

DOWNLOAD-TO-OWN AND VIDEO-ON-DEMAND LICENSE AGREEMENT

This Download-to-Own and Video-on-Demand License Agreement is made as of September 8, 2008, by and between 111pix.com Ltd, with its principal place of business at 111 Wardour St, London, W1F 0UH, United Kingdom (“**Licensee**”) and Paramount Digital Entertainment International, a division of Viacom Global (Netherlands) BV, with its principle place of business at Naritaweg 207, Amsterdam 1043 CB, The Netherlands (“**Paramount**”).

CONDITION PRECEDENT. All of Paramount’s obligations hereunder, and Licensee’s obligations to make the payments identified in Paragraph 6.4 hereunder, are subject to Paramount’s satisfaction, in its sole discretion, with the results of Paramount’s technology review of the Service.

1. **DEFINITIONS.** Capitalized terms not otherwise defined herein have the meaning ascribed to them in Exhibit A attached hereto and incorporated herein by this reference.

2. **GENERAL DESCRIPTION OF THE SERVICE.** The “**Service**” means the digital video distribution service known as FilmOn.com wholly owned and controlled by Licensee, that makes Included Pictures available to Customers in the Territory via Internet Delivery for personal use only on a DTO Distribution and VOD Distribution basis, for a separate fee to download each Included DTO Picture or Included VOD Picture, which fee is unrelated in any way to the purchase of other programs (subject to marketing strategies, such as so called “double features,” that are pre-approved in writing by Paramount), products or services or the presence of advertising.

3. **TERM.**

3.1 The “**Term**” for the United Kingdom will commence upon September 8, 2008 and shall continue until June 30, 2010.

3.2 With respect to the United States/Canada, France, Germany, Russia and Australia (collectively, the “**Option Territories**” and each an “**Option Territory**”), Licensee shall have the right to distribute in each and/or all such territories, upon the mutual agreement of Paramount and Licensee no later than December 31, 2009. With respect to each such Option Territory, in the event that Licensee and Paramount have each agreed, in their sole discretion, to such distribution in such Option Territory, then such agreement shall be set forth in writing (the “**Option Territory Agreement**”) no later than December 31, 2009. With respect to each Option Territory, in the event that Licensee and Paramount have agreed to distribution in such Option Territory, then the “**Term**” for such Option Territory shall commence on the date set forth in the Option Territory Agreement (but not earlier than January 1, 2009) and shall continue until December 31, 2010. With respect to the United States and Canada, Licensee acknowledges that the Option Territory Agreement for each of the United States and Canada may need to be entered into with a different Paramount entity (and the Minimum Guarantee for the United States/Canada may need to be allocated to each such country).

4. LICENSE.

4.1 Grant of License for DTO Distribution. Subject to the terms and conditions of this Agreement, Paramount hereby grants to Licensee the following limited, non-exclusive license under copyright for the following rights in the Territory during the Term:

4.1.1 To make available to Customers in the Territory via Internet Delivery each Included DTO Picture in the Authorized Language during its License Period on a DTO Distribution basis for personal use only as part of and pursuant to the terms of the Service.

4.1.2 To authorize each Customer to download each Included DTO Picture that is Ordered by the Customer and view the Included DTO Picture on up to three (3) Authorized Devices with a valid license Key and securely transfer a copy of such Included Picture to one (1) Mobile Phone.

4.1.3 To make available each Included DTO Picture as set forth above with so called "VCR Functionality" (i.e., the capability of the Customer to perform any or all of the following functions: stop, start, pause, rewind and/or fast forward the playback of the Included DTO Picture) during viewing.

4.2 Grant of License for VOD Distribution. Subject to the terms and conditions of this Agreement, Paramount hereby grants to Licensee the following limited, non-exclusive license under copyright for the following rights in the Territory during the Term:

4.2.1 To make available to Customers in the Territory via Internet Delivery each Included VOD Picture in the Authorized Language during its License Period on a VOD Distribution basis for personal use only as part of and pursuant to the terms of the Service.

4.2.2 To authorize each Customer to download or Stream each Included VOD Picture that is Ordered by a Customer to an Authorized Device with a valid license Key and to view the Included VOD Picture during its Viewing Period only, which Viewing Period shall both begin and end during the Access Period for such Order.

4.2.3 To make available each Included VOD Picture as set forth above with VCR Functionality over the course of its Viewing Period.

4.3 License Restrictions and Obligations

4.3.1 Licensee shall have no right to modify, enhance, edit, translate, adapt, perform, display or create derivative works based on or otherwise alter the Included Pictures, except as necessary to format and configure the Included Pictures for the purpose of technically enabling the delivery of the same to

Customers in accordance with the terms of this Agreement. Under no circumstances shall Licensee make or permit any other modifications or changes to the Included Pictures including, without limitation, editorial or contextual changes, incorporation of any audiovisual, graphical, text or other forms of advertising, or changes to any trademarks, copyright notices or any other attribution, artwork or materials displayed or associated with any Included Picture, without the prior approval of Paramount in each case, in Paramount's sole discretion.

4.3.2 Without Paramount's prior written consent, Licensee shall not, and shall not authorize or permit any third party to, place any commercial messages or advertising (i) in any Included Picture, (ii) during, immediately preceding or immediately following the exhibition of any Included Picture, (iii) that implies any endorsement or connection to or commercial tie-in with any Included Picture or any artist associated therewith, or is specifically sold by Licensee for placement on a particular page with an Included Picture or any artist associated therewith, (iv) that appears on any page where an Included Picture is featured alone or on any dedicated studio storefront for Included Pictures, (iv) on any page of the Service that a Customer is required to view at any time after the Customer initiates a Transaction on the Service, or (v) that advertises or promotes any alcohol, tobacco, firearms or related products. Licensee acknowledges that the primary purpose of the Service is to sell licensed video content and not advertising, and in no event shall the retail price paid by a Customer for any Included Picture be conditioned on whether, or varied if, the Customer elects to view permitted advertising on the Service. In the event that Paramount believes that a particular advertisement violates the provisions in this Paragraph, the Parties shall discuss in good faith modifications to such advertisement, and if the Parties are unable to resolve the matter to their mutual satisfaction, Licensee shall discontinue advertising in such a manner.

4.3.3 Licensee is not permitted to offer multiple Included Pictures on a subscription basis. Any "bundling" of Included Pictures will be subject to the pre-approval of Paramount and that of any other applicable third-party of which Paramount shall notify Licensee in response to any request for pre-approval of bundling titles; and provided, however, that Licensee shall pay to Paramount the full applicable License Fee for each such bundled Included Picture purchased, unless Paramount and Licensee otherwise agree.

4.3.4 Licensee will make available on the Service each Included Picture delivered to Licensee by Paramount. All Included Pictures delivered to Licensee by Paramount shall remain available on the Service for Customers on an DTO Distribution basis and/or VOD Distribution basis, as applicable, at all times during their applicable License Periods and pursuant to the Shelf Space Guidelines set forth in Exhibit E.

4.3.5 Licensee will require that the Retail Price for each Customer Transaction be payable on completion of the Customer Transaction, regardless of whether delivery of the Included Picture and/or viewing have been initiated.

4.3.6 This Agreement only grants Licensee the right to distribute Included Pictures in Standard Definition or lower resolution formats ("Resolution Format"). This Agreement does not grant Licensee any right to distribute any Included Picture or any portion thereof in any resolution greater than Standard Definition. In the event that Paramount, in its sole discretion, makes Included Pictures available in all or part of the Territory in high definition format for VOD Distribution for Authorized Delivery via the Authorized Network to Authorized Devices for personal viewing then, at Licensee's request, Paramount shall discuss the possibility of providing Included Pictures in high definition format in accordance with this Agreement. Notwithstanding the foregoing, the decision as to whether Included Pictures shall be made available in high definition format hereunder and the terms associated therewith shall be in Paramount's sole discretion.

4.3.7 Licensee may not allow Customers to create copies of Included Pictures for playback on devices other than Authorized Devices with valid license Keys, including without limitation CSS compliant or AACS-compliant optical discs or any other format now known or hereinafter invented.

4.3.8 Licensee will not sublicense, transfer, convey or assign to any third party any of the rights granted to Licensee herein or otherwise sell, distribute or transmit the Included Pictures in connection with or via any service other than the Service specifically contemplated herein, whether or not such other service is owned, operated and/or managed by or on behalf of Licensee or any of Licensee's Affiliates, unless approved in writing by Paramount in its sole discretion.

4.3.9 Prior to the license, display, purchase, delivery, distribution, download, provision and/or use of any Included Pictures by or to any Customer, Licensee shall ensure that each Customer affirmatively acknowledges and agrees to be bound by and comply with Licensee's terms and conditions associated with the use of the Service and all Included Pictures available in connection therewith, including, without limitation, the end user license agreement (the "Terms of Use"), and Licensee shall use commercially reasonable efforts to ensure that such Terms of Use, to the fullest extent of the law, constitute an enforceable agreement between Licensee and such Customer. The Terms of Use shall, at a minimum contain terms and conditions that govern the permitted use, reproduction, storage and transfer of Included Pictures by a Customer, which shall prohibit the use or exploitation of the Included Pictures in any manner inconsistent with any of the rights granted or restrictions set forth herein, including, without limitation, prohibitions on downloading, redistribution, alteration, deletion of content, advertising or promotional materials. Paramount shall be an intended third party beneficiary of the Terms of Use and shall have the right to enforce any and all obligations of users of the Service under the Terms of Use to the same extent as if

Paramount were a party to such agreements. The Terms of Use shall state that they will be fully enforceable in every respect, at law or in equity, by Paramount as an intended third party beneficiary there under. Licensee will use commercially reasonable efforts to ensure that each Customer complies with the Terms of Use and shall take appropriate action against any Customer who violates the Terms of Use, which may include, without limitation, terminating or restricting such Customer's right to make purchases through the Service and/or initiating legal action. Notwithstanding the foregoing, Paramount reserves all of its rights and remedies under law and equity against any Customers and any other third parties who infringe, violate or otherwise misappropriate any of Paramount's rights in and to the Included Pictures.

4.3.10 The Service will not contain or incorporate any of the following: (a) pornographic, X-rated (or its equivalent) or "adult content" (as such term is used in the entertainment industry, but which does not include R-rated titles or unrated or NC-17 "art house" films) (collectively, "**Adult Content**"); or (b) any advertisements, promotions or offers for the purchase, sale or rental for any Adult Content, unless such Adult Content offered on the Service is segregated to a separate age-restricted subsite accessible only via a separate login and password.

4.3.11 This Agreement only grants Licensee the right to distribute Included Pictures via Internet Delivery. Licensee will not transmit the Included Pictures via any other technical, communication or transmission protocols or platforms now known or hereafter devised, discovered or developed including, without limitation, any television, radio or over-the-air wireless commercial mobile radio service or personal communication service for cellular phone platforms and devices.

4.3.12 If Paramount provides an appropriate industry standard content advisory rating about a particular Included Picture, Licensee shall conspicuously display such parental advisory when other information about such Included Picture is displayed before a Customer Transaction is initiated. Paramount will determine parental advisory warning status, if any, in its sole discretion. Licensee will not make available any Included Picture that is rated "R" or "NC-17" (or their successor ratings) by the MPAA or any red band trailers or Clips to any user under the age of 17. Licensee will comply with all Laws in connection with the Service.

4.3.13 The Service will not authorize the distribution of any Included Picture via Viral Distribution without the prior written approval of Paramount in its sole discretion. As a means of deterring Viral Distribution, Licensee will issue a license Key for an Included Picture for playback on a specific Authorized Device only to the Customer identified as having Ordered the Included Picture pursuant to an Included Picture Customer Transaction from the Service.

4.4 Ownership and Reservation of Rights. All right, title and interest in, to and with respect to the Included Pictures, and the elements and parts thereof, and means of

exhibition and distribution not specifically granted herein to Licensee shall be and are specifically and entirely reserved to Paramount. The licenses, rights and interests granted to Licensee herein are non exclusive, and, accordingly, they may be fully exploited and utilized by Paramount, or authorized for use by third parties (for free or for a fee), without regard to the extent to which any such rights may be competitive with Licensee or the licenses, rights and interest granted hereunder.

5. LICENSED TITLES

5.1 Generally. The Included Pictures hereunder shall include all New Release Pictures and Library Pictures selected by Paramount in its sole discretion and made available to Licensee for DTO Distribution and/or VOD Distribution as part of and pursuant to the terms of the Service.

5.2 Availability Date and License Period. The date on which Paramount first makes each Included Picture available for Licensee to offer on the Service ("**Availability Date**") and the period during which Paramount permits Licensee to offer each Included Picture for DTO Distribution and/or VOD Distribution on the Service ("**License Period**") will be determined as follows:

5.2.1 DTO Pictures. The Availability Date for each Included DTO Picture will be determined by Paramount in its sole discretion on a per-country basis, provided that the Availability Date will be no later than the earliest date on which Paramount generally makes such title available for local home video sell-through (i.e., for DVD purchase) in the Authorized Language in the applicable country of the Territory. The License Period for each Included DTO Picture will be determined by Paramount in its sole discretion.

5.2.2 VOD Pictures. The Availability Date for each Included VOD Picture will be determined by Paramount in its sole discretion on a per-country basis, provided that for any Included VOD Picture which is a New Release Title the Availability Date will be no later than the earliest date on which Paramount generally makes such title available in the Authorized Language as a New Release Title to other VOD Distribution services by means of Internet Delivery, in the Resolution Format, for personal viewing use in the applicable country of the Territory. The License Period for each Included VOD Picture will be determined by Paramount in its sole discretion.

5.2.3 Generally. Notwithstanding the foregoing: (a) Paramount may make each Included Picture available for DTO Distribution and/or VOD Distribution by means of Internet Delivery, in the Resolution Format, for personal viewing use in the Territory at a time earlier than the Availability Date or for a period longer than the License Period (i) on a limited test basis or (ii) if Paramount receives more favorable economic terms, and/or better copy protection, DRM or other forms of security; and (b) in no event will the License Period for any Included Picture extend beyond the last day of the Term.

5.3 **Withdrawal of Included Pictures.**

5.3.1 Paramount may withdraw Included Pictures from the Service at any time due to: (a) notice of a third-party claim relating to an Included Picture, which Paramount reasonably deems to be of potential merit; (b) lack of or dispute regarding Necessary Rights; (c) an election by Paramount or its Affiliate to theatrically re-release or reissue an Included Picture or produce, develop or distribute a theatrical, direct-to-video or television remake or sequel thereof; (d) a Security Breach; (e) a violation or potential violation any Law; or (f) Paramount's determination, in good faith, that Licensee has breached any of the representations, warranties or other provisions of this Agreement. In the event Paramount seeks to withdraw Included Pictures, Paramount will provide written notice to Licensee. Upon receipt of such written notice from Paramount, Licensee shall cease to market, promote, sell or otherwise make available such Included Pictures on the Service as soon as reasonably possible, but in no event later than twenty four (24) hours after receipt of Paramount's notice. In addition to the above, the withdrawal of any Included Picture in accordance with this paragraph shall have the same effect and consequences as the termination of the License Period of such Included Picture (provided that the Licensee shall not be required to pay any unpaid Minimum Guarantees that become due during the period of withdrawal pursuant to subclause (f))

5.3.2 Licensee agrees that the withdrawal of any Included Picture pursuant to this Section 5.3 will not be deemed to be a breach of this Agreement by either party or subject either party to any liability whatsoever (except as otherwise provided herein with respect to Licensee in the event that Paramount elects to terminate in accordance with Section 14), and Licensee shall not be entitled to any rights or remedies as a result of such withdrawal, including without limitation any reduction in the Minimum Guarantee, as defined below (except as provided above in clause 5.3.1 in relation to unpaid Minimum Guarantees for a withdrawal pursuant to Section 5.3.1(f)). Notwithstanding the foregoing, withdrawal of any Included Picture pursuant to Section 5.3.1(f) does not amount to a waiver of Paramount' right to assert a breach of this Agreement by Licensee and terminate in accordance with Section 14. Licensee acknowledges that Paramount's right to withdraw any Included Picture pursuant to this paragraph is of a special and unique character which gives it a particular value and that Licensee's transmission or exhibition of such Included Picture after notice of withdrawal would cause Paramount irreparable injury and damage. Licensee therefore agrees that in addition to any other right or remedy available to Paramount, Paramount will be entitled to injunctive and other equitable relief against Licensee to prevent any such transmission or exhibition after notice of withdrawal. Resort by Paramount to equitable relief, however, will not be construed as a waiver by Paramount of any other rights or remedies Paramount may have against Licensee for damages or otherwise.

6. PRICES, FEES AND PAYMENT

6.1 Retail Prices. As between Licensee and Paramount, Licensee has the sole right to establish the Retail Price that Customers pay for each Customer Transaction. Licensee will not directly or indirectly charge any club fees, access fees, monthly service fees or similar fees for access to the Included Pictures, it being acknowledged that Licensee shall have the right to charge Customers only a single fee for each Customer Transaction for each Included Picture.

6.2 DTO License Fees. With respect to DTO Distribution, for each instance in which Licensee authorizes a Customer to download an Included Picture, Licensee shall pay to Paramount a “**DTO License Fee**” determined for each Included Picture in Paramount’s sole discretion. Licensee shall have sole discretion in determining the DTO retail price to the customer.

6.3 VOD License Fees.

6.3.1 New Release Pictures. For each Customer Transaction for an Included Picture that is a New Release Picture, Licensee will pay Paramount the percent listed below (the “**VOD Share**”) of the greater of (i) the actual VOD Retail Price of the Customer Transaction or (ii) a deemed price as set forth in Section 6.3.3. The VOD Share for New Release Pictures will be:

- (i) Seventy percent (70%) for New Release Pictures with an Availability Date prior to, on, or within twenty-nine (29) days after the Home Video Street Date for the Included VOD Picture;
- (ii) Sixty-five percent (65%) for New Release Pictures with an Availability Date between thirty (30) and eighty-nine (89) days after the Home Video Street Date for the Included VOD Picture; and
- (iii) Sixty percent (60%) for New Release Pictures with an Availability Date ninety (90) days or more after the Home Video Street Date for the Included VOD Picture.

6.3.2 Library Pictures. For each Customer Transaction for an Included Picture that is a Library Picture, Licensee will pay Paramount sixty percent (60%) of the greater of (i) the actual VOD Retail Price of the Customer Transaction or (ii) a deemed price as set forth in Section 6.3.3.

6.3.3 **VOD Deemed Prices.** The “VOD Deemed Prices” shall be as follows:

	Current Pictures	Library Pictures
United States	US\$3.99	US\$2.99
Canada	4.99 CAD	3.99 CAD
United Kingdom	2.99 GBP	1.99 GBP
Russia	150 Rubles	100 Rubles
Australia	3.99 AUD	2.99 AUD
France	TBD	TBD
Germany	TBD	TBD

6.3.4 **VOD Retail Price.** The “VOD Retail Price” for each Included Picture shall be the actual amount paid or payable by the Customer in consideration for the Customer’s right to receive the download of the Included Picture on a VOD Distribution basis, regardless of whether such amount is billed or collected by Licensee, less any sales or other taxes (including VAT, withholdings or other levies) incurred in connection with downloading any Included Picture.

6.4 **Minimum Guarantees.** Licensee will pay Paramount the following non-refundable, recoupable minimum guarantees (each a “Minimum Guarantee” and, collectively, the “Minimum Guarantees”):

6.4.1 With respect to VOD and DTO Distribution, Licensee shall pay to Paramount during each calendar year of the Term the applicable Minimum Guarantee for the applicable country of the Territory specified below.

6.4.2 With respect to each country of the Territory, the Minimum Guarantee for such country shall be a non-refundable advance recoupable solely against the aggregate VOD and DTO License Fees payable in such country during the applicable calendar year for all Included Pictures having their Availability Dates in such country in the applicable calendar year. For the avoidance of doubt, there

is no cross-collateralization of Minimum Guarantees against License Fes payable in different calendar years or different countries.

6.4.3 United Kingdom: With respect to the United Kingdom, the Minimum Guarantee for 2008 shall be Fifty Thousand (£50,000) Pounds Sterling, for 2009 the Minimum Guarantee shall be One Hundred and Fifty Thousand (£150,000) Pounds Sterling, and for 2010 the Minimum Guarantee shall be Two Hundred and Fifty Thousand (£250,000) Pounds Sterling.

6.4.4 With respect to the United Kingdom, the 2008 Minimum Guarantee shall be paid upon the date this Agreement is fully executed. The 2009 and 2010 Minimum Guarantees shall be paid in equal quarterly installments on January 1, April 1, July 1 and October 1 of the applicable calendar year.

6.4.5 With respect to the Option Territories, the Minimum Guarantee shall be as follows:

- (i) In the United States/Canada, the Minimum Guarantee for 2009 (subject to Paragraph 6.4.6 blow) shall be Three Hundred and Fifty Thousand (£350,000) Pounds Sterling, and for 2010, the Minimum Guarantee shall be Five Hundred and Twenty Five Thousand (£525,000) Pounds Sterling.
- (ii) In Russia, the Minimum Guarantee for 2009 (subject to Paragraph 6.4.6 blow) shall be Fifty Thousand (£50,000) Pounds Sterling, and for 2010, the Minimum Guarantee shall be Seventy Five Thousand (£75,000) Pounds Sterling.
- (iii) In Australia, the Minimum Guarantee for 2009 (subject to Paragraph 6.4.6 blow) shall be Fifty Thousand (£50,000) Pounds Sterling, and for 2010, the Minimum Guarantee shall be Seventy Five Thousand (£75,000) Pounds Sterling.
- (iv) In France, the Minimum Guarantee for 2009 (subject to Paragraph 6.4.6 blow) shall be One Hundred Thousand (£100,000) Pounds Sterling, and for 2010, the Minimum Guarantee shall be One Hundred and Fifty Thousand (£150,000) Pounds Sterling.
- (v) In Germany, the Minimum Guarantee for 2009 (subject to Paragraph 6.4.6 blow) shall be One Hundred Thousand (£100,000) Pounds Sterling, and for 2010, the Minimum Guarantee shall be One Hundred and Fifty Thousand (£150,000) Pounds Sterling.

6.4.6 With respect to each Option Territory, the Minimum Guarantee for 2009 shall be pro-rated based upon the commencement of the Term in such Option Territory. Solely for purposes of example, in the event the Term in France commences on April 1, 2009, the Minimum Guarantee for 2009 in France shall be Seventy-Five Thousand (£75,000) Pounds Sterling.

6.4.7 With respect to each Option Territory, the Minimum Guarantee for 2009 shall be paid upon the exercise of the option in accordance with Paragraph 3.2 and the Minimum Guarantee for 2010 shall be paid in quarterly installments (on January 1, April 1, July 1 and October 1). All Minimum Guarantees will be recoupable solely from VOD and DTO License Fees that arise from Customer Transactions that occur on or before December 31st of the applicable calendar year in such Option Territory and may not be recouped from any other year or any other Option Territory.

6.5 Payment of License Fees. With respect to each Included Picture, Licensee will remit all DTO License Fees and any VOD License Fees in excess of the Minimum Guarantee no later than thirty (30) days after the end of each calendar month in which the Customer Transactions for such Included Pictures occurred. Payments shall be made by wire transfer in accordance with the electronic remittance instructions in Exhibit F, or to such other account as Paramount may specify from time to time. All amounts payable to Paramount hereunder shall be paid in U.S. dollars, converted at the average spot rate set forth in the Wall Street Journal for the applicable month.

6.6 Late Payments. Any late payment will bear interest accruing from its due date at a rate equal to the lesser of 2% above the prime rate of interest (as announced by Bank of America at such time) per year and the maximum rate permitted by applicable law.

6.7 Risk. Licensee shall bear all collection risk as against Paramount, and shall pay all DTO License Fees and VOD License Fees due hereunder upon authorizing the Customer to download or Stream, as applicable, an Authorized Language version of an Included Picture, irrespective of whether the Customer actually receives or views the Included Picture, or whether Licensee has billed or collected payment for the transaction. Bad debt, bad credit and returns are the responsibility of Licensee.

6.8 Taxes. As between Paramount and Licensee, Licensee shall bear, and shall be responsible to collect and pay, any and all taxes, duties and customs of any kind, including, all income, receipts, ad valorem, sales, use, excise, purchase, value added, withholding or similar taxes (together with interest and penalties) ("Taxes"), levied or based upon or with respect to (or incurred in connection with) (a) the license granted to Licensee under this Agreement or (b) the sale and distribution of the Included Pictures to Customers by Licensee. All payments due to Paramount will be made in full without deduction of present or future taxes, and Licensee will bear without recoupment the amount of such taxes (except withholding and remittance taxes in accordance with the following). Notwithstanding the foregoing, Licensee will be entitled to deduct withholding taxes imposed on Licensee and required by law to be deducted by Licensee, only to the extent that the same are actually paid by Licensee with respect to the

applicable Included Pictures; provided that the parties shall cooperate in good faith and use reasonable efforts to minimize the withholding taxes due (including the submission by Paramount of the relevant tax form to the relevant tax authorities in the Territory, if applicable); provided further that as a condition of deducting such withholding taxes, Licensee shall deliver to Paramount, on a quarterly basis, tax certificates evidencing all withholding taxes actually paid by Licensee in connection with each of the Included Pictures. Licensee shall timely pay to Paramount any Taxes that are owed by Licensee as a result of entering into this Agreement and which are required to be collected from Licensee by Paramount under applicable Law. To the extent Licensee provides to Paramount a valid exemption certificate that relieves Paramount of the obligation to collect any Taxes, Paramount shall not collect the Taxes covered by such certificate.

7. SECURITY, ANTI-PIRACY AND FILTERING REQUIREMENTS

7.1 Generally. The security, DRM and copy protection used by Licensee, its Affiliates and/or subcontractors to protect the Included Pictures will be no less protective than the security, DRM and copy protection used to protect any third party content on the Service and in any event will be no less protective than as required elsewhere in this Section 7. Paramount reserves the right to approve or reject, in its sole discretion, any specifications relating to security, DRM and copy protection that are not set forth in this Agreement.

7.2 DRM, Security and Copy Protection. Licensee will at all times comply with the DRM, security and copy protection requirements set forth in Exhibit B.

7.3 Anti-Piracy Requirements. Licensee will at all times comply with the anti-piracy requirements set forth in Exhibit C.

7.4 Filtering Requirements. Licensee will employ secure geofiltering technology as approved by Paramount in writing for restricting downloading and streaming to the Territory. Licensee will at all times comply with the filtering requirements set forth in Exhibit G.

7.5 Security Breach. In the event that Licensee is aware of or otherwise receives a bona fide notice of any circumvention or failure of Licensee's secure storage, distribution, copy protection system or geofiltering technology that results or may result in the unauthorized availability of any Included Picture, Licensee will provide notice to Paramount within twenty four (24) hours describing in reasonable detail such Security Breach and Licensee's response thereto. Licensee will provide continuing reports to Paramount regarding its response to the Security Breach until it is cured. Upon the occurrence of any Security Breach, whether Paramount receives notice thereof from Licensee or any other source: (a) Paramount will have the right to withdraw availability of the Included Pictures from the Service in accordance with Section 5.3 and (b) Paramount will have the right to require Licensee to secure the Included Pictures in the physical control or possession of Licensee or any of its subcontractors by means specified by Paramount, including without limitation by disabling servers or network

components, installing additional physical security or physical return of Included Pictures to Paramount.

8. **MARKETING AND PROMOTION**

8.1 Shelf Space and Premium Placement and Positioning Guidelines. Licensee will follow the Shelf Space Guidelines set forth in Exhibit E.

8.2 Marketing and Promotion. Subject to the terms and conditions of this Agreement, Paramount hereby grants permission to Licensee to undertake the following activities in the Territory during the Term:

8.2.1 Rights. To reproduce, reformat for online display, market, promote, transmit, display and digitally make available for display the Promotional Materials for each Included Picture on the Service and in advertisements Licensee places outside the Service, solely for the purpose of advertising, promoting and publicizing such Included Picture's availability through the Service, and subject to the restrictions in Section 8.2.2 and other restrictions that Paramount may provide for specific Promotional Materials.

8.2.2 Restrictions. Licensee acknowledges that Licensee's right to use the names, images or likenesses of persons performing services in connection with the Included Picture pursuant to Section 8.2 is subject to various limitations and restrictions contained in contracts with third parties, and Licensee must comply with all instructions and restrictions furnished to Licensee by Paramount with respect to the use of Promotional Materials (including, without limitation, "paid-ad statements"). Promotional Materials must not be used so as to constitute an endorsement, express or implied, of any party, program, product or service, including the Service or Licensee (including, without limitation, by way of commercial tie in). Licensee may not, without Paramount's prior written approval, add to, subtract from or otherwise modify in any way any Promotional Materials furnished to Licensee by Paramount hereunder (including size, prominence and position of credits), whether or not such modifications are in conformity with the aforementioned instructions. Licensee will not exhibit or authorize others to exhibit any excerpts from the Included Pictures, other than Trailers furnished to Licensee by Paramount, unless specifically authorized by Paramount in writing. Licensee will not advertise, promote, publicize or otherwise announce an Included Picture or the exhibition of an Included Picture prior to the date that is thirty (30) days prior to the first of the month during which the Availability Date occurs. Licensee will not advertise, publicize, exploit or promote an Included Picture after the last day of such Included Picture's License Period. Licensee will not use the Included Pictures or Promotional Materials in any way that is derogatory to any Included Picture, any person connected with the production thereof or depicted therein, Paramount or its Affiliates, agents, representatives, and associates, or the literary material upon which any Included Picture is based. In no event shall the name, voice, likeness or performance of any character, person or other entity appearing in or connected with the

production of any Included Picture be used separately and apart from the advertising or promotion of the exhibition of such Included Picture by Licensee, and no such name, voice, likeness or performance shall be used by Licensee so as to constitute a commercial tie-in or any express or implied endorsement or testimonial with respect to any party, program, product or service. Licensee shall not use Paramount's name or logo or any Included Picture or any part of any Included Picture in such a way as to constitute a commercial tie-in or any express or implied endorsement or testimonial by Paramount with respect to any party, program, product or service, including Licensee and/or any service provided by Licensee. Licensee may not promote any Included Picture with any third party audiovisual content as part of a bundled offering (e.g., "Buy 'Failure to Launch' and 'The Family Stone'"), unless approved in writing by Paramount in its sole discretion.

8.3 Materials Furnished by Paramount. Upon Licensee's request and if readily available to Paramount, Paramount will make Promotional Materials for each Included Picture available to Licensee without cost to Licensee. In the event existing Trailers and existing stills of the Included Pictures are not readily available without cost to Paramount, Paramount may make copies of Trailers and stills available to Licensee at Licensee's cost upon request from Licensee. Licensee will return or destroy, at Paramount's option, all Promotional Materials for each Included Picture promptly following the last day of such Included Picture's License Period and at Paramount's written request, provide Paramount with a sworn statement confirming such destruction.

8.4 Ownership. If Licensee creates any marketing materials incorporating or derivative of the Promotional Materials ("**Creative Materials**") then such Creative Materials shall be created by Licensee as works-made-for-hire in favor Paramount under applicable copyright laws and Paramount shall be deemed to be the author and owner of all right, title and interest in and to such Licensee Creative Materials, including without limitation all copyrights therein and thereto (and all renewals and extensions thereof). If for any reason any Licensee Creative Materials are determined not to be a work-made-for-hire in favor of Paramount, Licensee hereby irrevocably assigns and transfers to Paramount all right, title and interest in and to such Licensee Creative Materials in perpetuity.

9. TRANSMISSION MATERIALS

9.1 Encoding. For each Included Picture, Paramount will provide Licensee with laboratory access to a high definition mezzanine encode in accordance with the specifications set forth in Exhibit D ("**Mezzanine Encode**") at a facility chosen by Paramount in its sole discretion ("**Encoding Facility**"). Licensee will be responsible for transcoding to the mutually-agreed encoding specification set forth in Exhibit D, at such Encoding Facility and from such Mezzanine Encode, each Included Picture for distribution on the Service as permitted herein, at Licensee's sole cost. Paramount or its Encoding Facility will retain possession of the Mezzanine Encode at all times. Paramount or its designee will have the right to review and approve Licensee's encodes at any time for quality assurance purposes. Upon completion of the transcoding,

Licensee will take delivery of such transcoded Included Pictures via secure FTP or such other secure method as mutually agreed between Licensee and Paramount. A Mezzanine Encode or any and all other digital files however recorded with respect to an Included Picture (whether provided by Paramount or Paramount's designee or created by Licensee) will be the sole property of Paramount, and Licensee will return or destroy, at Licensee's option, all such encodes or files in Licensee's possession or control for each Included Picture promptly following the last day of such title's License Period, and at Paramount's written request, in the event of destruction, provide Paramount with an officer's certificate confirming such destruction.

9.2 Ownership. Any versions of the Included Pictures created by Licensee in order to format, configure and prepare the Included Pictures for delivery to Customers in accordance with the terms of this Agreement shall be created by Licensee as works-made-for-hire in favor of Paramount under applicable copyright laws, and Paramount shall be deemed to be the author and owner of all right, title and interest in and to such versions, including without limitation all copyrights therein and thereto (and all renewals and extensions thereof). If for any reason any such version is determined not to be a work-made-for-hire in favor of Paramount, Licensee hereby irrevocably assigns and transfers to Paramount all right, title and interest in and to each such version in perpetuity. Licensee will not permit any lien, charge, pledge, mortgage or other encumbrance to attach to any Included Pictures or versions thereof or any rights to exploit the Included Pictures or versions thereof granted under this Agreement.

10. REPORTS AND AUDIT

10.1 Reports. Licensee shall report to Paramount in electronic Microsoft Excel format (email is acceptable), all sales data and related information for Included Pictures on the Service as set forth on Exhibit F and herein. Licensee shall include data on a cumulative basis, as well as for the period covered by the report (i.e., the week or day, as applicable). Licensee shall include usage data it receives from Customers in the weekly reporting. Licensee shall also provide any additional data, information and substantiating documentation as Paramount may reasonably request from time to time, which is either necessary to substantiate the foregoing or which Paramount requires in order to calculate and pay third party rights holders in connection with Included Pictures or other suppliers and licensors applicable to the Included Pictures. To the extent Licensee provides any additional reporting data to any other content provider, it will provide the same to Paramount. Reports sent to Paramount will be delivered within five (5) days after the end of each reporting period and shall be sent to Paramount Digital Entertainment, 5555 Melrose Avenue, Hollywood, CA 90038, Attn: Executive Vice President and General Manager (currently Alex Carloss, alex_carloss@paramount.com), with a copy to Paramount Digital Entertainment, 5555 Melrose Avenue, Hollywood, CA 90038, Attn: Vice President, Finance and Planning (currently Michael Pierce, michael_pierce@paramount.com), or at such other address or to such other persons as Paramount may designate.

10.2 Audit. During the Term and for a period of three (3) years thereafter (the "Audit Period"), Licensee shall maintain accurate records sufficient to verify the accuracy of

payments and information included in each report provided pursuant to Section 10.1. Paramount shall have the right upon at least thirty (30) days prior written request by Paramount, at its expense and no more than once per calendar year during the Term and for a period of three (3) years thereafter, to allow an independent certified public accountant selected by Paramount to examine and audit such records, to verify the correctness of the amounts paid under this Agreement and the information included in any License Fee report; provided, that Paramount shall not exercise such audit right more than once each calendar year. Notwithstanding the foregoing, if an audit is delayed as a result of Licensee not being available to be audited or because records required by Paramount that exist are not available to be examined, then the Audit Period will be tolled by the number of days of such delay. In the event that any such audit reveals an under reporting or underpayment to Paramount, then Licensee shall immediately pay to Paramount the incremental amount that should have been paid, together with interest calculated at the rate of one and one-half percent (1.5%) per month (or such lower rate as may be required by Law, if applicable), and if the reporting discrepancy is more than five percent (5%) of the License Fees due for any calendar month, then Licensee shall also reimburse Paramount for the out of pocket third party costs of the audit.

11. PARAMOUNT'S REPRESENTATIONS, WARRANTIES AND COVENANTS.
Paramount represents, warrants and covenants to Licensee as follows:

11.1 Paramount has the power and authority to enter into this Agreement and to perform its obligations hereunder.

11.2 The execution of this Agreement and performance of its obligations under this Agreement do not and shall not violate any other agreement to which Paramount is a party.

11.3 This Agreement constitutes the legal, valid and binding obligation of Paramount when executed and delivered.

11.4 Any and all activities Paramount undertakes in connection with this Agreement shall be performed in compliance with all applicable Laws.

11.5 Paramount has obtained or shall obtain and maintain during the Term all rights, licenses, consents and authorizations necessary to grant the rights licensed by it herein and perform its obligations as set forth in this Agreement including, without limitation, those required to grant the rights in Section 4.

11.6 Except with respect to the performing rights in music which are specifically covered by the immediately following paragraph, the Included Pictures and Promotional Materials and the exercise by Licensee of any rights or privileges granted herein in compliance with all terms and conditions contained in this Agreement will not infringe upon any rights of any third party including, without limitation, the trade name, trademark, copyright, literary or dramatic right or right of privacy of any party or constitute a libel or slander of any person or entity or contain any obscene or defamatory content.

11.7 As between Licensee and Paramount, Paramount shall be solely responsible for (a) procuring and maintaining during the Term all third party rights, licenses and clearances associated with Intellectual Property embodied in the Included Pictures excluding Public Performance Rights (as such term is defined in Section 12.13), required for distribution thereof to Customers as specifically contemplated herein including, without limitation, rights and licenses which inure or may inure to the benefit of composers, authors and publishers of music, master recording rights, ephemeral recording rights, moral rights, synchronization rights and any other applicable publishing rights appurtenant to the sound recordings and musical compositions embodied in the Included Pictures and (b) paying, and shall timely pay, to the applicable third party rights holders all publishing and mechanical royalties, clearance costs and any other costs and expenses related thereto.

12. LICENSEE'S REPRESENTATIONS, WARRANTIES AND COVENANTS.
Licensee represents, warrants and covenants to Paramount as follows:

12.1 Licensee has the power and authority to enter into this Agreement and to perform its obligations hereunder.

12.2 The execution of this Agreement and performance of its obligations under this Agreement do not and shall not violate any other agreement to which Licensee is a party.

12.3 This Agreement constitutes the legal, valid and binding obligation of Licensee when executed and delivered.

12.4 Any and all activities the Licensee undertakes in connection with this Agreement shall be performed in compliance with all applicable Laws.

12.5 Licensee has obtained or shall obtain full right and license to use all Intellectual Property used in the Service (other than the Intellectual Property provided to Licensee by Paramount), including software and patented equipment, methods and processes. Licensee will not use any Intellectual Property in the Service that Licensee knows or reasonably should know is unauthorized or infringes the rights of any third party.

12.6 Licensee has obtained or shall obtain all rights, licenses, consents and authorizations necessary to perform its obligations as set forth in this Agreement.

12.7 Licensee will ensure that the actions of its Affiliates, sublicensees and subcontractors comply with all the terms of this Agreement with respect to Included Pictures on the Service.

12.8 Licensee will maintain throughout the Term the necessary capacity, equipment and facilities for the operation of the Service.

12.9 Licensee will exhibit the Included Pictures without any delay, alteration, addition, deletion or editing of any portion thereof based upon first class industry standards.

12.10 Licensee will not impose any additional per channel charge on Customers in connection with the receipt of the Included Pictures nor shall Licensee offer to Customers any programming other than the Included Pictures in connection with or in consideration of the payment of the fee for the Included Pictures or in any manner which would indicate that such other programming is part of or connected with the Included Pictures.

12.11 Licensee will comply with all Laws applicable to its performance pursuant to this Agreement. Licensee has obtained, and will maintain in full force and effect during the Term, such national, federal, state, local and/or private authorizations as are necessary to transmit and exhibit the Included Pictures to Customers on a DTO Distribution or VOD Distribution basis as part of the Service in accordance with this Agreement.

12.12 Licensee will not use the Included Pictures, Promotional Materials or any portion thereof for any unlawful purpose or for any purpose not permitted under this Agreement.

12.13 As between Paramount and Licensee, Licensee shall be solely responsible for (a) procuring and maintaining during the Term all third party public performance rights and licenses associated with the Included Pictures required for the proper performance, distribution and transmission thereof to Customers as specifically contemplated herein including, without limitation, the rights and licenses which inure or may inure to the benefit of BMI, ASCAP or SESAC and any other performance rights appurtenant to the musical compositions and sound recordings embodied in licensed video content (collectively, the "**Public Performance Rights**") and (b) paying, and shall timely pay, to the applicable third party rights holders or BMI, ASCAP or SESAC all public performance royalties, clearance costs and any other costs and expenses related thereto.

13. INDEMNITY

13.1 Paramount shall at all times indemnify and hold harmless Licensee, and the officers, directors, employees, stockholders, attorneys and agents, against and from any and all claims, damages, liabilities, costs and expenses, including reasonable attorneys' fees and expert witness fees, herein collectively called "**Claims**," arising out of any breach by Paramount of any representation, warranty or other provision hereof.

13.2 Licensee shall at all times indemnify and hold harmless Paramount and its affiliates, and the officers, directors, employees, stockholders, attorneys, and agents and their respective successors, licensees and assigns, against and from any and all Claims arising out of: (i) the operation of the Service, or (ii) any breach or alleged breach by Licensee of any representation, warranty or other provision hereof.

13.3 If any claim for indemnification arises under this Section 13, then the party seeking indemnification ("**Indemnified Party**") will promptly notify ("**Indemnity Notification**") the party providing the indemnification ("**Indemnifying Party**") and will consult with and keep the Indemnifying Party fully informed with respect to the investigation, defense, compromise, settlement, resolution or other disposition of any such Claim; provided, however, that the failure promptly to provide any required Indemnity Notification shall not in any manner diminish an Indemnifying Party's

obligations under this Agreement, except to the extent that such failure materially prejudiced the Indemnifying Party.

13.4 The Indemnifying Party will be entitled to: (a) take control of the defense and investigation of such Claim; (b) employ and engage attorneys of its own choice to handle and defend the same at the Indemnifying Party's cost, risk and expense; provided, however, that the Indemnified Party will nevertheless retain the right to employ separate counsel and participate in the defense thereof at its sole expense (unless the Indemnifying Party shall have failed promptly to assume such defense, in which event such fees and expenses of counsel to the Indemnified Party will be paid by the Indemnifying Party as incurred); and (c) to settle, compromise, consent to the entry of any judgment on account of or otherwise seek to terminate any pending or threatened Claim, which settlement, compromise, consent or termination will be made only with the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld; provided, however, that Paramount may, whether as the Indemnifying or Indemnified Party, after reasonable consultation with Licensee, in its sole and absolute discretion and without the consent of Licensee, settle, compromise, consent to the entry of any judgment on account of or otherwise seek to terminate any pending or threatened Claim by or on behalf of any actor, director, musician, producer, artist or other party with which Paramount has or may have a talent relationship on such terms as are reasonable by the standards of the filmed entertainment industry with respect to similar claims.

14. TERMINATION

14.1 **Termination.** Either party shall have the right to terminate this Agreement upon the giving of written notice to the other in any of the following events:

14.1.1 The other commits a material breach of any non-monetary provision of this Agreement, unless such breach is cured prospectively within a period of thirty (30) business days following receipt of notice of such breach, or if not able to be so cured, then resolved to the other party's satisfaction; or

14.1.2 The other commits a material breach of any monetary provision of this Agreement, unless such breach is cured within five (5) business days following receipt of notice of such breach; or

14.1.3 If the other suspends payment to its creditors or generally is unable to pay its debts as and when they fall due or suffers the making of an administration order or has a receiver (including an administrative receiver) or manager appointed of the whole or any part of its assets or if any order is made or a resolution passed for its winding up (except for the purpose of amalgamation or reconstruction).

14.2 **Change of Control.** Paramount will have the unilateral right to terminate this Agreement upon written notice to Licensee in the event of a Terminable Change of Control (defined below) of Licensee, which termination will be effective upon Licensee's receipt of Paramount's notice. A "Terminable Change of Control" shall mean a change

of control which results in the controlling interest of Licensee being held by (a) a major studio or any affiliate thereof; (b) a party with which Paramount has a legitimate dispute or cause of action; and/or (c) a company that, in Paramount's reasonable business judgment, does not have sufficient capitalization to adequately sustain the Service as contemplated by this Agreement

14.3 Security Breach. Paramount will have the unilateral right to terminate this Agreement upon written notice to Licensee in the event of a Security Breach that remains uncured for more than forty-eight (48) hours after notice thereof.

14.4 Effects of Termination

14.4.1 Minimum Guarantees. In the event of the termination of this Agreement by Paramount, any and all Minimum Guarantees payable for the full Term shall be automatically accelerated and will become immediately due and payable.

14.4.2 Return of Materials. Upon any expiration or termination of this Agreement, Licensee will at its sole expense promptly return to Paramount or its designee(s) all Promotional Materials or other materials provided or owned by Paramount, return to Paramount or destroy (providing Paramount with a certificate of destruction) all Included Picture encodes or other copies of Included Pictures in the possession of Licensee and/or its Affiliates, and pay Paramount all License Fees accrued as of such expiration or termination, but in no event more than thirty (30) days after the effective date of such termination.

14.5 Survival. Sections 1, 2, 4.4, 6.5, 6.6, 6.7, 6.8, 8.4, 9.2, 10.2, 11, 12, 13, 14 and 15 shall survive any expiration or earlier termination of this Agreement.

15. MISCELLANEOUS PROVISIONS

15.1 Notices. All notices, accountings, statements, reports and other communications or documents to be given hereunder, and all approvals required to be given hereunder in writing, shall be sent by (a) personal delivery, by courier or otherwise, (b) certified or registered mail or (c) nationally recognized courier service (e.g., DHL, Federal Express), with all postage or delivery charges prepaid, and shall be addressed to the Parties at their addresses set forth below or to such other address(es) as may be furnished by written notice in the manner set forth herein. Notices shall be deemed to have been served when delivered or, if delivery is not performed as a result of the addressee's fault, when tendered.

If to Paramount: Paramount Digital Entertainment
5555 Melrose Avenue, DeMille 116
Hollywood, California 90038
Attn: Thomas Lesinski, President

Paramount Digital Entertainment
5555 Melrose Avenue, DeMille 106
Hollywood, California 90038
Attn: Ron Sufrin
Executive Vice President, Business Affairs

If to Licensee: 111PIX.COM
111 Wardour St,
London W1F 0UH,
United Kingdom
Attn: Alki David, Chairman

111PIX.COM
111 Wardour St,
London W1F 0UH,
United Kingdom
Attn: Gary Shoeield, Director of Programmes

15.2 Subcontractors. Licensee may not outsource or subcontract any of its rights and obligations under this Agreement to a third party unless specifically approved by Paramount in writing in its sole discretion. In the event Paramount permits Licensee to outsource or subcontract any of its rights or obligations to a third party: (a) Licensee shall be responsible for compliance by such contractor with the terms and conditions of this Agreement to the same extent as Licensee itself, (b) any act or omission of the contractor shall constitute an act or omission of Licensee and (c) the contractor shall agree in writing that it is subject to the terms and conditions of this Agreement and that Paramount shall have a right of action against the contractor to the same extent as Licensee itself.

15.3 Assignment. Licensee may assign this Agreement to an Affiliate or as a result of a permitted Change of Control, provided that under no circumstances shall Licensee be permitted to assign or sublicense this Agreement without Paramount's prior written consent, in its sole discretion, to any of the following: (a) a major studio or any affiliate thereof; (b) a party with which Paramount has a legitimate dispute or cause of action; and/or (c) a company that, in Paramount's reasonable business judgment, does not have sufficient capitalization to adequately sustain the Service as contemplated by this Agreement. Except as expressly provided in the foregoing sentence, Licensee is prohibited from assigning or sublicensing this Agreement or any rights or obligations hereunder whether voluntarily or by operation of law, and any such assignment or sublicense by Licensee will constitute a material breach of this Agreement giving Paramount a right at its option to terminate immediately upon written notice. Paramount reserves the right to assign its rights or obligations hereunder, in whole or in part, to anyone. For the purposes of this Agreement, "assignment" will be deemed to include without limitation any transfer of this Agreement or any rights hereunder resulting from a merger, consolidation, takeover, sale of majority shareholder interest, sale of assets or reorganization. In the event of a permitted assignment by either party as described above,

then the transferee shall assume in writing all of the transferor's obligations so transferred and the transferor shall remain primarily liable for all of the transferee's obligations so transferred.

15.4 Remedies. It is mutually agreed that Licensee's performance to Paramount of all covenants hereunder are special, unique and of a particular character giving them a peculiar value, the breach of which will cause Paramount irreparable injury which cannot be adequately compensated in damages in an action at law. Paramount will be entitled as a matter of right without further notice to seek injunctive and other equitable relief to prevent the violation of any of the terms and conditions of this Agreement. No remedy conferred on Paramount by any of the specific provisions of this Agreement is intended to be exclusive of any other remedy which is otherwise available to Paramount at law, in equity, by statute or otherwise, and except as otherwise expressly provided for herein, each and every other remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or thereafter existing at law, in equity, by statute or otherwise. The election of any one or more of such remedies by Paramount will not constitute a waiver by Paramount of the right to pursue any other available remedies. Licensee will be limited to the remedies specifically enumerated in this Agreement.

15.5 Confidentiality. Each of Paramount and Licensee hereby covenant and agree that, except as may be required by law or pursuant to subpoena or order of any judicial, legislative, executive, regulatory or administrative body, or as part of its normal reporting or review procedure to its partners, its current and prospective shareholders, its divisions, its corporate affiliates and its financial advisors, participants, licensors, auditors and attorneys (provided that any and all such parties will agree to be bound by the provisions of this paragraph), neither it nor any of its officers, directors, employees, or agents shall, directly or indirectly, disclose to any third party any of the terms of this Agreement including, but not limited to, the License Fees and all other financial terms, and all other terms and conditions of this Agreement.

15.6 Publicity. Each of Paramount and Licensee covenant and agree that neither it nor any of its officers, directors, employees or agents will make any public statement, press release or announcement with respect to (a) the existence of this Agreement and/or (b) the terms of this Agreement including, but not limited to, the License Fees and all other financial terms, and all other terms and conditions of this Agreement, unless (i) the substance and form of the statement, release or announcement are agreeable to Paramount and Licensee and (ii) the Parties agree that such statement, release or announcement shall be made. If Licensee issues any statement, release or announcement prior to or regarding the commercial launch of any video content on the Service, Licensee will include therein a specific reference to Paramount, the substance of which will be determined in accordance with the procedures set forth in this paragraph.

15.7 Waiver. No course of dealing between Paramount and Licensee will operate as a waiver of any of Paramount's or Licensee's rights under this Agreement. No delay or omission on the part of Paramount or Licensee in enforcing or requiring the performance of an obligation or covenant or other undertaking of the other Party under this Agreement will operate as a waiver of such right or any other right hereunder. The breach of any

provision of this Agreement will not be waived or deemed waived by the non-breaching Party unless such waiver is in writing and signed by such non-breaching Party. The waiver by the non-breaching Party of any one breach shall not be and shall not be deemed to be a waiver by the non-breaching Party of any other breach of the same or any other provision of this Agreement.

15.8 No Third Party Beneficiaries. This Agreement is entered into for the express benefit of the parties hereto, their successors and permitted assigns and is not intended, and shall not be deemed, to create in any other natural person, corporation, partnership, joint venture, association, trust, governmental agency and/or other entity whatsoever, any rights or interest whatsoever, including, without limitation, any right to enforce the terms hereof. The relationship between Paramount and Licensee hereunder is only that of licensor and licensee, respectively, and this Agreement shall not, and shall not be deemed to, create or be construed to create a joint venture or partnership between the parties hereto.

15.9 Governing Law. This Agreement will be interpreted and construed and governed by the laws of the State of California applicable to agreements entered into and wholly performed therein, without regard to conflict of laws. Any legal proceeding arising out of or relating to this Agreement or its alleged breach will be brought in the Federal District Court for the Central District of California, or in the event that such court lacks jurisdiction, in the Superior Court for the County of Los Angeles, State of California, to the exclusion of any other forum, and the Parties hereby expressly agree and submit to the exclusive jurisdiction of the aforesaid courts.

15.10 Headings. The headings contained in this Agreement are for convenience and reference only, do not form a substantive part of this Agreement, and in no way modify, interpret or construe the intentions of the Parties. No provision of this Agreement will be interpreted for or against any Party because that Party or its legal representative drafted such provision.

15.11 Entire Agreement. This Agreement (including all schedules and exhibits attached hereto, which are incorporated herein by reference) constitutes the entire agreement between the Parties and all prior understandings are merged herein.

15.12 Amendments. This Agreement may not be changed, modified, amended or supplemented, except in writing signed by both Parties.

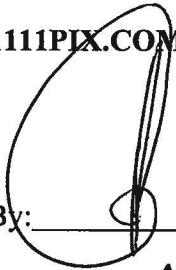
15.13 Severability. If any term or provision of this Agreement is found to be void or contrary to law, such term or provision shall, but only to the extent necessary to bring this Agreement within the requirements of law, be deemed to be severable from the other terms and provisions of this Agreement, and the remainder of this Agreement shall be given effect as if the Parties had not included the severed term herein.

15.14 Signatures. This Agreement may be signed in counterparts. Facsimile signatures will have the same binding effect as originals.

15.15 Not Effective Until Execution. This Agreement will have no force or effect, and nothing in this Agreement will be binding upon Paramount or Licensee, unless and until such time, if any, as this Agreement has been executed by an authorized signatories of Paramount and Licensee and has been delivered by Paramount to Licensee.

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

1111PIX.COM LTD

By: 

Name: ALKI DAVID

Title: CHAIRMAN

PARAMOUNT DIGITAL ^{International}
ENTERTAINMENT, a division of Paramount
~~Pictures Corporation~~ Viacom Global (Netherlands) B1

By: 

Name: S. Bisesser
Dir. of Accounting

Title: 25 SEP. 2008

EXHIBIT A DEFINITIONS

1. **“Access Period”** means, with respect to each Order of an Included Picture, the time period commencing on the day that a Customer first receives the Key for such Included Picture and ending on the earlier of (a) up to thirty (30) days after such day, (b) the end of the Viewing Period and (c) the expiration of the License Period for such Included Picture.
2. **“Affiliate”** means any party that controls, is controlled by (directly or indirectly) or is under common control with a Party.
3. **“Agreement”** means this Download-to-Own and Video-on-Demand License Agreement.
4. **“Authorized Device”** means (a) PC that: (i) supports the DRM, (ii) is capable of accessing the Service and downloading an Included Picture, and (iii) that Licensee has granted a playback license pursuant to its DTO Distribution or VOD Distribution rights hereunder, such PC may also be capable of side-loading the Included Picture to a DRM capable Mobile Phone, or (b) a set-top-box (“STB”) that supports the DRM and is approved by Paramount for use in connection with the Service or a PC that: (i) support the DRM, (ii) is capable of accessing the Service and Streaming an Included Picture, and (v) that Licensee has granted a playback license pursuant to its DTO Distribution or VOD Distribution rights hereunder.
5. **“Authorized Language”** means English or, if the original language version of an Included Picture is not English, English dubbed or the original language version subtitled in English, as determined by Paramount in its sole discretion. Additionally, foreign language tracks shall be provided in the applicable Territories, dubbed or subtitled, as available.
6. **“Authorized Network”** means the Internet.
7. **“Availability Date”** has the meaning specified in Section 5.1 of this Agreement.
8. **“Basic Television Services”** means a single schedule of programming that is delivered together with other program services solely within the Territory for non-interactive viewing on a television set or other viewing device simultaneously with such delivery, and in respect of which a periodic subscription fee is charged to the subscriber for the privilege of receiving such program service together with other program services, other than Premium Pay Television Services. Basic Television Service does not include any system-optional Premium Pay Television Service (i.e., any Premium Pay Television Service for which a system operator would ordinarily charge a separate fee in addition to the obligatory subscription charge, but which may, in a given system, be included in the obligatory subscription charge), but does include so-called “extended basic” services.
9. **“Change of Control”** means any of the following: (a) a merger, reorganization or consolidation in which Licensee is not the surviving entity, except for a transaction the principal purpose of which is to change the state in which the Licensee is incorporated; (b) the sale, transfer or other disposition of all or substantially all of the assets of Licensee (including the capital stock of any subsidiary corporations); (c) the complete liquidation or dissolution of Licensee; (d) any reverse merger in which Licensee is the surviving entity but in which securities

possessing more than fifty percent (50%) of the total combined voting power of Licensee's outstanding securities are transferred to a person or persons materially different from those who held such securities immediately prior to such merger; or (e) the acquisition by any person or related group of persons of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of Licensee's outstanding securities.

10. **"Customer"** means a person who: (i) has purchased, installed and registered an Authorized Device in the Territory; (ii) has a credit card billing address within the Territory; (iii) is identified by Licensee's geofiltering technology as being located within the Territory when such person receives a transmission of an Included Picture; (iv) renders payment to Licensee in order to view an Included Picture; and (v) has agreed to accept all of the respective terms and conditions of receiving a temporary or permanent copy of an Included Picture, as set forth in the Terms of Use.

11. **"Customer Transaction"** means each transaction whereby a Customer Orders and is authorized to download a single Included DTO Picture or Included VOD Picture from the Service for viewing on an Authorized Device with a valid license Key, regardless of whether Licensee has received full payment for such Customer Transaction and regardless of whether a Customer actually views the Included Picture.

12. **"DRM License"** means a license issued under the terms of the DRM permitting Included Pictures to be viewed on an Authorized Device.

13. **"DRM"** means Windows Media Digital Rights Management software and DRM technology that meets the requirements as set forth in Section 7 and Exhibit B.

14. **"DTO Distribution"** means a Customer Transaction whereby a separate, discrete fee is charged for authorization to download and retain Permanent Copies of an Included Picture on up to four (4) Authorized Devices for viewing at times chosen by the Customer in the Customer's sole discretion and whereby such Customer can, if and when permitted by Licensee, (a) de-authorize the Authorized Device and authorize a new replacement Authorized Device and (b) begin viewing the program on a Progressive Download basis. DTO Distribution does not include Streaming, services offering programming on a subscription basis (i.e., the transmission of a program or programs to viewers for a monthly or other periodically charged fee, as opposed to a per-download charge), services offering programming on a "pay for what you watch" basis (i.e., allowing a user to download a given file for free, and pay for it only when the user views the program), Home Video, Pay-Per-View, Premium Pay Television Services, IPTV, Basic Television Services or Free Broadcast Television.

15. **"DTO License Fees"** means the license fees set forth in Section 6.2 of the Agreement.

16. **"Free Broadcast Television"** means any over-the-air television signal originating in the Territory that is transmitted by analog terrestrial (i.e., VHF or UHF) or digital terrestrial means and which can be intelligibly received by a standard or digital television antenna without any other device solely within the Territory (and not outside the Territory, except for de minimis leakage of the signal) for simultaneous, real-time viewing on a conventional television set, without payment of any fees or charges (other than compulsory fees charged by a government or

governmental agency assessed on those who use television sets) and for which the broadcaster thereof receives no fees or payments, directly or indirectly, from the viewers thereof.

17. **“Home Video”** means the delivery of a program or programs to consumers by means of a video cassette, video disc or any other physical device now known or hereafter invented that contains a copy of such program or programs and that has been purchased or rented from a retail outlet (as opposed to the delivery of programs to consumers by means of, for example, wire, cable, fiber optics, wireless, Internet or telecommunication systems), whereby such program or programs are displayed on a television or other viewing device, with such physical device located in the immediate presence of the viewer.

18. **“Home Video Street Date”** means the date on which a title is initially made available to the general public in the Territory for sell-through on Home Video.

19. **“Included Pictures”** means Included DTO Pictures and/or Included VOD Pictures.

20. **“Included DTO Pictures”** shall consist of, with respect to each country of the Territory, Authorized Language versions of New Release Pictures and Library Pictures having an Availability Date during the Term and that Paramount in its sole discretion generally makes available for DTO Distribution delivered by means of the Internet in Standard Definition in the Authorized Language in such country of the Territory. Notwithstanding the foregoing, (i) Paramount reserves the right in its sole discretion to make any New Release Picture or Library Picture available to any third party on an exclusive basis, provided that such titles are selected on a title-by-title basis for one-off promotions..

21. **“Included VOD Pictures”** shall consist of, with respect to each country of the Territory, Authorized Language versions of New Release Pictures and Library Pictures having an Availability Date during the Term and that Paramount in its sole discretion generally makes available for VOD Distribution delivered by means of the Internet in Standard Definition in the Authorized Language in such country in the Territory. Notwithstanding the foregoing, (i) Paramount reserves the right in its sole discretion to make any New Release Picture or Library Picture available to any third party on an exclusive basis, provided that such titles are selected on a title-by-title basis for one-off promotions.

22. **“Internet Delivery”** means the delivery over a global network of interconnected networks (including, for clarity, the network commonly known as Internet2), each using technology which is currently known as Internet Protocol, including, without limitation, traditional and TCP/IP protocols (“IP”), and which is used to transmit content that is directly or indirectly delivered to any IP-enabled hardware or software device or component, including, without limitation, a computer, or similar digital or analog device, online browsers, set-top box, game console, commercial online services, offline browsers (a browser that allows users to access a site without requiring an online connection) or through broadband distribution (bandwidth greater than 56kb/second), satellite, cable, wireless (excluding any over-the-air cellular network) or otherwise.

23. **“Intellectual Property”** means statutory and common law rights in the Territory associated with (a) patents and patent applications, (b) works of authorship, including copyrights,

copyright applications, copyright registrations and “moral rights,” (c) the protection of trade and industrial secrets and confidential information, (d) trademark and trade name rights and similar rights and (e) divisions, continuations, renewals and re-issuances of any of the foregoing, now existing or acquired in the future.

24. “**Key**” means the digital code delivered by Licensee to a Customer with respect to an Included VOD Picture Ordered on the Service that enables and authorizes the Customer to intelligibly view such Included Picture, and prevents those who are not authorized from intelligibly viewing such Included Picture.

25. “**Laws**” means any statute, law, regulation, ordinance, rule, judgment, order, decree, permit, concession, grant, franchise, license, agreement, directive, guideline, policy or rule of common law, or any governmental requirement or other governmental restriction or similar form of decision or determination, or any interpretation or administration of any of the foregoing by any national, state or local government (or any association, organization or institution of which any of the foregoing is a member, or to whose jurisdiction any thereof is subject, or in whose activities any thereof is a participant), whether now or hereafter in effect.

26. “**License Period**” has the meaning specified in Section 5.1 of this Agreement.

27. “**Library Pictures**” means each feature-length motion picture for which Paramount unilaterally controls the necessary rights, and which is not a New Release Picture or Restricted Picture.

28. “**Licensed Rights**” means the restricted rights granted by Paramount to Licensee in Section 4 of this Agreement.

29. “**License Fees**” means DTO License Fees and/or VOD License Fees.

30. “**Major Studio**” means each of Sony Pictures Entertainment Inc., Fox, Universal Studios, Inc., The Walt Disney Company and Warner Bros. Entertainment Inc.

31. “**Mobile Phone**” means a cellular or mobile phone that complies with Paramount’s approved technical and security specifications for viewing Included Pictures on such phone.

32. “**New Release Pictures**” means each feature-length motion picture for which Paramount unilaterally controls the necessary rights, and which: (a) if made available for DTO Distribution, is included by Paramount in the new release DVD price tier in the applicable country within the Territory; (b) if made available for VOD Distribution, has not previously been authorized for exhibition on free or pay television in the applicable country within the Territory (for the sake of clarity, “non-theatrical exhibition” may occur at any time and “home video exhibition” may occur prior to the Availability Date for VOD Distribution, and in no event shall any such exhibition(s) be interpreted to remove such program from the definition of New Release Picture); and (c) is not a Restricted Picture.

33. “**Order**” or “**Ordered**” means the order that is placed by a Customer when it first requests the right to download an Included DTO Picture or Included VOD Picture.

34. **“Party”** or **“Parties”** means Licensee and/or Paramount.

35. **“Pay-Per-View”** means the transmission of a program or programs pursuant to which a viewer is charged a separate, discrete charge (such as a per program) for the privilege of viewing such programming (as opposed to a monthly or other periodic subscription fee or charge based on the reception of all programming exhibited on a given channel or service) on a television set or other viewing device, at a time pre-established by the service provider, which is intended for viewing simultaneously with the delivery of such programming.

36. **“Permanent Copy”** means any audiovisual duplication of an Included Picture that has been Ordered by a Customer, the creation of which is authorized by Licensee to permit such Customer unlimited future retrieval and viewing of the program on an Authorized Device without the exchange of additional consideration for such unlimited future retrieval or viewing.

37. **“Premium Pay Television Services”** means a schedule of programming that is provided by a television delivery system (or a supplier to a television delivery system for provision) to subscribers located solely within the Territory for viewing on a television set or other viewing device simultaneously with the delivery of such programming, and for which the subscriber is charged a separately allocable or identifiable premium fee for the privilege of viewing such service in addition to any charges for Basic Television Services or other similar services. Premium Pay Television Services includes any “on demand” mode of exhibition whereby a subscriber to a monthly Premium Pay Television Service may elect to view, at a time or times of such subscriber’s choosing, a program under license to such Premium Pay Television Service.

38. **“Promotional Materials”** means the Trailers, logos, publicity images, and other publicity materials supplied by Paramount to Licensee.

39. **“Progressive Download”** means the transmission of a program via Internet Delivery to a device that allows users to begin viewing the program while it is still downloading the program and saving it to a file on the device.

40. **“Public Performance Rights”** has the meaning set forth in Section 12.13.

41. **“Restricted Picture”** means any motion picture (a) bearing the logo and/or releasing credit of DreamWorks and/or DreamWorks Animation, and/or (b) which requires Paramount to obtain third party approval prior to licensing hereunder.

42. **“Retail Price”** means the price payable by each Customer for each Customer Transaction less VAT or other sales taxes.

43. **“Security Breach”** means a circumvention or failure of Licensee’s secure storage, distribution, copy protection system or geofiltering technology that results or may result in the unauthorized availability of any Included Picture, which unauthorized availability may, in the reasonable good faith judgment of Paramount, result in actual or threatened harm to Paramount.

44. **“Standard Definition”** means a video transmission with 480 horizontal lines of resolution.

45. **“Stream” or “Streaming”** means the transmission of a program via Internet Delivery to a device for viewing simultaneously with the delivery of such programming, storing portions of the program in a temporary “buffer” as it is being viewed instead of saving the program to a file on the device.

46. **“Subscription Video-on-Demand”** means the transmission of a program or programs to viewers on a monthly or other periodically charged fixed-fee subscription basis, which fee is payable for the privilege of viewing such programming on a television set or other viewing device at a time selected by the viewer in the viewer’s discretion (i.e., the viewer can independently, and in the viewer’s sole discretion, select his or her desired viewing time within a specified time period without reference to a list of possible viewing times pre-established by the operator of the applicable service), which is intended for viewing simultaneously with the delivery of such programming or at a later time; provided, however, that any transmission of a program on a DTO Distribution basis does not constitute Subscription Video-on-Demand. Subscription Video-on-Demand does not include Home Video, Pay-Per-View, Premium Pay Television Services, Basic Television Services or Free Broadcast Television.

47. **“Term”** means the term of this Agreement as specified in Section 3.

48. **“Terms of Use”** shall have the meaning set forth in Section 4.3.9.

49. **“Territory”** means the United States its territories and possessions, Canada, the United Kingdom, France, Germany, Russia, and Australia.

50. **“Trailer”** means a program containing excerpts from an Included Picture, the aggregate length of which does not exceed two (2) minutes, that has been expressly provided by Paramount to Licensee for promotion of the Included Picture.

51. **“VCR Functionality”** has the meaning specified in Section 4.1.3 of the Agreement.

52. **“Viewing Period”** means, with respect to each Customer Transaction for an Included VOD Picture, the time period (a) commencing at the time a Customer is initially technically enabled to view such Included VOD Picture by either (i) using the Key and first “unlocking” such Included VOD Picture or (ii) initiating Steaming of the Included VOD Picture, and (b) ending on the earlier of (i) twenty-four (24) hours thereafter (unless otherwise expressly approved in writing by Paramount), (ii) thirty (30) days after the commencement of the Access Period for such Included VOD Picture (unless otherwise expressly approved in writing by Paramount), and (C) the expiration of the License Period for such Included VOD Picture.

53. **“Viral Distribution”** means the copying and/or retransmission of any Included Picture, either by Licensee or by a Customer, via: (a) peer-to-peer file sharing (also referred to as super distribution) as such practice is commonly understood in the online context, or (b) distribution of copies of the Included Picture on any removable medium from a Customer to another person, or vice versa.

54. **“VOD Distribution”** means a Customer Transaction whereby a Customer is charged a separate, discrete fee for authorization to download or Steam and view at any time chosen by the Customer in the Customer’s sole discretion during the applicable Viewing Period on an

Authorized Device and which may include the ability for the Customer to begin viewing the program on a Progressive Download basis. VOD Distribution does not include services offering programming on a “pay for what you watch” basis (i.e., allowing a user to download a given file for free, and pay for it only when the user views the program), Subscription Video-on-Demand, DTO Distribution, Home Video, Pay-Per-View, Premium Pay Television Services, Basic Television Services or Free Broadcast Television.

55. “VOD License Fees” means the license fees set forth in Section 6.2 of the Agreement.

EXHIBIT B
DRM, SECURITY AND COPY PROTECTION REQUIREMENTS

Included Pictures shall be encoded with the DRM and sold with a corresponding DRM license.

DRM REQUIREMENTS:

- The OMA 2.0 DRM implementation shall fully comply with the then current Content Management License Administrator (CMLA), LLC, Service Provider Agreement, Client Adopter Agreement, including but not limited to Exhibit A - Client Adopter Compliance Rules and Exhibit B - Client Robustness Rules..
- Licensee shall implement within its systems the capability to detect the version of the DRM on the user's Authorized Device and, if not the latest version of the software, force a software upgrade and re-individualization.
- The DRM MinimumSecurityLevel and MinimumClientSDKSecurity for the WMDRM and the equivalent setting for other DRMs must be always set at the highest allowable value in all issued DRM licenses.
- All Included Pictures shall be encrypted by Licensee for the entire transmission of said content from Licensee's transmission point of origin to an Authorized Device.
- The encryption utilized by Licensee must, at a minimum: (a) use standard, time-tested cryptographic protocols and algorithms; (b) apply encryption to the entirety of the audio and video data Using an AES (Advanced Encryption Standard) at a 128-bit or greater key strength; (c) transmit decryption key(s) separately and protected by encryption to the Authorized Device (although said transmission may be simultaneous with the transmission of the content); (d) employ a session-based cryptographic methodology such that each key used to protect a piece of content is different for each user authorized to view that content; or a cryptographic methodology such that each unique piece of content is encrypted once, with all Customers viewing that piece of content receiving the same decryption key(s); and (e) never re-use content encryption keys. The foregoing encryption requirements are subject to change in Paramount's sole discretion after written notice to Licensee.
- In addition to the foregoing DRM requirements, Licensee shall use commercially reasonable means to develop, maintain, upgrade and implement technology that will prevent a person's ability to breach Licensee's content protection and Licensee's DRM Solution, including the unauthorized copying, downloading or transmitting of Included Pictures.

GEOFILTERING:

- Licensee shall employ geofiltering or equivalent technology by a provider to be approved by Paramount in its sole discretion (MaxMind GeoIP is deemed approved) to prevent the delivery and/or transmission of the Included Picture and/or associated license Keys outside of the Territory, using algorithms to geo-target each Customer visiting the Service by identifying such Customer's IP address and using other methods to determine the Customer's location.

USAGE RIGHTS SIGNALING AND OUTPUTS: No removal or stripping of any watermark or other embedded signaling technology used by Paramount is permitted. Within six (6) months of the Effective Date and continuing for the duration of the Term, Licensee will comply with the following requirements for usage rights signaling and output protection.

The DRM shall, at the election of Paramount and as specified by Paramount, pass on, generate and/or require the generation of usage rights signaling methods (e.g., CGMS-A, consensus watermarks, etc.) with respect to both digital and analog outputs.

- Licensee will implement CGMS-A and/or Macrovision protection on a title-by-title basis as requested by Paramount and will transmit/generate CGMS-A set at (1, 1) "Copy Never" and/or Macrovision on analog outputs in accordance with the following procedures:
 - Prior to issuing a DRM license for an Included Picture to any Authorized Device pursuant to this Agreement, Licensee will query the device to determine if it has a Certified Output Protection Protocol ("COPP") compliant driver installed.
 - If the COPP driver is present and the Included Picture is one for which Paramount has requested CGMS-A and/or Macrovision analog copy protection, Licensee will issue a DRM license with such inclusion rights enabled.
 - If the COPP driver is not present, Licensee will issue a DRM license without CGMS-A and/or Macrovision rights set.
- Licensee will implement HDCP protection on HDMI and DVI digital outputs in accordance with the following procedures:
 - Prior to issuing a playback license for an Included Picture to any PC Authorized Device pursuant to this Agreement, Licensee will query the device to determine if it has a DVI graphics card output and/or an HDMI graphics card output, and if both, which graphics card output is connected to the input device.
 - If the device has an HDMI graphics card output but not a DVI graphics card output, Licensee will issue a playback license with HDCP enabled.
 - If the device has a DVI graphics card output but not an HDMI graphics card output:
 - If either the DVI graphics card output or the input device is not compliant with the DDWG Digital Display Dual-EDID Implementation Guide, Revision 1.0, dated January 2001 ("EDID Revision 1.0") and/or does not

- support HDCP, then Licensee need not enable HDCP in its playback license.
 - If both the DVI graphics card output and the input device are compliant with EDID Revision 1.0 and/or does support HDCP, then through and including December 31, 2008, Licensee need not enable HDCP in its playback license; provided that effective as of January 1, 2009, Licensee will issue a playback license with HDCP enabled.
 - If the device has both an HDMI graphics card output and a DVI graphics card output:
 - If the HDMI graphics card output is connected to the input device, then Licensee will issue a playback license with HDCP enabled.
 - If the DVI graphics card output is connected to the input device:
 - If either the DVI graphics card output or the input device is not compliant with EDID Revision 1.0 and/or does not support HDCP, then Licensee need not enable HDCP in its playback license.
 - If both the DVI graphics card output and the input device are compliant with EDID Revision 1.0 and/or does support HDCP, then through and including December 31, 2008, Licensee need not enable HDCP in its playback license; provided that effective as of January 1, 2009, Licensee will issue a playback license with HDCP enabled.

AUDITING:

Any DRM or any content protection implementation (software and hardware to the extent that the hardware where rights are directly acquired or transferred from the original directly acquiring device), may be audited by a third party to determine conformance with these requirements and to identify potential vulnerabilities. This third party audit shall be performed by an independent third party generally recognized as an expert in cryptographic systems and shall include but not be limited to a verification of the application, combination, integration, and implementation of the standard, nonproprietary, time-tested cryptographic protocols and algorithms. Alternatively, if a recognized technology licensor or licensing authority implements a program of compliance testing, subject to the approval by Paramount of such program, such program shall satisfy the requirement for a third party audit. The specific audit process and end results must be reviewed and approved by Paramount. Any such third party auditor shall be required to enter into a confidentiality agreement on customary terms. If requested by Paramount, Licensee will complete an MPAA security audit with results satisfactory to Paramount.

COSTS OF DRM COMPLIANCE:

As between Paramount and Licensee, Licensee shall be responsible for all costs of acquisition, installation and/or activation of the hardware, software and/or technology in the Licensee or any sublicensee's equipment and security audit that is necessary to comply with these DRM, security and copy protection requirements, and Licensee shall be responsible for all other costs associated with including, activating and implementing these DRM & copy protection requirements.

EXHIBIT C
ANTI-PIRACY REQUIREMENTS

- **Support of Intellectual Property Protection:** Licensee agrees that protection of Intellectual Property is in the best interest of both Parties. Licensee acknowledges that illegal file-sharing unfairly competes with its ability to offer legitimate content services, adversely affects the networks of service providers and reduces available bandwidth access that would be used to support legitimate services.
- **Ensuring Terms of Use Prohibit Copyright Infringement:** Licensee's Terms of Use associated with the Service will prohibit its customers from engaging in infringement of copyright and other Intellectual Property rights, including but not limited to facilitating such infringements. Licensee's terms of use must permit the termination of service for such infringement activity.
- **Avoiding Association with Infringing Content on Websites, FTP Servers and Newsgroups:** Licensee shall take all necessary steps to avoid any association between itself and/or the Service with websites, file transfer protocol ("FTP") servers and/or newsgroups identified to it by Paramount or which Licensee itself identifies that contain pirated copies of content owned, licensed or distributed by Paramount and/or its Affiliates.
- **Advertisements:** Licensee agrees not to advertise on nor to accept advertising from: (1) Viral Distribution file-sharing applications or services that offer a significant amount of content that infringes, or substantially facilitate the infringement, of copyrights for content owned, licensed or distributed by Paramount and/or its Affiliates, or (2) providers of software or devices that unlawfully avoid or remove copy protection or digital rights management or access control technologies where such software or devices have been subject to court decisions holding that they violate applicable laws.
- **Litigation Cooperation:** Subject to restrictions imposed under United States and other applicable Laws, Licensee agrees to reasonably cooperate with Paramount in instances where Paramount chooses to pursue civil or criminal remedies available under United States or other applicable Laws against customers of Licensee who infringe Intellectual Property rights owned or controlled by Paramount and/or its Affiliates.
- **Cooperation in Anti-Piracy Campaigns:** Licensee will cooperate with Paramount, its Affiliates and/or their respective trade associations in anti-piracy campaigns directed at universities, corporations, or other entity clients that require and support large network infrastructures. Licensee will also cooperate in anti-piracy public relations/education campaigns directed at customers at large.
- **Review of Anti-Piracy Terms:** Licensee agrees to review and revise with Paramount the anti-piracy requirements contained in this Exhibit in the event of the emergence of relevant new technologies that enable either Party to more effectively combat the infringement of copyright or other Intellectual Property rights in respect of content obtained through the Service and/or relevant amendments to any Laws that impact on these anti piracy requirements.

EXHIBIT D
ENCODING SPECIFICATIONS

Paramount will provide its Encoding Facility with the following for each Included Picture:

1. Theatrical aspect ratio high definition master /2.0 audio.
2. 5.1 audio tracks matching the high definition master (if available).
3. Closed captions matching the high definition master (if available).

The Encoding Facility will create for Paramount a Mezzanine Encode in high bitrate MPEG 2 4:2:2. The Mezzanine encode will contain 2.0 audio standard, and may contain 5.1 audio if made available by Paramount in its sole discretion.

Licensee will be responsible for creating its own transcoded bitstreams of each Included Picture from the Mezzanine Encode for use on the Service in accordance with the following specifications, unless otherwise mutually agreed between the Parties:

EXHIBIT E
SHELF SPACE GUIDELINES

Licensee will ensure that Paramount receives inclusion in Licensee's marketing efforts comparable to any other supplier of content for the Service, and that Paramount and the Included Pictures are treated in a Non-Discriminatory Manner, as defined below, on the Service with respect to the following shelf space and marketing components:

- **Home Page.** The frequency of the appearance of Included Pictures on the home page for the Service.
- **Pre-promotion.** The duration of the period before the first Availability Date during which an Included Picture is promoted to Customers.
- **Frequency of Promotion.** The number of times an Included Picture is pre-promoted and promoted in all media.
- **Promotion.** The use of special marketing campaigns (premiums, sweepstakes, viral marketing, email blasts, etc.) to promote an Included Picture during its License Period.
- **Branded Storefront.** The availability of a branded storefront on the Service to showcase Included Pictures.
- **Delivery.** The speed (including the amount of bandwidth used) of delivering an Included Picture from the Service.
- **Functionality.** The number of steps needed to locate and order an Included Picture on the Service.
- **Search Functions.** The search methods offered to Customers on the Service to locate Included Pictures by categories and/or key words (e.g., new releases, most frequently selected titles, title, genre, cast, director, director of photography, producer, studio, *etc.*).
- **Categories.** The appearance of Included Pictures in lists of new releases or future titles, pull-down menus for genre categories, and other promotional categories (e.g., "holiday movies," "extreme action movies," *etc.*) as may occur from time to time.
- **Presentation.** The size and quality of text, images and trailers (if made available by Paramount) used to present an Included Picture on the Service, and the quality of the playback image of an Included Picture.

As used in this Exhibit E, Licensee will be deemed to have acted in a "Non-Discriminatory Manner" if Licensee allocates screen time, placement and space on the Service (including, but not limited to, equivalent frequency, size, and prominence of the title treatment, key art and other text or images identifying the Included Pictures) on a supplier-blind basis, or without regard to the identity of the supplier or the number of titles made available on the Service by such supplier. Licensee will be deemed to have failed to have acted in a Non-

Discriminatory Manner if it can be reasonably shown that the screen time, placement and space allocated to the Included Pictures is effectively less than Paramount's proportional annual, rolling share of domestic box office receipts among feature-length motion pictures available on the Service.

EXHIBIT F
DTO AND VOD PAYMENT AND REPORTING DATA REQUIREMENTS

Payments of License Fees and Minimum Guarantees shall be remitted electronically in accordance with the following instructions:

Licensors account details:

Paramount Digital Entertainment International
P.O. Box 59228
1040 KE Amsterdam
The Netherlands

VAT Number: NL815028507B01

Company Registration number (KVK): 33122106

Bank details:

JP Morgan Chase
125 London Wall
London EC2Y 5AJ
England
Swift/Bic: CHASGB2L
Sort Code: 60-92-42
A/C No.: 32689701
IBAN: GB61CHAS60924232689701

Paramount acknowledges that Licensee may not be able to provide daily and weekly reporting at the commencement of the Term, and until such time as Licensee is capable of daily and weekly reporting, all of the daily basis and weekly basis data below shall be provided on a monthly basis.

<u>Daily Basis</u> (via extranet)	<ol style="list-style-type: none">1. Total DTO buys for each Included Picture, by day and cumulative (year to date and inception to date).2. Total VOD buys for each Included Picture, by day and cumulative (year to date and inception to date).3. DTO License Fee and retail price for each Included Picture.4. VOD License Fee and retail price for each Included Picture.5. Total number of content files and playback rights delivered
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	<p>to Customers per Included Picture for DTO or VOD.</p> <p>6. Aggregate revenues payable to Paramount on a per Included Picture for DTO or VOD, by day and cumulative (year to date and inception to date).</p> <p>Required Fields: Start Date of Reporting Period End Date of reporting period Vendor Identifier Paramount Title Identifier Title Alpha Name (English) Sales (Number of Downloads, Licenses) Type of Sale (DTO, VOD) Paramount Royalty Price Consumer Retail Price Credit Flag (Sale or Return)</p> <p>Optional Fields: Vendor Store Name Vendor Identifier Zip Code Person ID</p>
<p><u>Weekly Basis</u> (via extranet)</p>	<p>1. Same information as provided daily, but with weekly data.</p>
<p><u>Monthly Basis</u> (via extranet & push report)</p>	<p>1. Same information as provided weekly, but with monthly data, and with the additional information below.</p> <p>2. Customers usage data (e.g., average number of playback rights required; technical problems reported, if any; Customer comments on the Service).</p> <p>3. Unrecouped balance (if any) on the Minimum Guarantee(s).</p> <p>4. Name, title, address, telephone number and e-mail of Licensee's finance contact.</p> <p>Additional Required Fields: Start Date of License End Date of License Extended Price (Sales * Royalty price) Country of Sale</p>

EXHIBIT G
FILTERING REQUIREMENTS

1. Protection of Third Party Intellectual Property Rights.

Licensee acknowledges and agrees that protection of third party intellectual property rights is in the best interest of Licensee, its licensors, and consumers. Licensee further acknowledges and agrees that the unauthorized use and distribution of protected works, illegal file-sharing and other forms of online infringement not only result in economic loss for the third party rights holders and diminish the value of the infringed work, but also unfairly compete with Licensee's ability to offer legitimate content services, adversely affect the networks of service providers and reduce available bandwidth access that could otherwise be used to support legitimate services. Without limiting the generality of the foregoing, Licensee shall promptly notify Paramount of any unauthorized use, misappropriation or infringement by any third party of which Licensee becomes aware of any of the rights granted to Licensee herein including, without limitation, Paramount's rights in and to the Included Pictures and Promotional Materials. Licensee shall take such reasonable steps, including amendments where necessary to its privacy policies, to enable the provision of such information to be made, where relevant, in accordance with applicable data protection rules. Licensee shall fully cooperate with any reasonable requests made by Paramount, at Paramount's expense, in connection with any action at law or in equity undertaken by Paramount with respect to such unauthorized use, misappropriation or infringement.

2. Content Filtering and Maintenance of Content Lists.

(a) Licensee shall at all times during the Term (i) monitor all digital download and streaming services offered by Licensee and its sublicensees, directly or indirectly, that are used to access, select, download, stream and/or use audiovisual content including, without limitation, the Included Pictures ("**Related Services**"); (ii) pre-screen in accordance with these provisions and applicable law all audiovisual content provided to Licensee from any source prior to display and distribution via any Related Services; and (iii) filter the end user search results generated by any search service offered by Licensee or its sublicensees for finding audiovisual content on Related Services ("**Search Services**") in a manner designed to ensure that no unauthorized or infringing audiovisual content is displayed, promoted, distributed or otherwise made available in connection therewith. If any unauthorized or infringing audiovisual content is discovered by Licensee or Licensee receives any bona fide notice thereof at any time during the Term, Licensee shall prevent access to such audiovisual content or the search results for such audiovisual content, as applicable, by deleting and/or otherwise removing the same from the Related Services and/or the Search Services within eight (8) hours after such discovery or Licensee's receipt of such notice.

(b) In order to comply with the foregoing obligations and without limiting any remedies or rights available to Paramount pursuant to this Agreement and at law and in equity, Licensee and its sublicensees shall, at a minimum and at their sole expense:

(i) maintain dedicated manpower and resources required to monitor the Related Services, pre-screen the audiovisual content made available on the Related Services and filter the search results generated by the Search Services to analyze whether:

(A) such audiovisual content made available on the Related Services infringe the Included Pictures or any part thereof; and

(B) the search results generated by the Search Services include links to any audiovisual content, that infringes the Included Pictures or any Paramount owned or controlled content or any part thereof including, without limitation, the implementation of effective filtering procedures for all user-generated, created and/or posted content for such purpose; and

(ii) design, implement and maintain audiovisual content filtering systems and procedures that include, at a minimum:

(A) the maintenance of a reasonably current list of hash values derived from a list of Paramount released and/or to be released (i.e., in production) titles designated by Paramount or its agent, for which Paramount has a reasonable basis to believe that the content is unlicensed, unauthorized or may be otherwise illegitimately available for general online distribution (the "**Paramount Content Black List**");

(B) the maintenance of a reasonably current list of hash values derived from third party content for which Licensee has received a bona fide notice from any third party copyright owner or authorized agent that such content is infringing (the "**Third Party Content Black List**"); and

(C) the maintenance of a list of frequently updated hash values of content that (I) is specifically licensed to Licensee for legal distribution via the Related Services or (II) Licensee has a reasonable basis to believe is licensed or otherwise legitimately authorized for general online distribution by service providers (the "**Content White List**") (the foregoing lists are collectively referred to herein as the "**Content Lists**"); and

(iii) use the Content Lists to effectively filter the results generated by any audiovisual content searches conducted by end users via the Related Services and/or the Search Services in a manner that prevents end users from accessing, using and/or otherwise viewing any audiovisual content and any search results therefor that correspond to titles included on the Paramount Content Black List and/or Third Party Content Black List. Paramount and the Licensee agree to work together in good faith to confirm the accuracy of the Content Lists.

(c) Without limiting any of Licensee's obligations contained in this Agreement and any remedies or rights available to Paramount pursuant to this Agreement and at law and in equity, Licensee shall consider all good faith input and suggestions from Paramount concerning the generation, availability and use of the Content Lists and the implementation of any additional content filtering systems and procedures employed by Licensee and how they may be more effectively used by Licensee to prevent piracy.