



Authorized Developer  
Avid DNxHD®

## **Avid DNxHD® Unified License Agreement**

### *Summary & Signature*

#### Parties.

The “Parties” to the Agreement are:

**Avid Technology, Inc.**, a Delaware corporation, having its principal place of business at 75 Network Drive, Burlington, Massachusetts 01803, US (“Avid”); and

Epic Games, Inc., a Maryland corporation, having its principal place of business at 620 Crossroads Blvd., Cary, NC 27518, US (“Licensee”).

#### Effective Date.

The “Effective Date” of the Agreement is March 1, 2019.

#### License Grant Selections:

The license grants selected (indicated by the initials of Licensee’s duly authorized representative), by section title and section number are:

- 2.1 Avid Binary Codec License.
- 2.2 Avid Source Code License.
- 2.3 Avid Confidential Information License.
- 2.4 Avid Applicable Patent Rights License.
- 2.5 Trademark License Grant.

#### Use Scope.

The selected scope of use for the license grants selected shall be as selected (indicated by the initials of Licensee’s duly authorized representative) below:

- 3.1 Developer (Internal Use). [Select Royalty option, below.]
  - (A) \$50,000/\$10,000 initial term/renewal term option
  - (B) \$40,000/\$10,000 initial term/renewal term discounted option
- 3.2 Developer (End Use Products). [Select Royalty option, below.]
  - (C) \$10/\$10 per copy option
  - (D) \$0.85/\$0.85 per month Subscription option
  - (E) \$80,000 year-to-year, paid-up option



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- 3.3 Service Provider (Shared Technology and Services)
- 3.4 Developer (Software or Hardware OEM).
- 3.5 Developer (Shared Technology and Services)

Maintenance.

If selected, the Maintenance Agreement attached hereto as Schedule B shall apply.

Avid and Licensee, intending to be bound by the Agreement of which this Summary is a part, have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

Avid Technology, Inc.

Licensee

Signature DocuSigned by:  
Melissa Whiteaker

Signature DocuSigned by:  
Joe Babcock

Name Melissa Whiteaker

Name Joe Babcock

Title Director, Global Procurement and

Title CEO

Date 1/8/2019

Date 1/8/2019

## Avid DNxHD® Unified License Agreement

In consideration of the promises and mutual covenants set forth herein, this Agreement including the Summary & Signature pages hereof is made by and between the Parties.

### **1. DEFINITIONS**

1.1. “Affiliates” means, with respect to any legally recognizable entity, any other such entity that controls, is controlled by or is under common control with such entity, only so long as such control exists. “Control” means (i) ownership of fifty (50%) or more of the outstanding shares representing the right to vote for members of the directors or other managing officers of such entity, or (ii) for an entity which does not have outstanding shares, fifty percent (50%) or more of the ownership interest representing the right to make decisions for such entity.

1.2. “Avid’s Applicable Patent Rights” means the Necessary Claims of the patents and patent applications set forth at [www.avid.com/DNxHD-patents](http://www.avid.com/DNxHD-patents), as updated from time to time by Avid.

1.3. “Avid Binary Codec” means any binary Avid DNxHD Codec made available by Avid to Licensee.

1.4. “Avid DNxHD Codec” means any codec, whether implemented in software or implemented in hardware, that produces and/or decodes an Avid DNxHD Compliant Bitstream.

1.5. “Avid DNxHD Compliant Video Bitstream” means a bitstream that includes only video essence that is compressed in a manner that is consistent, in all conventions, logical form, data constructs and signal performance, with Avid DNxHD video bitstreams produced by Avid systems having and Avid DNxHD Codec, together with associated metadata, and from which all video essence and metadata may be properly decoded and played by Avid systems in the normal course of editing and playback operations. Avid will endeavor to make information available about known compliant implementations through the Avid web site at <http://www.avid.com>.

1.6. “Avid DNxHD Compliant Media File” means a media file that includes only video essence that is compressed in a manner that is consistent, in all conventions, logical form, data constructs and signal performance, with Avid DNxHD media files produced by Avid systems having and Avid DNxHD Codec, together with associated metadata, and from which all video essence and metadata may be properly decoded and played by Avid systems in the normal course of editing and playback operations. Avid will endeavor to make information available about known compliant implementations through the Avid web site at <http://www.avid.com>.

1.7. “Avid DNxHR” means a high resolution variant of Avid DNxHD. References to Avid DNxHD herein shall include Avid DNxHR.

1.8. “Avid Codec Source Code” means source code solely for creating an Avid DNxHD Codec in a software object or in hardware, made available by Avid to Licensee.

1.9. “Avid Hardware Codec” means an Avid DNxHD Codec implementation in hardware.

1.10. “Avid Confidential Information” means the Avid Binary Codec and its associated documentation, and any ideas, concepts, know-how, processes, technical information or trade secrets embodied in the Avid Binary Codec and its associated documentation, the Avid Codec Source Code and its associated documentation, and any ideas, concepts, know-how, processes, technical information or trade secrets embodied in the Avid Source Code and its associated documentation, the

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1.12. "Avid DNxHD Trademark Usage Guidelines" means the usage guidelines set forth in C under the heading Avid DNxHD Trademark Usage Guidelines, as they may be updated by Avid from time to time by amendment to Schedule C.

1.13. "Avid Trademark Usage Guidelines" means the guidelines posted at [http://www.avid.com/static/resources/common/documents/Trademark\\_Usage\\_Guidelines.pdf](http://www.avid.com/static/resources/common/documents/Trademark_Usage_Guidelines.pdf), as that document may be updated by Avid from time to time, or by contacting Avid using the notice address provided in Section 11.1. The Avid Trademark Usage Guidelines as they are updated by Avid from time to time are an integral part of this Agreement. The Avid Trademark Usage Guidelines in effect at the Effective Date of this Agreement incorporated in Schedule C under the heading Avid Trademark Usage Guidelines.

1.14. "End User" means any person or entity which uses the Licensed Technology for its own personal or commercial use, whether alone or in combination with any other product, and not for resale.

1.15. "Intellectual Property Rights" means all proprietary rights, including, but not limited to, patents, copyrights, trademarks, trade secrets, know how, computer software source and object code, and technical documentation, and all exclusive rights thereunder.

1.16. "Internal Development" or "Internally Develop" by an entity means development by one or more employees of the entity within the scope of his or her employment, wherein each employee has a written employment agreement with the entity under which the employee assigns all right, title and interest in all Intellectual Property Rights in such development to the entity, and under which any Intellectual Property Rights created during such development are owned by the entity, and under which the employee has an obligation not to disclose confidential information either of the entity or of third parties in the possession of the entity that have been disclosed to the employee. "Internal Development" or "Internally Develop" by an entity also means development by one or more independent contractors within the scope of a written contract between the independent contractor and the entity under which the independent contractor assigns all right, title, and interest in all Intellectual Property Rights in such development to the entity, and under which any Intellectual Property Rights created during such development are owned by the entity, and under which the independent contractor has an obligation not to disclose confidential information either of the entity or of third parties in the possession of the entity that have been disclosed to the independent contractor.

1.17. "Internal Use" or "Internally Use" means processing data at Licensee's secure facilities where Licensee has taken reasonable steps necessary to protect security and confidentiality of proprietary information. Use by Licensee of cloud computing facilities hosted by Licensee at Licensee's secure facilities where Licensee has taken reasonable steps necessary to protect security and confidentiality of proprietary information is considered Internal Use. Use by Licensee of cloud computing facilities hosted by an independent service provider, at the independent provider's secure facilities where Licensee has bound the independent provider to take all reasonable steps necessary to protect security and confidentiality of proprietary information of Licensee, including Avid Confidential Information, is also considered Internal Use.

1.18. “Licensed Avid DNxHD Technology” means an encoder, decoder or codec that generates and/or decodes Avid DNxHD Compliant Video Bitstreams or Avid DNxHD Compliant Media Files, subject to a grant under Section 2, hereof.

1.19. “Licensed Technology” means any encoder, decoder, or codec developed using or incorporating Licensed Avid DNxHD Technology or Licensed VC-3 Technology, subject to a grant under Section 2, hereof.

1.20. “Licensed VC-3 Technology” means an encoder, decoder or codec that generates and/or decodes VC-3 Compliant Video Bitstreams or VC-3 Compliant Media Files, subject to a grant under Section 2, hereof.

1.21. “Licensee Product” means a product which is manufactured by or on behalf of the Licensee, and which is marketed by or on behalf of the Licensee under Licensee’s brands, and which incorporates either Licensed Avid DNxHD Technology or Licensed VC-3 Technology.

1.22. “Modification” means any addition, deletion, restructuring, or other alteration either to the Avid Codec Source Code or the Avid Binary Codec; or to the contents of a file containing the Avid Codec Source Code or the Avid Binary Codec, and/or other Modifications; or any new file that contains any part of the Avid Codec Source Code or the Avid Binary Codec, and/or other Modification.

1.23. “Necessary Claims” means any and all claim(s), but only such claim(s), of a patent or patent application that (a) are owned, controlled, or sublicensable (without payment of royalties to an unaffiliated third party) now or at any future time; and (b) are necessarily infringed in connection with the use, implementation, or incorporation of the Licensed Technology as, or in, a product or service. Notwithstanding the foregoing sentence, Necessary Claims do not include any claims: (i) to enabling technologies that may be necessary to make or use any product or portion thereof that includes the Licensed Technology (e.g., enabling semiconductor manufacturing technology, compiler technology, object oriented technology, operating system technology, protocols, programming interfaces, etc.); or (ii) covering the implementation of other specifications, technical documentation or technology merely referred to in the Licensed Technology.

1.24. “Parties” shall mean Avid and Licensee. “Party” shall mean either Avid or Licensee.

1.25. “Sold” or “Sale” means any license, copying, reproduction, transmission, or other distribution, including without limitation rental or lease. In the case of product provided on a limited-time trial basis not to exceed thirty (30) days after which any Licensed Technology in the product is deactivated, such product shall only be considered to be “Sold” or to have undergone a “Sale” when such deactivation does not occur by the conclusion of the limited-time trial, e.g., when payment is made for the product provided or when use of any Licensed Technology otherwise continues.

1.26. “Subscription” means a Licensee Product that is licensed to End Users on a month to month basis.

1.27. “VC-3 Compliant Video Bitstream” means a bitstream that is consistent, in all conventions, logical form, data constructs and signal performance, with SMPTE standard ST-2019 and any SMPTE standard resulting therefrom.

1.28. “VC-3 Patent Licensee” means an entity, other than the Licensee, that has executed, whether previously or in the future, a license agreement with Avid (or an otherwise authorized licensor) with respect to Avid’s Applicable Patent Rights, which license agreement includes terms equivalent to those of this Agreement when Section 2.4 has been selected.

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## **8. LIMITATION OF LIABILITY AND INDEMNIFICATION**

8.1. LIMITATION OF LIABILITY. IN NO EVENT SHALL AVID BE LIABLE TO ANY PERSON FOR ANY DIRECT, INDIRECT, SPECIAL, GENERAL, ECONOMIC, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING BUT NOT LIMITED TO DAMAGES FOR LOST PROFITS, LOSS OF GOODWILL, OR BUSINESS INTERRUPTION), OR FOR ANY DAMAGES RESULTING FROM LOSS OF USE, LOSS OF DATA OR LOSS OF ANTICIPATED PROFITS, IN ANY WAY RELATED TO USE OF OR INABILITY TO USE THE BINARY CODEC OR LICENSED TECHNOLOGY, OR OTHERWISE IN CONNECTION WITH ANY PROVISION OF THIS AGREEMENT, EVEN IF AVID HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. THIS LIMITATION OF LIABILITY SHALL NOT APPLY TO LIABILITY FOR DEATH OR PERSONAL INJURY RESULTING FROM NEGLIGENCE SOLELY TO THE EXTENT APPLICABLE LAW PROHIBITS SUCH LIMITATION.

8.2. Indemnification. Licensee agrees to indemnify and defend Avid, its Affiliates and related parties, from and against any claims, damages, losses, costs, expenses or lawsuits (including reasonable attorneys' fees) of any third party:

8.2.1. that arise out of, or result from, or relate to this Agreement, actions of Licensee's independent contractor or service provider in connection with Internal Development or Internal Use, or a Licensee Product; and

8.2.2. which are not attributable solely to Avid's activities, and would therefore be capable of assertion against Avid even absent Licensee's activities.

## **9. CONFIDENTIAL INFORMATION**

9.1. Limited Use and Nondisclosure of Avid Confidential Information. The Avid Confidential Information shall be used by Licensee solely for the purposes permitted under this Agreement. Licensee agrees that it will not disclose or permit use of any part of the Avid Confidential Information to or by any third party, other than (a) its employees who are both directly participating in work under this Agreement and contractually bound to protect the confidentiality of the Avid Confidential Information, or (b) its accountants or lawyers. Licensee will use the same measures that it uses to protect its own confidential information, and no less than reasonable measures, to prevent any disclosure or misuse of any part of the Avid Confidential Information. Except as expressly permitted otherwise in this Agreement, Licensee shall not reverse engineer, decompile, analyze, copy, modify, transcribe, lease or otherwise transfer or distribute any part of the Avid Confidential Information, or use any part of the Avid Confidential Information to design, develop, improve or enhance any product. This Section 9.1 shall not be construed as granting any rights in the Avid Confidential Information except those expressly stated in Section 2.

9.2. Irreparable Harm. Licensee acknowledges and agrees that the restrictions contained in Section 9 are necessary for the protection of Avid Confidential Information, and considers them to be reasonable for such purpose. Licensee agrees that any breach of these restrictions may cause Avid substantial and irreparable damage and therefore, in the event of any such breach, Licensee agrees that Avid shall be entitled to specific performance and other injunctive relief, in addition to such other remedies as may be afforded by applicable law, without posting a bond.

## **10. TERM AND TERMINATION**

10.1. Term. This Agreement has an initial term of three (3) years from the Effective Date, unless terminated earlier under one of Sections 10.2 or 10.3. This Agreement will automatically renew thereafter for additional one (1) year terms upon notice of renewal by Avid to the Licensee, unless renewal is declined by Licensee within thirty (30) days of the notice of renewal, or unless terminated earlier under one of Sections 10.2 or 10.3. Renewal may be conditioned upon compliance with any reasonable amendments or changes to the terms and conditions of this Agreement as set forth in such notice.

10.2. Termination for Cause. This Agreement shall terminate:

10.2.1. immediately, if Licensee is in breach of its confidentiality obligations under Section 9; or

10.2.2. if Licensee is in material breach of any of its other obligations of this Agreement and fails to remedy such breach within thirty (30) days after receipt of notice of such breach from Avid.

10.3. Change of Control or Insolvency. Licensee shall notify Avid of any change in membership, change in ownership, or other change of control of Licensee. In the event of such a change which, in Avid's sole, reasonable judgment, substantially affects control of Licensee, Avid may terminate this Agreement, effective thirty (30) days after written notice of the Licensee. Avid also may terminate this Agreement, immediately and without notice, if Licensee should (1) admit in writing its inability to pay its debts generally as they become due; (2) make a general assignment for the benefit of creditors; (3)

institute proceedings to be adjudicated a voluntary bankrupt, or consent to the filing of a petition of bankruptcy against it; (4) be adjudicated by a court of competent jurisdiction as being bankrupt or insolvent; (5) seek reorganization under any bankruptcy act, or consent to the filing of a petition seeking such reorganization; or (6) have a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee or assignee in bankruptcy or in insolvency covering all or substantially all of Licensee's property for the liquidation of such Licensee's property or business affairs.

10.4. Survival and Effect of Termination. Sections 1, 4.5, 4.7, 4.8, 4.11, 4.12, 5, 6, 7, 8, 10.4, 10.5, 10.6, and 11 and Schedule A expressly survive termination of this Agreement. Upon termination of this Agreement or expiration of the sixty day period in this Section 10.4, Licensee must otherwise destroy all full or partial copies of the Binary Codec and all other Avid Confidential Information.

10.5. No Liability for Termination. Neither Party is liable to the other for damages of any sort resulting solely from terminating this Agreement in accordance with its terms.

10.6. End Users. Termination of this Agreement will not terminate or affect any sublicenses granted to End Users in accordance with this Agreement.

## **11. MISCELLANEOUS**

11.1. Notice. All notices under the terms of this Agreement shall be addressed to:

If sent to Avid:

Avid Technology, Inc.  
75 Network Drive  
Burlington, MA 01803  
Attention: VP General Counsel & Corporate Secretary  
Tel: (978) 640-6789  
Fax: (978) 548-4639

With a copy sent to the Executive Vice President CFO & CAO at the same address, which copy alone shall not constitute effective notice, or to such other address as Avid shall designate from time to time.

If sent to Licensee:

Attention: Legal Department  
Epic Games, Inc.  
620 Crossroads Blvd.  
Cary, NC 27518  
legal@epicgames.com

or to such other address as Licensee may designate from time to time.

11.2. Export Regulations. Licensee agrees that the Binary Codec will not be downloaded, transferred or otherwise exported or re-exported, directly or indirectly, into any country prohibited by the United States Export Administration Act (the "Act") and the regulations thereunder, or into any country to which the United States embargoes goods, or will be distributed to any persons on the Table of Denial Orders, the Entity List or the List of Specially Designated Nationals, or will be used for any purposes prohibited by the Act. Licensee agrees to the foregoing and represents and warrants

that (a) no agency of the Government has suspended, revoked or denied Licensee export privileges; (b) Licensee is not located in or under the control of a national or resident of any such country or on any such list; and (c) Licensee will not export or re-export the Binary Codec to any prohibited country, or to any prohibited person, entity or end-user as specified by the Act and the regulations thereunder.

11.3. Choice of Law, Jurisdiction and Venue. This Agreement shall be governed by the laws in force in the United States and the Commonwealth of Massachusetts excluding its conflicts of law rules, except that questions affecting the infringement or validity of any patent right shall be determined by the law of the country in which the patent right has been granted. For disputes arising under this Agreement, Licensee and Avid hereby consent to the exclusive jurisdiction of and venue in the state and US Federal courts sitting in the Commonwealth of Massachusetts, except with respect to the validity and/or infringement of patents granted in countries outside the United States.

11.4. Choice of Language. If Licensee is located in Québec, Canada, the following sentence applies: Les Parties aux présentes confirment que chacune d'elles a exigé que cette convention et tous les documents s'y rattachant soient rédigés en anglais. (Translation: *The Parties hereto confirm that they have each insisted that this Agreement and any related documents be drawn up in the English language.*)

11.5. No Partnership or Joint Venture. This Agreement shall not create a principal-agent relationship between Avid and Licensee, nor shall anything herein be construed to cause the Parties to be acting as partners or as a joint venture. Neither Party shall have any power or authority to obligate or bind the other Party in any manner and neither Party shall make any representation or warranty on behalf of the other Party.

11.6. Force Majeure. Neither Party shall be liable for any delay or failure in the performance of any obligation under this Agreement, except for payment obligations, if such delay or failure is due to causes beyond its reasonable control, such as natural catastrophes, war or civil disturbances, governmental demands, acts or omissions, labor strikes, or transportation stoppages.

11.7. Severability. If any provision in this Agreement is held to be unenforceable for any reason, then such provisions shall be reformed only to the extent necessary to make it enforceable, and such decision shall not affect the enforceability of such provision under other circumstances or in other jurisdictions and shall not affect the enforceability of any remaining provision of this Agreement; provided, however, that no such reformation shall be effective if it materially changes the economic benefit of this Agreement to, or the proprietary interests of, either Party.

11.8. Captions. The captions to the Sections of this Agreement are for convenience only, and are not a part of this Agreement, and shall not be deemed to have any effect in construing this Agreement.

11.9. No Waiver. None of the provisions of this Agreement shall be deemed to have been waived by any act or acquiescence by a Party, its agents or employees, but only by an instrument in writing signed by a duly authorized signatory of the Party.

11.10. No Assignment. This Agreement, and the rights and obligations hereunder, may not be assigned or transferred by either Party without consent of the other Party, which consent will not be unreasonably withheld.

11.11. Representation of Counsel. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated at arm's length, with the advice and participation of counsel, and prepared at the joint request, direction and instruction of the Parties, and shall be interpreted in accordance with its terms without favor to any Party.

11.12. Integration and Modification. This Agreement, and its Schedules which are incorporated by reference, contains the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all preexisting agreements between the Parties respecting its subject matter. Any representation, promise, or condition in connection with such subject matter, which is not incorporated in this Agreement, shall not be binding upon either Party. Avid, in its sole discretion, may update the information at a [www.avid.com/DNxHD-patents](http://www.avid.com/DNxHD-patents) and/or Schedule C by written notice to Licensee, and such updates are effective upon notice. Except for such updates to [www.avid.com/DNxHD-patents](http://www.avid.com/DNxHD-patents) and/or Schedule C, no modification, renewal or extension of this Agreement or any of its provisions shall be binding upon the Party against whom enforcement of such modification, renewal or extension is sought, unless made in writing and signed on behalf of such Party by a duly authorized signatory.

## Schedule A

### Compensation

#### A.1. Definitions.

A.1.1. "Applicable Royalty Rate" shall mean a dollar amount set forth in Section A.2 for a type of product, and which is the royalty due for a unit of that type of product.

A.1.2. "Country of Manufacture" shall mean the country in which a finished product is finally assembled and tested by or for Licensee. If none of the patents listed at [www.avid.com/DNxHD-patents](http://www.avid.com/DNxHD-patents) has been granted or is still in force in the Country of Manufacture as determined under the preceding sentence at the time of manufacture of the product, then the Country of Manufacture of Licensee Products shall be deemed to be the principle place of business of the Licensee.

A.1.3. "Country of Sale" shall mean the country to which the product is shipped by or on behalf of Licensee to its End User. If none of the patents listed at [www.avid.com/DNxHD-patents](http://www.avid.com/DNxHD-patents) has been granted or is still in force in the Country of Sale as determined under the preceding sentence at the time of sale of the product, then the Country of Sale shall be deemed to be the country in which the product is used by an End User.

A.1.4. "Royalty Period" shall mean a six-month period ending on either December 31 or June 30 of each calendar year after the Effective Date of this Agreement, except for the first royalty period which shall be from the Effective Date of this Agreement through December 31 of the same year.

#### A.2. Royalty Rates.

A.2.1. Licensee Product. For each Licensee Product Sold by Licensee, the Applicable Royalty Rate is determined by assessing:



Use Scope/ License Grant	Avid Binary Codec	Avid Source Code	Avid Confid. Information	TM License	Avid Patent Rights	Maintenance
<b>Developer (Int. Use)</b>	Included; TM License fee waived	Included	Included	\$10,000 per Licensee Product qualified	(A) \$50,000 initial term, payable in annual installments of \$30,000 at the commencement of the first year of the initial term and \$10,000 each additional year of the initial term; or,  (B) \$40,000 initial term, payable in advance, at the commencement of the initial term;  Plus, for option (A) or option (B), \$10,000 for each additional one-year renewal term, payable at the commencement of each renewal term	\$1,500 per year
<b>Developer (End Use)</b>	Included; TM License fee waived	\$50,000 one-time, paid-up license	Included	\$10,000 per Licensee Product qualified	(C) \$10 Decode/\$10 Encode per copy of Licensee Product sold; or,  (D) For Licensee Products sold to end users on a Subscription basis, \$0.85 Decode/\$0.85 Encode for each month the Subscription is in effect**; or  (E) a yearly, non-refundable, paid-up obligation of \$80,000 electable and payable in advance at the commencement of each license term or renewal term in lieu of (C)  ***	\$1,500 per year
<b>Service Provider (Shared Technology and Services)</b>	Included; TM License fee waived	\$50,000 one-time, paid-up license	Included	\$10,000 per Licensee Product qualified	\$.0045 per minute or portion thereof of video essence encoded or decoded by Licensee's service. Partial minutes of video essence of thirty seconds or longer shall be rounded up to the next whole minute. Partial minutes of video essence less than thirty seconds in length shall be calculated at .5 of a minute.	\$1,500 per year
<b>Developer (OEM)</b>	Included; TM License fee waived	\$50,000 one-time, paid-up license	Included	\$10,000 per Licensee Product qualified	\$0, but reporting required per A.3.1	\$1,500 per year
<b>Developer (Shared Technology and Services)</b>	Included; TM License fee waived	\$50,000 one-time, paid-up license	Included	\$10,000 per Licensee Product qualified	\$0, but reporting required per A.3.1	\$1,500 per year

\* If Licensee is a current Licensee under any prior Avid DNxHD Patent License, who has already paid for an initial term under that prior license, then this license shall commence with the first renewal term.

\*\* Licensee may sell Licensee Products on a Subscription basis subject to the terms herein provided that the Licensed Technology shall be deactivated and end users shall have no further access to Licensed Technology upon expiration or termination of the Subscription term.

\*\*\* If other payment terms are arranged with Avid Accounts Receivable, the full amount (\$80,000) is nevertheless Licensee's obligation for each year or part of a year for which this Agreement is in effect. If an election to which this note applies is made, the reporting requirement under A.3.1 is waived for product covered by the license and scope for which such election applies.

### A.3. Reporting and Payment.

**A.3.1. Reports.** For each royalty period following Licensee's first sale of a Licensee Product or provision of a shared service as set forth in Section 3.3, Licensee shall provide to Avid a written statement of the sales of Licensee Products or minutes of video essence encoded/decoded that occurred during that Royalty Period. Sales shall be considered to have occurred when shipped from the Licensee or its distributor to an end user or third party manufacturer or, in the case of shared services, which such service was provided. The written statement shall identify, as applicable: the products Sold for use by End Users by Licensee part number and product name, the number of units Sold for each product during

the Royalty Period, the total duration in months of all Subscriptions of Licensee Products sold on a subscription basis in the Royalty Period, the minutes and partial minutes of video essence encoded or decoded by Licensee's service, the Applicable Royalty Rate for each product, the country of manufacture for the product, the country of sale for the product or service, the total royalty due for each product or service, and the total royalty due. For each sale by Licensee as an OEM to a third party manufacturer, Licensee may omit the number of units Sold, but shall include the name, principal business address, and contact information (including a responsible person or office, and email address) of the third party manufacturer to which units were Sold. Licensee's principal financial officer, or a person acting under the duly delegated authority of Licensee's principal financial officer, shall certify the correctness of the statement. The statement for each Royalty Period shall be delivered to Avid within thirty (30) days following the end of that Royalty Period, along with payment for that Royalty Period. Any taxes assessed by any governments, including any of its departments or subdivisions, shall be for the account of Licensee. All payments made hereunder are non-refundable.

A.3.2. Records and Auditing. Licensee shall keep complete and accurate records of its activities under this Agreement. Not more than once each year, Avid may appoint a Certified Public Accountant, or equivalent thereof, of Avid's choice for the purpose of performing an audit of Licensee's relevant records. If, upon audit of Licensee's records, it is determined that Licensee has underpaid by five percent (5%) or more the payment due to Avid for any period, Licensee shall promptly reimburse Avid for the full reasonable cost of the audit and pay to Avid the deficiency in the payment due Avid, including the interest prescribed in Section A.3.4.

A.3.3. Currency. Payments by Licensee shall be made in United States dollars either directly to Avid or to such banks as Avid may designate in writing to Licensee. If applicable, conversions from local currency to U.S. dollars shall be at the most favorable rate of exchange on the date payment is due, or when payment is made, whichever is earlier.

A.3.4. Interest Rate. If a payment due under this Agreement is late, interest at the lower of the rate of ten percent (10%) per annum and the maximum rate permitted by law, assessed as from the last day of the first month following each period, shall be due from Licensee without special notice. Such a late payment is still a breach and this assessment of or payment of interest neither forgives nor cures such a breach.

## Schedule B

### Avid DNxHD® MAINTENANCE AGREEMENT

#### 1. BACKGROUND

Licensee, by selecting the Maintenance option on the Summary of the Agreement to which this Maintenance Agreement is attached as Schedule B, seeks to purchase certain maintenance services related to the Licensed Avid DNxHD Technology. Avid is willing to provide maintenance services to Licensee for the Licensed Avid DNxHD Technology, subject to the terms and conditions of this Maintenance Agreement. To the extent that any terms or conditions of this Maintenance Agreement conflict with those of the Agreement between Avid and Licensee to which this Maintenance Agreement is attached as Schedule B, the terms of the Agreement supersedes the terms herein.

#### 2. DEFINITIONS

This Maintenance Agreement shall constitute a related agreement to the Agreement. Except as otherwise defined herein, capitalized terms used in this Maintenance Agreement shall have the meanings ascribed to them in the Agreement.

#### 3. MAINTENANCE

3.1. Payment. Licensee agrees to pay Avid fifteen hundred dollars (\$1500.00) in Maintenance Fees for twelve (12) months of Maintenance Services related to the Avid DNxHD Software. Promptly after execution of this Maintenance Agreement, Avid will issue an invoice to Licensee for the amount due. The invoice shall be due and payable within thirty (30) days of the invoice date. If Licensee discontinues and then resumes purchase of Maintenance Services, Licensee will be required to pay Avid the entire Maintenance Fees for the period of discontinuance, plus Maintenance Fees for the term of the Maintenance Services then commencing. A monthly interest charge at the rate of one and one-half percent (1 1/2%) or the maximum legal rate, if maximum legal rate is less than one and one-half percent (1 1/2%), will be assessed on all payments more than five (5) days past due. Licensee's obligation to pay the amounts due or to become due hereunder shall be absolute and unconditional and shall not be subject to any reduction, setoff, defense, counterclaim, or deferment for any reason whatsoever. If the Licensee fails to make any payment to Avid under this Maintenance Agreement or any related agreement within fifteen (15) days of its due date, Avid may terminate this Maintenance Agreement by giving written notice of termination to Licensee or refuse to provide maintenance until Licensee's account is in good standing.

3.2. Renewal. This Maintenance Agreement shall automatically renew for successive Maintenance Services Terms of twelve (12) months each, unless and until either party elects to terminate this Maintenance Agreement upon expiration of the Term (either initial or renewal) then in effect by giving written notice of its intention to the other Party at least thirty (30) days prior to the date of such expiration. In order to continue Maintenance Services following the end of an annual Maintenance Services Term, Licensee must pay the Maintenance Fees set by Avid for that subsequent Term within thirty (30) days following the start of a successive Term. Before the end of the eleventh (11th) month of each twelve (12) month Maintenance Services Term, Avid may adjust the annual Maintenance Fees for the successive Term by providing written notice to Licensee.

3.3. Maintenance Services. During the Term of this Maintenance Agreement, Avid will provide Licensee Access to Maintenance Releases and Minor Releases related to the Licensed Avid DNxHD Technology that Avid makes generally available to all Licensees during the Maintenance Services Term, at no additional charge. "Maintenance Releases" for software technology are represented by a change in the portion of the version number to the right of the second decimal point. "Minor Releases" are

represented by a change in the portion of the version number to the right of the first decimal point. Maintenance Releases and Minor Releases may incorporate: (i) corrections of any substantial defects, (ii) fixes of any minor bugs, (iii) workarounds, and/or (iv) at the sole discretion of Avid, enhancements and improvements to the Licensed Avid DNxHD Technology. Maintenance Releases and Minor Releases, when delivered, shall become part of the Licensed Avid DNxHD Technology, and shall be subject to all of the terms of the Agreement to which this Schedule B is attached.

The aforementioned Maintenance Services do not include:

- Access to “Upgrades”, meaning any new software or other technology covered by the Agreement released generally by Avid after the Effective Date of this Maintenance Agreement that contains substantial additional functions or improved performance not included in the Licensed Avid DNxHD Technology as released before the Effective Date. “Upgrades” are represented by a change in the version number to the left of the first decimal point. Avid may offer at its discretion access to Upgrades to Licensee upon the condition that Licensee pays an additional commercially reasonable fee for said Upgrades.
- Custom enhancements, features or modifications.
- Assistance for Licensee Products, or third-party applications.
- Direct assistance to Licensee’s End Users.
- On-site support.
- Training.
- Hardware and related supplies.

#### 4. LIMITATION OF LIABILITY

THE MAXIMUM LIABILITY OF AVID ARISING OUT OF THIS MAINTENANCE AGREEMENT, WHETHER BASED UPON WARRANTY, CONTRACT, TORT OR OTHERWISE, SHALL NOT EXCEED THE ACTUAL PAYMENT MADE BY LICENSEE UNDER THIS MAINTENANCE AGREEMENT. THIS SECTION SHALL APPLY TO THE FULLEST EXTENT PERMITTED BY LAW. This Section 4 has no effect on the Limitations of Liability found in the Agreement.

#### 5. TERM AND TERMINATION

This Maintenance Agreement shall be effective upon acceptance and execution by Avid and shall remain in effect for twelve (12) months, commencing as of the Maintenance Agreement Effective Date listed below and expiring automatically and without notice upon the first to occur of the following events (“Maintenance Agreement Term”): (a) at midnight on the 30th day following the anniversary of that Effective Date, unless payment has been received by Avid for a successive Term; (b) upon termination or expiration of the Agreement according to its terms; (c) immediately upon a material breach of the Agreement or this Maintenance Agreement; or (d) upon written notice of termination to Licensee by Avid. Avid shall owe no amounts or have any further obligations to Licensee following termination of this Maintenance Agreement.

#### 6. EFFECT OF MAINTENANCE AGREEMENT

Except to the extent expressly modified and amended by this Maintenance Agreement, the terms and conditions of the Avid DNxHD Agreements shall remain in full force and effect and shall apply, without limitation, to this Maintenance Agreement and the matters described herein. The terms of Sections 3,

4, 5, 6, all definitions, and all obligations to pay Avid shall survive the termination of this Maintenance Agreement.

## Schedule C

### Avid DNxHD Trademarks and Usage

#### Avid DNxHD Trademarks

Avid DNxHD®

Avid DNxHR®



Authorized Developer  
Avid DNxHD®

#### Avid DNxHD Trademark Usage Guidelines

A. The words “Avid DNxHD” or “Avid DNxHR” must be used as an adjective that modifies a generic name for a process or product as follows:

- i. Avid DNxHD® or Avid DNxHR® encoding
- ii. Avid DNxHD® or Avid DNxHR® decoding
- iii. Avid DNxHD® or Avid DNxHR® encoder
- iv. Avid DNxHD® or Avid DNxHR® decoder
- v. Avid DNxHD® or Avid DNxHR® codec
- vi. Avid DNxHD® or Avid DNxHR® encoder/decoder
- vii. Avid DNxHD® or Avid DNxHR® encoding/decoding

B. The words “Avid DNxHD” and “Avid DNxHR” must always be followed by the “®” symbol.

C. The second part of the trademark “Avid DNxHD” and “Avid DNxHR” must have two initial capital letters “DN”, followed by a lower case letter “x”, followed by two capital letters “HD” or “HR.” The letter “x” must not be replaced by any other symbol.

D. “DNxHD” or “DNxHR” must not be used alone. It must be preceded by the word “Avid.”

E. Any logo artwork or files provided by Avid may not be modified without Avid’s prior written consent, and must be used in accordance with any additional guidelines provided by Avid.

#### Avid Trademark Usage Guidelines

Avid’s trademarks and the associated goodwill are valuable assets, and the proper use of these trademarks is very important to Avid. You may use Avid’s trademarks to identify Avid products, services and promotions, provided that you comply with these guidelines (and, if you have an agreement with Avid, any other applicable terms contained in your agreement).

You may use Avid trademarks (but not logos, taglines or icons) to identify Avid products or services, provided that such references are truthful and fair, and are not misleading as to Avid sponsorship of or affiliation with you or your company, or endorsement of your products or services. You may use Avid

trademarks with referential phrases such as “for use with,” “for,” “works with” or “compatible with,” as long as you do not suggest that Avid is the source of your product or that Avid endorses it.

When using Avid trademarks, the Avid trademark should be in text no larger than the surrounding text, and your trademarks should be more prominent than the Avid trademarks.

An Avid trademark should not be combined with any trademark, business name, or product or service name of another company. The Avid trademark may not be used in a manner that might create potential confusion as to the source of your products or services, or ownership of the Avid trademark. The Avid trademark may not be used in connection with anything disparaging of Avid, or its products, services, or employees. Avid trademarks should be used as adjectives with a generic term for the product or service (e.g., the Media Composer® software), and not as nouns or verbs. They should not be used in the plural or in the possessive. Do not shorten or abbreviate an Avid trademark.

### *Logos*

Neither the Avid logo nor the other logos of Avid Technology may be used without the express prior written approval of Avid Technology. If such approval is granted, logos may be reproduced only from electronic files provided by Avid, without any modification. The size of the logo may be scaled, but the proportions and integrity of all elements of the logo must be maintained. A minimum amount of empty space must be left between the logo and any other object such as type, photography, borders, edges, etc. The required border of empty space must be equal to or greater than 50% of the height of the logo.

### *Trademark Notice*

Avid maintains a list of its trademarks on its website. This list also states whether the ® symbol or the ™ symbol should be used in connection with the Avid trademark. In addition, when you use an Avid trademark, you should include the following attribution notice with your other trademark or copyright notices: “[Avid Trademark] is a trademark or registered trademark of Avid Technology, Inc. or its subsidiaries in the United States and/or other countries.”

These guidelines may be updated from time to time, and Avid may provide additional guidelines for specific trademarks. The current version of these guidelines is always available at [www.avid.com](http://www.avid.com).