

FULLY-EXECUTED

Agreement

This Agreement ("Agreement") is made as of July 11, 2007 (the "Effective Date") between UMG Recordings, Inc. ("UMG") having its principal offices at 2220 Colorado Avenue, Santa Monica, CA 90404 and MediaDefender, Inc. ("MediaDefender") having its headquarters and principal place of business at 1601 Cloverfield Boulevard, Suite 400 South, Santa Monica, CA 90404.

WHEREAS, UMG seeks MediaDefender's assistance to determine a new product configuration's impact on piracy activity on various peer-to-peer networks.

NOW, THEREFORE, in consideration of the mutual promises set forth below, the parties agree as follows:

1. Services and Term.

- (a) MediaDefender will (a) monitor the availability of unique File Hashes (as defined below) on specific peer-to-peer networks that correspond to Search Pairs (as defined below) (b) report the availability of such File Hashes to UMG and (c) download a representative file from each unique File Hash and make such files available to UMG (the "Services"). A "File Hash" is defined as a unique text string generated by parsing the data of a file through a deterministic hashing algorithm. In the scope of this agreement, File Hashes shall represent such file hashes as generated by specific algorithms in use to distinguish unique files by software clients on a peer-to-peer network.
- (b) The term of this Agreement will commence on the date that MediaDefender begins collecting data under this Agreement and shall continue until such date that UMG notifies MediaDefender in writing to cease collecting data under this Agreement (the "Test Period"). MediaDefender shall notify UMG in writing of the date on which it begins to collect data under the Agreement, which such date shall be no later than five (5) days after UMG notifies MediaDefender to begin collecting data. Notwithstanding the foregoing, the Test Period shall continue for at least five (5) months.
- (c) MediaDefender agrees to perform the Services for UMG on the Gnutella, eDonkey and Ares/Wares peer-to-peer networks.
- (d) UMG will provide MediaDefender with a list of matched UMG artist and track names that will be used for searching and data collection while performing the Services. MediaDefender will use every matched UMG artist and track name to create search pairs that shall include common or alternative spellings and misspellings of the UMG artist and/or track name ("Search Pair"). MediaDefender shall not add any Search Pairs after the Test Period commences. UMG shall use reasonable efforts to provide MediaDefender with a list of UMG artist and track names as soon as possible following the Effective Date.

2. Deliverables.

- (a) MediaDefender will provide UMG with weekly reports in a format mutually agreed upon by the parties that includes the following information for each unique File Hash that corresponds to a Search Pair: (i) artist name, (ii) track name, (iii) peer-to-peer network where the file hash was found, (iv) file hash value, (v) number of users sharing the file hash and (vi) the date and time stamp of each observation of the File Hash. These reports will be made available to UMG at no additional cost.

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- (b) MediaDefender will provide UMG with the downloaded files that are representative of each unique File Hash (the "Files") via an FTP service provided by UMG. MediaDefender will identify each File by the data collected and reported in Section 2(a) using a scheme mutually agreed upon by the parties. For the avoidance of doubt, MediaDefender is not required to download multiple Files from a given File Hash; provided however that MediaDefender shall include every occurrence of a given File Hash in the reporting required pursuant to Section 2(a). Notwithstanding the foregoing, during the first week of File Hash data collection, MediaDefender shall download Files corresponding to a sample of ten or more unique files from one or more given File Hashes in order to verify process effectiveness and to verify that the proper automated file-to-data mapping procedures are in place.

3. Fees.

UMG shall pay to MediaDefender Ten Thousand Dollars (\$10,000.00) per month within sixty (60) days following invoice by MediaDefender for the Services requested by UMG and performed by MediaDefender. Payments made to MediaDefender for any partial month shall be prorated by the number of days that the Testing Period occurs in such partial month.

4. Warranties by MediaDefender.

- (a) MediaDefender represents and warrants to UMG that it has the experience and ability to perform the Services required by this Agreement; that it will perform the Services in a professional, competent and timely manner; that it has the power to enter into and perform this Agreement; and that its performance of this Agreement shall not infringe upon or violate the rights or damage the property (including, but not limited to computers, drives, data, etc.) of any third party or those of UMG or violate any federal, state and municipal laws, ordinances, government directives and other applicable regulations. Except for the representations and warranties provided in this Section 4 or otherwise specifically provided in this Agreement, MediaDefender disclaims all warranties of any kind, express or implied, to the fullest extent permitted by law with regard to MediaDefender's obligations under this Agreement, including, without limitation, the implied warranties of merchantability, fitness for a particular purpose, title, noninfringement, and those arising from trade custom, course of dealing, and course of performance.
- (b) UMG represents and warrants to MediaDefender that it has the power to enter into this Agreement.

5. Confidentiality & Non-Disclosure.

MediaDefender agrees to keep confidential any information concerning the Services being performed hereunder, any product configuration discussions, the reports and data included in such reports provided to UMG hereunder, UMG's business affairs and methods of operation, whether written, oral, or otherwise related to UMG. UMG agrees to keep confidential any information concerning MediaDefender's computer programs, business affairs, methods of operation, customers and vendors whether written, oral or otherwise related to MediaDefender. It is further agreed that all the facts of entry into this Agreement and the rendering of Services to UMG are in themselves confidential and cannot be disclosed to any person or entity without express written consent of the non-disclosing party. All such information concerning MediaDefender and UMG is hereinafter collectively referred to as "Confidential Information." Notwithstanding the foregoing, each party may disclose Confidential Information on a "need-to-know" basis under an obligation of confidentiality to its legal counsel, accountants, banks and other financing sources and their advisors, so long as such entities have executed a written confidentiality agreement to



protect the confidential nature of the Confidential Information that is no less restrictive than this Section. Nothing in this Agreement shall prevent the receiving party from disclosing Confidential Information to the extent the receiving party is legally compelled to do so by any court of competent jurisdiction, or governmental or judicial agency pursuant to proceedings over which such agency has jurisdiction, or otherwise as may be required by law; provided, however, that prior to any such disclosure, the receiving party shall (a) assert the confidential nature of the Confidential Information to the agency; (b) immediately notify the disclosing party in writing of the agency's order or request to disclose; and (c) cooperate fully with the disclosing party, at the disclosing party's expense, in protecting against any such disclosure and/or obtaining a protective order narrowing the scope of the compelled disclosure and protecting its confidentiality.

Each of MediaDefender and UMG agree that, except as expressly directed or authorized in writing by the other party, it will not at any time after the Term of this Agreement disclose any Confidential Information to any person whatsoever and that upon the termination of this Agreement it will turn over to UMG or MediaDefender (where applicable) all documents, papers, and other matter in its possession or control that relate to the other party. MediaDefender and UMG further agree to bind its employees and subcontractors to the terms and conditions of this Agreement. MediaDefender acknowledges and agrees that it will not disclose any Confidential Information to the press or issue any press statement whatsoever concerning or related to this Agreement.

6. No Assignment.

MediaDefender may not assign this Agreement or any rights granted thereunder without UMG's prior written consent. This Agreement shall inure to and the benefit of and be binding upon MediaDefender and UMG and their respective successors and permitted assigns.

7. Termination.

UMG may terminate this Agreement for any reason at any time prior to the end of Term:

- (a) If MediaDefender breaches any of its obligations, warranties or representations under this Agreement following written notice and a ten (10) day opportunity to cure; or
- (b) Immediately without an opportunity to cure, if MediaDefender is acquired or comes under the Control of another entity during the Term. "Control" means ownership, directly or indirectly, by a person of more than fifty percent (50%) of the voting power of another person, or acquires the ability to control the conduct of the business of MediaDefender.

Upon termination, MediaDefender will (i) provide UMG with all data prepared and any Files not yet delivered to UMG under this Agreement, and (ii) destroy all Files in MediaDefender's possession.

8. Indemnification.

MediaDefender shall indemnify, defend, and hold UMG, its affiliates, and their respective officers, directors, employees, successors and assigns free and harmless from and against losses in connection with any claim, demand, action, suit, investigation, arbitration or other proceeding by a third party arising out of or relating to (i) a breach by MediaDefender of any representations, warranty or covenant or (ii) the operation of MediaDefender's business or MediaDefender's Services under this Agreement. UMG shall provide MediaDefender with (x) reasonably prompt



written notice of any such claim or action, and (y) cooperation, information and reasonable assistance to defend and/or settle any such claim or action, UMG shall have the right to participate in and control the defense of any such claim and MediaDefender may not settle any such claims without the prior written approval of UMG.

9. Status.

The parties to this Agreement are independent parties. In entering into this agreement, and in providing services pursuant hereto, MediaDefender has and shall have the status of an independent contractor. Nothing herein contained shall contemplate or constitute MediaDefender as UMG's agents or employees, and nothing herein shall constitute a partnership, joint venture or fiduciary relationship between MediaDefender and UMG. For the avoidance of doubt, the parties acknowledge that MediaDefender is not and shall not act as agent of UMG and shall not hold itself out to the public or any third party as an agent of UMG. The parties further acknowledge that, other than as expressly provided in this Agreement, UMG shall have no right or ability to direct or control the methods, processes or means by which MediaDefender performs the Services under this Agreement.

10. Applicable Law.

This Agreement has been entered into in the State of California, and its validity, interpretation, construction, performance and breach shall be governed by the laws of the State of California applicable to agreements made and to be wholly performed therein. The California courts (State and Federal) will have exclusive jurisdiction over any controversies regarding this agreement; any action or other proceeding which involves such a controversy will be brought in those courts and not elsewhere.

11. Entire Agreement.

This Agreement contains the entire understanding of the parties and may not be amended without the specific written consent of both parties. Any notice given under this Agreement shall be sufficient if it is in writing and if sent by overnight express, certified or registered mail.

IN WITNESS WHEREOF,

UMG and MediaDefender have duly executed this Agreement as of the day and year first above written.

MEDIADEFENDER, INC.

UMG RECORDINGS, INC.

By: Randy Saaf

By: [Signature]

Name: Randy Saaf

Title: CEO

Date: 7/10/07

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