

## SCHEDULE B

### AI Terms of Use

Last Updated: January 23, 2023

Lightricks offers a new third-party integrated artificial intelligence feature (“AI”) on App(s) and/or Web Services, and may offer it on any other Lightricks products and services on which Lightricks allows you to create and share custom artificial intelligence-based conceptual artwork. You can share your creations through a variety of channels, including the Services, social media, SMS, and/or email, and enjoy our how-to guides.

Your use of the AI and the Apps are governed by various binding legal contracts, including this Agreement, which incorporates this **SCHEDULE B** (AI Terms of Use) and all other Schedules attached thereto, and the [Privacy Policy](#) (collectively, the “Contracts”). The Contracts should be construed and interpreted to avoid any inconsistency, ambiguity, or conflict between them.

#### 1. **PRELIMINARY MATTERS**

- 1.1. **Modification.** The Company may, at its exclusive discretion, modify or revise one or more of the Contracts and by continued use of the Services, You agree to be bound to the modified or revised Contracts. If You do not wish to be bound by the updated Contracts, You must stop using the Services.
- 1.2. **Authority to Be Bound.** You acknowledge that You are either 18 years of age or older, an emancipated minor, or possess legal parental or guardian consent, and are fully able and competent to enter into—and abide by—the terms, conditions, obligations, affirmations, representations, and warranties set forth in the Contracts. However, even if You are not competent to enter into a legal agreement, if You knowingly accept and enjoy the benefits of the Services, then You will be deemed bound to the undertakings in the Contracts.
- 1.3. **Children.** You affirm that You are over the age of 13, as the Services are not intended for children under 16. If You are under 13 years of age, then You may **NOT** use the Services and should immediately stop any use of the Services.
- 1.4. **Privacy.** The third-party integrated AI Feature is one of several Company features which share technology, systems, insights, and information—including information about You—to enhance the user experience across the full suite of Company products, services, and platforms. To learn more, please see the Company’s [Privacy Policy](#) (“**Privacy Policy**”).

#### 2. **USER CONTENT**

- 2.1. **User Content.** The AI feature is a third-party integrated artificial intelligence-based Artwork (defined below) generation tool. The AI feature is accessible publicly on the App(s) and allows Users to create Content. The Services and App(s) may allow you to comment on or react to Content with text, emotion icons, or otherwise (“**User Comment(s)**”, referred to collectively with Content as “**User Content**”).
- 2.2. **Grant of Rights.** By sharing User Content on the Services, including by way of entering Text Cues

(as defined below) and Image Cues (as defined below), You grant the Company and its subsidiaries, affiliates, and partners a worldwide, non-exclusive, fully-paid, royalty-free, irrevocable, sublicensable and transferable license to use, reproduce, distribute, prepare derivative works of and based upon, display, transmit, adapt, edit, modify, publicly display, publish, perform, sell, republish, promote, exhibit, and otherwise use, the User Content, in all media now known or hereafter developed, for any and all purposes, including but not limited to promoting the Services in any media formats and through any media channels, whether now known or existing in the future throughout the world, without the Company seeking further permission from you. In addition, you grant the Company and its subsidiaries, affiliates, and partners as well as its other users with a worldwide, non-exclusive, fully paid, royalty-free, irrevocable, sublicensable and transferable license to generate additional images from the Text and Image Cues You created and change such Text and Image Cues.

- 2.3. Unauthorized Use of Content. When applicable, and in the event that you become aware of a potentially unauthorized or unlicensed use (an “**Unauthorized Use**”) of your User Content, you agree to notify the Company in writing (by sending us an email at [contact@lightricks.com](mailto:contact@lightricks.com) of such Unauthorized Use before undertaking any action against those purportedly responsible for such Unauthorized Use (“**Unauthorized Users**”). You hereby grant the Company a right of first refusal (the “**Right of First Refusal**”) for the exclusive right to undertake any and all legal action against Unauthorized Users in connection with any such Unauthorized Use (“**Enforcement Action**”). If the Company determines that it will pursue an Enforcement Action, you agree to cooperate with Company in connection with any such action, including being named as a Plaintiff. If the Company notifies you in writing that it elects not to undertake any Enforcement Action, then you may undertake any legal actions that you deem appropriate against Unauthorized Users.
- 2.4. Content Formats. For the purposes of the Services, and any license and authority granted hereunder to the Company, all User Content includes the expression of such User Content in hard copy, electronic, and other versions, including, but not limited to, masters, audio computer files (including but not limited to .wav; .mpeg; .mp3; .aiff; .aac; .wma); video and animation files (including, .avi; .mpg; .mp4; .mov; .mpa; .gif; .flc; and .amc); and image files (including but not limited to .gif; .jpeg; .png; and .eps).
- 2.5. Responsibility for Content. You are solely responsible for any User Content posted to or created by you and/or your use of the Services, as well as the consequences of posting or creating your User Content to/by the Services. You affirm, represent, and warrant that you own or have the necessary licenses, rights, consents, and permissions to post any User Content that you post to the Services, that your User Content will not be defamatory, will not misappropriate, infringe, or otherwise violate any rights of any third party (including intellectual property rights or rights of publicity or privacy), and will not violate any applicable law, rule, regulation, or the terms of service of any other platform.
- 2.6. Third Party Rights. You agree that any User Content that you post or otherwise distribute to the Services will not contain third party copyrighted, patented, or trademarked material, or material that is subject to other third-party proprietary rights, unless you have written permission from the rightful owner of the material, or you are otherwise legally entitled to upload the material and to grant the Company all of the license rights conveyed in the Contracts. You assume all risk and responsibility for determining whether you may lawfully post or otherwise distribute any User Content and we have no obligation to evaluate, screen, or monitor any User Content that you post to the Services. By posting User Content to the Services, you represent and warrant that you will not be in violation of any agreements or other rights or grants.

### 3. USE OF THIRD-PARTY INTEGRATED AI FEATURE

- 3.1. Artworks. The third-party integration AI feature can generate artificial intelligence-based conceptual artworks (“**Artworks**”) based on terms you enter (“**Text Cues**”) or images you upload (“**Image Cues**”) into the AI generator.
- 3.2. Use of Artworks. Subject to your compliance with the Contracts, you may use the Artworks for any legal purpose, including for commercial use. Commercial use includes the right to sell your rights to the Artworks you create, incorporate them into works such as books, websites, and presentations, and otherwise commercialize them. Any commercializing of the Artworks by you is at your risk, and is subject to and in accordance with the [SD License](#) and the Contracts. Company makes no representations or warranties of any kind regarding your use of the Artworks for any purpose.
- 3.3. No Infringing or Harmful Use. You must comply with the terms of **SCHEDULE E** (*Lightricks Platform Community Guidelines*), and you may not use the third party integrated AI feature in a way that is unlawful and/or may harm a person or infringe their rights. No license or rights to use the name, image, likeness, voice, or biographical information of any person, celebrity or otherwise, is granted hereunder, and as such, any use of a work that contains any images of any persons with or without their consent is done at your own risk. You may not use the AI and/or Text or Image Cues to generate harmful or illegal images and we reserve the right to delete Text and Image Cues or suspend or ban your Account for any violations, at Company’s exclusive discretion. You may not seek to reverse engineer the AI feature, use the AI feature to attempt to build a competitive product or service, or otherwise infringe our rights. You will indemnify us for your use of AI feature as outlined in this Agreement.
- 3.4. Improving Artificial Intelligence Safety and Technologies. You grant Company all rights to use your Text Cues to improve our artificial intelligence safety efforts, and to develop and improve our technologies, products, and services. Text Cues may be shared with and manually reviewed by a person (for example, if any User Content is flagged as sensitive), including by third party contractors located around the world. You should not use or provide any Text Cues that are sensitive or that you do not want others to view, including Text Cues that include personal data.
- 3.5. Ownership of Artworks. To the extent allowed by law, you own your Text and Image Cues and Artworks, and grant to Lightricks all relevant rights and licenses as set forth in Section 2.2 of this Schedule. Lightricks will not resell Artworks that you have created or assert any copyright in such Artworks against you or any end users, all provided that you comply with the Contracts. If you violate the Contracts (or any one of them), you will lose the right to use the Artworks, but we may provide you written notice and a reasonable opportunity to fix your violation, unless it was clearly illegal or abusive. You understand and acknowledge that similar or identical Artworks may be created by other people using their own Text or Image Cues, and your rights are only to the specific Artwork that you have created.

### 4. USE-BASED RESTRICTIONS.

- 4.1. The restrictions set forth below are use-based restrictions. You cannot use the third-party integrated AI feature and/or the Derivatives (as such term is defined in the SD License found here: <https://huggingface.co/spaces/CompVis/stable-diffusion-license>, as may be amended from time to time) in any manner that violates or contradicts the purpose of the restricted uses, at Company’s exclusive discretion. You may use the AI feature subject to the SD License incorporated into the Contracts, including only for lawful purposes and in accordance with the SD License and

the Contracts. Use may include creating any content with, use of and/or running the AI feature.

You agree not to use the AI feature and/or the Derivatives (as such term is defined in the SD License):

- 4.1.1. In any way that violates any applicable national, federal, state, local or international law, rule, or regulation;
- 4.1.2. For the purpose of soliciting, exploiting, harming or attempting to exploit or harm minors in any way;
- 4.1.3. To generate or disseminate verifiably false information and/or content with the purpose of harming others;
- 4.1.4. To generate or disseminate personally identifiable information;
- 4.1.5. To defame, disparage, or otherwise harass others;
- 4.1.6. For fully automated decision making that adversely impacts an individual's legal rights or otherwise creates or modifies a binding, enforceable obligation;
- 4.1.7. For any use intended to or which has the effect of discriminating against or harming individuals or groups based on online or offline social behavior or known or predicted personal or personality characteristics;
- 4.1.8. To exploit any of the vulnerabilities of a specific group of persons based on their age, social, physical or mental characteristics, in order to materially distort the behavior of a person pertaining to that group in a manner that causes or is likely to cause that person or another person physical or psychological harm;
- 4.1.9. For any use intended to or which has the effect of discriminating against individuals or groups based on legally protected characteristics or categories;
- 4.1.10. To provide medical advice and medical results interpretation;
- 4.1.11. To generate or disseminate information for the purpose to be used for administration of justice, law enforcement, immigration or asylum processes, such as predicting an individual will commit fraud/crime commitment (e.g., by text profiling, drawing causal relationships between assertions made in documents, indiscriminate and arbitrarily-targeted use).

## 5. **OPEN-SOURCE SOFTWARE NOTICE**

- 5.1. **Open-Source Software Uses.** The AI feature is based on the following open-source software: CreativeML Open RAIL-M. This software is governed by the Stable Diffusion License, Dated August 22, 2022, as may be amended from time to time by the creator of this open-source software (the "**SD License**"); You may not use the AI feature except in compliance with the SD License, which may be accessed by clicking [here](#). The SD License is hereby incorporated into the Contracts and you agree to be bound by all terms and conditions of the SD License.
- 5.2. **No Warranties.** Unless required by applicable law or agreed to in writing, software distributed under the SD License is distributed on an "AS IS" BASIS, WITHOUT WARRANTIES OR CONDITIONS OF ANY KIND, either express or implied. See the SD License for the specific language governing

permissions and limitations under the SD License.

## 6. USER CONDUCT

- 6.1. User Conduct. By using the Services, you agree you will abide by the Contracts, and hereby consent and agree to avoid any and all Prohibited Uses (defined in **SCHEDULE D**) as well as expressly agree that your User Content will not contain any material that is, at the Company's exclusive and absolute discretion, inappropriate, dangerous, obscene, vulgar, hateful, unlawful, offensive, racist, discriminatory, harassing, or otherwise objectionable (hereinafter, "**Prohibited Content**"). Posting of any Prohibited Content, in addition to any and all other rights and remedies available to the Company, may result in Account suspension and/or termination, at Company's exclusive discretion.
- 6.2. Retention of Rights. Except for the non-exclusive license granted pursuant Contracts, you acknowledge and agree that all ownership, licenses, Intellectual Property and other rights and interests in and to the Services remains solely with the Company. You are not entitled or permitted to use the Services except through the medium of the internet-hosted version deployed by the Company.
- 6.3. User Discipline. The Company reserves the right, at any time, at its exclusive discretion, to take any action deemed necessary or appropriate with respect to User Content that violates the Contracts, including, without limitation, deletion of such User Content and referral of User to appropriate law enforcement authorities without notice to User.
- 6.4. Deletion of User Content. The Company is authorized to delete all User Content that you have posted to the Services at its sole discretion at any time and for any reason. The Company has no obligation to notify you or any other users of the deletion of any User Content. The Company will not be liable to you or any third party in any way arising from or related to the deletion of User Content hosted on the Services.
- 6.5. Right to Interruption. The Company reserves the right at any time, and from time to time, to modify or discontinue, temporarily or permanently, the Services or any feature associated with the Services, with or without notice. User acknowledges and agrees that the AI feature is a third-party integration, and any modifications, interruptions, or temporary or permanent discontinuation is not controlled by nor the responsibility of, the Company. Further, it is hereby clarified that it is, and shall remain, your responsibility to review any changes made to the SD License and comply with such, and Lightricks shall not be required or obligated to provide any kind of notice to you with respect to changes made to the SD License.
- 6.6. Right to Repair. The Company reserves the right to suspend access to the Services, temporarily or permanently, for no reason or any reason (e.g., for operational purposes, including maintenance, repairs, or installation of modifications) at any time and from time to time without notice. Company assumes no liability of any kind for any such temporary or permanent suspension.

## 7. SOCIAL MEDIA, LIVESTREAMING, AND DEMONSTRATIONS POLICY

Posting your User Content to social media is generally permissible, as is livestreaming your usage or demonstrating our Services to groups of people. Please adhere to the following obligations:

- Manually review all User Content, including each Artwork before sharing or while streaming;

- Attribute the content to your name or our company;
- Indicate that the content is AI-generated in a way no user could reasonably fail to notice or misunderstand; and
- Do not share content that violates the Contracts or that may offend others.

## 8. **COPYRIGHT PROTECTION**

- 8.1. **Fair Use.** The Copyright Laws of the United States recognize the “fair use” of copyrighted content. Section 107 of the U.S. Copyright Act states:

“Notwithstanding the provisions of sections 106 and 106A, the fair use of a copyrighted work, including such use by reproduction in copies or phonorecords or by any other means specified by that section, for purposes such as criticism, comment, news reporting, teaching (including multiple copies for classroom use), scholarship, or research, is not an infringement of copyright.”

- 8.2. **Use of Copyrighted Material.** If you wish to use any copyrighted material from the App(s) (or the Services in general) for purposes of your own that go beyond fair use, you must obtain express permission from the applicable copyright owner. If you are the owner of any copyrighted material found on the Services and believe the use of any such material does not constitute fair use, please contact us so that We may address those concerns.
- 8.3. **No Company Liability for Infringement.** YOU HEREBY ACKNOWLEDGE AND AGREE THAT THE COMPANY, THE ADMINISTRATORS OF THE SERVICES, AND/OR THE COMPANY’S REPRESENTATIVES HEREBY DISCLAIM PERSONAL LIABILITY FOR ANY DAMAGES, ACTUAL OR CONSEQUENTIAL, FOR (i) ANY POSTS BY THIRD PARTIES WHICH MAY VIOLATE ANY LAW, OR (ii) ANY USE OF CONTENT UPLOADED TO THE SERVICES BY A USER WHICH MAY VIOLATE ANY LAW.
- 8.4. **DMCA Notice.** If you are a copyright owner and believe that any Content and/or User Content posted on the Services infringes upon Your copyrights, please refer to **SCHEDULE F (DMCA Copyright Policy)** for additional information and guidance.
- 8.5. **Repeat Infringers.** Lightricks does not tolerate any User that has posted User Content to or through the Apps or the Service and for whom Lightricks has received more than two takedown notices compliant with the provisions of 17 U.S.C. § 512 with respect to such User Content (“**Repeat Infringers**”). Please refer to **SCHEDULE E (Lightricks Platform Community Guidelines)** and **SCHEDULE F (DMCA Copyright Policy)** for additional information and guidance regarding how Lightricks handles Repeat Infringers.
- 8.6. **Fraud.** Any person who knowingly misrepresents that any Content or User Content is infringing or was deleted by mistake or by misidentification may be subject to liability.

## 9. **WARRANTIES AND INDEMNIFICATION**

- 9.1. **Disclaimer.** We do not control, endorse or take responsibility for any User Content or third party content available on or linked to by our Services including, without limitation, the AI feature.
- 9.2. **Warranties and Indemnification.** The terms and conditions of this Agreement, including without limitation, the provisions of Sections 8 (*Disclaimer of Warranties*), Section 10 (*Limitation of Liability*) and Section 11 (*Indemnification*) of this Agreement shall apply to this **SCHEDULE B**.