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ACTIVE DESKTOP MARKETING, DISTRIBUTION & PROMOTION AGREEMENT

This Active Desktop Marketing, Distribution & Promotion Agreement (the "Agreement") is entered into and effective as of August 6, 1997 (the "Effective Date") by and between **MICROSOFT CORPORATION**, a Washington corporation located at One Microsoft Way, Redmond, WA 98052 ("Microsoft") and **ZDNET**, a division of MAC Inc., a Japanese corporation, located at One Athenaeum Street, Cambridge, MA 02142 ("Company").

RECITALS

Microsoft is the owner and/or authorized licensor of the Windows 95 operating system, as well as of certain Internet-related technology, including "browsing" software known as "Internet Explorer" for the Windows 95, Windows NT, Windows 3.xx, Apple Macintosh and Unix operating systems.

Forthcoming versions of Internet Explorer are expected to have a feature known as "Active Desktop," which will enable users to choose pre-selected, and/or create their own, categories of "streaming" content which is automatically and periodically downloaded or webcast to the user via the World Wide Web (the "Web").

Company operates an online content business whereby it owns or licenses content which can be made available to users of Active Desktop, along with associated advertising, if any.

Microsoft and Company wish to enter into a strategic marketing, distribution and promotion agreement whereby the parties will promote and assist each other's efforts in developing the webcast content business on Microsoft platform technology. Company is willing to market, promote and where appropriate distribute Microsoft's Internet Explorer and related Microsoft Internet technology as its primary browser platform for certain portions of its business, and Microsoft is willing to include Company as a provider of content which the Active Desktop is pre-configured to access, and to provide broad distribution of Company's icons associated with relevant content, in each case as described in more detail below.

The parties hereby agree as follows:

AGREEMENT

1. DEFINITIONS

1.1 "Active Desktop" means the Channel Client feature of Microsoft's Internet Explorer which provides, among other things, facilities to support, all via the Web, webcasting, "scheduled pull," "push" or "broadcasts" of Channel Content, and Content Rotation.

1.2 "Active Platform Support" means a party's use of Active Platform technology so as to make such party's Web site a demonstrably superior example of Active Platform technology. Exhibit A describes the level of support required in order to meet this standard as of the Effective Date.

1.3 "Active Platform" means Microsoft's line of client, server and development tools and technologies based on Internet standards, including: Internet Explorer, Dynamic HTML, ActiveX, ActiveX Controls, Visual Basic, Jscript, Active Desktop, Internet Information Server and Active Server Pages.

1.4 "Affiliate" means, with respect to any legally recognizable entity, any other such entity directly or indirectly Controlled by such entity. "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a legally recognizable entity, whether through the ownership of voting shares, by contract, or otherwise. Where such entity is a partnership, limited liability company, corporation, or similar entity and has partners, members, or shareholders with equal ownership interests or equal control interests, by contract or otherwise,

then each such partner, member, or shareholder will be deemed to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of that entity. Notwithstanding the foregoing, an Affiliate of Company shall exclude SpotMedia Communications, and Softbank Interactive Marketing.

1.5 "Category Channel" means a Channel for which an identifying Channel Icon appears in a sub-directory when an End User points to or clicks on a related Category in the top Channel directory visible to End Users upon first starting up or using Active Desktop. For example, "Business" may be a Category in the top Channel directory, and the Channels available by clicking on or accessing the "Business" Category are Category Channels.

1.6 "Category" means a class of Content which concerns similar subject matter, such as Content which focuses primarily on sports, business, or children's entertainment.

1.7 "Channel Client" means software that enables an End User to select and receive Channels in one or more display and/or audio elements, including software that is: (i) an interactive application (such as a Web browser) that displays and/or plays Content within an application (or similar) window or directly upon a operating system desktop; and/or (ii) an animated and network-interactive screen saver application.

1.8 "Channel Icon" means an icon or button which has an identifying logo and/or trademark and an associated pointer/URL contained in the Active Desktop user interface such that an End User, upon first starting up or using Active Desktop, will (if already connected to the Web) be directly linked via a single click to an associated Channel.

1.9 "Channel" means an aggregation of one or more Categories and advertising (if any) that is displayed or played, or available to be selected by an End User for display and/or play, by means of a Channel Client, and which may be further divided into sub-Channels.

1.10 "Company Web Sites" means all Web sites and pages which include the term "ZDNet.com" in their URL or are otherwise branded as "ZDNet.com" sites, including without limitation the ZDNet home page, News, Products, Downloads, Web, Shopping and At Home, but excluding all Excluded Company Web Sites.

1.11 "Confidential Information" means: (i) any trade secrets relating to either party's product or service plans, designs, costs, prices and names, finances, marketing plans, business opportunities, personnel, research, development or know-how; and (ii) the specific terms and conditions of this Agreement. "Confidential Information" shall not include information that: (i) is or becomes generally known or available to the public, whether by publication, commercial use or otherwise, without restriction on disclosure and through no fault of the receiving party; (ii) is known and has been reduced to tangible form by the receiving party at the time of disclosure and is not subject to restriction; (iii) is independently developed or learned by the receiving party without reference to any Confidential Information of the disclosing party; or (iv) is lawfully obtained from a third party that has the right to make such disclosure.

1.12 "Content Rotation" means the presentation, through a Channel Client, of Content from one or more different Channels within sequential time segments managed by such Channel Client during which Channel Content and associated advertising (if any) are displayed and/or played on the End User's computer system.

1.13 "Content" means data, text, audio, video, graphics, photographs, artwork and other materials provided for use on Channels or Web sites.

1.14 "End User" means a Third Party, including corporate and similar direct customers, which views and/or plays Content by means of a Channel Client for such Third Party's use and not for further sublicense or distribution.

1.15 "Excluded Company Web Site" means any Web site or page which includes the term "ZDNet.com" in its URL or is otherwise branded as "ZDNet.com," for which the primary content or focus is any magazine or other print publication of Company or any of its Affiliates, including the magazine Archive Area (or any successor area).

1.16 "ICP" or an "Independent Content Provider" means an entity which develops its own Content and/or which aggregates and distributes Third Party Content for inclusion in a Channel.

1.17 "Intellectual Property" means all proprietary rights owned or licensed throughout the world, including, but not limited to, copyrights, moral rights, trade secrets, trademarks, and patents.

1.18 "Internet Explorer" or "IE" means Microsoft's English language version Web browsers and related Internet client technology for all Platforms as marketed by Microsoft under the name "Internet Explorer v. 4.x."

1.19 "Licensed Materials" means Company introductory Content, associated ActiveX controls, and any other software code required to use the Company introductory Content in Active Desktop, as further described in Section 2.5, and provided that Licensed Materials shall not include any Third Party advertisements.

1.20 "Licensee(s)" means any Third Party licensee of a party's technology, including, but not limited to OEM, retail and other distributors, software integrators, and End Users of a party's products and/or services.

1.21 "Other Browsers" means Third Party software and related technology for any Platform that (i) is designed to view, render, browse, hear or otherwise interact with Content on the Internet, the Web and/or other public networks now existing or hereafter created (a "browser"); and (ii) ranks in the top two (exclusive of Internet Explorer) most widely used browsers, as such use is measured by Browserwatch (http://browserwatch.internet.com/stats/stats.html), as of the Effective Date.

1.22 "Platforms" means any and all operating system platforms supported during the Term by Internet Explorer.

1.23 "Pre-Configured Channel" means a Channel which has an identifying Channel Icon contained in the Active Desktop user interface such that the Pre-Configured Channel Icon is available no more than one click away from the Active Desktop Channel Bar, and the Channel is available no more than two clicks away from the Active Desktop Channel Bar, whether as a Category Channel or otherwise, to the End User upon system set-up and/or first use of Active Desktop and until the End User deletes or changes such configuration.

1.24 "Pre-Configured ICP" means an ICP whose Channel is included as a Pre-Configured Channel in Active Desktop.

1.25 "Standalone Configurations" means (i) standalone retail (e.g., the Internet Explorer Starter Kit) and Web distributions of Internet Explorer, (ii) standalone distributions of Internet Explorer by IAP's and IEAK licensees; and (iii) distributions of Internet Explorer as part of Microsoft products and applications such as Windows 95. "Standalone Configurations" does not , however, mean separate licenses of Internet Explorer technology or distributions of Internet Explorer or versions of Internet Explorer by MSN, WebTV or MSNBC, or as part of Windows CE or packaged products from Microsoft's Interactive Media Group.

1.26 "Term" means the term of this Agreement, which shall be the period commencing upon the Effective Date and ending on the earlier of (i) one (1) year from the first commercial release of a final version of Internet Explorer containing Active Desktop, and (ii) December 31, 1998, unless earlier terminated in accordance with Section 12.

1.27 "Territory" means the United States.

1.28 "Third Party" means a person or entity which is not an Affiliate of either party to this Agreement.

1.29 "Win 16" means Microsoft's Windows 3.xx Platform.

1.30 "Win32" means, collectively, the Windows 95 and Windows NT Platforms and their direct successors which are released during the Term.

2. COMPANY OBLIGATIONS

2.1 Adoption of Active Platform. Company shall adopt, market, and promote Active Platform as follows:

(a) For all Company Content within a Company Web Site delivered via the Active Desktop, with the exception of Third Party advertising, promotions or sponsorship features, Company shall, at its own expense and continuously during the Term, develop (and/or license from third parties) Content which is customized such that it exhibits the Active Desktop and Active Platform capabilities, including by complying with the Active Platform Support set forth in Exhibit A.

(b) Company shall further provide Active Platform Support (Exhibit A) for Company Web Sites continuously during the Term. In the event that Microsoft modifies its requirements for Active Platform support, Company will use good faith reasonable efforts to apply them to its Content. Company shall not, however, be required to provide Active Platform Support to any Third Party Content or advertising, promotions or sponsorship features contained within Company Web Sites.

2.2 Unique Content/Promotion. Company shall publicly endorse and promote Active Desktop and Active Platform as the browser software of choice for Company Web Sites, including without limitation by (i) publicly stating in a press release that the Company Web Sites are designed to work with Active Desktop; and (ii) including a link to a Microsoft IE download site in each Company Web Site. Company shall also complete the obligations set forth in Exhibit B.

2.3 Exclusive Obligations Concerning IE. Company and its Affiliates will promote IE (and no Other Browser) as the browser software of choice for Company Web Sites continuously during the Term, by complying with the following:

(a) Subject to the license terms referenced in Section 5.2, Company shall distribute Internet Explorer and no Other Browser as an integral part of any Channel Client for Win 32, Win 16 or Macintosh platforms, which Client is distributed by Company via online distribution or transmission from Company Web Sites.

(b) Company shall exclusively promote IE within all Company Web Sites and shall, subject to the terms set forth in Section 7.1, display an IE logo such as "Best viewed by IE" on the home page of Company Web Sites and any other pages within the Company Web Sites where similar promotions are placed. The sole exceptions to the foregoing exclusivity obligation shall be that Company shall not be restricted in Company Web Sites (i) from accepting paid advertising (including promotions or sponsorships under standard Company terms and conditions) from companies that produce Other Browsers, (ii) from publishing news and

editorial Content concerning such Other Browsers, provided that such Content is not produced by companies which produce Other Browsers and their Affiliates (other than the publication of news releases or general press releases from such companies); and (iii) from including general support features (such as help or FAQ files) for Other Browsers, provided that such features are not promoted by Company and are linked to applicable Other Browsers download sites by text-only links; (iv) software download services (including those which have the ability to download Other Browsers) offered on Company Web Sites; provided that such services are not co-branded with the ZDNet brand and do not involve other arrangements which would reasonably be deemed an endorsement by ZDNet of the Other Browsers).

(c) Company shall not distribute any Channel Client other than IE, in any form of physical medium or through any OEM channel unless (i) a Third Party pays for the costs of such distribution, or if Company provides such distribution without being fully reimbursed for the costs thereof, Company provides substantially the same distribution for IE as for such Channel Client; and (ii) Company does not endorse such Channel Client either explicitly or implicitly, including without limitation by customizing such Channel Client to include any trademark or name which includes the term "ZDNet."

2.4 Content and Logo Restrictions. Company agrees that during the Term, neither it nor its Affiliates has entered into or announced, nor will enter into, perform under or announce, any "Content Promotion Agreements" or "Pass Through Agreements." A "Content Promotion Agreement" is an agreement with a company (or its Affiliates) which produces Other Browsers which agreement is to exchange money or other material and valuable consideration (including, but not limited to, the promotion, marketing or distribution of Other Browsers) in return or consideration for distribution, transmission, marketing or promotion in the Territory of Content which has been or is included in the Company Web Sites or in association with any trademark or logo which includes the trademark "ZDNet" during the Term. A "Pass-Through Agreement" is an agreement by Company (or any entity in privity of contract with Company) with any third party in which: (i) the economic and other benefits are passed through materially unchanged to a company (or its Affiliates) which produces Other Browsers; (ii) the third party performs no substantive function with respect to the agreement except to be a pass-through entity; (iii) the purpose of the agreement is to exchange money or other material and valuable consideration (including, but not limited to, the promotion, marketing or distribution of Other Browsers) in return or consideration for distribution, transmission, marketing or promotion in the Territory of Content which has been or is included in the Company Web Sites or in association with any trademark or logo which includes the trademark "ZDNet" during the Term.

Nothing in this paragraph shall restrict Company from (a) entering into agreements with third parties which have agreements and/or working relationships with companies which produce Other Browsers, provided such agreements are not Pass-Through Agreements or Content Promotion Agreements; (b) entering into agreements to license or use software or technology from companies which produce Other Browsers, including agreements which include material and valuable consideration; or (c) purchasing advertising from or selling advertising to companies which produce Other Browsers provided that such purchase or sale is on standard terms and conditions.

2.5 Licensed Materials. Company will deliver the initial versions of the Licensed Materials to Microsoft no later than ten (10) working days prior to Microsoft's initial commercial release of Active Desktop; provided that Microsoft has given Company at least 30 days prior notice of the date of such initial commercial release. Final version of the Licensed Materials shall be provided to Microsoft reasonably in advance of the commercial release of IE, at a date to be determined based on the Internet Explorer product schedule. Microsoft shall be entitled to review and approve for inclusion in Active Desktop such Licensed Materials, provided that such approval shall not be unreasonably withheld or delayed.

2.6 Creation and Maintenance of Company Channel. Company shall create and maintain the Company Channel(s) which will deliver free Content which is substantively implemented and updated pursuant to the terms and at the frequency set forth in Exhibit A. Company acknowledges that its performance under this Section 2.6 is critical to Microsoft. If fails to perform under this Section 2.6, Microsoft may enforce the remedies set forth in Section 12.2.

2.7 Licenses. Company will license the Licensed Materials to Microsoft as set forth in Section 5.

2.8 Equal Treatment. Microsoft agrees that, during the Term and with respect to Sections 2.1, 2.2, 2.3, 2.4, 2.5, and 2.6, it has and will continue to apply substantially the same requirements to all Third Party Pre-Configured ICPs in the Territory.

3. MICROSOFT OBLIGATIONS

3.1 Inclusion as Pre-Configured ICP. During the Term, Microsoft shall include a Company Channel Icon in a Pre-Configured ICP position within United States English versions of Active Desktop for Win32 distributed within the Territory, as follows:

(a) Within the Territory, Microsoft shall list Company's Channel Icon as a Category Channel in the Active Desktop directory for the following Category: News and Technology as Standalone Configurations.

(b) Microsoft shall include the Licensed Materials in Microsoft's retail CD-ROM and OEM distributions of Active Desktop for Win32 distributed within the Territory as Standalone Configurations.

(c) Microsoft does not intend to include more than twenty-five (25) Third Party Pre-Configured ICPs in United States English versions of Active Desktop during the Term, and Microsoft does not intend to include more than ten (10) Third Party Category Channels within each Category which is presented as a Channel within such versions of Active Desktop during the Term.

(d) Microsoft shall in its sole discretion determine the order of placement on the Active Desktop of the Channel Icons for Channels, Categories and Category Channels.

(e) Company acknowledges and agrees that Microsoft may, notwithstanding anything to the contrary in Sections 3.1(a)-(c): (i) authorize OEM distributors of Active Desktop to include their own Pre-configured Channel in copies of Active Desktop which they distribute, and to place their Channel Icon in a top directory position within Active Desktop; and (ii) authorize Internet Access Providers (or "IAPs," *i.e.*, companies which market Internet access services to End Users) and licensees of Microsoft' Internet Explorer Administration Kit (or "IEAK") to distribute copies of Active Desktop from which such IAPs or IEAK licensees have deleted the Pre-configured Channels of some or all Pre-Configured ICPs. Company further acknowledges and agrees that Active Desktop users and IEAK users will be able to re-configure Channels for End User customers, themselves and for others in their organization, including scheduling when Content is downloaded from the URL, and adding, moving and/or deleting Channels and Channel Icons.

(f) Microsoft will exercise commercially reasonable efforts to require its OEM Licensees to include the Company Channel Icon in applicable versions of Active Desktop which they distribute, and in no event shall Microsoft authorize an OEM Licensee to delete the Company Channel Icon but not any Microsoft or Microsoft Affiliate Channel Icons from applicable versions of Active Desktop.

(g) Microsoft's intent is that Active Desktop will be presented to the user upon system setup and/or first use of Internet Explorer.

3.2 Early Releases and Other Development Support. During the Term, Microsoft shall provide Company with early (alpha, beta and, where practical as determined by Microsoft in its sole discretion, pre-alpha) releases of Active Desktop and Internet Explorer to use and reproduce for internal development purposes only. Microsoft will use reasonable efforts to deliver such releases to Company no later than Microsoft makes them available to any other Third Party Pre-Configured ICPs.

3.3 Set-up and Installation Requirements. Microsoft's obligations under this Section 3 are contingent on Company's meeting the setup and installation specifications that Microsoft requires for all third party Pre-Configured ICPs, as further described in Exhibit C.

3.4 Licenses. During the Term, Microsoft will license Internet Explorer to Company as set forth in Section 5.

3.5 Microsoft Promotion of Company Content. In order to assist Company's efforts in developing its webcast Content business on Microsoft platform technology, Microsoft agrees during the Term to actively promote the Company Content in conjunction with Active Desktop in a comparable manner to Microsoft's promotion of other Third Party Pre-Configured ICPs whose Content is offered via Category Channels on the Active Desktop.

3.6 Active Desktop Distribution. Microsoft currently anticipates that within three (3) months of the commercial release of Active Desktop, it will be distributed to approximately 1.2 million End Users; however, Microsoft will have no liability to Company and Company shall have no remedies whatsoever, whether in law or in equity, in the event that such estimate is incorrect.

3.7 Advertising. Microsoft agrees that it will not sell or distribute any advertising which is visible or audible to End Users while they are viewing Company's Channel Content with Active Desktop (i.e., within "Channel mode"). For purposes of clarification, and not by way of limitation, Company agrees that Microsoft may enable End Users to see or play advertisements in the following ways without violating this Section 3.6: (a) End Users may view or play more than one Channel, including associated advertising, by running more than one copy of Active Desktop simultaneously; (b) End Users may use third party products or services which enable them to view or play advertising simultaneously with Company's Channel Content when they are in Channel mode within Active Desktop, and (c) End Users may see or play banners and other forms of advertising and promotions for other ICPs and their Content when the End Users are viewing or playing Company's Channel Content within a "preview" screen in the Active Desktop Channel guide ("Channel Guide").

4. JOINT OBLIGATIONS

4.1 Announcement. The parties shall issue a joint press release announcing and describing the general terms of this Agreement. The precise content and timing of such press release shall be mutually agreed upon by the parties.

4.2 Marketing Coordination. Each party shall appoint a representative to coordinate marketing plans, advertising guidelines, and other promotional messages to be used by the respective parties in their promotions of one another. Each party shall use reasonable commercial efforts to confirm any substantive changes in such plans and messages with the other party prior to executing marketing or advertising promotions with any such changed messages or plans.

4.3 Support. Each party shall provide all user support for its own products and services that it operates or distributes in connection with this Agreement.

5. RIGHTS AND LICENSES

5.1 Intellectual Property License to Microsoft. Company hereby grants to Microsoft, a nonexclusive, non-transferable, royalty-free, fully paid up, worldwide right and license, under all applicable Company Intellectual Property, to reproduce, license, rent, lease, or otherwise distribute to End Users, and have reproduced, licensed, rented, leased or otherwise distributed directly and indirectly to End Users, to and by third parties, the Licensed Materials solely as part of or for use exclusively with the Active Desktop on Internet Explorer. The foregoing license shall take effect as of the Effective Date, shall be irrevocable during the Term, and thereafter shall terminate or expire only as provided in Section 12. Upon request from Company from time to time during the Term, Microsoft will use commercially reasonable efforts to provide Company with any aggregate information (i.e., excluding any information that identifies individual End Users) that Microsoft may obtain and be able to identify concerning End Users of the Company's Channel Icon within the Channel Guide. Such aggregate information shall be considered Microsoft Confidential Information, and Company shall be entitled to use and disclose such aggregate information for its internal purposes.

5.2 Internet Explorer. During the Term, Microsoft hereby grants to Company a nonexclusive, royalty-free, fully paid up, worldwide right and license under all applicable Microsoft Intellectual Property (i) to reproduce and distribute Internet Explorer, either on a stand-alone basis or in conjunction with Company Content, products or services, under Microsoft's standard terms and conditions (as listed on http://www.microsoft.com/ie/iedist.htm or successors thereto); and (ii) during the Term, to sublicense to Company OEMs, distributors and resellers the rights to reproduce and distribute Internet Explorer in conjunction with Company Content, products or services.

5.3 Patent Issues. If Company (a) sues or (b) brings, prosecutes, assists or participates in any judicial, administrative or other proceedings of any kind against Microsoft or its licensees (including without limitation OEM customers and end users) for infringement of any Company Patents which occurs during the Term on account of the manufacture, use, sale or distribution of technology contained in Internet Explorer, Microsoft may terminate this Agreement as provided in Section 12.2. As used herein, "Company Patents" means any and all patents (other than design patents or the equivalent), or the inventions, ideas or applications therefor, worldwide, whether currently existing, or later developed, applied for, issued prior to the Term, or issuing during the Term, and under which patents (or the inventions, ideas or applications therefor) Company, or any of its Affiliates, now has or obtains during the Term the ability or right to license or grant immunity from suit; and (ii) all extensions, divisionals, continuations, continuations-in-part, re-examinations and reissue patents of such patents, as well as patent applications thereof, to the extent rights attach to such applications.

5.4 Other Rights Reserved. Neither party grants any license in this Agreement under its Intellectual Property or Confidential Information except as expressly provided in Sections 3, 5, 7 or 8.

6. CONSIDERATION

In addition to the consideration provided by each party under the terms and conditions of this Agreement, including without limitation the restrictions set forth in Section 2.1(d) and 2.2, each party shall provide to the other the further consideration set forth in Exhibit D in the manner further set forth therein.

7. TRADEMARKS

7.1 Microsoft Trademarks. Company is hereby granted a non-exclusive license (under Microsoft's standard terms as listed on http://www.microsoft.com/ie/iedist.htm or successors thereto), to use Microsoft trademarks (collectively, "Microsoft Trademarks") in connection with Company performing its obligations under Section 2. Notwithstanding the foregoing, any fair use, or similar use that is compliant with applicable local law, by Company of the Microsoft Trademarks in a truthful context shall not require Microsoft's advance approval unless such use suggests or implies endorsement by Microsoft of Company's or any other parties' products or services.

7.2 Company Trademarks.

(a) Company hereby grants to Microsoft a non-exclusive, non-transferable, worldwide limited license to use those trademarks. trade names, and logos contained in the Licensed Materials or otherwise agreed to by Company from time to time (collectively, "Company Trademarks") in (i) Active Desktop and (ii) any advertising, marketing, technical or other materials related thereto which are distributed, transmitted or promoted by Microsoft or its distributors for Active Desktop under this Agreement. The foregoing license shall take effect as of the Effective Date, and with respect to the license granted under clause (i), shall be irrevocable during the Term, and thereafter shall terminate or expire only as provided in Section 12, and with respect to the license granted under clause (ii), shall terminate upon termination of this Agreement pursuant to section 12.5. Microsoft's use of the Company Trademarks shall be in accordance with Company's then current trademark guidelines to be provided and reasonably updated by Company from time to time. If the trademark guidelines are amended or any Company Trademarks are modified or added, Microsoft shall have the right to deplete or have depleted in the ordinary course of their businesses existing and contractually committed for inventories of products and materials which may not be in compliance with the amended guidelines or modified/added Company Trademarks. Microsoft agrees not to register any Company Trademarks without Company's express prior written consent. Company shall promptly notify Microsoft of any finding of infringement or invalidity of any Company Trademarks in any jurisdiction. Nothing herein shall require Microsoft to use any Company Trademark in any manner, except as expressly provided in Section 3.

(b) In the event Company so requests, Microsoft shall provide Company free of charge with adequate samples, for Company's review and comment, of specified materials containing any Company Trademark which materials are not available for Company to review on the Web. Microsoft shall provide Company, upon Company's request, the exact location of any materials which use any Company Trademark and which are posted on the Web.

Microsoft acknowledges Company's ownership of the Company Trademarks, and that all use of the Company Trademarks shall inure to the benefit of Company. Microsoft shall at any time execute any documents reasonably required by Company to confirm its ownership rights. All of Company's rights in the Company Trademarks other than those specifically licensed herein are reserved by Company for its own use and benefit. Notwithstanding the foregoing, any fair use, or similar use that is compliant with applicable local law, by Microsoft of the Company Trademarks in a truthful context shall not require Company's advance approval unless such use suggests or implies endorsement by Company of Microsoft's or any other parties' products or services.

8. CONFIDENTIALITY

8.1 Non-Disclosure. Each party expressly undertakes to retain in confidence Confidential Information transmitted to it by the other party during the term of this Agreement, to use the same degree of care and discretion it uses with its own similar Confidential Information, and to use such Confidential Information of the other party only for the purposes of performing its obligations under this

Agreement. Notwithstanding the foregoing, either party may disclose Confidential Information in confidence to its immediate legal and financial advisors as required in the ordinary course of that party's business; provided that such advisors are bound by a duty of confidentiality with respect to such Confidential Information which is consistent with this Section 8. Except as expressly provided in this Agreement, no ownership or license rights are granted in any Confidential Information.

8.2 Residuals. The parties' obligations of confidentiality under this Agreement shall not be construed to limit either party's right to independently develop or acquire products without use of the other party's Confidential Information. Further, either party shall be free to use for any purpose the residuals resulting from access to or work with such Confidential Information, provided that such party shall maintain the confidentiality of the Confidential Information as provided herein. The term "residuals" means technical information in non-tangible form which may be retained by persons who had rightful and good faith access to the Confidential Information, including ideas, concepts, know-how or techniques contained therein, sales- and marketing-related Confidential Information. Neither party shall have any obligation to limit or restrict the assignment of such persons or to pay royalties for any work resulting from the use of residuals. However, this Section 8.2 shall not be deemed to grant to either party a license under the other party's copyrights or patents. Neither party shall intentionally memorize Confidential Information for the purpose of using it outside the original purpose for which it was disclosed.

8.3 Limitations. The other provisions of this Agreement notwithstanding, either party will be permitted to disclose the terms and conditions of this Agreement to the extent required by applicable law; provided however that before making any such required filing or disclosure, the disclosing party shall first give written notice of the intended disclosure to the other party, within a reasonable time prior to the time when disclosure is to be made, and the disclosing party will exercise reasonable efforts, in cooperation with the other party, consistent with reasonable time constraints, to obtain confidential treatment for all non-public and sensitive provisions of this Agreement, including without limitation dollar amounts and other numerical information.

9. WARRANTIES

9.1 Company. Company represents and warrants to Microsoft that:

(a) It has the full corporate power to enter into this Agreement and perform its obligations according to the terms of this Agreement;

(b) To the best of its knowledge, the Company Trademarks do not infringe any trademark right held by any third party, and Company is not aware of any material claims by any third party which would adversely affect Microsoft's rights to the Company Trademarks as set forth in this Agreement; and

(c) To the best of Company's knowledge, the Licensed Materials and Company Content available to End Users during the Term do not: (i) contain defamatory or libelous material or material which violates any person's right of privacy or publicity; or (ii) contain any obscene, profane or pornographic content.

The representations and covenants contained in this Section 9.1 are continuous in nature and shall be deemed to have been given by Company at execution of this Agreement and at each stage of performance hereunder.

9.2 Microsoft. Microsoft represents and warrants to Company that:

(a) It has the full corporate power to enter into this Agreement and grant the license rights and perform its obligations according to the terms of this Agreement ; and

(b) To the best of its knowledge, Internet Explorer and Active Desktop do not infringe any copyright, trademark, trade secret, or other proprietary right held by any third party, with the exception of any patent rights.

The representations and covenants contained in this Section 9.2 are continuous in nature and shall be deemed to have been given by Microsoft at execution of this Agreement and at each stage of performance hereunder.

10. DISCLAIMER OF FURTHER WARRANTIES

10.1 EXCEPT AS EXPRESSLY WARRANTED IN SECTION 9.1, ALL LICENSED MATERIALS, COMPANY CONTENT, COMPANY WEB SITES, TRADEMARKS, AND OTHER MATERIALS LICENSED UNDER THIS AGREEMENT, AND COMPANY CONFIDENTIAL INFORMATION ARE PROVIDED TO MICROSOFT "AS IS" WITHOUT FURTHER WARRANTY OF ANY KIND. WITH THE EXCEPTION OF THE EXPRESS WARRANTIES SET FORTH IN SECTION 9.1, COMPANY DISCLAIMS ALL FURTHER WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT.

10.2 EXCEPT AS EXPRESSLY WARRANTED IN SECTION 9.2, INTERNET EXPLORER, TRADEMARKS AND OTHER MATERIALS LICENSED TO COMPANY PURSUANT TO THIS AGREEMENT, AND THE MICROSOFT CONFIDENTIAL INFORMATION ARE PROVIDED TO COMPANY "AS IS" WITHOUT FURTHER WARRANTY OF ANY KIND. WITH THE EXCEPTION OF THE EXPRESS WARRANTIES SET FORTH IN SECTION 9.2, MICROSOFT DISCLAIMS ALL WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NONINFRINGEMENT.

11. INDEMNITY

11.1 Indemnity by Company.

(a) Company shall indemnify, defend and hold harmless Microsoft, and Microsoft's Affiliates, directors, officers, employees, Licensees, agents and independent contractors, from and against any liabilities, damages, costs or expenses (including attorneys' fees) arising in connection with a Third Party claim (i) that the Licensed Materials infringe or violate any copyright, trademark, trade secret, right of publicity, or other intellectual property, proprietary or contractual right of a third party, with the exception of any patent rights, or (ii) that, if true, would constitute a breach of a Company warranty under Section 9.1 (collectively, "Company Claims"). Microsoft shall: (i) provide Company reasonably prompt notice in writing of any such Company Claims and permit Company, through counsel chosen by Company who are not subject to any conflicts with respect to such representation as reasonably determined by Microsoft, to answer and defend such Company Claims; and (ii) provide Company information, assistance and authority, at Company's expense, to help Company to defend such Company Claims. Company will not be responsible for any settlement made by Microsoft without Company's written permission, which permission will not be unreasonably withheld or delayed.

(b) Unless Company obtains for Microsoft a complete release of all Company Claims thereunder, Company may not settle any Company Claim under this Section 11.1 on Microsoft's behalf without first obtaining Microsoft's written permission, which permission will not be

unreasonably withheld or delayed. In the event Microsoft and Company agree to settle a Company Claim, Company agrees not to publicize the settlement without first obtaining Microsoft's written permission, which permission will not be unreasonably withheld or delayed.

(c) The obligations in this Section 11.1 shall be Microsoft's exclusive remedy for breach of the warranties set forth in Sections 9.1(b) and (c).

11.2 Indemnity by Microsoft.

(a) Microsoft shall indemnify, defend and hold harmless Company, Company's Affiliates, and their respective directors, officers, employees, agents, and independent contractors, from and against any liabilities, damages, costs or expenses (including attorneys' fees) arising in connection with a claim (i) that Active Desktop or Internet Explorer infringes or violates any copyright, trademark, trade secret, right of privacy or publicity, or other intellectual property, proprietary or contractual right of a third party, with the exception of patent rights, or (ii) that, if true, would constitute a breach of a Microsoft warranty under Section 9.2 (collectively, "Microsoft Claims"). Company shall: (i) provide Microsoft reasonably prompt notice in writing of any such Microsoft Claims and permit Microsoft, through counsel chosen by Microsoft, who are not subject to any conflicts with respect to such representation as reasonably determined by Company, to answer and defend such Microsoft Claims; and (ii) provide Microsoft information, assistance and authority, at Microsoft's expense, to help Microsoft to defend such Microsoft Claims. Microsoft will not be responsible for any settlement made by Company without Microsoft's written permission, which permission will not be unreasonably withheld or delayed.

(b) Unless Microsoft obtains for Company a complete release of all Microsoft Claims thereunder Microsoft may not settle any Microsoft Claim under this Section 11.2 on Company's behalf without first obtaining Company's written permission, which permission will not be unreasonably withheld or delayed. In the event Company and Microsoft agree to settle a Microsoft Claim, Microsoft agrees not to publicize the settlement without first obtaining Company's written permission, which permission will not be unreasonably withheld or delayed.

(c) The obligations in this Section 11.2 shall be Company's exclusive remedy for breach of the warranties set forth in Section 9.2(b).

12. TERMINATION

12.1 Term. This Agreement shall commence upon the Effective Date and continue in full force and effect until the earlier of (i) termination for cause as set forth in Section 12.2, or (ii) expiration of the Term.

12.2 Termination By Either Party For Cause. Either party may terminate this Agreement immediately upon written notice at any time if:

(a) The other party is in material breach of any material warranty, term, condition or covenant of this Agreement, other than those contained in Sections 2.6, 5, 7 or 8, and has failed to cure that breach within thirty (30) days after written notice thereof; or

(b) The other party is in material breach of Sections 2.6, 5, 7 or 8 and has failed to cure that breach within ten (10) days after written notice thereof.

12.3 Effect of Termination. Neither party shall be liable to the other for damages of any sort resulting solely from terminating this Agreement in accordance with its terms.

12.4 Preservation of Remedies. A party's right to terminate this Agreement shall be in addition to all other rights and remedies the terminating party may have available to it under this Agreement, whether at law or in equity. Neither payment of fees or credits due under this Agreement nor termination of this Agreement shall be a bar to a party's pursuing any remedy for breach provided for under this Agreement or applicable law. Each party acknowledges that monetary damages may not be a sufficient remedy for breach of its obligations under Sections 8 (as applicable), and that the non-breaching party may be entitled, without waiving any other rights or remedies (and whether or not the non-breaching party exercises any right of termination), to such injunctive or equitable relief as may be deemed proper by a court of competent jurisdiction.

12.5 Survival. Sections 4.3, 8, 9, 10, 11, 12.3, 12.4, 12.5, 13 and 14 shall survive any termination or expiration of this Agreement. Sections 5.1 and 7.2(i) shall survive any termination or expiration of this Agreement and remain in effect for a period of three (3) years from the effective date. Section 7.2(ii) shall survive any termination or expiration of this Agreement for a period of ninety (90) days solely with respect to any advertising, marketing, technical or other materials which already exist as of the effective date of termination, and solely for purposes of inventory exhaustion or completion of distribution contracts already in place (e.g., the placement of a magazine advertisement before the effective date of termination). The license to create and distribute new advertising, marketing, technical or other materials under Section 7.2(ii) shall not survive any termination or expiration of this Agreement.

13. LIMITATION OF LIABILITIES

IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR OTHER RELATED OR SIMILAR DAMAGES (BUT NOT INCLUDING DIRECT DAMAGES) WHATSOEVER, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOSS OF BUSINESS PROFITS, BUSINESS INTERRUPTION, LOSS OF BUSINESS INFORMATION, AND THE LIKE FOR A BREACH OF THIS AGREEMENT, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS SECTION SHALL NOT RESTRICT IN ANY WAY EITHER PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 11, NOR SHALL IT APPLY IN CONNECTION WITH ANY BREACH BY EITHER PARTY OF SECTION 8.

14. GENERAL PROVISIONS

14.1 Notices. All notices and requests in connection with this Agreement shall be deemed given as of the day they are received by the party to whom they are addressed, either by messenger, overnight delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed as indicated below or to such other address as a party may designate pursuant to this notice provision:

To Company:	To Microsoft:
ZDNet One Athenaeum Street Cambridge, MA 02142 Attention: General Manager	Microsoft Corporation One Microsoft Way Redmond, WA 98052-6399 Attention: Director of Business Development, Internet Division
Phone: (617) 225-3200	Phone: (425) 936-6460
Fax: (617) 225-3600	Fax: (425) 703-1360
Copy to: Ziff-Davis Inc. One Park Avenue New York, NY 10016 Attention: Legal Department	Copy to: Microsoft Corporation One Microsoft Way Redmond, WA 98052-6399 Attention: Law & Corporate Affairs
Fax: (212) 503-3581	Fax: (425) 936-7409

or to such other address as a party may designate pursuant to this notice provision.

14.2 Independent Parties. Nothing in this Agreement shall be construed as creating an employer-employee or agency relationship, a partnership, or a joint venture between the parties.

14.3 Governing Law. This Agreement shall be governed by the laws of the State of Washington as though entered into between Washington residents and to be performed entirely within the State of Washington.

14.4 Attorneys' Fees. In any action or suit to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party shall be entitled to recover its costs, including reasonable attorneys' fees.

14.5 Assignment. This Agreement shall be binding upon and inure to the benefit of each party's respective successors and lawful assigns; provided, however, that neither party may assign this Agreement, in whole or in part, without the prior written approval of the other party. For purposes of this Agreement, a merger, consolidation, or other corporate reorganization, or a transfer or sale of any or all of a party's stock, or of all or substantially all of its assets, in each case to an entity which is not an Affiliate of the transferring party before such transfer or sale, shall be deemed to be an assignment.

14.6 Construction. If for any reason a court of competent jurisdiction finds any provision of this Agreement, or portion thereof, to be unenforceable, that provision of the Agreement will be enforced to the maximum extent permissible so as to effect the intent of the parties, and the remainder of this Agreement will continue in full force and effect. Failure by either party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that or any other provision. This Agreement has been negotiated by the parties and their respective counsel and will be interpreted fairly in accordance with its terms and without any strict construction in favor of or against either party.

14.7 Entire Agreement. This Agreement does not constitute an offer by Microsoft and it shall not be effective until signed by both parties. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and merges all prior and contemporaneous communications regarding this subject matter. It shall not be modified except by a written agreement

subsequent to the date of this Agreement and signed on behalf of Company and Microsoft by their respective duly authorized representatives.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the Effective Date written above.

MICROSOFT CORPORATION	**ZDNET** ("Company")
Brad Chase	David Shnaider
By (Sign)	By (Sign)
Brad Chase	David Shnaider
Name (Print)	Name (Print)
Vice President	EVP
Title	Title
8/6/97	8/8/97
Date	Date

EXHIBIT A

I. ACTIVE PLATFORM SUPPORT REQUIREMENTS

The goal of these requirements is to make the Company Web Site(s) demonstrably superior examples of Active Platform technology. The developers will follow the guidelines below, although specific design and content issues are at the discretion of the content provider.

A. Channel Requirements

1) Support for IE presentation
   - Logo to fit on Channel bar button
   - Full screen view (theatrical view)
   - Support for screen saver function
2) Create a CDF (Channel Definition Format file) to categorize content for download and offline reading
   - The CDF can have no more than 8 first level items when the user first connects to the Channel.
3) Update CDF and support notification for new Content
4) Optimize the Channel for download:
   - Author content to meet reasonable download size guidelines (TBD)
   - Go beyond that limit after notifying user
   - Offer personalization to select relevant content
5) Content must be updated at least 5 times per week
6) Use of Dynamic HTML should be maximized. At a minimum, a Channel must support at least 3 of the following 5 capabilities supported by Dynamic HTML on the top page of the channel, and at least 1 of the 5 following capabilities on at least 50% of the remaining pages in the channel:
   - Dynamic Content
     Ability to change elements on HTML page on the fly based on user interaction, without round trip to the server. This allows for better user interactivity, with faster performance.
   - 2D Positioning
     This capability allows site authors to easily and accurately position elements on a page without being forced to resort to ActiveX controls, Java applets, or games with tables. Dynamic HTML supports X,Y and Z-plane positioning. Combined with multimedia/animation effects, this capability can dramatically improve the look of your site.
   - Multimedia Effects – Filters, Transitions, Animations, Alpha Channel, etc
     Dynamic HTML also includes a set of high performance multimedia effects that interact with the HTML page.
   - Data Awareness
     The ability to link data from a database and dynamically update your HTML page based on changes in the database automatically. Also, this capability allows for the user to interact with the data without roundtrips to the server.
   - Dynamic HTML Object Model
     This is not a new tag, but a way to control existing HTML tags. For example, existing elements such as <img> tag, will receive a click event if the user clicks on the picture.
7) Support for 2 of the following 3 technologies within the Channel:
   - HTML Mail
     Specify a page for email notification in the CDF
   - "Desktop Components"

Create at least 1 "Desktop Component" that will be updated at least 5 times per week

- Ratings

  Ratings are a mechanism to inform users of the appropriateness of web site content. Support for ratings is a simple process of going to the official ratings site (www.rsac.org) and registering the web site.

8) Deliver multimedia content in the ASF format (Netshow)

9) Microsoft's standard IEAK product must be able to administer all Channel behavior. The intent is to provide effective central administration such that MIS departments do not disable Channel by default with the IEAK. *See note below regarding this requirement.*

10) Introductory Content must (and downloaded Content should) optimize for performant operation in standard system configurations

- Use standard system services wherever possible (Channel installation, cache management, data transfer, Web event logging, Channel selection, screen saver). Any duplication must be noted and approved in advance of submission of Introductory Content to Microsoft.
- Do not instantiate any processes that increase the static working set (e.g., static memory requirements) or that run when Company's Channel is not visible on screen via Active Desktop. *See note below regarding this requirement.*

Note regarding requirements 9 and 10 above:
Content will automatically meet these provisions if it is webcast via standard IE4 system services and does not require installation of custom Active X controls and/or add-on client software. If Content does require separate software to be used or displayed, it must be verified to meet requirements 9 and 10.

B. Differentiated Content Area Requirements (if separate from channel)
Creation of "Differentiated Content": Partners shall define easily described and highly visible components of their web site that will exhibit substantially superior features or usability when used with Internet Explorer, making the site a premier example of the added-value differentiation enabled by Microsoft Internet Technology. Some differentiated content may be available only to IE users, some may simply be "best when used with IE", with acceptable degradation when used with other browsers.

1) Create a CDF to categorize content for download and offline reading
2) Update CDF and support notification for new Content
3) Support for six (6) of the following Microsoft technologies (as defined below):
   - Inclusion of COM objects
   - Use of Scripting (VB Script or Jscript)
   - HTML 3.2
   - NetShow
   - HTML Mail
   - Dynamic Content
   - 2D Positioning
   - Multimedia Effects – Filters, Transitions, Animations (IHammer controls)
   - Data Awareness
   - Dynamic HTML Object Model

C. Existing Web Site Requirements
On the home page of the Web Site and at least 15 other most visited Web Site pages:

1) Logo as "Best viewed with IE 4" or other equivalent

2) Track browser market share based on appropriate user agent strings and report to Microsoft on a monthly basis
3) Create a CDF to categorize content for download and offline reading
4) Update CDF and support notification for new Content
5) Support four (4) of the following Microsoft technologies:
    - Inclusion of COM objects
    - Use of Scripting (VB Script or Jscript)
    - HTML 3.2
    - NetShow
    - HTML Mail
    - Ratings
    - Dynamic Styles
    - Positioning
    - Dynamic Content
    - Multimedia Effects – Filters, Transitions, Animations
    - Data Awareness

In the spirit of being a Platinum Internet Explorer site, Company will use all reasonable efforts to promptly take advantage of new Internet Explorer extensions as they become available in beta and final updates for Internet Explorer, including subsequent versions of Internet Explorer, during the term of this agreement.

Definitions of Microsoft Technologies (not defined above)

1 CDF: A Channel Definition Format file that describes the site. The CDF spec is included with the developer materials for IE 4.

2 COM Objects: Inclusion of COM Objects (ActiveX Controls, or Java Applets) - COM objects are self-contained pieces of code that bring unique interactivity to sites not possible with HTML-only pages. COM objects can be written in many languages, such as C/C++ or Java. Web Site must use at least one such control on at least one of its top 5 most visited pages.

3 Scripting: Use of Scripting (VB Script, or Jscript) - Scripts are pieces of code written inline within HTML to automate general purpose COM objects, or to make objects interact with one another, in a web page. Scripts can be written in many languages, such as VB Script or Jscript. Web Site must use at least some such scripting to automate one or more controls.

4 HTML 3.2: Utilization of at least 2 of the following 4 IE3 and HTML 3.2 standard capabilities:

- Style Sheets - A style sheet is a description of the layout of a document. Style sheets allow page authors to cleanly split structure and Content away from a page's form and appearance. Just as HTML is the language to describe structure and Content, so form and appearance will be described by a style sheet language such as Cascading Style Sheets - a W3C standard spec supported first by IE 3.0.
- Frame Sets - Frames allow you to divide a Web page into separate regions that can display Content independently. A side benefit of frames is that clicking a link can now launch a new window. Borderless frames give you all the power of frames pages with the added benefit of a seamless look. Borderless frames can be also separated with a custom color or background picture. Floating frames are a revolutionary new feature in IE 3.0. Anywhere you can put an image in IE 2.0 or Netscape, you can put an arbitrary box of HTML (with or without a scrollbar and a 3-D border) in IE 3.0
- Other Key HTML Extensions - IE 3.0 supports several HTML 3.0 table features, including selectable rules and borders, row and column grouping, and aligning

text in adjacent cells by baseline. It also supports the ability to put background images in individual table cells. IE 3.0 also supports .BMP and animated .GIF formats. There are additional HTML extensions supported by IE 3.0 that can also be implemented.

EXHIBIT B

PROMOTION; UNIQUE CONTENT

I. Additional Company promotional activities:

1. Company will include the IE4 software on 500,000 CD-ROMs to be distributed during the one year period following the launch.

2. During the 3 months immediately following the launch of IE4, Company will promote the Company Channel on the Company Web Sites with a minimum of 500,000 micro-button ads each month.

3. Company will include promotions of the Active Desktop on IE4 on certain pages of the ZDNet main channel and make it a featured download on the Software Library channel of ZDNet.

II. Additional Microsoft promotional activities:

1. Microsoft will promote the Company Channel as a "Platinum" Channel in Microsoft's "launch" marketing and promotions (including the launch event and online launch event), and

2. During the Term, Microsoft shall list the Company Channel in the US English language version of the Channel Guide Server. The Company Channel shall be promoted and listed in a manner superior to all non-Platinum or "Gold" Channels in the Channel Guide Server. ("Gold" Channels are Channels which Microsoft is contractually obligated to include in the Channel Guide Server but which are not Pre-Configured Channels.) The Company Channel listing shall be included in the worldwide database of Channels maintained on the Channel Guide Server. Microsoft shall in its sole discretion determine the placement of Channels on the Channel Guide and the Channel Guide Server. The Internet Explorer Channel Guide will be a link from the default Internet Explorer 4.0 user interface.

3. MSNBC (or MSNBC's exclusive partner) will exclusively provide the default technology news headlines (if any) for the home.microsoft.com home page. Company will be one of the options for personalization. Other Third Party Content providers will be included as a personalization option, but no other third party will provide the default headlines during the Term.

4. During the Term, Microsoft will include a Company channel aimed at IT executives as a computing channel in the IEAK, if Company creates such a channel and it meets the requirements for the IEAK.

5. Microsoft and Company will negotiate in good faith to integrate unique Company Content into the Microsoft web offering for the Sitebuilders program.