America Online

Internet Explorer Marketing and Distribution Agreement

Summary

Internet Explorer distribution agreement where by Microsoft grants extensive rights to AOL on the use and customization of Internet Explorer allowing AOL to incorporate the IE browser in its client. This deal includes co-marketing and co-distribution provisions such as the inclusion of the AOL client in the On-line Services Folder in Windows.

- Term — 4 years
- ISP Referral Fees — None
- Effective Date: — 3/12/96
- Expiration Date: — 3/12/00 (various amendments and criteria can extend deal to Feb 2001).
- Executed by MS: — 2/06/98 – Brad Chase - V.P. Developer Relations and Marketing
- Executed by Prodigy: — 2/06/98 – David Colburn - V.P. Corporate Affairs

Exhibits, Attachments, and Ammendments on file

- Attachment 1 — Description of Internet Explorer Version 3.0
- Attachment 2 — Definition of Errors and Support Obligations
- Attachment 3 — Description of Server and Tools Products
- Attachment 4 — Description of the AOL ICON
- Attachment 5 — Sample Flyer Content
- AOL Access Software Advertising and Promotion Agreement
- Amendment to IE Promotional Agreement

Notable Sections & References

Section 1.35	Windows95 and its deal only. Windows NT is excluded from this deal. "Windows Products" means (i) Microsoft's Windows 95 operating system and including all Upgrades thereof released by Microsoft during the Agreement Term, or (ii) if, different from the product in subpart (i), Microsoft's primary, consumer-market oriented desktop operating system (whether or not marketed as "successor" product to Windows 95 and whether or not marketed under a "Windows" trademark), including all Upgrades thereof. Windows NT is not currently a "Windows Product."
Section 2.3	Agreement grants MS license to use, distribute, reproduce the AOL client and grants AOL similar distribution considerations for Internet Explorer. Restricted source code rights are also granted.
Section 2.6	Deal also covers a limited number of licenses for Microsoft server products (500) and tools (750).
Section 5	Outlines the incorporation of the IE browser as part of the AOL client, the testing and the assistance that both parties will provide to ensure deployment.

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Notable Sections & References, Continued

Section 6	Outlines the distribution of the AOL client and the intent to provide a prominent placing of such client within Windows products. In any event, this has had a substantial benefit to AOL as a large % of its subscriber growth has come from this source. Section 6 also allows for MS, at its sole discretion, alter the user interface structure of Windows products in a manner which would materially affect Microsoft's ability to install the AOL client/icon. The intent, however, is to is that both parties would work to give AOL substantially equivalent placement.
Section 7	Exclusive promotion of IE for use with AOLs Flagship service. AOL may promote any third party browser for use in AOL affiliated services other than the flagship service. Section 7 however establishes that: 1) Third party browsers may use AOLs API to provide support to AOL Flagship service. 2) AOL may promote third party browsers in other platforms and 3) AOL is not obligated to prevent access, use or downloading of a Third Party browser on third party sites, services even if accessible through the use of the AOL Flagship service
Section 7 (cont)	Section 7 establishes the limitation of distribution of third party browsers to 15% of total browsers shipped, establishes guidelines for prominence of the IE browser vis a vis other browsers. Similarly, this section outlines MS intent to provide most favorable terms.
Section 8	Marketing and Promotions covers the inclusion of coupons or Flyers promoting the AOL service in Windows products as well as a host of PR, web presence and other arrangements.
Section 13	Facilitation of Relationship – This section calls for a VP level dialogue around the relationship. Brad Chase and David Colburn are the Contract Principals.
Section 18	Dispute Resolution – Arbritration
Section 19	Changes over time – This section allows for changes or modifications to the relationship based on changes in the market place as long as the intent of the overall agreement remains.
Section 20.6	Competition. Microsoft and AOL agree that except for any express obligations of AOL and Microsoft as set forth in this Agreement, nothing in this Agreement is intended or shall be construed to prohibit or restrict either AOL or Microsoft from developing or acquiring products or services similar to or competitive with products or services of the other party.