaluation AACS Online Services in each case which implement AACS Technology and Specifications solely to the extent disclosed with particularity in the Specifications, and, in the case of such non-assertion covenants, in Evaluation AACS Online Services solely to the extent disclosed with particularity in the Specifications; and exclude the use of AACS Technology and/or Specifications in any portion of any product and any combinations thereof, or for any purpose or function, that is not required by the implementation (including testing the implementation) of mandatory parts of the Specifications. For the avoidance of doubt, neither the licenses

granted under Sections 2.2 and 2.3 nor the non-assertion covenants under Sections 2.4.1 and 2.4.3 extend to any Digital Entertainment Content contained in a Licensed Content Product. For purposes of this Agreement, the “mandatory parts of the Specifications” include such parts of the Specifications that are required to be implemented for any particular feature or functionality described in the Specifications. For the avoidance of doubt, (i) if Content Participant is not required to implement a particular feature or functionality, but is required to do so in a particular manner if Content Participant chooses to provide such feature or functionality, then the description of how that feature or functionality must be implemented is a “mandatory part”; and (ii) where Content Participant is required to choose to implement one or more among two or more parts of the Specification in order to provide a given feature or functionality, each part that Content Participant is required to choose among is a mandatory part.

- 2.6. Proper Use. This Agreement authorizes Content Participant to use AACS Technology, the Specifications, Confidential Information and/or Highly Confidential Information (collectively, the “Licensed Materials”) only in accordance with the terms of this Agreement, and Content Participant shall not use the Licensed Materials, or any mentally retained recollections of the Licensed Materials to (or assist others to) design, test, produce, sell or otherwise transfer or distribute devices or software, where such devices or software are designed to circumvent the requirements or effectiveness of the Specifications or Compliance Rules.
- 2.7. Affiliates. Executing Entity represents that it has and covenants that it will have the authority to bind its Affiliates to the terms and conditions of this Agreement.
- 2.8. Minority Interests. When two or more AACS Founders, Adopters, Content Providers, Fellow Content Participants and/or AACS Online Service Providers each have an ownership interest in a third party, where and only so long as each such Founder, Adopter, Fellow Content Participant, Content Provider and/or AACS Online Service Provider owns a voting interest in ownership interests or securities of at least twenty percent (20%) and in aggregate between them own a voting interest in ownership interests or securities of more than fifty percent (50%), then each such Founder, Adopter, Fellow Content Participant, Content Provider and/or AACS Online Service Provider (a “Joint Owner”) shall be considered a Joint Owner of such third party (a “Jointly Owned Party”).

Each Joint Owner, with respect to a Jointly Owned Party, shall have the following obligations:

- 2.8.1 In the event that a Jointly Owned Party does not offer a patent license under reasonable and non-discriminatory terms (for avoidance of doubt, such terms need not be the same as the terms of an AACS Approved License to be considered reasonable and non-discriminatory) to a requesting Adopter, Fellow Content Provider, Fellow Content Participant or AACS Online Service Provider for the purpose of implementing AACS Technology in Licensed Products, Robust Inactive Products, Licensed Components or AACS Online Services or using AACS Technology in Licensed Production/Test Tools, or to a requesting Founder or AACS LA itself for the purpose of licensing the AACS Technology, operating the AACS key generation facility or operating an AACS Online Service, under patent claims of the Jointly Owned Party that would (if such

patent claims were owned by the Joint Owner) be within the scope of the non-assertion provisions of such a Joint Owner's agreement with AACCS LA, or in the event that a Jointly Owned Party files for or is granted injunctive relief against AACCS LA or a Founder, Adopter, Content Provider, Fellow Content Participant or AACCS Online Service Provider ("Requesting Party") for, as is applicable, the license of AACCS Technology or the operation of the AACCS key generation facility or the implementation of AACCS Technology in Licensed Products, Robust Inactive Products, Licensed Components or AACCS Online Services or the use of AACCS Technology in Licensed Production/Test Tools, such Requesting Party may request the assistance of a Joint Owner, who shall, upon receipt of such a request, use reasonable efforts to facilitate communication among the Jointly Owned Party and the Requesting Party.

2.8.2 This provision shall not require any Founder, Adopter, Fellow Content Participant, Content Provider and/or AACCS Online Service Provider to take any action to influence or affect the management or Board of Directors of any Jointly Owned Party outside of its obligation to use reasonable efforts to facilitate the establishment of communications between the Jointly Owned Party and the Requesting Party as contemplated in this Section 2.8.

- 2.9. Representation and Warranty of Non-Avoidance. Content Participant warrants and represents that, neither during the term of its Interim License (if any) nor in anticipation of its entry into this Agreement (including concurrently with the entry of this Agreement), it has not transferred any ownership or sublicensing interests in any of its patents that fall within the scope of the patent non-assertion obligations of its agreement with AACCS LA, nor will it do so at any time in the future, into an entity that then or subsequently becomes or became a Jointly Owned Party for the purpose of avoiding the patent non-assertion obligations in its agreements with AACCS LA. All parties to Approved Licenses that would benefit from Content Participant's non-assertion obligations are intended beneficiaries of this provision.
- 2.10. Transfers of Ownership of Patents. Content Participant shall, in the event it transfers any ownership or sublicensing authority of or for any patent that is subject to its non-assertion obligation under any agreement with AACCS LA, require that the transferee of such an ownership or sublicensing right be bound to the non-assertion obligations associated with such transferred patents as if it were Content Participant. The transferor of such rights shall obligate the transferee to obligate any subsequent transferee(s) to this provision. All parties to Approved Licenses that would benefit from Content Participant's non-assertion obligations are intended beneficiaries of this provision.
- 2.11. Compliance with Specifications and Compliance Rules. Content Participant agrees that when it makes or has made a pre-recorded or downloadable content product protected by or using AACCS Technology for playback, copying and/or recording by a Licensed Access Product (as defined in the Compliance Rules) AACCS Technology, such content product shall (i) implement only the latest version of any Book(s) available for licensing from AACCS LA as of the Effective Date or such later version as required under the Change Management Provisions of this Agreement (except as permitted under the Change Management Provisions), and (ii) comply with such Specifications and the Compliance Rules (including changes as provided under the Change Management Provisions) as applicable depending on whether the content product is designed or represented by

Content Participant to be a pre-recorded or downloadable Licensed Content Product. Content Participant further agrees that when it embeds the AACS No Home Use State and/or AACS Trusted Source State in content that is not designed or represented by Content Participant to be a pre-recorded or downloadable Licensed Content Product, it will do so in accordance with the requirements applicable to Content Participant set forth in the Section of the Compliance Rules entitled, "Watermark Compliance Rules" (including any references therein to other sections of the Compliance Rules).

- 2.12. Representation and Warranty of Compliance with Consumer Notice Requirements. Content Participant hereby acknowledges that AACS LA and the Licensors license the AACS Technology to Adopters, Fellow Content Participants and Content Providers and in such capacity, do not have any contact with the end user or consumer of Licensed Products, Licensed Content Products, Licensed Components or Robust Inactive Products. Content Participant shall, for the term of this Agreement, or for so long as Content Participant is permitted to introduce Licensed Content Products into the stream of commerce under color of this Agreement, comply with consumer notice requirements (whether national, state, federal, local or other) that may be applicable, if any, to sale or distribution of Content Participant's Licensed Content Products because of the implementation of AACS Technology in such products, provided that Content Participant makes no representation or warranty with regard to such requirements in connection with online transactions.

3. **ADDITIONAL RIGHTS GRANTED TO CONTENT PARTICIPANT**

- 3.1. Additional Rights for Eligible Content Participants. Eligible Content Participants shall be entitled to the additional rights set out in Sections 3.2, 3.3, 3.4, 3.5 and 3.6.
- 3.2. Right to Seek Expiration. For so long as Content Participant is an Eligible Content Participant, it shall have the right to seek expiration of certain AACS Keys pursuant to the terms of Section 6.
- 3.3. Fellow Content Participant Third Party Beneficiary Rights. The Parties agree that each AACS licensee's compliance with the terms and conditions of its Approved License is essential to maintain the value and integrity of the AACS Technology and that such compliance is an integral part of the next generation Digital Entertainment Content business, and as such is a matter of concern to all industry participants. While a Fellow Content Participant licensed under Section 2.3 (or comparable provision of another Content Participant Agreement) is an Eligible Content Participant, it shall be a Third Party Beneficiary of each Adopter Agreement and shall be entitled to bring a claim or action to enforce rights against an Adopter (other than an Adopter in its capacity as a Licensed Content Producer), in accordance with the third party beneficiary procedures set out in Section 10.6 of this Agreement and the applicable Adopter Agreement as referenced in Section 3.3.2, with respect to Adopter's compliance with its obligations under its Adopter Agreement. While a Fellow Content Participant licensed under Section 2.3 (or comparable provision of another Content Participant Agreement) is an Eligible Watermark Content Participant, it shall be a Third Party Beneficiary of each Adopter Agreement and shall be entitled to bring a claim or action to enforce rights against an Adopter, in accordance with the third party beneficiary procedures set out in Section 10.6 of this Agreement and the applicable Adopter Agreement as referenced in Section 3.3.2, with respect to Adopter's compliance with its Watermark Screening Obligations under its

Adopter Agreement. A Third Party Beneficiary Claim of a Fellow Content Participant is referred to herein as a “Content Participant Beneficiary Claim”.

- 3.3.1 Prior to bringing any Third Party Beneficiary Claim hereunder, an Eligible Content Participant or Eligible Watermark Content Participant must send notice of breach to Adopter, with a copy to AACS LA, which notice shall trigger the cure period, if any, available under the applicable Adopter Agreement equivalent to those set forth in Section 9.3 and/or 9.4 of the Form Adopter Agreement, depending on the remedy or remedies sought.
- 3.3.2 The rights of an Eligible Content Participant and/or an Eligible Watermark Content Participant to bring a Third Party Beneficiary Claim pursuant to an Adopter Agreement shall be as set out in the Form Adopter Agreement.
- 3.4. Enforcement Actions. For so long as Content Participant is an Eligible Content Participant or Eligible Watermark Content Participant, (i) it shall have the right to communicate with AACS LA pursuant to appropriate confidentiality and/or joint defense agreements, with respect to the status of enforcement actions that are brought by AACS LA to enforce an Adopter’s compliance with its Adopter Agreement and that may reasonably implicate Content Participant’s Digital Entertainment Content and (ii) AACS LA shall use commercially reasonable efforts to respond to inquiries from Content Participant with respect to such enforcement actions, subject to any confidentiality obligations that may apply under any Approved License or any other confidentiality obligations binding on AACS LA.
- 3.5. Operative Protection Agreements. AACS LA represents that, as of the date of this Agreement, the form of Adopter Agreement and Interim Adopter Agreement, including their respective Compliance Rules, are the only documents establishing the rights and obligations of Adopters with respect to the AACS Technology, except (i) the Specifications, (ii) the Content Participant and Interim Content Participant Agreements (with respect to such third party beneficiary rights as are granted Adopters thereunder), (iii) the Reseller Agreement, and (iv) the AACS Online Service Provider Agreement (the Adopter Agreement and Interim Adopter Agreement and items (i) through (iv) above, collectively the “Operative Protection Agreements”).
- 3.6. Change Management Generally. AACS LA and the Licensors may make changes to the Operative Protection Agreements, or issue or execute such other documents applicable to Content Participant and Adopters with respect to AACS Technology, only in accordance with the following provisions. For the avoidance of doubt, the limitations of this Section shall not apply with respect to the procedure referenced in Section 6.4.
- 3.6.1 Initial Notice of Proposed Change. AACS LA shall provide reasonable advance written notice (which, in the case of proposed changes to the Compliance Rules and the Specifications, must be no less than thirty (30) days’ advance notice) to Content Participant of (1) any proposed change to the Compliance Rules (other than any Qualified Suspension or Delisting (as defined below) or the sections of any Adopter Agreement corresponding to the following sections of the Form Adopter Agreement (“Notice Sections”): Sections 1 (Definitions), 2 (Licenses Granted), 3 (Additional Adopter Requirements), 4 (Changes to the Specifications and Compliance Rules), 6 (Confidentiality/Export), 7.2.2 (subsection to Effect of

Termination), 9 (Remedies), 10 (Expiration of AACS Keys and Suspension of Key Orders), and subsections 11.6 (Governing Law), 11.7 (Consent to Jurisdiction), and 11.8 (Agent)], to the extent that AACS LA proposes to (a) change the state, the laws of which will govern the Agreement in subsection 11.6; (b) change the state in which jurisdiction is consented to in subsection 11.7; (c) or allow the appointment of an agent for service of process outside the United States in subsection 11.8; (2) any proposed change to the Specifications; and (3) the proposed issuance or execution by AACS LA of any other document (other than the Operative Protection Agreements in their original form or as modified pursuant to the Change Management Process or document(s) necessary to implement the determination of an arbitrator or a court of competent jurisdiction, pursuant to and in accordance with an Approved License) that would affect the integrity, security or performance of AACS Technology, the security of AACS Content, or the rights of Content Participant with respect to AACS Technology; provided that with respect to any changes set forth in (1) and/or (2) that are not material, AACS LA shall provide written notice thereof on an annual basis or in advance upon the request of any Founder. AACS LA shall, during the second calendar quarter of each year, upon request of Content Participant, make available to Content Participant any changes to any Adopter Agreement not otherwise noticed pursuant to this Section 3.6.1. If Content Participant objects to any of such changes, AACS LA will disclose to Content Participant any similar changes that were made to the remaining Operative Protection Agreements. For purposes of this Section 3.6, “Qualified Suspension or Delisting” means any Suspension (as defined in Exhibit F) or ending of Suspension of an AACS Authorized Copying Method, or condition, restriction or Delisting (as defined in Exhibit F) of an AACS Authorized Copying Method or AACS Authorized Digital Output, each of which shall be governed by the provisions of Exhibit F; it being agreed that the addition (including, without limitation, after Delisting) of an AACS Authorized Copying Method to Table C1 of the Compliance Rules or AACS Authorized Digital Output to Table D1 of the Compliance Rules shall be subject to this Section 3.6 and shall not be considered a Qualified Suspension or Delisting subject to Exhibit F.

- 3.6.2 Objections. For so long as Content Participant is an Arbitration Eligible Content Participant, it shall have the right to file a written objection to (1) any change to the Compliance Rules (other than any Qualified Suspension or Delisting) or the Notice Sections, (2) any change to any Book after the earlier of (i) the issuance of Version 1.0 of such Book or (ii) (x) twelve (12) months after the first Final Content Participant Agreement is entered into by AACS LA (with respect to a Book existing as of such entrance), or (y) twelve (12) months after first issuance of such Book (with respect to a Book not existing as of such entrance) or (3) the proposed issuance or execution of any other document (other than the Operative Protection Agreements in their original form or as modified pursuant to the Change Management Process or document(s) necessary to implement the determination of an arbitrator or a court of competent jurisdiction, pursuant to and in accordance with an Approved License) by AACS LA, if, with respect to any of (1) through (3), in the view of Content Participant, such change, issuance or execution would have a material and adverse effect on the integrity, security, or performance of AACS Technology, the security of AACS Content, or the rights of Content Participant with respect to AACS Technology (each, an “AACS”

Proposed Action”). Any such objection shall set forth with specificity the alleged material and adverse effects on the integrity, security or performance of AACS Technology, the security of AACS Content, or the rights of Content Participant with respect to AACS Technology, and shall be delivered to AACS LA no later than fifteen (15) days after the date of service of notice by AACS LA pursuant to Section 3.6.1 at the address specified in the notice provisions of this Agreement. In the event AACS LA has served such notice to Content Participant by mail, three (3) days shall be added to the prescribed period for filing an objection. AACS LA agrees to consider any such objection in good faith. If AACS LA rejects such objection, it shall provide prompt written notice thereof to every Content Participant that filed a written objection explaining the reasons for such rejection, including the benefits that would be afforded by the AACS Proposed Action. AACS LA may not engage in such change, issuance or execution until at least thirty (30) days after such notice of rejection has been provided or such objection has been expressly waived by a majority of Eligible Content Participants. Absent receipt by AACS LA of a written objection from one or more Fellow Content Participants pursuant to this Section 3.6.2, AACS LA may take the action described in the notice delivered pursuant to Section 3.6.1.

3.6.3 Arbitration. If (x) Content Participant is an “Arbitration Eligible Content Participant” and is one of a majority of Arbitration Eligible Content Participants objecting to an AACS Proposed Action pursuant to Section 3.6.2 of its and their respective Content Participant Agreements, and (y) Content Participant, as one of a majority of Arbitration Eligible Content Participants, continues to object to the AACS LA Proposed Action notwithstanding communication with AACS LA pursuant to Section 3.6.2, then Content Participant and such majority of Arbitration Eligible Content Participants (the “Arbitrating Content Participants”) shall have the right, within thirty (30) days from service of AACS LA’s rejection of such objection pursuant to Section 3.6.2, to initiate an arbitration in accordance with the provisions of this Section 3.6.3. If an arbitration is initiated, AACS LA shall provide reasonable notice thereof to Content Participant.

3.6.3.1 In such arbitration, the Arbitrating Content Participants shall have the burden of demonstrating, based on the preponderance of evidence, that the AACS Proposed Action materially and adversely affects the integrity, security or performance of the AACS Technology, the security of AACS Content, or the rights of Content Participant under this Agreement. Changes which only insignificantly diminish the integrity, security, or performance of the AACS Technology, the security of AACS Content, or the rights of Content Participant under this Agreement shall not be deemed material or adverse.

3.6.3.2 If the Arbitrating Content Participants have carried the burden set forth in Section 3.6.3.1, then AACS LA may not take the AACS Proposed Action unless AACS LA demonstrates, based on the preponderance of evidence, that the AACS Proposed Action provides a material legal benefit in the form of avoidance of a reasonably perceived potential legal liability to AACS LA, Licensors or Adopters which cannot practicably be achieved except by taking the AACS Proposed Action.

3.6.3.3 Any arbitration pursuant to this Section 3.6.3 shall be conducted in accordance with the following procedures:

- (a) Unless otherwise agreed between the parties, there shall be a panel of three (3) arbitrators who shall be selected by the American Arbitration Association from its National Panel of Commercial Arbitrators and who shall each have at least fifteen (15) years of relevant experience.
- (b) The arbitration shall be conducted in New York, N.Y. in accordance with the International Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in English.
- (c) The arbitrator may conduct the arbitration in such manner as it shall deem appropriate, including the imposition of time limits that it considers 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 shall set a schedule to endeavor to complete the arbitration within one (1) month.
- (d) The arbitrator shall permit and facilitate such limited discovery as he or she shall determine is reasonably necessary, taking into account the needs of the parties and the desirability of making discovery as expeditious and cost-effective as possible.
- (e) The parties and the arbitrator shall treat the arbitration proceedings, any related discovery, documents and other evidence submitted to, and the decision of, the arbitrator as Confidential Information; provided, however, that AACCS LA shall be entitled to disclose information from such arbitration to the arbitrator in any subsequent arbitration under this Section 3.6.3 when such information is relevant to the consistent resolution of common issues in such subsequent arbitration. In addition, and as necessary, the arbitrator may issue orders to protect the confidentiality of proprietary information, trade secrets and other sensitive information disclosed in discovery or otherwise during the arbitration.
- (f) The arbitrator is empowered solely to determine whether the parties have carried their respective burdens, as provided in Section 3.6.3.1 and 3.6.3.2. The determination of the arbitrator shall be final and binding on the parties, except that whether the arbitrator exceeded his or her authority shall be fully reviewable by a court of competent jurisdiction. The parties agree that judgment upon any decision may be entered in a court of competent jurisdiction.

- (g) The arbitrator shall be compensated at his or her hourly rate, 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 shall determine all costs of the arbitration, including his or her fees and expenses, the costs of expert advice and other assistance engaged by the arbitrator, the cost of a transcript and the costs of meeting and hearing facilities. The arbitrator shall assess the losing party or parties the costs of the arbitration set forth in this subsection (g).

3.6.4 AACS LA Action.

3.6.4.1 If no arbitration has been initiated with respect to the AACS Proposed Action pursuant to Section 3.6.3, or if an arbitration is withdrawn, then AACS LA may take the AACS Proposed Action, and shall provide Content Participant with notice thereof.

3.6.4.2 If an arbitration has been initiated with respect to the AACS Proposed Action pursuant to Section 3.6.3 and has not been withdrawn and (x) the arbitrator determines that the Arbitrating Content Participants have not carried the burden set forth in Section 3.6.3.1; or (y) notwithstanding the arbitrator's determination that the Arbitrating Content Participants have carried such burden, the arbitrator further determines that AACS LA has carried its burden set forth in Section 3.6.3.2, then AACS LA may take the AACS Proposed Action and shall provide Content Participant with notice thereof.

3.6.4.3 If the arbitrator determines that the Arbitrating Content Participants have carried the burden set forth in Section 3.6.3.1 and that AACS LA has not carried its burden set forth in 3.6.3.2, then the AACS Proposed Action shall not be taken and AACS shall provide reasonable notice thereof to Content Participant.

3.7. Permitted Changes and Compliance with Changes. The Specifications and Compliance Rules may be amended from time to time by AACS LA and the Licensors only in accordance with Section 3.6, this Section 3.7 and Exhibit F to this Agreement. AACS LA shall provide Fellow Content Participants with thirty (30) days' notice of any changes to the Compliance Rules or the Specifications ("Notice Period"). Unless Content Participant exercises its right to terminate the Agreement in response to a change in a Specification as provided in Section 8.1.2.2, Content Participant shall be required to comply with all amendments to the Compliance Rules or to the Specifications that do not require material modifications to Content Participant's product design or manufacturing processes within ninety (90) days after expiration of the Notice Period or longer period specified by AACS LA, provided that Content Participant may continue to sell and distribute for a period of eighteen (18) months after the expiration of the Notice Period Licensed Content Products that Content Participant can demonstrate were Mastered, in the ordinary course of its business, consistent with past practice, prior to the expiration of the Notice Period or longer period specified by AACS LA. Unless Content Participant exercises its right to terminate the Agreement in response to a change in a Specification

as provided in Section 8.1.2.2, Content Participant shall be required to comply with all other amendments to the Compliance Rules or to the Specifications within eighteen (18) months after expiration of the Notice Period. Changes to the Annual Administration Fees (as set forth in the Fee Schedule attached as Exhibit B) shall be permitted only as set out in Sections 4.1 and 4.2 and 4.5. For the avoidance of doubt, the requirements of this Section 3.7 shall not apply with respect to Licensed Content Products that have been shipped as of the effective date of such amendment.

3.7.1. AACS LA and the Licensors may make such changes to a given Book as they deem necessary or appropriate until version 1.0 of such Book is released. After version 1.0 of a Book has been released, AACS LA and the Licensors shall make no material changes to such Book (including any changes that would expand such Book to require the inclusion of new technical features not included in version 1.0 of such Book or make Licensed Products Mastered prior to such changes incompatible with the new version of the Book). Notwithstanding the foregoing, AACS LA and the Licensors reserve the right to (i) create one or more new Books (comparable to the existing format adaptation Books), to map or port the AACS Technology to other Removable Storage Media to which content is cryptographically bound using AACS Technology so that such content can be accessed by compliant products upon insertion of such media in such products, provided, however, that such mapping or port shall not add functionality beyond what is already described with particularity in the Specifications as of commencement of final licensing program; and (ii) correct any errors or omissions in the Specifications or to make changes that would clarify, but not materially amend, alter or expand the Specifications, from time to time.

3.7.2. Except as AACS LA and the Licensors may conclude is necessary to provide for protection of Digital Entertainment Content, AACS LA and the Licensors shall not make any revisions to the Compliance Rules that would materially increase the cost or complexity of implementations of Licensed Products.

3.8. Changes sought by Content Participants or Adopters. Fellow Content Participants may, singly or with other Fellow Content Participants and/or Adopters, suggest changes in the Specifications or Compliance Rules. Requests will be submitted in writing to AACS LA and describe the suggested change and the reason for the suggestion (such as that it would improve the commercial viability, integrity, security, or performance of the AACS Technology or the security of AACS Content or correct errors or omissions to or clarify the Specifications or Compliance Rules).

3.8.1 AACS LA will acknowledge receipt of the suggestion and will consider it in good faith in a manner consistent with Sections 3.6, 3.7.1, 3.7.2, 3.8.3 and 3.8.4. Requests are most likely to receive serious consideration if, with modest investment, they would improve the commercial viability, integrity, security or performance of the AACS Technology, or the security of AACS Content without causing any incompatibility with existing implementations. AACS LA will reply in writing within a reasonable time to the suggesting party about AACS LA's intentions with respect to the suggestion.

3.8.2 All submitted suggestions will be non-confidential and AACS LA may use, reproduce, modify, disclose and distribute the written suggestions to other

interested parties in connection with the promotion of the AACS Technology, Specifications and Approved Licenses. Content Participant grants to AACS LA, under its copyright rights in any suggestions that it submits, singly or with other Fellow Content Participants and/or Adopters, an irrevocable, perpetual, worldwide, non-exclusive royalty-free license to reproduce, distribute, perform, display and create derivative works of such suggestions, solely for the purpose of developing, using and promoting any AACS Technology, Specifications or Approved Licenses. Subject to this purpose limitation, AACS LA shall have the right to fully sublicense all or any portion of the rights granted by such license, including the right to permit further sublicensing. Content Participant covenants that it will not knowingly include intellectual property owned or controlled by a third party or information known to be proprietary or confidential to any third party in any such suggestion.

- 3.8.3 AACS LA shall not unreasonably reject a change proposed by a majority of the Fellow Content Participants which Fellow Content Participants can demonstrate, by the preponderance of evidence: (i) would improve the commercial viability, integrity, security or performance of the AACS Technology, improve the security of AACS Content, correct errors or omissions to the Specifications or Compliance Rules, or clarify the Specifications or Compliance Rules, but in each case not materially amend, alter or expand any given Book after it has been released in version 0.9; (ii) would not impose additional, substantial obligations on Licensors, AACS LA, Adopters, Fellow Content Participants or Content Providers or on the operation of Licensed Content Products; (iii) does not implicate a patent right that would become a Necessary Claim by such a change; (iv) would maintain parity of access to content between hardware and software products; (v) would maintain interoperability of hardware and software products with respect to content protected by AACS Technology; and (vi) would preserve and/or enhance the basic level of security provided by the AACS Technology.
- 3.8.4 AACS LA shall additionally cooperate with Fellow Content Participants to seek alternatives to proposed changes that do not meet one or more of the criteria set forth in Section 3.8.3, but Licensors shall have the right ultimately to reject any and all such proposed changes in their good faith judgment.

- 3.9. Changes to Products Mastered Under an Interim Content Participant Agreement. Licensed Content Products Mastered under an Interim Content Participant Agreement or Interim Content Provider Agreement (“Interim Masters”) may be used to manufacture and distribute Licensed Content Products as embodied on Removable Storage Media that comply with the versions of the Specifications and Compliance Rules that were in effect under the Interim Content Participant Agreement; provided, however, that (i) any such LCP Units produced after the date which is eighteen (18) months following the Effective Date shall comply with the Mandatory MC Obligations, and (ii) as of the Effective Date any Interim LCP Units shall comply with the Mandatory MC Obligations, in each case subject to Sections 5.5 and 5.6. For the avoidance of doubt, Licensed Content Products which are Mastered after the Effective Date shall not constitute Interim Masters and shall not be eligible for such delayed implementation as specified in clause (i) above.

4. FEES

- 4.1. Evaluation Administration Fees. Within thirty (30) days of the Evaluation Election Date, Content Participant shall pay AACS LA Evaluation Administration Fees as set forth in the Fee Schedule attached as Exhibit B, subject to any pro-rata credit to which Content Participant may be entitled under Section 4.1 of an Interim Content Participant Agreement. Upon each anniversary of the Evaluation Election Date (the “Annual Evaluation Payment Date”), Content Participant shall pay AACS LA the Annual Administration Fee for the following year which fee shall be used to offset the costs associated with AACS LA’s administration of the AACS Technology. AACS LA may, upon at least thirty (30) days notice to Content Participant, modify the Annual Administration Fee payable for the period beginning on the next Annual Evaluation Payment Date, provided that any increase in such fees shall not exceed an amount commensurate with any increase in AACS LA’s costs. Without limiting the foregoing, where costs per Fellow Content Participant decrease, AACS LA shall use commercially reasonable efforts to reduce the Annual Administration Fee. Content Participant when ordering Evaluation Keys shall pay order fulfillment fees as set forth in the Fee Schedule attached as Exhibit B. Content Participant shall not be entitled to any refund of fees paid for any reason.
- 4.2. Production Administration Fees. Within thirty (30) days of the Production Election Date, Content Participant shall pay AACS LA Administration Fees as set forth in the Fee Schedule attached as Exhibit B, subject to any pro-rata credit to which Content Participant may be entitled under Section 4.2 of an Interim Content Participant Agreement. Upon each anniversary of the Production Election Date (the “Annual Production Payment Date”), Content Participant shall pay AACS LA the Annual Administration Fee for the following year which fee shall be used to offset the costs associated with AACS LA’s administration of the AACS Technology, including without limitation licensing, testing, enforcement, and litigation. AACS LA may, upon at least thirty (30) days notice to Content Participant, modify the Annual Administration Fee payable for the period beginning on the next Annual Production Payment Date, provided that any increase in such fees shall not exceed an amount commensurate with any increase in AACS LA’s costs. Without limiting the foregoing, where costs per Fellow Content Participant decrease, AACS LA shall use commercially reasonable efforts to reduce the Annual Administration Fee. Content Participant shall not be entitled to any refund of fees paid for any reason.
- 4.3. Fees for Media Key Blocks. A Content Participant licensed under Section 2.3, when ordering Media Key Blocks, shall pay AACS LA on a per unit or set annual fee basis for key generation fees as set forth in the Fee Schedule attached as Exhibit B, subject to any pro-rata credit for an annual fee to which Content Participant may be entitled under Section 4.3 of an Interim Content Participant Agreement. AACS LA will supply a written invoice for such charges upon receiving Content Participant’s order in the form specified by AACS LA, and Content Participant agrees to pay such invoice prior to generation of Media Key Blocks for such order. AACS LA reserves the right to exercise due diligence to verify that the order is appropriate, and Content Participant shall provide reasonable cooperation in such process. Content Participant shall not be entitled to any refund thereof for any reason. AACS LA may, upon at least thirty (30) days notice to Content Participant, modify the key fee, provided that any increase in such fees shall not exceed an amount commensurate with any increase in AACS LA’s or Founders’ costs.

- 4.4. Content Certificate Fees. Content Participant shall pay AACS LA on the basis set forth in the Fee Schedule attached as Exhibit B. AACS LA will supply a written invoice for such charges upon receiving Content Participant's order in the form specified by AACS LA, and AACS shall not fulfill such order unless and until Content Participant has paid such invoice. Content Participant shall not be entitled to any refund thereof for any reason. AACS LA shall have the right to audit Content Participant's records for the sole purpose of determining the sufficiency of payments hereunder. Any such audit shall be conducted in accordance with Section 4.6 below.
- 4.5. Adjustment for Inflation. On December 31, 2009, and every third anniversary thereof, AACS LA may, at its option, adjust any or all of the fees set forth in this Section 4 for inflation based on the change in the Producer Price Index from January three years prior thereto to December of the then-current year. AACS LA will make any such adjustment effective on April 15 of the following year. Adjustments under this Section 4.5 and modifications under Sections 4.1 through 4.4 shall be independent of one another, and not mutually exclusive.
- 4.6. Audits by AACS LA.
- 4.6.1 AACS LA shall have the right to require that Content Participant conduct an internal investigation to confirm, with respect to a given Reporting Year(s) (as defined on Exhibit B), that Content Participant has paid the Content Certificate fees required hereunder for the number of LCP Units that Content Participant has manufactured during such Reporting Year. Content Participant shall report to AACS LA the results of such investigation, and make any further payment of Content Certificate fees as required hereunder, within a reasonable period of time after receipt of notice of AACS LA's demand for such internal investigation. After receipt of such report from Content Participant, or in the event that Content Participant does not submit such report, and any required payment, to AACS LA within such reasonable period of time, AACS LA shall have the right to audit Content Participant's records (including, without limitation, records with respect to any LCP Units manufactured by third parties on Content Participant's behalf) with respect to the Content Certificate fees paid by Content Participant hereunder with respect to such Reporting Year(s).
- 4.6.2 AACS LA's right to require Content Participant to conduct an internal investigation and report and to perform a subsequent audit shall be limited to occur no more than once in any twelve (12)-month period during the Term and once during the twelve-month period immediately following termination of this Agreement, and shall be limited to an audit with respect to Content Certificate fees paid with respect to the then-current (or, if after the Term, the most recent) Reporting Year and the immediately preceding Reporting Year only. Any audit shall be conducted only upon reasonable advance notice to Content Participant and during normal business hours. Content Participant agrees to reasonably cooperate with the auditor in its performance of the audit.
- 4.6.3 Any audit shall be performed by an independent third party (such as an accounting firm) mutually agreed between Content Participant and AACS LA, which third party will be subject to a confidentiality agreement with Content

Participant and will be engaged by AACS LA to perform the audit on a time and materials, and not a contingency fee, basis. The auditor shall treat all records of Content Participant as Confidential Information and shall disclose to AACS LA only whether Content Participant has paid, with respect to the applicable Reporting Year(s), Content Certificate fees equal to or greater than the Content Certificate fees required hereunder for the number of LCP Units that Content Participant has distributed during such Reporting Year(s) and, if not, the amount of the underpayment. Such results shall be communicated to Content Participant and AACS LA in a formal report within thirty (30) days after completion of the audit; provided that the auditor first provides Content Participant with five business days' advance notice of the results. For the avoidance of doubt, AACS LA does not waive any rights of evidentiary discovery in connection with any legal action arising out of any alleged underpayment of Content Certificate fees paid by Content Participant hereunder.

- 4.6.4 In the event that an audit discloses an underpayment by Content Participant of Content Certificates fees with respect to an applicable Reporting Year(s), Content Participant shall promptly pay any such underpayment to AACS LA and if such underpayment is more than ten percent (10%) of the amount of such fees that were actually paid by Content Participant hereunder with respect to an applicable Reporting Year(s), Content Participant shall reimburse AACS LA for all reasonable out-of-pocket costs incurred by AACS LA in connection with such audit.

5. **MANAGED COPY/WATERMARK/IMAGE CONSTRAINT TOKEN/DIGITAL ONLY TOKEN**

5.1. Obligation to Publish Certain Licensed Content Products.

- 5.1.1 If Content Participant embeds the AACS No Home Use State in a given Theatrical Release of Digital Entertainment Content in any country of the world, then Content Participant shall, within the later of (a) fourteen (14) months of such first Theatrical Release, or (b) if such embedding is done prior to the Effective Date of this Agreement pursuant to the Interim Content Participant Agreement, then one (1) month after the Effective Date of this Agreement (as applicable, the "Required AACS Version Release Window"), Release a substantially similar version of such Digital Entertainment Content (which may, for example, be a directors cut, or have a changed aspect ratio) as AACS Content on prerecorded optical media ("Substantially Similar AACS Version") in such country of first Theatrical Release or the United States, as determined by Content Participant. *[Note to Content Participant: In the event that delivery of AACS Content on prerecorded optical media is no longer the predominant method of delivery of AACS Content, AACS LA will reexamine the form of delivery required.]*

- 5.1.2 If Content Participant embeds the AACS No Home Use State in a given Theatrical Release of Digital Entertainment Content in any country of the world, and Content Participant undertakes a Theatrical Release of such Content in the United States on greater than one hundred (100) screens, then, within the Required AACS Version Release Window, Content Participant shall Release a Substantially Similar AACS Version in the United States.

- 5.1.3 Where Content Participant does not itself have prerecorded optical media distribution rights necessary to comply with the above requirement in the United States or in such country of Theatrical Release, Content Participant may satisfy its obligations in Section 5.1.1 and/or 5.1.2 by obtaining an understanding with a party having such rights that such party will comply with the requirements in Sections 5.1.1 and/or 5.1.2, as applicable.
- 5.1.4 Notwithstanding the foregoing, in the event of unusual circumstances that arise between the Theatrical Release of the applicable Digital Entertainment Content and the end of the Required AACS Version Release Window (*e.g.*, commercial failure of the Theatrical Release or intellectual property rights issues that prevent publication of the Substantially Similar AACS Version), Content Participant shall be entitled to petition the AACS LA for an exception to the foregoing obligations in Sections 5.1.1 and/or 5.1.2.
- 5.1.5 For the avoidance of doubt, the decision to Release Digital Entertainment Content in any country, and the timing of such Release, shall be in Content Participant's sole discretion, subject only to the requirements of Sections 5.1.1 through 5.1.4 above.

5.2 Mandatory MC Offers and Optional Offers.

- 5.2.1 Mandatory MC Obligations. Except as otherwise set forth in Sections 5.5 and 5.6, Content Participant shall, through its Online Service Provider, comply with the obligations set forth in Sections 5.2.1.1 and 5.2.1.2 (the "Mandatory MC Obligations").

5.2.1.1 Communication of Mandatory MC Offer. In response to receipt by an Online Service Provider of each request from a Licensed Copier, made in accordance with the Specification and the Compliance Rules, for the communication of Managed Copy offers with respect to a Mandatory LCP Unit, (i) if such request is received on or after the Managed Copy Activation Deadline, then Content Participant shall deliver to such Licensed Copier the Mandatory MC Offer information required by the Section of the Specification entitled "Offer Response Creation" (currently Section 5.5.4) (the "Offer Information") in accordance with the requirements of each of such Sections, and (ii) if such request is so received prior to the Managed Copy Activation Deadline, Content Participant may, but shall not be required to, so deliver such Offer Information; provided that if Content Participant does not deliver such Offer Information, then to the extent supported by the Specifications, the Licensed Copier and the applicable Online Transaction, until the applicable Managed Copy Activation Deadline, Content Participant shall deliver information to such Licensed Copier specifying the future availability of such Managed Copy in a manner specified by the Specifications.

5.2.1.2 Authorization of Mandatory Managed Copy. In response to receipt by an Online Service Provider of a request from a Licensed Copier for Authorization to fulfill a Mandatory MC Offer with respect to a

Mandatory LCP Unit, which request is made in accordance with the Specification and the Compliance Rules, Content Participant shall deliver to such Licensed Copier the Authorization in the manner required by the Section of the Specification entitled “Request Permission Response Creation” (currently Section 5.5.9). Content Participant shall not be required to deliver such Authorization if Content Participant determines by a reasonable technical method, approved by AACS LA pursuant to Section 5.2.1.3, that at the time of request for such Authorization that the fulfillment of such Mandatory MC Offer would result in copying of AACS Content in useable form from Removable Storage Media that, at the time of such copying, is not within the same home or personal environment as the device or storage medium with which use of the resulting copy is associated, except to the extent:

- (A) such copying is between two devices, each of which is under the control of an individual, or a member of a group of associated individuals, forming a household, where the devices are verifiable through reasonable and robust technical means to be under such control; or
- (B) such copying between two devices that are not within the same home or personal environment is otherwise approved by AACS (including in the context of a particular AACS Authorized Copying Method that has been specifically designated on Table C-1 as approved for permitting remote Managed Copies).

5.2.1.3 Reasonable Technical Method. Content Participant shall provide written notice to AACS LA of the proposed use of such a technical method as specified in Section 5.2.1.2, which such notice shall include reasonable technical detail describing such technical method. Within thirty (30) days after receipt of such notice, AACS LA shall review such technical method, evaluate whether such method is a reasonable technical method and respond to Content Participant as to whether it (a) approves the use of such method on such basis, which such approval shall not be unreasonably withheld or delayed, or (b) needs more time to evaluate such method, in which event AACS LA shall specify to Content Participant a reasonable period of additional time and shall provide to Content Participant its determination with regard to the use of such method within such period (it being agreed that AACS LA may request only one such extension with respect to a given technical method). In the event that AACS LA does not approve the use of such technical method, AACS LA shall describe in reasonable detail the technical and/or other reasons that AACS LA has determined that such technical method is not reasonable. Content Participant shall not decline any Authorization based on such technical method until such method is approved by AACS LA as described above. *[Note to Content Participant: AACS LA is not currently aware of any such reasonable technical method and does not, by this provision, assume any obligation to develop one. Further, to the extent that a given technical method involves a particular output*

technology, AACS may discuss such method with the licensor of such output technology.]

- 5.2.2 If Content Participant has complied with Section 5.2.1 with respect to a Mandatory LCP Unit, Content Participant will be deemed to be in compliance with its Mandatory MC Obligations with respect to such Mandatory LCP Unit, even if the consumer never exercises any Mandatory MC Offer or exercises a Mandatory MC Offer at less than the Baseline Copy Offer for any reason, including, without limitation, because the consumer's device does not support a Baseline Copy Offer.
- 5.2.3 Content Participant shall be entitled to offer a Managed Copy with respect to a particular LCP Unit or Interim LCP Unit, including without limitation to a AACS Authorized Copying Method or Content Owner Authorized Copying Method, even if Content Participant is not required to make a Mandatory MC Offer with respect thereto, unless Content Participant has asserted an MC IP Exception with respect to such LCP Unit or Interim LCP Unit that is inconsistent with having the right to offer such Managed Copy. For the avoidance of doubt, any such offers of Managed Copies other than pursuant to a Mandatory MC Offer shall not be required to fulfill the requirements for the Mandatory MC Offer, such as the requirement to fulfill at least the Baseline Copy Offer.
- 5.2.4 For each Mandatory LCP Unit regarding which an Optional Offer is available, (i) if such Optional Offer is exercised, such Mandatory LCP Unit thereafter ceases to be a Mandatory LCP Unit and there is no remaining Mandatory MC Obligation with respect thereto, and (ii) to the extent supported by the Licensed Copier and within the reasonable technical control of Content Participant's Online Service Provider, Content Participant (a) shall not present to the user of such Licensed Copier such Optional Offer without presenting a reasonable opportunity to receive the Mandatory MC Offers associated with such Mandatory LCP Unit, (b) shall not present to the user of such Licensed Copier any Mandatory MC Offer without presenting a reasonable opportunity to receive the other Mandatory MC Offers associated with such Mandatory LCP Unit, and (c) shall provide reasonable notice to the end user exercising such Optional Offer or such Mandatory MC Offers, prior to completion of such exercise, that some or all other Mandatory MC Offers may not be available after completion of such exercise.

5.3 Pricing for Managed Copies Determined by Content Participant.

- 5.3.1 Pricing for Managed Copies shall be determined by Content Participant in its sole discretion, and Content Participant shall be entitled to establish different prices for Managed Copies made to different AACS Authorized Copying Methods, provided that, as between Managed Copies made available pursuant to the Mandatory MC Obligation but not with respect to any other Managed Copies, such differential pricing is for bona fide commercial reasons and not for the purpose of frustrating the intent of making Managed Copies available to all AACS Authorized Copying Methods.

5.3.2 Arbitration Remedy.

5.3.2.1 Notwithstanding anything contained in this Agreement to the contrary, as the sole remedy for a violation of Section 5.3.1, AACS LA has the right to initiate arbitration over whether the pricing differential of Managed Copies pursuant to a Mandatory MC Offer is in violation of Section 5.3.1 (“MC Pricing Arbitration”). Such MC Pricing Arbitration shall be initiated by notice to Content Participant no more than one (1) year from date that Content Participant first posts to the Managed Copy Server the Mandatory MC Offer at issue. *[Note that each Founder Studio agrees to abstain from any such arbitration in which such Founder Studio is not a party.]*

5.3.2.2 The MC Pricing Arbitration shall be conducted in accordance with the applicable provisions set forth in Exhibit G.

5.3.2.3 Notwithstanding anything contained in this Agreement to the contrary, in the event that the arbitrator finds that Content Participant violated Section 5.3.1 (“MC Pricing Arbitration Loss”), as specified in Section 10.7.2, the arbitrator may award only prospective injunctive relief that Content Participant must re-establish the price(s) for Mandatory MC Offers with respect to the affected Mandatory LCP Unit(s) consistent with the terms of Section 5.3.1, taking into account the evidence produced at the arbitration, and Content Participant shall comply with the requirements of any such injunctive relief finally awarded. In no event shall the arbitrator determine any pricing for any Managed Copies, and no other legal relief or any equitable relief shall be available in any forum.

5.4 IP Acquisition. Content Participant agrees not to limit its acquisition of rights with respect to New Release Titles, nor to divest itself of rights with respect to Catalog Titles or New Release Titles, for the purpose of depriving Adopters of the benefit of the Mandatory MC Obligations.

5.5 The MC IP Exception.

5.5.1 Assertion of the MC IP Exception.

5.5.1.1 Content Participant may assert the MC IP Exception for a particular Title in a particular country in the event that Content Participant has a good faith belief that any of the intellectual property rights in such Title required to comply with the Mandatory MC Obligations for the Digital Entertainment Content included in the applicable Licensed Content Product in such country (i) are not held by Content Participant or (ii) are at issue (in each case, a “Good Faith Belief of Rights Issue”).

5.5.1.2 Content Participant shall assert the MC IP Exception by notifying AACS LA at the time of completing the Managed Copy Checklist (as defined in the Compliance Rules), or in a subsequent revision to such Managed Copy Checklist, which such notification shall specify the affected Title

and country. Such Managed Copy Checklist shall be submitted prior to Release of the applicable Licensed Content Product in such country, and if the Checklist fails to assert the MC IP Exception, then subsequent revisions to such Managed Copy Checklist may assert the MC IP Exception only if (i) such failure was inadvertent, despite the Content Participant having reasonable monitoring procedures in place, or (ii) Content Participant determines, on the basis of facts and circumstances that become known to the Content Participant after the original submission of such Managed Copy Checklist, that Content Participant has a Good Faith Belief of Rights Issue with respect to such Licensed Content Product.

5.5.2 MC IP Exception Safe Harbor.

5.5.2.1 A Content Participant's assertion of the MC IP Exception with respect to a given Title in a given country cannot be challenged unless:

- (A) in the case that such Title is a New Release Title, Content Participant has asserted the MC IP Exception with respect to other New Release Titles in such country comprising the greater of either (i) a number of Titles equal to five percent (5%) of New Release Titles distributed by such Content Participant in such country, or (ii) two (2) New Release Titles, in each case during the one (1) year period consisting of the calendar quarter in which the particular assertion of the MC IP Exception in question is notified to AACCS LA and the immediately preceding three (3) calendar quarters; or
- (B) in the case that such Title is a Catalog Title, Content Participant has asserted the MC IP Exception with respect to other Catalog Titles in such country comprising the greater of either (i) a number of Titles equal to ten percent (10%) of Catalog Titles distributed by such Content Participant in such country, or (ii) two (2) Catalog Titles, in each case during the one (1) year period consisting of the calendar quarter in which the particular assertion of the MC IP Exception in question is notified to AACCS LA and the immediately preceding three (3) calendar quarters;

it being understood that the Titles in such country that fall within the thresholds set forth in foregoing clauses (A) and (B) shall be exempt from challenge and, accordingly, are referred to herein as "Safe Harbor Titles".

5.5.2.2 In the event that Content Participant exceeds the threshold set forth in Section 5.5.2.1(A) with respect to New Release Titles or Section 5.5.2.1(B) with respect to Catalog Titles in a given country, or asserts the MC IP Exception for one (1) or more Titles accounting for, in aggregate, twenty percent (20%) or more of its LCP Unit and Interim LCP Unit volume of New Release Titles or Catalog Titles in a given country during

any given calendar year, none of Content Participant's Titles Released in such country in the following calendar year shall be considered Safe Harbor Titles in such country during the following calendar year.

5.5.2.3 With respect to the percent and Title calculations set forth in Sections 5.5.2.1 and 5.5.2.2 of this Agreement for determining Content Participant's Safe Harbor Titles, (i) when Content Participant is distributing a Title for a Fellow Content Participant or a Content Provider (whether or not an Affiliate of Content Participant), such Title shall not be counted in such calculations, (ii) when Content Participant is distributing a Title for an Affiliate of Content Participant (which Affiliate is not a Fellow Content Participant or Content Provider), such Title shall be counted in such calculations, (iii) when Content Participant is distributing a Title for a non-Affiliate third party entity that is not a Fellow Content Participant or Content Provider, such Title shall not be counted in such calculations, and (iv) when one of Content Participant's Titles is distributed by a Fellow Content Participant or Content Provider, such Title shall be counted in such calculations.

5.5.3 MC IP Exception Challenges. AACS LA or an Eligible Managed Copy IP Exception Adopter, as the sole remedy for a violation of Section 5.5.1, shall have the right to initiate arbitration over whether Content Participant had a Good Faith Belief of Rights Issue with respect to the applicable Title in the applicable country ("MC IP Exception Arbitration"). *[Note that each Founder Studio agree to abstain from any such arbitration in which such Founder Studio is not a party.]*

5.5.3.1 Such MC IP Exception Arbitration shall be initiated by notice to both Content Participant and AACS LA (if applicable) not more than one (1) year from date of Content Participant's notice of its assertion of the MC IP Exception with respect to the applicable Title in the applicable country.

5.5.3.2 The MC IP Exception Arbitration shall be conducted in accordance with the applicable provisions set forth in Exhibit G.

5.5.3.3 In the event that the arbitrator finds that Content Participant did not have a Good Faith Belief of Rights Issue in a particular Title in a particular country ("MC IP Exception Arbitration Loss"), the arbitrator may award only the liquidated damages and equitable relief specified in Section 10.7.1, and no other legal relief or any equitable relief shall be available in any forum.

5.6 Suspension of Mandatory MC Obligations.

5.6.1 If either Content Participant, or a third party engaged by Content Participant to provide fulfillment services for Content Participant's Mandatory MC Obligations (each, a "Managed Copy Service Provider"), (i) has received written notice from a third party holder of intellectual property rights addressed to Content Participant or its Managed Copy Service Provider sufficient to put Content

Participant or its Managed Copy Service Provider on notice of a claim, or has had a lawsuit filed against it alleging, that its compliance with any of the Mandatory MC Obligations may infringe the intellectual property rights of such third party in a given country, other than intellectual property rights in the Digital Entertainment Content (a “Managed Copy IP Claim”), or (ii) has knowledge of a lawsuit filed against a Fellow Content Participant or a Content Provider based on a Managed Copy IP Claim, and a reasonable basis for believing that its implementation of its Mandatory MC Obligations would be subject to the Managed Copy IP Claim and for believing that it does not have a commercially reasonable alternative that would not be subject to the Managed Copy IP Claim, then Content Participant may suspend any or all of such Mandatory MC Obligations in such country as Content Participant reasonably determines are allegedly subject to such Managed Copy IP Claim (the “Suspended Mandatory MC Obligations”), but shall comply with the remaining applicable Mandatory MC Obligations unless Content Participant determines that such compliance would be commercially unreasonable in light of the Suspended Mandatory MC Obligations.

- 5.6.2 Content Participant shall be required to resume compliance with the Suspended Mandatory MC Obligations as soon as commercially reasonable possible after one of the following conditions is satisfied: (i) there is a commercially reasonable non-infringing alternative (other than accepting a license from the party giving notice of or filing a lawsuit based on the Managed Copy IP Claim) to comply with the Suspended Mandatory MC Obligations; (ii) AACS LA revises or amends the Mandatory MC Obligations in a manner that avoids the Managed Copy IP Claim at commercially reasonable expense to Content Participant; (iii) AACS LA obtains or Content Participant obtains a license or binding non-assert on commercially reasonable terms that resolves the Managed Copy IP Claim for the benefit of Content Participant, provided, however that neither Content Participant nor AACS LA shall be under any obligation to obtain such license or non-assert; or (iv) AACS LA provides indemnification to Content Participant, upon terms and conditions reasonably acceptable to Content Participant, with respect to such Mandatory MC Obligations (provided that AACS LA shall be under no obligation to provide such indemnification). Content Participant shall reasonably cooperate with AACS LA in AACS LA’s effort to implement (ii) or (iv).
- 5.6.3 Notwithstanding the foregoing, Content Participant may not suspend any Mandatory MC Obligations with respect to a particular LCP Unit or Interim LCP Unit distributed in a particular country to the extent that (i) such LCP Unit or Interim LCP Unit incorporates the AACS Trusted Source State and (ii) all of the facts and circumstances that would form the basis for a decision to suspend under Section 5.6.1 above with respect to such Licensed Content Product were known to the person or persons within Content Participant’s organization responsible for such decision to suspend at least thirty (30) days prior to completion of the mastering materials for such Licensed Content Product. Content Participant agrees that it shall not intentionally conceal such fact(s) and circumstance(s) from such person(s)’ knowledge.

5.7 Labeling and Promotion of Managed Copy Availability.

- 5.7.1 For each Mandatory LCP Unit, Content Participant shall: (A) clearly indicate to the consumer the availability of Managed Copy on the packaging; provided that, for the avoidance of doubt, with respect to any LCP Unit or Interim LCP Unit that does not support Managed Copy functionality, Content Participant shall not be required to include on the packaging any notice that any LCP Unit or Interim LCP Unit does not support such functionality; and (B) to the extent Content Participant, in its sole discretion, engages in consumer advertising of Mandatory LCP Units, promote the availability of Managed Copies in such consumer advertising, as reasonably determined by Content Participant. For clarification, Content Participant shall not be required to include a menu button for the Managed Copy function in any LCP Unit or Interim LCP Unit.
- 5.7.2 If AACS LA makes available a Managed Copy logo, use of such logo shall be deemed to be sufficient for compliance with the labeling obligations set forth in Section 5.7.1, provided that use of the logo will not be required and that other means of fulfilling the labeling obligations may be used in place of or in addition to use of the logo.
- 5.7.3 Notwithstanding the foregoing, if Content Participant produced the packaging for a given Licensed Content Product Unit prior to the Effective Date of this Agreement pursuant to the Interim Content Participant Agreement, Content Participant shall not be required to remaster or repackage such Licensed Content Product to comply with the requirements of Section 5.7.1(A); provided that if Content Participant does remaster or repackage such Licensed Content Product during the term of this Agreement, Content Participant shall comply with such requirements.
- 5.7.4 On or about two (2) years after the Final CP License Publication Date, AACS LA shall undertake an evaluation of whether the promotional obligations set forth in Section 5.7.1(B) can be suspended due to widespread consumer awareness of the availability of Managed Copies.

- 5.8 Watermark Threshold for Fulfillment of Mandatory MC Obligations. In the event that Content Participant fails to provide the Mandatory MC Offer, or allow a CCI Managed Copy Equivalent at up to the resolution and functionality supported by any of the AACS Authorized Copying Methods available with respect to the applicable Licensed Copier, with respect to fifty percent (50%) or more of the Titles it Releases under this Agreement on optical media using AACS Technology in any given country in a one (1) year period, then Content Participant shall not include the AACS No Home Use State and/or AACS Trusted Source State in any Digital Entertainment Content that Content Participant Releases in such country for the following one (1) year period. For purposes of the foregoing thresholds and prohibitions, the application of the one (1) year period on the basis of calendar quarters, and the calculation of Titles and their “allocation” to Content Participant (*e.g.*, distribution of Content Participant’s own product as compared to distribution of third party titles), shall be determined in accordance with the provisions set forth in Section 5.5.2; provided, however, that the first evaluation of whether Content Participant has exceeded the foregoing threshold shall not be made until the expiration of two (2) full calendar quarters after the Effective Date.

- 5.9 No Embedding of Certain States After Expiration or Termination. For the avoidance of doubt, Content Participant shall not embed, or cause an Adopter to embed the AACS No Home Use State or AACS Trusted Source State, in any mastering materials for Digital Entertainment Content following the expiration or termination of this Agreement.
- 5.10 Image Constraint Token and Digital Only Token. The Image Constraint Token and the Digital Only Token shall be asserted only in conformance with the limitations set forth in the Compliance Rules. Notwithstanding the foregoing, in the event of unusual circumstances that arise between the Theatrical Release of the applicable Digital Entertainment Content and the end of the six (6) month period referenced in the Compliance Rules (*e.g.*, commercial failure of the Theatrical Release), Content Participant shall be entitled to petition the AACS LA for an exception to the foregoing obligation.

6. EXPIRATION OF AACS KEYS

- 6.1. Generally. The Specifications include means by which certain AACS Keys may be Expired.
- 6.2. Proactive Renewal and Automatic Expiration of Shared Device Keys. The Compliance Rules provide for circumstances and procedures according to which Shared Device Keys are to be proactively renewed as set forth in Section 10.2 of the Form Adopter Agreement. In the event that a Shared Device Key is to be Expired pursuant to a provision in an Adopter Agreement equivalent to Section 10.2(ii) of the Form Adopter Agreement, AACS LA shall delay its release of new MKBs containing the Expiration Information relating to such Shared Device Key for a period of sixty (60) days from the date such release would otherwise have occurred, provided that AACS LA may delay such delivery of Expiration Information for up to an additional ninety (90) days if requested to do so by Adopter where AACS LA determines, in its reasonable judgment, that Adopter is proposing a viable means for remedying in its already distributed products the vulnerability that gave rise to the grounds for Expiration, and further provided that recipient Adopters, Fellow Content Participants and Content Providers shall not allow Licensed Products and Licensed Content Products containing such new MKBs to be sold to consumers for an additional thirty (30) days following such release. For avoidance of doubt, nothing in the foregoing section shall prohibit Adopters, Fellow Content Participants and Content Providers from continuing to sell Licensed Products and Licensed Content Products containing the previous version of the MKB to consumers during such period in a manner otherwise consistent with the terms of their respective Approved Licenses.
- 6.3. Other Circumstances Warranting Expiration. AACS LA, at its own initiative or, except in the case of Sections 6.3.3 or 6.3.6, at the initiative of any Eligible Adopter or Eligible Content Participant, may Expire a Device Key, a Device Key Set, Host Private Key, Drive Private Key or Sequence Key or Sequence Key Set when:
- 6.3.1 such AACS Key has been cloned such that the same AACS Key is found in more than one device or Licensed Product other than as set forth in the Compliance Rules for products implementing Shared Device Keys;

- 6.3.2 such AACS Key or Key Set has been (i) made public, lost, stolen, intercepted or otherwise misdirected, or (ii) extracted or disclosed except to the extent permitted by this Agreement (in any instance of (i) or (ii), “Exposed”);
- 6.3.3 AACS LA is directed to Expire such AACS Key or Key Set by the National Security Agency, court order, or other competent government authority;
- 6.3.4 such AACS Key correlates to a Licensed Component that was reported by Adopter as having been shipped to but not received by an intended authorized recipient pursuant to its Adopter Agreement;
- 6.3.5 such AACS Key correlates to a specific unit of a Licensed Product (in the case of unique keys) or to any unit of a Licensed Product (in the case of Shared Device Keys) where such unit or any unit, respectively, has been used for unauthorized extraction, distribution, reproduction or transmission of secret AACS Keys or Title Keys;
- 6.3.6 such AACS Key is reasonably found by AACS LA to be subject to imminently being Exposed on the basis that it:
- (A) correlates to a specific unit (in the case of unique keys), or units (in the case of Shared Device Keys) of a Licensed Product that has a confirmed vulnerability (provided that such vulnerability is not the result of a systemic failure of the AACS Technology or any aspect of the AACS Technology) for which a concrete exploit can be demonstrated in which such an AACS Key can be Exposed and AACS LA reasonably finds that such vulnerability is likely to imminently be so exploited by unauthorized parties to Expose such AACS Key, provided that if the Adopter objects to expiration pursuant to the Key Expiration Procedures (as defined below), then in an arbitration pursuant to the Key Expiration Procedures Expiration shall not be required unless the arbitrator finds, in addition to the foregoing, that the vulnerability is an implementation vulnerability in violation of the Compliance Rules. The finding by the arbitrator on the issue of whether or not an Adopter’s implementation is in breach of the Compliance Rules shall be binding only as to Expiration, and shall not be admissible by such Adopter, AACS LA or any Third Party Beneficiary of the applicable Adopter Agreement in any subsequent litigation concerning other remedies for alleged breaches of the Compliance Rules, or
 - (B) there has been a violation of the requirements of Sections 10.3.1 and 10.3.2 of the applicable Adopter Agreement for handling of AACS Keys, through which violation AACS LA reasonably finds it likely that such AACS Key imminently will be Exposed. Prior to giving the fifteen (15) day notice required under the Key Expiration Procedures in order to seek Expiration under Section 10.3.6 of the applicable Adopter Agreement, AACS LA must give the Adopter ten (10) days’ advance notice of its intent to issue such an Expiration notice, setting for the basis for a good faith belief that the threat of imminent Exposure under the circumstances of (A) or (B) above exists (“Advance Notice”). During such Advance

Notice period, Adopter may provide information in its possession that refutes information in the Advance Notice, which AACS LA shall consider prior to giving actual notice of initiation of the Expiration process;

6.3.7 Adopter consents in writing to a request from AACS LA for Expiration;

(the “Expiration Criteria”). Without limiting the foregoing, AACS LA shall not Expire AACS Keys (a) based on the Adopter’s breach of its Adopter Agreement, other than where Adopter has caused any of the circumstances set forth in Sections 6.3.1 through 6.3.7 above; or (b) to disable products or devices where the security of the AACS Technology has been compromised by third parties, other than as described in Sections 6.3.1 through 6.3.7 above.

6.4 Notice of Proposed Expiration, Consultation with Affected Adopter, and Procedures for Expiration and Arbitration. AACS LA shall comply with the provisions of each Adopter Agreement that are equivalent to Sections 10.4 and 10.5 of the Form Adopter Agreement relating to notice of proposed expiration, consultation with the affected Adopter, and the procedures for expiration and arbitration (“Key Expiration Procedures”).

6.5 Expiration of Content Certificates.

6.5.1 AACS LA shall be able to Expire Content Certificates pursuant to a court order or order of another competent governmental authority.

6.5.2 If Content Participant provides reasonable evidence to AACS LA that (i) more than one instance of a recordable media type has an identical Media ID (as used in the Specifications), and (ii) each such instance has the same Content Certificate, which Content Certificate that corresponds to a Content Certificate that was ordered by or on behalf of such Content Participant, then AACS shall Expire such Content Certificate/Media ID pair.

7. **CONFIDENTIALITY/EXPORT**

7.1. Permitted Use. Content Participant shall use Confidential Information (including its tangible embodiments) only in accordance with the terms of this Agreement, and shall not use such information or any mentally-retained recollections thereof to circumvent the methods disclosed in Confidential Information or to circumvent any obligations under this Agreement. Content Participant shall use Highly Confidential Information including its tangible embodiments only in accordance with the terms of this Agreement and shall not use such information or any mentally retained recollection thereof to circumvent the methods disclosed in Highly Confidential Information or to circumvent any obligation under this Agreement. Content Participant may otherwise use and disclose in its business the increased or enhanced knowledge retained in the unaided memories (that is, without current use of the Confidential Information or Highly Confidential Information recorded in any tangible form) of its directors, employees, agents or contractors as a result of their exposure to the Confidential Information or Highly Confidential Information (a “Residual”). No recipient of Confidential Information or Highly Confidential Information shall: (i) intentionally memorize the Confidential Information or Highly Confidential Information so as to reduce it to an intangible form for the purpose of

creating a Residual or using the same; or (ii) avoid its obligation to maintain the confidentiality of the Confidential Information or Highly Confidential Information merely by having a person commit such item to memory so as to reduce it to intangible form. No Party shall have any rights in any business endeavors of any other Party that may use such knowledge and experience nor any right to compensation related to any Party's use of such knowledge and experience.

7.2. Confidential Information. Content Participant shall maintain the confidentiality of Confidential Information in the following manner:

7.2.1. Content Participant shall employ procedures for safeguarding Confidential Information at least as rigorous as Content Participant would employ for its own confidential information, but no less than a reasonable degree of care.

7.2.2. Content Participant may disclose Confidential Information to (1) regular full-time and/or part-time employees (with the exception of short-term employees, including by way of example and not of limitation employees such as interns, seasonal and temporary employees) and individuals retained as independent contractors who have a reasonable need to know such Confidential Information in order to allow Content Participant to implement AACS Technology in compliance with the Specifications and Compliance Rules and who have executed a nondisclosure agreement sufficient to protect the Confidential Information in accordance with the terms of this Agreement; (2) Fellow Content Participants or any Content Provider; (3) Content Participant's attorneys, auditors or other agents who have a reasonable need to know the Confidential Information and who owe Content Participant a duty of confidentiality sufficient to prevent the disclosure of such Confidential Information; or (4) third parties that have signed and have in force an Approved License having provisions for the protection of Confidential Information no less restrictive than those set forth in this Agreement.

7.3. Highly Confidential Information. Content Participant shall maintain the confidentiality of Highly Confidential Information in the following manner:

7.3.1. Content Participant shall employ procedures for safeguarding Highly Confidential Information at least as rigorous as the Content Participant would employ for its own most highly confidential information, such procedures to include, at a minimum: (1) maintaining on Content Participant's premises a secure location in which any and all Highly Confidential Information shall be stored, where such a location may include electronic storage that is at least as secure with respect to the Highly Confidential Information as the AACS Technology is with respect to the protection of digital content; (2) that any Highly Confidential Information stored in such a location shall be accessible only by Authorized Recipients (as defined below); (3) that (x) where Highly Confidential Information is stored in a location that is physically secure, Authorized Recipients visiting such location shall sign in and out each time that they visit such location, and (y) where Highly Confidential Information is stored securely in an electronic form, Authorized Recipients having access to such Highly Confidential Information shall sign in and out each time that they have such access; and (4) when Highly Confidential Information is not in use, such

information shall be stored in a locked safe at such secure location or shall be stored electronically in a form that is at least as secure with respect to the Highly Confidential Information as the AACS Technology is with respect to protection of digital content.

- 7.3.2. Content Participant may disseminate Highly Confidential Information only to the strictest minimum possible number, consistent with the notification requirements below, of regular full-time or part-time employees or individual independent contractors (with the exception of short-term employees including by way of example and not of limitation employees such as interns, seasonal and temporary employees) of Content Participant: (1) who have an absolute need to know such Highly Confidential Information in order to enable Content Participant to implement AACS Technology in compliance with the Specifications and Compliance Rules; (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 (3) who, prior to the disclosure of such Highly Confidential Information, have: (x) been identified in writing by Content Participant to AACS LA, and (y) read and executed the acknowledgment attached as Exhibit C hereto (the original of such executed acknowledgment to be sent to AACS LA) (“Authorized Recipients”). Content Participant shall take reasonable steps to cause Authorized Recipients to abide by their obligations hereunder and shall use the same efforts to enforce the confidentiality obligations of each Authorized Recipient during and after the termination of his/her employment as Content Participant uses to enforce with respect to Content Participant’s own similarly confidential information, provided that Content Participant shall not use less than reasonable efforts in such enforcement. Content Participant shall make reasonable efforts to assist AACS LA in relation to any claim, action, suit, proceeding, or litigation with respect to the access of Content Participant’s former employee to information provided under this Section 7. Notwithstanding any contrary provision, Content Participant shall not disseminate any Highly Confidential Information to more than three (3) Authorized Recipients per product category (*e.g.*, pre-recorded media, recordable media, etc.) (“Key Recipients”) unless Content Participant has notified AACS LA in advance of its intention to increase the number of Key Recipients to an additional increment of up to three (3) such recipients. Content Participant may make such notifications of additional increments of Key Recipients without limit, but in doing so shall abide by the terms of clauses (1), (2), and (3), above. Content Participant may substitute another employee for a Key Recipient only in the event of death, permanent or long term disability or resignation or termination of employment or contract of an existing Key Recipient or reassignment of an existing Key Recipient to a substantially different business unit that is not involved in the development, manufacture, or sale of products (in the product category Key Recipient was theretofore involved in) incorporating AACS Technology. Content Participant shall inform AACS LA in writing prior to the substitution or addition of any Key Recipient. Content Participant may also disclose Highly Confidential Information to an employee of another Fellow Content Participant, or of an Adopter or Content Provider, where such other company is authorized to possess such Highly Confidential Information and where the recipient to whom disclosure is made is a Key Recipient for such other company. Prior to any disclosure pursuant to the preceding sentence, Content

Participant must assure itself that such other company is, in fact, authorized to possess the Highly Confidential Information to be disclosed, that the recipient to whom such disclosure is to be made is entitled to possess the Highly Confidential Information to be disclosed, and that the method to be used to disclose Highly Confidential Information is as secure as the methods used by AACS LA to disclose the same information to the Content Participant. Content Participant may rely on a written representation from such other company, attesting that such company is authorized to possess the Highly Confidential Information and that the recipient to whom the disclosure is to be made is entitled to possess the Highly Confidential Information disclosed, provided Content Participant does not know or have reason to know that the other company or the recipient is not authorized to possess the Highly Confidential Information. Content Participant may disclose Highly Confidential Information to third parties pursuant to the have designed and have made rights provided under Sections 2.2 and 2.3, provided that the Content Participant shall remain responsible for maintaining the confidentiality of the Highly Confidential Information provided to such third parties and provided that Content Participant has executed a nondisclosure agreement with such third parties sufficient to protect the Highly Confidential Information in accordance with the terms of this Agreement.

- 7.4. Copies of Highly Confidential Information. Content Participant shall not make any copies of any document containing Highly Confidential Information except when required for use by different business units licensing Licensed Content Products in the same product category but located in different facilities. In the event such information is required for use by such diversely located business units, Content Participant may make one (1) copy of such documents for each affected business unit and each of the requirements and obligations of this Article will apply individually to each such business unit. Content Participant shall notify AACS LA in writing if such additional copies are made. Content Participant may request that AACS LA provide Content Participant with additional copies of documents containing Highly Confidential Information. AACS LA may, in its sole discretion, fulfill any such request, provided that AACS LA shall not unreasonably refuse to provide requested additional copies.
- 7.5. Contact Person and Provision of AACS LA Information. Content Participant shall designate a single Authorized Recipient who shall receive all Confidential Information and/or Highly Confidential Information (the “Content Participant Contact”) disclosed by AACS LA and may designate a single alternative Authorized Recipient (“Alternate Content Participant Contact”) who shall be entitled to receive such Confidential Information and/or Highly Confidential Information in the event that Content Participant Contact is absent at the time such information is to be provided. Prior to the provision of any Confidential Information and/or Highly Confidential Information to the Content Participant Contact or Alternate Content Participant Contact, such Content Participant Contact or Alternate Content Participant Contact shall have complied with all of his/her obligations under Sections 7.2 and 7.3. Additional or substitute Content Participant contacts may be authorized by AACS LA, subject to additional fees and security requirements.
- 7.6. Notification of Unauthorized Use or Disclosure. Content Participant shall notify AACS LA in writing promptly upon discovery of any unauthorized use or disclosure of Confidential Information and/or Highly Confidential Information, and will cooperate

with AACS LA and the Licensors in every reasonable way to regain possession of such information and to prevent its further unauthorized use or disclosure.

- 7.7. Disclosure of Content Participant Status. AACS LA shall have the right to disclose to third parties the fact that Content Participant has signed this Agreement and obtained a license to implement AACS Technology, and may make available a list of such Fellow Content Participants at least once per quarter which list shall specifically identify Eligible Content Participants which listed Fellow Content Participants have elected to become production licensees pursuant to Section 2.3; provided, however, that such disclosure and such list shall be limited to the Executing Entity and other entities that have signed Content Participant Agreements and such of their Affiliates as have been identified to AACS LA in a notice pursuant to Section 11.9). If Content Participant makes a written request to AACS LA at the time of signing this Content Participant Agreement, AACS LA shall maintain the fact that Content Participant has obtained a license to implement AACS Technology confidential, subject to exceptions and obligations equivalent to those set forth in Sections 7.8 and 7.9 until such time that Content Participant has publicly announced that it intends to distribute Licensed Content Products or has begun marketing such products, or two (2) years after the Effective Date of this Agreement, whichever is earlier. In the event that Content Participant exercises this option, Content Participant shall promptly notify AACS LA when it has publicly announced its product plans or begins marketing Licensed Content Products. Notwithstanding the foregoing, AACS LA may confirm the fact that Content Participant has signed a Content Participant Agreement to any party to an Approved License with AACS LA that is seeking to enforce an obligation of Content Participant under this Agreement following a written refusal to meet such obligation by Content Participant.
- 7.8. Disclosure Required By Law. In the event Content Participant is required by law, regulation, or order of a court or other authority of competent jurisdiction to disclose Confidential Information and/or Highly Confidential Information, (1) Content Participant shall take reasonable steps to notify AACS LA prior to disclosure, or (2) where notice to AACS LA prior to disclosure is not reasonably possible, Content Participant shall take reasonable steps to challenge or restrict the scope of such required disclosure and notify AACS LA as soon as possible thereafter. In either case, Content Participant shall take reasonable steps to seek to maintain the confidentiality of the information required to be disclosed and to cooperate with AACS LA in any effort undertaken by AACS LA to challenge the scope of such required disclosure, or to obtain a protective order requiring that Confidential Information or Highly Confidential Information so disclosed be used only for the purposes for which the order was issued.
- 7.9. Confidentiality Exceptions. The non-use and confidentiality restrictions shall not apply to Highly Confidential Information and/or Confidential Information which Content Participant can demonstrate: (1) is now, or hereafter becomes, through no act or failure to act on the part of Content Participant or its representatives, generally known or available, except that non-use and confidentiality restrictions shall continue to apply to information that must be treated as Highly Confidential Information under the definition of “Highly Confidential Information” whether or not it is marked as such; (2) is known by the receiving Party, as evidenced by its records, without obligation of confidence at the time of receiving such information; (3) is, after receipt of the information from AACS LA or Licensor(s) hereunder, also furnished to Content Participant by a third party without breach of confidence and without restriction on disclosure; (4) is independently

developed by Content Participant without any breach of this Agreement; or (5) is the subject of a written permission to disclose provided by AACCS LA.

- 7.10. Confidentiality Period. The confidentiality obligations set forth in Section 7.2 shall be in effect during the term of this Agreement and shall continue thereafter until five (5) years after termination of this Agreement. The confidentiality obligations set forth in Section 7.3 shall be in effect during the term of this Agreement and shall continue thereafter until the later of (1) three (3) years after the last commercial use of AACCS Technology by AACCS LA or any Content Participant, or (2) the expiration of the last copyright related to any AACCS Technology 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.
- 7.11. Reverse Engineering. Under no circumstances shall Content Participant reverse engineer, reverse translate, decompile, disassemble, or otherwise seek to determine the operation of any element of Highly Confidential Information or Confidential Information or allow another to do so, provided, however, that this Section 7.11 shall not prohibit Content Participant from conducting testing for the purpose of verifying compliance of its own Evaluation Licensed Content Products or Licensed Content Products with the Compliance Rules. Content Participant may, to the minimum extent necessary to (i) test, debug, integrate or tune its own Evaluation Licensed Content Product or Licensed Content Product to ensure that they work in their intended operational environment with other Evaluation Licensed Content Products or Licensed Products, or (ii) verify compliance of its own Evaluation Licensed Content Product or Licensed Content Product with the Compliance Rules, conduct compliance or electrical analyses with respect to the operation of other Licensed Content Products that form part of such intended operational environment.
- 7.12. Export. Content Participant shall comply with all applicable laws and regulations of the United States, Japan and other countries and jurisdictions relating to the export or re-export of commodities, software, and technical data insofar as they relate to activities under this Agreement, and shall obtain any approval required under such laws and regulations whenever it is necessary for such export or re-export. Content Participant agrees and understands that commodities, software and technical data provided under this Agreement may be subject to restrictions under the export control laws of the United States, Japan and other countries and jurisdictions, as applicable, including but not limited to the US Export Administration Act, the US 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.
- 7.13. Executing Entity Responsibility for Affiliates. For the avoidance of doubt, the Executing Entity and its Affiliates may disclose Highly Confidential Information and/or Confidential Information to each other as provided for in this Section 7, provided that in such case the Executing Entity shall cause its Affiliates to be bound by any and all provisions of this Agreement to the same extent such entity is bound. Failure by such Affiliates to observe any provision of this Section 7 shall constitute a breach of this Agreement by Content Participant.

- 7.14. Disclosure of Licensed Content Producers. AACS LA shall maintain a list identifying Licensed Content Producers, and shall provide such list to Content Participant upon request, or alternatively, shall publish such list, updated at least quarterly, on a portion of the AACS LA web site which is accessible by Content Participant.
- 7.15. Disclosure of Authorized Resellers. AACS LA shall maintain a list identifying Authorized Resellers eligible to receive Licensed Components, and shall provide such list to Content Participant upon request, or alternatively, shall publish such list, updated at least quarterly, on a portion of the AACS LA web site which is accessible by Content Participant.

8. **TERM/TERMINATION**

- 8.1. Termination. This Agreement shall commence upon the Effective Date and shall continue until expired or terminated in accordance with any of the following provisions:

8.1.1. Length of Agreement Term.

8.1.1.1 Automatic Termination of Evaluation License. If Content Participant has made an election under Section 11.9 on Exhibit A to be an evaluation licensee but not a production licensee, this Agreement will terminate two (2) years after the Evaluation Election Date, unless extended by mutual agreement of the Parties.

8.1.1.2 Automatic Termination of Production License. If Content Participant has made an election under Section 11.9 on Exhibit A to be a production licensee, this Agreement will terminate twenty (20) years from its Effective Date unless terminated earlier according to this Section.

8.1.2. Voluntary Termination by Content Participant.

8.1.2.1 Content Participant shall have the right to terminate this Agreement at any time upon at least ten (10) days prior written notice to AACS LA.

8.1.2.2 In the event of a change to one or more Books under this Agreement, Content Participant shall have the right during the thirty (30) day notice period specified in the Change Management Provisions to give AACS LA written notice that it is terminating this Agreement effective on a date no later than the date on which Content Participant would have to comply with the change under the Change Management Provisions. In the event of such termination, and provided that Content Participant does not implement such change, Content Participant's covenants not to assert under Section 2.4.1 through 2.4.8 shall not apply to claims that would otherwise be Necessary Claims with respect to the new version of the Book(s) but which were not Necessary Claims prior to such changes, and Content Participant shall not have any right under this Agreement to implement the new versions of the Book(s).

8.1.2.3 In the event that AACS LA and the Licensors adopt one or more new Book(s) under this Agreement that maps or ports AACS Technology to

an additional Removable Storage Media to which content is cryptographically bound using AACCS Technology so that such content can be accessed by compliant products upon insertion of such media in such products, Content Participant shall have the right, within thirty (30) days of receiving notice from AACCS LA of the adoption of such new Book, to give AACCS LA written notice that it is irrevocably terminating this Agreement effective on a date no later than eighteen (18) months from the date of notice of such new Book. In the event of such termination, and provided that Content Participant does not implement such new Book, Content Participant's covenants not to assert under Section 2.4.1 through 2.4.8 shall not apply to claims that would otherwise be Necessary Claims with respect to the new Book or any subsequently adopted Book, and Content Participant shall not be granted any rights under Sections 2.2 or 2.3 with respect to the new Book or any subsequently adopted Book.

8.1.3. Breach and Opportunity to Cure. AACCS LA, but not a Licensor, may terminate this Agreement on behalf of itself and the Licensors for any material breach by Content Participant, and Content Participant may terminate this Agreement for any material breach by AACCS LA or Licensors, subject to the following provisions regarding whether the Party in breach is entitled to an opportunity to cure.

8.1.3.1 This Agreement may be terminated upon written notice to the Party being terminated, without opportunity to cure, in the case of a material breach that:

- (i) is not fully curable within thirty (30) days of such notice, provided that a breach involving the shipment of a product that violates Section 2.11 shall be subject to 8.1.3.2, and shall be considered cured for purposes of this Section 8.1.3 only, if Content Participant ceases shipping additional units of such product as soon as commercially reasonable and in any event no later than within thirty (30) days of notice, and during such thirty (30) days, ships only in the ordinary course of its business, consistent with past practice, or
- (ii) is part of a pattern of behavior involving the repeated release of non-compliant products for which Content Participant received prior notice of breach, whether or not Content Participant cured such repeated breaches following such notice.

8.1.3.2 In all other cases, this Agreement may be terminated only if the Party being terminated is given written notice and fails to cure the breach within thirty (30) days of such notice.

8.1.4. Avoidance of Legal Liability. In the event such action is necessary to avoid its potential legal liability, AACCS LA may terminate this Agreement by providing thirty (30) days written notice to Content Participant. Any Licensor may terminate its licenses to Necessary Claims and convert such licenses to

equivalent covenants not to assert Necessary Claims, subject to equivalent defensive suspension qualifications, to the extent such action is necessary to avoid such Licensor's potential legal liability, by providing thirty (30) days written notice to Content Participant.

8.1.5. Bankruptcy. AACS LA may terminate this Agreement and any Licensor may terminate its licenses to Necessary Claims in the event that Content Participant: (i) files in any court or agency pursuant to any statute or regulation of any state, country or jurisdiction, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of its assets; (ii) proposes a written agreement of composition or extension of its debts; (iii) is served with an involuntary petition against it, filed in any insolvency proceeding, and such petition is not dismissed within sixty (60) days after the filing thereof; (iv) proposes or becomes a party to any dissolution or liquidation; or (v) makes an assignment for the benefit of its creditors.

8.2 Effect of Termination. Upon termination or expiration of this Agreement, all licenses granted to Content Participant by the Licensors and AACS LA under Sections 2.2 and 2.3 shall terminate and, except as otherwise expressly permitted under Section 8 of this Agreement, Content Participant shall promptly cease use of AACS Technology, and cease all activities under licensed rights under this Agreement, including, but not limited to, use, evaluation, testing, development, production, manufacture, sale or distribution of products authorized by or licensed under this Agreement. Within thirty (30) days after termination or expiration of this Agreement, Content Participant shall return all Confidential Information and Highly Confidential Information (including any AACS Keys not already incorporated in products copied onto Removable Storage Media for retail distribution or required to be retained for customer support purposes prior to the date of termination or expiration) to AACS LA or, at AACS LA's option, destroy all such information in its possession, retaining no copies thereof, and provide to AACS LA a written certification of such destruction, including a list of all unused AACS Keys that have been destroyed; provided, however that Content Participant shall be entitled to retain Confidential Information already incorporated in products manufactured prior to the date of termination or expiration or necessary for the exercise of any ongoing rights or performance of any ongoing obligations under this Agreement; provided further however that Content Participant shall, on a quarterly basis, provide a reasonably detailed accounting to AACS of AACS Keys retained by Content Participant pursuant to this provision. Notwithstanding the foregoing, if this Agreement expires or is terminated for reasons other than a termination under Section 8.1.2.2, 8.1.2.3 or 8.1.3, Content Participant licensed under Section 2.3 shall be entitled to an eighteen (18) month sell-off period for Licensed Content Products that Content Participant can demonstrate were copied onto Removable Storage Media for retail distribution, in the ordinary course of its business, consistent with past practice, prior to the expiration or termination of this Agreement.

8.3 Survival. Sections 1, 2.4.1 through 2.4.8 (in each case, with respect to all versions of the Books that were or became Books during the term of this Agreement, except as otherwise provided in Sections 8.1.2.2 or 8.1.2.3), 2.5 (only with respect to surviving non-assertion covenants), 2.6, 2.7, 2.9, 2.10, 5.2 through 5.7 (only to the extent that the obligations in such Sections can be effected on the same terms and conditions as of the date of expiration or termination, including without limitation the availability of the Default

Managed Copy Server on the same terms and conditions as of the date of expiration or termination), 5.9, and 6 through 11, and such other sections of this Agreement that by their own terms survive termination or expiration of this Agreement, or need to survive to give effect to the survival of the foregoing, shall continue in full force after termination or expiration of this Agreement until by their terms they are fulfilled.

9. **DISCLAIMER AND LIMITATION OF LIABILITY**

- 9.1. Generally. The following terms limit the ability of Content Participant to recover any damages from AACS LA or the Licensors in excess of fees actually paid to AACS LA by Content Participant. These provisions are an essential part of the bargain, without which neither AACS LA nor Licensors would be willing to enter into this Agreement.
- 9.2. Disclaimer. ALL INFORMATION, AACS TECHNOLOGY, AND SPECIFICATIONS ARE PROVIDED “AS IS.” AACS LA, LICENSORS, AND THEIR AFFILIATES 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. AACS LA, LICENSORS, AND THEIR AFFILIATES FURTHER DISCLAIM ANY WARRANTY THAT ANY IMPLEMENTATION OF THE SPECIFICATIONS OR COMPLIANCE RULES, IN WHOLE OR IN PART, WILL BE FREE FROM INFRINGEMENT OF ANY THIRD PARTY INTELLECTUAL PROPERTY OR PROPRIETARY RIGHTS.
- 9.3. Limitation of Liability. NONE OF AACS LA NOR LICENSORS NOR THEIR AFFILIATES, NOR ANY OF THEIR DIRECTORS, OFFICERS, AGENTS, MEMBERS, REPRESENTATIVES, EQUIVALENT CORPORATE OFFICIALS, OR EMPLOYEES ACTING IN THEIR CAPACITIES AS SUCH (COLLECTIVELY, THE “AFFECTED PARTIES”) OR THEIR AFFILIATES SHALL BE LIABLE TO CONTENT PARTICIPANT FOR ANY DIRECT, INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES ARISING OUT OF ANY CAUSE OF ACTION RELATING TO THIS AGREEMENT, INCLUDING TERMINATION OF THE AGREEMENT PURSUANT TO SECTION 8.1, OR BASED ON ANY PERSON’S USE OF, OR MAKING, USING, SELLING OR IMPORTING ANY PRODUCTS OF CONTENT PARTICIPANT THAT IMPLEMENT CONFIDENTIAL INFORMATION OR HIGHLY CONFIDENTIAL INFORMATION OR AACS TECHNOLOGY, REFERENCE CODE, OR SPECIFICATIONS, WHETHER UNDER THEORY OF CONTRACT, TORT, INDEMNITY, INTELLECTUAL PROPERTY INFRINGEMENT (DIRECT, CONTRIBUTORY OR OTHERWISE), PRODUCT LIABILITY, REGULATORY OR STATUTORY VIOLATION OR OTHERWISE. TO THE EXTENT THAT ANY COURT OF COMPETENT JURISDICTION RENDERS JUDGMENT AGAINST ANY OF THE AFFECTED PARTIES NOTWITHSTANDING THE ABOVE LIMITATION, THE AFFECTED PARTIES’ AGGREGATE LIABILITY TO CONTENT PARTICIPANT IN CONNECTION WITH THIS AGREEMENT SHALL IN NO EVENT EXCEED THE FEES PAID BY CONTENT PARTICIPANT TO AACS LA HEREUNDER. CONTENT PARTICIPANT AND ITS DIRECTORS, OFFICERS, AGENTS, MEMBERS, REPRESENTATIVES, EQUIVALENT CORPORATE OFFICIALS, OR

EMPLOYEES ACTING IN THEIR CAPACITIES AS SUCH SHALL NOT BE LIABLE TO AACS LA, LICENSORS, OR THEIR AFFILIATES FOR INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES BUT SHALL BE LIABLE FOR DAMAGES AS SET FORTH IN SECTION 10.

- 9.4. Interoperability With Other Encrypted Blocks of Keys. Content Participant understands and agrees that the MKBs provided pursuant to this Agreement are unique to the AACS Technology and may not be interoperable with other encrypted blocks of keys licensed or distributed by any one or more of the Licensors or any third parties.
- 9.5. Other Licenses. Content Participant acknowledges that it may require a license under patent claims other than the Necessary Claims licensed under this Agreement to implement the Specifications, including but not limited to the AACS Technology.

10. **REMEDIES**

- 10.1. Equitable Relief. Content Participant agrees that AACS LA or a Third Party Beneficiary shall be entitled to seek injunctive relief to prevent further or threatened breaches of this Agreement (excluding therefrom Sections 5.3 (Pricing for Managed Copies Determined by Content Participant) and 5.5 (The MC IP Exception) (the “Arbitration-Only Remedy Provisions”)) according to the terms of this Section 10.1, provided that it first provides Content Participant with (i) written notice and (ii) an opportunity to cure if and to the same extent that Content Participant would have an opportunity to cure in the event that AACS LA were seeking termination under Section 8.1.3 and, with respect to a breach of the Mandatory MC Obligations, opportunities to cure as set forth in Sections 10.8.1 and 10.8.2.2. Content Participant agrees that if it breaches its Mandatory MC Obligations or its obligations under Sections 5.1 (Obligation to Publish Certain Licensed Content Products), 5.7 (Labeling and Promotion of Managed Copy Availability), 5.9 (No Embedding of Certain States after Expiration or Termination), 5.10 (Image Constraint Token and Digital Only Token) or 7 (Confidentiality/Export) of this Agreement, and such breach is not cured as provided above or Content Participant is not entitled to cure such breach following notice as provided for in Section 8.1.3, money damages may not provide adequate compensation. This is due to the unique nature of certain provisions of this Agreement and the lasting effect and harm from any breach of such provisions, including making available the means for and/or providing an incentive for widespread circumvention of AACS Technology and unauthorized copying of copyrighted content intended to be protected using AACS Technology. Content Participant further agrees that, as provided by law, injunctive relief is an appropriate remedy to prevent or limit the adverse consequences of actual or threatened breaches of this Agreement (excluding therefrom the Arbitration-Only Remedy Provisions) that are not cured as provided above or which Content Participant is not entitled to cure following notice consistent with Section 8.1.3; provided that any injunctive relief designed to remedy a breach of the Mandatory MC Obligations shall be subject to the limitations specified in Section 10.8.2 below; and provided, further, that any injunctive relief designed to remedy a breach of Section 5.10 of this Agreement shall be limited to prohibiting the further sale of units in breach of such obligations. For clarification and notwithstanding anything contained in this Agreement to the contrary, injunctive relief shall not be available for actual or threatened breaches of, or challenges pursuant to, the Arbitration-Only Remedy Provisions, except to the extent otherwise expressly provided under the applicable provision of Section 10.7 and solely pursuant to the loss of an arbitration as described in

such provision. AACS LA agrees that systemic failures of AACS Technology, or any aspect of AACS Technology, that are not caused by breaches by Content Participant, shall not trigger application of the provisions of this Section 10.1 to Content Participant and/or its products.

10.2. Damages Measures and Limitation for AACS LA Claims. Content Participant agrees that AACS LA or a Third Party Beneficiary shall be entitled to seek liquidated damages according to the terms of this Section 10.2 provided that AACS LA or a Third Party Beneficiary first provides Content Participant with (i) written notice and (ii) an opportunity to cure if and to the same extent that Content Participant would have an opportunity to cure in the event that AACS LA were seeking termination under Section 8.1.3 and, with respect to a breach of the Mandatory MC Obligations, opportunities to cure as set forth in Sections 10.8.1 and 10.8.2.2. The Parties agree that it may be impossible to estimate the amount of damages in the event of certain breaches. Content Participant agrees that in the event of those material breaches by Content Participant described below in Section 10.2.1 through 10.2.5, in addition to any other remedies in equity, but in lieu of any and all other claims by AACS LA for monetary damages, Content Participant shall be liable to AACS LA for liquidated damages for each material breach that is not cured as provided above or which Adopter is not entitled to cure following notice consistent with Section 8.1.3 in the amount set forth below, such amounts to be the exclusive monetary remedies available to AACS LA for any and all such breaches by Content Participant. For purposes of this Section 10.2, a series of substantially related events shall constitute a single material breach. For the avoidance of doubt, in the event that Content Participant pays the amount designated in this Section 10.2 in connection with a material breach by Content Participant of this Agreement, Content Participant shall have no further liability to AACS LA, or the Licensors in their capacity as Licensors, or the constituent entities of AACS LA in their capacity as constituent entities of AACS LA, for additional monetary damages (regardless of legal theory (*e.g.*, negligence) based in whole or in part on the act(s) or omission(s) of Content Participant that gave rise to such material breach).

10.2.1. Material Breach of Confidentiality Provisions. Without limitation of any amounts for which Content Participant may be liable to AACS LA under Sections 10.2.2 through 10.2.5, in the event of a material breach of the confidentiality provisions set forth in Sections 7.1 through 7.4 and Section 7.11 of this Agreement, Content Participant shall be liable to AACS LA for one million U.S. dollars (US\$1,000,000). For purposes of this Section 10.2.1 a breach shall be “material” only if it has resulted in or would be likely to result in commercially significant harm to other users of AACS Technology, including but not limited to Adopters and Fellow Content Participants, or constitute a threat to the integrity or security of the AACS Technology or the security of AACS Content. In addition, the following is a non-exclusive list of circumstances in which the provisions of this Section 10.2.1 above shall not apply: (1) if no Confidential Information and/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 Content Participant maintains a documented 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 the AACS Technology or the security of AACS Content; or (3) if Content Participant brought the breach to AACS LA's attention 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 the AACS Technology or the security of AACS Content.

10.2.2. Material Breach of Requirement to Release Substantially Similar AACS Versions. In the event of a material breach of Section 5.1 of this Agreement, which such breach is not cured in accordance with Section 8.1.3, Content Participant shall be liable to AACS LA in the amount of one million U.S. dollars (US\$1,000,000) per Title. AACS LA agrees that systemic failures of the AACS Technology, or any aspect of the AACS Technology, that are not caused by breaches by Content Participant shall not trigger application of the provisions of this Section 10.2.2 to Content Participant and/or its products.

10.2.3. Material Breach of Mandatory MC Obligations. In the event of a material breach of the Mandatory MC Obligations with respect to a given Title, in each case which such breach (i) is not subject to the Arbitration-Only Remedy Provisions, (ii) is not cured in accordance with Section 8.1.3, Section 10.8.1 or Section 10.8.2.2, and (iii) meets the criteria for an Uncured MC Failure (as defined below) in Section 10.8.2.4, Content Participant shall be liable to AACS LA in the amount of one million U.S. dollars (US\$1,000,000) for such Title. AACS LA agrees that systemic failures of the AACS Technology, or any aspect of the AACS Technology, that are not caused by breaches by Content Participant shall not trigger application of the provisions of this Section 10.2.3 to Content Participant and/or its products.

10.2.4. Material Breach of Section 5.9. In the event of a material breach of Section 5.9 of this Agreement that is not cured in accordance with Section 8.1.3, Content Participant shall be liable to AACS LA in the amount of one million U.S. dollars (US\$1,000,000). AACS LA agrees that systemic failures of the AACS Technology, or any aspect of the AACS Technology, that are not caused by breaches by Content Participant shall not trigger application of the provisions of this Section 10.2.4 to Content Participant and/or its products.

10.2.5. Material Breach of Certain Obligations relating to Image Constraint Token and Digital Only Token. In the event of a material breach of Section 5.10 of this Agreement that is not cured in accordance with Section 8.1.3, Content Participant shall be liable to AACS LA in the amount of one million U.S. dollars (US\$1,000,000) per Title. AACS LA agrees that systemic failures of the AACS Technology, or any aspect of the AACS Technology, that are not caused by breaches by Content Participant shall not trigger application of the provisions of this Section 10.2.5 to Content Participant and/or its products.

10.3. Other Material Breaches. Content Participant agrees that AACS LA shall be entitled to seek actual damages according to the terms of this Section 10.3 provided that AACS LA first provides Content Participant with (i) written notice and (ii) an opportunity to cure if and to the same extent that Content Participant would have an opportunity to cure in the event that AACS LA were seeking termination under Section 8.1.3. In the event of a

material breach that involves any provision of this Agreement, other than Sections 2.4, 2.9 and 2.10 or those covered by Sections 10.2.1, 10.2.2, 10.2.3, 10.3.4 or 10.2.5, and such breach is not cured or Content Participant is not entitled to cure following notice consistent with Section 8.1.3, Content Participant shall be liable to AACS LA for actual damages up to but not in excess of eight million U.S. dollars (US\$8,000,000). AACS LA agrees that systemic failures of the AACS Technology, or any aspect of the AACS Technology, that are not caused by breaches by Content Participant shall not trigger application of the provisions of this Section 10.3 to Content Participant and/or its products.

10.4. Third Party Beneficiary Rights. The Parties agree that the Content Participant's compliance with the terms and conditions of this Agreement, is essential to maintain the value and integrity of the AACS Technology and that such compliance is an integral part of the next generation Digital Entertainment Content business, and as such is a matter of concern to all industry participants. As part of the consideration granted herein, Content Participant agrees that each Eligible Adopter shall be a Third Party Beneficiary of this Agreement and shall be entitled to bring a claim or action to enforce certain rights against Content Participant in accordance with the procedures set out in this Section 10, with respect to Content Participant's compliance with the terms and conditions of this Agreement.

10.4.1. Prior to bringing any Third Party Beneficiary Claim hereunder, an Eligible Adopter must send notice of breach to Content Participant, with a copy to AACS LA, which notice shall trigger the cure period, if any, provided under Section 10.1 and/or 10.2, depending on the remedy or remedies sought.

10.4.2. If Content Participant fails to cure a breach of this Agreement following notice from Eligible Adopter or is not entitled to an opportunity to cure as provided in Sections 10.1, 10.2 or 10.4.1, as applicable, the Eligible Adopter's rights will be limited to seeking injunctive relief and/or liquidated damages with respect to: (i) the distribution, commercial use and sale of Content Participant's implementations of AACS Technology that are in breach (in the case of injunctive relief) or material breach (in the case of liquidated damages) of any obligations of Content Participant hereunder to comply with the Mandatory MC Obligations (for the avoidance of doubt, other than in connection with the Arbitration-Only Remedy Provisions), Section 5.1 (Obligation to Publish Certain Licensed Content Products), Section 5.9 (No Embedding of Certain States After Expiration or Termination) and/or Section 5.10 (Image Constraint Token and Digital Only Token) of this Agreement, and (ii) any disclosure of Confidential Information or Highly Confidential Information that materially and adversely, or in the case of injunctive relief could adversely, affect the integrity of the AACS Technology or the security of Digital Entertainment Content owned or controlled by Fellow Content Participants (each of (i) and (ii), an "Adopter Beneficiary Claim").

In addition, as specified in Section 5.5, an Eligible Managed Copy IP Exception Adopter shall be considered a Third Party Beneficiary of this Agreement with respect only to the right to bring an MC IP Exception Arbitration pursuant to Section 5.5 of this Agreement.

10.5. Damages Measures and Limitation for Eligible Adopter Third Party Beneficiary Claims. Content Participant agrees that it may be impossible to estimate the amount of damages in the event of certain breaches. Content Participant agrees that Eligible Adopter, together with any other Eligible Adopter joining in such Third Party Beneficiary Claim pursuant to the procedure set forth in Section 10.6 below, in addition to any other remedies in equity, but in lieu of any and all other claims for monetary damages under this Agreement available to such Third Party Beneficiaries for such material breach by Content Participant, may bring an action to recover liquidated damages in the amounts, and subject to the same terms and limitations, including notice and opportunity to cure, if any, under Section 10.2, that AACS LA could otherwise recover under Sections 10.2.1, 10.2.2, 10.2.3, 10.2.4 and/or 10.2.5. The amounts recovered in such a Third Party Beneficiary Claim shall be used first to reimburse such Eligible Adopter's actual attorneys' fees (payable to no more than one law firm, regardless of whether individual Third Party Beneficiaries retain separate counsel) and legal costs in excess of any amount recovered pursuant to Section 10.10, and the amount remaining after such reimbursement shall be paid over to AACS LA to be used, in AACS LA's reasonable discretion, in a manner designed to benefit all AACS LA licensees, such as, for example, through a general reduction in fees paid by Adopters, Fellow Content Participants and Content Providers, or to fund or offset the costs of enforcing Approved Licenses.

10.6. Procedures for Third Party Beneficiary Claims.

10.6.1 Prior to initiating any Third Party Beneficiary Claim hereunder, the Third Party Beneficiary seeking to institute such a claim shall provide AACS LA written notice of its intent to pursue such a claim. Such Third Party Beneficiary shall likewise provide AACS LA notice of the actual filing of any Third Party Beneficiary Claims, and shall at AACS LA's request provide copies of material documents to be filed in such Third Party Beneficiary's initiation, institution or pursuit of such Third Party Beneficiary Claim. AACS LA shall offer reasonable cooperation to such Third Party Beneficiary in providing appropriate and necessary information in connection with the Third Party Beneficiary Claim to the extent that such cooperation is consistent with protecting the integrity and performance of the AACS Technology or the security of AACS Content and does not otherwise interfere with AACS LA's obligations to other Fellow Content Participants, Adopters or Content Providers. Third Party Beneficiaries shall not be obligated to provide copies of documents filed or to be filed under seal. AACS LA shall have the option of requiring that any information or documents provided by AACS LA, Licensors, Fellow Content Participants, Content Providers or Adopters to Third Party Beneficiary be filed under seal. Documents provided to AACS LA under the procedures set out herein shall not include any documents filed or to be filed under seal in connection with such Third Party Beneficiary Claim.

10.6.2 AACS LA shall provide timely notice to all Fellow Content Participants that have notified AACS LA of their eligibility as an Eligible Content Participant (in the case of a Third Party Beneficiary Claim against an Adopter other than an Adopter to the extent acting as a Licensed Content Producer) or Adopters that have notified AACS LA of their eligibility as an Eligible Adopter (in the case of a Third Party Beneficiary Claim against a Content Participant, Content Provider or Adopter to the extent acting as a Licensed Content Producer) of receipt of any

notice of a Third Party Beneficiary Claim against such defendant (“Defendant”). Within thirty (30) days of the date of receipt of such notice, all eligible Third Party Beneficiaries shall elect whether to join the Third Party Beneficiary Claim and provide notice of intent to join such Third Party Beneficiary Claim to AACS LA. The failure to provide notice to AACS LA and to move to join such Third Party Beneficiary Claim within the allotted thirty (30) day period, or the subsequent withdrawal from such Third Party Beneficiary Claim, shall be deemed a waiver of the applicable Adopter’s and/or Fellow Content Participant’s Third Party Beneficiary right under the respective Adopter Agreement or Content Participant Agreement, as the case may be, with respect to all Third Party Beneficiary Claims against Defendant arising out of the alleged breach asserted by the Third Party Beneficiary. The Third Party Beneficiary instituting or initiating a Third Party Beneficiary Claim shall support, and Defendant shall not object to, any motion to so join provided it is instituted within the thirty (30) day period following receipt of notice of such Third Party Beneficiary Claim. Neither a Fellow Content Participant’s or Adopter’s failure to notify and consult with AACS LA or provide AACS LA with relevant documents, nor AACS LA’s failure to give notice or provide copies to any Adopter or Fellow Content Participant in accordance with these Third Party Beneficiary procedures shall be a defense to any Third Party Beneficiary Claim or grounds for a request to delay the granting of preliminary relief requested.

10.6.3 Third Party Beneficiaries shall have no right to, and Content Participant agrees that it shall not, enter into any settlement that: (i) amends any material term of this Agreement or another Approved License; (ii) has an adverse effect on the integrity and/or performance of AACS Technology, or the security of Digital Entertainment Content protected by AACS Technology; or (iii) adversely affects or lowers the value of any of AACS LA’s or the Licensors’ rights in and to the AACS Technology or any intellectual property right related to it (embodied therein), unless AACS LA and the Licensors shall have provided prior written consent thereto.

10.7. Remedies for Arbitration-Only Remedy Provisions.

10.7.1 MC IP Exception Arbitration Loss. Content Participant agrees that in the event of an MC IP Exception Arbitration Loss (as defined in Section 5.5.3.3) with respect to a given Title, in lieu of any and all other claims by AACS LA and any and all Eligible Managed Copy IP Exception Adopters for equitable and monetary damages, Content Participant shall be liable to AACS LA, and not to any Eligible Managed Copy IP Exception Adopter, for liquidated damages for such Title in the amount of one million U.S. dollars (US\$1,000,000) for such Title, such amounts to be the exclusive monetary and equitable remedies available to AACS LA and any and all Eligible Managed Copy IP Exception Adopters for any and all such MC IP Exception Arbitration Losses by Content Participant with respect to such Title (it being understood that no equitable relief shall be available to AACS LA nor to any Eligible Managed Copy IP Exception Adopter, including without limitation the any injunctive relief requiring the cessation of further shipment of discs). For purposes of this Section 10.7.1, a series of substantially related events shall constitute a single material breach. For the avoidance of doubt, in the event that Content Participant pays the amount

designated in this Section 10.7.1 in connection with an MC IP Exception Arbitration Loss with respect to a given Title, Content Participant shall have no further liability to AACS LA, or any Eligible Managed Copy IP Exception Adopter, or the Licensors in their capacity as Licensors, or the constituent entities of AACS LA in their capacity as constituent entities of AACS LA, for additional monetary damages or equitable relief (regardless of legal theory (*e.g.*, negligence)) based in whole or in part on the act(s) or omission(s) of Content Participant that gave rise to such MC IP Exception Arbitration Loss.

10.7.2 MC Pricing Arbitration Loss. Content Participant agrees that in the event of an MC Pricing Arbitration Loss (as defined in Section 5.3.2.3), the award of the arbitrator of prospective injunctive relief that Content Participant must re-establish the price(s) for Managed Copies of the affected Mandatory LCP Unit(s) shall be in lieu of any and all other claims by AACS LA for equitable and monetary damages with respect to such MC Pricing Arbitration Loss by Content Participant. For purposes of this Section 10.7.2, a series of substantially related events shall constitute a single material breach. For the avoidance of doubt, in the event that Content Participant re-establishes the prices(s) for Managed Copies of the affected Mandatory LCP Units(s) as specified in Section 5.3.2.3 in connection with an MC Pricing Arbitration Loss, Content Participant shall have no further liability to AACS LA, or the Licensors in their capacity as Licensors, or the constituent entities of AACS LA in their capacity as constituent entities of AACS LA, for additional monetary damages or equitable relief (regardless of legal theory (*e.g.*, negligence)) based in whole or in part on the act(s) or omission(s) of Content Participant that gave rise to such MC Pricing Arbitration Loss, except that the re-established price(s) for Managed Copies of the affected Mandatory LCP Units(s) shall be subject to further challenge pursuant to Section 5.3.2.

10.7.3 The amounts recovered pursuant to Section 10.7.1 shall be used first to reimburse such Eligible Managed Copy IP Exception Adopter's actual attorneys' fees (payable to no more than one (1) law firm, regardless of whether, with respect to an MC IP Exception Arbitration, individual Managed Copy IP Exception Adopters retain separate counsel) and legal costs in excess of any amount recovered pursuant to Section 10.10, and the amount remaining after such reimbursement shall be paid over to AACS LA to be used, in AACS LA's reasonable discretion, in a manner designed to benefit all AACS LA licensees, such as, for example, through a general reduction in fees paid by Adopters, Fellow Content Participants and Content Providers, or to fund or offset the costs of enforcing Approved Licenses.

10.8. Mandatory MC Obligations: Breach and Cure.

10.8.1 Notwithstanding anything to the contrary contained in this Agreement, Content Participant shall be considered to have cured, and shall not be liable for liquidated damages, injunctive relief or any other damages or liability with respect to, the failure to fulfill the Mandatory MC Obligations with respect to a given Title (including, without limitation, pursuant to an MC IP Exception Arbitration Loss) (each, an "MC Failure") in the event that, no later than thirty (30) days after the issuance of the determination of the arbitrator in such MC IP

Exception Arbitration Loss or the decision of a court of competent jurisdiction (“Decision”) in any other action relating to such MC Failure (a “Non-IP MC Action”), Content Participant agrees to, and does, activate the Mandatory MC Offer with respect to Mandatory LCP Units of such Title distributed as of the date of the issuance of such determination or Decision, as applicable (“Legacy Discs”), and Mandatory LCP Units of such Title distributed thereafter.

10.8.2 With respect to an MC Failure which is subject to a Non-IP MC Action, the following shall apply:

10.8.2.1 Any injunctive or other equitable relief awarded against Content Participant in a Non-IP MC Action shall be limited to activation of the Baseline Copy Offer on the applicable Managed Copy Server (“Server-Side MC Activation”), it being agreed that Server-Side MC Activation does not require (a) the recall of discs, (b) the download or delivery of software, data or equipment other than in the normal course of operation of, or provision of software or data with respect to, the applicable Managed Copy Server as specified in the Specifications, or (c) any other retroactive upgrades to any LCP Unit or Interim LCP Unit, including without limitation with respect to manifest files, ISAN numbers, and/or conflicts between the ISAN number and the Content Certificate identification number.

10.8.2.2 In the event that Content Participant effects Server-Side MC Activation within thirty (30) days after the issuance of the Decision in the Non-IP MC Action, Content Participant shall be considered to have cured such MC Failure.

10.8.2.3 In cases where Content Participant does not effect Server-Side MC Activation within such thirty (30) day period, such injunctive relief may also consist of stopping further shipment of non-compliant Mandatory LCP Units of the Title (“Stop Shipment Injunction”).

10.8.2.4 Further, in the event that Content Participant loses a Non-IP MC Action with respect to a given Title, and the Decision in such Non-IP MC Action is that Content Participant must effect Server-Side MC Activation for Legacy Discs of such Title, then, in addition to the Stop Shipment Injunction, Content Participant may be subject to the liquidated damages specified in Section 10.2.3 where (i) Content Participant can effect Server-Side MC Activation for Legacy Discs but does not do so within the applicable thirty (30) day period, or (ii) where Content Participant cannot effect Server-Side MC Activation for Legacy Discs because of a technical obstacle that was the result of action taken by the Content Participant for the purpose of avoiding the obligation to effect Server-Side MC Activation, provided that a technical obstacle that occurs due to a mistake made by a Content Participant shall not be sufficient to show “purpose” unless (x) the same technical obstacle occurs in Mandatory LCP Units for Titles produced after the Content Participant loses a Non-IP MC Action and is unable to effect Server-Side MC Activation for Legacy Discs subject

to that Action due to that technical obstacle; or (y) Content Participant discovered the mistake and failed to modify Mandatory LCP Units produced subsequent to the discovery (the foregoing circumstances in (i) and (ii), an “Uncured MC Failure”).

10.8.3 For the avoidance of doubt, notwithstanding anything contained herein to the contrary, all challenges and actions with respect to or in connection with the MC IP Exception shall be subject to an MC IP Exception Arbitration (and not to any Non-IP MC Action), with respect to which solely the remedies specified in Section 10.7.1 shall apply.

10.9. No Limitation of Remedies. Notwithstanding anything else to the contrary contained in this Agreement or any Adopter Agreement, Content Provider Agreement or other Content Participant Agreement, a Third Party Beneficiary’s exercise of its Third Party Beneficiary rights under this Section 10 shall not constitute an election against any statutory or other extra-contractual remedy against an Adopter, Content Participant, another Fellow Content Participant, or Content Provider, as the case may be, such as an action for infringement of copyright, or patent, or an action for circumvention of an effective technological measure pursuant to the Digital Millennium Copyright Act, which may be available to the Third Party Beneficiary for the same act that gave rise to the Third Party Beneficiary Claim.

10.10. Prevailing Party Attorneys’ Fees. The prevailing party in any action to enforce any remedy available under this Section 10 (a “Claim”) shall be entitled to an award of its reasonable attorneys fees incurred in relation to the Claim, in an amount to be fixed either pursuant to stipulation by the parties to a given case or the court, provided that if it is AACS LA or a Third Party Beneficiary acting as a plaintiff, such plaintiff must establish by clear and convincing evidence that the defendant Adopter, Fellow Content Participant or Content Provider has materially breached or engaged in a pattern or practice of breaching the relevant Approved License.

10.11. Device Inspection. AACS LA or any Eligible Content Participant may acquire products distributed under any Adopter Agreement on the open market for examination. Pursuant to and subject to all of the conditions corresponding to Section 9.2 of the Form Adopter Agreement, any Eligible Content Participant that reasonably and in good faith believes that a particular Implementation designed or manufactured by an Adopter is in breach of its Adopter Agreement, shall have the ability to provide notice to the Adopter of that fact and require reasonable cooperation in affording an independent expert designated by the Eligible Content Participant and acceptable to Adopter (which acceptance shall not be unreasonably withheld) an example of any product distributed hereunder, including the service manual for such product and any further details necessary for the independent expert to determine whether Adopter’s product is in compliance with the Agreement. Nothing in this Section 10.11 shall grant a license or permission for AACS LA or any Licensor, Eligible Content Participant or Eligible Adopter, or expert to take any actions or make use of information resulting from such examination or evaluation for any purpose other than for verifying and enforcing, compliance with the terms of this Agreement. For the avoidance of doubt, experts may be engaged in connection with enforcement actions, but have no rights to initiate, or otherwise act on their own accord in, any enforcement action. AACS LA or any Licensor or Eligible Content Participant, or expert that may participate in the examination of one or more of an Adopter’s products

may otherwise use and disclose in its business the increased or enhanced knowledge retained in the unaided memories of its directors, employees, agents, or contractors as a result of exposure to such products of such Adopter or the details provided hereunder and any increased experience that results from such exposure. No Party shall have any rights in any business endeavors of any other Party that may use such knowledge and experience nor any right to compensation related to AACS LA's or any Licensor's, Eligible Content Participant's or expert's use of such knowledge and experience.

- 10.12. Indemnification for Wrongful Acts of Content Participant. Content Participant shall indemnify and hold AACS LA, the Licensors, their Affiliates and their respective officers, members, representatives, agents, directors, equivalent corporate officials, and employees (each, an "Indemnified Party"), harmless from and against any and all 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, to the extent resulting from any breach by Content Participant of (a) Section 5.10 of this Agreement with respect to Content Participant's obligations relating to the assertion of the Digital Only Token, or (b) Section 2.12 of this Agreement. With respect to the indemnity provided by Content Participant in the foregoing clause (b), (i) Content Participant's responsibility shall extend only to amounts payable by AACS LA with respect to the use of AACS Technology by or on behalf of Content Participant in Licensed Content Products of Content Participant and not to any amounts payable by AACS LA with respect to implementations or use of AACS Technology by or on behalf of, or in products of, any person or entity other than Content Participant, and (ii) such indemnification is the sole and exclusive remedy of each Indemnified Party with respect to Content Participant's breach of Section 2.12, and is in lieu of all other legal and equitable remedies other than injunctive relief ordering the cessation of any continued breach of such Section.
- 10.13. Multiple Actions. In the event that more than one party consisting of AACS LA and/or one or more Third Party Beneficiaries bring one or more actions under this Agreement to recover liquidated damages from Content Participant based on the same event or series of substantially related events giving rise to a material breach, Content Participant's liability shall not exceed the amount available under Section 10.2, and Content Participant shall not be liable to pay such amounts more than once based on the existence of such multiple actions and/or parties.

11. MISCELLANEOUS

- 11.1. Ownership. All Confidential Information and/or Highly Confidential Information, copyrights and patents, and media embodying any of the above, as provided by AACS LA to Content Participant shall remain the respective property of AACS LA, the Licensors, or their suppliers. Except as expressly provided herein, this Agreement does not give Content Participant any license or other rights to any information provided under this Agreement.
- 11.2. Entire Agreement. Except as rights under this Agreement are affected/determined by the terms of Adopter Agreements, this Agreement, the exhibits hereto and the Specifications constitute the entire agreement between the Parties with respect to the subject matter involved and supersede all prior oral or written agreements. This Agreement shall not be

modified except in accordance with the Change Management Provisions or as otherwise specifically provided in this Agreement or by written agreement dated contemporaneously with or subsequent to the date of this Agreement and signed by all Parties.

- 11.3. Currency. All fees shall be paid to AACS LA or to its order in United States dollars by wire transfer or such other means as AACS LA may reasonably specify.
- 11.4. Assignment. The rights and licenses granted to Content Participant by this Agreement are personal to Content Participant and shall not be assigned or otherwise transferred except: (a) with the written approval of AACS LA, and with respect to Necessary Claims, written approval of all of the Licensors, (b) to an Affiliate of the Executing Entity, or (c) to the purchaser of all or substantially all of the outstanding capital stock or assets and obligations of Content Participant or of all or substantially all of the outstanding capital stock or assets and obligations of the business unit of Content Participant that is making use of the Confidential Information and/or Highly Confidential Information in its business activities or to the surviving entity in a merger, reorganization, or other business combination; provided written notice of such assignment has been provided in advance to AACS LA and the surviving or acquiring company has agreed in writing to be bound by the terms of this Agreement. Subject to the limitations set forth in this Agreement, this Agreement shall inure to the benefit of and be binding upon the Parties, their successors and permitted assigns. AACS LA or Licensors may assign or transfer this Agreement to any person or entity that agrees to assume the transferor's obligations hereunder, and AACS LA shall provide Content Participant with written notice of such assignment or transfer. Any transfer by Content Participant to a third party of a patent having Necessary Claims shall be subject to Content Participant's existing obligations, if any, under this Agreement. The inclusion in any agreement for assigning a Necessary Claim(s), of a provision that such assignment is subject to existing licenses and obligations to license imposed on Content Participant by the agreement with AACS LA shall be sufficient to comply with this Section.
- 11.5. Purpose and Interpretation. In construing the terms of this Agreement, no presumption shall operate in any Party's favor as a result of its counsel's role in drafting the terms or provisions hereof. It is the parties' intention that the provisions of this Agreement and of the Specification shall be understood and interpreted to be consistent with the purposes of this Agreement, as set forth in the Whereas clauses (to control copying and prevent unauthorized distribution of copyrighted content) and, more specifically, as stated in the following: to protect AACS protected copyrighted content by limiting copying (other than creation of Transitory Images (as defined in the Compliance Rules)) of such content to situations where the content owner has specifically permitted copying through online authorization or CCI settings and by preventing unauthorized redistribution of such content, including by limiting outputs that may carry such content to only those specifically authorized in the Compliance Rules.
- 11.6. Governing Law. THIS AGREEMENT, AND ALL THIRD PARTY BENEFICIARY CLAIMS BROUGHT PURSUANT TO IT, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, THE U.S.A., APPLICABLE TO AGREEMENTS MADE AND TO BE PERFORMED ENTIRELY IN SUCH STATE.

- 11.6.1. Consent to Jurisdiction. IN CONNECTION WITH ANY LITIGATION BETWEEN THE PARTIES HERETO OR IN CONNECTION WITH ANY THIRD PARTY BENEFICIARY CLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, EACH PARTY IRREVOCABLY CONSENTS TO: (1) THE EXCLUSIVE JURISDICTION AND VENUE IN THE FEDERAL AND STATE COURTS LOCATED IN THE COUNTY OF NEW YORK, N.Y., THE U.S.A., EXCEPT THAT CONTENT PARTICIPANT, IF IT HAS A PLACE OF BUSINESS IN CALIFORNIA, MAY BRING THIRD PARTY BENEFICIARY CLAIMS PURSUANT TO SECTION 3.3 IN CALIFORNIA, AND WITH RESPECT TO THIRD PARTY BENEFICIARY CLAIMS, CONTENT PARTICIPANT CONSENTS TO JURISDICTION AND VENUE IN THE FEDERAL AND STATE COURTS LOCATED IN THE COUNTY OF LOS ANGELES, CALIFORNIA, THE U.S.A.; AND (2) THE SERVICE OF PROCESS OF SAID COURTS IN ANY MATTER RELATING TO THIS AGREEMENT BY PERSONAL DELIVERY BY OVERNIGHT MAIL OR INTERNATIONAL COURIER, WHICH REQUIRES SIGNING ON RECEIPT, POSTAGE PREPAID, TO THE PARTIES AT THE ADDRESS SPECIFIED IN THIS AGREEMENT, OR TO THE AGENT TO BE APPOINTED PURSUANT TO SECTION 11.6.2 BELOW. THE PARTIES AGREE TO WAIVE A JURY TRIAL ON ANY ACTION ARISING OUT OF OR RELATING TO THIS AGREEMENT.
- 11.6.2. Agent. CONTENT PARTICIPANT SHALL APPOINT AN AGENT IN THE STATE OF NEW YORK OR CALIFORNIA FOR ACCEPTANCE OF SERVICE OF PROCESS PROVIDED FOR UNDER THIS AGREEMENT AND SHALL NOTIFY AACS LA OF THE IDENTITY AND ADDRESS OF SUCH AGENT WITHIN THIRTY (30) DAYS AFTER THE EFFECTIVE DATE.
- 11.7. Notice. Any notice required to be given under this Agreement shall be in writing and may be by email except in the case of notices under Sections 3.3.1, 3.7, 8.1.3, 8.1.4 and 10.4, which shall be by overnight mail or international courier, which requires signing on receipt, postage prepaid, to the Parties at the address specified in this Agreement. Such notices shall be deemed served when received by addressee or, if delivery is not accomplished by reason of some fault of the addressee, when tendered for delivery. Any Party may give written notice of a change of address and, after notice of such change has been received, any notice or request shall thereafter be given to such Party at such changed address. For the avoidance of doubt, invoices under this Agreement may be delivered by email or regular mail to such address as is designated by Content Participant.
- 11.8. Severability; Waiver. Should any part of this Agreement judicially be declared to be invalid, unenforceable, or void, the Parties agree that the part or parts of this Agreement so held to be invalid, unenforceable, or void shall be reformed by the entity having jurisdiction thereover without further action by the Parties hereto and only to the extent necessary to make such part or parts valid and enforceable. A waiver by any of the Parties hereto of any of the covenants or promises to be performed by the other Party(ies) 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.

- 11.9. Election of License Category and Identification of Affiliates and Subcontractors. Upon execution of this Agreement, Executing Entity shall elect to become an evaluation licensee and/or a production licensee, by completing the initial election requirements on Exhibit A. Subsequent to execution of this Agreement, Executing Entity who has chosen to enter one license may enter a second license by submitting a revised Exhibit A which shall become a binding part of this Agreement upon receipt by AACCS LA. Executing Entity shall provide AACCS LA with prompt written notice of any of its Affiliates that will exercise license rights under Content Participant's Election under Exhibit A based on its status as an Affiliate of Executing Entity.

Remainder of this page intentionally left blank.

SO AGREED AS OF THE DATE FIRST ABOVE WRITTEN.

This Agreement may be executed in multiple counterparts.

AACS LA:

By: _____
Name: _____
Title: _____

Content Participant:

By: _____
Name: _____
Title: _____

Addresses for notices

AACS LA LLC:
c/o AACS Administration
3855 SW 153rd Drive
Beaverton, Oregon 97006 USA

Content Participant:

Content Participant and the Licensors agree and acknowledge that the Content Participant's and Licensors' sole rights, obligations and liabilities towards each other under this Agreement shall be as expressly set forth in the Agreement, and that the Parties below are Parties to the Agreement solely with respect to such express provisions.

Intel GF Inc.
2200 Mission College Boulevard
Santa Clara, California 95052 USA

International Business Machines Corp.
New Orchard Road
Armonk, New York 10504 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Panasonic Intellectual Property
Corporation of America
1 Panasonic Way
Secaucus, New Jersey 07094 USA

Microsoft Corporation
1 Microsoft Way
Redmond, Washington 98052 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Remainder of this page intentionally left blank.

SCA IPLA Holdings, Inc. (Sony)
550 Madison Avenue, 27th Floor
New York, NY 10022 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Toshiba America Information Systems, Inc.
9740 Irvine Boulevard
Irvine, California 92618 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Disney Technology Operations and Licensing
500 S. Buena Vista Street
Burbank, California 91521 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Warner Brothers Entertainment, Inc.
4000 Warner Boulevard
Los Angeles, California 91522 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Remainder of this page intentionally left blank.

EXHIBIT A

Evaluation/Production License Election

Evaluation License. Content Participant elects to become an evaluation licensee, pursuant to Section 2.2 and agrees to comply with all applicable terms and conditions of this Agreement. Content Participant’s election shall be effective by checking the applicable box(es) below upon execution of this Agreement.

- Initial Election:** Content Participant elects, upon execution of this Agreement, the evaluation license pursuant to Section 2.2.
- Revised Election:** Content Participant elects, subsequent to execution of this Agreement, the evaluation license pursuant to Section 2.2.

Content Participant authorized representative signature: _____

AACS LA confirmation signature: _____

Date of AACS LA confirmation of election: _____

Production License. Content Participant elects to become a production licensee, pursuant to Section 2.3 and agrees to comply with all the terms and conditions of this Agreement. Content Participant’s election shall be effective by checking the applicable box(es) below upon execution of this Interim Agreement.

- Initial Election:** Content Participant elects, upon execution of this Agreement, the production license pursuant to Section 2.3.
- Revised Election:** Content Participant elects, subsequent to execution of this Agreement, the production license pursuant to Section 2.3.

Content Participant’s Affiliate(s) identified as follows:

Content Participant authorized representative signature: _____

AACS LA confirmation signature: _____

Date of AACS LA confirmation of election: _____

EXHIBIT B

Content Participant Fees

1. Annual Administrative Fees.

As provided in Section 4 of this Agreement, administrative fees are used to offset the costs associated with the AACS LA's administration of the AACS Technology. As a result, the administrative fees may vary in subsequent years due to an increase or decrease in AACS LA's administrative costs.

AACS Content Participant (Evaluation and/or Production) US\$ 40,000.00

2. Withholding from Payments

Any Fees paid by Content Participant hereunder shall 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, Content Participant shall include with its payment written notification of such withholding and shall forward to AACS LA in a timely manner (but no later than ninety (90) days after such notification) evidence of such withholding adequate to permit AACS LA and/or the Licensors to claim relevant tax credits under applicable treaties. Content Participant assumes full responsibility for remitting such withholding to the proper authority. Failure to provide suitable evidence of withholding shall result in the amount of the withholding being re-applied to Content Participant's account as a balance in arrears.

3. Routing of Orders and Payments

All fees shall be paid to AACS LA or to its order in United States dollars by wire transfer or such other means as AACS LA may reasonably specify.

Key orders shall be directed to:

AACS LA, LLC
c/o AACS Administration
3855 SW 153rd Drive
Beaverton, OR 97006 USA
Tel.: +1-503- 619-0863
Fax: +1-503- 644-6708
Email (orders only): orders@aacsla.com
Email (all other issues): admin@aacsla.com

AACS LA shall provide wire transfer instructions with each invoice, or upon request by Content Participant.

4. Recordkeeping and Audits

Content Participant will be invoiced for Unit Fees at the time its order is received or quarterly if the Content Participant elects to pay on the annual basis. All fees, including quarterly fees, are due and payable prior to shipment of orders.

AACS LA shall have the right to audit Content Participant's records as provided in the applicable Content Participant Agreement for purposes of determining sufficiency of any payments hereunder.

5. Order Fulfillment Fees

Order Fulfillment Fees offset the costs associated with generating key orders.

Even if submitted at the same time, multiple requests for keys of a particular category or type will each be considered a separate "order", and therefore subject to a separate Order Fulfillment Fee.

6. Fees for Prerecorded Media

Prerecorded Optical Media MKB Fees

MKB Order Fulfillment Fee: US\$ 500.00 per order
MKB Unit Fee: N/A

AACS for prerecorded media orders shall be limited to a maximum of one-hundred (100) MKBs per order.

Prerecorded Optical Media Content Certificate Fees

Content Participant may elect from two payment alternatives for prerecorded media. Content Participant should determine the best payment method based on its own business plans. Content Participant may elect to pay per-disc Unit Fees ("Alternative 1", described below) or to pay on an annual basis ("Alternative 2", described below).

1) Content Certificate Unit Fee Alternative 1 – Per-Disc Basis:

Content Certificate Unit Fee: US\$ 0.04 per disc produced under the licenses granted in this Agreement (This alternative is the default unless Content Participant

elects to pay using the Annual Fee Basis (Alternative 2)).

Content Certificate Order Fulfillment Fee: US\$ 500.00 per certificate order. (Note: A single order may include multiple Content Certificates for use on a particular disc, including for purposes of multi-layer discs, or Prepared Video content, up to 5 certificates).

2) Content Certificate Unit Fee Alternative 2 - Annual Fee Basis:

Tier	Annual Units	Minimum Annual Fee	Addl. Per-Disc Rate
1	0 to 200k Units	US\$ 7,200.00	US\$ 0.0360
2	0 to 500k Units	US\$ 12,000.00	US\$ 0.0320
3	0 to 1M Units	US\$ 20,160.00	US\$ 0.0202
4	0 to 2M Units	US\$ 34,474.00	US\$ 0.0172
5	0 to 5M Units	US\$ 70,671.00	US\$ 0.0141
6	0 to 10M Units	US\$ 121,554.00	US\$ 0.0122
7	0 to 20M Units	US\$ 211,504.00	US\$ 0.0106
8	0 to 30M Units	US\$ 291,875.00	US\$ 0.0097
9	0 to 45M Units	US\$ 405,707.00	US\$ 0.0090
10	0 to 60M Units	US\$ 513,895.00	US\$ 0.0086
11	0 to 80M Units	US\$ 654,360.00	US\$ 0.0082
12	0 to 110M Units	US\$ 860,483.00	US\$ 0.0078
13	0 to 150M Units	US\$ 1,129,579.00	US\$ 0.0075
14	0 to 200M Units	US\$ 1,460,923.00	US\$ 0.0073
15	0 to 250M Units	US\$ 1,793,283.00	US\$ 0.0072
16	Greater than 250M Units	US\$ 1,800,000.00	N/A

Example 1: Content Participant A (“CP-A”) projects it will produce 1.5 Million discs in the next year. This means the highest tier CP-A expects to completely use is Tier 3 (0 to 1M Units), plus an additional 500k units above Tier 3. CP-A therefore declares Tier 3 for the next year, and is billed US\$ 20,160.00 in four quarterly installments. At the end of the year, CP-A determines that it did, indeed, produce 1.5 Million discs, just as projected. CP-A then “trues up” by paying an additional US\$ 10,100.00 (500k additional discs x the Tier 3 Addl. Per-Disc Rate of US\$ 0.0202). The total paid for the year will be US\$30,260.00.

Example 2A: Content Participant B (“CP-B”) projects it will produce 4 Million discs in the next year. This means the highest tier CP-B expects to completely use is Tier 4 (0 to 2M Units), plus an additional 2M units above Tier 4. CP-B therefore declares Tier 4 for the next year, and is billed US\$ 34,474.00 in four quarterly installments. At the end of the year, CP-B determines that it actually produced 25 Million discs, well above the number projected. CP-B then “trues up” by paying an additional US\$ 395,600.00 (23M additional discs x the Tier 4 Addl. Per-Disc Rate of US\$ 0.0172). The total paid for the year will be US\$430,074.00.

Example 2B: Content Participant B (“CP-B”) projects it will produce 4 Million discs in the next year. This means the highest tier CP-B expects to completely use is Tier 4 (0 to 2M Units), plus an additional 2M units above Tier 4. CP-B therefore declares Tier 4 for the next year, and is billed US\$ 34,474.00 in four quarterly installments. However, after paying two of the four installments (totaling US\$17,237.00), CP-B revises its projections upward to 25 Million discs. CP-B notifies AACS LA that it wishes to upgrade to Tier 7 (0 to 20M Units). For the remaining two installments of the year, CP-B will be invoiced by AACS LA and will pay US\$97,133.50 for each remaining installment, thus bringing CP-B’s total quarterly payments to US\$211,504 (the Tier 7 Annual Fee). To account for the 5 Million discs produced beyond the upper end of Tier 7, CP-B then “trues up” by paying an additional US\$ 53,00.00 (5M additional discs x the Tier 7 Addl. Per-Disc Rate of US\$ 0.0106). The total paid will be US\$264,504.00.

Content Participant may declare in writing to AACS LA its desire to opt for the Annual Fee (as opposed to the Per-Disc Fee) at any time, but may commence calculation of and payment for Prerecorded Optical Media Content Certificates on the basis of the Annual Fee only at the beginning of the next calendar quarter, and the year for that Content Participant and its corresponding Annual Fee shall run from the first day of such calendar quarter (the “Reporting Year”). At the time Content Participant delivers to AACS LA its written notice to opt for an Annual Fee, it shall specify the Tier of Annual Fee the Content Participant has chosen from the Table above based on its good faith estimate of disc unit production for the Reporting Year. Content Participant will be billed for the Annual Fee in quarterly installments and shall pay each such invoice within thirty (30) days.

Content Certificate Order Fulfillment Fee:	US\$ 500.00 per certificate order. (Note: A single order may include multiple Content Certificates for use on a particular disc, including for purposes of multi-layer discs and Prepared Video content, up to 5 certificates).
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7. Accounting for Prerecorded Media Fees

Prerecorded Optical Media MKB Fees. Content Participant is not required to regularly report MKB usage to AACS LA. However, Content Participant shall provide MKB usage data as part of any audit conducted by AACS LA as provided by this Agreement.

Prerecorded Optical Media Content Certificate Unit Fees - Alternative 1.

Content Participant shall file a report of LCP Units produced under the licenses granted in this Agreement on a quarterly basis no later than forty-five (45) days after the end of each calendar quarter and submit payment based on the number of units shipped.

Prerecorded Optical Media Content Certificate Unit Fees - Alternative 2.

Content Participant shall file a report of LCP Units produced under the licenses granted in this Agreement no later than forty-five (45) days after the end of each Reporting Year. If Content Participant exceeds the maximum number of units in the Tier specified for its Annual Fee (the “Maximum Disc Number”), then AACCS LA will invoice Content Participant for fees corresponding to the Average Rate in the Tier originally specified by Content Participant for that Reporting Year for every unit shipped exceeding the Maximum Disc Number.

Content Participant may specify and adjust upward its Annual Fee to a higher Tier on a quarterly basis by requesting such adjustment in writing within thirty (30) days following the close of the previous quarter and submitting such written request with sufficient funds to make Content Participant’s cumulative quarterly payments for that Reporting Year equivalent to what would have been paid if Content Participant had specified such higher Tier and corresponding higher Annual Fee in its original election at the beginning of that Reporting Year.

Under no circumstances will any overestimation and payment of Annual Fees be refunded to Content Participant.

8. Payment in Advance

All Fees are due and payable in advance of fulfillment of key orders by AACCS LA. Key orders will not be fulfilled if any Fees are in arrears.

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EXHIBIT C

CONFIDENTIALITY AGREEMENT ACKNOWLEDGMENT BY AUTHORIZED RECIPIENTS

I, _____, a full-time or part-time employee or individual independent contractor of _____, a _____ (“Content Participant”), acknowledge that I have been designated by Content Participant as an “Authorized Recipient” to receive on behalf of Content Participant access to Highly Confidential Information of AACS LA (the “Company”), the Licensors of the Company, or another Fellow Content Participant, which Authorized Recipient is obligated to maintain strictly confidential under the terms of the AACS License Agreement (the “Agreement”) between the Company and the Content Participant. With respect to Highly Confidential Information, I acknowledge that the Agreement entered into between the Company and the Content Participant requires Content Participant to employ procedures for safeguarding Highly Confidential Information which procedures include, at a minimum: (i) Content Participant shall employ procedures for safeguarding Highly Confidential Information at least as rigorous as Content Participant would employ for its own most highly confidential information, such procedures to include, at a minimum: (1) maintaining on Content Participant’s premises a secure location in which any and all Highly Confidential Information shall be stored, where such a location may include electronic storage that is at least as secure with respect to the Highly Confidential Information as the AACS Technology is with respect to the protection of digital content; (2) that any Highly Confidential Information stored in such a location shall be accessible only by Authorized Recipients; (3) that (x) where Highly Confidential Information is stored in a location that is physically secure, Authorized Recipients visiting such location shall sign in and out each time that they visit such location; and (y) where Highly Confidential Information is stored securely in an electronic form, Authorized Recipients having access to such Highly Confidential Information shall sign in and out each time that they have such access; and (4) when Highly Confidential Information is not in use, such information shall be stored in a locked safe at such secure location or shall be stored electronically in a form that is at least as secure with respect to the Highly Confidential Information as the AACS Technology is with respect to protection of digital content. I further acknowledge that the Confidentiality Agreement defines Highly Confidential Information to include Device Keys (capitalized terms used herein as defined in the AACS License Agreement).

Continued on next page.

I further acknowledge that I have signed a prior written agreement with Content Participant pursuant to which I have agreed to maintain the confidentiality of third party confidential information received by Content Participant. I acknowledge that I am bound by such agreement or by Content Participant's policies and practices to maintain the confidentiality of Highly Confidential Information during my employment or contract period and after my employment and contract period with Content Participant.

By signing below, I attest that I have read and understood this acknowledgment.

Signed: _____

Name: _____

Date: _____

cc: AACSLA, LLC

EXHIBIT D

Eligible Managed Copy IP Exception Adopters

Dell Inc.
Hewlett-Packard Co.
Koninklijke Philips Electronics N.V.
NEC Corporation
Pioneer Corporation
Samsung Electronics Co., Ltd.
Sanyo Electric Co., Ltd.
ST Microelectronics N.V.
Thomson, Inc.

Exhibit E

AACS Compliance Rules for Audiovisual Works on Optical Storage

Part 1: General and Definitions

1. Applicability and General

- 1.1 Part 1 includes the definitions and applies generally. Part 2 of the Exhibit applies to Adopters other than Licensed Content Producers. Part 2 Section 1 of this Exhibit applies to Licensed Products as indicated; Part 2 Section 2 applies to Licensed Players, Part 2 Section 3 applies to Licensed Copiers, Part 2 Section 4 applies to Licensed Recorders, Part 2 Section 5 applies to AACS Recordable Media, Part 2 Section 6 applies to Licensed Drives, and Part 2 Section 7 applies to all Licensed Products other than Licensed Content Products and AACS Recordable Media. Part 3 of this Exhibit applies to Content Participants, Content Providers, and Licensed Content Producers. Part 4 includes the Audio Watermark embedding, screening and enforcement requirements.
- 1.2 Where a capitalized term is used but not defined in this Exhibit, the meaning ascribed elsewhere in this Agreement and the Specifications shall apply.
- 1.3 AACS Technology shall not be used to encrypt content with an AACS CCI setting of Copy Control Not Asserted without EPN Asserted.
- 1.4 For the avoidance of doubt, the use of the phrase "in a robust manner", "robust technical means", "robust means" (or an equivalent phrase) is not intended to add to, or subtract from, the robustness requirements applicable to the particular requirement associated with the phrase, and is used merely as a reminder.
- 1.5 Nothing in these Compliance Rules (or in related provisions of the Agreement and Specifications) is intended to permit a Licensed Product manufactured for sale in a particular country to use AACS Technology in contravention of any regulation of a government or quasi-government body of such country.

2. Definitions

- 2.1 “AACCS Basic Decryption” shall mean decryption of AACCS Content using AACCS Technology, other than AACCS Bus Decryption.
- 2.2 “AACCS Bus Decryption” shall mean decryption of AACCS Content using AACCS Technology as specified in Section 4.10 of the AACCS Introduction and Common Cryptographic Elements Book.
- 2.3 “AACCS Content” shall mean Digital Entertainment Content that is encrypted in a manner compliant with the AACCS Specifications and AACCS Approved Licenses.
- 2.4 “AACCS Drive Authentication” shall have the meaning set forth in the Specifications.
- 2.5 “AACCS Flag” means information specified in the Cinavia Specification and contained in the Audio Watermark that denominates particular Audiovisual Content as being subject to screening and enforcement requirements applicable to Licensed Access Products.
- 2.6 “AACCS No Home Use State” means information specified in the Cinavia Specification and contained in the Audio Watermark that combines the AACCS Flag indicating the AACCS AWM Compliant Content state with the Copy Management Field indicating the No Home Use state (as these terms are defined in the Cinavia Specifications), which designates particular Audiovisual Content as being subject to No Home Use Mark Enforcement Action screening and enforcement requirements and triggering a No Home Use Mark Enforcement Action in accordance with the requirements of these Compliance Rules and the Cinavia Specifications.
- 2.7 “AACCS Recordable Media” shall mean a writeable storage media that complies with the applicable AACCS Specifications including at least one of either the “AACCS Blu-ray Disc Recordable Book” or the “AACCS HD DVD Recordable Book”, or other recordable adaptation Specifications as may be added from time to time.
- 2.8 “AACCS Signed Content” shall mean Digital Entertainment Content having a valid AACCS Content Certificate as described in the AACCS Specifications.
- 2.9 “AACCS Trusted Source State” means information specified in the Cinavia Specification and contained in the Audio Watermark that combines the AACCS Flag indicating the AACCS AWM Compliant Content state with the Copy Management Field indicating one of the Trusted Source Mark states (as these terms are defined in the Cinavia Specifications), which designates particular Audiovisual Content as (a) being subject to Trusted Source Mark screening and enforcement requirements, (b) being either Long Form Content or Short Form Content, (c) triggering the use of Primary Enforcement Logic or Secondary Enforcement Logic, and (d) triggering a

Trusted Source Mark Enforcement Action, where such information is embedded and read in accordance with the requirements of these Compliance Rules and with the Cinavia Specifications.

- 2.10 “Access” means, in relation to a Licensed Access Product, to read data constituting Audiovisual Content where such Audiovisual Content is encoded in format that such Licensed Access Product contains the functionality to decode the audio portion of the Audiovisual Content pursuant to the requirements set forth in Part 4 Section B.
- 2.11 “Audiovisual Content” means audiovisual content that qualifies as a “motion picture” pursuant to Section 101 of the United States Copyright Law (17 U.S.C. Section 101), as amended as of March 1, 2008 -- “audiovisual works consisting of a series of related images which, when shown in succession, impart a impression of motion, together with accompanying sounds, if any” -- whether in encrypted or unencrypted form, and that is primarily intended to be performed in a predetermined, continuous, sequential manner.
- 2.12 “Audio Watermark” means the audio watermark described in the Cinavia Specifications where such audio watermark contains the AACS Trusted Source State and/or the AACS No Home Use State.
- 2.13 “Audio Watermark Detector” means the function associated with a Licensed Access Product that performs Audio Watermark screening and sends to the Licensed Access Product appropriate Watermark Enforcement Trigger Notices according to requirements set forth in these Compliance Rules and the Cinavia Specifications.
- 2.14 “Bound Copy Method” shall mean a method that effectively and uniquely associates an authorized copy (using a cryptographic protocol or other effective means) made from AACS Content with a single Licensed Product that is not a Licensed Content Product or AACS Recordable Media so that such copy cannot be accessed in usable form by another product except where the content of such copy is passed to an output only as permitted under this Agreement (including but not limited to Part 2, Sections 2.2, 2.3, 3.2 and 3.6). A copy of Decrypted AACS Content made using a Bound Copy Method remains subject to all obligations applicable to Decrypted AACS Content under this Agreement, until such copy is passed to an output permitted under this Agreement including but not limited to Part 2, Sections 2.2, 2.3, 3.2 and 3.6.
- 2.15 “Bus-Decrypted AACS Content” shall mean, with respect to a Licensed Product, AACS Content that such Licensed Product has decrypted using AACS Bus Decryption, but has not been decrypted using AACS Basic Decryption (*i.e.*, AACS Basic Decryption remains to be performed).

- 2.16 “Cinavia Specifications” means all documents necessary to implement the Cinavia™ audio watermark as provided by Verance Corporation. Such documents include, but are not limited to, the Cinavia™ Integrated Product Specification, the Cinavia™ System Specification, and the Cinavia™ Detector Specification.
- 2.17 “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 ratio). A Constrained Image may be attained by reducing resolution, for example, by 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.
- 2.18 “Content Protection Requirements” shall mean, with respect to a Licensed Product, the applicable content protection requirements of AACS set forth in the Agreement, Specifications and Compliance Rules, including but not limited to the content protection technologies, Watermark Requirements, output protections, output restrictions, recording protections, recording limitations, protections and limitations on copying (including but not limited to Managed Copy and Move) and the triggering of analog protection systems. For the purposes of Section 7 (“Licensed Product Robustness Rules”), the Specification requirements applicable to a Managed Copy Machine with respect to parental controls shall be treated as Content Protection Requirements.
- 2.19 “Continuous Mode” means screening of Audiovisual Content by configuring an Audio Watermark Detector to use the Continuous Mode Duty Cycle as defined in the Cinavia Specifications.
- 2.20 “Copy Control Information” (“CCI”) means the information that represents the copy protection status of particular content to Licensed Products as defined by the applicable copy protection specification and these Compliance Rules. *Note: Although defined in the AACS Blu-ray Disc Recordable Book of the Specification, the Copy One Generation (‘COG’) CCI state and the Copy Never (‘CN’) CCI state shall not be used in relation to Audiovisual Content recorded onto AACS Recordable Media using the AACS Blu-ray Disc Recordable Book.*
- 2.21 “CSS” shall mean the Content Scramble System for which the specification and license are available through the DVD Copy Control Association.
- 2.22 “Decrypted AACS Content” shall mean, with respect to a Licensed Product, AACS Content that such product has decrypted using both AACS Bus Decryption (where applicable) and AACS Basic Decryption but whose control and/or protection obligations have not been passed to an output permitted by these Compliance Rules or to an AACS Authorized Copying Method or Content Owner Authorized Copying

Method permitted by this Agreement. *Note to Adopter: A copy made using a Bound Copy Method remains subject to all obligations applicable to Decrypted AACS Content under this Agreement, until such copy is passed to an output permitted under this Agreement including but not limited to Part 2, Sections 2.2, 2.3, 3.2 and 3.6.*

- 2.23 “Digital Only Token” shall mean the field, as described in the Specifications, used to trigger the limitation of output of Decrypted AACS Content to only-digital outputs. *Note to Adopter: Content Participants and Content Providers are permitted to set the Digital Only Token for AACS Content only pursuant to Part 3, Section 1.2 of these Compliance Rules.*
- 2.24 “Encryption Drive” means a Licensed Drive or an optical disc media reader from which a Licensed Access Product plays back AACS encrypted Audiovisual Content.
- 2.25 “Existing Model” shall mean (i) a product, including without limitation a device, into which a Licensed Product is integrated, all aspects of which are exactly the same in all respects (including branding and consumer model number indication assigned to such integrated device), as any product manufactured and sold prior to December 31, 2010; or (ii) a software Licensed Product, all aspects of which are exactly the same in all respects (including branding and version number) as any software Licensed Product manufactured prior to December 31, 2010; provided, that changes to a product made solely for one or more of the following: (w) to comply with the Compliance Rules, (x) to implement changes solely of Device Key Sets, (y) to implement security patches or (z) to implement bug fixes of failures of a product to operate in accordance with such product’s pre-existing product specification, shall be permitted.
- 2.26 “Image Constraint Token” shall mean the field, as described in the Specification, used to trigger a Constrained Image as set forth in these Compliance Rules. *Note to Adopter: Content Participants and Content Providers are permitted to set the Image Constraint Token only pursuant to the rules set out in Part 3, Section 1.3 of these Compliance Rules.*
- 2.27 “Intermittent Mode” means screening of Audiovisual Content by configuring an Audio Watermark Detector to use the Intermittent Mode Duty Cycle as defined in the Cinavia Specifications. Note that in this mode, watermark screening is applied to selected portions of the Audiovisual Content, with the first selected portion beginning not more than 30 seconds from the start of playback or copying.
- 2.28 “Licensed Access Product” means a Licensed Player or Licensed Copier. For the avoidance of doubt, a Licensed Access Product does not include a Licensed Content Product or a Licensed Drive.
- 2.29 “Licensed Copier” shall mean a Licensed Product that is capable of making copies (including making a copy as part of a Move operation) of Decrypted

AACS Content in the manner described in the Specifications and in the Compliance Rules. For the avoidance of doubt, a Licensed Copier that is capable of making a Managed Copy shall be understood to be a “Managed Copy Machine” as that term is used in the Specifications.

- 2.30 “Licensed Drive” shall mean a Licensed Product that retrieves AACS Content from optical media and implements AACS Drive Authentication and is not a Licensed Player and is not a Licensed Copier.
- 2.31 “Licensed Player” shall mean a Licensed Product that is capable of playing back Decrypted AACS Content in accordance with the Specifications.
- 2.32 “Licensed Recorder” shall mean a Licensed Product that is capable of writing AACS Content onto AACS Recordable Media.
- 2.33 “Long Form Content” means a separately identifiable work of Audiovisual Content marked with the Audio Watermark that is at least 60 minutes in duration when played for normal consumer viewing or listening.
- 2.34 “Managed Copy” shall mean a copy of Decrypted AACS Content that is authorized through an Online Transaction in accordance with the applicable AACS Agreements, Compliance Rules and Chapter 5 of the AACS Pre-recorded Video Book and Chapter 5 of the AACS Prepared Video Book in conjunction with applicable format specific books of the Specifications.
- 2.35 “MCOT” shall mean a copying method set forth on Table C1 or Table C2 of these Compliance Rules where the entry on the table sets forth permissions associated with a Managed Copy. For the avoidance of doubt, an authorized copy method on Table C1 that has permissions only for CCI-based copying is not an MCOT.
- 2.36 “Move” shall mean any process by which:
- (i) content that is usable by only a first device is effectively rendered unusable by that device and is rendered usable by only one other device, only in such manner that the content is never simultaneously usable by both devices; or
 - (ii) content that is usable by only a given device is effectively rendered unusable by that device and is rendered usable in association with only a single instance of Removable Storage Medium, only in such manner that the content is never simultaneously usable both by the device and in association with such instance of Removable Storage Medium (except where such instance of Removable Storage Medium is reinserted in such device to render such content useable in association with such Removable Storage Medium); or
 - (iii) content that is usable in association only with a first single instance of Removable Storage Medium is rendered unusable in association with that instance of Removable Storage Medium and is rendered usable in association with another single instance of Removable Storage Medium, only in such manner that the

content is never simultaneously usable in association with both instances of Removable Storage Media; or
(iv) content that is usable in association only with a single instance of a given Removable Storage Medium is rendered unusable in association with that instance of Removable Storage Medium and is rendered usable by a single device, only in such manner that the content is never simultaneously usable both in association with the instance of Removable Storage Medium and by the device (except where such instance of Removable Storage Medium is reinserted in such device to render such content useable by such device).

For purposes of this definition, “usable” shall mean playable and (where applicable) movable; and “unusable” shall mean neither playable nor movable.

- 2.37 “No Home Use Mark” means the Audio Watermark state designated as “No Home Use” in the applicable Cinavia Specification, where the presence of the state signals that the Audiovisual Content should not be encountered in the consumer home environment (*e.g.*, pre-release or working prints of a theatrical release, theatrical release prints, airline and non-theatrical public venue releases such as to cruise ships, military bases, etc.)
- 2.38 “No Home Use Mark Enforcement Action” means with respect to each such action required to be taken pursuant to the requirements of Part 4 Sections A.3 and A.4:
- a. if a Licensed Access Product is Accessing particular Audiovisual Content for the purpose of playback:
 - (1) the stoppage of playback of such Audiovisual Content, such that further playback of such content requires that the user restart playback from the beginning of the content as if the optical media containing the content had been first inserted into the Encryption Drive or Signature Drive; and
 - (2) display or direct to be displayed a written message concerning the reason for the termination of the playback of the content, where the message so displayed or directed by the Licensed Access Product shall:
 - A. state either:
 - i. “Playback stopped. The content being played is protected by Cinavia and is not authorized for playback on this device. For more information, see <http://www.cinavia.com>. Message Code 1” or a message with substantially the same meaning (including, but not limited to translation into a language other

than English), provided that the Cinavia website URL (or an alternative Cinavia website URL that is established by Verance Corporation as applicable to a particular country or region) and message code number are either (x) included without change in the message, or (y) provided in the written operating instructions provided with the Licensed Access Product; or

ii. “Cinavia playback restriction (1)” or a message with substantially the same meaning (including, but not limited to, translation into a language other than English), provided that a message as specified in section Part 1, Section 2.38.a.(2)A.i. is provided in the written operating instructions provided with the Licensed Access Product. For the avoidance of doubt, the message code number is not required to be included in a message with substantially the same meaning, provided that it is included in the written operating instructions provided with the Licensed Access Product; and

- A. be prominent clear, and legible;
- B. remain present (x) until a subsequent user input (such as an acknowledgment of the message) is received or (y) for no less than 15 seconds; and
- C. not direct consumers to any party or address other than the Adopter itself, the Cinavia website URL as stated above, or a mail address provided expressly for this purpose by Verance Corporation, without the explicit written permission of that party nor state or indicate to the consumer that AACCS, Verance Corporation, Content Participants or Content Providers (in general or by specific name) are responsible for the enforcement action taken by the Licensed Access Product; and

b. if the Licensed Access Product is Accessing particular Audiovisual Content for the purpose of copying:

- (1) the termination of the copy operation such that further copying of such content requires that the user restart copying from the beginning of the content as if the optical media containing the content had been first inserted into the Encryption Drive or Signature Drive; and
- (2) display or direct to be displayed a written message concerning the reason for the termination of the copy operation, where the message so displayed or directed by the Licensed Access Product shall:

A. state either:

- i. “Copying stopped. The content being copied is protected by Cinavia and is not authorized for copying from this device. For more information, see <http://www.cinavia.com>. Message Code 2.”; or a message with substantially the same meaning (including, but not limited to, translation into a language other than English), provided that the Cinavia website URL (or an alternative Cinavia website URL that is established by Verance Corporation as applicable to a particular country or region) and the message code number are either (x) included without change in the message; or (y) provided in written operating instructions provided with the Licensed Access Product; or
- ii. “Cinavia copy restriction (2)” or a message with substantially the same meaning (including, but not limited to, translation into a language other than English), provided that a message as specified in Part 1 Section 2.38.b.(2)A.i. is provided in the written operating instructions provided with the Licensed Access Product. For the avoidance of doubt, the message code number is not required to be included in a message with substantially the same meaning, provided that it is included in the written operating instructions provided with the Licensed Access Product;

B. be prominent, clear and legible and

C. remain present until a subsequent user input (such as an acknowledgment of the message) is received. To prevent damage to the display caused by long term presentation of a static message, implementers may employ standard design methods, such as screen savers, that preclude such damage, so long as the provisions of Part 1, Section 2.38 b are satisfied; and

- D. not direct consumers to any party or address other than the Adopter itself, the Cinavia website URL as provided above, or a mail address provided expressly for this purpose by Verance Corporation, without the explicit written permission of that party, nor state or indicate to the consumer that AACS, Verance Corporation, Content Participants, or Content Providers (in general or by specific name) are responsible for the enforcement action taken by the Licensed Access Product.
- 2.39 “No Home Use Mark Enforcement Trigger Notice” means information conveyed by an Audio Watermark Detector to the associated Licensed Access Product indicating that the prerequisites for taking a No Home Use Mark Enforcement Action have been met. For the avoidance of doubt, as set forth more fully in those portions of the Cinavia Specifications related to “default enforcement,” a determination that the No Home Use Mark is present but that the Audio Watermark Detector has evidence that the AACS Flag may be present but cannot confirm such presence shall be considered to meet the prerequisites for taking a No Home Use Mark Enforcement Action if the No Home Use Mark is determined to be present in 10 continuous minutes of screened Audiovisual Content and the presence or absence of the AACS Flag remains unconfirmed.
- 2.40 “Online Service Provider” shall mean an entity that has executed an Online Service Provider Agreement that remains in effect and includes its Affiliates.
- 2.41 “Online Transaction” shall mean the transactions requiring interaction of the AACS Licensed Product with an Online Service Provider, as such interaction is described in Chapter 5 of the AACS Introduction and Common Cryptographic Elements Book. These transactions include AACS Network Download Content, AACS Managed Copy, AACS Online Enabled Content, AACS Streamed Content, and other online transactions as may be added from time to time.
- 2.42 “Primary Enforcement Logic (“PEL”)” means the use of an Audio Watermark Detector to determine whether the Trusted Source Mark is present in screened Audiovisual Content in accordance with the requirements specified in the Cinavia Specification applicable to Audio Watermark Detectors for use in AACS Licensed Access Products, where a Trusted Source Mark Enforcement Trigger Notice is conveyed to the associated Licensed Access Product
- a. whenever the Audio Watermark Detector determines that the Trusted Source Mark is enforceable in Long Form Content by finding the Trusted Source Mark in at least 7 out of 9 sequential 200-second screening intervals, or

- b. whenever the Audio Watermark Detector determines that the Trusted Source Mark is enforceable in Short Form Content by finding the Trusted Source Mark in at least 7 out of 9 sequential 100-second screening intervals.
- 2.43 “Proactive Renewal” shall mean a mechanism implemented by an Adopter that seeks to replace the Shared Device Key Set in a Licensed Product through a Periodic Update as provided in Section 10.2 of the Adopter Agreement, provided that such mechanisms are not required to ensure that every Licensed Product has its Shared Device Key Set replaced within eighteen months, given that AACS shall automatically Expire such Shared Device Key Sets according to the terms of the Adopter Agreement. *Note to Adopter: Mechanisms for carrying out proactive renewal that are not timely will result in a negative consumer experience if Shared Device Key Sets are Expired before they are replaced, resulting in a failure of the Licensed Product to play back AACS Content.*
- 2.44 “Produced” shall have the meaning set forth in Section 1.65 of the Final Adopter Agreement.
- 2.45 “Secondary Enforcement Logic (“SEL”)” means the use of an Audio Watermark Detector to determine whether the Trusted Source Mark is present in screened Audiovisual Content in accordance with the requirements specified in the Cinavia Specification applicable to Audio Watermark Detectors for use in AACS Licensed Access Products, where a Trusted Source Mark Enforcement Trigger Notice is conveyed to the associated Licensed Access Product:
- a. whenever the Audio Watermark Detector determines that the Trusted Source Mark is enforceable in Long Form Content by finding the Trusted Source Mark in at least 13 out of 15 sequential 100-second screening intervals, or
 - b. whenever the Audio Watermark Detector determines that the Trusted Source Mark is enforceable in Short Form Content by finding the Trusted Source Mark in at least 13 out of 18 sequential 50-second screening intervals.
- 2.46 “Shared Device Key Sets” shall mean Device Key Sets used in common by multiple devices as defined in the AACS Specifications.
- 2.47 “Short Form Content” means a separately identifiable work of Audiovisual Content marked with the Audio Watermark that is less than 60 minutes in duration when played for normal consumer viewing or listening. For the avoidance of doubt, where a single optical media disc contains multiple separately identifiable audio-visual works (e.g., television show episodes) each of which is less than 60 minutes in duration, each such work shall be considered to be Short

Form Content for purposes of these Compliance Rules and the Cinavia Specifications.

- 2.48 “Signature Drive” means an optical disc media reader that is not an Encryption Drive but (i) is located in the same physical enclosure as an Encryption Drive, (ii) where Audiovisual Content played back from such reader uses the same decompression and, when applicable, decryption hardware and/or software as content played back from the Encryption Drive, and (iii) from which AACS Signed Content that is not AACS encrypted content can be played back. For avoidance of doubt, an optical disc media reader that plays back Audiovisual Content protected using the Content Scramble System with an AACS Signature as described in the AACS Signed CSS Book is a Signature Drive.
- 2.49 “Transitory Image” shall mean data comprising Decrypted AACS Content that has been stored temporarily for the sole purpose of performing a function as permitted by this Agreement where such data (a) does not persist materially after such function has been performed and (b) is not stored in a way that permits copying or redistribution of the data in usable form for other purposes.
- 2.50 “Trusted Source Mark” means any Audio Watermark state designated as “Trusted Source” in the applicable Cinavia Specifications for use in Audiovisual Content to signify that such content may be encountered in content stored on optical storage media in a TSMAT, but should not be encountered in content stored on optical storage media that is not in a TSMAT. *Note: Trusted Source Mark replaces the term “Consumer Mark” that was used in the Interim AACS Compliance Rules.*
- 2.51 “Trusted Source Mark Allowed Technology (“TSMAT”)” means a content protection system listed in these Compliance Rules on Table W. *Note: As provided in Part 4 Section A.2.b(1) of the Compliance Rules, the presence of the Trusted Source Mark in any content in a TSMAT shall not trigger a Watermark Enforcement Action. Because certain technologies listed on Table C-2 may not be listed on Table W, Content Participants, Content Providers, and Adopters are cautioned that use of such technologies to make copies of content containing the AACS Trusted Source State will result in AACS Licensed Players refusing to play back such consumer recorded content when the content is contained on a disc played back from an Encryption Drive or a Signature Drive.*
- 2.52 “Trusted Source Mark Enforcement Action” means with respect to each such action required to be taken pursuant to the requirements of Part 4 Sections A.3 and A.4:
- a. if a Licensed Access Product is Accessing particular Audiovisual Content for the purpose of playback:

- (1) muting of any and all output of the audio portion of the screened Audiovisual Content where:
 - A. the muting of the audio output continues for no less than 15 seconds (the “Enforcement Period”);
 - B. the Licensed Access Product’s audio mute indicator associated with the screened Audiovisual Content, if present, is illuminated or otherwise set to indicate that the audio output is muted for the duration of the Trusted Source Mark Enforcement Action; and
 - C. the Licensed Access Product’s “un-mute” function associated with the screened Audiovisual Content is made inoperable for the duration of the Trusted Source Mark Enforcement Action; and
- (2) display or direct to be displayed a written message concerning the reason for the muting of the audio, where the message so displayed or directed by the Licensed Access Product shall:
 - A. state either:
 - i. “Audio outputs temporarily muted. Do not adjust the playback volume. The content being played is protected by Cinavia and is not authorized for playback on this device. For more information, see <http://www.cinavia.com>. Message Code 3” or a message with substantially the same meaning (including, but not limited to, translation into a language other than English), provided that the Cinavia website URL (or an alternative Cinavia website URL that is established by Verance Corporation as applicable to a particular country or region) and message code number are either (x) included without change in the message, or (y) provided in written operating instructions provided with the Licensed Access Product; or
 - ii. “Cinavia playback restriction (3)”, or a message with substantially the same meaning (including, but not limited to, translation into a language other than English), provided that a message as specified in Part 1 Section 2.52.a.(2)A.i. is provided in the written operating instructions provided with the Licensed Access Product. For the avoidance of doubt, the message code number is not required to be included in a message with substantially the same meaning, provided that it is included in the written operating instructions provided with the Licensed Access Product.; and

- B. be prominent, clear and legible on an active display available to the consumer, which AACCS recommends to be the same screen as the video portion of the Audiovisual Content.; and
 - C. not direct consumers to any party or address other than the Adopter itself, the Cinavia website URL as stated above, or a mail address provided expressly for this purpose by Verance Corporation, without the explicit written permission of that third party, nor state or indicate to the consumer that AACCS, Verance Corporation, Content Participants or Content Providers (in general or by specific name) are responsible for the enforcement action taken by the Licensed Access Product.
- b. if a Licensed Access Product is Accessing particular Audiovisual Content for the purpose of copying:
- (1) the termination of the copy operation such that further copying of such content requires that the user restart copying from the beginning of the content as if the optical disc media containing the content had been first inserted into the Encryption Drive or Signature Drive; and
 - (2) display or direct to be displayed a written message concerning the reason for the termination of the copy operation, where the message so displayed or directed by the Licensed Access Product shall:
 - A. state either:
 - i. “Copying stopped. This content is protected by Cinavia and is not authorized for copying from this device. For more information, see <http://www.cinavia.com>. Message Code 4” or a message with substantially the same meaning (including, but not limited to, translation into a language other than English), provided that the Cinavia website URL (or an alternative Cinavia website URL that is established by Verance Corporation as applicable to a particular country or region) and message code number are either (x) included without change; or (y) provided in written operating instructions provided with the Licensed Access Product; or
 - ii. “Cinavia™ copy restriction (4)” or a message with substantially the same meaning (including, but not limited to, a translation into a language other than English), provided that a message as specified in Part 1 Section

2.52.b.(2)A.i. is provided in the written operating instructions provided with the Licensed Access Product. For the avoidance of doubt, the message code number is not required to be included in a message with substantially the same meaning, provided that it is included in the written operating instructions provided with the Licensed Access Product; and

- B. be prominent, clear and legible on an active display available to the consumer, which AACCS recommends to be the same screen as the video portion of the Audiovisual Content; and

- C. not direct consumers to any party or address other than the Adopter itself, the Cinavia website URL as stated above, or a mail address provided expressly for this purpose by Verance Corporation, without the explicit written permission of that third party, nor state or indicate to the consumer that AACS, Verance Corporation, Content Participants or Content Providers (in general or by specific name) are responsible for the enforcement action taken by the Licensed Access Product.
- 2.53 “Trusted Source Mark Enforcement Trigger Notice” means information conveyed by an Audio Watermark Detector to the associated Licensed Access Product that the prerequisites for taking a Trusted Source Mark Enforcement Action have been met.
- 2.54 “User-Accessible Bus” shall mean (a) an internal analog connector that is designed and incorporated for the purpose of permitting end user upgrades or access or that otherwise readily facilitates end user access or (b) a data bus that is designed and incorporated for the purpose of permitting 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 form usable by end users.
- 2.55 “Watermark Enforcement Action” means a No Home Use Mark Enforcement Action, or a Trusted Source Mark Enforcement Action.
- 2.56 “Watermark Enforcement Trigger Notice” means a No Home Use Mark Enforcement Trigger Notice or a Trusted Source Mark Enforcement Trigger Notice.
- 2.57 “Watermark Requirements” shall mean the requirements set forth in Part 4 of these Compliance Rules and the defined terms as used in Part 4 and as defined and described in Part 1 Section 2 of these Compliance Rules, except that the requirements of Part 1 Section 2.52.a(1)B., 2.38.a(2)C., and 2.38.b(2)C shall not be considered to be “Watermark Requirements” for purposes of the Robustness Rules applicable to Watermark Requirements.

Part 2 Adopter Compliance Rules for Licensed Products

1. General

1.1 **Transitory Image.** For the avoidance of doubt, this agreement does not prohibit the creation of Transitory Images.

1.2 **Shared Keys.** For Licensed Products containing Shared Device Key Sets, Adopter shall order and use only Device Key Sets designated by AACS as “Shared Device Keys”. Adopter shall implement Proactive Renewal for all Licensed Products containing Shared Device Key Sets. A Licensed Product may implement Proactive Renewal only if the Licensed Product is capable of receiving Periodic Updates, including after a Shared Device Key Set has been Expired in accordance with Section [9] of the Adopter Agreement. If an instance of a Licensed Product has had its Device Key Set Expired before successful Proactive Renewal, Adopter may thereafter deliver to such Licensed Product a Periodic Update that replaces the Device Key Set.

1.3 **MKB Processing.** Notwithstanding anything else in the Agreement or the Compliance Rules, Adopters originally licensed under the Interim License Agreement may continue to manufacture Licensed Products, including Licensed Components, which implement Class I Media Key Blocks, used in Class I devices, as described in the Specifications under the Final Agreement. Such Interim Adopters are encouraged, but are not required, to implement Class II Media Key Blocks, used in Class II devices, as described in the Specifications. New Adopters under the Final Agreement, that (i) were not Interim Adopters, and (ii) manufacture Licensed Products, including Licensed Components, shall implement Class II Media Key Blocks as defined in the relevant specifications. Such new Adopters may manufacture Licensed Products that utilize Class I MKB implementations only in instances where such Licensed Products include a Licensed Component provided by an Adopter formerly licensed as an Interim Adopter and such Licensed Component performs the Class I MKB processing.

2. Licensed Player Compliance Requirements

2.1 **Applicability.** This Part 2 Section 2 is applicable to all Licensed Players as shipped.

2.2 **Analog Outputs.** A Licensed Player shall not pass, or direct to be passed Decrypted AACS Content to an analog output except:

2.2.1 An analog output of audio, or of the audio portions of other forms of Decrypted AACS Content; or

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2.2.2 An analog output of video delineated in Table A1, AACS Analog Authorized Outputs, in accordance with any associated restrictions and obligations specified therein and in the Agreement, and subject to the following sunset requirements:

2.2.2.1 **Analog Sunset – 2010.** With the exception of Existing Models, any Licensed Player manufactured after December 31, 2010 shall limit analog video outputs for Decrypted AACS Content to SD Interlace Modes only. Existing Models may be manufactured and sold by Adopter up until December 31, 2011. Notwithstanding the foregoing, Adopter may continue to manufacture and sell an Existing Model in which the implementation of AACS Technology is a Robust Inactive Product after December 31, 2010 provided that when such Robust Inactive Product is activated through a Periodic Update, such Periodic Update results in a Licensed Player that limits analog video outputs for Decrypted AACS Content to SD Interlace Modes only. Nothing in this section shall be interpreted to override limitations or obligations stated in any other section of this Agreement.

For purposes of this section, “SD Interlace Modes” shall mean composite video, s-video, 480i component video and 576i video.

2.2.2.2 **Analog Sunset – 2013.** No Licensed Player that passes Decrypted AACS Content (excluding Decrypted AACS Content that is decrypted from AACS Recordable Video where the CCI in such Decrypted AACS Content is marked other than Copy Never) to analog video outputs may be manufactured or sold by Adopter after December 31, 2013. For the avoidance of doubt, a Bound Copy Method to which AACS Content has been Moved from AACS Recordable Video with CCI marked other than Copy Never or to which AACS Content has been copied from AACS Recordable Video with CCI marked EPN, is not required to implement the analog sunset required by this Section 2.2.2.2 with respect to such AACS Content.

2.3 **Digital Outputs.** A Licensed Player shall not pass, or direct to be passed Decrypted AACS Content to a digital output except:

2.3.1 A digital output of audio, or of the audio portion of other forms of Decrypted AACS Content, 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.

- 2.3.2 An output delineated in Table D1, AACS Authorized Digital Outputs in accordance with any associated restrictions and obligations specified therein and in the Agreement.

3. Licensed Copier Compliance Requirements

3.1 **Applicability.** This Part 2 Section 3 is applicable to all Licensed Copiers as shipped.

3.2 **Outputs for Copying.** A Licensed Copier shall not pass, or direct to be passed, Decrypted AACS Content to an output, except for the purpose of making a copy of such content to an AACS Authorized Copying Method or a Content Owner Authorized Copying Method pursuant to and as permitted by this Section 3, where such content is protected by the corresponding AACS Authorized Copy Method or Content Owner Authorized Copying Method permitted under this Section 3.

For avoidance of doubt regarding the making of an authorized copy, processing of Decrypted AACS Content prior to protection by the AACS Authorized Copying Method or Content Owner Authorized Copying Method is subject to the AACS Robustness and Compliance Rules. Examples of such processing include transcoding or decimation to constrained image that occur prior to protection by the Authorized Copying Methods, and the proper setting of the parameters as required in Table C1. Once protected by the Authorized Copying Methods, processing of the content becomes subject to the Authorized Copying Method's compliance and robustness rules (note: content protected by a Bound Copy Method remains subject to AACS Compliance and Robustness Rules).

For the further avoidance of doubt, where the `three_d_only` element or the `three_d_full_frame_only` element is set in AACS Content, a Licensed Copier shall not pass, or direct to be passed, Decrypted AACS Content to an output for the purpose of making a copy of such content to an AACS Authorized Copying Method pursuant to and as permitted by this Section 3 only if the AACS Authorized Copying is authorized specifically to make a copy of Decrypted AACS Content containing such an element.

3.3 **Copy Authorization.** A Licensed Copier shall not copy or cause the copying of AACS Content in usable form, except (i) upon receiving Authorization via an Online Transaction to make a Managed Copy of such content pursuant to the requirements of the Specifications and this Agreement, or (ii) where copying of such content is otherwise authorized by the CCI as defined in the Specifications.

3.4 **CCI-Authorized Copies.** A copy made pursuant to Section 3.3(ii) may be made using only a method delineated in Table C1, AACS Authorized Copying Methods, in

accordance with any associated restrictions and obligations specified therein and in the Agreement.

- 3.5 Managed Copies.** A copy made pursuant to Section 3.3(i) may be made only in accordance with the terms of an offer for which Managed Copy Authorization is received from the Managed Copy service, including without limitation any such terms relating to: (a) number of allowed copies, (b) AACS Authorized Copying Method or Content Owner Authorized Copying Method (as identified by MCOT ID), (c) resolution range, and (d) frame rate. A Licensed Copier shall not prohibit, restrict or condition the offering or fulfillment of any such offer made available with respect to any AACS Authorized Copying Method or Content Owner Authorized Copying Method, to the extent such offer is technically supported by such Licensed Copier.
- 3.6 Authorized Move.** Notwithstanding Section 3.3, a Licensed Copier may Move AACS Content in a manner that results in a usable copy (subject to the restrictions in the definition of Move), where the source of the content for such Move is either (i) AACS Content on Removable Storage Media for which the Move Not Allowed bit (as defined in the Specifications) is set to the state so that Move is permitted or (ii) a Bound Copy Method, and where in each case the copy resulting from such Move is protected using a method delineated in Table C1, AACS Authorized Copying Methods in accordance with any associated restrictions and obligations contained therein and in the Agreement, provided that (a) such Move to a Removable Storage Medium is permitted only where such AACS Content was originally associated with Removable Storage Media, and (b) in the case of a Move between two devices, the devices are determined to be within the same home or personal environment, (i) by using the localization methods of DTCP or other reasonable and similarly effective localization methods, or (ii) by using reasonable and robust technical means, such as, without limitation, where both devices are under the control of an individual or a group of associated individuals, forming a household, where the devices are verifiable through reasonable and robust technical means to be under such control.
- 3.7 Managed Copy Non-Interference.** Licensed Products shall not, in response to the initiation of the Managed Copy offer process by an end user, place, assist, or participate in, the triggering of advertisements of any kind in association with or tied to any title without the prior written consent of the copyright owner of such title, to be given in its sole discretion nor, shall it initiate any process that interferes with the security, integrity, and privacy of the Managed Copy offer process. For the purposes of this Agreement and these Compliance Rules, an advertisement would be deemed to be placed, triggered, associated with or tied to a title (i) if such advertisement (A) implies any endorsement or connection to the title and/or (B) is specifically inserted or triggered for display with a title or any artist associated therewith (e.g., not a randomly rotating banner ad); and, (ii) if such advertisement appears on (X) any user interface or other display where the title is featured alone, or (Y) any user interface or other display from which an end user initiated the Managed Copy offer process for the title. Notwithstanding any of the foregoing, Licensed Product shall not place or

exhibit, nor assist, or participate with any third party to place or exhibit, any advertisement whatsoever at any time immediately before, or during or immediately after the initiation, processing and/or completion of the Managed Copy offer by the end user. Furthermore, the Licensed Product shall not cooperate with any other hardware or software, in the placement or exhibition of any advertisement as described above by that other hardware or software, at any time during or immediately after the initiation, processing, and/or completion, of the Managed Copy offer process by the end user. For purposes of this provision, product identification information displayed in the normal course of the operation of the Licensed Product (*e.g.*, status messages, progress bars, screen savers that may have the name or logo of the manufacturer associated with them) shall not be considered “advertisements.”

3.8 Managed Copy within Home or Personal Environment. Adopter hereby agrees that Adopter shall not distribute, or direct others to distribute, a Licensed Copier (or final consumer product into which such Licensed Copier is incorporated) which is configured, as part of its standard user experience for making Managed Copies of AACCS Content as authorized by this Agreement, to automate or otherwise directly facilitate the copying of AACCS Content in useable form from Removable Storage Media which, at the time of such copying, is not within the same home or personal environment as the device or storage medium with which use of the resulting copy is associated, except to the extent

(i) such copying is between two devices, each of which is under the control of an individual, or a member of a group of associated individuals, forming a household, where the devices are verifiable through reasonable and robust technical means to be under such control; or

(ii) such copying between two devices that are not within the same home or personal environment is otherwise approved by AACCS (including in the context of a particular AACCS Authorized Copying Method that has been specifically designated on Table C-1 as approved for permitting remote Managed Copies).

Furthermore, Adopter agrees not to provide specific instructions, services or programs for such configuration of such Licensed Copier (or final consumer product) following its distribution, or advertise or provide specific instructions for use of such Licensed Copier (or final consumer product) for any such purpose noted in this Section 3.8.

3.9 Move within Home or Similar Local Environment. Adopter hereby agrees that Adopter shall not distribute, or direct others to distribute, a Licensed Product (or final consumer product into which such Licensed Copier is incorporated) which is configured, as part of its standard user experience for Move of AACCS Content as authorized by this Agreement, for the purpose of automating or otherwise directly facilitating the Move of AACCS Content to or from a Removable Storage Media

which, at the time of such Move, is not within the same home or similar local environment as the device or the Removable Storage Medium with which use of the resulting copy is associated.

Furthermore, Adopter agrees not to provide specific instructions, services or programs for such configuration of such Licensed Copier (or final consumer product) following its distribution, or advertise or provide specific instructions for use of such Licensed Copier (or final consumer product) for any such purpose noted in this Section 3.9.

3.10 Browser Requirement for Certain Licensed Copiers

3.10.1. A Licensed Copier that is capable of making a Managed Copy shall incorporate an HTML browser, except as provided below.

3.10.2 Notwithstanding Section 3.10.1, for any geographic territory outside of the United States, until such time as noted in Section 3.10.3, below, Adopter may Produce for sale in such geographic territory, a Licensed Copier otherwise covered by Section 3.10.1 but that does not have an HTML browser. For the avoidance of doubt, a Content Participant or Content Producer may, but is not required to, authorize copying by such Licensed Copiers, and any authorized copy made by such Licensed Copiers shall not fulfill the Managed Copy obligation for such Content Participant or Content Provider.

3.10.3 In connection with the Managed Copy Sunrise in a particular geographic territory outside of the U.S., AACS LA will give at least 12 months advance notice of the date that Licensed Copiers permitted to be Produced under Section 3.10.2, above, will no longer be permitted to be Produced for sale in that geographic territory. “Managed Copy Sunrise” is the date on which Content Participants and Content Providers are required to offer to consumers Managed Copies using the Managed Copy Output Technologies listed on Table C-1. The sunrise will be announced by AACS LA on a territory by territory basis.

3.11 Interoperability Requirements.

3.11.1 Except as provided in 3.10.2, a Licensed Copier that is capable of making a Managed Copy, using the MCOT (or MCOTs) that such Licensed Copier implements, must be capable of making any Managed Copy (again, using the MCOT or MCOTs that such Licensed Copier implements) that is authorized by the AACS MCAS, or by any

MCAS that is designed and deployed in a manner consistent with the AACS MCAS implementation of the Specifications.

3.11.2 A Licensed Copier that is capable of making a Managed Copy shall be designed and produced to communicate with the AACS MCAS only in accordance with established protocols as set forth in the Specifications. A Licensed Copier shall be designed and produced using reasonable measures, at a minimum in accordance with standard industry practices, to prevent it from engaging in communications that cause harm to the systems or operations of the AACS MCAS. By way of example, Licensed Clients may not contain secret menus, or residual test or debug codes that could facilitate such harmful communications.

3.11.3 Licensee acknowledges and agrees that AACS LA may authorize the AACS MCAS to refuse access to the AACS MCAS for one or more units of products (whether Licensed Copiers or otherwise) that are causing, has caused, or is threatening to cause, or that are known to be capable of causing, imminent material harm to the systems or operations of the AACS MCAS.

4. Licensed Recorder Compliance Requirements

4.1 **Applicability.** This Part 2 Section 4 is applicable to all Licensed Recorders as shipped.

4.2 **Recording.** Licensed Recorders shall not use the AACS Technology to protect copies of content except as set forth in Table X.

4.3 **Incorporation of MKBs.** The MKB that is being incorporated into Licensed Recorders manufactured by Adopter that are not capable of updating the incorporated MKB shall be changed every three (3) months. The MKB that is being incorporated into Licensed Recorders manufactured by Adopter that are capable of updating the incorporated MKB shall either (a) not be reused in more than one product model or (b) be changed every three (3) months. *Note to Adopter: AACS LA reserves the right to change the required frequency of updates and number of units of media or recording devices into which an MKB may be incorporated as relevant changes in environmental conditions, including but not limited to security concerns, changes in manufacturing processes, or production volumes, warrant.*

5. AACS Recordable Media Compliance Requirements

5.1 **Applicability.** This Part 2 Section 5 is applicable to all AACS HD DVD Recordable Media as shipped.

5.2 **Incorporation of MKBs.** The MKB incorporated into AACS Recordable Media manufactured by Adopter shall not be used in more than one glass master. *Note: AACS LA reserves the right to change the required frequency of updates and number of units of media as relevant changes in environmental conditions, including but not limited to security concerns, changes in manufacturing processes, or production volumes warrant*

6. Licensed Drive Compliance Requirements

6.1 **Applicability.** This Part 2 Section 6 is applicable to all Licensed Drives as shipped.

6.2 **Bus Encryption.** Licensed Players that use Drive Authentication as defined in the Specifications and that are Produced eighteen (18) months or more after the release of the Specifications, shall support AACS Bus Encryption.

AACS Licensed Drives that are Produced twenty four (24) months or more after the release of the Specifications, shall use AACS Bus Encryption.

7. Licensed Product Robustness Rules

7.1. **Applicability.** This Part 2 Section 7 is applicable to all Licensed Products, other than Licensed Content Products and AACS Recordable Media, as shipped. All subsequent references to Licensed Product in this Section shall be read to mean Licensed Products, excluding Licensed Content Products and AACS Recordable Media, unless otherwise specified.

7.2. **Construction – Generally.** Licensed Products shall be manufactured in a manner clearly designed to effectively frustrate attempts to modify such Licensed Products or the performance of such Licensed Products to defeat the Content Protection Requirements.

- 7.3. **Construction – Defeating Functions.** Licensed Products shall not include: (a) switches, buttons, jumpers or software equivalents thereof, (b) specific traces (electrical connections) that can be cut, or (c) functions (including service menus and remote-control functions), in each case by which the Content Protection Requirements can be defeated, or by which compressed Decrypted AACCS Content in such Licensed Products can be exposed to output, interception, retransmission or copying, in each case other than as permitted under this Agreement.
- 7.4. **Construction – Keep Secrets and Maintain Integrity.** Licensed Products shall be manufactured in a manner that is clearly designed to effectively frustrate attempts to (a) discover or reveal Device Keys and other values identified as Secrecy Required in Appendix 1, and (b) cause such products to use values identified in Appendix 1 as Integrity Required after unauthorized modification of such values occurs. Licensed Products shall not use Secrecy Required or Integrity Required values for purposes other than those defined by AACCS in the Specifications and Approved Licenses.
- 7.4.1. **Enhanced Security.** In addition to the requirement of 7.4 (a) above, confidentiality of Device Keys shall be protected via
- (a) implementation of Proactive Renewal or,
 - (b) a method that is clearly designed to prevent attempts to discover or reveal such values in each case solely using electronically distributable means.
- 7.5. **Data Paths.** Decrypted AACCS Content shall not be available on outputs other than those specified in the Compliance Rules.
- 7.5.1. **Video Portion.** Within a Licensed Product, the video portion of Decrypted AACCS Content shall not be present on any User-Accessible Bus in analog or unencrypted, compressed form. Licensed Products shall be clearly designed such that when the video portion of uncompressed Decrypted AACCS Content is transmitted over a User-Accessible Bus in digital form, such Decrypted AACCS Content is either limited to Constrained Image or made reasonably secure from unauthorized interception. *Note to Adopter: When AACCS determines that it is commercially reasonable, AACCS LA will amend the Compliance Rules to require the video portion of all Decrypted AACCS Content, whether compressed or de-compressed and irrespective of resolution, to be protected on and across user-accessible buses, subject to the compliance periods set forth in Section [4.2] of the Adopter Agreement.*

7.5.2. Clause (a) in the definition of User-Accessible Bus should be interpreted and applied so as to allow Adopter to design and manufacture its products to incorporate means, such as test points, that provide access to video at no higher resolution than that available to analog outputs on the device, 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 (a) in the definition of User-Accessible Bus, 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.

7.6. **Method 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 requirements set forth below.

7.6.1. **Distribution of Decryption and Decoding Functions.** In a Licensed Product, where the video portion of Decrypted AACCS 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 compressed video (*e.g.*, MPEG) decoder shall be designed and manufactured in a manner associated and otherwise integrated with each other such that the video portion of Decrypted AACCS 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.

7.6.2. **Distribution of AACCS Bus Decryption and AACCS Basic Decryption Functions.** In a Licensed Product, where the video portion of Bus-decrypted AACCS 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 AACCS Bus Decryption and those that perform AACCS Basic Decryption shall be designed and manufactured in a manner associated and otherwise integrated with each other such that the video portion of Bus-decrypted AACCS 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.

7.6.3. **Audio Watermark Detector.** A Licensed Access Product and the Audio Watermark Detector it uses to meet the Watermark Requirements shall be designed and manufactured in a manner associated and otherwise integrated with each other such that unauthorized modification or blockage of the audio data, notices or other information conveyed between them pursuant to such requirements will be expected to result in a failure of the Licensed Access Product to provide the requested playback or copying operation. *Note to adopter: This section (7.6.3) is not the only section of the Licensed Robustness Rules with requirements that apply to the Audio Watermark Detector. Additional requirements can be found in other sections of the Licensed Robustness Rules, including but not limited to sections defining Content Protection Requirements.*

7.6.4. **Software.** Any portion of the Licensed Product that implements in Software any of the Content Protection Requirements shall include all of the characteristics set forth in Sections 7.2 through 7.5 above. For the purposes of these Robustness Rules, “Software” shall mean the implementation of Content Protection Requirements through any computer program code consisting of instructions or data, other than such instructions or data that are included in Hardware. Such implementations shall:

7.6.4.1. Comply with Section 7.4 above by a reasonable method including but not limited to: encryption, execution of a portion of the implementation in ring zero or supervisor mode (i.e., in kernel mode), and/or embodiment in a secure physical implementation, provided further that maintaining confidentiality of Device Keys pursuant to 7.4.1(b) shall be implemented by a reasonable method that effectively and uniquely associates those values with a single device (such as by encrypting the values using a key that is unique to a single device) and that effectively isolates those values from exposure by mere use of programming instructions or data (e.g., by using the values only inside a secure processor); 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; and

7.6.4.2. Be designed so as to perform or ensure 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 7.2 through 7.5 above. This provision requires at a minimum the use of “signed code” or a robust means of runtime integrity checking operating throughout the code. For the purpose of this provision, “signed code” means a method of achieving trusted distribution of Software by using public key cryptography, keyed hash, or other means at least as effective, to form a digital signature over Software such that its authenticity and integrity can be verified.

7.6.5. **Hardware.** Any portion of the Licensed Product that implements in Hardware any of the Content Protection Requirements shall include all of the characteristics set forth in Sections 7.2 through 7.5 above. For the purposes of these Robustness Rules, “Hardware” shall mean a physical device or component, that implements Content Protection Requirements 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, *e.g.*, firmware instructions or data that are not permanently embedded in such device or component where such instructions or data are specific to such Licensed Product or Licensed Component and are not accessible to the end user through the Licensed Product or Licensed Component. Such implementations shall:

7.6.5.1. Comply with Section 7.4 above by any reasonable method including but not limited to embedding Device Keys in silicon circuitry or firmware that cannot reasonably be read, or employing the techniques described above for Software, provided further that the requirements of 7.4.1 (b) shall be implemented by a reasonable method that effectively and uniquely associates those Device Keys with a single device (such as by encrypting the values using a key that is unique to a single device) and that effectively isolates those values from exposure by mere use of programming instructions or data (*e.g.*, by using the values only inside a secure processor).

7.6.5.2. Be designed such that attempts to remove, replace, or reprogram Hardware elements in a way that would compromise the Content Protection Requirements of AACS in Licensed Products would pose a serious risk of rendering the Licensed Product unable to receive, decrypt, decode, playback or copy, AACS Content. By way of example, (i) a component that is soldered rather than socketed, or affixed with epoxy, or (ii) checking a signature on updateable firmware within a secure boot loader may be appropriate for this means.

7.6.6. **Hybrid.** The Hardware and Software portions of a Licensed Product shall be designed and manufactured in a manner associated and

otherwise integrated with each other such 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 that would be provided by a pure Software implementation.

7.7. Level of Protection – Core Functions. “Core Functions” of AACCS include encryption, decryption, authentication (including but not limited to authentication in the context of Managed Copy Authorization), use of a Bound Copy Method, maintaining confidentiality of Secrecy Required Values and integrity of Integrity Required Values, and preventing exposure of the video portions of compressed, Decrypted AACCS Content to unauthorized access. The Core Functions of AACCS shall be implemented in a reasonable method so that they:

7.7.1. 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 decompilers (“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 AACCS (“Circumvention Devices”); and

7.7.2. 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 7.7.1 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.

7.8. Level of Protection – User-Accessible Busses. The requirement of Section 7.5 regarding the video portions of uncompressed Decrypted AACCS Content transmitted over a User-Accessible Bus in digital form shall be implemented in a reasonable method that is difficult to defeat or circumvent by the use of Widely Available Tools or Specialized Tools, not including Circumvention Devices, as those capitalized terms are defined in 7.7.1. In the foregoing, the level of difficulty applicable to Widely Available Tools is such that a typical consumer should not be able to use such tools, with or without instruction, to intercept the video portions of such Decrypted AACCS Content without risk of serious damage to the product.

7.9. Level of Protection – Unprotected Outputs. Delivery of the video portions of such Decrypted AACCS Content to the functions described in Part 2, Section 2.2

and of the audio portions of such Decrypted AACCS Content to the functions described in Part 2, Section 2.3.1 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 7.7.1.

- 7.10. **Level of Protection – Watermark Requirements.** The Watermark Requirements and the requirements of Section 7.6.3 shall be implemented in a reasonable method that is difficult to defeat or circumvent by the use of Widely Available Tools or Specialized Tools, not including Circumvention Devices as those capitalized terms are defined in Section 7.7.1. In the foregoing, the level of difficulty applicable to Widely Available Tools is such that a typical consumer should not be able to use such tools, with or without instruction, to defeat or circumvent the Watermark Requirements or the requirements of 7.6.3 without risk of serious damage to the product.
- 7.11. **Level of Protection - Handling of Volume ID, Media ID, Binding Nonce and PMSN.** In a Licensed Product that does not implement AACCS Drive Authentication, the portion of such Licensed Product that retrieves AACCS Content from the optical media and the portion of such Licensed Player that performs the AACCS decryption function shall be designed and manufactured in a manner associated and otherwise integrated with each other such that the Volume ID, Media ID, Binding Nonce and PMSN (as those terms are defined in the Specifications) flowing between them are reasonably secure from modification.
- 7.12. **Level of Protection - KCD.** In a Licensed Player or Licensed Copier that utilizes KCD (as that term is defined in the Specifications), the portion of such Licensed Product that retrieves AACCS Content from the optical media and the portion of such Licensed Product that performs the AACCS decryption function shall be designed and manufactured in a manner associated and otherwise integrated with each other such that when KCD flows between them it is reasonably secure from discovery. Licensed Drives shall not provide access to KCD, except where Adopter implements means in such drives that are designed to enable access to KCD solely within Adopter's Licensed Product compliant with the immediately previous sentence.
- 7.13. **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 Licensed Product to fail to comply with these Robustness Rules (“New Circumstances”). If 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, provided however that Adopter may continue to distribute Robust Inactive Products under the terms and conditions applicable under Section 6.2.2 of the Interim Adopter Agreement as if the date of Notice were instead the date of termination or expiration.

Part 3: Compliance Rules for Content Providers/Participants and Licensed Content Producers

1. Requirements for Prerecorded AACCS Content

1.1. **Applicability.** This Part 3 Section 1 is applicable to all Content Participants, Content Providers and Licensed Content Producers making Licensed Content Products with respect to use of AACCS to protect prerecorded content (including the use of AACCS as applied to ROM discs or to recordable discs).

1.2. Digital Only Token (“DOT”).

1.2.1. Content Participant/Provider may assert the Digital Only Token only with respect to (a) Non-Consumer Products and/or (b) LCP Units Released in a given country within the first six (6) weeks after the first Theatrical Release of substantially similar Digital Entertainment Content in such country, provided that in the event of the circumstances set forth in this part (b), within six (6) months after such first Theatrical Release, Content Participant/Provider shall Release in such country LCP Units containing a version of such Licensed Content Product that does not assert the Digital Only Token.

1.2.2. A Licensed Content Producer making Licensed Content Products shall not embed the Digital Only Token except in accordance with instructions from the Content Participant/Provider for which it is making the Licensed Content Product.

1.3 Image Constraint Token (“ICT”).

1.3.1 A Licensed Content Producer making Licensed Content Products shall not embed the Image Constraint Token except in accordance with instructions from the Content Participant/Provider for which it is making the Licensed Content Product.

1.3.2 Content Participants/Providers shall not, prior to December 31, 2010, direct Licensed Content Producers to embed the Image Constraint Token in Licensed Content Products offered for sale or other distribution in a country in which there was a government or quasi-government regulation or equivalent prohibiting the use of an Image Constraint Token, or equivalent, for scrambled or encrypted content as of November 30, 2005.

1.3.3 Image Constraint Token and Digital Only Token Disclosure.

If Content Participant/Provider has directed that the Image Constraint Token and/or Digital Only Token be set with respect to a particular LCP Unit, then the fact that such Image Constraint Token and/or Digital Only Token (as applicable)

is set shall be disclosed by the Content Participant/Provider to the consumer either (i) on such LCP Unit's product packaging; or (ii) only in the case of a consumer product, by other reasonable means that allows the consumer to be aware at the point of initial purchase that the Image Constraint Token and/or Digital Only Token (as applicable) is set with respect to such LCP Unit.

- 1.4 **CCI Settings.** In content protected by AACS other than pursuant to the AACS Blu-ray Recordable Book, a Content Provider/Participant may set CCI to Copy Never, No More Copies, Copy Control Not Asserted but encryption protection required, or Copy One Generation. With respect to content that Content Provider/Participant records or causes to be recorded to AACS Recordable Media pursuant to the AACS Blu-ray Disc Recordable Book - in the context of manufacturing on demand, download to burn, or professional reproduction done at the direction of the content owner - a Content Provider/Participant may set CCI to No More Copies or Copy Control Not Asserted but encryption protection required and may not set CCI to Copy One Generation or Copy Never.
- 1.5 **3D Managed Copy.** The `three_d_only` element may be asserted only if the title is a 3D-only title, such that 2D playback has been disabled via the relevant format mechanism as detailed in the applicable technical specification for such format, and that all notice requirements indicating the 3D-only nature of the title be followed. If 2D conversion for viewing is permitted, 2D Managed Copy must also be permitted. The `three_d_full_frame_only` element may be set at the discretion of the Content Participant/Provider until such time as AACS LA, in its sole discretion and according to its relevant decision-making rules, may choose to constrain (including up to prohibiting outright) further ability to assert this bit.

Part 4: Audio Watermark Embedding, Screening and Enforcement Requirements

A. Licensed Access Product Screening and Enforcement Requirements

For the avoidance of doubt, the Robustness Rules apply to the Watermark Requirements

These Compliance Rules are applicable to Licensed Access Products that are Accessing Audiovisual Content from an Encryption Drive or Signature Drive for the purpose of playing back or copying such Audiovisual Content.

Licensed Access Products are subject to these Compliance Rules in relation to two sunrise dates – the “Primary Sunrise Date,” and the “Secondary Sunrise Date”, each of which will be provided in Notices to Licensees. In each case, the Licensed Access Products that are subject to the obligations associated with each sunrise date are those that are Produced, or if a unit is a Robust Inactive Product, first Activated, on or after the sunrise date. Further, in relation to the production or activation of a Licensed Access Product, Adopter shall not alter its normal business practices with respect to the development and release of new Implementations of hardware or software (including their release to particular distribution channels), or the configuration of Licensed Products by artificially separating recording and playback functions into separate products, or the management of inventory, in each case for the purpose of evading the requirements associated with the applicable sunrise date. Notwithstanding the foregoing, Adopter shall not ship or download any further units of any software Licensed Product later than six months after the applicable sunrise date without causing it to comply with the requirements applicable to Licensed Access Products Produced on or after the relevant sunrise date.

1. Any Licensed Access Product Produced on or after the Primary Sunrise Date, shall cause the Audio Watermark Detector to screen the audio portion of Audiovisual Content that such Licensed Access Product is Accessing from an Encryption Drive or a Signature Drive for the purpose of playing back or for the purpose of copying such Audiovisual Content. For the avoidance of doubt:

a. a Licensed Access Product may Access Audiovisual Content for the purpose of copying such Audiovisual Content (whether copying to internal storage of the Licensed Access Product or copying to removable media) without screening such Audiovisual Content at the time it is copied (or as otherwise provided in (c), below) only where such Licensed Access Product is designed to ensure, in a robust manner, that the copy of such Audiovisual Content (and subsequent copies of that copy made by that same Licensed Access Product) will be screened and the appropriate Watermark Enforcement Action, if any, is taken on or prior to the playback of such copy by such Licensed Access Product, and provided that screening by such Licensed Access Product on play back of such Audiovisual Work shall be subject to these Watermark Compliance Rules (including

Part 4 Section B, below) as if the Licensed Access Product were Accessing the Audiovisual Content from an optical disc in an Encryption Drive or a Signature Drive;

b. the portion of the Audiovisual Content that shall be screened pursuant to this obligation shall be the audio signal that is ultimately output from the Licensed Access Product or, in the case of copying to storage media within the Licensed Access Product, written to the storage media (including multiple channels in accordance with the Cinavia Specifications in the case where such audio signal is a multi-channel audio feed), provided that screening of audio shall be in conformance with the requirements of Part 4 Section B., below;

c. screening of Audiovisual Content that is being Accessed for the purpose of copying may occur either during the actual copying operation or prior to the copying operation, provided that if screening occurs prior to the copying operation, the Licensed Access Product is designed to ensure in a robust manner that the Audiovisual Content being copied is the same as the Audiovisual Content that was screened prior to the copying operation; and

d. with respect only to Licensed Access Products that are Produced prior to the Secondary Sunrise Date and that are screening Audiovisual Content encrypted using AACS Recordable Video under the Compliance Rules in effect prior to the version issued in January 2012, a Licensed Access Product that is Accessing Audiovisual Content encrypted using AACS Recordable where such Audiovisual Content has the Trusted Source Mark Screening Required field set to “Trusted Source Mark Screening is not required” (a bit setting of “1”) and the CCI for the content set to “Copy One Generation,” in lieu of screening for the Trusted Source State in such Audiovisual Content, may treat the CCI of such Audiovisual Content as if it had been set to No More Copies for all internal and external copying and output purposes. For the avoidance of doubt, this special rule does not apply to screening for the No Home Use State nor to screening for the Trusted Source State where the Audiovisual Content has either: (a) the Trusted Source Mark Screening Required field set to “Trusted Source Mark Screening is required” (a bit setting of “0”) without regard to the CCI setting for such content; or (b) the Trusted Source Mark Screening Required Field set to “Trusted Source Mark Screening is not required” (a bit setting of “1”) and the CCI set to EPN or Copy Freely. In those cases, screening shall proceed according to the rules set forth in this Part 4.

2. The Licensed Access Product shall ensure that such screening is accomplished according to the requirements in the Cinavia™ Specifications and the following rules:

a. The Audio Watermark Detector may use either Intermittent Mode or Continuous Mode.

b. With respect to screening for the AACS Trusted Source State,

(1) A Licensed Access Product shall not screen Audiovisual Content for the AACS Trusted Source State where such Audiovisual Content is protected by a Trusted Source Mark Allowed Technology, provided that for a technology that is a Trusted Source Mark Allowed Technology based on that technology having a method for distinguishing between Trusted Non-AACS Protected Content (as defined on Table W to these Compliance Rules) and Unknown Non-AACS Protected Content (as defined on Table W to these Compliance Rules), the Licensed Access Product shall use that method to ensure that particular Audiovisual Content protected by that technology as Unknown Non-AACS Protected Content (as defined on Table W to these Compliance Rules) is screened for the AACS Trusted Source State. Technologies that are Trusted Source Mark Allowed Technologies based on having such methods are noted as such on Table W. NOTE: Licensed Access Products Produced prior to the Secondary Sunrise date may, but are not required to, screen Audiovisual Content for the AACS Trusted Source State where such Audiovisual Content is protected by CPRM for DVD-Video Recording, provided, for the avoidance of doubt, that Licensed Access Products Produced on or after the Secondary Sunrise date shall screen Audiovisual Content for the AACS Trusted Source State where such Audiovisual Content is protected by CPRM for DVD-VR.

(2) The Audio Watermark Detector shall use PEL or SEL according to the information contained in a Trusted Source Mark detected in the Audiovisual Content being screened, provided that if AACS LA has notified Adopter that embedding of SEL only is permitted, then any Audio Watermark Detector produced on or after the date of such notice may be equipped to screen using SEL only and, accordingly, may ignore information contained in Audiovisual Content being screened with respect to whether SEL or PEL should be used for screening that Audiovisual Content.

(3) The Audio Watermark Detector shall treat screened content as Short Form Content or Long Form Content based on information contained in any Trusted Source Mark detected in the content being screened.

(4) A Licensed Access Product Produced prior to the Secondary Sunrise date that is Accessing Audiovisual Content encrypted using AACS Recordable Video where such Audiovisual Content has the Trusted Source Mark Screening Required field set to “Trusted Source Mark Screening is not required” (a bit setting of “1”) is permitted not to screen such Audiovisual Content for the Trusted Source State. For the avoidance of doubt, a Licensed Access Product Produced on or after the Secondary Sunrise Date that is Accessing Audiovisual Content encrypted using AACS Recordable Video shall screen such Audiovisual Content for the Trusted Source State without regard to the setting of the Trusted Source Mark Screening Required field (i.e., irrespective of whether the bit setting is “1” or “0”). For the further avoidance of doubt, a Licensed Access Product that is Produced prior to the Secondary Sunrise date is permitted (and recommended) to screen Audiovisual Content encrypted using AACS Recordable Video for the Trusted Source State without regard to the setting of the Trusted Source Mark Screening Required field.

c. With respect to screening for the AACCS No Home Use State, the Audio Watermark Detector shall perform screening pursuant to the requirements set forth in the Cinavia Specifications. For the avoidance of doubt, the Audio Watermark Detector shall screen for the AACCS No Home Use State irrespective of whether such Audiovisual Content is encrypted with a TSMAT (including but not limited to AACCS Technology), or such Audiovisual Content is AACCS Signed Content or such Audiovisual Content is unencrypted.

d. The Audio Watermark Detector shall reset its Audio Watermark screening processes only pursuant to the requirements contained in the Cinavia™ Specifications.

3. Any Licensed Access Product Produced on or after the Primary Sunrise Date, shall convey to the Audio Watermark Detector that:

a. any Audio Watermark containing the AACCS No Home Use State is enforceable in any screened Audiovisual Content; and

b. any Audio Watermark containing the AACCS Trusted Source State is enforceable in screened Audiovisual Content not obtained from a TSMAT.

4. Any Licensed Access Product Produced on or after the Primary Sunrise Date, shall respond to each Watermark Enforcement Trigger Notice as follows:

a. the Licensed Access Product shall respond to each Trusted Source Mark Enforcement Trigger Notice provided by the Audio Watermark Detector associated with that Licensed Access Product by taking a Trusted Source Mark Enforcement Action as specified in the Watermark Enforcement Trigger Notice. If a Licensed Access Product is Accessing particular Audiovisual Content for the purpose of playback and a new Trusted Source Mark Enforcement Trigger Notice is reported by the Audio Watermark Detector while a previous Trusted Source Mark Enforcement Action is already in effect, then the Licensed Access Product shall extend the Trusted Source Mark Enforcement Action for an additional Enforcement Period from the time that the new Trusted Source Mark Enforcement Trigger Notice was reported.

b. the Licensed Access Product shall respond to each No Home Use Mark Enforcement Trigger Notice provided by the Audio Watermark Detector associated with that Licensed Access Product by taking an AACCS No Home Use Mark Enforcement Action. If a Licensed Access Product is Accessing particular Audiovisual Content for the purpose of playback and a No Home Use Mark Enforcement Trigger Notice is reported by the Audio Watermark Detector while a Trusted Source Mark Enforcement Action is already in effect, then the Licensed Access Product shall take the No Home Use Mark Enforcement Action in lieu of continuing the Trusted Source Mark Enforcement Action.

c. the Licensed Access Product shall initiate any required Watermark Enforcement Actions within one (1) second of receiving the Watermark Enforcement Trigger Notice.

d. in relation to responding to any Watermark Enforcement Trigger Notices a Licensed Access Product shall not provide any message or other direction to a consumer with respect to a Content Participant or Content Provider without the written permission of the particular Content Participant or Content Provider in relation to the specific work protected.

5. For the avoidance of doubt, these Watermark Compliance Rules require screening of Audiovisual Content and do not require screening in the process of performing functions other than playback or copying of Audiovisual Content (e.g., functions such as reading books, reviewing business productivity documents, or playing games) , provided that performance of such other functions simultaneously with playback or copying of Audiovisual Content does not relieve any obligation to screen such Audiovisual Content.

6. AACS may suspend or eliminate the screening and response requirements in these Watermark Compliance Rules in the event that the Audio Watermark is not available on reasonable and non-discriminatory terms and conditions.

7. Bypassing or Avoidance. Adopter hereby agrees that Adopter shall not distribute, or knowingly cooperate in distributing, a Licensed Access Product (or final consumer product into which such Licensed Access Product is incorporated) which is configured, as part of its standard user experience for Accessing Audiovisual Content from an optical reader which can be used to read AACS Content or AACS Signed Content, for the purpose of automating or otherwise directly facilitating the bypassing or avoidance of performance of these Watermark Requirements by the Licensed Access Product or the Audio Watermark Detector when Accessing such content from such reader.

Furthermore, Adopter agrees not to provide specific instructions for, or otherwise knowingly participate in, such configuration of such Licensed Access Product (or final consumer product into which such Licensed Access Product is incorporated) following its distribution, or advertise or provide specific instructions for use of such Licensed Access Product or final consumer product for the purpose of bypassing or avoiding performance of these watermark screening and enforcement obligations by the Licensed Access Product or Audio Watermark Detector when Accessing Audiovisual Content from an optical reader which can be used to read AACS Content or AACS Signed Content.

If Adopter licenses its Licensed Access Product for incorporation in final consumer products made by third parties, Adopter shall use reasonable efforts to require such third parties not to distribute, or knowingly cooperate in distributing, such final consumer products in a form that is so configured, or provide specific instructions for or

otherwise knowingly participate in such configuration of such final consumer products following their distribution, or advertise or provide specific instructions for use of such final consumer product for the purpose of bypassing or avoiding performance of these watermark screening and enforcement obligations by the Licensed Access Product or the Audio Watermark Detector when Accessing Audiovisual Content from the optical reader which can be used to read AACCS Content or AACCS Signed Content. Should Adopter's reasonable efforts to so require fail, Adopter agrees to cooperate in good faith with AACCS LA's efforts to so require.

B. Special Rule Regarding Decoding Audio

For the purpose of this Subpart B, a Licensed Access Product shall be deemed "capable of" decoding all audio formats that are mandatory under any audiovisual format license applicable to such Licensed Access Product and shall also be "capable of" decoding all audio formats that are actually supported by such Licensed Access Product.

In a case where the Licensed Access Product is retrieving Audiovisual Content from an optical disc and the audio portion of the Audiovisual Content is in encoded form, prior to sending the audio portion of such Audiovisual Content to an output or copying, in addition to complying with the requirements of subsection A, above, a Licensed Access Product shall

1. where the Licensed Access Product is capable of doing so, decode the audio sufficiently to permit the Audio Watermark Detector to perform screening, pursuant to the requirements set forth in the Cinavia Specifications, or

2. where the Licensed Access Product is not capable of decoding the audio sufficiently to permit the Audio Watermark Detector to perform screening, pursuant to the requirements set forth in the Cinavia Specifications,

- a. for Licensed Access Products Produced before the Secondary Sunrise Date, either (x) perform the function described in b(1) below or (y) permit the output of the encoded audio or copying of the Audiovisual Content without screening; and

- b. for Licensed Access Products Produced on or after the Secondary Sunrise Date, seek from that optical disc an alternative form of audio that the Licensed Access Product is capable of decoding and that is available as part of such Audiovisual Content and

- (1) if such alternate form of audio is found, cause the Audio Watermark Detector to perform screening using such alternate form of audio for the Audiovisual Content pursuant to the requirements set forth in the Cinavia Specifications; or

(2) in the absence of any form of audio for the Audiovisual Content that the Licensed Access Product is capable of decoding and that is available as part of the Audiovisual Content, output the encoded audio or copy the Audiovisual Content without screening.

C. Content Participant and Content Provider requirements

1. A Content Participant or Content Provider may embed, or have embedded, the AACS Trusted Source State only in Audiovisual Content in content files prepared by professionals under the direction of a license agreement, contract, or similar arrangement from a person or entity with a good faith belief they have the rights to authorize the making of such files, where the content is either:

a. not provided to consumers; or

b. provided to consumers (including, without limitation, on prerecorded or recordable media, via download or similar electronic distribution, or on an additional Audiovisual Content file on optical media) only using a technology listed on Table E, and only where –

(1) such Audiovisual Content contains CCI marked as “Copy Never” or is similarly restricted from being copied based on CCI or its equivalent as the authorization for copying (i.e., any copy that is made must be pursuant to online authorization, token or activation code supplied for the content, or similar non-CCI authorization), provided that the CCI in any output of the Audiovisual Content (or a copy of the Audiovisual Content) shall be “Copy Never”,

(2) in the course of its authorized distribution or authorized use (including through authorized outputs), such Audiovisual Content would not be Accessed by Licensed Access Products from optical media unless protected by a technology listed on Table W,

(3) in any such content in which it embeds, or has embedded, the AACS Trusted Source State, the Content Participant or Content Provider ensures that such AACS Trusted Source State --

A. contains information accurately marking content as Long Form Content as such (however, for clarification purposes, Short Form Content may be marked as either Short Form Content or Long Form Content),

B. contains information to trigger Secondary Enforcement Logic whenever such embedding is required by AACS LA. Such a requirement shall be provided by AACS LA to Content Participant or Content Provider in the manner provided for notices in the Content Participant Agreement or Content Provider Agreement. Irrespective of whether AACS LA has required embedding to trigger

Secondary Enforcement Logic, Content Participant or Content Provider may embed so as to trigger Secondary Enforcement Logic in any in any Audiovisual Content eligible for embedding the AACS Trusted Source State, and

C. utilizes embedding strength levels in conformance with any embedding strength level requirements that may be issued by AACS LA, and

(4) such Audiovisual Content

A. is released in substantially similar form protected by AACS Technology by the date which is 6 months after initial distribution of such content;

B. is available to be copied by a consumer in an authorized manner in a form protected by AACS Technology; or

C. is protected with the Content Scramble System with AACS Signature.

2. A Content Participant or Content Provider may embed, or have embedded, the AACS No Home Use State in the versions of Audiovisual Content that should not be encountered in the consumer home environment, provided that if a Content Participant/Provider embeds the AACS No Home Use State in a particular title of Audiovisual Content, such Content Participant or Content Provider shall release such title in AACS protected form as required in Section 5.1 of the Content Participant Agreement or Content Provider Agreement and provided further that if the AACS No Home Use State is embedded in any Audiovisual Content that is released on optical media, such Audiovisual Content shall be (i) labeled on the optical disc that the embedded Audiovisual Content is not enabled for consumer home use, and (ii) encoded or formatted so that it (i.e., other than due to the use of the No Home Use State) does not play back in normal consumer home use.

D. Licensed Content Producer

May embed the AACS Trusted Source State or the AACS No Home Use State only in accordance with instructions from a Content Participant or Content Provider.

TABLE A1

AACS Authorized Analog Outputs

Note: Table A1 and the AACS Authorized Analog Outputs may be amended by AACS LA from time to time consistent with the Adopter Agreement and Section 3.6 of the Content Participant Agreement

AACS Authorized Analog Outputs	Associated Restrictions and Obligations
Computer Monitor Outputs: VGA, SVGA (800X600 and greater), XGA (1024X768), SXGA, UXGA, and DVI-A or similar computer video outputs, that are widely implemented as of June 1, 2004.	Subject to the sunset requirements set forth in Sections 2.2.2.1 and 2.2.2.2 of Part 2 of these Compliance Rules, a Licensed Player that is incorporated into a computer product may pass Decrypted AACS Content for which the Digital Only Token was not set to these outputs. If the Image Constraint Token is set for such content, it must be passed as a Constrained Image.
Component Video Outputs 415K Resolution and High Definition	Subject to the sunset requirements set forth in Sections 2.2.2.1 and 2.2.2.2 of Part 2 of these Compliance Rules, a Licensed Player may pass Decrypted AACS Content for which the Digital Only Token was not set to these outputs provided that such Licensed Player: (a) passes such content as a Constrained Image if the Image Constraint Token is asserted; and (b) supports Macrovision Analog Protection System (“APS”) and applies to the output Macrovision in accordance with the APS1 settings if APS1 is selected; and (c) applies to the output CGMS-A/Copyright information, APS/APS trigger bits and where indicated, Redistribution Control Descriptor (“RCD”)/Redistribution Control Information (“RCI”) where specified below with a setting that corresponds to the setting of the CCI field and APSTB, provided that a Licensed Player that is playing Audiovisual Content from AACS

	<p>Recordable Media may treat a COG CCI setting as if it were a NMC CCI setting (see Part 4, Section A.1.d., above) and, in that case, shall output the settings noted above in accordance with a NMC CCI setting for that Audiovisual Content;</p> <p>in the case of (b) and (c) above as further set forth for each output in the details below.</p> <p>A Licensed Player may, but is not required to, support Dwight Cavendish System (DCS), and apply to such output DCS in accordance with the APS2 settings if APS2 is selected and APS1 is not selected.</p> <p>AACS LA may amend certain of these obligations, or specify alternative means to comply, if AACS LA finds that the required technologies are not available on fair, reasonable and nondiscriminatory terms.</p> <p>480i YUV, YPbPr or Y,R-Y,B-Y component:</p> <p>Macrovision: The Automatic Gain Control copy control system (specified in the document entitled “Specifications of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, (September 30, 1999)” or “Specifications of the Macrovision Copy Protection Process, Revision 7.2.H1, (October 3, 2005)”), triggered according to the requirements above.</p> <p>Dwight Cavendish (optional): version 6.1.a2 of the DCS technology, if triggered as set forth above.</p> <p>CGMS-A, APS/APS trigger bits and RCD:</p> <p>(i) CGMS-A and APS trigger bits signaling on Lines 20 and 283 according to IEC 61880:1998</p> <p>AND</p>
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	<p>(ii) CGMS-A and APS signaling on line 21 of field 2 (Line 284) according to CEA-608-E, where the repetition rate for the CGMS-A and APS should be no less than once every 10 seconds for Line 284 signaling</p> <p>AND in devices using chips with part numbers having a date of first commercial availability after October 1, 2007,</p> <p>(iii) RCD signaling on Line 21 of field 2 (Line 284) according to CEA-608-E, where the repetition rate for the RCD should same as for CGMS-A.</p> <p>480p YUV, YPbPr or Y,R-Y,B-Y component:</p> <p>Macrovision: The Automatic Gain Control copy control system (specified in the document entitled “Specifications of the Macrovision AGC Copy Protection Waveforms for Products with 525p (480p) Progressive Scan Outputs, Revision 1.2 (February 24, 2003)”), triggered according to the requirements above.</p> <p>Dwight Cavendish (optional): version 6.1.a2 of the DCS technology, if triggered as set forth above.</p> <p>CGMS-A, APS/APS trigger bit and RCI:</p> <p>(i) CGMS-A and APS trigger bit signaling on Line 41 according to IEC 61880-2:2002</p> <p>AND in devices using chips with part numbers having a date of first commercial availability after October 1, 2007</p> <p>(ii) CGMS-A, APS and RCI signaling on Line 40 for Type B according to CEA-805-D.</p>
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	<p>576i Component YUV, YPbPr and Y,R-Y,B-Y:</p> <p>Macrovision: The Automatic Gain Control copy control system (specified in the document entitled “Specifications of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, (September 30, 1999)” or “Specifications of the Macrovision Copy Protection Process, Revision 7.2.H1 (October 3, 2005)”), triggered according to the requirements above.</p> <p>Dwight Cavendish (optional): version 6.1.a2 of the DCS technology, if triggered as set forth above.</p> <p>Copyright information:</p> <ul style="list-style-type: none"> (i) Line 23 according to ETSI EN 300 294 <p>AND</p> <ul style="list-style-type: none"> (ii) For such devices using a SCART connector, the SCART connector must be configured so that the RGB signal carried by that connector must always be accompanied by a composite signal and that composite signal must provide the only synchronization for the RGB signal. RGB analog video outputs shall only be allowed as permitted herein. <p>576p YUV, YPbPr or Y,R-Y,B-Y component:</p> <p>Macrovision: The Automatic Gain Control copy control systems (specified in the document entitled “Specification of the Macrovision AGC Copy Protection</p>
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	<p>Waveforms for Products with 525p and/or 625p YPbPr Progressive Scan Outputs, Revision 1.2 (February 24, 2003’), triggered according to the requirements above.</p> <p>Dwight Cavendish (optional): version 6.1.a2 of the DCS technology, if triggered as set forth above.</p> <p>Copyright information:</p> <ul style="list-style-type: none"> (i) Line 43 according to IEC 62375-2004 <p>AND</p> <ul style="list-style-type: none"> (ii) For such devices using a SCART connector, the SCART connector must be configured so that the RGB signal carried by that connector must always be accompanied by a composite signal and that composite signal must provide the only synchronization for the RGB signal. RGB analog video outputs shall only be allowed as permitted herein. <p>720p YUV, YPbPr or Y,R-Y,B-Y component:</p> <p>CGMS-A, APS/APS trigger bits and RCI:</p> <ul style="list-style-type: none"> (i) CGMS-A, APS trigger bits signaling on Line 24 of 720p according to JEITA EIAJ CPR 1204-2 complemented by bit assignment definition in IEC 61880:1998 <p>AND in devices using chips with part numbers having a date of first commercial availability after October 1, 2007</p> <ul style="list-style-type: none"> (ii) CGMS-A, APS and RCI signaling on Line 23 for Type B according
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	<p>to CEA-805-D</p> <p>1080i YUV, YPbPr or Y,R-Y,B-Y component:</p> <p>CGMS-A, APS/APS trigger bits and RCI</p> <ul style="list-style-type: none"> (i) CGMS-A, APS trigger bits signaling on Lines 19 and 582 of 1080i according to JEITA EIAJ CPR 1204-2 complemented by bit assignment definition in IEC 61880:1998 <p>AND in devices using chips with part numbers having a date of first commercial availability after October 1, 2007</p> <ul style="list-style-type: none"> (ii) CGMS-A, APS and RCI signaling on Lines 18 and 581 of 1080i for Type B according to CEA-805-D
<p>Composite Video Outputs:</p> <p>415K Resolution: NTSC, SECAM, and PAL (including S-video outputs for the listed formats)</p>	<p>Subject to the sunset requirements set forth in Sections 2.2.2.1 and 2.2.2.2 of Part 2 of these Compliance Rules, a Licensed Player may pass Decrypted AACS Content for which the Digital Only Token was not set to these outputs provided that such Licensed Player</p> <ul style="list-style-type: none"> (a) supports Macrovision APS and applies to the output Macrovision in accordance with the APS1 settings if APS1 is selected; and (b) applies to the output CGMS-A/Copyright information, APS/APS trigger bits and where applicable RCD with a setting that corresponds to the setting of the CCI field and APSTB, provided that a Licensed Player that is playing Audiovisual Content from AACS Recordable Media may treat a COG CCI setting as if it were a NMC CCI setting (see Part 4, Section A.1.d., above) and, in that case, shall output the settings noted

	<p>above in accordance with a NMC CCI setting for that Audiovisual Content.;</p> <p>in both cases as further set forth for each output in the details below.</p> <p>A Licensed Player may, but is not required to, support Dwight Cavendish System (DCS), and apply to such output DCS in accordance with the APS2 settings if APS2 is selected and APS1 is not selected.</p> <p>AACS LA may amend certain of these obligations, or specify alternative means to comply, if AACS LA finds that the required technologies are not available on fair, reasonable and nondiscriminatory terms.</p> <p>480i RF, Composite or S-Video:</p> <p>Macrovision: The Automatic Gain Control and Colorstripe copy control systems (specified in the document entitled “Specifications of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, (September 30, 1999)” or “Specifications of the Macrovision Copy Protection Process Revision 7.2.H1 October 3, 2005”), triggered according to the requirements above.</p> <p>Dwight Cavendish (optional): version 6.1.a2 of the DCS technology, if triggered as set forth above.</p> <p>CGMS-A, APS/APS trigger bit and RCD:</p> <ul style="list-style-type: none"> (i) CGMS-A and APS trigger bits signaling on Lines 20 and 283 according to IEC 61880:1998 <p>AND</p> <ul style="list-style-type: none"> (ii) CGMS-A and APS signaling on Line 21 of field 2 (Line 284) according to CEA-608-E, where the repetition rate for the CGMS-A and APSTB should be no less than
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	<p>once every 10 seconds for Line 284 signaling</p> <p>AND in devices using chips with part numbers having a date of first commercial availability after October 1, 2007</p> <p>(iii) RCD signaling on Line 21 of field 2 (Line 284) according to CEA-608-E, where the repetition rate for the RCD should same as for CGMS-A.</p> <p>576i RF, Composite, S-Video:</p> <p>Macrovision: The Automatic Gain Control and Colorstripe copy control systems (specified in the document entitled “Specifications of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, (September 30, 1999)” or “Specifications of the Macrovision Copy Protection Process Revision 7.2.H1, (October 3, 2005)”), triggered according to the requirements above.</p> <p>Dwight Cavendish (optional): version 6.1.a2 of the DCS technology if triggered as set forth above.</p> <p>Copyright information signaling on Line 23 according to ETSI EN 300 294.</p>
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TABLE C1

AACS Authorized Copying Methods

Note: Table C1, and the obligations related to the AACS Authorized Copying Methods, may be amended by AACS LA from time to time consistent with the Adopter Agreement and the Change Management Provisions of the Content Participant Agreement and (i) with respect to the addition of AACS Authorized Copying Methods, in accordance with the AACS document entitled “Evaluation of Proposed Digital Outputs and Secure Recording Technologies”, (ii) with respect to the Suspension and/or Delisting of AACS Authorized Copying Methods, in accordance with Section 2 and/or Section 3, as applicable, of Exhibit F to the Content Participant Agreement, and (iii) with respect to conditioning or restricting the use of AACS Authorized Copying Methods, Section 3 of Exhibit F to the Content Participant Agreement.

For avoidance of doubt regarding the making of an authorized copy, processing of Decrypted AACS Content prior to protection by the AACS Authorized Copying Method or Content Owner Authorized Copying Method is subject to the AACS Robustness and Compliance Rules. Examples of such processing include transcoding or decimation to constrained image that occur prior to protection by the Authorized Copying Methods. Once protected by the Authorized Copying Methods, processing of the content becomes subject to the Authorized Copying Methods compliance and robustness rules (note: content protected by a Bound Copy Method remains subject to AACS Compliance and Robustness Rules).

When a copy of Decrypted AACS Content is authorized, either by CCI or by an Online Transaction for Managed Copy, a Licensed Copier may make such copy using AACS Authorized Copying Methods defined in the table below pursuant to the requirements of this table, the Specifications and this Agreement.

Copies authorized either via CCI or by an Online Transaction for Managed Copy shall use the default permission settings and up to the Obligated Managed Copy Resolutions below except as modified pursuant to an Online Transaction for Managed Copy. A Managed Copy authorized through an Online Transaction for Managed Copy shall be permitted even if the CCI permission setting of the source is set to Copy Never or No More Copies. Copies authorized by CCI must respect the CCI settings for the copies made; for instance, if source is marked “Copy One Generation” a copy made from that source is marked “Copy No More”.

Capitalized terms used in the following table, but not otherwise defined in this Agreement shall have the meaning set forth in the relevant agreements associated with that AACS Authorized Copying Method.

Note: Technologies listed on Table C-1 are approved by AACS LA based on receipt of a signed AACS Output Approval Agreement with the proprietor of those technologies.

Further, the listed technologies all implement analog sunset requirements such that content that originates as AACS Content subject to analog sunset requirements of these Compliance rules will also be subject to equivalent analog sunset requirements when output from the technologies listed on this table.

AACS Authorized Copying Methods	Default Permissions, Restrictions and Obligated Resolution
AACS Prepared Video Major MCOT ID: [AACS_PV]	Obligated Managed Copy Resolution: Full Resolution Default Permissions: The permissions of the copy are the same as the source disk. The Move Not Allowed setting shall be set to permit Move. Note: CCI based copying not supported Note: Move from AACS Prepared Video is permitted in accordance with the Specifications, the Agreement, and the Compliance Rules.

<p>AACS Recordable Video</p> <p>Major MCOT ID: Not Applicable</p>	<p>Obligated Managed Copy Resolution: Not Applicable NOTE: Managed Copy not permitted using AACS Recordable Video¹</p> <p>CCI copy resolution: Full Resolution</p> <p>Default Permissions:</p> <ul style="list-style-type: none"> • If the CCI setting is Copy One Generation, the resulting CCI setting shall be set to No More Copies. • If the CCI setting is Copy Control Not Asserted and EPN-asserted, the resulting CCI setting of the copy shall be the same as the source. • ICT – same as source • DOT – same as source • APSTB – same as source <p>A copy made pursuant to CCI is not limited to 415K Resolution. The Move Not Allowed setting shall be set to permit Move.</p> <p>Note: Move from AACS Recordable Video is permitted in accordance with the Specifications, the Agreement, and the Compliance Rules.</p>
<p>Bound Copy Method</p> <p>Major MCOT ID: [BCM]</p>	<p>Obligated Managed Copy Resolution: Full Resolution CCI copy resolution: Full Resolution</p> <p>Default Permissions:</p> <p>Bound Copy Methods shall store the following parameters in a manner that effectively ensures (using a cryptographic protocol or other effective means) the integrity of the parameters.</p> <ul style="list-style-type: none"> • If the CCI setting is Copy One Generation, the resulting CCI setting shall be set to No More Copies. • If the CCI setting is Copy Control Not Asserted and EPN-asserted, the resulting CCI setting of the copy shall be the same as the source. • A Managed Copy authorized through an Online Transaction for

¹ Note that AACS Recordable Video may be added to Table C-2 at the request of a Content Participant/Provider. As a reminder, Content Participants/Providers are not required to provide Offers for the making of Managed Copies using copy methods listed on Table C-2.

	<p>Managed Copy shall be permitted even if the CCI permission setting of the source is set to Copy Never or No More Copies in which case the resulting copy shall be marked the same as the source.</p> <ul style="list-style-type: none"> • ICT – same as source • DOT – same as source • APSTB – same source <p>Where the copy that is protected using a Bound Copy Method constitutes a CCI Managed Copy Equivalent as defined in the Content Participant Agreement, the Move Not Allowed setting shall be set to permit Move (see Sections 3.6 and 3.9 subject to Move)</p> <p>For purposes of making a Managed Copy using a Bound Copy Method, the Licensed Copier must use an MCOT ID, consisting of a Major MCOT ID and a minor MCOT ID [assigned by AACS LA] for that Bound Copy Method. A copy made using a Bound Copy Method shall meet all Content Protection Requirements applicable to Decrypted AACS Content under this Agreement, until such content is passed to an output permitted by this Agreement.</p> <p>For the Bound Copy Method, there is an additional requirement on any minor MCOT ID associated with “BCM”. The minor MCOT ID shall be of the format: AACSLicenseeID[.<sub-ID of licensee’s choice>] Some examples: 9998 9999.MyPlatformName</p> <p>Note: Move from Bound Copy Method is permitted in accordance with the Specifications, the Agreement, and the Compliance Rules.</p>				
<p>Content Protection for Recordable Media (CPRM)</p> <p>Major MCOT ID: [CPRM] Minor MCOT IDs: [DVD Recordable] (only when recording DVD Video Format)</p>	<p>NOTE: CPRM – DVD Recordable (CPRM for Video Recording Format)(“CPRM for DVD-VR”) is not permitted to be used for Managed Copies (although it is permitted to be used for CCI copies).² Inclusion of CPRM for DVD-VR on the table, below, should be read for CCI copying only.</p> <p>Obligated Managed Copy Resolution: 415K Resolution CCI copy resolution: 415K Resolution</p> <p style="text-align: center;">Default Permissions – DVD Recordable:</p> <table border="1" data-bbox="467 1591 1339 1780"> <thead> <tr> <th data-bbox="467 1591 906 1665">AACS</th> <th data-bbox="906 1591 1339 1665">CPRM – DVD Recordable (DVD Video Format)</th> </tr> </thead> <tbody> <tr> <td data-bbox="467 1665 906 1780">For BD Adaptation: EPN = 0 (EPN asserted) CCI = 00</td> <td data-bbox="906 1665 1339 1780">EPN = asserted CGMS = 01 (protect with CPRM but copy</td> </tr> </tbody> </table>	AACS	CPRM – DVD Recordable (DVD Video Format)	For BD Adaptation: EPN = 0 (EPN asserted) CCI = 00	EPN = asserted CGMS = 01 (protect with CPRM but copy
AACS	CPRM – DVD Recordable (DVD Video Format)				
For BD Adaptation: EPN = 0 (EPN asserted) CCI = 00	EPN = asserted CGMS = 01 (protect with CPRM but copy				

[SD Memory Card]	For HD DVD Adaptation: PCCI = 011 (Encryption Plus non-assertion)	control restrictions not asserted without redistribution)
	For BD Adaptation: CCI = 10 (Copy One Generation)	EPN = un-asserted CGMS = 01 (no more copies)
	For HD DVD Adaptation: PCCI = 100 (Copy One Generation)	
	For BD Adaptation: EPN = 1 CCI = 00 (Copy Control Not Asserted)	EPN = un-asserted CGMS = 00 (copy freely)
	For HD DVD Adaptation PCCI = 000 (Copy Freely)	
	For BD Adaptation CCI = 01 (No More Copies) (Applies to Move)	EPN = un-asserted CGMS = 01 (no more copies)
	For HD DVD Adaptation PCCI – 010 (No More Copies) (Applies to Move)	
	For BD Adaptation CCI = 11 (Never Copy) (Applies to Managed Copy)	EPN = un-asserted CGMS = 11 (copy never)
	For HD DVD Adaptation 110 (Copy Never) (Applies to Managed Copy)	
	AACS	CPRM – DVD Recordable (CPRM for Video Recording Format)
	For BD Adaptation: EPN = 0 (EPN asserted) CCI = 00	EPN = 1 CGMS = 11 DCI_CCI data verified = yes (protected using CPRM but copy control restriction not asserted)
	For HD DVD Adaptation: PCCI = 011 (Encryption Plus Non-assertion)	
	For BD Adaptation: CCI = 10 (Copy One Generation)	EPN = un-asserted CGMS = 11 (no more copies)
For HD DVD Adaptation: PCCI = 100 (Copy One Generation)		
For BD Adaptation:	EPN = un-asserted	

	EPN = 1 CCI = 00 (Copy Control Not Asserted)	CGMS = 00 (copy freely)
	For HD DVD Adaptation PCCI = 000 (Copy Freely)	
	For BD Adaptation CCI = 01 (No More Copies) (Applies to Move)	EPN = un-asserted CGMS = 11 (no more copies)
	For HD DVD Adaptation PCCI – 010 (No More Copies) (Applies to Move)	
	For BD Adaptation CCI = 11 (Never Copy) (Applies to Managed Copy)	Not applicable
	For HD DVD Adaptation 110 (Copy Never) (Applies to Managed Copy)	
The remaining CCI mappings apply to both the AACSB Adaptation and HD DVD Adaptation, and for CPRM DVD Video and CPRM for Video Recording Formats		
	APSTB = 000 (APS off)	APSTB = 00 (APS off)
	APSTB = 001 (APS1 Type 1)	APSTB = 01 (APS Type 1)
	APSTB = 010 (APS1 Type 2)	APSTB = 10 (APS Type 2)
	APSTB = 011 (APS1 Type 3)	APSTB = 11 (APS Type 3)
	APSTB = 100-101 (reserved)	APSTB = NA
	APSTB = 110-111 (APS2)	APSTB = 00 (APS off)
	ICT = 0 (High Definition Analog Output in the form of Constrained Image)	N/A
	ICT = 1 (High Definition Analog Output in High Definition Analog Form)	N/A
	DOT = 0 (Output of decrypted content is allowed for Analog/Digital Outputs)	(Copy is allowed if CCI permits)
	DOT = 1 (Output of decrypted content is allowed only for	(Copy is not allowed until DOT is supported)

Digital Outputs)	
Note: Move from CPRM for DVD Recordable is not permitted.	
Default Permissions – SD Memory Card, SD-Video, SD-Video TOD file / SD-SD Video Digital Stream Use:	
AACS	CPRM – SD Memory Card
BD Adaptation: EPN = 0 (EPN asserted) CCI = 00	EPN = asserted E_CPF = 10 Encryption of packet sequence = on
HD DVD Adaptation: PCCI = 011 (EPN asserted)	CGMS = copy freely
BD Adaptation: CCI = 10 (Copy One Generation)	EPN = don't care E_CPF = 11 Encryption of packet sequence = on
HD DVD Adaptation: PCCI = 100 (Copy One Generation)	CGMS = no more copies
BD Adaptation: EPN = 1 CCI = 00 (Copy Control Not Asserted)	EPN = unasserted E_CPF = 00 Encryption of packet sequence = off
HD DVD Adaptation: PCCI = 000 (Copy Freely)	CGMS = copy freely
For BD Adaptation CCI = 01 (No More Copies) (Applies to Move)	EPN = don't care E_CPF = 11 Encryption of packet sequence = on
For HD DVD Adaptation PCCI = 010 (No More Copies) (Applies to Move)	CGMS = no more copies
For BD Adaptation CCI = 11 (Never Copy) (Applies to Managed Copy)	EPN = don't care E_CPF = 11 Encryption of packet sequence = on
For HD DVD Adaptation 110 = (Copy Never) (Applies to Managed Copy)	CGMS = no more copies
The remaining CCI mappings apply to both the AACS BD Adaptation and HD DVD Adaptation	
APSTB = 000 (APS off)	APSTB = 00 (APS off)
APSTB = 001 (APS1 Type 1)	APSTB = 01 (APS Type 1)
APSTB = 010 (APS1 Type 2)	APSTB = 10 (APS Type 2)
APSTB = 011 (APS1 Type 3)	APSTB = 11 (APS Type 3)
APSTB = 100-101 (reserved)	APSTB = NA

APSTB = 110-111 (APS2)	APSTB = 00 (APS off)
ICT = 0 (High Definition Analog Output in the form of Constrained Image)	N/A
ICT = 1 (High Definition Analog Output in High Definition Analog Form)	N/A
DOT = 0 (Output of decrypted content is allowed for Analog/Digital Outputs)	(Copy is allowed if CCI permits)
DOT = 1 (Output of decrypted content is allowed only for Digital Outputs)	(Copy is not allowed until DOT is supported)
Move Not Allowed = 1 or 0	Current Move Control Information = 11 (Move unlimited times)

Default Permissions –SD Memory Card, SD-Video ASF file and MP4 file / SD-SD Video General Use:

AACS	CPRM – SD Memory Card
BD Adaptation: EPN = 0 (EPN asserted) CCI = 00	Copy Count Control Information = 1111: EPN = asserted CGMS = copy freely
HD DVD Adaptation: PCCI = 011 (EPN asserted)	
BD Adaptation: CCI = 10 (Copy One Generation)	Copy Count Control Information = 0000: EPN = unasserted CGMS = no more copies
HD DVD Adaptation: PCCI = 100 (Copy One Generation)	
BD Adaptation: EPN = 1 CCI = 00 (Copy Control Not Asserted)	No encrypting key and CCI required
HD DVD Adaptation: PCCI = 000 (Copy Freely)	
For BD Adaptation CCI = 01 (No More Copies) (Applies to Move)	Copy Count Control Information = 0000: EPN = unasserted

	<table border="1"> <tr> <td>For HD DVD Adaptation PCCI – 010 (No More Copies) (Applies to Move)</td> <td>CGMS = no more copies</td> </tr> <tr> <td>For BD Adaptation CCI = 11 (Never Copy) (Applies to Managed Copy)</td> <td rowspan="2">Copy Count Control Information = 0000: EPN = unasserted CGMS = no more copies</td> </tr> <tr> <td>For HD DVD Adaptation 110 (Copy Never) (Applies to Managed Copy)</td> </tr> <tr> <td colspan="2" style="text-align: center;">The remaining CCI mappings apply to both the AACS BD Adaptation and HD DVD Adaptation</td> </tr> <tr> <td>APSTB = 000 (APS off)</td> <td>APSTB = 00 (APS off)</td> </tr> <tr> <td>APSTB = 001 (APS1 Type 1)</td> <td>APSTB = 01 (APS Type 1)</td> </tr> <tr> <td>APSTB = 010 (APS1 Type 2)</td> <td>APSTB = 10 (APS Type 2)</td> </tr> <tr> <td>APSTB = 011 (APS1 Type 3)</td> <td>APSTB = 11 (APS Type 3)</td> </tr> <tr> <td>APSTB = 100-101 (reserved)</td> <td>APSTB = N/A</td> </tr> <tr> <td>APSTB = 110-111 (APS2)</td> <td>APSTB = 00 (APS off)</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>ICT = 0 (High Definition Analog Output in the form of Constrained Image)</td> <td>N/A</td> </tr> <tr> <td>ICT = 1 (High Definition Analog Output in High Definition Analog Form)</td> <td>N/A</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>DOT = 0 (Output of decrypted content is allowed for Analog/Digital Outputs)</td> <td>(Copy is allowed if CCI permits)</td> </tr> <tr> <td>DOT = 1 (Output of decrypted content is allowed only for Digital Outputs)</td> <td>(Copy is not allowed until DOT is supported)</td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td>Move Not Allowed = 1 or 0</td> <td>Current Move Control Information = 11 (Move unlimited times)</td> </tr> </table>	For HD DVD Adaptation PCCI – 010 (No More Copies) (Applies to Move)	CGMS = no more copies	For BD Adaptation CCI = 11 (Never Copy) (Applies to Managed Copy)	Copy Count Control Information = 0000: EPN = unasserted CGMS = no more copies	For HD DVD Adaptation 110 (Copy Never) (Applies to Managed Copy)	The remaining CCI mappings apply to both the AACS BD Adaptation and HD DVD Adaptation		APSTB = 000 (APS off)	APSTB = 00 (APS off)	APSTB = 001 (APS1 Type 1)	APSTB = 01 (APS Type 1)	APSTB = 010 (APS1 Type 2)	APSTB = 10 (APS Type 2)	APSTB = 011 (APS1 Type 3)	APSTB = 11 (APS Type 3)	APSTB = 100-101 (reserved)	APSTB = N/A	APSTB = 110-111 (APS2)	APSTB = 00 (APS off)			ICT = 0 (High Definition Analog Output in the form of Constrained Image)	N/A	ICT = 1 (High Definition Analog Output in High Definition Analog Form)	N/A			DOT = 0 (Output of decrypted content is allowed for Analog/Digital Outputs)	(Copy is allowed if CCI permits)	DOT = 1 (Output of decrypted content is allowed only for Digital Outputs)	(Copy is not allowed until DOT is supported)			Move Not Allowed = 1 or 0	Current Move Control Information = 11 (Move unlimited times)
For HD DVD Adaptation PCCI – 010 (No More Copies) (Applies to Move)	CGMS = no more copies																																			
For BD Adaptation CCI = 11 (Never Copy) (Applies to Managed Copy)	Copy Count Control Information = 0000: EPN = unasserted CGMS = no more copies																																			
For HD DVD Adaptation 110 (Copy Never) (Applies to Managed Copy)																																				
The remaining CCI mappings apply to both the AACS BD Adaptation and HD DVD Adaptation																																				
APSTB = 000 (APS off)	APSTB = 00 (APS off)																																			
APSTB = 001 (APS1 Type 1)	APSTB = 01 (APS Type 1)																																			
APSTB = 010 (APS1 Type 2)	APSTB = 10 (APS Type 2)																																			
APSTB = 011 (APS1 Type 3)	APSTB = 11 (APS Type 3)																																			
APSTB = 100-101 (reserved)	APSTB = N/A																																			
APSTB = 110-111 (APS2)	APSTB = 00 (APS off)																																			
ICT = 0 (High Definition Analog Output in the form of Constrained Image)	N/A																																			
ICT = 1 (High Definition Analog Output in High Definition Analog Form)	N/A																																			
DOT = 0 (Output of decrypted content is allowed for Analog/Digital Outputs)	(Copy is allowed if CCI permits)																																			
DOT = 1 (Output of decrypted content is allowed only for Digital Outputs)	(Copy is not allowed until DOT is supported)																																			
Move Not Allowed = 1 or 0	Current Move Control Information = 11 (Move unlimited times)																																			
	Note: When permitted, Move from CPRM for SD Memory Card is done in accordance with the 4C Specifications and Compliance Rules.																																			
MagicGate Type-R Secure Video	Obligated Managed Copy Resolution: 415K Resolution CCI copy resolution: 415K Resolution																																			

Recording for Memory Stick PRO (MG-R(SVR) for M.S. PRO) and for Embedded Memory with Playback and Recording Function (MG-R(SVR) for EMPR) Major MCOT ID: [MGRSVR] Minor MCOT IDs: [MSPRO] [EMPR]	Default Permissions:							
	AAS Blu-ray Disc Adaptation				MG-R(SVR) for Memory Stick PRO and MG-R (SVR) for EMPR			
	CCI		EPN		CCI		EPN	
	00 ₂	Copy control Not Asserted	1 ₂	EPN-unasserted	00 ₂	See the EPN field	1 ₂	EPN-unasserted (copy freely)
	00 ₂	Copy Control Not Asserted	0 ₂	EPN-asserted	00 ₂	See the EPN field	0 ₂	EPN-asserted
	10 ₂	Copy One Generation	\		10 ₂	No_more_copies	1 ₂	EPN-unasserted
	01 ₂	No More Copy (Applies to Move)			10 ₂	No_more_copies	1 ₂	EPN-unasserted
	11 ₂	Never Copy (Applies to Managed Copy)			10 ₂	No_more_copies	1 ₂	EPN-unasserted
	APSTB				APSTB			
	000 ₂	APS OFF			00 ₂	APS off		
	001 ₂	APS1 ON: type 1 (AGC)			01 ₂	APS Type 1		
	010 ₂	APS1 ON: type 2 (AGC + 2L colourstripe)			10 ₂	APS Type 2		
	011 ₂	APS1 ON: type 3 (AGC + 4L colourstripe)			11 ₂	APS Type 3		
	110 ₂	APS2 ON			00 ₂	APS off		
	111 ₂	APS2 ON			00 ₂	APS off		
Others	Reserved			00 ₂	APS off			
Image Constraint Token				ICT (Image Constraint Token)				

0 ₂	High Definition Analog Output in the form of Constrained Image		1 ₂	Constrained Image
1 ₂	High Definition Analog Output in High Definition Analog Form		0 ₂	High Definition Analog Form
Digital_Only_Token		Corresponding CCI is not specified		
0 ₂	Output of decrypted content is allowed for Analog/Digital Outputs		N/A	(Copy is allowed if CCI permits)
1 ₂	Output of decrypted content is allowed only for Digital Outputs		N/A	(Copy is not allowed until DOT is supported)
Move_Permission		Move_Permission		
1 ₂ or 0 ₂	Move Not Allowed not applicable		"MOVE_L" = OK (Move is permitted)	
AACS HD DVD and DVD Adaptation		MG-R(SVR) for Memory Stick PRO		
PCCI		CCI		EPN
000 ₂	Copy Freely	00 ₂	See the EPN field	1 ₂ EPN-unasserted (copy freely)
011 ₂	Encryption Plus Non-Assertion	00 ₂	See the EPN field	0 ₂ EPN-asserted
100 ₂	Copy One Generation	10 ₂	No_more_copies	1 ₂ EPN-unasserted
010 ₂	No More Copies (Applies to Move)	10 ₂	No more copies	1 ₂ EPN-unasserted
110 ₂	Copy Never (Applies to Managed Copy)	10 ₂	No_more_copies	1 ₂ EPN-unasserted
APSTB		APSTB		
000 ₂	APSTB is OFF	00 ₂	APS off	
001 ₂	Type 1 of	01 ₂	APS Type 1	

	APS1 is ON		
010 ₂	Type 2 of APS1 is ON	10 ₂	APS Type 2
011 ₂	Type 3 of APS1 is ON	11 ₂	APS Type 3
110 ₂	APS2 is ON	00 ₂	APS off
111 ₂	APS2 is ON	00 ₂	APS off
Others	Reserved	00 ₂	APS off
ICT		ICT (Image Constraint Token)	
0 ₂	High Definition Analog Form	0 ₂	High Definition Analog Form
1 ₂	Constrained Image	1 ₂	Constrained Image
DOT		Corresponding CCI is not specified	
0 ₂	All approved output is allowed	N/A	(Copy is allowed if PCCI permits)
1 ₂	Approved digital outputs are only allowed	N/A	(Copy is not allowed until DOT is supported)
Move Permission		Move Permission	
1 ₂ or 0 ₂	Move Not Allowed NA	"MOVE_L" = OK (Move is permitted)	
<p>Note: When permitted, Move from MagicGate Type-R is done in accordance with the MagicGate Type-R Specifications and Compliance Rules.</p>			

<p>Security Architecture for Intelligent Attachment Device (SAFIA)</p> <p>Major MCOT ID: [SAFIA]</p>	<p>Obligated Managed Copy Resolution: 415K Resolution CCI copy resolution: Full Resolution from AACS Recordable Video, 415K Resolution from other source</p> <p>For an incoming Move of a CCI Copy from AACS Recordable Video, such as recording of Japanese Digital Broadcast made onto AACS Recordable Video, the Move to SAFIA may be made at up to the resolution of the recording of the AACS Recordable Video.</p>	
	Default Permissions	
	AACS	SAFIA
	For BD Adaptation: EPN = 1 (not asserted) CCI = 00 (Copy Freely)	No encryption and restriction EPN = 1 (EPN not asserted) SAFIA_CCI_visual = 00 (Copy control not asserted)
	For BD Adaptation: EPN = 0 (asserted) CCI = 00 (Copy Freely)	FM = 00, Count = 1111 (Not asserted) EPN = 0 (EPN asserted) SAFIA_CCI_visual = 00 (Copy control not asserted)
	For BD Adaptation: CCI = 10 (Copy One Generation)	FM = 00, Count = 0000 (No more copy) SAFIA_CCI_visual = 01 (No more copies)
	For BD Adaptation: CCI = 01 (Copy No More) (Applies to Move)	FM = 00, Count = 0000 (No more copy) SAFIA_CCI_visual = 01 (No more copies)
	For BD Adaptation: CCI = 11 (Copy Never) (Applies to Managed Copy)	FM = 00, Count = 0000 (No more copy) SAFIA_CCI_visual = 01 (No more copies)
	APSTB = 000 (APS off)	APS = 00 (APS off)
	APSTB = 001 (APS Type 1)	APS = 01 (APS Type 1)
	APSTB = 010 (APS Type 2)	APS = 10 (APS Type 2)
	APSTB = 011 (APS Type 3)	APS = 11 (APS Type 3)
	APSTB = 100-101 (reserved)	APS = 00 (APS off)
	APSTB = 110-111 (APS2)	APS = 00 (APS off)
ICT = 0 (High Definition Analog Output in the form of Constrained Image)	ICT = 0 (Constrained Image)	
ICT = 1 (High Definition Analog Output in High Definition)	ICT = 1 (High Definition Analog Form)	

	Analog Form)	
	DOT = 0 (Output of decrypted content is allowed for Analog/Digital Outputs)	DOT = 0 (allowed for Analog/Digital Outputs)
	DOT = 1 (Output of decrypted content is allowed only for Digital Outputs)	DOT = 1 (allowed only for Digital Outputs)
	Move Not Allowed = 0 (Move is permitted)	MU = 0, MB = 0, MC = 00 (Move is allowed)
	Move Not Allowed = 1 (Move not permitted)	MU = 1, MB = 1, MC = N/A (Move is not allowed)
<p>WMDRM v10 or later (including PlayReady)</p> <p>Major MCOT ID: [WMDRM] Minor MCOT IDs: [WMDRMv10] [others to be added with the release of new versions of WMDRM]</p>	<p>Obligated Managed Copy Resolution: Full Resolution CCI copy resolution: Full Resolution</p> <p>Default Permissions: MinimumSecurityLevel = 5000 High Definition content robustness level. <i>Note to Adopter: Compliance rules for WMDRM require that level 5000 content be converted to constrained image if uncompressed HD video cannot be protected while traversing a User Accessible Bus.</i></p> <p>Alternative: MinimumSecurityLevel = 2000 415K Resolution content robustness level. In this case, the Licensed Copier shall first convert the Decrypted AACCS Content to a Constrained Image.</p> <p>MinimumDeviceSecurityLevel = 2000 Content may flow to existing WMDRM-PD and WMDRM-ND devices in a manner consistent with the rules of this table.</p> <p>Source Identifier = 262 Indicates content was sourced from AACCS prerecorded media.</p> <ul style="list-style-type: none"> • Implementations will limit further output of such content in a manner consistent with the sunset dates contained in Sections 2.2.2.1 and 2.2.2.2 of Part 2 of these Compliance Rules. <p>AllowPlay = True Permits local and remote rendering via WMDRM-ND.</p> <p>AllowCopy = True CopyLevel = 400 Set these values if AACCS CCI value is Copy Freely. When using WMDRM to make a recording of Copy Freely AACCS</p>	

	<p>content, the sink shall generate a WMDRM license with these settings, granting permission for unlimited copies to portable devices at constrained image.</p> <p><i>OR</i></p> <p>AllowCopy = False Set this value if AACS CCI value is Copy Never or Copy One Generation.</p> <p><i>Note to Adopter:</i> When using WMDRM to make a recording of Copy Never or Copy One Generation AACS content, the sink shall generate a WMDRM license with these settings, granting no permission for copies to portable devices.</p> <p>AllowBackupAndRestore = TBD [The license may be backed up or restored to the same or another device using the WMDRM Backup and Restore feature.]</p> <p>MinimumCompressedDigitalVideoOutputProtectionLevel = 500 Unprotected compressed Digital Video Output not allowed.</p> <p>MinimumUncompressedDigitalVideoOutputProtectionLevel = 300 Require System Renewability Message processing with HDCP.</p> <p>MinimumAnalogVideoOutputProtectionLevel =200 CGMS-A ‘Copy Never’ required for analog video output.</p> <p>MinimumCompressedDigitalAudioOutputProtectionLevel = 200 MinimumUncompressedDigitalAudioOutputProtectionLevel = 200 <i>Note to Adopter:</i> WMDRM compliance rules will state that the implementation must control the audio output types in accordance with the policy specified by the content.</p> <p>DRM_VIDEO_OUTPUT_PROTECTION.guid = 6347574B-8F0F-4511-A8F4-DB2502C1B7E9 Set this GUID if the AACS Digital Only Token is enabled. <i>Note to Adopter:</i> WMDRM compliance rules will state that products must block display to analog outputs if this GUID is set.</p> <p>DRM_VIDEO_OUTPUT_PROTECTION.guid = D783A191-E083-4BAF-B2DA-E69F910B3772 DRM_VIDEO_OUTPUT_PROTECTION.bConfigData = 520000 Set this GUID if the AACS Image Constraint Token is enabled. <i>Note to Adopter:</i> WMDRM compliance rules will state that if this GUID is set, product must convert to constrained image for computer monitor</p>
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	<p><i>outputs.</i></p> <p>DRM_VIDEO_OUTPUT_PROTECTION.guid = 811C5110-46C8-4C6e-8163- C0482A15D47E DRM_VIDEO_OUTPUT_PROTECTION.bConfigData = 520000</p> <p>Set this GUID if the AACS Image Constraint Token is enabled. <i>Note to Adopter: WMDRM compliance rules will state that if this GUID is set, product must convert to constrained image for component video outputs.</i></p> <p>DRM_VIDEO_OUTPUT_PROTECTION.guid = C3FD11C6-F8B7-4d20-B008-1DB17D61F2DA DRM_VIDEO_OUTPUT_PROTECTION.bConfigData = APSTB</p> <p>Set this GUID if the AACS APS1 (Macrovision) is enabled.</p> <p><i>Note to Adopter: The WMDRM compliance rules will state that if this GUID is set, Macrovision analog protection system will be turned on, and the APSTB field set based upon the Binary Configuration Data in the license.</i></p> <p>Baseline Move Permission authorization for Move is currently not required, but Move may be authorized at the option of the authorizer of the Managed Copy. <i>Note: the values listed in this table do not currently include the settings necessary to authorize Move.</i></p>

Table C2

Content Owner Authorized Copying Methods

For avoidance of doubt regarding the making of an authorized copy, processing of Decrypted AACCS Content prior to protection by the Content Owner Authorized Copying Method is subject to the AACCS Robustness and Compliance Rules. Examples of such processing include transcoding or decimation to constrained image that occur prior to protection by the Authorized Copying Methods. Once protected by the Authorized Copying Methods, processing of the content becomes subject to the Authorized Copying Methods compliance and robustness rules

Notes: Table C2 may be amended by AACCS LA from time to time upon request of Content Participants and Content Providers interested in adding additional copying methods for their own content only. The appearance of a given entry in this table does not impose any obligation under this agreement on such entry, nor imply: a) any license from the relevant technology provider, b) any guarantee that a Managed Copy will be provided in this technology, or c) any AACCS endorsement or other opinion regarding the method/technology or its associated obligations, nor does inclusion of a technology on this list imply that the proprietor of that technology endorses, instructs or authorizes the use of AACCS technology. For a list of technologies, please refer to [<http://aacsla.com/c2list>]. AACCS LA will make reasonable efforts to keep this list up to date, but Licensees are encouraged to contact AACCS LA directly to confirm the status of specific technologies.

TABLE D1

AACS Authorized Digital Outputs (Non-Copying Methods)

Note: Table D1 may be amended by AACS LA from time to time consistent with the Adopter Agreement and the Change Management Provisions of the Content Participant Agreement and (i) with respect to the addition of AACS Authorized Digital Outputs, in accordance with the AACS document entitled “Evaluation of Proposed Digital Outputs and Secure Recording Technologies”, and (ii) with respect to the Delisting and/or conditioning and/or restricting the use of AACS Authorized Digital Outputs, Section 3 of Exhibit F to the Content Participant Agreement.

For avoidance of doubt, processing of Decrypted AACS Content prior to protection by the AACS Authorized Digital Output technology is subject to the AACS Robustness and Compliance Rules. Once protected by the Authorized Digital Output technology, processing of the content becomes subject to the Authorized Digital Output compliance and robustness rules

Note: Technologies listed on Table D-1 are approved by AACS LA based on receipt of a signed AACS Output Approval Agreement with the proprietor of those technologies. Further, the listed technologies all implement analog sunset requirements such that content that originates as AACS Content subject to analog sunset requirements of these Compliance rules will also be subject to equivalent analog sunset requirements when output from the technologies listed on this table.

Capitalized terms used in the following table, but not otherwise defined in this Agreement shall have the meaning set forth in the relevant agreements associated with that AACS Authorized Digital Outputs.

AACS Authorized Digital Outputs	Associated Restrictions and Obligations
DTCP	<p>A Licensed Player may pass Decrypted AACS Content to an output protected by DTCP, provided that when doing so, the Licensed Player shall (a) carry any DTCP System Renewability Messages delivered in association with such content (in the manner described or referenced in the AACS Specifications) to the DTCP Source Function, and (b) set the following fields of the DTCP Descriptor to the indicated values:</p> <p style="padding-left: 40px;">APS: If APS1 is set then DTCP_APS is set in accordance with APS1 settings as APS1 is defined in the Specifications. If APS2 is set, then DTCP_APS is set to (0,0).</p>

DTCP_CCI: Set according to the AACS CCI values per the following table					
HD DVD and DVD Adaptation			DTCP		
PCCI			CCI		EPN
000 ₂	Copy Freely		00 ₂	Copy-free	1 ₂ EPN-unasserted
100 ₂	Copy One Generation*		10 ₂	Copy-one-generation	1 ₂ EPN-unasserted
010 ₂	No More Copies		01 ₂	No-more-copies	1 ₂ EPN-unasserted
110 ₂	Copy Never		11 ₂	Copy-Never	1 ₂ EPN-unasserted
011 ₂	Encryption Plus Non-Assertion		00 ₂	Copy-free	0 ₂ EPN-asserted
Other States	Reserved		DTCP output is not allowed		
APSTB			APS		
000 ₂	APSTB is OFF		00 ₂	Copy-free	
001 ₂	Type 1 of APS1 is ON		01 ₂	APS is on : Type 1 (AGC)	
010 ₂	Type 2 of APS1 is ON		10 ₂	APS is on : Type 2 (AGC + 2L Colorstripe)	
011 ₂	Type 3 of APS1 is ON		11 ₂	APS is on : Type 3 (AGC + 4L Colorstripe)	
110 ₂	APS2 is ON		00 ₂	APS off	
111 ₂	APS2 is ON		00 ₂	APS off	
Others	Reserved		00 ₂	Copy-free	
ICT			Image_Constraint_Token		
0 ₂	High Definition Analog Form		1 ₂	High Definition Analog Form	
1 ₂	Constrained Image		0 ₂	Constrained Image	
DOT			DOT (DTCP Descriptor or CMI Descriptor)		DOT_{INV} (PCP-UR)

0 ₂	All approved output is allowed		1 ₂	DOT-unasserted	0 ₂	DOT-unasserted
1 ₂	Approved digital outputs are only allowed		0 ₂	DOT-asserted *	1 ₂	DOT-asserted *

* If DTCP implementation does not support DOT, then DTCP output shall not be made.

Blu-ray Disc Adaptation				DTCP			
CCI		EPN		CCI		EPN	
00 ₂	Copy Control Not Asserted	1 ₂	EPN-unasserted	00 ₂	Copy-free	1 ₂	EPN-unasserted
00 ₂	Copy Control Not Asserted	0 ₂	EPN-asserted	00 ₂	Copy-free	0 ₂	EPN-asserted
10 ₂	Copy One Generation*			10 ₂	Copy-one-generation	1 ₂	EPN-unasserted
01 ₂	No More Copy			01 ₂	No-more-copies	1 ₂	EPN-unasserted
11 ₂	Never Copy			11 ₂	Copy-Never	1 ₂	EPN-unasserted
APSTB				APS			
000 ₂	APS OFF			00 ₂	Copy-free		
001 ₂	APS1 ON: type 1 (AGC)			01 ₂	APS is on : Type 1 (AGC)		
010 ₂	APS1 ON: type 2 (AGC + 2L colourstripe)			10 ₂	APS is on : Type 2 (AGC + 2L Colorstripe)		
011 ₂	APS1 ON: type 3 (AGC + 4L colourstripe)			11 ₂	APS is on : Type 3 (AGC + 4L Colorstripe)		
110 ₂	APS2 ON			00 ₂	APS off		
111 ₂	APS2 ON			00 ₂	APS off		
Others	Reserved			00 ₂	Copy-free		
ICT				Image_Constraint_Token			
0 ₂	Constrained Image			0 ₂	Constrained Image		
1 ₂	High Definition Analog			1 ₂	High Definition Analog		

	Form		Form		
DOT		DOT (DTCP Descriptor or CMI Descriptor)		DOT_{INV} (PCP-UR)	
0 ₂	All approved output is allowed	1 ₂	DOT-unasserted	0 ₂	DOT-unasserted
1 ₂	Approved digital outputs are only allowed	0 ₂	DOT-asserted *	1 ₂	DOT-asserted *
* If DTCP implementation does not support DOT, then DTCP output shall not be made.					
<p><i>Note to Adopter: For the “Copy One Generation” entries above, marked with the asterisk (*), the following shall apply: For a Licensed Player that is playing Audiovisual Content from AACS Recordable Media and is using the permission to treat a COG CCI setting as if it were a NMC CCI setting (see Part 4, Section A.1.d., above), such Licensed Player shall use the output settings noted above in accordance with a NMC CCI setting for that Audiovisual Content.</i></p> <p>Move output</p> <p>A Licensed Player may pass Decrypted AACS Content that constitutes a CCI Managed Copy Equivalent stored using a Bound Copy Method to an output protected by DTCP, using the DTCP Move encoding, to a single DTCP Sink Function in a single DTCP Licensed Product, provided that (a) when doing so, the Licensed Product shall carry any DTCP System Renewability Messages delivered in association with such content (in the manner described in the AACS Specifications) to the DTCP Source Function, and (b) the original Decrypted AACS Content is deleted or otherwise rendered unusable such that, at any point in time, only a single useable copy persists as between such original and copy thereof.</p>					
DVI	A Licensed Player manufactured on or before December 31, 2010 that is incorporated into a computer product may pass Decrypted AACS Content for which the Digital Only Token was not set to a DVI output as a Constrained Image. Furthermore, Existing Models with such DVI output may be manufactured and sold by Adopter up until December 31, 2011. Notwithstanding the foregoing, Adopter may continue to manufacture and sell an Existing Model with such DVI output in which the implementation of AACS Technology is a Robust Inactive Product after December 31,				

	<p>2010 provided that when such Robust Inactive Product is activated through a Periodic Update, such Periodic Update results in a Licensed Player that does not pass Decrypted AACS Content to DVI outputs.</p>
HDCP	<p>A Licensed Player may pass Decrypted AACS Content to an output protected by HDCP, provided that when doing so, the Licensed Player shall (a) carry any HDCP System Renewability Message delivered in association with such content (in the manner described or referenced in the AACS Specifications) to the HDCP Source Function and (b) verify that the HDCP Source Function is fully engaged and able to deliver protected content, which means (i) HDCP encryption is operational on such output, (ii) processing of the valid received System Renewability Message associated with such content, if any, has occurred as defined in the HDCP Specification and (iii) there is no HDCP Display Device or Repeater on such output whose Key Selection Vector is in such System Renewability Message.</p>
WMDRM-ND v10 or later (including PlayReady)	<p>A Licensed Player may pass Decrypted AACS Content to an output protected by WMDRM v10 or later for display purposes. When doing so, the Licensed Player shall set the WMDRM Rules as follows:</p> <p>MinimumSecurityLevel = 5000 High Definition content robustness level.</p> <p><i>Note to Adopter: Compliance rules for WMDRM will require that level 5000 content be converted to constrained image if 1) uncompressed HD video cannot be protected while traversing a User-Accessible Bus and 2) the AACS Image Constraint Token is enabled (as signaled by setting the corresponding WMDRM GUID – see further below).</i></p> <p>Alternative: MinimumSecurityLevel = 2000 415K Resolution content robustness level.</p> <p>In this case, the Licensed Player shall first convert the Decrypted AACS Content to a Constrained Image.</p> <p>MinimumDeviceSecurityLevel = 2000 Content may flow to existing WMDRM-ND devices in a manner consistent with the rules of this table.</p> <p>Source Identifier = 262 Indicates content was sourced from AACS protected content.</p> <ul style="list-style-type: none"> • Implementations will limit further output of such content in a manner consistent with the sunset dates contained in

Section 1.7 of Part 2 of these Compliance Rules.

AllowPlay = True

Permits local and remote rendering via WMDRM-ND.

MinimumCompressedDigitalVideoOutputProtectionLevel = 500

Unprotected compressed Digital Video Output not allowed.

MinimumUncompressedDigitalVideoOutputProtectionLevel = 300

Require System Renewability Message processing with HDCP.

MinimumAnalogVideoOutputProtectionLevel = 200

CGMS-A 'Copy Never' required for analog video output.

MinimumCompressedDigitalAudioOutputProtectionLevel = 200

MinimumUncompressedDigitalAudioOutputProtectionLevel = 200

Note to Adopter: WMDRM compliance rules will state that the implementation must control the audio output types in accordance with the policy specified by the content.

DRM_VIDEO_OUTPUT_PROTECTION.guid = 6347574B-8F0F-4511-A8F4-DB2502C1B7E9

Set this GUID if the AACCS Digital Only Token is enabled.

Note to Adopter: WMDRM compliance rules will state that products must block display to analog outputs if this GUID is set.

DRM_VIDEO_OUTPUT_PROTECTION.guid = D783A191-E083-4BAF-B2DA-E69F910B3772

DRM_VIDEO_OUTPUT_PROTECTION.bConfigData = 520000

Set this GUID if the AACCS Image Constraint Token is enabled.

Note to Adopter: WMDRM compliance rules will state that if this GUID is set, product must convert to constrained image for computer monitor outputs.

DRM_VIDEO_OUTPUT_PROTECTION.guid = 811C5110-46C8-4C6e-8163- C0482A15D47E

DRM_VIDEO_OUTPUT_PROTECTION.bConfigData = 520000

Set this GUID if the AACCS Image Constraint Token is enabled.

Note to Adopter: WMDRM compliance rules will state that if this GUID is set, product must convert to constrained image for component video outputs.

DRM_VIDEO_OUTPUT_PROTECTION.guid = C3FD11C6-F8B7-

4d20-B008-1DB17D61F2DA

DRM_VIDEO_OUTPUT_PROTECTION.bConfigData = APSTB

Set this GUID if the AACS APS1 (Macrovision) is enabled.

Note to Adopter: The WMDRM compliance rules will state that if this GUID is set, Macrovision analog protection system will be turned on, and the APSTB field set based upon the Binary Configuration Data in the XMR license.

Table E

AACS Authorized Audio Watermark Embedding Technologies

Subject to the requirements of Part 4, Section C.1 of the Compliance Rules, which are applicable with respect to each instance of Audiovisual Content that is embedded, Content Participants and Content Providers are permitted to embed, or cause to be embedded, the AACS Trusted Source State in content that is initially distributed using the following content protection technologies, provided that nothing in this table or other AACS documents is intended to override any prohibitions or other restrictions on the use of the Audio Watermark by the proprietor of any of the technologies listed below, nor does inclusion of a technology on this list imply that the proprietor of that technology endorses, instructs or authorizes the use of either the Audio Watermark or AACS Technology.

1. AACS Content, in the form of Prerecorded Video or Prepared Video
2. WMDRM version 10 and higher (including PlayReady)
3. Content Scramble System (“CSS”) with AACS Signature, provided that to the extent that a particular Audiovisual Work distributed in CSS with AACS Signature is authorized to be copied by a consumer, authorization to embed the AACS Trusted Source State is limited to particular content that if copied to optical media is copied only using technologies that are on Table E or Table W.
4. CPRM for Content Distribution
5. Fairplay version 1 and higher
6. Marlin Broadband Delivery System Specification and Marlin IPTV-ES Specification
7. Content Management Licensing Authority (CMLA) licensed implementations of Open Mobile Alliance (OMA) DRM 2.0 and above (hereinafter collectively “CMLA-OMA”)
8. Widevine Cypher version 4.2.0 and higher
9. ASCCT
10. DivX DRM, version 5 keyset #3

Note with Regard to the Use of Table E Technologies in the AACS Ecosystem
LEGAL CAUTION: THE FOLLOWING IS PROVIDED FOR EXPLANATION AND UNDERSTANDING ONLY AND DOES NOT INTERPRET OR MODIFY COMPLIANCE RULES

A technology should have reasonable controls on the flow of content so that content does not, in the normal operation of the technology, appear in circumstances causing the application of the Watermark Requirements to prevent the playback of the content (e.g., by appearing on optical disc media without the use of protection technologies on Table W). The reason for this concern is that lack of such security levels, output controls and robustness requirements may result in content being copied by consumers onto optical disc media in an authorized manner without use of protection technologies that are on the AACS Trusted Source Mark Allowed Technology list (Table W). If such content contains the AACS Trusted Source State and these discs are then played in AACS Licensed Products, the AACS Watermark Requirements will result in enforcement actions being taken, thereby creating adverse consumer experiences as a result of lack of basic content security requirements rather than unauthorized consumer copying. Generally speaking, digital CCI settings must be set such that any analog outputs must carry “copy never” settings for CGMS-A.

Criteria and Process for Adding Technologies to Table E

Additional technologies may be added to the list upon request, based on a review by AACS LA pursuant to the following criteria:

A. Criteria

1. The technology meets the criteria for inclusion on Table W (criterion A.2 only) or Table C-1 (excluding those authorized copy methods on Table C-1 that are not MCOTs, i.e., those technologies that are available only for CCI copying), or,
2. The technology does not permit the content to be placed on, or flow to, optical media that could be Accessed by Licensed Access Products unless protected by a Table W technology, provided that this condition shall be understood to be met where a technology permits (x) analog outputs (other than “display only” outputs) only if CGMS-A is set to “copy never” or Macrovision’s AGC technology is enabled on playback products (where content so indicates that the AGC technology should be used) or (y) other non-protected analog and digital outputs only as “display only” outputs (e.g., DVI, VGA) .

B. Process for Adding Technologies to Table E:

A technology proponent must file a notice with AACS LA setting forth the reasons why the technology meets the criteria. If the technology is already on Table W (based on

criterion A.2, only) or Table C-1 (excluding those authorized copy methods on Table C-1 that are not MCOTs.), acceptance of the notice and listing on this Table E shall be automatic and require no review by AACS LA. With regard to other technologies, AACS may accept the notice and include the technology on Table E. If AACS LA does not inform the proponent of an objection to inclusion of the technology on Table E within 30 days of AACS LA's receipt of the notice, the technology shall be automatically placed on the list. If AACS LA notifies the proponent of an objection to inclusion of the technology on Table E, AACS LA will conduct an expedited process to review and act on whether to include the technology on the list, including consultation with the proponent of the technology. The proponent will be informed of AACS LA's decision within 30 days of the original notice of an objection as to whether the technology will be included on Table E.

NOTE: A technology included on this Table E may be removed by AACS LA in the event that changes are made that cause the technology no longer to meet the criteria for inclusion on Table E.

Table W

Trusted Source Mark Allowed Technologies

The following protected formats shall be considered Trusted Source Mark Allowed Technologies for purposes of the Compliance Rules Part 4.

1. AACS Content, in the form of Prerecorded Video or Prepared Video
2. Content Management Licensing Authority (CMLA) licensed implementations of Open Mobile Alliance (OMA) DRM 2.0 and above (hereinafter collectively “CMLA-OMA”)
3. Content Protection for Recordable Media to the extent the particular CPRM method is an MCOT on Table C-1
4. Content Scramble System (“CSS”) with AACS Signature– Note that any Licensed Product capable of accessing Audiovisual Content protected with the Content Scramble System (“CSS”) is also capable of accessing Audiovisual Content protected with the Content Scramble System (“CSS”) with AACS Signature (“Signed CSS”) and must therefore implement the AACS Signed CSS Specifications for purposes of fulfilling Part 4 Section A.3(b) of these Compliance Rules.
5. Fairplay, version 1 and higher
6. MagicGate Type-R Secure Video Recording for Memory Stick PRO (MG-R(SVR) for M.S.PRO) or for Embedded Memory with Playback and Recording Function (MG-R(SVR) for EMPR)
7. Marlin Broadband Delivery System Specification and Marlin IPTV-ES Specification
8. Video Content Protection System
9. Windows Media DRM, version 10 and higher (including PlayReady) – Note that Windows Media DRM (all versions) qualifies under criterion 2.a.(ii)(B), below, thereby invoking the use of Section II.A.2.b(1) of the Watermark Compliance Rules.
10. Widevine Cypher, version 4.2.0 and higher
11. ASCCT – Note that ASCCT qualifies under criterion 2.a.(ii)(B), below, thereby invoking the use of Part 4, Section A.2.b(1) of these Compliance Rules.
12. DivX DRM, version 5 keyset #3

13. Security Architecture for Intelligent Attachment Device (SAFIA)

Additions to Table W

A technology that is included on Table C-1 as an MCOT will automatically be added to Table W. For the avoidance of doubt, an authorized copy method on Table C-1 for CCI-based copying only (i.e., that is not on Table C-1 as an MCOT) is not subject to this automatic addition to Table W.

With regard to other technologies, to the extent a particular technology does not appear on the list, and there is a proponent for adding it, technologies will be added to the list based on the following criteria and process.

A. Criteria:

The overall objective of the following criteria is that a technology listed on Table W should take sufficient measures to avoid its use as a “laundry channel,” i.e., a means to use the technology’s protection to avoid watermark screening of Audiovisual Content protected by the technology where such Audiovisual Content is used in an unauthorized manner. AACS LA considers that the following are sufficient to meet this objective:

1. A technology that meets the criteria for being listed on Table E (criterion A.1 only) and that is listed on Table E shall be eligible for listing on Table W based on a request filed in accordance with the procedure below.

2. A technology that is the subject of a request filed in accordance with the procedure below shall be reviewed and considered by AACS LA for listing on Table W in accordance with the procedure below, provided that it meets the following:

a. With respect to the use of the technology by consumers,

(i) the technology does not support recordings made into the technology by a consumer, or

(ii) if a consumer can record into the technology, then the technology either:

(A) limits all consumer recordings to Trusted Non-AACS Protected Content, or

(B) provides a means of distinguishing Unknown Non-AACS Protected Content from Trusted Non-AACS Protected Content, in which case the fact that such a means exists shall be noted in the entry on Table W and Licensed

Access Products implementing the technology shall be required to adhere to the Compliance Rule provision in Part 4.A.2.b(1) as well as the related compliance rules for the technology; and

b. With respect to the use of the technology by professionals, the technology is limited to content prepared by professionals under the direction of a license agreement, contract, or similar arrangement from a person or entity with a good faith belief they have the rights to authorize the making of such recordings.

B. Procedure

A technology proponent must file a notice with AACS LA setting forth the reasons why the technology meets the criteria.

1. If the request is based on point A.1., above, AACS LA shall include the technology on Table W, subject only to confirming the fact that the technology meets the requirements of point A.1.
2. If the request is based on point A.2., above, AACS LA may accept the notice and include the technology on Table W if it determines that the technology meets the requirements set forth in point A.2.
3. In either case (B.1 or B. 2, above), if AACS LA does not inform the proponent of an objection to inclusion of the technology on Table W within 30 days of AACS LA's receipt of the notice, the technology shall be automatically placed on the list. If AACS LA notifies the proponent of an objection to inclusion of the technology on Table W, AACS LA will conduct an expedited process to review and act on whether to include the technology on the list, including consultation with the proponent of the technology. The proponent will be informed of AACS LA's decision within 30 days of the original notice of an objection as to whether the technology will be included on Table W.

For purposes of this Table W and Part 4, Section A.2.b(1) of the Watermark Compliance Rules, the following definition shall apply:

1. **“Trusted Non-AACS Protected Content”** shall mean Audiovisual Content protected by a technology other than AACS as (i) authorized recordings made from content received in digital form from a commercially adopted access control method, where such method is: (A) used by cable, satellite, or digital terrestrial broadcast systems or commercially adopted IPTV delivery systems or other similarly commercially adopted delivery systems, (B) listed on Table X to the AACS Interim License Agreement (reproduced as part of Table X to this Agreement), (C) (x) included on Table C-1 or is a technology that permits recording on Table D-1 (other than unprotected DVI) of these Compliance Rules or (y) is a similar access control method that has been commercially adopted for the authorized use of Audiovisual Content, (D) used for the download of Audiovisual Content pursuant to authorization by the copyright holders of such

Audiovisual Content, or (E) otherwise permitted as a source listed on Table X 1.b., , or (ii) recordings made from content received in analog form where Macrovision is not present, CGMS-A is present, and CGMS-A settings (and/or related Redistribution Control Indicator settings) authorize the making of a copy of the Audiovisual Content, or (iii) content prepared by professionals under the direction of a license agreement, contract, or similar arrangement from a person or entity with a good faith belief they have the rights to authorize the making of such recordings.

2. **“Unknown Non-AACS Protected Content”** shall mean content (excluding AACS Content) that is not Trusted Non-AACS Protected Content.

Table X

Authorized Inputs for Recording Using AACS Recordable Media and AACS Recordable Video technology

Part I – Consumer copying using a Licensed Recorder to make authorized copies of Audiovisual Content using AACS Recordable Media

A Licensed Recorder may use AACS Recordable Media to make copies of Audiovisual Content received in the following manner, subject to the following:

- A. For Audiovisual Content received in digital form (whether described in paragraph 1 or paragraph 2, below), the means of delivery to the Licensed Recorder must require robust handling of such content up to the point at which the Licensed Recorder's handling of the Audiovisual Content is subject to the AACS Compliance and Robustness Rules.
- B. Authorization to make a copy of particular Audiovisual Content is provided (i) by the upstream technology via CCI or equivalent as defined by the upstream technology, or (ii) via online transaction for the making of the particular copy from the owner of the Audiovisual Content. For the avoidance of doubt, in the absence of such authorization, the fact that a technology is listed on Table X as an authorized input shall not be taken as permission to make the copy.
- C. The Licensed Recorder shall follow the content protection requirements of such upstream technology in determining copy permission and selecting the CGMS, APSTB, ICT, and Digital Only Token field settings of such copy. In making such a copy using AACS Recordable Media from one of the inputs described in paragraph 1, below, unless the input content has been identified as Unknown Non-AACS Protected Content by the upstream technology, a Licensed Recorder shall set the Trusted Source Mark Screening Required field to "Trusted Source Mark Screening is not required" (a bit setting of "1") as provided in the Specifications and in making such a copy using AACS Recordable Media from one of the inputs described in paragraph 2, below, or from input content identified as Unknown Non-AACS Protected Content by the upstream technology, a Licensed Recorder shall set the Trusted Source Mark Screening Required field to "Trusted Source Mark Screening is required" (a bit setting of "0") as provided in the Specifications.

Accordingly, an AACS Recorder may use AACS Recordable to make authorized copies of Audiovisual Content where such Audiovisual Content is received

1. in digital form

a. from a commercially adopted conditional access control method, where such method is: (i) used by cable, satellite, or digital terrestrial broadcast systems or commercially adopted IPTV delivery systems or other similarly commercially adopted delivery systems, (ii) listed on Table X to the AACS Interim License Agreement (reproduced below), (iii) included on Table C-1 or D-1 (other than unprotected DVI) of these Compliance Rules, or (iv) used for the download of Audiovisual Content pursuant to authorization by the copyright holders of such Audiovisual Content, unless the input content has been identified as Unknown Non-AACS Protected Content by the upstream technology.

b. from one of the following specifically listed content protection regimes (whether or not such regime involves an access control method), for example, the Broadcast Flag regulations of the Federal Communications Commission (if and when reinstated)

[note that there are no regimes currently listed here]

provided that the Trusted Source Mark Screening Required field in a copy made from such digital sources shall be marked “Trusted Source mark Screening is not required” (a bit setting of “1”);

2. from one of the following sources

a. in analog form provided that the Licensed Recorder determines that Macrovision is not present, that CGMS-A is present, and that CGMS-A settings (and/or related Redistribution Control Indicator settings) permit the making of a copy of the Audiovisual Content,

b. in digital form from a proprietary multi-channel video program distributor television system that does not use scrambling or encryption as a conditional access control but that has a proprietary method for delivery of the television programming supplied by the system, which proprietary method requires that receivers for the system must be manufactured pursuant to a license from the proprietor which requires that the receivers conform to usage and robustness rules, including as required by paragraph A, above, unless such system is specifically listed under 1.b., above, or

c. in digital form from a technology listed on Table W pursuant to criteria A.2.a.(ii)(B) of that Table where the input content has been identified as Unknown Non-AACS Protected Content by the upstream technology provided in each case above that in the copy that is made, the Licensed Recorder sets content protection information in the copy according to the Compliance Rules and sets the Trusted Source Mark Screening Required field to “Trusted Source Mark Screening is required” (a bit setting of “0”).

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**Interim Agreement Version of
TABLE X**

Secure Methods for Delivery of Content to Licensed Recorders

NOTE: The entries in this table are not intended to be mutually exclusive as between each other. Content protected by one of the general content protection methods listed below shall be treated as originating from a secure source of Content delivery regardless of the delivery means of that content. Content protected by one of the protection methods that is applicable only to a particular listed delivery means as provided in this table shall be an additional protection means that shall be treated as a secure source of Content when used in conjunction with that delivery means.

Digital Transmission Content Protection
Windows Media Digital Rights Management, version 9.0 or higher
Terrestrial broadcast conditional access system for delivery of audio visual content to consumers pursuant to a government or quasi-government regulation, license, specification or franchise, provided that the system requires robust handling of such content up to the point of AACS protection.
Satellite transmission conditional access system for delivery of audio visual content to consumers pursuant to a government or quasi-government regulation, license, specification or franchise, provided that the system requires robust handling of such content up to the point of AACS protection.
Cable transmission conditional access system for delivery of audio visual content to consumers pursuant to a government or quasi-government regulation, license, specification or franchise, provided that the system requires robust handling of such content up to the point of AACS protection.
Private IPTV (transmitted over a privately run network) transmission conditional access system for delivery of audio visual content to consumers pursuant to a government or quasi-government regulation, license, specification or franchise, provided that the system requires robust handling of such content up to the point of AACS protection.
Internet TV (transmitted over the open Internet) content protection system for delivery of audio visual content to consumers pursuant to a government or quasi-government regulation, license, specification or franchise, provided that the system requires robust handling of such content up to the point of AACS protection.

Part II – Use of AACS Recordable Media and AACS Recordable technology by professionals or in a commercial context

A. A professional (acting in his/her capacity as a professional) may use Licensed Recorders, AACS Recordable Media and AACS Recordable technology to make original copies of Audiovisual Content only under the following conditions

1. The professional must (a) himself/herself own the copyright for the Audiovisual Content; or (b) be acting under the direction of a license agreement, contract, or similar arrangement from the owner, or authorized agents of the owner, of the copyright for the Audiovisual Content.

2. The setting of CCI and related fields in the Audiovisual Content recorded onto AACS Recordable Media using AACS Recordable technology must be limited to (a) Copy Never or (b) Copy Control Not Asserted with EPN Asserted. For the avoidance of doubt, the CCI setting of Copy One Generation is not permitted to be used in this context.

B. Manufacture-on-demand (“MOD”) units that are Licensed Recorders may be designed such that they use AACS Recordable Media and AACS Recordable technology to make original copies of Audiovisual Content only under the following conditions:

1. Such MOD units must be part of an Audiovisual Content distribution system authorized by the owners of the copyrights of the Audiovisual Content distributed using the system (or by the authorized agents of such copyright owners) and must be distributed only to entities that are part of such authorized distribution system and shall under no circumstances be distributed to members of the general public or any other persons not part of such authorized distribution system.

2. The setting of CCI and related fields in the Audiovisual Content recorded onto AACS Recordable Media pursuant to the AACS Blu-ray Disc Recordable Book must be limited to (a) No More Copies or (b) Copy Control Not Asserted with Encryption Protection Asserted. For the avoidance of doubt, the CCI settings of Copy One Generation and Copy Never are not permitted to be used in this context. Content Participants/Providers should take note that the CCI setting of Copy Never in content protected on AACS Recordable discs may be treated by certain Licensed Players Produced under the Interim Agreement as the CCI setting of Copy Control Not Asserted (since the CCI setting of Copy Never was not defined in the Specifications licensed under the Interim Agreement).

For the avoidance of doubt, the original copies of Audiovisual Content on AACS Recordable Media using AACS Recordable technology that are the result of the authorized processes described in A. or B., above, shall be considered Licensed Content Products for all purposes of the AACS Agreement (including Compliance Rules) and Specifications.

APPENDIX 1

Secrecy Required and Integrity Required

In addition to those items listed as Secrecy Required on the table below, intermediate data items that are derived from such Secrecy Required items shall also be treated as Secrecy Required. Examples include but are not limited to K_{vu} , also known as the Volume Unique Key and which is derived from the Media Key and the Volume ID as defined in the Specifications, and the random/pseudorandom number generator constants k and S , as defined in the Specifications.

Secrecy Required*	
	Device Keys
	Sequence Keys
	Drive Private Key
	Host Private Key
	Media Keys
	Media Key Variant
	Title Keys
	C_{mfg}
	Data Key
	Bus Key
	MCS Private Key
	PVAS Private Key
Algorithms described in specifications marked Confidential, including “ <i>HD-DVD and DVD Pre-recorded Book Confidential Part for CE System</i> ” and “ <i>HD-DVD and DVD Pre-recorded Book Confidential Part for PC-based System</i> ”	
Integrity Required**	
	AACS LA Public Key
	AACS LA Content Cert Public Key
	MCS Public Key
	PVAS Public Key
	Device Binding Nonce
	Pre-recorded Media Serial Number
	Prepared Video Serial Number
	DRL or individual components thereof, when being stored in non-volatile storage by a Licensed Product as required in the Specifications
	CRL, or individual segments thereof, when being stored in non-volatile storage by a Licensed Product as required in

	the Specifications
	MKB when being stored in non-volatile storage by a Licensed Product as required in the Specifications
	Partial MKB, or individual components thereof, when being stored in non-volatile storage by a Licensed Product as required in the Specifications

* Note: KCD is not Secrecy Required, but is subject to the robustness requirements of Part 2, Section7.12.

** Note: Volume ID, Media ID, and Binding Nonce are not Integrity Required but are subject to the robustness requirements of Part 2, Section7.10.

Note that the Variant Number and Kvn are not secrecy required, but are sensitive information and should be protected such that these values are not accessible through the user interface, debug interfaces or any other user accessible interface.

Attachment I – Additional Definitions Used in the Compliance Rules

The following terms are used, but not defined in the Compliance Rules. These terms are defined in the Content Participant Agreement and/or the Adopter Agreement. The definitions are repeated here for the convenience of the reader.

- 1.1 “415K Resolution” means an image having the visual equivalent of no more than 415,000 pixels per frame (e.g., an image with resolution of 854 pixels by 480 pixels for a 16:9 aspect ratio).
- 1.2 “AACS Technology” means the technology and methods developed by the Licensors and described in the Specifications including, without limitation, the technology and methods for authentication, encryption, decryption, encryption key management, encryption system renewability, forensic tracing and Online Transactions, and the AACS Keys and the Evaluation Keys.
- 1.3 “Adopter” means an entity that has executed an Adopter Agreement that remains in effect, and shall include its Affiliates.
- 1.4 “Adopter Agreement” means any Approved License entered into by AACS LA, Licensors and a party designated as “Adopter” that is called an Interim Adopter Agreement or an Adopter Agreement by AACS LA.
- 1.5 “Approved License” means an Adopter Agreement, Content Participant Agreement, Content Provider Agreement, Reseller Agreement, AACS Online Service Provider Agreement or other license agreement for use of the Specifications and/or AACS Technology, approved by the Licensors.
- 1.6 “Authorization” means the process by which a Managed Copy is authorized through an Online Transaction in accordance with an Approved License and the Specifications.
- 1.7 “Baseline Move Permission” means, with respect to an authorized copy of AACS Content, that such copy is permitted to be Moved (including multiple sequential Moves) (in each case as defined in the Compliance Rules) where supported by the AACS Authorized Copying Method, provided that (a) a Move to a Removable Storage Medium is permitted only where such authorized copy was originally made to a Removable Storage Medium, (b) the destination of such Move at (i) above 415K Resolution is limited to AACS Authorized Copying Methods designated on Table C1 as being authorized for copying at above 415K Resolution or technologies that are otherwise approved by AACS LA for such purpose, (ii) 415K Resolution or below is limited to technologies listed on Table W of the Compliance Rules, and (c) in the case of a Move between two devices,

the devices are determined by reasonable means to be within the same home or personal environment.

- 1.8 “CCI Managed Copy Equivalent” means a copy of a Licensed Content Product made pursuant to CCI (as defined in the Specifications) in the Licensed Content Product which is set to “copy one generation” or to assert redistribution, but not copy, control.
- 1.9 “Content Participant” means the Executing Entity, and shall include its Affiliates.
- 1.10 “Content Provider” means an entity that has executed a Content Provider Agreement that remains in effect, and shall include its Affiliates.
- 1.11 “Device Key” means a cryptographic value used to decrypt portions of a Media Key Block in order to calculate a Media Key, as defined by the technical specifications contained in “AACCS Introduction and Common Cryptographic Elements,” published by AACCS LA.
- 1.12 “Device Key Set” means Device Keys which are provided to Adopter by AACCS LA or its designee for use in a specific device or set of devices.
- 1.13 “Digital Entertainment Content” means audiovisual works and/or sound recordings as defined in 17 U.S.C. § 101, games, ebooks or software and related information or material intended for enjoyment by end-users that may include, by way of example and not of limitation, graphics, liner notes, and interviews with or statements by artists, which is: (a) not created by a user of a particular Licensed Product, and (b) offered for transmission, delivery or distribution, either generally or on demand, to subscribers, purchasers, licensees, or the public at large, or otherwise for commercial purposes, not uniquely to an individual or a small, private group.
- 1.14 “Expire” means steps set forth in the Specifications by which AACCS Keys may be invalidated, rendering them unable to be used to decrypt, record or playback Digital Entertainment Content protected by AACCS Technology (including, where the context requires, “Expiration” or “Expired”).
- 1.15 “Final Adopter Agreement” means an Adopter Agreement designated other than “interim” by AACCS LA.
- 1.16 “Interim Adopter Agreement” means an Adopter Agreement designated as “interim” by AACCS LA.

- 1.17 “Licensed Component” means that portion of a component, other than an Evaluation Licensed Component, such as an integrated circuit, circuit board, or software module which (i) is manufactured under license from AACCS LA and the Licensors, (ii) is designed solely to be and, except in the case of a Robust Inactive Product, is assembled into a Licensed Product, or is sold or otherwise distributed to a Fellow Adopter or an Authorized Reseller solely for resale and/or distribution in accordance with the terms of a Reseller Agreement and the applicable Adopter Agreement; (iii) embodies a portion, but not all, of the requirements of one or more Specifications and/or which, by virtue of the fact that it is not a Licensed Product, does not by itself completely satisfy all of the Compliance Rules; (iv) cannot by itself, or with the mere addition of AACCS Keys, decrypt any Digital Entertainment Content protected using AACCS Technology; and (v) does not contain AACCS Keys (other than AACCS Public Keys) unless (x) it is distributed to an end user in the course of a Periodic Update or (y) Adopter (or the applicable Fellow Adopter) upon distribution to a third party employs commercially reasonable business practices to verify receipt by a customer authorized under Sections 2.3.1 and 2.3.2 of the AACCS Adopter Agreement and promptly reports to AACCS LA any failure of a Licensed Component to be received by such customer following shipment.
- 1.18 “LCP Unit” means a unit of Licensed Content Product as embodied on Removable Storage Media and associated with a Content Certificate issued pursuant to this Agreement, unless explicitly and specifically noted otherwise in this Agreement. Except as explicitly and specifically noted otherwise, for purposes of this Agreement, “LCP Unit” does not include any Interim LCP Unit.
- 1.19 “Licensed Content Producer” means an Adopter that (i) engages in mastering or authoring of digital data and/or the use of such data to produce a glass master (or equivalent) as intermediate steps towards the production of pre-recorded physical media containing Evaluation Licensed Content Products or Licensed Content Products, or (ii) prepares Licensed Content Products for online delivery.
- 1.20 “Licensed Content Product” means those portions of digital data of a pre-recorded or downloadable content product protected by or using AACCS Technology (at least some of which data must contain a reproduction in digital form of Digital Entertainment Content), that: (i) implement one or more Specifications, whether or not embodied in Removable Storage Media; (ii) are not an Evaluation Licensed Content Product; (iii) are manufactured or produced under license from AACCS LA and the Licensors pursuant to an Adopter Agreement; (iv) embody and comply with all requirements of all applicable Specifications; and (v) meet all applicable Compliance Rules. For the avoidance of doubt, to the extent such data are arranged or placed on a physical medium in a manner described with particularity by the mandatory parts of the Specifications, “Licensed Content

Product” includes such arrangement or placement, but excludes the physical medium.

- 1.21 “Licensed Product” means those portions of a product, other than a AACCS Online Service, Evaluation AACCS Online Service or Evaluation Licensed Product, manufactured under license from AACCS LA and the Licensors pursuant to an Adopter Agreement that: (i) embody and comply with all requirements of all applicable Specifications; (ii) if shipped after the Certification Requirement Date and are not a Licensed Content Product, are an Acknowledged Product; (iii) meet all applicable Compliance Rules; and (iv) are designed for the playback and/or recording of Digital Entertainment Content. For the avoidance of doubt, “Licensed Product” includes: (x) a Licensed Content Product; and (y) those portions of data arranged or placed on a blank recordable physical media product in a manner described with particularity by the mandatory parts of the Specifications, but excludes the physical medium; in either case that meet the elements of the foregoing definition.
- 1.22 “Media Key” means a cryptographic value calculated by processing a Media Key Block using Device Keys, or that is delivered to a Licensed Content Producer, along with the corresponding Media Key Block
- 1.23 “Media Key Block” or “MKB” means the encrypted block of keys which is provided for use with AACCS Technology and defined by the Specifications.
- 1.24 “Non-Consumer Product” means a Licensed Content Product that is not sold or otherwise made available for consumer possession, such as airline exhibition or non-consumer screening.
- 1.25 “Periodic Update” means the modification of a Licensed Product or Robust Inactive Product, including, when necessary, provision of or replacement of the Device Key Set, via means not unduly burdensome to the end user, such as download of updated software from a website, so that the implementation as modified is a Licensed Product and, when the Device Key Set has been replaced, only the new Device Key Set can be used to decrypt portions of a Media Key Block in order to calculate a Media Key. For the avoidance of doubt, and without limitation of any other provision of this Agreement (including without limitation the Compliance Rules), Activation shall be subject to the provisions of Section 7.7 of the Compliance Rules.
- 1.26 “Produced” shall mean (i) in the case of hardware, when the unit has been completed with respect to the production or assembly process; and (ii) in the case of software, when Adopter has finalized the software version of which the unit is a copy in a version ready for general release to consumers (often referred to as "release to manufacturing"), measured by the earliest date on which Adopter first duplicates such version for purposes of distribution, either by stamping it on

Removable Storage Media (for retail or OEM distribution), or by loading it onto a server for distribution by electronic download (to OEMs, retailers or consumers). Adopter shall be allowed to make changes to software for the sole purpose of implementing security patches or bug fixes of failures to operate in accordance with pre-existing product specification without changing the date the modified software is considered Produced, provided that such modifications do not otherwise change or add to the functionality or the user interface provided by the software.

1.27 “Removable Storage Media” means optical or other media that are designed primarily for transporting digital files between devices and that are removed in the ordinary course of consumer usage (*e.g.*, flash memory cards), and does not include other storage media that are generally considered to be fixed in ordinary consumer usage (*e.g.*, PC/laptop hard disk drives which are not meant to be removed when PC/laptop is running).

1.28 “Robust Inactive Product” means those portions of a component or product, other than a AACS Online Service or Evaluation AACS Online Service, manufactured under license from AACS LA and the Licensors that embody a portion or all of the requirements of one or more Specifications and which meet one of the following sets of conditions:

1.28.1 such portions (i) must be Activated by the end user prior to using their functionality; (ii) do not contain a Device Key; (iii) are no less secure from circumvention (including but not limited to modification and /or compromise of Confidential and Highly Confidential Information) than a Licensed Product is required to be; and (iv) meet the Robustness Rules that would be applicable to those portions implemented in such component or product if they were implemented in a Licensed Product, except that portions of such component or product implemented in software object code may, alternatively, meet the requirements of (iii) and this subsection (iv) if they are encrypted using a strength of encryption that is equal to or greater than the cipher used for encryption of Digital Entertainment Content as specified in the Specifications; provided that the keys necessary to decrypt and use such portions are not made available other than by Adopter or its designee during Activation.; or

1.28.2 such portions (i) are contained in a multi-purpose chip that has had its AACS Technology functions permanently disabled prior to shipment to a customer that did not elect to include such functions in its order; (ii) do not contain a Device Key, (iii) are no less secure from circumvention (including but not limited to modification and /or compromise of Confidential and Highly Confidential Information) than a Licensed Product is required to be; and (iv) meet the Robustness Rules that would

be applicable to those portions implemented in such component or product if they were implemented in a Licensed Product.

1.28.3 such portions (i) must be Activated prior to using their functionality; (ii) contain a Device Key protected by silicon (or similar) circuitry or firmware using a method clearly designed to effectively frustrate attempts to expose such Device Key (e.g., by using the values only inside a secure processor, and that effectively and uniquely associate such Device Key with a single device (such as by encrypting the values using a key that is unique to a single device); (iii) are no less secure from circumvention (including but not limited to modification and /or compromise of Confidential and Highly Confidential Information) than a Licensed Product is required to be; (iv) meet Section 7.2, 7.3, 7.4.1(b), 7.6, 7.7, and 7.13 of the Robustness Rules as though such provisions are applicable to such portion of component or product in addition to applying to Licensed Products generally; and (v) the keys necessary to decrypt and use such portions are not made available other than by Adopter or its designee to another Adopter for incorporation into the Licensed Product, Licensed Component or second Robust Inactive Product described in 1.9 (ii) of the AACS Adopter Agreement.

1.29 “Theatrical Release” means to make particular Digital Entertainment Content commercially available to consumers in a cinema or theater on a basis other than for test purposes.

1.30 “Watermark Screening Obligations” means the requirements applicable to Adopter set forth in the Section of the Compliance Rules entitled “Watermark Compliance Rules” (including any references therein to other sections of the Compliance Rules), and the Robustness Rules as applicable to the implementation of such requirements

EXHIBIT F

Output Restriction, Suspension and Delisting

1. Certain Definitions.

- 1.1 “Delist” means (a) with respect to an AACS Authorized Copying Method (as identified by the affected MCOT ID(s)), to cease to require an Authorization of a Managed Copy to such MCOT pursuant to the Mandatory MC Obligations and, accordingly, to move such MCOT from Table C1 to Table C2 of the Compliance Rules, and (b) with respect to an AACS Authorized Digital Output, to prohibit Licensed Products Produced after the date of Delisting to pass any AACS Content through such Output, and accordingly, to remove such Output from Table D1 of the Compliance Rules and (c) in each case, to require that such MCOT or Output, as applicable, undergo the approval process in order to be reinstated on Table C1 or Table D1, respectively.
- 1.2 “Suspend” means, with respect to an AACS Authorized Copying Method (as identified by the affected MCOT ID(s)), (a) to cease to require an Authorization of a Managed Copy to such MCOT pursuant to the Mandatory MC Obligations, and, accordingly, to issue a notice that such MCOT has been suspended and require that such MCOT undergo the reinstatement process set forth below in order to be reinstated on Table C1, or (b) to otherwise restrict or condition the obligations with respect to such MCOT (including, without limitation, ceasing to allow the MCOT to Move Managed Copies).

2. Suspension and Delisting of AACS Authorized Copying Methods.

- 2.1 The following provisions apply to AACS Authorized Copying Methods (as identified by the particular affected MCOT IDs thereof), in each case only to the extent that they apply to Managed Copies (and not, for example, to any CCI Managed Copy Equivalents) or otherwise in relation to Managed Copy Authorizations and only for so long as the Mandatory MC Obligations are applicable to Content Participant or comparable managed copy obligations are applicable to any Fellow Content Participant or Third Party Content Provider.
- 2.2 Process for Suspension.
 - 2.2.1 If AACS LA identifies on its own initiative or if there are allegations by an Arbitration Eligible Content Participant that there is credible evidence that consumers are exploiting a compromise or breach in such AACS Authorized Copying Method (including, without limitation, a compromise or breach constituting or arising out of a failure of the implementers of such AACS Authorized Copying Method to comply with the specifications, license terms or compliance rules applicable thereto or the failure by the applicable Output Licensor (as defined below) to enforce any of the foregoing) in order to make and/or distribute unauthorized copy(ies) of AACS Content or Managed Copy(ies) (including, without limitation, an unauthorized or noncompliant copy made in connection with permission or authorization for a Move), AACS shall undertake a review to determine if such credible evidence exists (the existence

of such credible evidence, a “Suspension Eligible Condition”). Credible evidence of such exploitation may include, without limitation, a showing that a circumvention tool (e.g., software application) for such AACS Authorized Copying Method is readily available. Allegations provided by an Arbitration Eligible Content Participant shall be accompanied by a sworn affidavit setting forth in reasonable detail the grounds for such allegations. If AACS LA determines that such Suspension Eligible Condition does not exist, such decision by AACS LA shall be subject to arbitration in accordance with Section 2.4. If AACS LA determines that such Suspension Eligible Condition does exist, it shall initiate a review to determine whether or not to Suspend an AACS Authorized Copying Method (“Suspension Review”). If an AACS Authorized Copying Method has multiple MCOT IDs associated with it, the review of whether a Suspension Eligible Condition exists and the Suspension Review, including without limitation the evaluation of the Suspension Factors (as defined below), the application of the “safe harbors” described in Section 2.3, any resulting Suspension, and any arbitration over any of the foregoing shall be specific to those MCOT IDs alleged to be affected by such compromise or breach.

- 2.2.2 The initial phase of the Suspension Review by AACS LA shall be a ninety (90) day correspondence period relating to the Suspension of the AACS Authorized Copying Method at issue, during which period all affected parties shall be permitted to submit all credible evidence they deem relevant. Promptly upon the commencement of such initial phase of the Suspension Review, AACS LA shall provide written notice thereof to all affected parties.
- 2.2.3 After the expiration of such ninety (90) day period, AACS LA shall determine whether or not to Suspend the AACS Authorized Copying Method and which Suspension limitation, restriction or condition remedy shall apply. The decision of AACS LA as to whether to Suspend shall be made only based on a finding that a Suspension Eligible Condition exists and that the applicable Suspension remedy is appropriate considering the Suspension Factors set forth below in order to achieve a fair balance among the interests of content owners, consumers and product manufacturers; provided that AACS LA shall not Suspend an AACS Authorized Copying Method where it determines that a Suspension Eligible Condition exists if it also determines that a remediation plan proposed by the licensor of the applicable output technology (“Output Licensor”) to be implemented in accordance with a detailed implementation schedule (such a plan and schedule, if approved by AACS LA, referred to herein as the “Approved Remediation Plan”) will remedy the breach or compromise in a manner AACS LA finds sufficient to make Suspension unnecessary; and provided further that, in any event, diligent implementation of such Approved Remediation Plan is a continuing condition to an AACS LA determination not to Suspend an AACS Authorized Copying Method. The “Suspension Factors” are as follows:
- (A) The number and percentage of consumers that are actively making and/or moving Managed Copies using the AACS Authorized Copying

Method at issue, and whether such consumers have an alternative AACS Authorized Copying Method on their devices;

- (B) The number and percentage of consumers that are likely to be able to use the compromise or breach, the number of unauthorized copies likely to be made or used, and how quickly this is likely to occur;
- (C) Whether the Arbitration Eligible Content Participant(s) that initiated the Suspension review are continuing to voluntarily publish content to the applicable AACS Authorized Copying Method (either in the AACS Technology environment (e.g. Managed Copies that are not made pursuant to Mandatory MC Obligations) or in other contexts (e.g. initial distribution)) even though such voluntary publication of content is subject to the same breach as is being evaluated pursuant to this Suspension process, and, in the case in which the AACS Authorized Copying Method under evaluation is an AACS Technology, additional weight, as determined by AACS LA (or, in the case of an arbitration pursuant to Section 2.4 below, the arbitrator), shall be given to this Suspension Factor;
- (D) Whether an effective remediation plan has been proposed, and the time period required to deploy the remedy;
- (E) If a remedy is proposed, but is not backwards compatible to be implemented in legacy devices, the extent of harm to Content Participants and other Adopters distributing uncompromised devices, given the time to upgrade, and the number of legacy devices that cannot be upgraded;
- (F) Whether the circumvention can be done by using general purpose tools;
- (G) Whether the Output Licensor has engaged in reasonable efforts (including, without limitation, as part of the initial design) to isolate effects of Suspension to a subset of products;
- (H) Whether the Output Licensor is following its breach management process (e.g., performing revocations, using other enforcement mechanisms);
- (I) Whether third party beneficiary rights are available to enforce the terms under which the MCOT technology is licensed;
- (J) Whether the breach or compromise affects the entire AACS Authorized Copying Method technology or one (1) or more implementations of the AACS Authorized Copying Method technology, and the relative numbers of those affected and not; and

- (K) Any other factors AACS LA or any member of AACS LA or the MCOT Licensor (or, in the case of an arbitration pursuant to Section 2.4 below, the arbitrator) deems relevant.

2.2.4 In the event that AACS LA (or, in the case of an arbitration pursuant to Section 2.4 below, the arbitrator) determines that the circumstances warrant Suspension of a particular AACS Authorized Copying Method, then the Suspension shall take effect according to the applicable time frame set forth below:

- (A) if the Output Licensor has submitted a remediation plan that is an Approved Remediation Plan, and the time period for remediation set forth in the Approved Remediation Plan has lapsed and the Approved Remediation Plan has not been completed in all material respects as of such lapse, then AACS LA shall notify the Output Licensor and Content Participant of such failure of the Approved Remediation Plan to be completed and Suspension shall occur thirty (30) days after such notice by AACS LA;
- (B) if the Output Licensor has not submitted a remediation plan, then Suspension shall occur thirty (30) days after the date that AACS LA determines to Suspend; or
- (C) if the Output Licensor has submitted a remediation plan that is not an Approved Remediation Plan, then AACS LA (or, pursuant to an arbitration as set forth in Section 2.4 below, the arbitrator) shall set a time period for remediation (the “Suspension Delay”), the determination of which such Suspension Delay shall take into account the likely effectiveness of such plan, the time period asserted by the Output Licensor as required to deploy such plan and AACS LA’s reasons for not accepting such plan or time period. During such Suspension Delay, AACS LA and the Output Licensor shall work in good faith toward reaching agreement on an Approved Remediation Plan. If, by the expiration of the Suspension Delay, an Approved Remediation Plan is not agreed upon, then Suspension shall occur thirty (30) days after the expiration of the Suspension Delay. Under this subsection (C), the decision whether a plan submitted by the Output Licensor is an Approved Remediation Plan shall take into account, as an aggravating factor, the amount of time that has passed between the submission of the original remediation plan and the proposed date of approval of a plan as an Approved Remediation Plan. Remediation under such Approved Remediation Plan shall be subject to subsection (A) above.

2.3 Safe Harbor.

- 2.3.1 415K Resolution Stream Recording MCOT. Notwithstanding the foregoing provisions of this Section 2, an MCOT (for the avoidance of doubt, as identified by the applicable affected MCOT ID(s)) that provides only for Stream Recording (as defined below) at 415K Resolution or below (each, a “415K

Output”), that has been submitted for approval for inclusion on Table C1 as of the Final CP License Date and that is subsequently approved for inclusion on Table C1, shall not be subject to Suspension if either of the following “safe harbor” standards is satisfied (to the extent applicable as noted below):

- (A) The Output Licensor has taken steps to prevent future harm such that Suspension will have no additional effect on reducing future harm.
- (B) For technologies with third party beneficiary rights with respect to material non-compliance, injunctive relief, change management, and revocation procedures that are the same or similar to those of AACS LA, the Output Licensor has submitted and complies with a mitigation plan that will mitigate future harm in a manner and on a timeline comparable to an effective mitigation plan that AACS LA would be able to adopt with respect to AACS Technology in the same circumstances, or in a manner or on a timeline that is better, where possible, in response to a similar breach, provided, however, that the safe harbor set forth in this subsection (B) shall not be available if AACS LA (or, in the case of an arbitration pursuant to Section 2.4 below, the arbitrator) determines that the harm to Content Participants and Content Providers if the MCOT is not Suspended will clearly outweigh the harm to device manufacturers if the MCOT is Suspended.

For purposes of this Section 2.3, “Stream Recording” shall mean recording of audiovisual content of AACS Content but not the interactivity layer.

2.3.2 AACS MCOTs. Notwithstanding the foregoing provisions of this Section 2, the MCOTs identified on Table C1 as “AACS Prepared Video” and “AACS Recordable Video” (each, an “AACS MCOT”) shall not be Suspended in the following circumstances:

- (A) AACS MCOTs that are 415K Outputs shall not be Suspended if either of the safe harbor standards set forth in Section 2.3.1 is satisfied (to the extent applicable as noted therein); and
- (B) AACS MCOTs that have a resolution of over 415K Resolution shall not be Suspended if the standard set forth in Section 2.3.1(A) is satisfied. Such AACS MCOTs are not subject to an exemption from Suspension based on the safe harbor standard set forth in Section 2.3.1(B) above, but, instead, in the determination of whether to Suspend such MCOT pursuant to Section 2.2.3 above, increased weighting shall be given to the Suspension Factor identified in Section 2.2.3(C).

2.3.3 All Other MCOTs, including HD. With respect to all other MCOTs, including without limitation those that support a resolution of over 415K Resolution, such MCOTs shall not be Suspended if the standard set forth in Section 2.3.1(A) is satisfied.

- 2.4 Arbitration. The following arbitration provisions shall apply to determinations relating to Suspension under this Section 2.
- 2.4.1 An arbitration pursuant to this Section (“MCOT Suspension Arbitration”) may be initiated, within thirty (30) days of the applicable decision of AACS LA, as follows:
- (A) If fifty percent (50%) or more of Arbitration Eligible Content Participants object to the AACS LA determination on (i) whether a Suspension Eligible Condition exists, (ii) Suspension or the applicable Suspension remedy, (iii) an Approved Remediation Plan, or (iv) whether an Approved Remediation Plan has been successfully completed, any such Arbitration Eligible Content Participant can submit such issue to arbitration among AACS LA, the Output Licensor and Content Participants, as applicable; or
 - (B) If the Output Licensor of the affected AACS Authorized Copying Method objects to (i) the Suspension or (ii) the Suspension Delay, the Output Licensor can challenge either in arbitration.
- 2.4.2 An MCOT Suspension Arbitration shall be conducted in accordance with the applicable provisions set forth in Appendix 1. In the event of an arbitration regarding AACS LA’s decision to Suspend a given AACS Authorized Copying Method, the arbitrator shall be entitled to determine whether the Suspension shall be tolled during the pendency of the arbitration.
- 2.4.3 In any case, where
- (A) the same technology is used for both prerecorded format and recordable format versions of a copy protection/DRM system approved as an AACS Authorized Copying Method in its recordable form (e.g. AACS Technology), and
 - (B) a breach similarly affects content protected by both prerecorded and recordable format versions of such technology, and
 - (C) either (x) a given Content Participant continues to publish content of equivalent value (including by way of example types of content and windows of content release) in the prerecorded format version of the breached technology, unless Content Participant is using technology that is reasonably effective at restoring or maintaining the security of content (“Mitigating Technology”), which Mitigating Technology is not available with respect to the recordable format; or (y) Mitigating Technology is reasonably available to a given Content Participant with respect to both the recordable and prerecorded format version of the technology, and such Content Participant is only using such mitigating technology with respect to the prerecorded format;

then such Content Participant shall be barred from continuing in an arbitration to challenge an AACS LA decision not to Suspend the AACS Authorized Copying Method.

- 2.5 Consequence of Suspension. An AACS Authorized Copying Method that has been Suspended shall be marked as “Suspended”, with the applicable Suspension remedy noted, on Table C1. At any time after Suspension but before Delisting, the Output Licensor may submit evidence to AACS LA that it or its licensees are deploying a remedy that will cure the compromise or breach in newly manufactured and distributed or updated implementations (“Cured Implementations”). AACS LA shall make a determination, within thirty (30) days after receipt of such evidence, as to whether the remedy cures the compromise or breach. If AACS LA determines that such remedy cures the compromise or breach, then Cured Implementations of such AACS Authorized Copying Method shall be listed on Table C1 with a new MCOT ID(s). Content Participant’s Mandatory MC Obligations shall apply only to such Cured Implementations listed on Table C1 according to the time frame set forth in Section 2.8 below.
- 2.6 AACS LA Determination to End Suspension. At any time after the affected AACS Authorized Copying Method has been Suspended, AACS LA may determine that such Suspended AACS Authorized Copying Method shall cease to be Suspended if: (i) the Output Licensor has taken steps adequate to address the compromise or breach in newly manufactured or updated implementations of the AACS Authorized Copying Method, within the time period allowed by the AACS Authorized Copying Method license or compliance rules; (ii) it is not likely that the scope of further harm from the compromise or breach will be significant, taking into account the number of people likely to be able to continue to use it and the number of further unauthorized copies likely to be made or used, and how quickly this is likely to occur; and (iii) the potential harm to Content Participants and Content Providers if the Suspension is ended is likely to outweigh the potential harm to Adopters and consumers if the AACS Authorized Copying Method ceases to be Suspended. Any such decision by AACS LA shall be subject to arbitration according to the same procedures as set forth in Section 2.4 above, but subject to the criteria of this Section 2.6.
- 2.7 AACS LA Determination to Delist. If the affected AACS Authorized Copying Method remains Suspended for a period of one hundred and eighty (180) days, AACS LA shall determine whether the AACS Authorized Copying Method shall be Delisted. The criteria for an AACS Authorized Copying Method being Delisted shall be that the Output Licensor has not identified and is not pursuing an effective remedy for the breach in newly manufactured or updated implementations of the AACS Authorized Copying Method, within the time period allowed by the AACS Authorized Copying Method license or compliance rules. An AACS Authorized Copying Method that has been Delisted may remain on Table C2 but shall be removed from Table C1 entirely and can only become an AACS Authorized Copying Method listed on Table C1 again by making a new submission for approval pursuant to the AACS LA’s normal approval process for approving new proposed output technologies. If AACS does not determine that the AACS Authorized Copying Method shall be Delisted, then the AACS Authorized Copying Method shall remain Suspended until such time as: (x) there is an AACS LA determination for the AACS Authorized Copying Method to cease to be Suspended

under Section 2.6; or (y) there is a subsequent determination to Delist the affected AACS Authorized Copying Method in accordance with this Section 2.7, provided that a vote on such determination may be called at the request of any Arbitration Eligible Content Participant no more often than once in any ninety (90) day period following a prior vote.

2.8 Notice of Action. AACS LA shall provide prompt notice to Content Participant, as well as on the AACS LA website to AACS licensees, of any Suspension of an AACS Authorized Copying Method, discontinuance of any Suspension with respect to an AACS Authorized Copying Method or a Cured Implementation thereof, any Delisting of an AACS Authorized Copying Method, and any reinstatement of an AACS Authorized Copying Method after Delisting. Content Participant's Managed Copy Obligations with respect to a Suspended or Delisted AACS Authorized Copying Method shall cease to apply immediately upon such Suspension or Delisting, and, if such Suspension is discontinued or such AACS Authorized Copying Method is reinstated, Content Participant's Managed Copy Obligations with respect to such AACS Authorized Copying Method shall re-commence thirty (30) days after Content Participant's receipt of notice of such discontinuance or reinstatement.

3. Restriction, Condition, Suspension and Delisting in Connection with Changes to Output Technologies. The following provisions relating to changes in output technologies shall apply to the AACS Authorized Copying Methods (as identified by the affected MCOT ID(s)) as well as the AACS Authorized Digital Outputs (each, as used in this Section 3, a "Listed Output").

3.1 Prohibited Changes. "Prohibited Change" shall mean, with respect to an AACS Authorized Copying Method or an AACS Authorized Digital Output, a change to the specifications, license terms or compliance rules (including, without limitation, a change to the list of approved outputs) and, with respect to an AACS Authorized Digital Output, a Constructive Change (as defined below) to the specifications, license terms or compliance rules (including, without limitation, a Constructive Change to the list of approved outputs), in each case applicable to the particular Listed Output that:

3.1.1 has a material and adverse effect on such Listed Output's ability to robustly maintain the security of Digital Entertainment Content protected by the AACS Technology after it is passed to such Listed Output or that materially and adversely compromises or interferes with the integrity or security of AACS Technology; or

3.1.2 changes usage rules or the meaning of terms in the usage rules such that they are non-trivially less restrictive than at the time of AACS LA approval with respect to Digital Entertainment Content originally protected by AACS Technology after it is passed to such Listed Output, including a change or Constructive Change, as applicable, that enables a Managed Copy made to the Listed Output to be Moved (as defined in the Compliance Rules) other than as permitted in AACS LA's agreement with the Output Licensor (as an example, but not a limitation, a change or Constructive Change from expressing permitted use period for content from "30 days" to "one month" would not be considered to be a "non-trivial" change).

- 3.2 If AACS LA has received a notice from an Output Licensor of a Listed Output, or has otherwise taken notice, of a change made with regard to a Listed Output (“Change Notice”) and such change was made other than in accordance with a Comparable Change Management Process (as defined below), or of a Constructive Change made with regard to an AACS Authorized Digital Output and such Constructive Change was made without the availability of a Comparable Third Party Beneficiary Enforcement Process (as defined below), then AACS LA shall review and decide whether the change or Constructive Change was a Prohibited Change and, if so, whether to take action to restrict, condition or Delist, or, with respect to AACS Authorized Copying Methods, Suspend such Listed Output (collectively, “Change Review”). Such review and determination shall be undertaken, within thirty (30) days after the Change Notice, in accordance with, and subject to arbitration as set forth in, Sections 3.4, 3.5 and 3.6. For avoidance of doubt, where a change is made pursuant to the conclusion of a Comparable Change Management Process, or a Constructive Change is made pursuant to the conclusion of a Comparable Third Party Beneficiary Enforcement Process, AACS LA shall not be entitled to Delist, Suspend, restrict or condition the use of a Listed Output pursuant to this Section.
- 3.3 For purposes of this Section 3, the following terms shall have the corresponding meanings set forth below:
- 3.3.1 “Constructive Change” shall mean, with respect to an AACS Authorized Digital Output only, a pattern or repeated instances of failure to enforce compliance with specifications, license terms and/or compliance rules in effect at the time of AACS LA’s approval of the AACS Authorized Digital Output, which leads either to a significant number of implementers not complying or to a smaller number of implementers, including a single implementer, repeatedly breaching (i.e., multiple products/versions), in either case with repeated non-enforcement, and in either case thereby causing a constructive change to such specifications, license terms and/or compliance rules.
- 3.3.2 “Comparable Change Management Process” shall mean a process, pursuant to an available written agreement, by which changes to a technology or the rules or licenses associated with a technology are subject to a procedure in which at least certain eligible content companies are given meaningful opportunities to participate in evaluating proposed changes and to object to changes through arbitration or its equivalent where the Output Licensor decides to make changes notwithstanding content company input in the evaluation process, which process is either (i) Active or (ii) AACS Acceptable.
- 3.3.3 “Comparable Third Party Beneficiary Enforcement Process” shall mean third party beneficiary rights, pursuant to an available written agreement, by which at least certain eligible content companies are given meaningful opportunities for redress (other than liquidated damages) with regard to the breaches of such agreement or the rules or licenses associated with a technology, which third party beneficiary rights are either (i) Active or (ii) AACS Acceptable.
- 3.3.4 “Active” shall mean that a written agreement with respect to the change management process or third party beneficiary rights, as applicable, has been

signed by at least two (2) entities that are AACS Eligible Content Participants and, pursuant to such written agreement, such AACS Eligible Content Participants have the then-present rights to exercise the applicable meaningful opportunities as set forth in Section 3.3.2 or 3.3.3 above.

3.3.5 “AACS Acceptable” shall mean that (A) with respect to a change, the change management process provides for such participation opportunities that are as meaningful as, and not materially more burdensome than, those provided by AACS LA in the applicable agreements, and (B) with respect to a Constructive Change, the third party beneficiary rights provide for opportunities for redress (other than liquidated damages) of breaches that are as meaningful as, and not materially more burdensome than, those provided by AACS LA in the applicable agreements.

3.4 If, pursuant to the Change Review, AACS LA determines that the change was made in accordance with an Active or AACS Acceptable Comparable Change Management Process, or the Constructive Change was made in accordance with an Active or AACS Acceptable Comparable Third Party Beneficiary Enforcement Process, and is therefore not subject to action by AACS LA (“Non-Reviewable Change Decision”), then AACS LA shall provide notice of such determination to Qualified Content Participants (as defined below). In such event, a Qualified Content Participant may initiate arbitration to seek a ruling that such Non-Reviewable Change Decision was unreasonable, upon a finding of which the arbitrator shall provide reasonably detailed reasons for its decision and direct AACS LA to re-evaluate its Non-Reviewable Change Decision in light of such reasons. AACS LA shall undertake such re-evaluation, and notify the Qualified Content Participant of its determination, within thirty (30) days of the arbitrator’s decision. In the event that, upon such re-evaluation, AACS LA again makes a Non-Reviewable Change Decision, a Qualified Content Participant may continue the foregoing arbitration, in which event the arbitrator shall determine whether the Qualified Content Participant(s) initiating the arbitration have demonstrated by preponderance of the evidence that (x) the change management process is neither an Active or AACS Acceptable Comparable Change Management Process or the third party beneficiary rights enforcement process is neither an Active nor AACS Acceptable Comparable Third Party Beneficiary Enforcement Process, and (y) such change or Constructive Change is a Prohibited Change. For arbitrations initiated under the previous sentence, only upon prevailing on item (x) may such Qualified Content Participant(s) proceed to seek and obtain, in the same or a subsequent arbitration, a ruling on item (y). In the event that the arbitrator determines that the change or Constructive Change is a Prohibited Change, then within thirty (30) days after the arbitrator’s decision, AACS LA will undertake a further Change Review to determine whether to restrict, condition or Delist, or, with respect to AACS Authorized Copying Methods, Suspend such Listed Output, which such determination shall be in accordance with, and subject to arbitration as set forth in, Section 3.5. “Qualified Content Participant” means a Founder that is an Eligible Content Participant and that, within ninety (90) days after receiving notice that a particular AACS Authorized Copying Method has been added to Table C1 or a particular AACS Authorized Digital Output has been added to Table D1, has filed a letter from an officer of such Founder setting forth the reasons why the change management process and/or third party beneficiary rights enforcement process associated with such Listed Output is not AACS Acceptable. For approved Listed Outputs that later update their change

management process and/or third party beneficiary rights enforcement process in an attempt to become AACS Acceptable, a similar letter process, with similar cutoff period, would apply.

- 3.5 If (i) AACS LA has made no decision on whether the change or Constructive Change is a Prohibited Change within thirty (30) days of receipt of the Change Notice (or such longer time as may be agreed by unanimous consent of the Founders), (ii) the decision by AACS LA, pursuant to the Change Review, is that the change or Constructive Change, as applicable, is not a Prohibited Change, (iii) the decision by AACS LA pursuant to the Change Review, or the arbitrator pursuant to the provisions of Section 3.4, is that the change or Constructive Change, as applicable, is a Prohibited Change but AACS LA has determined not to Delist, Suspend, or restrict or condition the use of the Listed Output, or (iv) the decision by AACS LA pursuant to the Change Review, or the arbitrator pursuant to the provisions of Section 3.4, is that the change or Constructive Change, as applicable, is a Prohibited Change and AACS LA has determined that the use of the Listed Output should be restricted or conditioned but not Suspended or Delisted (each, a “Non-Suspension/Delisting Decision”), then AACS LA shall provide notice of such determination to each Founder that is a Content Participant (“Founder Content Participant”). Any Founder Content Participant may initiate an arbitration proceeding, or continue an arbitration commenced pursuant to Section 3.4, to seek a ruling that the Non-Suspension/Delisting Decision was unreasonable, upon a finding of which the arbitrator shall provide reasonably detailed reasons for its decision and direct AACS LA to re-evaluate its Non-Suspension/Delisting Decision in light of such reasons. AACS LA shall undertake such re-evaluation, and notify each Founder Content Participant of its determination, within thirty (30) days of the arbitrator’s decision. In the event that, upon such re-evaluation, AACS LA again makes a Non-Suspension/Delisting Decision, a Founder Content Participant may continue the foregoing arbitration proceeding, in which event the arbitrator shall determine:
- 3.5.1 in the case where AACS LA has made no decision (x) within thirty (30) days of receipt of the notice or advice of the change (or such longer time that may have been agreed by unanimous consent of all the Founders), whether the Founder Content Participant(s) initiating such arbitration have demonstrated by preponderance of the evidence that such change is a Prohibited Change and, if so, whether such Listed Output should be Delisted, restricted or conditioned, or, with respect to AACS Authorized Copying Methods, Suspended, or (y) within thirty (30) days of the provision of information by one or more Founders alleging that a Constructive Change that is a Prohibited Change has occurred, whether the Founder Content Participant(s) initiating such arbitration have demonstrated by preponderance of the evidence that a Constructive Change that is a Prohibited Change has occurred (based on the standard set forth above in relation to AACS LA’s consideration of whether a Constructive Change which is a Prohibited Change has occurred), and, accordingly, whether such Listed Output should be Delisted, restricted or conditioned or, with respect to AACS Authorized Copying Methods, Suspended;
- 3.5.2 in the case where AACS LA has decided that a change or a Constructive Change, as applicable, is not a Prohibited Change, whether the Founder Content Participant(s) initiating such arbitration have demonstrated by the

preponderance of the evidence that such change or Constructive Change is a Prohibited Change and, if so, whether such Listed Output should be Delisted, restricted or conditioned or, with respect to AACS Authorized Copying Methods, Suspended;

3.5.3 in the case where AACS LA, or the arbitrator pursuant to the provisions of Section 3.4, has determined that a change or Constructive Change, as applicable, is a Prohibited Change but AACS LA has determined not to Delist, Suspend, or restrict or condition the use of the Listed Output, whether the Founder Content Participant(s) initiating such arbitration have demonstrated by a preponderance of the evidence that the Prohibited Change should have resulted in Delisting, restriction or conditioning, or, with respect to AACS Authorized Copying Methods, Suspension, of the use of the Listed Output; and

3.5.4 in the case where AACS LA, or the arbitrator pursuant to the provisions of Section 3.4, has determined that a change or Constructive Change, as applicable, is a Prohibited Change and AACS LA has determined that the use of the Listed Output should be restricted or conditioned but not Suspended or Delisted, whether the Founder Content Participant(s) initiating such arbitration have demonstrated by a preponderance of the evidence that the Prohibited Change should have resulted in Delisting, restriction or conditioning, or, with respect to AACS Authorized Copying Methods, Suspension, of the use of the Listed Output different from that imposed by AACS LA.

3.6 If AACS LA, or the arbitrator pursuant to the provisions of Section 3.4, has determined that a change or a Constructive Change, as applicable, is a Prohibited Change and AACS LA, or the arbitrator pursuant to the provisions of Section 3.5, has, accordingly, taken action to Delist, restrict or condition, or with respect to AACS Authorized Copying Methods, Suspend, the use of a Listed Output (an “Output Restricting Decision”), the Output Licensor of that Listed Output may initiate an arbitration within thirty (30) days of receiving notice from AACS LA of the action to be taken. In such arbitration, the arbitrator shall determine whether the Output Restricting Decision was unreasonable, upon a finding of which the arbitrator shall provide reasonably detailed reasons for its decision and direct AACS LA to re-evaluate its Output Restricting Decision in light of such reasons. Within thirty (30) days of the arbitrator’s decision, AACS LA shall undertake such re-evaluation, and notify the Output Licensor and all Founder Content Participants of its determination. In the event that, upon such re-evaluation, AACS LA again makes an Output Restricting Decision, the Output Licensor of the affected Listed Output may continue the foregoing arbitration, in which event the arbitrator shall determine whether the Output Licensor has shown by a preponderance of the evidence that the change or Constructive Change was not a Prohibited Change or that the Listed Output should not have been Suspended, Delisted, restricted or conditioned as determined by AACS LA.

3.7 Any arbitration undertaken pursuant to this Section 3 shall be conducted in accordance with the applicable provisions set forth in Appendix 1 to this Exhibit H.

APPENDIX 1 TO EXHIBIT H

Output Suspension and Delisting Arbitration Procedures

The following provisions shall apply to an MCOT Suspension Arbitration pursuant to Section 2.4 of Exhibit H and an arbitration undertaken pursuant to Section 3 of Exhibit H:

- (a) The arbitration shall be conducted by a panel of three (3) arbitrators, each of whom shall have a minimum of fifteen (15) years relevant experience and shall be selected by the American Arbitration Association from its National Panel of Commercial Arbitrators.
- (b) The arbitration shall be conducted in New York, N.Y. in accordance with the International Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in English.
- (c) The arbitrators may conduct the arbitration in such manner as it shall deem appropriate, including the imposition of time limits that it considers 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 arbitrators shall set a schedule to endeavor to complete the arbitration within one (1) month.
- (d) The arbitrators shall permit and facilitate such limited discovery as he or she shall determine is reasonably necessary, taking into account the needs of the parties and the desirability of making discovery as expeditious and cost-effective as possible.
- (e) The parties and the arbitrators shall treat the arbitration proceedings, any related discovery, documents and other evidence submitted to, and the decision of, the arbitrator as Confidential Information; provided, however, that AACCS LA shall be entitled to access to all such information whether or not it is a party to such arbitration and shall be permitted to disclose information from such arbitration to the arbitrators to any subsequent arbitration under this subsection (e) when such information is relevant to the consistent resolution of such subsequent arbitration. In addition, and as necessary, the arbitrators may issue orders to protect the confidentiality of proprietary information, trade secrets and other sensitive information disclosed in discovery or otherwise during the arbitration.
- (f) The arbitrators shall make its determination of the issue(s) submitted to arbitration pursuant to Section 2.4 in accordance with the procedures and Suspension Factors as set forth in Section 2.2 and pursuant to Section 3 in accordance with the provisions of Section 3. The determination of the arbitrators shall be final and binding on the parties, except that whether the arbitrators exceeded their authority shall be fully reviewable by a court of competent jurisdiction. The parties agree that judgment upon any decision may be entered in a court of competent jurisdiction.
- (g) The arbitrators shall be compensated at his or her hourly rate, 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 arbitrators shall determine all costs of the arbitration, including his or her fees and expenses, the costs of expert advice and other assistance engaged by the arbitrators, the cost of a transcript and the costs of meeting and hearing facilities. The arbitrators shall assess the losing Party or parties the costs of the arbitration set forth in this subsection (g).

EXHIBIT G

ARBITRATION PROCEDURES

1. MC Pricing Arbitration. The following provisions shall apply to an MC Pricing Arbitration pursuant to Section 5.3.2:

(a) Unless otherwise agreed between the parties, there shall be a panel of three (3) arbitrators who shall be selected by the American Arbitration Association from its National Panel of Commercial Arbitrators and who shall each have at least fifteen (15) years of relevant experience.

(b) The arbitration shall be conducted in New York, N.Y. in accordance with the International Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in English.

(c) The arbitrator may conduct the arbitration in such manner as it shall deem appropriate, including the imposition of time limits that it considers 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 shall set a schedule to endeavor to complete the arbitration within one (1) month.

(d) The arbitrator shall permit and facilitate such limited discovery as he or she shall determine is reasonably necessary, taking into account the needs of the parties and the desirability of making discovery as expeditious and cost-effective as possible.

(e) The parties and the arbitrator shall treat the arbitration proceedings, any related discovery, documents and other evidence submitted to, and the decision of, the arbitrator as Confidential Information; provided, however, that AACS LA shall be entitled to access to all such information whether or not it is a party to such arbitration and shall be permitted to disclose information from such arbitration to the arbitrator to any subsequent arbitration under Section 5.3.2 when such information is relevant to the consistent resolution of such subsequent arbitration. In addition, and as necessary, the arbitrator may issue orders to protect the confidentiality of proprietary information, trade secrets and other sensitive information disclosed in discovery or otherwise during the arbitration.

(f) The arbitrator shall be empowered solely to determine, by preponderance of the evidence, whether a pricing differential, if any, of Managed Copies pursuant to a Mandatory MC Offer is in violation of Section 5.3.1. The determination of the arbitrator shall be final and binding on the parties, except that whether the arbitrator exceeded his or her authority shall be fully reviewable by a court of competent jurisdiction. The parties agree that judgment upon any decision may be entered in a court of competent jurisdiction.

(g) The arbitrator shall be compensated at his or her hourly rate, 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 shall determine all costs of the arbitration, including his or her fees and expenses, the costs of expert advice and other assistance engaged by the arbitrator, the cost of a transcript and the costs of meeting and hearing facilities.

The arbitrator shall assess the losing Party or parties the costs of the arbitration set forth in this subsection (g).

2. MC IP Exception Arbitration. The following provisions shall apply to an MC IP Exception Arbitration pursuant to Section 5.5.3:

(a) Unless otherwise agreed between the parties, there shall be a panel of three (3) arbitrators who shall be selected by the American Arbitration Association from its National Panel of Commercial Arbitrators and shall each have at least fifteen (15) years of relevant experience.

(b) The arbitration shall be conducted in New York, N.Y. in accordance with the International Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in English.

(c) The arbitrator may conduct the arbitration in such manner as it shall deem appropriate, including the imposition of time limits that it considers 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 shall set a schedule to endeavor to complete the arbitration within one (1) month.

(d) The arbitrator shall permit and facilitate such limited discovery as he or she shall determine is reasonably necessary, taking into account the needs of the parties and the desirability of making discovery as expeditious and cost-effective as possible. The arbitrator(s) shall be given access to the written agreement(s) governing intellectual property rights to the Titles at issue.

(e) There shall be a rebuttable presumption of a lack of good faith if Content Participant cannot offer credible evidence (which may be, for example, the statement of a business person under oath) that Content Participant consulted internal or external legal counsel regarding grounds for the assertion of the MC IP Exception; provided that Content Participant shall not be required to waive legal privilege regarding the content of such advice.

(f) The parties and the arbitrator shall treat the arbitration proceedings, any related discovery, documents and other evidence submitted to, and the decision of, the arbitrator as Confidential Information; provided, however, that AACCS LA shall be entitled to access to all such information whether or not it is a party to such arbitration and shall be permitted to disclose information from such arbitration to the arbitrator to any subsequent arbitration under Section 5.5.3 when such information is relevant to the consistent resolution of such subsequent arbitration. In addition, and as necessary, the arbitrator may issue orders to protect the confidentiality of proprietary information, trade secrets and other sensitive information disclosed in discovery or otherwise during the arbitration. Upon request by the Content Participant, the arbitrator shall impose confidentiality restrictions comparable to protective orders for highly confidential business information that are issued by a U.S. Federal Court.

(g) The arbitrator shall be empowered solely to determine, by preponderance of the evidence, whether Content Participant had a Good Faith Belief of Rights Issue in the applicable Title in the applicable country. The determination of the arbitrator shall be final and binding on the parties, except that whether the arbitrator exceeded his or her authority shall be fully

reviewable by a court of competent jurisdiction. The parties agree that judgment upon any decision may be entered in a court of competent jurisdiction.

(h) The arbitrator shall be compensated at his or her hourly rate, 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 shall determine all costs of the arbitration, including his or her fees and expenses, the costs of expert advice and other assistance engaged by the arbitrator, the cost of a transcript and the costs of meeting and hearing facilities. The arbitrator shall assess the losing Party or parties the costs of the arbitration set forth in this subsection (h).