


Royalty Rate Structure for HEVC Advance Licensees Effective July 1, 2020



July 2020

NOTICE: THE STRUCTURE OF THE HEVC ADVANCE LICENSING PROGRAM, INCLUDING THE TERMS HEVC ADVANCE IS CURRENTLY AUTHORIZED TO OFFER IN ITS PATENT PORTFOLIO LICENSE AGREEMENT, ARE SUBJECT TO REVIEW AND CHANGE UNTIL A LICENSE IS EXECUTED. ACCORDINGLY, THE CURRENT STATEMENTS ON THIS SITE AND THE TERMS IN THE EXEMPLAR DOCUMENTS AVAILABLE FOR DOWNLOAD SHOULD NOT BE RELIED UPON AS A GUARANTEE OF FUTURE TERMS OR CONDITIONS OF THE HEVC ADVANCE LICENSING PROGRAM OR THE TYPES OF ENTITIES TO WHOM HEVC ADVANCE OFFERS A LICENSE AND/OR REQUIRES TO BE LICENSED. THE ONLY WAY TO GUARANTEE CURRENTLY-STATED TERMS FOR YOUR COMPANY IS TO EXECUTE A LICENSE DURING THE PERIOD IN WHICH SUCH TERMS ARE AVAILABLE.

Royalty Rate Structure for Licensees In-Compliance with Trademark, Effective July 1, 2020

Device Category and Examples	Selling Price	 Per-Device Royalty ⁽¹⁾ Main Profiles	 Advanced Profiles Royalty ⁽¹⁾ (Each)	 Advanced Profiles Royalty ⁽¹⁾ (All Three)	Annual In-Compliance Device Category Caps ⁽²⁾ for the Period up to 1/1/2021	Annual In-Compliance Device Category Caps ⁽²⁾ for the Period on/after 1/1/2021 unless suspension applies ⁽³⁾	Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ for the Period up to 1/1/2021	Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ for the Period on/after 1/1/2021 unless suspension applies ⁽³⁾
Mobile Devices: Mobile Phone, Tablet, Laptop	All price ranges	\$0.40/\$0.20	+\$0.10/\$0.05	+\$0.25/\$0.125	\$30MM \$20MM (If entity does not sell phones)	\$36MM \$24MM (If entity does not sell phones)		
Connected Home & Other Devices: <u>Consumer Products:</u> Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, HEVC Software <u>Authorized Commercial Products:</u> Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage	Devices ≤\$80.00 ⁽⁴⁾ \$20 or less \$20.01-\$30.00 \$30.01-\$40.00 \$40.01-\$50.00 \$50.01-\$60.00 \$60.01-\$70.00 \$70.01-\$80.00 Devices >\$80.00 ⁽⁵⁾ and All HEVC Software	\$0.20/\$0.20 \$0.25/\$0.25 \$0.35/\$0.35 \$0.45/\$0.40 \$0.55/\$0.40 \$0.65/\$0.40 \$0.75/\$0.40 \$0.80/\$0.40	} +\$0.10/\$0.05 +\$0.20/\$0.10	+\$0.25/\$0.125 +\$0.50/\$0.25	\$20MM	\$24MM	<u>Annual Enterprise Cap</u> \$40 million <u>Annual Enterprise Credit</u> \$25,000	<u>Annual Enterprise Cap</u> \$48 million <u>Annual Enterprise Credit</u> \$25,000
4K UHD+ Televisions	All price ranges	\$1.20/\$0.60	+\$0.30/\$0.15	+\$0.75/\$0.375	\$20MM	\$24MM		
Digital Media Storage Blu-ray Discs, Other Storage Devices	All price ranges	<u>Per Disc/Title</u> \$.0225/\$.01125	\$0.00	\$0.00	\$2.5MM	\$3.0MM		

(1) Royalties shown are Region 1/Region 2 Countries/Territories. Advanced Profiles means the three profile groups released under Version 2: (A) Multiview HEVC extensions (MV-HEVC), (B) Range extensions (Rext), and (C) Scalable HEVC extensions (SHVC).
 (2) Excludes HEVC Software.
 (3) For Licensees before 1/1/2021, the annual caps for the renewal period on/after 1/1/2021 are "suspended" through 12/31/2025, and the pre-renewal caps for the period up to 1/1/2021 will continue to apply. After 12/31/2025, the annual caps for the period on/after 1/1/2021 will apply to all Licensees (unless the suspension is extended), which annual caps are further subject to adjustment for the period after 12/31/2025.
 (4) Applies to all Devices with a Selling Price of \$80 or less, excluding HEVC Software. Discounts for Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 are effective for Sales on or after 1/1/2018.
 (5) Includes Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 for Sales before 1/1/2018.



Royalty Rate Structure for Licensees In-Compliance without Trademark, Effective July 1, 2020

Device Category and Examples	Selling Price	Per-Device Royalty ⁽¹⁾ Main Profiles	Advanced Profiles Royalty ⁽¹⁾ (Each)	Advanced Profiles Royalty ⁽¹⁾ (All Three)	Annual In-Compliance Device Category Caps ⁽²⁾ for the Period up to 1/1/2021	Annual In-Compliance Device Category Caps ⁽²⁾ for the Period on/after 1/1/2021 unless suspension applies ⁽³⁾	Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ for the Period up to 1/1/2021	Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ for the Period on/after 1/1/2021 unless suspension applies ⁽³⁾
Mobile Devices: Mobile Phone, Tablet, Laptop	All price ranges	\$0.444/\$0.222	+\$0.111/\$0.0556	+\$0.278/\$0.139	\$30MM \$20MM (If entity does not sell phones)	\$36MM \$24MM (If entity does not sell phones)		
Connected Home & Other Devices: <u>Consumer Products:</u> Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, HEVC Software <u>Authorized Commercial Products:</u> Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage	Devices ≤\$80.00 ⁽⁴⁾	\$0.222/\$0.222 \$20.01-\$30.00 \$0.278/\$0.278 \$30.01-\$40.00 \$0.389/\$0.389 \$40.01-\$50.00 \$0.500/\$0.444 \$50.01-\$60.00 \$0.611/\$0.444 \$60.01-\$70.00 \$0.722/\$0.444 \$70.01-\$80.00 \$0.833/\$0.444	+\$0.111/0.0556	+\$0.278/\$0.139	\$20MM	\$24MM	Annual Enterprise Cap \$40 million	Annual Enterprise Cap \$48 million
	Devices >\$80.00 ⁽⁵⁾ and All HEVC Software	\$0.889/\$0.444						
4K UHD+ Televisions	All price ranges	\$1.333/\$0.667	+\$0.333/\$0.167	+\$0.833/\$0.417	\$20MM	\$24MM		
Digital Media Storage Blu-ray Discs, Other Storage Devices	All price ranges	Per Disc/Title \$.025/\$.0125	\$0.00	\$0.00	\$2.5MM	\$3.0MM		

(1) Royalties shown are Region 1/Region 2 Countries/Territories. Advanced Profiles means the three profile groups released under Version 2: (A) Multiview HEVC extensions (MV-HEVC), (B) Range extensions (Rext), and (C) Scalable HEVC extensions (SHVC).


(2) Excludes HEVC Software.

(3) For Licensees before 1/1/2021, the annual caps for the renewal period on/after 1/1/2021 are "suspended" through 12/31/2025, and the pre-renewal caps for the period up to 1/1/2021 will continue to apply. After 12/31/2025, the annual caps for the period on/after 1/1/2021 will apply to all Licensees (unless the suspension is extended), which annual caps are further subject to adjustment for the period after 12/31/2025.

(4) Applies to all Devices with a Selling Price of \$80 or less, excluding HEVC Software. Discounts for Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 are effective for Sales on or after 1/1/2018.

(5) Includes Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 for Sales before 1/1/2018.

Standard Rate Royalty Structure, Effective July 1, 2020

Device Category and Examples	Selling Price	 Per-Device Royalty ⁽¹⁾ Main Profiles	Advanced Profiles Royalty ⁽¹⁾ (Each)	Advanced Profiles Royalty ⁽¹⁾ (All Three)	Annual In-Compliance Device Category Caps ⁽²⁾ for the Period up to 1/1/2021	Annual In-Compliance Device Category Caps ⁽²⁾ for the Period on/after 1/1/2021 unless suspension applies ⁽³⁾	Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ for the Period up to 1/1/2021	Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ for the Period on/after 1/1/2021 unless suspension applies ⁽³⁾
Mobile Devices: Mobile Phone, Tablet, Laptop	All price ranges	\$0.533/\$0.267	+\$0.133/\$0.0667	+\$0.333/\$0.167	No Cap applies.	No Cap applies.		
Connected Home & Other Devices: <u>Consumer Products:</u> Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, HEVC Software <u>Authorized Commercial Products:</u> Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage	Devices ≤\$80.00 ⁽⁴⁾ \$20 or less \$20.01-\$30.00 \$30.01-\$40.00 \$40.01-\$50.00 \$50.01-\$60.00 \$60.01-\$70.00 \$70.01-\$80.00 Devices >\$80.00 ⁽⁵⁾ and All HEVC Software	\$0.267/\$0.267 \$0.333/\$0.333 \$0.467/\$0.467 \$0.600/\$0.533 \$0.733/\$0.533 \$0.867/\$0.533 \$1.000/\$0.533 \$1.067/\$0.533	+\$0.133/0.0667 +\$0.267/\$0.133	+\$0.333/\$0.167 +\$0.667/\$0.333	No Cap applies No Cap applies	No Cap applies No Cap applies	No Cap applies No Annual Enterprise Credit	No Cap applies No Annual Enterprise Credit
4K UHD+ Televisions	All price ranges	\$1.60/\$0.80	+\$0.40/\$0.20	+\$1.00/\$0.50	No Cap applies	No Cap applies		
Digital Media Storage Blu-ray Discs, Other Storage Devices	All price ranges	Per Disc/Title \$0.03/\$0.015	\$0.00	\$0.00	No Cap applies	No Cap applies		

(1) Royalties shown are Region 1/Region 2 Countries/Territories. Advanced Profiles means the three profile groups released under Version 2: (A) Multiview HEVC extensions (MV-HEVC), (B) Range extensions (Rext), and (C) Scalable HEVC extensions (SHVC).

(2) Excludes HEVC Software.

(3) For Licensees before 1/1/2021, the annual caps for the renewal period on/after 1/1/2021 are “suspended” through 12/31/2025, and the pre-renewal caps for the period up to 1/1/2021 will continue to apply. After 12/31/2025, the annual caps for the period on/after 1/1/2021 will apply to all Licensees (unless the suspension is extended), which annual caps are further subject to adjustment for the period after 12/31/2025.

(4) Applies to all Devices with a Selling Price of \$80 or less, excluding HEVC Software. Discounts for Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 are effective for Sales on or after 1/1/2018.

(5) Includes Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 for Sales before 1/1/2018.



 Thank You.

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