

The logo features the letters 'VVC' in a stylized, bold font. The 'V' is blue, the first 'C' is grey, and the second 'C' is blue. To the right of 'VVC' is the word 'Advance' in a grey, sans-serif font, with a small 'SM' trademark symbol to its upper right. Below 'Advance' is the text 'Patent Pool' in a smaller, grey, sans-serif font. The background includes faint, large-scale geometric shapes and a large, light grey 'C'.

Program Overview

*ACCESS*Advance®

March 2024

NOTICE: THE STRUCTURE OF THE VVC ADVANCE LICENSING PROGRAM, INCLUDING THE TERMS ACCESS ADVANCE LLC IS CURRENTLY AUTHORIZED TO OFFER IN THE VVC 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 VVC 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 VVC Advance Patent Pool, which contains patents essential to VVC/H.266 and VSEI/H.274, as well as its HEVC Advance Patent Pool, which contains patents essential to HEVC/H.265. 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.

VVC Advance Licensors

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

<https://accessadvance.com/vvc-advance-patent-pool-list-of-licensors/>

VVC Advance Licensees

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

<https://accessadvance.com/vvc-advance-patent-pool-list-of-licensees/>

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

- Our VVC Program includes a license to all versions through Version 3 of ISO/IEC 23090-3 MPEG-I Part 3 and ITU-T Recommendation H.266, including Optional Features ⁽¹⁾ (“VVC Standard”)
- Other VVC Profiles, extensions, and versions thereof, and new standards separated therefrom (e.g. SEI messaging), may be added in the future ⁽²⁾ upon written notice by Access Advance

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

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

VVC Advance Platform License Structure: What Do We License?

We license VVC Decoders and VVC Encoders in Consumer VVC Products, whether made available in devices, software, or through Cloud Based Services. We also license VVC 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., set-top boxes, game consoles, desktop PCs, non-4K UHD+ TVs, digital video recorders, digital cameras, video surveillance cameras, video conferencing equipment, medical imaging devices, digital signs) and VVC Software
3. 4K UHD+ Television/Displays (e.g., UHD-Capable TVs, projectors, VR/AR headsets)
4. VVC Content on Digital Media Storage, including Commercial VVC Content stored on physical digital media (e.g., Blu-ray discs, external hard drives)

VVC Advance Platform License Structure: What Do We License?

- VVC Advance is primarily focused on licensing VVC Decoders and/or VVC 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 VVC Decoders and/or VVC 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 VVC Software Sold separately from a device and for Preloaded VVC 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 VVC 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

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

We do NOT license/seek royalties for:

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

VVC Advance Platform License Structure: How Are Patents 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

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

- VVC Advance grants licenses to Licensees only for the Practiced Claims of our Licensor's VVC Standard Essential Patents (*i.e.*, claims of such patents that are essential to practice the VVC Standard, and that would be necessarily infringed by the Licensee's licensed activities)
 - The VVC Advance Patent List identifies Licensor patents that include one or more claims found to be essential to the VVC Standard by our independent Patent Evaluators
 - The VVC Advance Patent List identifies the relevant section(s) of the VVC Standard to which the essential patent claims map
- All Practiced Claims of our Licensors' VVC 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

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

Licenses are granted to parties that Sell Consumer VVC Products:

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

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

- Parties that Sell VVC Content on Physical Digital Media Storage (*i.e.*, Commercial VVC 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 VVC 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.

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

- A royalty is due upon the Sale of a Consumer VVC Product or VVC Content on Digital Media Storage for which an VVC Standard Essential Patent (listed on the VVC 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 VVC Products or VVC Content on Digital Media Storage Sold in that country/territory

VVC 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 VVC 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 1-3 + 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.

VVC Advance Platform License Structure: Royalty Rate Structure

- Geographic Rate Differentials: Stated rates apply based on the country/territory in which the Consumer VVC Product and VVC 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.

VVC 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 VVC Software), 4K UHD+ Television/Displays, and VVC Content on Digital Media Storage
- Single Enterprise Cap: An additional cap applies to aggregate royalties due for all product categories (excluding certain VVC 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

VVC 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

VVC Advance Platform License Structure: Term 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)

VVC Advance Platform License Structure: Patent Marking

- Patent marking is required for Consumer VVC Products and VVC 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)

VVC Advance Platform License Structure: VVC Advance Logo

- Licensees that choose the option to include the VVC 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 VVC Advance page on the Advance website



VVC 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 | Annual In-Compliance Device Category Caps ⁽²⁾ | Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ |
|---|---|---|---|---|
| Mobile Devices: Mobile Phone, Tablet, Laptop | All price ranges | \$0.50/\$0.25 | \$45MM \$30MM (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, VVC Software, Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage, Cloud-Based Services | Price ≤\$80.00 ⁽²⁾ \$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 | \$0.25/\$0.25 \$0.3125/\$0.3125 \$0.4375/\$0.4375 \$0.5625/\$0.50 \$0.6875/\$0.50 \$0.8125/\$0.50 \$0.9375/\$0.50 | \$30MM | <u>Annual Enterprise Cap</u> \$60 million <u>Annual Enterprise Credit</u> \$25,000 |
| | Price >\$80.00 and All VVC Software | \$1.00/\$0.50 | | |
| 4K UHD+ Television/Display | All price ranges | \$1.50/\$0.75 | \$30MM | |
| Digital Media Storage Blu-ray Discs, Other Storage Devices | All price ranges | <u>Per Disc/Title</u> \$.028/\$.014 | \$3.75MM | |

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

(2) Excludes certain VVC Software.

This chart is a high-level summary for information purposes only. The terms of the Patent License Agreement control.

VVC 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 | Annual In-Compliance Device Category Caps ⁽²⁾ | Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ |
|---|---|---|--|---|
| Mobile Devices: Mobile Phone, Tablet, Laptop | All price ranges | \$0.555/\$0.277 | \$45MM \$30MM (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, VVC Software, Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage, Cloud-Based Services | Price ≤\$80.00 ⁽²⁾ \$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 | \$0.277/\$0.277 \$0.347/\$0.347 \$0.486/\$0.486 \$0.625/\$0.555 \$0.764/\$0.555 \$0.903/\$0.555 \$1.042/\$0.555 | \$30MM | <u>Annual Enterprise Cap</u> \$60 million <u>Annual Enterprise Credit</u> \$25,000 |
| | Price >\$80.00 and All VVC Software | \$1.111/\$0.555 | | |
| 4K UHD+ Television/Display | All price ranges | \$1.667/\$0.833 | \$30MM | |
| Digital Media Storage Blu-ray Discs, Other Storage Devices | All price ranges | <u>Per Disc/Title</u> \$.031/\$.0155 | \$3.75MM | |

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

(2) Excludes certain VVC Software.

This chart is a high-level summary for information purposes only. The terms of the Patent License Agreement control.

VVC Advance Platform License: Royalty Rate Structure for Licensees Standard Rates

| Device Category and Examples | Selling Price | Per-Device Royalty ⁽¹⁾ All Profiles | Annual In-Compliance Device Category Caps ⁽²⁾ | Annual In-Compliance Enterprise Credit and Cap ⁽²⁾ |
|---|---|---|---|--|
| Mobile Devices: Mobile Phone, Tablet, Laptop | All price ranges | \$0.667/\$0.333 | No Cap Applies | No Cap applies No Annual Enterprise Credit |
| Connected Home & Other Devices: <u>Consumer Products:</u> Set-Top Box, Game Console, Blu-ray Player, Desktop PC, non-4k UHD+ TV, VVC Software, Surveillance Cameras, Conferencing Products, Medical Imaging, Digital Signage | Price ≤\$80.00 ⁽²⁾ | | No Cap Applies | |
| | \$20 or less | \$0.333/\$0.333 | | |
| | \$20.01-\$30.00 | \$0.4167/\$0.4167 | | |
| | \$30.01-\$40.00 | \$0.580/\$0.580 | | |
| | \$40.01-\$50.00 | \$0.750/\$0.667 | | |
| | \$50.01-\$60.00 | \$0.917/\$0.667 | | |
| | \$60.01-\$70.00 | \$1.08/\$0.667 | | |
| | \$70.01-\$80.00 | \$1.25/\$0.667 | | |
| | Price >\$80.00 and All VVC Software | \$1.333/\$0.667 | | |
| 4K UHD+ Television/Display | All price ranges | \$2.00/\$1.00 | No Cap Applies | |
| Digital Media Storage Blu-ray Discs, Other Storage Devices | All price ranges | <u>Per Disc/Title</u> \$0.037/\$0.0185 | No Cap Applies | |

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

(2) Excludes certain VVC Software.

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Region 1* Country/Territory Listing

Region 1 List:

| Member States of the EU All current and future members. List effective as of 2/2015. | | 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 VVC Advance Licensees: General Terms

- Licensees are members of the Administrative Committee (“AdCom”) and agree to participate in the business discussions and decisions of the VVC Advance Patent Pool
- Licensees that Make and/or Sell VVC Products which fall within the terms of the VVC 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 VVC Advance Patent Pool
- New Licensees are added at the reasonable discretion of the Licensing Administrator

Information for VVC Advance Licenseors: License Scope and Grant

- Licenseors authorize Advance to grant licenses under patents of the Licensor and its Affiliates that are essential to Versions 1 through 3 of the VVC Standard
- Amendments (*i.e.*, new Versions or Profiles) to the definition of the VVC Standard, and therefore to the scope of the license grant authorization, are approved upon Advance's recommendation, unless vetoed by the AdCom

Information for VVC Advance Licensors: Patent Evaluations

- Licensors must submit their and their Affiliates' VVC patents to our independent Patent Evaluators to determine whether they include at least one claim that is essential to the VVC Standard
- When the Patent Evaluators determine a patent of a Licensor or its Affiliates is a VVC Standard Essential Patent, it is added to the VVC Advance Patent List
- Points are assigned to VVC 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 VVC Standard to be eligible to be a Licensor in the VVC Advance Patent Pool

 Thank You.

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