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LICENSE AND MARKETING AGREEMENT

THIS AGREEMENT is made and entered into as of March 12, 1996 (the "Effective Date") by and between: **MICROSOFT CORPORATION**, a Washington corporation ("Microsoft"), with principal offices at One Microsoft Way, Redmond, Washington 98052; and **AMERICA ONLINE, INC.** ("AOL"), a Delaware corporation, with principal offices at 8619 Westwood Center Drive, Vienna, Virginia 22182.

RECITALS

AOL provides information products and services transmitted through wide area electronic delivery media, including online information and Internet services and products.

Microsoft has rights in client and server software products for use in browsing and providing access to information over the Internet and operating systems, such as Windows 95.

Microsoft and AOL desire that Microsoft provide AOL license rights to certain client and server software and certain related services and that Microsoft feature the AOL Flagship Service in Microsoft's Windows 95 product.

AGREEMENT

1. DEFINITIONS

1.1 "Agreement Term" means the period commencing upon the Effective Date and ending upon the expiration of the later of the (i) Initial Term and (ii) any Renewal Term.

1.2 "Agreement" means this Agreement and all attachments hereto.

1.3 "Affiliate" means any corporation, limited liability company, partnership or other entity, of which a party owns, whether directly or indirectly through one or more subsidiaries, 19.9% or more of any of the outstanding voting equity securities (or in the case of a partnership or joint venture, 19.9% or more of the voting equity interest no matter how evidenced) of such entity.

1.4 "AOL Flagship Service" means the AOL Service operated in North America, currently operated under the name "America Online," and including any changes or modifications to such service made by AOL during the Agreement Term, including changes due to name, trademark or branding.

1.5 "AOL Access Software" means the Access Software, including setup and installation software and any data, which has been specifically modified by AOL to integrate and incorporate Internet Explorer, and which is distributed by or for AOL to End-Users to enable End-Users to access or make any use of the AOL Flagship Service.

1.6 "AOL Service" means any Online Information Service which is marketed under one or more trademarks or trade names owned by AOL or an AOL Affiliate, and which is operated and managed by AOL or an AOL Affiliate, including, without limitation, the AOL Flagship Service and GNN Service.

1.7 "AOL Managed Service" means (i) an AOL Service and (ii) any Online Information Services managed and operated in whole or in part by AOL or an AOL Affiliate for a third party marketed under one or more trademarks of such third party.

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1.8 "ART Technology" means (i) the AOL software compression technology currently referred to as "ART" for the compressing, interleaving, storing and decompressing (playing) of multimedia data; (ii) ART software player technology capable of playing (*i.e.*, decoding/decompressing, *etc.*) any ART-formatted files and (iii) any Upgrades to the foregoing.

1.9 "Claims" means losses, deficiencies, damages, liabilities, costs, and expenses, including reasonable attorneys' and paralegals' fees and all related costs and expenses.

1.10 "Internet Explorer" means Microsoft's Internet Explorer software product (including licensed-for-export versions) for each of the Platforms and Upgrades thereof released (including licensed or distributed) by Microsoft during the Agreement Term (whether distributed as a separate product or as part of another Microsoft product) or other browser product that provides End-Users with viewing, rendering, browsing and/or other interaction with the Internet, the World Wide Web and other public networks now existing or hereafter created. Version 3.0 of Internet Explorer for Windows Products is described in **Attachment 1.**

1.11 "Communications Services" means chat, e-mail, newsgroups forums, bulletin boards, fax servers, telephony or similar communications services provided by Online Information Services.

1.12 "Confidential Information" means any trade secrets of either party, including any trade secrets relating to either party's product plans, designs, costs, prices and names, customer lists, finances, marketing plans, business opportunities, personnel, research development or know-how. "Confidential Information" shall not include information that: (i) is or becomes generally known or available by publication, commercial use or otherwise through no fault of the receiving party; (ii) is known by the receiving party at the time of disclosure and is not subject to restriction; (iii) is independently developed by the receiving party; (iv) is lawfully obtained from a third party that rightfully makes such disclosure without imposing obligations of confidentiality; or (v) is made generally available by the disclosing party without restriction on disclosure.

1.13 "Content" means either text or multimedia information which contains any one or more of the following in digital form or such other forms as may now exist or hereafter become available: text, graphics, video, audiovisual images, sound, still images, data or the like.

1.14 "Derivative Technology" means: (i) for copyrightable or copyrighted material, any translation (including localization into foreign languages or translation into other computer languages), portation, modification, correction, addition, extension, upgrade, improvement, compilation, abridgment or other form in which an existing work may be recast, transformed or adapted; (ii) for patentable or patented material, any improvement thereon; and (iii) for material which is protected by trade secret, any new material derived from such existing trade secret material, including new material which may be protected by copyright, patent and/or trade secret.

1.15 "Documentation" means, as to a software product, any documentation relating to such software program provided to any End-User thereof.

1.16 "End-User" means a third-party customer or potential customer to whom a copy of a product or service is licensed, sublicensed or otherwise distributed or transmitted primarily for such customer's or potential customer's use and not for further sublicense or distribution.

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1.17 "Error" means a defect in software which prevents it from performing in accordance with any specifications and/or a Severity Level 1, 2 or 3 error, as such errors are defined in **Attachment 2.**

1.18 "GNN Service" means the AOL Service currently operated as "Global Navigator Network" and including any changes or modifications to such service made by AOL during the Agreement Term, including changes due to name, trademark or branding.

1.19 "Initial Term" means a period of four (4) years commencing upon the Trigger Date, subject to Section 15.2.

1.20 "Intellectual Property Rights" means trade secrets, patents, copyrights, and similar rights of any type under the laws of any governmental authority, including all applications and registrations relating to patents and copyrights, whether presently existing or created in the future. Reference to ownership of any item means ownership of the Intellectual Property Rights therein.

1.21 "Localized Version" means, as to software and related Documentation, a version that has had its user interface components (e.g., displayed text, artwork, input fields, etc.) translated/adapted to a particular language/culture for use by a native speaker of such language or native of such culture.

1.22 "Microsoft Network" means the Microsoft Online Service currently operated under the name "MSN: The Microsoft Network" or "MSN".

1.23 "Microsoft Online Service" means any Online Information Service that is managed, operated or marketed under one or more trademarks or trade names owned by Microsoft or a Microsoft Affiliate, including the Microsoft Network.

1.24 "Microsoft Registration Server" means any server wherever located through which Microsoft provides information regarding the selection of a service provider for an End-User to access any Online Information Service.

1.25 "Object Code" or "object code" means a machine readable, machine executable form of program code and any other computer program other than Source Code and that Source Code with respect to products that are generally distributed to End-Users in Source Code form.

1.26 "Online Information Service" means the provision of Content, Communications Services and/or transactions through the use of any protocols, standards, platforms, media or other methodology now or hereafter existing, whether open or proprietary (including the Internet and similar protocols, standards and platforms) for remote access to host server computers through the use of client software resident on other computers, via any means now or hereafter existing, including via telephone, ISDN, cable, fiber optics, satellite, wireless or other type of public or private network.

1.27 "Renewal Term" shall mean an extension of the Agreement Term by a period of one (1) year from the end of the Initial Term or prior Renewal Term.

1.28 "Server and Tool Products" means the Microsoft products and Documentation specified in **Attachment 3**, including Upgrades thereof released (including licensed or distributed) by Microsoft during the Agreement Term and other products that enable a computer to function as a host or server

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for Online Information Services or that are otherwise intended primarily for use by such hosts or servers, or are used primarily for the development or customization of Content, including tools and utility software.

1.29 "Source Code" or "source code" means a human readable form of program code documented and usable by a reasonably qualified programmer and shall include all source documentation, if any, which would help facilitate the support, maintenance and enhancement of such code.

1.30 "Special Add-Ons" means products, other than Internet Explorer and Server and Tool Products, that Microsoft releases (including licensed or distributed) and which concern client-related Internet technology (including standard protocols) including Upgrades thereto.

1.31 "Subscriber" or "subscriber" means, when referring to any AOL Service, those End Users which AOL publicly states are subscribers to such AOL Service.

1.32 "Third Party Browser" means software for any Platform, other than Internet Explorer, designed primarily to view, render and browse pages retrieved from the Internet, the World Wide Web and other public networks now existing or hereafter created.

1.33 "Trigger Date" means the later of (i) the date on which Microsoft releases to manufacture an OEM version of Windows Products which incorporates AOL Access Software, and (ii) the date on which Microsoft releases to manufacture a retail packaged product version of Windows Products which incorporates AOL Access Software; provided, however, that if AOL fails to deliver the final Windows Products version of AOL Access Software including version 3.0 of Internet Explorer, except where such failure by AOL was due to Microsoft's failure to deliver version 3.0 of Internet Explorer on or before the dates specified in Section 4.1, the Trigger Date shall be no later than February 15, 1997.

1.34 "Upgrades" means, as to any product, all subsequent public releases thereof during the Agreement Term, including maintenance releases, error corrections, upgrades, enhancements, additions, improvements, extensions, modifications and replacement or successor versions or products, and all related Documentation.

1.35 "Windows Products" means (i) Microsoft's Windows 95 operating system and including all Upgrades thereof released by Microsoft during the Agreement Term, or (ii) if, different from the product in subpart (i), Microsoft's primary, consumer-market oriented desktop operating system (whether or not marketed as "successor" product to Windows 95 and whether or not marketed under a "Windows" trademark), including all Upgrades thereof. Windows NT is not currently a "Windows Product".

1.36 "Access Software" means operating system platform-specific software used by an End User Subscriber or potential Subscriber to access an Online Information Service.

1.37 "AOL Icon" shall mean an icon or menu item, as appropriate, for installation of and/or access to the AOL Access Software, as specifically described in **Attachment 4** or as otherwise mutually agreed to by the parties.

1.38 "Changes" shall mean modifications, extensions, translations or other Derivative Technology of the source code version of software created by Modifying such software.

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1.39 "Desktop Folder" shall mean a folder, shortcut, link or other similar iconic representation entitled "Online Services" (or other name mutually agreed to by the parties) and which is clearly visible and accessible to Windows Products users on the Windows Products desktop, as more fully described in **Attachment 4.**

1.40 "Platforms" means Windows Products, Windows NT, Apple Macintosh and Windows 3.xx.

1.41 "Program Folder" shall mean a folder, shortcut, link or other similar iconic representation entitled "Online Services" and which is accessible to Windows Products users from the "Start/Programs/" option on the Windows Products "Start" menu, as more fully described in **Attachment 4.**

1.42 "Source Components" shall mean the source code versions of certain components of Internet Explorer, for each Platform, as specified in **Attachment 1.** Source Components are intended to be those components of Internet Explorer reasonably required by AOL or an AOL Affiliate under Section 5.1 to integrate, brand and extend Internet Explorer for any AOL Managed Service.

1.43 "Reference Source" shall mean source code versions of Internet Explorer (excluding Source Components), for each Platform, as specified in **Attachment 1.**

1.44 "Modify" shall mean to, edit, format, modify, translate and otherwise create Derivative Technology of software.

2. GRANT OF LICENSES

2.1 License To Microsoft. AOL hereby grants to Microsoft a nonexclusive, royalty-free, limited, worldwide right and license to:

A. Use, reproduce, license, rent, lease, display, perform or otherwise distribute, and have reproduced, licensed, rented, leased, displayed, performed or otherwise distributed, to and by third parties, object code versions of the AOL Access Software, and to grant the foregoing rights in the AOL Access Software to third parties, including the right to license such rights to further third parties; and

B. Solely to the extent expressly permitted by AOL in writing and subject to the restrictions of this Section 2.1, use, reproduce and evaluate the "AOL Source" solely for purposes of (i) assisting AOL with the testing and integration of Internet Explorer into the AOL Access Software, and (ii) supporting End Users of Windows Products.

"AOL Source" means the source code for the AOL Access Software exclusive of any source code licensed to AOL under this Agreement. Microsoft shall have no right to Modify the AOL Source except to the extent expressly permitted by AOL in writing. AOL Source shall be disclosed only to those Microsoft employees and independent contractors working on Internet Explorer or Windows Products development and having a need to access such AOL Source for the purposes set forth in Section 2.1.B. In no event shall Microsoft permit access to the AOL Source by any other employees or independent contractors at Microsoft, or by any employees or independent contractors providing services for the Microsoft Network. Microsoft will ensure that employees and

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independent contractors permitted access to the AOL Source are under written agreement imposing obligations of confidentiality with respect to the AOL Source consistent with the terms and conditions of this Agreement. Access to the AOL Source shall only be at secure Microsoft facilities where Microsoft takes steps to protect the security and the confidentiality of the AOL Source as extensive as it takes to protect its own Confidential Information of like importance.

2.2 Distribution License To AOL. Microsoft hereby grants to AOL a royalty-free, non-exclusive, limited worldwide right and license to use, reproduce, license, sublicense, display, perform or otherwise distribute, and have used, reproduced, licensed, sublicensed, displayed, performed or otherwise distributed, to and by third parties (i) object code versions of Internet Explorer incorporating Changes permitted to be made by AOL under this Agreement solely as part of or for distribution with Access Software for an AOL Managed Service, (ii) object code versions of Internet Explorer (including beta versions thereof publicly released by Microsoft), and (iii) subject to Sections 2.5 and 3.1, object code versions of Special Add-Ons, and (iv) to grant the foregoing rights to third parties, including the right to license such rights to further third parties.

2.3 Source License To AOL.

A. *Source Components*. Microsoft hereby grants to AOL and AOL Affiliates a royalty-free, non-exclusive, non-transferable, non-assignable, worldwide right and license to Modify and make Changes to the source code and object code versions of the Source Components, subject to the terms and conditions of this Section 2.3.

B. *Reference Source*. Microsoft hereby grants to AOL a royalty-free, non-exclusive, non-transferable, non-assignable, worldwide right and license to Modify and make Changes to the source code and object code versions of the Reference Source solely for purposes of (i) testing and developing the AOL Access Software and/or the Access Software incorporating Internet Explorer for an AOL Managed Service and (ii) supporting users of AOL Access Software and/or the Access Software incorporating Internet Explorer for an AOL Managed Service, subject to the terms and conditions of this Section 2.3.

C. *Source Restrictions*. Upon Microsoft's prior written approval, which approval will not be unreasonably withheld or delayed, AOL may grant the rights set forth in Section 2.3.B to an AOL Affiliate. Should AOL desire to incorporate any permitted Changes as part of the Reference Source, it shall submit them to Microsoft for review and approval, which approval will not be unreasonably withheld or delayed. AOL shall have the right to distribute, pursuant to Section 2.2, object code versions of any Changes to the Reference Source created by AOL only to the extent Microsoft approves and makes such Changes a part of the Reference Source. Only those AOL employees and independent contractors having a need to access the Source Components and the Reference Source for the permitted purposes will be permitted such access, and AOL will ensure that such employees and independent contractors are under written agreement consistent with the terms and conditions of this Agreement, including, but not limited to, the terms and conditions of this Section 2.3 and Sections 2.7, 14 and 15.5. Access to the Source Components and Reference Source shall only be at secure AOL facilities where AOL takes steps to protect the security and the confidentiality of source code version of the Source Components as extensive as it takes to protect its own Confidential Information of like importance.

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2.4 Export. Each party shall reasonably cooperate with the other in providing information and assistance with respect to import/export licenses, commodities jurisdictions or other relevant U.S. export regulations regarding Internet Explorer. Except for such cooperation, each party shall be solely responsible for obtaining any necessary import/export licenses for permitted distributions by such party under this Agreement.

2.5 Special Add-Ons. To the extent Microsoft is not restricted by third party licensors from generally granting third parties rights to distribute any Special Add-On, Microsoft shall make available to AOL, as promptly as reasonably practicable, such Special Add-Ons for use and distribution by AOL under Section 2.2. Microsoft shall use all reasonable efforts to obtain Special Add-Ons without any such restrictions, and where Microsoft obtains such Special Add-Ons for MSN, Microsoft shall be obligated to similarly obtain for AOL such Special Add-On. To the extent Special Add-Ons are not available directly from Microsoft, Microsoft shall negotiate in good faith with and on AOL's behalf for use or distribution rights to such Special Add-Ons.

2.6 Server and Tool Products. Microsoft hereby grants a royalty-free, non-exclusive, personal, non-transferable, non-assignable, worldwide right and license for:

A. AOL and AOL Affiliates to use and reproduce the Server and Tool Products, up to a maximum of five hundred (500) copies (for each server product) and seven hundred fifty (750) copies (for each tools product), solely for purposes of (i) AOL's internal development purposes and (ii) the operation, administration and/or support of any AOL Service, subject to the terms of this Section 2.6; and

B. AOL to use and reproduce the Server and Tool Products solely for purposes of the operation, administration and/or support of up to three (3) AOL Managed Services identified by AOL during the Agreement Term, subject to the terms of this Section 2.6.

Except as expressly set forth in this Section 2.6, use of the Server and Tool Products shall be subject to and limited to Microsoft's standard end user license agreement ("EULA") accompanying such Server and Tool Products, and the provisions of this Agreement, including, but not limited to, warranties and indemnities, shall not apply. To the extent that Server and Tools Products are delivered by Microsoft in Source Code form, AOL shall have the right to use and reproduce such Source Code as permitted by EULA accompanying such Source Code. Otherwise, all rights under this Section 2.6 shall be for Object Code only.

In no event shall the license grant under Section 2.6.B be deemed as granting a right to create additional copies of Server and Tool Products following termination of this Agreement.

2.7 Ownership of Intellectual Property. Except as expressly licensed to AOL in Sections 2.2 and 2.3, Microsoft retains all Intellectual Property Rights in and to (i) Internet Explorer, (ii) the Source Components, (iii) the Reference Source, (iv) Special Add-Ons, (v) Server and Tool Products, (vi) any Changes in the foregoing created by or for Microsoft and (vii) any Changes to the Reference Source created by or for AOL; provided, however, that subject to the license grants in Sections 2.2 and 2.3, and Microsoft's ownership of the underlying Internet Explorer and Source Components, AOL shall own all Intellectual Property Rights in and to any Changes in the Source Components created by or for AOL.

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AOL retains all Intellectual Property Rights in and to (i) Access Software for any AOL Managed Service (other than any portion thereof licensed from Microsoft hereunder), (ii) the ART Technology, and (iii) any Changes to the ART Technology source code created by or for Microsoft.

2.8 No Other Rights. Except as expressly granted in this Agreement, AOL shall be granted no other rights in the Internet Explorer, Source Components, Special Add-Ons, Reference Source or Server and Tool Products. Under no circumstances will anything in this Agreement be construed as granting to AOL, by implication, estoppel or otherwise, a license to any Microsoft technology other than the Internet Explorer, Source Components, Special Add-Ons, Reference Source or Server and Tool Products.

Except as expressly granted in this Agreement, Microsoft shall be granted no other rights in the Access Software for any AOL Managed Service or the ART Technology. Under no circumstances will anything in this Agreement be construed as granting to Microsoft, by implication, estoppel or otherwise, a license to any AOL technology other than the Access Software for any AOL Managed Service and the ART Technology.

2.9 New Platforms. To the extent during the Agreement Term that Microsoft develops and distributes versions of Internet Explorer for platforms other than the Platforms, then AOL shall in good faith fully consider Microsoft's offering of such version of Internet Explorer. If AOL chooses to obtain such version from Microsoft, it may (i) obtain it under terms identical to this Agreement whereby the definition of "Platform" would be adjusted accordingly, or (ii) under terms and conditions to be mutually agreed to by the parties.

3. FEES AND PAYMENT TERMS

3.1 Fees.

A. AOL shall pay Microsoft license fees for Special Add-Ons distributed under Section 2.2 in accordance with Microsoft's standard pricing or, if acquired by AOL through a Microsoft distributor, Microsoft's distributor's standard distributor pricing.

B. Except as provided in this Section 3.1, where a license under this Agreement is stated to be "royalty-free," no payment or license fee shall be due to either party. However, AOL understands and agrees that, during the Agreement Term, Microsoft may license or incorporate technology into the Internet Explorer or Server and Tools Products which are not royalty-free and involve additional costs to Microsoft if distributed or used generally in the manner contemplated by AOL in this Agreement. To the extent such royalty-bearing technology is so incorporated, Microsoft shall inform AOL of such technology including Microsoft's added royalty or license costs and the parties shall mutually determine AOL's required royalty with respect to such costs, provided that AOL's royalty shall in no event exceed (i) Microsoft's per-unit royalties for such distribution or use by AOL and (ii) AOL shall not have to pay any per-unit royalties for features of Internet Explorer described in **Attachment 1**. If Microsoft is unable to avoid payment of a per-unit royalty, it will work with AOL minimize the overall cost of such per-unit royalty to AOL. Microsoft shall use all reasonable efforts to avoid per-unit royalties on such features. Except to the extent of third

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party royalties as set forth above, AOL shall not be obligated to pay for any function or feature that Microsoft must deliver as part of Section 4.2.

C. To the extent that (i) Microsoft characterizes something as a Special Add-On and charges AOL for it, other than a third party charge as set forth in Section 3.1 (a "Charge")) and (ii) AOL disagrees with Microsoft's characterization of same as a Special Add-On requiring a Charge, AOL may request that Microsoft eliminate such Charge. If Microsoft doesn't agree to eliminate the Charge, AOL may submit the issue for Expedited Resolution as defined in Section 18.4.

D. To the extent AOL must pay for a feature of Internet Explorer under this Section 3.1, AOL may choose not to distribute such feature as part of the AOL Access Software. Such decision by AOL shall not affect Microsoft's obligations under Section 6.

3.2 Most Favored Pricing and Pricing Terms. Notwithstanding anything to the contrary contained herein, no fee or amount payable by AOL to Microsoft pursuant to this Agreement shall in any event exceed the Most Favored Price for the product or service for which such fee or amount is paid. In addition, for Licensed Products to be obtained from Microsoft distributors or other third parties, Microsoft will use all reasonable efforts to assist AOL in receiving Most Favored Prices from all such distributors or third parties. For purposes of the foregoing, "Most Favored Price" means, with respect to any fee, royalty or other amount payable by AOL hereunder for Internet Explorer or Special Add-Ons , the lowest price charged by Microsoft within the six (6) months immediately preceding the date on which the Most Favored Price is determined for the same or substantially similar version of Internet Explorer or Special Add-Ons to any third party Online Information Service in similar or lesser quantities. If Microsoft makes Internet Explorer or Special Add-Ons available to MSN at an internal Microsoft transfer price which is less than a the Most Favored Price that would otherwise be determined under this Section 3.2, then "Most Favored Price" means the lower of (i) such internal Microsoft transfer price and (ii) the price MSN charges to End Users. Without limiting the foregoing, if Microsoft makes Internet Explorer or Special Add-Ons available at no charge (*i.e.*, no charge for the Internet Explorer or Special Add-Ons or for any combination of products therewith), then "Most Favored Price" means zero.

3.3 Price Reductions. If Microsoft is providing Internet Explorer or Special Add-Ons to AOL and Microsoft provides such product(s) to a third party at a price that causes a reduction in the Most Favored Price for such product or service, Microsoft shall provide prompt notice to AOL of such reduction. If appropriate, retroactive adjustments to the calculation of charges for products, and corresponding rebates to AOL, shall be made to reflect proper application of the Most Favored Pricing provisions of this Section 3.

3.4 Payment Terms. For Special Add-Ons and Server and Tool Products licensed under other than Section 2.6, AOL shall pay in accordance with Microsoft's or its distributors' standard terms and conditions. For payments due, if any, under this Agreement, AOL shall pay as follows: Within thirty (30) days after the end of each calendar month, AOL shall deliver to Microsoft a report for that calendar month providing sufficient detail for Microsoft to be able to determine the products for which fees are payable by AOL to Microsoft. Payments by either party of amounts due hereunder shall be made in United States dollars and, unless otherwise specified herein, shall be due within thirty (30) days following receipt of an invoice, together with supporting documentation explaining the basis for calculation of such charges. Payments shall be remitted to the address indicated in this Agreement or

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such other address as the recipient may from time to time indicate by proper notice hereunder.

3.5 Taxes. Except for taxes based upon the recipient's income, the payor shall be responsible for and pay all taxes as a consequence of the transaction to which a payment relates, including sales, use, or value-added taxes, duties, withholding taxes and other assessments now or hereafter imposed; in lieu of payment of any such tax, the payor may provide to the recipient a tax or other levy exemption certificate acceptable to the taxing or other levying authority.

4. DELIVERY OF MICROSOFT LICENSED PRODUCTS TO AOL

4.1 Time. Microsoft shall deliver to AOL each version (including alpha releases, beta releases, other internal, limited or quality control releases to the extent required under Section 10.1, and commercial releases) of Internet Explorer in Object Code form and Source Components and Reference Source for each such version of Internet Explorer, Special Add-Ons in Object Code form and each Server and Tool Product in Object Code form. Concurrently with delivery of any software, Microsoft shall deliver applicable Documentation. Microsoft intends to release Internet Explorer by the following dates:

Microsoft Internet Explorer 3.0 for Windows 95: beta - 6/1/96; final - 7/1/96
Microsoft Internet Explorer 3.0 for Windows 3.1: beta - 6/1/96; final - 8/1/96
Microsoft Internet Explorer 3.0 for the Macintosh: beta - 5/15/96; final - 7/1/96.

4.2 Features. Microsoft shall ensure that version 4.0 of Internet Explorer for each Platform incorporates features as set forth in **Attachment 1**. Thereafter, Microsoft shall produce Updates of the Internet Explorer which incorporate the latest available Internet-related technology, features, capabilities and standards available on any market leading (not to exceed three (3)) Third Party Browser ("Competitiveness"). Microsoft shall use all reasonable efforts to ensure that Internet Explorer for each Platform other than Windows Products shall substantially contain all material features and functions of the Windows Products version, and shall substantially perform as well as the Windows Products version, subject to practical limitations and differences required by limits inherent in the operating system ("Platform Equality"). The parties may mutually agree that features and functions on such other Platforms may not be necessary in the future. Upgrades to such other platforms shall be completed within a reasonable period after the Upgrade for the Windows Products version is released, but no later than ninety (90) days following such release. To the extent AOL believes that Microsoft is not complying with the Competitiveness and Platform Equality obligations under this Section 4.2, and the parties do not agree as to such characterization or on any course of action, then AOL may submit the matter for Expedited Resolution under Section 18.4.

4.3 Delivery Mode. All software deliverables shall be delivered by Microsoft to AOL by electronic transmission and such other means as AOL may reasonably request. Microsoft shall not deliver any software or Documentation to AOL in any tangible medium unless specifically requested by AOL.

4.4 Errors. Microsoft shall correct Errors in Internet Explorer in accordance with **Attachment 2** and shall provide such corrections to AOL. To the extent Microsoft corrects Errors, it shall be Microsoft's sole discretion as to whether an Error will be corrected in any commercial release of Internet Explorer prior to the next major release.

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5. INCORPORATION OF CLIENT PRODUCT INTO AOL ACCESS SOFTWARE

5.1 Incorporation. Beginning with version 3.0 of Internet Explorer, for each new release of Internet Explorer made by Microsoft in conjunction with a new release of a Windows Product, AOL shall use all reasonable efforts to integrate and incorporate such new release of Internet Explorer into the AOL Access Software for all Platforms. AOL shall use all reasonable efforts to: (i) provide the latest version of AOL Access Software for a Windows Product to Microsoft as set forth in Section 6.7; (ii) simultaneously with Microsoft's general commercial release of a new version of Internet Explorer for each Platform, immediately commence electronic distribution of such new version of the AOL Access Software for each Platform; and (iii) to the extent commercially feasible, commence distribution of such new version as of the next release of the AOL Access Software for each Platform by shipment of tangible copies. The parties' intent is that AOL shall promptly commence transition of existing End Users of the AOL Flagship Service to such new version of the AOL Access Software. Microsoft shall satisfy its obligations under Sections 10.1 and 5.3 to enable AOL to provide Microsoft with the most recent versions of the AOL Access Software as soon as practicable and no later than required by this Section 5.1 and Section 6.7. To enable AOL to comply with this Section 5.1 and Section 6.7, Microsoft shall, for versions of Internet Explorer for Windows Products, deliver to AOL (i) beta releases ninety (90) days prior to the date on which AOL must deliver final code of the AOL Access Software to Microsoft and (ii) final versions twenty-one (21) or greater days prior to the date on which AOL must deliver final code of the AOL Access Software to Microsoft.

5.2 Testing. Microsoft will have the right (but not the obligation) to test each version of the AOL Access Software. For Windows Products, (i) Microsoft shall have the right to test the AOL Access Software for Errors, and (ii) during development and integration, AOL shall use reasonable efforts to correct any Severity Level 1 Errors it discovers in the AOL Access Software as specified in **Attachment 2** and provide such corrections to Microsoft. For Platforms other than Windows Products, Microsoft may test the AOL Access Software to determine that the Internet Explorer is integrated and incorporated into such software. AOL may, at its option, participate in the testing process. If Microsoft discovers any problems or Errors in such versions, it shall notify AOL thereof, and, if requested by AOL, Microsoft will cooperate with AOL with respect to correcting such Errors.

5.3 Assistance. Microsoft shall, at its expense, timely provide AOL with technical support, advice and engineering assistance reasonably requested by AOL to assist AOL in customizing and modifying the Internet Explorer for integrated use with the AOL Access Software on all Platforms and for use with the GNN Service and any other AOL Service in a manner that supports all features and functions of all versions of Internet Explorer with seamless integration and with performance materially as good as Internet Explorer given the development environment. Such technical support shall be provided by technically competent senior engineering personnel during Microsoft's normal business hours. Such personnel will use all reasonable efforts to respond to all calls within one (1) business day and will meet in person with AOL staff upon reasonable advance notice. It is AOL's responsibility to perform all required customization and modification and Microsoft's obligations will be limited to support, advice and assistance reasonable under all of the circumstances, including all timetables for completion of any customization and modification. To enhance the ability of AOL to receive such assistance, Microsoft shall promptly, upon AOL's reasonable request, make facilities available to AOL at the Microsoft campus perform any related development, testing or other efforts. Such facilities shall be provided without charge, except that Microsoft may charge AOL Microsoft's cost of providing telephone and network service to AOL at the facilities. Microsoft shall provide office furniture and

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equipment (including copiers, fax machines, telephones and the like, but excluding computers, software and peripherals) sufficient and appropriate for AOL's intended uses. AOL employees working on Microsoft's premises shall observe the company policies, practices and procedures regarding the workplace. Microsoft reserves the right to have any AOL employee removed from Microsoft premises for any reason.

6. DISTRIBUTION OF AOL ACCESS SOFTWARE

6.1 General Intent. Without limiting any other requirements of this Section 6, it is the mutual intention of the parties to ensure that within Windows Products in which the AOL Access Software is distributed pursuant to this Section 6, the positioning and prominence of each icon for the AOL Services shall be at least as favorable as the most favorable positioning and prominence of any Online Information Service, other than the Microsoft Network, and that the installation and operation of the AOL Access Software in conjunction with the Windows Products shall be at least as favorable as that for the Access Software for any other Online Information Service, including the Microsoft Network.

6.2 Integration of AOL Access Software with Windows Products.

A. Microsoft shall, as soon as possible after receipt of a version of AOL Access Software, using all reasonable efforts, distribute the AOL Access Software with the next release of Windows Products distributed in any manner (including OEM, retail and electronic distribution), provided that Microsoft may, but shall not be obligated to undertake a special release of Windows Products for such version of AOL Access Software.

B. As part of the standard installation procedure for Windows Products with which the AOL Access Software is distributed pursuant to Section 6.2.A:

(i) The AOL Access Software will, unless the End-User elects otherwise, be automatically installed with installation of the Windows Products;

(ii) Installation of the AOL Access Software shall include placement of the AOL Icon within the Desktop Folder;

(iii) Installation of the AOL Access Software shall include placement of the AOL Icon within the Program Folder;

(iv) Unless otherwise specified by the End User installing the Windows Product, the AOL Access Software will be installed in a first level subdirectory of the "Programs Folder" directory of the End-Users' main hard drive by default; and

(v) If, during initial installation of the Windows Product, the End-User elects not to install the AOL Access Software, the AOL Icon will nevertheless appear in the Desktop and Program Folders, and the End-User subsequently selecting or opening such AOL Icon will be given the option of installing the AOL Access Software.

During the development process for incorporating the AOL Access Software into Windows Products, Microsoft will consult with AOL on a regular basis regarding compliance with the

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provisions of this Section 6.2.B.

C. Should Microsoft decide to include icons for third party Online Information Services in Windows Products, where such services are for basic Internet access only (such as GNN Service) and not for access to both the Internet and proprietary services (such as the AOL Flagship Service), then, for GNN Service Access Software incorporating Internet Explorer, Microsoft shall offer AOL substantially equivalent terms and conditions for inclusion of the GNN Service client icon into such Windows Products.

D. Should Microsoft, in its sole discretion, decide to alter the user interface structure of Windows Products in a manner which would materially affect Microsoft's ability to install the AOL Icon as set forth in Section 6.2.B, then Microsoft shall notify (pursuant to Section 10) AOL of such alteration and the parties shall cooperate and design a mutually agreeable new placement of the AOL Icon in Windows Products, the goal of the parties being to provide AOL with substantially equivalent prominence.. If the parties cannot reasonably agree upon such new placement, then the parties shall submit the matter for Expedited Resolution pursuant to Section 18.4.

E. For each copy of a Windows Product supplied in diskette form, AOL will either (i) reimburse Microsoft's actual cost for the diskette(s) containing the AOL Access Software or, (ii) if commercially feasible and mutually agreed upon by the parties, supply the diskettes containing the AOL Access Software. Microsoft shall not unreasonably withhold its consent to allow AOL to supply diskettes if AOL chooses. Microsoft shall bear all other costs associated with distribution of the AOL Access Software. Microsoft will use all reasonable efforts to supply AOL with the lowest possible price for all diskette(s) not provided by AOL. Further, AOL will reimburse Microsoft for any incremental costs associated with the insertion of the diskette(s) containing AOL Access Software into Windows Products.

F. The Desktop Folder and the Program Folder shall each directly identify, at Microsoft's sole discretion: (i) up to seven (7) Online Information Services, including AOL; or (ii) up to six (6) Online Information Services, including AOL, and a single subfolder which identifies any number of other Online Information Services (it being the intention to place no restrictions on Microsoft placing any and all other Online Information Services within such subfolder). The AOL Icon will be clearly visible whenever the Desktop Folder or the Program Folder is opened to its default setting. All references in the Desktop Folder and the Program Folder to Online Information Services shall list such services in alphabetical order, and Microsoft shall ensure that the AOL Icon is given no less favorable treatment than any other third party Online Information Service icon. There will be only one folder each on the Windows Products desktop and in the Windows Products programs folder identifying third party Online Information Services; provided that: (i) Microsoft may offer in Windows Products, from no more than one (1) folder/icon on the desktop and Start menu (which folder/icon shall be either Microsoft-branded or not branded), and in conjunction with an Internet access kit (e.g., a wizard), a list, with accompanying offering materials, of Internet access providers accessible by an end user via a registration server or similar mechanism; (ii) the custom client software for such Internet access provider is not included in Windows Products; and (iii) if Microsoft provides or offers such a kit, the provisions of Section 8.2 shall apply to such offering.

6.3 Foreign Services. To the extent (i) not prohibited by local law and (ii) AOL provides a Localized

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Version of the Access Software to an AOL Service, Microsoft shall, if requested by AOL, comply with the obligations in Section 6.2 with respect to such Localized Version and the corresponding Localized Version of Windows Products, provided that AOL or the respective AOL Affiliate agrees to comply with all terms and conditions of Section 7 in such country and with respect to the respective AOL Service. Notwithstanding the foregoing, AOL or such AOL Affiliate (i) shall have no obligation under Section 7.2.D to conduct joint meetings but shall make a commercially reasonable attempt to do so and (ii) the calculations under Section 7.2.B shall be made only with respect the particular country(ies) where the Localized Version of the Access Software is distributed in Windows Products.

6.4 Distribution Through OEM Channels. To the extent Microsoft distributes AOL Access Software with Windows Products through OEMs, Microsoft shall use all reasonable efforts to cause the AOL Access Software to be installed in accordance with the provisions of this Section 6.

6.5 Termination of Distribution. If AOL instructs Microsoft to cease reproduction, distribution and transmission of a particular revision of any AOL Access Software, Microsoft agrees to comply therewith as soon as practicable but no later than the next releases (OEM and retail) of a Windows Product; provided AOL provides Microsoft with not less than thirty (30) days prior written notice.

6.6 Microsoft Internet-Enabled Products. Microsoft's intent is that Microsoft application products will generally access the Internet through Windows Products, and therefore no particular Online Information Service be favored as a means of obtaining access to the Internet. If, in AOL's opinion, Microsoft does unfairly favor any particular Online Information Service over the AOL Flagship Service as a means of obtaining Internet access, the parties shall work promptly together to eliminate such problem.

6.7 Express Conditions. Microsoft's obligations under this Section 6 with respect to each release of Windows Products are expressly conditioned upon the following:

A. *Lockstep Development.* Subject to Microsoft's obligations under, and timely delivery of final versions of Internet Explorer to AOL as set forth in, Section 5.1, for major releases of Internet Explorer (which today is designated by a version number change to the left of the decimal point) AOL shall develop and deliver to Microsoft a new version of AOL Access Software for the Windows Product which integrates and incorporates the version of Internet Explorer in such release for the final version, within two (2) weeks prior to the next release of a Windows Product. In the event that AOL is not able to comply with the foregoing obligations, Microsoft shall nevertheless use reasonable efforts to integrate and incorporate the AOL Access Software in the next release of Windows Products.

B. *Quality.* Microsoft shall not be obligated to distribute the AOL Access Software under this Section 6 if it contains a Severity 1 level Error.

C. *Floppy Distribution.* For Windows Products distributed in floppy diskette format only, the AOL Access Software provided to Microsoft shall occupy not more than two (2) floppy diskettes.

6.8 Miscellaneous. AOL shall handle all AOL Access Software support issues, including, but not limited to, telephone and electronic mail support, for existing and prospective End Users. For minor releases

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of Internet Explorer (which today is designated by a version number change to the right of the decimal point) AOL shall use all reasonable efforts to develop and deliver to Microsoft a new version of AOL Access Software for the Windows Product which integrates and incorporates such minor release of Internet Explorer within two (2) weeks prior to the next release of a Windows Product. In the event that AOL is not able to comply with the foregoing obligation regarding minor revisions, Microsoft shall nevertheless integrate and incorporate the unrevised AOL Access Software in the same release of Windows Products. To facilitate the extensive testing required of each Windows Product, new and/or localized versions of the AOL Access Software to be distributed with corresponding new versions of Windows Products must be delivered and supported by AOL in a timely manner: (i) regular alpha and beta code drops shall be given to Microsoft periodically during development with Errors corrected as set forth in **Attachment 2**.

6.9 Windows NT. If Microsoft distributes Access Software for any third party Online Information Service (including distribution of an Access Software icon similar in function to the AOL Icon) with Windows NT, then Microsoft shall use all reasonable efforts to similarly distribute AOL Access Software in a similar manner, including desktop location and features.

7. BROWSER COMMITMENT

7.1 Limitation. Subject to the exclusions set forth in this Section 7, AOL and AOL Affiliates will, with respect to Third Party Browsers, exclusively promote, market and distribute, and have promoted, marketed and distributed, Internet Explorer on or for use by subscribers to the AOL Flagship Service. Subject to the limits set forth in Section 7.2.E, AOL may promote, market and distribute Third Party Browsers on or for use with the GNN Service (or any other AOL Service other than the AOL Flagship Service), provided that AOL shall affirmatively promote, market and distribute Internet Explorer on or for use with GNN Service by way of prominent download availability or direct distribution.

7.2 Exclusions. Notwithstanding Section 7.1:

A. AOL may publish the APIs for, and otherwise support use by, any Access Software to access and/or make any use of the AOL Flagship Service, including any Third Party Browser. Thus, third parties may, with or without AOL's assistance, integrate or optimize such software for use with the AOL Flagship Service.

B. Subject to Section 2.9, AOL may promote, market and distribute Third Party Browsers for platforms other than the Platforms.

C. AOL is not in any way obligated to prevent the access to, use or downloading of Third Party Browsers on third party services and Internet sites, even if accessible through use of the AOL Flagship Service. On the AOL Flagship Service and AOL Internet sites, AOL may provide links to use and to download Third Party Browsers on or for use with the AOL Flagship Service solely at: (i) a single AOL Flagship Service location or AOL-branded Internet page ("Site"); and (ii) up to two (2) (at any given time) Sites showcasing new Internet-related technology where use of a Third Party Browser is required to fully exploit such new technology. In any event, such Sites shall be substantially minimized (for example, in a list box) on the AOL Flagship Service and AOL Internet sites. To the extent Microsoft thinks AOL is not adequately minimizing such Sites, the parties shall attempt to resolve it in the

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monthly meetings set forth in Section 13. If the parties fail to reach agreement there, Microsoft may submit the matter for Expedited Resolution under Section 18.4.

D. Where required by a third party provider, distributor or corporate account to distribute a Third Party Browser, and subject to the limitations set forth in this Section 7.2.D and Section 7.2.E, AOL may distribute any Third Party Browser (bundled or not) to the AOL Flagship Service; provided, however, that AOL shall use all reasonable efforts to (i) cause the third party to do its own distribution of the Third Party Browser and (ii) minimize the association of the AOL or "America Online" brand name in connection with such Third Party Browser. The parties will use all reasonable efforts to jointly promote Internet Explorer to any such third party provider, distributor or corporate account, including joint meeting of the parties and such third party provider, distributor or corporate account.

E. For any Semi-Annual Period, the total Shipment Percentage shall not exceed 15%; or, at the end of any Semi-Annual Period, the total Subscriber Percentage shall not exceed 15%.

"Semi-Annual Period" means each six (6) month period ending June 30 or December 31, during the Agreement Term. The initial Semi-Annual Period shall commence upon the later of January 1, 1997, or the last date on which AOL delivers the AOL Access Software including Internet Explorer version 3.0 for all Platforms; provided, however, that such start date shall be (i) no later than February 15, 1997, if, due to its own failure, AOL is late delivering AOL Access Software including Internet Explorer version 3.0 for all Platforms or (ii) no later than July 1, 1997, if, due to Microsoft's failure to deliver the initial version of Internet Explorer version 3.0, AOL is late delivering AOL Access Software for all Platforms.

"Shipment Percentage" means a fraction with (i) a numerator equaling the total number of Third Party Browsers shipped by AOL under Section 7.2.D, plus the total number of Third Party Browsers bundled with Access Software for the GNN Service, and (ii) the denominator equaling the total number of copies of AOL Access Software shipped, plus the total number copies of Access Software for the GNN Service shipped.

"Subscriber Percentage" means a fraction with (i) a numerator equaling the total number of subscribers who first access the AOL Flagship Service using a copy of the AOL Access Software with which a Third Party Browser is distributed pursuant to Section 7.2.D from and after the Trigger Date plus the total number of subscribers who first access the GNN Service using Access Software distributed by or for AOL for the GNN Service with which a Third Party Browser is distributed from and after the Trigger Date, and (ii) a denominator equaling the total number of subscribers for the AOL Flagship Service plus the total number of subscribers for the GNN Service.

Numbers with respect to the GNN Service shall not be used in the foregoing calculations until the date AOL ships Access Software for the GNN Service containing Internet Explorer, but in no event shall such date be later than ninety (90) days after the date on which Microsoft provides version 4.0 of Internet Explorer to AOL. Numbers with respect to distribution under Section 7.2.D specifically for the Windows NT Platform shall not be used in the foregoing calculations.

Moreover, AOL shall not be in violation of this Section 7.2 if it fails to conform to the

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requirements specified above in this Section 7.2.E if, for a total of two (2) any Semi-Annual Periods, (i) neither of the percentages described above exceeds twenty percent (20%) and (ii) AOL complies with respect to the foregoing requirements with respect to the next succeeding Semi-Annual Period.

F. Transition Period. AOL shall not be in violation of Section 7.1 for promotion, marketing and distribution of versions of Third Party Browsers, for each Platform, in current or subsequent releases of Access Software for the AOL Flagship Service during the "Transition Period." "Transition Period" means the period commencing upon the Effective Date and, for each Platform, ending when, for each distribution channel, AOL moves to the initial version of Internet Explorer under Section 5.1, plus any time after that date, not to exceed thirty (30) days, required for AOL to cease distribution of Third Party Browsers distributed as contemplated by this Section 7.2.F.

7.3 Termination of Exclusivity Obligation-. Without limiting or affecting any other provision of this Agreement, Microsoft's rights and AOL's obligations under this Section 7 may, at AOL's option, terminate and be of no further force and effect under the following conditions:

A. With respect to the exclusivity required of AOL under this Section 7, Microsoft's intent is to provide AOL with Microsoft's most favorable terms. To the extent Microsoft offers any third party that has an Online Information Service in the Desktop and Program Folder better terms and conditions with respect to exclusivity across its principal services, Microsoft shall offer such better terms and conditions to AOL. Should AOL question or require confirmation of such third party's exclusivity terms, AOL may submit the matter for arbitration under Section 18.2 for purposes of analyzing this Agreement and such third party's agreement and rendering an opinion as to whether Microsoft's characterization of such third party's exclusivity deal is fair.

B. Microsoft or any affiliate thereof provides any Third Party Browser for use with any Microsoft Online Information Service.

C. Microsoft shall use all reasonable efforts to incorporate the HTML Editing (for email and publishing) and version 3.0 features in described in **Attachment 1** into Internet Explorer by 12/15/96 and 2/15/97 for Windows Products and all other Platforms, respectively. As soon as Microsoft makes HTML Editing (for email and publishing) available in a Microsoft product, Microsoft will make it available to AOL. Should Microsoft fail to incorporate such HTML Editing (for email and publishing) and version 3.0 features into Internet Explorer within the periods described above, AOL may terminate its exclusivity obligation under this Section 7.

D. Two (2) years from the earlier of (i) the date that version 3.0 of Internet Explorer is incorporated into AOL Access Software and (ii) January 1, 1997, AOL may terminate its exclusivity obligations under this Section 7. AOL may give notice of termination of exclusivity under this Section 7.4.D at any time prior to the end of the foregoing two (2) year period. Termination of exclusivity shall not be effective until the later of (i) one hundred twenty (120) days following such notice and (ii) the end of the foregoing two (2) year period.

7.4 Effect. Upon any termination of exclusivity under this Section 7, Microsoft's obligations under Section 6 shall, at Microsoft's option, be terminated.

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7.5 Sole and Exclusive Remedies. Microsoft's sole and exclusive remedies for any breach by AOL of any of its obligations under this Section 7 shall be, at Microsoft's option, to (i) seek damages for such breach and/or (ii) terminate its obligations under Section 6 of this Agreement pursuant to Expedited Resolution under Section 18.4.

8. MARKETING AND PROMOTIONS

8.1 Announcement of Agreement. Microsoft and AOL shall cooperate with each other as to the timing and content of press releases to be issued by the parties concerning this Agreement. Except as may be required by applicable law or regulation, neither party shall issue a press release or disclose the fact or terms of this Agreement without the prior approval of the other, which shall not be unreasonably withheld or delayed. Any press release shall comply with the provisions of Section 14. The initial press release to be issued is provided in **Attachment 5.** Microsoft will not publicly announce any similar arrangement or alliance with any other Online Information Service until at least forty-five (45) days after issuance of the initial press release hereunder, and, during such forty-five (45) day period, Microsoft will give AOL prior notice of any other arrangement or alliance with any third party Online Information Service.

8.2 Registration Server Listings. On each version of any Microsoft Registration Server, including foreign versions where End Users have access to an AOL Service via an intra-country point of presence, Microsoft shall, if requested by AOL, provide a listing, as selected by AOL for up to three (3) Online Information Service providers which may include the AOL Flagship Service and/or the GNN Service on similar terms and conditions (including referral fees) as Microsoft generally requires for listings on the Microsoft Registration Server (including exclusivity obligations), and on as favorable terms regarding visibility, size and placement.

8.3 Retail Packaging. As and if the parties may subsequently agree, on the exterior of all Windows Product retail and upgrade packaging in which the AOL Access Software is enclosed, Microsoft will advertise the AOL Flagship Service in a separate bullet item on the back of the box, in a form approved by the parties. As and if the parties may subsequently agree, on the exterior packaging, floppy diskettes and other media of all Platform versions of the AOL Access Software, AOL will advertise, in a form approved by the parties, that the AOL Access Software includes a browser based on the Microsoft Internet Explorer technology.

8.4 Transactions. The AOL Flagship Service and/or the GNN Service may, at AOL's option, be host to a Microsoft store through which Microsoft products and software are sold online. AOL will use approved Microsoft distributors for fulfillment. Microsoft shall provide a link to this store on the "http://www.microsoft.com" website.

8.5 Web Site Downloading. AOL Access Software containing the most recent version of Internet Explorer for all Platforms will, at AOL's option, be made prominently available for download (either directly or indirectly via URL link) from the "http://www.microsoft.com" website. The parties will agree to a level of promotion to be provided on http://www.microsoft.com. If the "http://www.microsoft.com" website is not at any time the most often visited Microsoft site on the Internet, AOL may request that downloads (or URLs) be available from such most often visited website (but not http://www.msn.com), which request Microsoft will not unreasonably deny. Internet Explorer

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(including public beta versions) for all Platforms will, at Microsoft's option, be made prominently available for download (either directly or indirectly via URL link) from the "http://www.aol.com" website and AOL Flagship Service. The parties will agree to a level of promotion to be provided on http://www.aol.com and AOL Flagship Service. If the "http://www.aol.com" website is not at any time the most often visited AOL site on the Internet, Microsoft may request that downloads (or URLS) be available from such most often visited website, which request AOL will not unreasonably deny.

8.6 Website Promotion. Within sixty (60) days after the Effective Date, the parties shall agree upon crosspromotion activities of significant value with respect to their respective websites, such as advertising swaps, purchase of advertising or sponsorship, and other promotional activities. Under such possible activity, Microsoft could advertise any products and services, other than MSN, on the AOL Flagship Service and AOL's websites. AOL could advertise any products and services only on Microsoft websites other than on MSN.com; and AOL would not have any rights to advertise on MSN.

8.7 Flyers. For each Windows Product with which Microsoft distributes the AOL Access Software pursuant to Section 6.2, Microsoft shall, at AOL's expense, include a single, duofold flyer (approximately 35 to 40 square inches in size when folded) intended to provide prospective AOL Flagship Service subscribers with information regarding using the AOL Access Software to connect with the AOL Flagship) Service, including steps to launch (or install and launch) the AOL Access Software, password certificate and the like. Such flyer shall be subject to prior approval by Microsoft, which approval shall not be unreasonably withheld or delayed. Set forth in **Attachment 5** is a sample of flyer content generally acceptable to Microsoft. AOL shall either (i) reimburse Microsoft's actual costs associated with the printing and the insertion of the flyers in Section 8.7 or (ii) supply, at AOL's expense all such flyers to Microsoft and reimburse Microsoft for insertion costs. To the extent Microsoft distributes any third party Online Information Service on Windows Products and such third party also is allowed to put a flyer in the package, AOL shall be able to include its flyer on any terms and conditions accorded to such third party that are more favorable than that accorded to AOL under this Section 8.7.

9. DISTRIBUTION OF ART PLAYER PLUG-IN

Beginning with the first version of Internet Explorer integrated and incorporated by AOL into the AOL Access Software for each Platform released after delivery by AOL to Microsoft of an ART Technology conforming to reasonable standards of quality control and consisting of less than 200K of code, and on an ongoing basis thereafter as specified by Section 9.5, AOL grants to Microsoft appropriate license rights to, and Microsoft shall, distribute the ART Technology as follows:

9.1 Download. Microsoft shall, as AOL may request in AOL's discretion, as promptly as commercially reasonable offer, as an optional downloadable add-on or plug-in for Internet Explorer, the then current object code version of an ART Technology.

9.2 Distribution. Microsoft shall, as AOL may reasonably request from time to time in AOL's discretion, as promptly as commercially practicable, embed into, and distribute with, all versions of IE, pursuant to Section 9.5.B, the then current object code version of the Art Technology so that IE is capable of playing any ART-formatted files. The parties will work together to ensure that the Art Technology will be embedded into IE in such a way as to achieve performance equivalent to that achieved on other AOL implementations of the ART Technology.

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9.3 Announcement; Availability. Promptly after the Effective Date, and in accordance with the general press release to be agreed upon by both parties per Section 8.1, Microsoft shall announce its intention to distribute the ART Technology in accordance with Sections 9.1 and 9.2. The optional, downloadable ART Technology shall be made available to End-Users in Internet Explorer in the same manner and shall be featured at least as prominently as any other similar software available from Microsoft. Microsoft shall publish online and/or include in tangible form, as appropriate depending on the form of distribution, the relevant supporting Documentation, as provided by AOL to Microsoft for the ART Technology.

9.4 No Warranty; Limited Support. Notwithstanding anything to the contrary contained herein, Microsoft shall have no obligation to provide warranties, support or maintenance for the ART Technology except to the extent of the interface between the ART Technology, on the one hand and Internet Explorer on the other hand, and the integration of the ART Technology with Internet Explorer.

9.5 License Rights. AOL hereby grants to Microsoft a nonexclusive, royalty-free, fully paid up. worldwide right and license to:

A. Modify and make Changes to the source code and object code versions of the ART Technology; and

B. Use, reproduce, license, rent, lease, display, perform or otherwise distribute, and have reproduced, licensed, rented, leased, displayed, performed or otherwise distributed, to and by third parties, object code versions of the Technology, including object code versions of Changes made by or for Microsoft and approved by AOL, separately as part of or in conjunction with any Microsoft product or service, and to grant the foregoing rights in the ART Technology to third parties, including the right to license such rights to further third parties.

Should Microsoft desire to incorporate any Changes as part of the ART Technology Source Code, it shall submit them to AOL for review and approval, which approval will not be unreasonably withheld or delayed. Microsoft shall have the right to distribute, pursuant to Section 9.5.B, object code versions of any Changes created by Microsoft only to the extent AOL approves and makes such Changes a part of the ART Technology Source Code. Microsoft will ensure that such employees and independent contractors permitted access to the source code version of the ART Technology are under written agreement imposing obligations of confidentiality with respect thereto consistent with the terms and conditions of this Agreement. Access to such source shall only be at secure Microsoft facilities where Microsoft takes steps to protect the security and the confidentiality thereof of the same sort it takes to protect its own Confidential Information of like importance.

10. DEVELOPMENT INTEGRATION AND SUPPORT COMMITMENTS

10.1 Development Integration. AOL will be integrated in Microsoft's development process as a Tier 1 developer as described in **Attachment 2**. In addition, to facilitate AOL's ability to plan and prepare its design, development and release process for Internet Explorer and Upgrades, and to timely provide Microsoft with AOL Access Software incorporating the latest features of Internet Explorer as required by Section 6, Microsoft shall (i) meet with AOL development personnel as often as reasonably requested by AOL, and (ii) grant AOL reasonable access to, and keep AOL reasonably informed of,

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relevant development and release schedules, specifications and test plans, and alpha and beta versions of Internet Explorer and Windows Products. It is the intent of this arrangement to enable AOL to (i) make releases of each version of the AOL Access Software incorporating features of the latest version of Internet Explorer concurrently with the release by Microsoft of such latest version of Internet Explorer and (ii) to have Microsoft incorporate and bundle such latest version of the AOL Access Software with Windows Products as required by Section 6 as soon thereafter as commercially practicable.

10.2 Internet Explorer Enhancements. AOL will: (i) use all reasonable efforts take advantage of and support Internet Explorer 3.0 or later enhancements, extensions and features (in both beta and final versions) on AOL or AOL Affiliate WWW pages as soon as commercially practicable; and (ii) for any major release of Internet Explorer, Microsoft may identify a commercially reasonable number of features, up to ten (10), that AOL will use all reasonable efforts to take advantage of and support on fifty (50%) of appropriate AOL WWW pages. The intention of this Section is to provide a leading platform for the demonstration and promotion of the enhancements to Internet Explorer.

10.3 Backward Compatibility. Microsoft shall use reasonable efforts to ensure that future versions of Windows Products will be compatible with older versions of AOL Access Software.

11. MAINTENANCE, SUPPORT AND UPGRADES

Microsoft shall, at no cost to AOL, provide AOL with support and maintenance services for Internet Explorer and Special Add-Ons in accordance with **Attachment 2**. Except as otherwise provided herein, any other or additional support will be provided to AOL under Microsoft's standard terms, conditions and rates.

12. TRADEMARKS

12.1 Grant by Microsoft. AOL is hereby granted a non-exclusive license to use the designation "Microsoft Internet Explorer" in any advertising, marketing, technical or other materials related to Internet Explorer as specified in this Agreement. Such use shall be in accordance with Microsoft's then current trademark guidelines to be provided and reasonably updated by Microsoft from time to time. If the trademark guidelines are amended or any Microsoft trademarks are modified or added, AOL shall have the right to deplete or have depleted existing and contractually committed for inventories of products and materials which may not be in compliance with the amended guidelines or modified or added Microsoft trademarks and shall have a reasonable transition period to implement compliance. When AOL uses a Microsoft trademark, AOL shall clearly indicate Microsoft's ownership of the Microsoft trademark. AOL agrees not to, and to obtain the agreement of its distributors not to, register any Microsoft trademarks without Microsoft's express prior written consent. Microsoft shall promptly notify AOL of any claim of infringement or invalidity of any Microsoft trademarks or any action or inquiry by any trademark office or authority questioning the validity, enforceability or registrability of any such Microsoft trademark in any jurisdiction. Nothing herein shall require AOL to use any Microsoft trademark in any manner, except as provided in Section 8.3. The foregoing rights shall extend to AOL's distributors with respect to AOL products and services containing Microsoft Internet Explorer.

12.2 Grant by AOL. Microsoft is hereby granted a non-exclusive license to use those AOL trademarks

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relating to the applicable AOL Services in Windows Products (to the extent incorporated into the AOL Icon or AOL Access Software) and any advertising, marketing, technical or other materials related to the AOL Services which are distributed, transmitted or promoted by Microsoft or its distributors in connection with this Agreement. Such use shall be in accordance with AOL's then current trademark guidelines to be provided and reasonably updated by AOL from time to time. If the trademark guidelines are amended or any AOL trademarks are modified or added, Microsoft and its distributors shall have the right to deplete or have depleted existing and contractually committed for inventories of products and materials which may not be in compliance with the amended guidelines or modified/added AOL trademarks and shall have a reasonable transition period in which to implement compliance. Microsoft shall clearly indicate AOL's ownership of the AOL trademarks. Microsoft agrees not to register any AOL trademarks without AOL's express prior written consent. AOL shall promptly notify Microsoft of any claim of infringement or invalidity of any AOL trademarks or any action or inquiry by any trademark office or authority questioning the validity, enforceability or registrability of any such AOL trademark in any jurisdiction. Nothing herein shall require Microsoft to use any AOL trademark in any manner, except as provided in Section 6.

13. FACILITATION OF RELATIONSHIP

To facilitate and monitor the performance and progress of all aspects of this Agreement, to raise and address any problems and issues, and to further collaboration and joint efforts by the parties, each party shall appoint one member of its senior management (of at least the Vice President level) as "Contract Principal" for that party. The Contract Principals (and such other personnel as they jointly determine) shall meet or converse by telephone on a periodic basis, but not less than monthly to discuss all such matters and such other matters as either party may reasonably request. Such meetings will occur as the Contract Principals mutually agree. Each party will have the right to reasonably approve the other party's Contract Principal. Proposed agendas shall be provided by each Contract Principal in writing prior to each meeting. Without limiting the foregoing, it is intended that the Contract Principals: (i) review development and distribution of products, release schedules, specifications, test plans, deployment of consumer features, developers' programs, cross-promotions, marketing, product quality, product plans and performance of obligations; (ii) cause the parties to conduct joint studies of various possible joint efforts, including (a) the joint or cooperative development of consumer programming for the AOL Services and the Microsoft Network, including http:\\www.microsoft.com and/or http:\\www.msn.com linking to certain consumer programming on the AOL Flagship Service and/or the GNN Service (and http:\\www.aol.com and/or the AOL Flagship Service linking to certain consumer programming on MSN), the Microsoft Network promoting and/or carrying Content developed by or for AOL (and the AOL Flagship Service promoting and/or carrying Content developed by or for MSN), and AOL and Microsoft collaborating to develop portions of the GNN Service and/or the Microsoft Network; (b) the creation of a national advertising inventory; (c) the initiation of a cooperative advertising program in which the parties promote each other's products and services by exchanging comparable advertising space; (d) the opening of the AOL Access Software directly from one or more Microsoft "Home Products" software applications, the bundling of the AOL Access Software with such Home Products applications, and the payment of referral fees for new subscribers to AOL Services generated by such bundling; and (e) the development of an Internet chat strategy. The parties will consider and negotiate aspects of collaboration in good faith and will use reasonable efforts to conduct appropriate studies, including the appointment of appropriate personnel who are given sufficient time to conduct such studies. Initially, the Contract Principals shall be Brad Chase and David Colburn.

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14. CONFIDENTIAL INFORMATION

14.1 Nondisclosure. Microsoft and AOL recognized that, in connection with the performance of this Agreement, each of them may disclose to the other its Confidential Information, or each may obtain Confidential Information through performance under this Agreement, including the creation of materials and the development of technology and techniques that are not generally known. Except as permitted in connection with the license rights granted hereunder, and except as provided in Section 8.1, the party who obtains any Confidential Information agrees to maintain the confidential status of such Confidential Information and not to use any such Confidential Information for any purpose other than the purpose for which it was originally disclosed to the receiving party, and not to disclose any of such Confidential Information to any third party. Neither AOL nor Microsoft shall disclose the other's Confidential Information to its employees and agents except on a "need-to-know" basis.

14.2 Exception. The parties acknowledge that each may be required by law to disclose Confidential Information to governmental agencies or authorities, and that each shall endeavor to limit disclosure to that purpose. Each party shall immediately give the other party written notice of any anticipated disclosure pursuant to this Section 14.2.

14.3 Scope of Obligations. The obligations of confidentiality shall apply to directors officers, employees and representatives of the parties and any other person to whom the parties have delivered copies of, or permitted access to, such Confidential Information in connection with this Agreement, and each party shall require that such disclosees hold such information in confidence by written agreement consistent with the obligations set forth in this Section 14.

14.4 Third-Party Information. Any Confidential Information of a third party disclosed to either AOL or Microsoft shall be treated by AOL or Microsoft, as the case may be, in accordance with the terms under which such third party Confidential Information was disclosed.

14.5 Terms of Agreement. Unless required by law, and except pursuant to Section 8.1 with respect to press releases or to assert its rights hereunder or for disclosures to its own officers, directors, employees and professional advisers on a "need-to-know" basis or to actual or potential private investors or acquiring parties in confidence, each party agrees not to disclose the terms of this Agreement or matters relating thereto without the prior consent of the other party, which consent shall not be unreasonably withheld or delayed.

14.6 Residuals. The parties' obligations of confidentiality under this Agreement shall not be construed to limit either party's right to independently develop or acquire products without use of the other party's Confidential Information. Further, either party shall be free to use for any purpose the residuals resulting from access to or work with such Confidential Information, provided that such party shall maintain the confidentiality of the Confidential Information as provided herein. The term "residuals" means information in non-tangible form, which may be retained by persons who have had rightful and good faith access to the Confidential Information, including ideas, concepts, know-how or techniques contained therein. Neither party shall have any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from the use of residuals. However, the foregoing shall not be deemed to grant to either party a license under the other party's copyrights or patents.

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15. TERM AND TERMINATION

15.1 Term; Renewal. Unless earlier terminated under the provisions of this Section 15, this Agreement shall remain in full force and effect for the Agreement Term.

15.2 Changing of Initial Term.

A. The Initial Term shall be extended by thirty (30) day increments for every full thirty (30) day period by which Microsoft is late delivering HTML Editing (for email and publishing) and version 3.0 of Internet Explorer (both beta and final versions) for each Platform as set forth in Section 4.1.

B. After the completion of thirty-seven (37) months after the Trigger Date, through the Semi-Annual Period completed immediately prior to such thirty-seventh (37^{th}) month, if the lesser of the total cumulative Shipment Percentage (measured from the beginning of the initial Semi-Annual Period) or the Subscriber Percentage exceeds five percent (5%), then Microsoft may elect, upon thirty (30) days written notice to AOL (and subject to AOL's right to offer a plan of correction as provided in Section 15.2.C), to shorten the Initial Term solely with respect to the parties' obligations under Sections 6, 7 and 8.3 by such greater than five percent (5%) percentage of the four (4) year Initial Term (as adjusted by Section 15.2.A). For example, if the Subscriber Percentage is eleven percent (11%) and the Shipment Percentage is ten (10%), then Microsoft may elect to shorten the Initial Term as to Section 6, 7 and 8.3 by ten percent (10%) (*i.e.*, four (4) months). Shortening the Initial Term under this Section 15.2.B with respect to the parties' obligations under Sections 6, 7 and 8 shall not otherwise affect the remaining provisions of this Agreement, including the Initial Term WRT to such remaining provisions.

C. If Microsoft provides written notice to AOL of Microsoft's election to shorten the Initial Term as provided in Section 15.2.B, AOL shall have the right, within the thirty (30) day period of Microsoft's notice under Section 15.2.B, to offer a plan of correction to lower the Shipment and/or Subscriber Percentages and to reduce or eliminate the reduction of the Initial Term. Microsoft shall negotiate such plan in good faith and, if Microsoft accepts such plan the Initial Term shall not be reduced.

15.3 Termination by Either Party. This Agreement shall terminate upon election by either party, in its sole discretion, to terminate this Agreement by written notice to the other party upon the occurrence of the material breach (as determined by an arbitrator under Section 18) by such other party of any of its material covenants, obligations, representations or warranties under this Agreement unless within sixty (60) calendar days after written notice of such breach, the defaulting party remedies the breach or, in the case of a breach which cannot with due diligence be remedied within such sixty (60) day period, the defaulting party institutes within such sixty (60) day period steps necessary to remedy the breach and thereafter diligently prosecutes the same to completion.

15.4 No Waiver of Remedies. Termination of this Agreement for material breach under Section 15.3 by either party shall not act as a waiver of any breach of this Agreement and shall not act as a release of either party from any liability for breach of such party's obligations under this Agreement; provided, however, that neither party shall be liable to the other for damages of any sort resulting solely from terminating this Agreement in accordance with its terms.

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15.5 Return of Confidential Information. Except as provided in Section 15.7, within thirty (30) calendar days after termination of this Agreement, each party hereunder shall either deliver to the other, or destroy, all copies of any materials provided hereunder in its possession or under its control, and shall, upon request of the other party, furnish to the other party an affidavit signed by an officer of its company certifying that to the best of its knowledge, such delivery or destruction has been fully effected.

15.6 Financial Obligations. Within sixty (60) calendar days of termination of this Agreement, each party shall pay to the other all sums due and owing as of the time of the termination.

15.7 Effect of Termination. Notwithstanding any termination of this Agreement for any reason, the object code license distribution rights under Sections 2.1 and 2.2 shall continue in full force and effect for a period equal to two hundred seventy (270) days from the date of termination. Any End User licenses granted under Sections 2.1 and 2.2 already validly granted as of the date of termination plus two hundred seventy (270) days shall remain in full force and effect; provided, however, for as long as Microsoft continues to distribute AOL Access Software in Windows Products, Microsoft will continue to comply with Sections 6.2 and 8.7. Except for termination due to AOL's material breach of Section 2.6, licenses already validly granted under Section 2.6 as of the date of termination shall not be affected by termination of this Agreement. The license grant in Section 9.5.B shall survive any termination of this Agreement. The license grants under Sections 2.3.B and 9.5.A shall survive any termination of this Agreement for a period of two and one-half (2.5) years. Notwithstanding anything to the contrary in this Section 15.7, neither party shall have any right to any Upgrades from and after the date of termination.

15.8 Natural Expiration. It is understood that, upon expiration of this Agreement, certain products in the distribution channels will be configured as required by this Agreement, including Windows Products complying with Section 6 and AOL Access Software complying with Section 7.1. Each party acknowledges that, while it will not be obligated to continue to comply with this Agreement after termination, it will not take affirmative action to discontinue the distribution of products in the distribution channel as of the date of termination.

15.9 Survival. The respective rights and obligations of Microsoft and AOL under the provisions of 2.7, 2.8, 14, 16, 17 and 20 shall survive expiration or termination of this Agreement. In addition, license rights shall survive termination of this Agreement as provided in Section 15.7.

15.10 Renewal Rights. Despite any expiration of the Agreement Term, AOL shall have the right, at its option, to extend the license rights under Section 2.2 for a period of four (4) years ("License Extension"), provided that the terms and conditions of the License Extension, other than the license grant set forth in Sections 2.2, 2.3 and the term of four (4) years, shall be Microsoft's then current, customary and commercially reasonable terms and conditions, including payment of license fees. During the pendency of any good faith License Extension discussions, AOL's license rights under Sections 2.2 and 2.3 shall continue notwithstanding any expiration of the Agreement Term. If AOL and Microsoft are unable to agree upon the fees for the License Extension within ninety (90) days after the termination of this Agreement, the parties shall submit the determination of such fees to dispute resolution in accordance with Section 18.

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16. GENERAL REPRESENTATIONS AND WARRANTIES

16.1 By AOL. AOL warrants, covenants and represents to Microsoft that: (i) AOL has the full corporate right, power and authority to enter into this Agreement, to perform the acts required of it, and to grant the rights granted by it, pursuant to this Agreement; (ii) the execution of this Agreement and the performance by AOL of this Agreement shall not violate any agreement to which AOL is a party or the rights of any other party; (iii) AOL is not relying on nor does Microsoft make any representations, warranties or agreements by Microsoft not expressly provided for in this Agreement; (iv) to AOL's best knowledge, the AOL Access Software and ART Player, and any product or process used or that will be used to develop the same, does not violate or infringe, nor will violate or infringe, any Intellectual Property Right of any third-party and AOL will use third-party technology and Intellectual Property Rights in connection with the development of AOL Access Software only to the extent AOL has a license to do so; and (v) AOL has obtained all necessary licenses and authorizations to use the third-party technology incorporated into any of the AOL Access Software and ART Player, the incorporation of any such technology into the AOL Access Software and ART Player is permitted by such third-parties and Microsoft's distribution of the AOL Access Software and ART Player as permitted hereunder shall not be in violation of any third-party rights in such technology.

16.2 By Microsoft. Microsoft warrants, covenants and represents to AOL that: (i) Microsoft has the full corporate right, power and authority to enter into this Agreement, to perform the acts required of it, and to grant the rights granted by it, pursuant to this Agreement; (ii) the execution of this Agreement and the performance by Microsoft of this Agreement shall not violate any agreement to which Microsoft is a party or the rights of any other party; (iii) Microsoft is not relying on, nor does AOL make, any representations, warranties or agreements by AOL not expressly provided for in this Agreement; (iv) to Microsoft's best knowledge, neither Internet Explorer, nor the Special Add-Ons, nor any product or process used or that will be used to develop the same, violates or infringes, or will violate or infringe, any Intellectual Property Right of any third-party and Microsoft will use third-party technology and Intellectual Property Rights in connection with the development of Internet Explorer and Special Add-Ons only to the extent Microsoft has a license to do so; and (v) Microsoft has obtained all necessary licenses and authorizations to use the third-party technology incorporated into Internet Explorer as contemplated hereby and the incorporation of any such technology into Internet Explorer is permitted by such third-parties and AOL's use, reproduction, distribution, transmission or modification of Internet Explorer as permitted hereunder shall not be in violation of any third-party rights in such technology.

17. INDEMNIFICATION

17.1 By Microsoft. Microsoft shall defend and indemnify AOL from, and pay any judgment for, Claims against AOL alleging infringement of any patent, trademark, trade secret or copyright by Internet Explorer if AOL promptly notifies Microsoft in writing of any infringement assertion, and allows and assists Microsoft, at Microsoft's expense, to defend any infringement suit. AOL shall have the right to employ separate counsel and to participate in the defense of such Claim and to have its own counsel in attendance at all times at its own cost. If any settlement requires an affirmative obligation of, results in any ongoing liability to, or prejudices or detrimentally impacts AOL in any way, then such settlement shall require AOL's written consent, which consent shall not be unreasonably withheld or delayed. Microsoft shall not be liable for litigation expenses of or settlements by third parties unless Microsoft agrees in writing. If any infringement is asserted against Microsoft or AOL, Microsoft, at its option,

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may obtain a license at no cost to AOL permitting continued use of infringed Intellectual Property Rights on terms and conditions consistent with the rights granted AOL hereunder, or modify or remove the infringing technology, or substitute software of comparable functionality and performance. If AOL is enjoined by a court of competent jurisdiction from exercising any of its rights under this Agreement as a result of an infringement Claim, Microsoft shall as promptly as practicable obtain a license at no cost to AOL permitting continued use of infringed Intellectual Property Rights on terms and conditions consistent with the rights granted AOL hereunder, or modify or remove the infringing technology, or substitute software of comparable functionality and performance. Except where enjoined, AOL shall have the right (as between it and Microsoft) to continue to use the infringing Internet Explorer for so long as deemed commercially necessary by AOL in its reasonable discretion to avoid disruption of its services, to avoid any breach of contract by AOL or otherwise to avoid any material adverse effect on AOL or any AOL Service. Microsoft shall not be liable for any infringement to the extent that such infringement is due to Internet Explorer being: (i) modified by AOL, its agents or an AOL Affiliate; (ii) for a trademark infringement, distributed/transmitted without a Microsoft trademark; (iii) based on an infringement of AOL Technology (as defined below) incorporated into Internet Explorer; or (iv) distributed or transmitted or used by AOL after Microsoft has informed AOL in writing of a potential infringement and has either obtained a license at no cost to AOL permitting continued use of infringed Intellectual Property Rights on terms and conditions consistent with the rights granted AOL hereunder, or substituted software of comparable functionality and performance and provided AOL with a commercially reasonable period of time in which to effectuate a transition to such substituted software (collectively, the "Infringement Exceptions").

17.2 By AOL. AOL shall defend and indemnify Microsoft from, and pay any judgment for, Claims against Microsoft alleging infringement of any patent, trademark, trade secret or copyright by the AOL Access Software, the ART Player or any modification to Internet Explorer made by AOL (collectively the "AOL Technology")if such Claim would not exist but for such modification, if Microsoft promptly notifies AOL in writing of any infringement assertion, and allows and assists AOL, at AOL's expense, to defend any infringement suit. Microsoft shall have the right to employ separate counsel and to participate in the defense of such Claim and to have its own counsel in attendance at all times at its own cost. If any settlement requires an affirmative obligation of, results in any ongoing liability to, or prejudices or detrimentally impacts Microsoft in any way, then such settlement shall require Microsoft's written consent, which consent shall not be unreasonably withheld or delayed. AOL shall not be liable for litigation expenses of or settlements by third parties unless AOL agrees in writing. AOL shall not be liable for any infringement to the extent that such infringement is due to the AOL Technology being: (i) modified by Microsoft; (ii) for a trademark infringement, distributed/transmitted without an AOL trademark; (ii) based on an infringement due solely to Internet Explorer incorporated into the AOL Technology; or (iv) distributed or transmitted or used by Microsoft after AOL has informed Microsoft in writing of a potential infringement and has either obtained a license at no cost to Microsoft permitting continued use of infringed Intellectual Property Rights on terms and conditions consistent with the rights granted Microsoft hereunder, or substituted software of comparable functionality and performance and provided Microsoft with a commercially reasonable period of time in which to effectuate a transition to such substituted software (collectively, the "Infringement Exceptions").

17.3 Exceptions. The indemnity set forth in Section 17.1 does not apply and AOL shall defend and indemnify Microsoft, with respect to any Claim against Microsoft concerning patent, trade secret or copyright infringement to the extent arising from the Infringement Exceptions if Microsoft promptly notifies AOL in writing of any infringement assertion. The indemnity set forth in Section 17.2 does

not apply, and Microsoft shall defend and indemnify AOL, with respect to any Claim against AOL concerning patent, trade secret or copyright infringement to the extent arising from the Infringement Exceptions if AOL promptly notifies Microsoft in writing of any infringement assertion. Neither party shall be liable for litigation expenses or settlements by other parties unless it agrees in writing.

17.4 Cooperation. The parties agree to cooperate, share information (subject to the need to preserve any applicable privilege), and consult in good faith to the fullest extent possible in connection with any Claim in respect of which indemnification is sought under this Agreement.

17.7 Exclusive Remedies. The remedies provided in this Section 17 are the exclusive remedies of the parties with respect to the subject matter thereof and for breach of the associated warranties in Section 16; provided the indemnifying party performs in accordance with the provisions hereof.

17A. LIMITATION OF LIABILITY

17A.1 EXCEPT FOR (i) A MATERIAL BREACH OF SECTION 14, (ii) A MATERIAL AND WILLFUL BREACH OF SECTIONS 6 OR 7, (iii) TO THE EXTENT OF PAYMENTS EXPRESSLY PROVIDED UNDER THIS AGREEMENT, OR (iv) TO THE EXTENT OF THE PARTIES' RESPECTIVE INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 17, THE MAXIMUM LIABILITY OF EACH PARTY OF THIS AGREEMENT TO THE OTHER PARTY, ITS EMPLOYEES, DISTRIBUTORS, RESELLERS, AGENTS AND END-USERS, OR ANY OTHER PERSON CLAIMING UNDER THE OTHER PARTY FOR DIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, WHETHER SUCH LIABILITY ARISES FROM ANY CLAIM BASED UPON CONTRACT, WARRANTY, TORT OR OTHERWISE, SHALL IN NO EVENT EXCEED THE LARGEST OF (i) THE TOTAL AMOUNT PAID (WITHOUT OFFSET) TO MICROSOFT BY AOL UNDER THIS AGREEMENT (ii) THE TOTAL AMOUNT PAID (WITHOUT OFFSET) TO AOL BY MICROSOFT UNDER THIS AGREEMENT OR (iii) TWENTY MILLION DOLLARS ($20,000,000).

17A.2 EXCEPT FOR A MATERIAL BREACH OF SECTION 14, A MATERIAL AND WILLFUL BREACH OF SECTIONS 6 OR 7, OR TO THE EXTENT OF THE PARTIES' RESPECTIVE INDEMNIFICATION OBLIGATIONS PURSUANT TO SECTION 17, IN NO EVENT SHALL A PARTY TO THIS AGREEMENT BE LIABLE FOR LOST PROFITS OR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES IN ANY WAY ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED AS TO THE POSSIBILITY OF SUCH DAMAGES.

17A.3 Cumulative Remedies. Except where otherwise specified, the rights and remedies granted to a party under this Agreement are cumulative and in addition to, and not in lieu of, any other rights or remedies which the party may possess at law or in equity, including, without limitation, rights or remedies under applicable patent, copyright, trade secret or proprietary rights laws, rules or regulations.

17A.4 The decision and award of the arbitrators will be final and binding, and the award given may be entered into any court of competent jurisdiction. The parties acknowledge that a material breach or default by a party under this Agreement may cause irreparable harm to the other party, and the parties agree that, in such circumstances, equitable relief may be an appropriate remedy for such material breach or default.

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18. DISPUTE RESOLUTION

18.1 Good-Faith Negotiations. If any dispute arises under this Agreement that is not settled promptly in the ordinary course of business, then, except for the right of either party to apply to a court of competent jurisdiction for a temporary restraining order, preliminary injunction or other equitable relief to prevent irreparable harm, the parties shall seek to resolve any such dispute between them, first, by negotiating promptly with each other in good faith in face-to-face negotiations. These face-to-face negotiations shall be conducted by the Contract Principals. If the parties are unable to resolve the dispute between them within ten (10) business days (or such period as the parties shall otherwise agree) through these face-to-face negotiations, then any such disputes shall be resolved in the manner set forth in this Section 18.

18.2 Structured Negotiation. Prior to any termination of any part of this Agreement, and following any good faith negotiations under Section 18.1, the parties shall submit any dispute to structured negotiation as follows. Either party may invoke this procedure by giving written notice to the other party designating a corporate officer with appropriate authority to be its representative in negotiations relating to the dispute. Upon receipt of such notice, the other party shall, within five (5) business days, designate a corporate officer with similar authority to be its representative. The designated officers shall, following whatever investigation each deems appropriate, but no event later than twenty (20) business days after the original notice, enter into discussions concerning the dispute. If within an additional twenty (20) business days of their initial meeting, the representatives do not resolve the dispute, either party submit the matter for binding arbitration under Section 18.3.

18.3 Binding Arbitration. Except for the right of either party to apply to a court for an action for money damages, a temporary restraining order, preliminary injunction, specific performance or other equitable relief to or prevent irreparable harm, all claims, disputes, controversies and other matters in question between the parties to this Agreement, arising out of, or relating to this Agreement, or the breach thereof, and which cannot be resolved by the parties pursuant to Section 18.2, shall be settled only by binding arbitration in accordance with the Commercial Rules of the American Arbitration Association ("AAA") then in effect, including matters involving negligence, strict liability or intentional acts or omissions by either party, provided that the following will apply:

A. The parties shall have the right to discovery by any or all methods provided in the Federal Rules of Civil Procedure. The arbitrators may, upon request, exclude any evidence not made available to the other party pursuant to a proper discovery request from being used in the arbitration proceeding.

B. Demand for arbitration shall be served upon the other party by certified mail and specify in reasonable detail the nature of the dispute. The demand shall be effective upon receipt, shall be made within a reasonable time after the claim, dispute or controversy has arisen, and shall in no event be made more than one year after the claim or cause of action arises. The proceeding shall be held in San Francisco, California.

C. Within thirty (30) days after service of a demand for arbitration, the parties shall attempt to agree upon a single arbitrator. If the parties cannot agree upon a single arbitrator, either party

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may request the AAA to appoint an arbitrator in accordance with its rules, subject to the qualifications specified below. If the parties fail to agree on an arbitrator from those named by the AAA of if for any reason the appointment cannot be made from the AAA submitted lists, each party shall appoint an arbitrator within seven (7) days thereafter and the third arbitrator shall be appointed by the AAA. For any three member arbitration panel, the chairman shall be an attorney with experience in handling disputes in the computer industry and the other two shall have background or training in computer law, computer science or the computer industry. A single arbitrator agreed upon by the parties shall have a background or training in computer law, computer science or the computer industry.

D. Except as provided in Sections 19 and 20.14, the arbitrators shall have no power or authority to reform this Agreement. The arbitrators shall have the power and authority to award equitable relief other than reformation, including injunction and specific performance. The arbitrators shall have no power or authority to award punitive damages. The arbitrators shall have the power and authority to award exemplary, consequential, special, indirect, or incidental damages only as set forth in Section 17A. The authority of the arbitrators to award any damages shall be limited in the aggregate to the amount and in scope specified in Section 17A, even if the limited warranty or limitation of liability provisions set forth in this Agreement shall for any reason whatsoever be held unenforceable or inapplicable.

E. No party shall be considered in default hereunder during the pendency of the dispute resolution process in this Section 18. The Agreement shall remain in effect during the pendency of the dispute resolution process without any interruption of service or performance by either party (except where a default is also an express condition to performance).

F. The cost of the arbitration shall be borne equally pending the arbitrator's award. The prevailing party in any arbitration proceeding or litigation hereunder shall be entitled, in addition to such other relief as may be granted, to recover reasonable attorney's fees and the costs incurred in connection with arbitration or litigation under this Agreement.

18.4 Expedited Procedures. If a party requests Expedited Resolution as permitted by this Agreement or if the parties mutually agree to Expedited Resolution, then the matter so submitted shall immediately move to Expedited Arbitration Section 18.3. "Expedited Arbitration" shall mean substantially the same process in Section 18.3, but that the times allotted or required thereunder shall be one-half that specified. Under Expedited Arbitration, the chosen arbitrator(s) shall hold the arbitration hearing within fifteen (15) days of being appointed, the hearing will last no longer than two (2) days, and the arbitrator(s) shall render their decision within ten (10) days of the hearing.

18.5 The commencement, and any resolution reached as a result, of any dispute resolution procedure under this Section 18 shall be considered Confidential Information and protected under Section 14.

19. CHANGES OVER TIME

The parties intend by this Agreement that, during the entire Agreement Term: (i) AOL Access Software be provided treatment with respect to positioning, accessibility and prominence of the AOL Access Software within Windows Products as set forth in Sections 6 and 7; (ii) Internet Explorer be available for distribution

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and be extendible by AOL pursuant to this Agreement; (iii) AOL use all reasonable efforts to incorporate features and functions of Internet Explorer into AOL Access Software as provided in Section 5.1; and (iv) AOL shall exclusively market, promote and distribute Internet Explorer as its strategic browser platform as provided in Section 7. However, the parties acknowledge that during the Agreement Term and the term of the License, various facts and elements relating to this Agreement are likely to change in various respects, including: (i) the nature of Windows Products, including the nature of operating systems and desktops, may change in name, character or substance, and it is the parties' intention that such changes not affect the basic intent of Section 6; (ii) the nature and use of "browsers" and other means of viewing, rendering, browsing and/or other interaction with Online Information Services available through the Internet or other open environment protocols, may alter, and it is the parties' intention that any alternative means of interaction be made available to AOL for distribution hereunder; (iii) what is now referred to as the Internet or the World Wide Web may be superseded or replaced by a new channel for accessing and providing Online Information Services, and the parties do not intend that this Agreement be limited to the Internet or World Wide Web as such channels presently exist; (iv) technical or business models regarding the provision of Online Information Services and distributing software may change. Recognizing that such changes are likely, the parties acknowledge and agree that the description of the parties' respective rights and obligations under this Agreement, including those described above, reflect general principles that the parties intend to continue to be implemented in a pragmatic, cooperative and meaningful way as circumstances materially change. Accordingly, the parties agree that, in the meetings of the Contract Principals, they will advise each other of such pending or actual changes and determine how to maintain the substance of the agreements set forth in this Agreement with respect to their respective rights and obligations. In making such determinations, the parties will act reasonably and in good faith. If the parties are unable to agree on how to maintain the substance of the agreements set forth in this Agreement with respect to their respective rights and obligations, the parties agree that any such disputes shall be submitted at the request of either party to the dispute resolution process described in Section 18, and that the arbitrator shall have the right and power to impose on the parties such modifications to this Agreement as such arbitrator deems appropriate, subject to the restrictions of Section 18, in order to maintain the balance of the parties respective rights and obligations in the light of changed facts and circumstances.

20. MISCELLANEOUS PROVISIONS

20.1 Audits. Each party shall allow mutually acceptable independent third parties, which shall not be compensated in whole or part on a contingency basis and shall be bound to keep all information confidential except as necessary to disclose discrepancies to such party, to audit and analyze relevant records of the other party to ensure compliance with this Agreement. Any such audit shall be permitted within thirty (30) days of the audited party's receipt from the auditing party of a written request to audit, during normal business hours, at a time mutually agreed upon. The cost of an audit shall be borne by the auditing party. Audits shall occur no more frequently than annually, shall not interfere unreasonably with the audited party's business activities and shall be conducted in the audited party's facilities. An audit may cover any period (or any subject matter) not previously audited and within a three year period immediately preceding the commencement of the audit. The audited party shall promptly reimburse the auditing party the amount of any monetary discrepancy, if any, arising out of such audit, and shall promptly correct any other non-compliance or breach (without limitation of the other rights and remedies of the auditing party).

20.2 Limitations on Obligations; Non-Exclusive. Neither party shall have any obligations of any kind to the other party except for those obligations expressly set forth in this Agreement. Without limiting the foregoing, neither party has any marketing, promotional or distribution obligations, or any limitations

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on their business or activities, other than those expressly set forth in this Agreement, and neither party makes any representations or warranties to the other with respect to the level of commercial success or revenues which may be achieved as a result of any of the activities undertaken pursuant to this Agreement. It is intended that all aspects of this relationship be non-exclusive and non-restrictive on the activities of the parties except as may expressly set forth in this Agreement.

20.3 Avoidance of Obligations. Neither party shall take any action through affiliates or third parties or enter into contracts or agreements with third parties for the purpose of circumventing such party's obligations hereunder.

20.4 Notices. Except as expressly provided herein to the contrary, any notice, request, demand or communication required or permitted hereunder shall be in writing and shall be deemed to be properly given upon the earlier of: (a) actual receipt by the addressee; and (b) five (5) business days after deposit in the U.S. mail, postage prepaid, when mailed by registered or certified U.S. mail, return receipt requested, or two (2) business days after being sent via private industry courier to the respective parties at the addresses forth set forth above or to such other person or address as the parties may from time to time designate in a writing delivered pursuant to this Section 21.2. Notices to: (i) Microsoft shall be attention to: the Contract Principal, with a copy to: William H. Neukom, General Counsel: and (ii) AOL shall be attention to: the Contract Principal, with a copy to: Ellen M. Kirsh, General Counsel, at the address for AOL first indicated above.

20.5 Bankruptcy Code. All rights and licenses granted under or pursuant to this Agreement by Microsoft to AOL and by AOL to Microsoft are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, 11 U S C. Section 101, et seq. (the "Bankruptcy Code"), licenses of rights to "intellectual property" as defined under Section 101(56) of the Bankruptcy Code. The parties agree that if the Bankruptcy Code applies, each party, as a licensee of such rights and licenses, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code; provided it abides by the terms of this Agreement. The parties further agree that, in the event that any proceeding shall be instituted by or against either party seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking an entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property, or a party shall take any action to authorize any of the foregoing actions against it (each a "Proceeding"), AOL shall have the right to retain and enforce its rights under this Agreement including, but not limited to, the right to continue to use the technology and all versions and derivatives thereof, and all Documentation and other supporting material related thereto, in accordance with the terms and conditions of this Agreement.

20.6 Competition. Microsoft and AOL agree that except for any express obligations of AOL and Microsoft as set forth in this Agreement, nothing in this Agreement is intended or shall be construed to prohibit or restrict either AOL or Microsoft from developing or acquiring products or services similar to or competitive with products or services of the other party.

20.7 Construction. Neutral pronouns and variations thereof shall include the feminine and masculine. All singular terms shall include the plural, and vice versa, as the context may require. The words "party" or "parties" refer, respectively, to a party and to both of the parties to this Agreement. The words "hereof, "herein," "hereunder" and other words of similar import refer to this Agreement as a whole, including any exhibits, as the same may from time to time be supplemented or amended and not to any

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subdivision contained in this Agreement. The word "including" is not exclusive and in all cases means "including without limitation." References to section, subsection, attachment or exhibit shall refer to the appropriate section, subsection, attachment or exhibit in or to this Agreement. The Descriptive headings are inserted for convenience of reference only and do not constitute a part of and shall not be utilized in interpreting this Agreement. No presumption shall arise in interpreting this Agreement by virtue of the role a party or its counsel played in drafting this Agreement or any provision hereof.

20.8 Waiver. The waiver by either party of a breach of or a default under any provision of this Agreement, shall not be construed as a waiver of any subsequent breach of the same or any other provision of the Agreement, nor shall any delay or omission on the part of either party to exercise or avail itself of any right or remedy that it has or may have hereunder operate as a permanent waiver of any right or remedy. Except as expressly provided herein to the contrary, no amendment or modification of any provision of this Agreement shall be effective unless in writing and signed by duly authorized officers of Microsoft and AOL.

20.9 Assignment. Neither this Agreement, or any interest herein, may be assigned, in whole or in part, by either party without the prior written consent of the other party except that: (i) upon the prior consent of Microsoft, which consent may not be unreasonably withheld or delayed, AOL shall have the right to assign its rights and obligations to an AOL Affiliate; and (ii) either party shall have the right to assign this Agreement and the obligations hereunder to any successor of such party by way of merger or consolidation or the acquisition of substantially all of the business and assets of the assigning party relating to the Agreement. Any permitted successor or assignee under this Section 20.9 shall expressly assume all of the obligations and liabilities of the assigning party liable and shall be responsible to the other party hereunder, and the assigning party shall remain liable and responsible to the other party hereto for the performance and observance of all obligations.

20.10 Costs. Except as expressly provided herein to the contrary, each party shall be responsible for its costs and expenses incurred in connection with the negotiation and execution of this Agreement and its performance hereunder.

20.11 Independent Contractors. No agency, partnership, joint venture, or employment is created as a result of this Agreement. AOL shall have no authority to bind Microsoft in any respect whatsoever, and Microsoft shall have no authority to bind AOL in any respect whatsoever.

20.12 Captions. The captions and section and paragraph headings used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

20.13 Costs and Expenses of Legal Action. If any party to this Agreement brings an action against the other party to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its costs and expenses, including without limitation, attorneys' fees and costs incurred in connection with such action, including any appeal of such action.

20.14 Severability. If the application of any provision or provisions of this Agreement to any particular facts or circumstances shall be held to be invalid or unenforceable by any court of competent jurisdiction, then: (a) the validity and enforceability of such provision or provisions as applied to any other particular facts or circumstances and the validity of other provisions of this Agreement shall not in any way be affected or impaired thereby; and (b) such provision or provisions shall be reformed without further action by the parties hereto and only to the extent necessary to make such provision or

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provisions valid and enforceable when applied to such particular facts and circumstances. With respect to a material provision or provisions held to be invalid or unenforceable by a court of competent jurisdiction, if a party contends that it is necessary to reform a remaining provision or remaining provisions of the Agreement, in order to preserve the overall purpose of the Agreement and the benefit of the bargain struck by the parties, then the parties shall work together to agree upon such reform. If the parties are unable to agree upon such reform, the parties may submit the following issues to Expedited Resolution: whether the Agreement should be reformed and, if so, the nature and extent of such reform. For such Expedited Resolution, if the arbitrator determines that the Agreement cannot be reformed to preserve the overall purpose of the Agreement and the benefit of the bargain struck by the parties, then the party seeking reform shall have the right to terminate the Agreement with no default of either party.

20.15 Entire Agreement. This Agreement constitutes the entire agreement between the parties concerning the subject matter hereof and supersedes all proposals or prior agreements whether oral or written, and all communications between the parties relating to the subject matter of this Agreement and all past courses of dealing or industry custom. The terms and conditions of this Agreement shall prevail, notwithstanding any variation with any purchase order or other written instrument submitted by AOL, whether formally rejected by Microsoft or not.

20.16 Governing Law. This Agreement shall be interpreted and construed in accordance with the laws of the State of California. Should, after dispute resolution fails under Section 18 (or for actions which need not be submitted for dispute resolution under Section 18), AOL bring a cause of action arising out of or related to this Agreement, AOL may only file its action in the state and/or federal courts sitting in the State of Washington. Should, after dispute resolution fails under Section 18 (or for actions which need not be submitted for dispute resolution under Section 18), Microsoft bring a cause of action arising out of or related to this Agreement, Microsoft may only file its action in the state and/or federal courts sitting in the Commonwealth of Virginia

20.17 Tracking. For purposes of Microsoft tracking its royalty obligations to third parties, within thirty (30) days following the end of each calendar quarter, AOL shall provide to Microsoft an accounting of the total number of copies of non-Windows 95 versions of Internet Explorer (i) distributed by AOL during the quarter and (ii) newly or initially used by AOL customers during the quarter. A "non-Windows 95 version of Internet Explorer" means a Macintosh, Windows 3.xx or Windows NT (other than the Windows 95 version which works on Windows NT 4.0) version of Internet Explorer.

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

AMERICA ONLINE, INC.	MICROSOFT CORPORATION
By: David M. Colburn	By: Brad Chase
Name: DAVID M. COLBURN	Name: Brad Chase
Title: V.P.	Title: GM
Date: 3/11/96	Date: 3/11/96

ATTACHMENT 1

DESCRIPTION OF INTERNET EXPLORER VERSION 3.0

DESCRIPTION OF FEATURES FOR INTERNET EXPLORER VERSION 4.0

DESCRIPTION OF REFERENCE SOURCE & SOURCE COMPONENTS

I. Internet Explorer version 3.0 Features

Intent: IE 3.0 catches up with and surpasses Netscape Navigator 2.0 Shows all the same content, compatible with NS 2.0, higher quality, smaller, faster, more features

Win95	Win16	Macintosh	Feature
Yes	Yes	Yes	**All Internet Explorer 2.0 Features**
Yes	Yes	Yes	**HTML Frames**
Yes	Yes	8/1 beta	**HTML CSS Stylesheets**
Yes	Yes	8/1 beta	**Visual Basic Script**
Yes	Yes	8/1 beta	**JavaScript**
Yes	Yes	Yes	**Netscape Plug-Ins**
Yes	Yes	Yes	**Server Push**
Yes	Yes	Yes	**GIF Animations**
Yes	Yes	8/1 beta*	**HTTP extensions (read-range, file upload, PCT)**
Yes	Yes	8/1 beta*	**"Intrinsic" Controls** -- top "Active X Controls" requested by ISV's: video, audio, 3-state buttons, tooltips, pop-up menus, and scrolling text.
Yes	Maybe	Maybe	**Active X™ Control hosting in HTML**
Yes	Maybe	Maybe	**Automatic Code Download & Signing**
Yes	No	No	**Document Object hosting** (not available on Win16/Mac platforms)

*Final release by 10/1.

II. Internet Explorer version 4.0 Features

Intent: Microsoft will release browser updates on average every 6 months, responding to competitive pressures and feedback from customers (end-users, publishers, developers).

Win95	Win16	Macintosh	Feature
Yes	Yes	Yes	**All Internet Explorer 3.0 Features (by platform)**
Yes	Yes	Yes	**2D, Overlapping, Transparent HTML layout**
Yes	Yes	Yes	**Additional HTML Stylesheet features**
Yes	Yes	Yes	**Additional Intrinsic "Controls"**
Yes	Yes	Yes	**HTML Edit Control for e-mail (WordPad-level editing)**

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Yes	Yes	Yes	**HTML Edit Control for Publishing (more features)**
Yes	Yes	Yes	**NNTP Newsreader (standalone client)**
Yes	Yes	Yes	**SMTP/POP3 mailer (standalone client)**
Yes	Yes	Yes	**IRC client (chat – standalone client)**

III. Source Components Description

Intent: These files below *(including source code for Upgrades as available) are ones which may need modification in order to support AOL branding. The bulk of AOL branding should be accomplished by editing the resources for the compiled Source and/or Reference Components (so typically no source code changes are necessary)*

Win95	Win16	Mac	File	Description
Yes	No*	No*	**iexplore.exe**	Internet Explorer Frame

*Despite the absence of Internet Explorer Frame for these Platforms, Microsoft shall use all reasonable efforts to provide and/or assist AOL with the creation of source components for these Platforms as reasonably required by AOL or AOL Affiliate to integrate, brand and extend Internet Explorer as intended by Section 1.42.

IV. Reference Source Description

Intent: These files are provided to AOL to facilitate communication and permit AOL to debug AOL code and suggest improvements to Microsoft code.

Microsoft will supply the source code necessary to build the Win95 files listed below (including source code for Upgrades as available), and, as indicated, the corresponding Win16 and Macintosh source files for the corresponding modules on the Win16 and Macintosh platforms (if available).

Win95	Win16	Mac	Win95 File	Description
Yes	No	No	**inetcpl.cpl**	Internet Control Panel
Yes	Yes	Yes	**basicsec.dll**	HTTP Basic Authentication
Yes	Yes	Yes	**hlink.dll**	Hyperlink Negotiation
Yes	Yes	Yes	**hlinkprx.dll**	Hyperlink Proxy
Yes	Yes	Yes	**js.dll**	JavaScript
Yes	Yes	Yes	**jscript.dll**	JavaScript
Yes	Yes	Yes	**mshtml.dll**	HTML Document Object Viewer
Yes	No	No	**shdocvw.dll**	Document Object hosting
Yes	Yes	Yes	**urlcache.dll**	Persistent URL object cache
Yes	No	No	**urlmon.dll**	URL Monikers
Yes	Yes	Yes	**vbs.dll**	VBScript
Yes	Yes	Yes	**vbscript.dll**	VBScript
Yes	Yes	Yes	**vbsen.dll**	VBScript
Yes	No	No	**w95fiber.dll**	Lightweight threading support
Yes	No	No	**wininet.dll**	http, ftp, gopher protocols
Yes	No	No	**htmlctl.ocx**	HTML Active X™ Control

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Yes	*maybe**	*maybe**	**"winsock"**	Windows Sockets services
Yes	*maybe**	*maybe**	**"dialer"**	Dialer
Yes	*maybe**	*maybe**	**"tcp/ip stack"**	TCP/IP stack
Yes	Yes+	Yes+	**"sweeper SDK"**	Sweeper SDK

* - For Win16 and Macintosh platforms, Microsoft may acquire technology from 3rd parties, and the contracts for acquiring this technology may prevent Microsoft from delivering source code to AOL. Microsoft shall use reasonable efforts to assist AOL with respect to obtaining source rights from such 3rd parties.

+ - The Sweeper SDK for Win16 and Macintosh may have less features than the Win95 Sweeper SDK, due to technical limitations on the Win16 and Macintosh platforms.

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ATTACHMENT 2

DEFINITION OF ERRORS

SUPPORT OBLIGATIONS

Tier 1 Developer Support for AOL by Microsoft

Intent: Microsoft provides quick response and effective consultation and bug fixing to AOL.

Microsoft will assign one (1) Software Design Engineer (SDE) to full-time support of AOL. This SDE will carry a pager, and AOL will be able to contact this SDE at any time day or night, this contact not to be excessive (said SDE has to sleep).

How Microsoft Responds to Problem Reports from AOL

Intent: Microsoft will collect problem reports from AOL in a timely fashion, rank each problem report according to severity of the problem and the potential number of AOL customers impacted, assign a priority to the problem report, and provide a fixed binary or workaround in an suitable amount of time.

When AOL encounters a problem, AOL will submit a problem report via e-mail to **aolsupp@microsoft.com** which includes the following information:

field	description
title	Maximum 60 character long summary of the problem
severity	1: Crashing, causes data loss, breaks major functionality, or other severe problem. 2: Annoying, contributes to overall instability in this area, crashes in obscure cases, breaks minor functionality. 3: Minor, doesn't impair functionality, may affect "fit and finish" 4: Trivial, a feature request, a good case for postponement (to the next release)
problem	Detailed description of problem, in following format: 1. Steps to reproduce problem (down to the keystroke, typically) 2. Expected behavior (what you thought should have happened) 3. Observed behavior (what happened instead, which you did not like) 4. Suggested fix (if appropriate, and does not duplicate expected behavior)
hardware	Description of hardware system that problem occurs on (CPU & speed, video card, modem vs. LAN connection, amount of RAM, manufacturer, etc.)
software	Description of software system (operating system and version, any special drivers, what other software was active in the system at the time of the problem, versions of all software in use, etc.)
version	Exact version number of software with problem.
contact	Person who originally found the problem. Please include full name, timezone, e-mail address, and phone numbers (daytime and evening), so that developer can follow up if necessary to get additional details.

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Microsoft will respond as follows to each problem report, based on the Severity. Note that, as Microsoft nears a product ship deadline, the criteria for a "showstopper" problem (must fix before ship) get harder and harder to meet. Microsoft also reserves the right to reclassify the Severity of a problem report from AOL if it does not meet, in Microsoft's professional judgment, the Severity classification described above.

Severity	Response
1	Reply to AOL within one (1) business day with an estimate for when a fix will be available. Make best effort to supply fix within three (3) business days.
2	Reply to AOL within three (3) business days with an estimate for when (or if) a fix will be available. If Microsoft decides to fix problem, it will make best effort to supply fix within three (3) business days but no later than the next release.
3	Reply to AOL within ten (10) business days with an estimate for when (or if) a fix will be available. If Microsoft decides to fix problem, it will make best effort to supply fix within twenty (20) business days.
4	Microsoft will acknowledge receipt of problem report, and keep AOL informed about what build/version of Microsoft software (if any) will have the fix. Microsoft is under no obligation to fix this problem, however.

How AOL Responds to Problem Reports from Microsoft

Intent: AOL will collect problem reports from Microsoft in a timely fashion, rank each problem report according to severity of the problem and the potential number of Microsoft customers impacted, assign a priority to the problem report, and provide a fixed binary or workaround in an suitable amount of time.

When Microsoft encounters a problem, Microsoft will submit a problem report via e-mail to _____ which includes the following information:

field	description
title	Maximum 60 character long summary of the problem
severity	1: Crashing, causes data loss, breaks major functionality, or other severe problem. 2: Annoying, contributes to overall instability in this area, crashes in obscure cases, breaks minor functionality. 3: Minor, doesn't impair functionality, may affect "fit and finish" 4: Trivial, a feature request, a good case for postponement (to the next release)
problem	Detailed description of problem, in following format: 1. Steps to reproduce problem (down to the keystroke, typically) 2. Expected behavior (what you thought should have happened) 3. Observed behavior (what happened instead, which you did not like) 4. Suggested fix (if appropriate, and does not duplicate expected behavior)
hardware	Description of hardware system that problem occurs on (CPU & speed, video card, modem vs. LAN connection, amount of RAM, manufacturer, etc.)
software	Description of software system (operating system and version, any special drivers, what other software was active in the system at the time of the problem, versions of all software in use, etc.)

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version	Exact version number of software with problem.
contact	Person who originally found the problem. Please include full name, timezone, e-mail address, and phone numbers (daytime and evening), so that developer can follow up if necessary to get additional details.

AOL will respond as follows to each problem report, based on the Severity. Note that, as AOL nears a product ship deadline, the criteria for a "showstopper" problem (must fix before ship) get harder and harder to meet. AOL also reserves the right to reclassify the Severity of a problem report from Microsoft if it does not meet, in AOL's professional judgment, the Severity classification described above.

Severity	Response
1	Reply to Microsoft within one (1) business day with an estimate for when a fix will be available. Make best effort to supply fix within three (3) business days.
2	Reply to Microsoft within three (3) business days with an estimate for when (or if) a fix will be available. If AOL decides to fix problem, it will make best effort to supply fix within three (3) business days but no later than the next release.
3	Reply to Microsoft within ten (10) business days with an estimate for when (or if) a fix will be available. If AOL decides to fix problem, it will make best effort to supply fix within twenty (20) business days.
4	AOL will acknowledge receipt of problem report, and keep Microsoft informed about what build/version of AOL software (if any) will have the fix. AOL is under no obligation to fix this problem, however.

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ATTACHMENT 3

DESCRIPTION OF SERVER AND TOOLS PRODUCTS

This list to be delivered to AOL.

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ATTACHMENT 4

DESCRIPTION OF AOL ICON

DESCRIPTION OF DESKTOP FOLDER AND PROGRAM FOLDER

Descriptions to be delivered by both parties.

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ATTACHMENT 5

SAMPLE FLYER CONTENT

See attached two (2) pages. The final flyer will reference "America Online," "AOL," the AOL logo and/or other AOL Flagship Service identifying features.

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NEED DIRECTION?

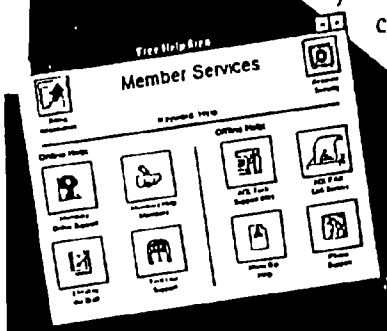
CHECK OUT THESE ONLINE RESOURCES FOR NEW MEMBERS!

▲ Discover AOL

Start your tour of America Online in the Discover AOL area. You'll find everything from lists about fresh, exciting features and why people love America Online to a guided tour of our most popular online areas. Just click on Discover AOL on the Main Menu screen to begin your journey.

▲ Member Services

You'll find answers to all your technical questions in the Member Services area. "Getting Around" provides navigation tips, a complete list of keywords, a calendar of online events, and more. Best of all, the time you spend in Member Services is free of hourly charges. Just enter keyword HELP to access this useful information.



See you online soon!

Use of America Online requires a major credit card or checking account. Users outside the United States pay an [illegible] for trial time. Please see Keyword ACCESS for further access

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It Just Takes 3 Easy Steps To Sign On:

STEP 1 Find the America Online software on your computer's Windows™ Program Manager.

STEP 2 Double-click on the America Online icon and follow the simple, step-by-step instructions on your screen.

STEP 3 When prompted, enter the registration number and password below.

Use this special registration num and password fo your free trial

Questions about connecting?

Click on Help found on the menu bar at the top of your screen to find answers.

Or call America Online® toll-free at 1-800-827-3338.

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Microsoft Summary
97-01-13 12:53.11 EST
Jm: SOSmithJr
To: ELKeller, JBrendsel
Sent on. AOL 3.0 for Windows 95 sub 49

FYI.

This is what I sent to Jan last week outlining Marketing's priorities with Microsoft. I think she forwarded it to Pittman but I'm not sure, and if it didn't make it to you, then I'd be surprised if Colburn or Gang got a copy. In the interests of you knowing what we are looking for before this meeting tomorrow, give it a read. But PLEASE don't forward it to anyone as it seems that we all keep getting in trouble when this stuff gets up to Pittman. Thanks.

PS - MS has put another Referral Server proposal on the table since I sent this, so the part about the $3 per browser may change.

There are basically five Marketing programs that are on the table with Microsoft:

-Active Desktop
-Windows Database
-Internet Referral Server
-Microsoft.com/Windows 95 com Promotion
-Distribution of AOL with other MS products

Active Desktop
Our interests here are in using the sample AOL content that will appear within the active window to drive membership acquisition Through a combination of compelling content (both free and "only on AOL" content) and compelling offers, we will separate AOL from the rest of the online service/ISP pack. This interface will most likely be the most visible item on every Windows 95 machine that is built after June 97 and it supplies us with the means to show people what is so great about AOL vs. the rest of the Online Services Folder.

The second way to generate new members from the Active Desktop is to have the other big media companies on the desktop promote AOL as the way to connect to their content. PointCast is the only company who has signed on so far, but MS is looking for some media heavyweights to fill out the list. They said that they are looking for between six and fifteen "partners" to feature as premier content providers.

Windows Database
Microsoft has a 12MM+ name database that the Windows group controls. They are willing to give us their names in exchange for promotion of Windows 95 to our 3.1 members (the exchange rate is pending). This can be accomplished in a number of ways including pop-ups, the AOL for Windows 95 upgrade area, remnant ad space, "What's Hot" buttons, the Steve Case letter, etc. We are currently discussing merging their list with ours to determine the number of net names and offering them one AOL impression for one MS name. With a few pop-ups to 3.1 members we could get their entire list. In addition to the acquisition benefits, this would give us a little margin, although we may be taking pop-up space from higher grossing products

There is a conference call with the MS folks tomorrow at 4:00 to discuss this.

Internet Referral Server
MS has an Internet Referral Server that is getting in the neighborhood of 10-15 thousand hits per day (approx. 750 regs per day across all providers). These people are connecting from the Windows 95 desktop by clicking on "The Internet" icon. If they do not have an Internet connection established when they get the machine or install the OS upgrade, they connect with the server and are shown a list of providers in their area. We are working to get AOL added to this server in exchange for bounties There are no printed materials, so the only costs are bounties and a dedicated server and modems. We are exploring these costs and the acquisition potential for this vehicle

As a side benefit of this deal, MS will pay us $3 per copy to distribute IE 3.0 to our current members. This money would be

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