

The logo for HEVC Advance Patent Pool. 'HEVC' is in a bold, blue, sans-serif font, with the 'V' being larger and positioned below the 'E'. 'Advance' is in a grey, sans-serif font, with a registered trademark symbol (®) to its upper right. 'Patent Pool' is in a smaller, grey, sans-serif font below 'Advance'.

HEVC Advance[®] Patent Pool

Program Overview

*ACCESS*Advance[®]

March 2024

NOTICE: THE STRUCTURE OF THE HEVC ADVANCE LICENSING PROGRAM, INCLUDING THE TERMS ACCESS ADVANCE LLC IS CURRENTLY AUTHORIZED TO OFFER IN THE HEVC ADVANCE 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 ACCESS ADVANCE LLC 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.

Access Advance LLC

Access Advance LLC (“Advance”) (formerly, HEVC Advance LLC) is an independent licensing administrator company formed to lead the development, administration, and management of patent pools for licensing essential patents of the most important standards-based video codec technologies. Advance provides a transparent and efficient licensing mechanism for both patent owners and patent implementers.

Advance currently offers licenses to its HEVC Advance Patent Pool, which contains patents essential to HEVC/H.265 as well as its VVC Advance Patent Pool. The license terms and conditions are Fair, Reasonable, and Non-Discriminatory, providing rates that balance both Licensor and Licensee interests and complying with worldwide laws applicable to patent pools.

HEVC Advance Licensors

See Advance's website for up-to-date listing:

<https://accessadvance.com/hevc-advance-patent-pool-licensors/>

HEVC Advance Licensees

See Advance's website for up-to-date listing:

<https://accessadvance.com/hevc-advance-patent-pool-licensees/>

HEVC Advance Platform License Structure: What Versions of the HEVC Standard are Included?

- Our HEVC Program includes a license to all versions through Version 9 of ISO/IEC 23008-2 MPEG-H Part 2 and ITU-T Recommendation H.265, including Optional Features⁽¹⁾ (“HEVC Standard”)
- Other HEVC profiles, extensions, and versions thereof, and new standards separated therefrom (e.g., SEI messaging), may be added in the future ⁽²⁾ upon written notice of Access Advance

(1) Access Advance licenses "essential patents" for HEVC Optional Features, which means any patent claim covering a feature described in the HEVC Standard that is not required to be implemented in an HEVC Product, but which, if the feature is implemented, must be implemented within the scope of the HEVC Standard and which implementation would necessarily or unavoidably infringe such patent claim.

(2) As they are adopted by the applicable standards setting organizations.

HEVC Advance Platform License Structure: What Do We License?

We license HEVC Decoders and HEVC Encoders in Consumer HEVC Products, whether made available in devices, software or through Cloud Based Services. We also license HEVC Content on Digital Media Storage

Our royalty rates are based on four product categories:

1. Mobile Devices, including Mobile Phones and Other Mobile Devices (e.g., tablets, laptop PCs)
2. Connected Home and Other Devices, including Other Consumer Devices (e.g., boxes, game consoles, desktop PCs, non-4K UHD+ TVs, digital viset-topdeo recorders, digital cameras, video surveillance cameras, video conferencing equipment, medical imaging devices, digital signs) and HEVC Software
3. 4K UHD+ Television/Displays (e.g., UHD-Capable TVs, projectors, VR/AR headsets)
4. HEVC Content on Digital Media Storage, including Commercial HEVC Content stored on physical digital media (e.g., Blu-ray discs, external hard drives)

HEVC Advance Platform License Structure: What Do We License?

- HEVC Advance is primarily focused on licensing HEVC Decoders and/or HEVC Encoders installed in devices or software at the time of First Sale
- We seek to be paid one royalty per device/software copy on First Sale. Multiple HEVC Decoders and/or HEVC Encoders installed in a device/software at First Sale incur **ONLY** a single royalty fee at the highest applicable rate for the device/software, with limited exceptions:
 - Royalties are due for HEVC Software Sold separately from a device and for Preloaded HEVC Pay-To-Use Software/Content (*i.e.*, software/content on a device at First Sale but for which a separate payment is due for use or continued use)
 - Royalties are due annually (or as otherwise agreed) per authorized user for HEVC Decoders and/or Encoders used to provide or made available for use through Cloud-Based Services
 - A vehicle (such as an automobile, airplane, boat, or train car) or structure (such as a building or tower) shall not itself be considered an individual item for purposes of this provision

HEVC Advance Platform License Structure: What Do We Not License?

We do NOT license/seek royalties for:

- Commercial HEVC Excluded Products (*i.e.*, products designed for marketed primarily for encoding and/or transmitting Commercial HEVC Content or providing Cloud-Based Services), except for video or image recording/capture devices (e.g., cameras and camcorders)
- The Transmission of HEVC Content by non-physical means (e.g., satellite, broadcast, cable, streaming, download, or via the internet)

HEVC Advance Platform License Structure: How Patents Are Evaluated?

- Access Advance has retained the law firms of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and Wolf, Greenfield and Sacks, P.C. as independent Patent Evaluators to provide global patent essentiality determinations
- These independent Patent Evaluators have engaged patent law firms in major jurisdictions worldwide to draw upon their international expertise as needed

HEVC Advance Platform License Structure: What Patent Rights Are Licensed?

- HEVC Advance grants licenses to Licensees only for the Practiced Claims of our Licensor's HEVC Standard Essential Patents (*i.e.*, claims of such patents that are essential to practice the HEVC Standard, and that would be necessarily infringed by the Licensee's licensed activities)
 - The HEVC Advance Patent List identifies Licensor patents that include one or more claims found to be essential to the HEVC Standard by our independent Patent Evaluators
 - The HEVC Advance Patent List identifies the relevant section(s) of the HEVC Standard to which the essential patent claims map
- All Practiced Claims of our Licensors' HEVC Standard Essential Patents are covered by the license grant, even those claims in a Licensor's patents that have not yet been evaluated by our independent Patent Evaluators

HEVC Advance Platform License Structure: Who May Need a License⁽¹⁾?

Licenses are granted to parties that Sell Consumer HEVC Products:

- Parties that Sell substantially completed devices or software (*i.e.*, ready for sale to an End User), which items incorporate one or more HEVC Decoders and/or HEVC Encoders
- Parties that provide Cloud-Based Services (*i.e.*, that (a) provide End Users with access to HEVC Decoders and/or HEVC Encoders through the internet or another public or private network, or (b) process content at the End User's request using HEVC Decoders and/or HEVC Encoders, where the output is returned to the End User for distribution or use)

Licenses are granted to parties that Sell HEVC Content on Digital Media Storage:

- Parties that Sell HEVC Content on Physical Digital Media Storage (*i.e.*, Commercial HEVC Content that is stored on an optical disc, or on other physical media) to End Users

(1) Access Advance reserves the right to seek licenses from any party infringing HEVC Standard Essential Patents of our Licensors for all their infringing products. Our primary focus, however, is to license (a) parties selling Branded products to End Users directly or through a Chain of Distribution, and (b) OEM's and other parties that customarily handle licensing obligations for their customers in certain market segments.

HEVC Advance Platform License Structure: Where and When is a Royalty Due?

- A royalty is due upon the Sale of a Consumer HEVC Product or HEVC Content on Digital Media Storage for which an HEVC Standard Essential Patent (listed on the HEVC Advance Patent List) is in force in either the country/territory of Manufacture or the country/territory of Sale
- If there are no patents in force in both the country/territory of Manufacture and the country/territory of Sale, then no royalties are due for Consumer HEVC Products or HEVC Content on Digital Media Storage Sold in that country/territory

HEVC Advance Platform License Structure: Royalty Rate Structure

- Royalty rates shown include separate and non-additive discounts for being In-Compliance⁽¹⁾ and for using the HEVC Advance Trademark Logo
- Standard Rates (*i.e.*, non-discounted rates) apply if the Licensee or its Affiliates are not In-Compliance
- All profiles in Versions 1-9 + Optional Features are included in a single per-device royalty
- Royalty Rate Renewal Term Increase Cap: Royalty rates and caps will not increase more than 20% for any Renewal Term

(1) In-Compliance means compliance with all the provisions and obligations provided in the Licensee agreements for the Licensee and its Affiliates under the agreements.

HEVC Advance Platform License Structure: Royalty Rate Structure

- Geographic Rate Differentials: Stated rates apply based on the country/territory in which the Consumer HEVC Product and HEVC Content on Digital Media Storage is Sold to an End User
- Royalty reduction (50% discount): If the First Sale is in a country/territory in Region 2, except for certain products Sold at or below \$80, where different reduced rates apply
- Region Definitions:
 - Region 1 = U.S., EU, UK, Japan, S. Korea, Australia, New Zealand, etc. See a complete list of countries/territories on the Advance website.
 - Region 2 = All countries/territories outside of Region 1.

HEVC Advance Platform License Structure: Annual In-Compliance Royalty Caps

- Multiple Cap Product Categories: Separate caps apply to Mobile Devices, Connected Home and Other Devices (excluding certain HEVC Software), 4K UHD+ Television/Displays, and HEVC Content on Digital Media Storage
- Single Enterprise Cap: An additional cap applies to aggregate royalties due for all product categories (excluding certain HEVC Software)
- Affiliates: All Affiliates included under a Licensee's Patent Pool License (PPL) receive the benefits of the caps
- In-Compliance Requirement: Caps apply only during those quarterly reporting and payment periods in which a Licensee and its Affiliates are In-Compliance
- Annual Reset: All caps reset annually on January 1 of each year
- Standard Rates: If royalties are payable at Standard Rates, the caps do not apply

HEVC Advance Platform License Structure: Annual Enterprise Credit

- An Annual Royalty Credit of \$25,000 applies to all Enterprises that owe royalties and are In-Compliance
- The credit is provided in four equal quarterly installments of \$6,250 each
- Unused credit amounts do not carry over to future quarters

HEVC Advance Platform License Structure: Duplicate Royalties

- Access Advance and its HEVC Licensors have issued a Duplicate Royalty Policy to address and resolve the issue of duplicate royalties that may arise with certain HEVC Advance Licensees due to multiple program licenses, such as exists with the HEVC Advance and Via LA HEVC licensing programs
- An explanation of this policy can be found on the Advance website

HEVC Advance Platform License Structure: Terms of License

- The first term of the PPL will end on December 31, 2025, regardless of start date
- After December 31, 2025, each license is automatically renewed for an additional non-terminable 5-year term, unless terminated by Licensee at the end of a 5-year term because of a change to the license agreement that has a material adverse impact on Licensee (other than a permitted rate increase)

HEVC Advance Platform License Structure: Patent Marking

- Patent marking is required for Consumer HEVC Products and HEVC Content on Digital Media Storage
- A reference to the public patent list published on the Advance website is allowed (in accordance with applicable legal requirements)

HEVC Advance Platform License Structure: HEVC Advance Logo

- Licensees that choose the option to include the HEVC Advance Logo on all Licensed Products, or their physical device packaging are eligible for a 10% discount that is included in the published device royalty rates for “In-Compliance with Trademark”
- Logo usage guidelines can be found in the Resources section of the main HEVC Advance page on the Advance website



HEVC Advance Platform License: Royalty Rate Structure for Licensees In-Compliance with Trademark Discount

Device Category and Examples	Selling Price	Per-Device Royalty ⁽¹⁾ All Profiles and Optional Features	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	\$30MM \$20MM (If entity does not sell phones)	\$36MM \$24MM (If entity does not sell phones)			
Connected Home & Other Devices: Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage, HEVC Software	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	\$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	\$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
	Devices >\$80.00 ⁽⁵⁾ and All HEVC Software		\$0.80/\$0.40				
	4K UHD+ Televisions/Displays	All price ranges	\$1.20/\$0.60	\$20MM	\$24MM		
Digital Media Storage Blu-ray Discs, Other Storage Devices	All price ranges	<u>Per Disc/Title</u> \$.0225/\$.01125	\$2.5MM	\$3.0MM			

(1) Royalties shown are Region 1/Region 2 Countries/Territories. Rates include all Advanced Profiles and Optional Features.

(2) Excludes certain types of 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 certain types 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.

HEVC Advance Platform License: Royalty Rate Structure for Licensees In-Compliance without Trademark Discount

Device Category and Examples	Selling Price	Per-Device Royalty ⁽¹⁾ All Profiles and Optional Features	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	\$30MM \$20MM (If entity does not sell phones)	\$36MM \$24MM (If entity does not sell phones)	<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
Connected Home & Other Devices: Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage, HEVC Software	Devices ≤\$80.00 ⁽⁴⁾	\$0.222/\$0.222 \$0.278/\$0.278 \$0.389/\$0.389 \$0.500/\$0.444 \$0.611/\$0.444 \$0.722/\$0.444 \$0.833/\$0.444	\$20MM	\$24MM		
	Devices >\$80.00 ⁽⁵⁾ and All HEVC Software	\$0.889/\$0.444				
4K UHD+ Televisions/Displays	All price ranges	\$1.333/\$0.667	\$20MM	\$24MM		
Digital Media Storage Blu-ray Discs, Other Storage Devices	All price ranges	<u>Per Disc/Title</u> \$.025/\$.0125	\$2.5MM	\$3.0MM		

(1) Royalties shown are Region 1/Region 2 Countries/Territories. Rates include all Advanced Profiles and Optional Features.
 (2) Excludes certain types of 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 certain types 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.

HEVC Advance Platform License: Royalty Rate Structure for Licensees

Standard Rates

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

- (1) Royalties shown are Region 1/Region 2 Countries/Territories. Rates include all Advanced Profiles and Optional Features.
(2) 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.
(3) Includes Devices Sold in Region 1 Countries/Territories at a Selling Price from \$40.01 to \$80 for Sales before 1/1/2018.

Region 1* Country/Territory Listing

Region 1 List:

Member States of the EU All current and future members. List effective as of 2/2020.		Other European/Atlantic	North America	Middle East	Asia Pacific
Austria	Italy	Andorra	Canada	Bahrain	American Samoa
Belgium	Latvia	Bermuda	United States	Israel	Australia
Bulgaria	Lithuania	Iceland		Kuwait	Guam
Croatia	Luxembourg	Liechtenstein		Qatar	Hong Kong
Cyprus	Malta	Monaco		Saudi Arabia	Japan
Czech Republic	Netherlands	Norway		United Arab Emirates	Malaysia
Denmark	Poland	Puerto Rico			New Zealand
Estonia	Portugal	San Marino			Northern Mariana
Finland	Romania	Switzerland			Islands
France	Slovakia	Turkey			Singapore
Germany	Slovenia	UK			South Korea
Greece	Spain	U.S. Virgin Islands			Taiwan
Hungary	Sweden	Vatican City			
Ireland					

***Region 2 countries/territories are those not included in the list above**

Information for HEVC Advance Licensees: General Terms

- Licensees are members of the Administrative Committee (“AdCom”) and agree to participate in the business discussions and decisions of the HEVC Advance Patent Pool
- Licensees that Make and/or Sell HEVC Products which fall within the terms of the HEVC Advance PPL must be Licensees
- Licensees have an obligation, upon request by an implementer, to offer bilateral licenses on reasonable terms, and to negotiate in good faith with the implementer
- Licensees agree to maintain confidentiality of the business discussions of the HEVC Advance Patent Pool
- New Licensees are added at the reasonable discretion of the Licensing Administrator

Information for HEVC Advance Licensors: License Scope and Grant

- Licensors authorize Advance to grant licenses under patents of the Licensor and its Affiliates that are essential to Versions 1 through 9 of the HEVC Standard
- Amendments (*i.e.*, new Versions or Profiles) to the definition of the HEVC Standard, and therefore to the scope of the license grant authorization, are approved upon Advance's recommendation, unless vetoed by the AdCom

Information for HEVC Advance Licensors: Patent Evaluations

- Licensors must submit their and their Affiliates' HEVC patents to our independent Patent Evaluators to determine whether they include at least one claim that is essential to the HEVC Standard
- When the Patent Evaluators determine a patent of a Licensor or its Affiliates is a HEVC Standard Essential Patent, it is added to the HEVC Advance Patent List
- Points are assigned to HEVC Standard Essential Patents on the patent list; the assignment of Points is subject to limits on how many Points any patent family (with a common priority application) can accrue. Points determine the royalty revenue distribution to licensors
- Potential licensors must submit at least one patent claim that the Patent Evaluators determine to be essential to the HEVC Standard to be eligible to be a Licensor in the HEVC Advance Patent Pool

 Thank You.

100 Cambridge Street, Suite 21400, Boston, MA 02114 USA | +1 617.367.4802 | www.accessadvance.com

The material in this overview is a brief high-level summary of certain terms for information purposes only and does not create any contract or agreement. The actual terms are those contained in the HEVC Advance Patent Portfolio License Agreement. This summary is subject to change at any time at the discretion of Access Advance LLC.