



HEVC Advance Duplicate Royalty Policy

March 8, 2022

Effective January 1, 2022, Access Advance LLC (“Advance”) is pleased to announce a revised Duplicate Royalty Policy (“DRP”) for qualifying Companies that elect to take advantage of the new policy.⁽¹⁾

The commitments of Advance under this DRP apply to any Company that is (i) a Licensee of Advance’s HEVC patent pool and that became a licensee of another HEVC patent pool or joint licensing program (*e.g.*, the HEVC patent pool administered by MPEG LA) prior to becoming a Licensee of Advance’s HEVC patent pool, or (ii) considering in good faith to become a Licensee of Advance’s HEVC patent pool and that is also a licensee of another HEVC patent pool or joint licensing program.⁽²⁾ This policy is implemented through the **Duplicate Royalty Adjustment Amendment** and the **Duplicate Royalty Estimate Request**, in the forms found at <https://accessadvance.com/licensing-programs/hevc-advance/>, as such forms may be revised by Advance from time to time.

- If a Licensor of Advance’s HEVC patent pool would receive a share of royalties from Company under the HEVC Advance Patent Portfolio License Agreement (the “HEVC Advance PPL”) on account of products of Company licensed under such Licensor’s patents that are included in both Advance’s HEVC Patent Portfolio and the HEVC patent portfolio of another HEVC patent pool or joint licensing program (a “Dual-Pool Licensor”), Advance commits to deduct the amount of duplicate royalties for such Dual-Pool Licensor’s patents under the HEVC Advance PPL from invoices sent to Company (*i.e.*, pre-net),⁽³⁾ thus preventing the Dual-Pool Licensor from receiving duplicate royalties for the Dual-Pool Licensor's patents.
- Upon receipt of a completed and executed **Duplicate Royalty Adjustment Amendment** from a Company to which this DRP applies and Advance’s confirmation that this DRP applies to Company, Advance agrees to countersign such Amendment, whereby it will become a binding commitment of Advance and Company under the HEVC Advance PPL. Pre-netting of royalties due under the HEVC Advance PPL will begin in accordance with the **Duplicate Royalty Adjustment Amendment** and apply to each of Company’s Royalty Statements due and furnished thereafter to Advance identifying those products for which Company is licensed under both the HEVC Advance PPL and the other HEVC patent pool or joint licensing program agreement.
- If indicated on the **Duplicate Royalty Adjustment Amendment** or upon receipt of a **Duplicate Royalty Estimate Request**, Advance will provide Company with a good faith estimate of pre-netting that would apply under the HEVC Advance PPL with respect to HEVC products licensed by Company under its other HEVC patent pool or joint licensing program agreement(s). Company and Advance understand that the accuracy of the

estimate depends on the accuracy of the information provided by Company to Advance, and that the estimate will change over time as, for example, Company's sales quantities and countries of manufacture and sale fluctuate, and as Advance's HEVC Patent Portfolio changes. If Company is a Licensee, upon Company's written request and provision of updated information to Advance, no more frequent than annually, Advance will provide a good faith updated estimate to Company.

- If indicated on the completed **Duplicate Royalty Adjustment Amendment** or the **Duplicate Royalty Estimate Request**, Advance will further provide Company with additional information on how royalties are allocated to the Dual-Pool Licensors in Advance's HEVC patent pool. Advance will provide such information to Company, consistent with Advance's confidentiality obligations to the Dual-Pool Licensors, including the formula that is used to calculate the share of royalties allocated to Dual-Pool Licensors, to allow Company to reasonably understand the basis on which pre-netting is calculated, including an explanation of Advance's royalty allocation system and an exemplary calculation of duplicate royalties received by the Dual-Pool Licensors.



Footnotes:

- (1) This revised Policy is not mandatory for any Company. Any Company has the option to address the duplicate royalty issue under this Policy, or directly with the Dual-Pool Licensors bilaterally, or through the other HEVC patent pool or joint licensing program. Advance will assume that a Company has made the choice to pre-net through Advance if the Company submits to Advance a completed and executed Duplicate Royalty Adjustment Amendment and provides the information requested in such Amendment and/or as required in Company's Royalty Statements. If a Company does not submit a completed and executed Duplicate Royalty Adjustment Amendment to Advance, Advance will assume that Company has made the choice to waive pre-netting through Advance, unless and until Company submits a completed and executed Duplicate Royalty Adjustment Amendment.
- (2) For a Company to which this revised Policy does not apply, the Duplicate Royalty Policy and Duplicate Royalty Implementation Process dated April 2021 will continue to be offered (subject to the terms therein).
- (3) Duplicate royalties are that portion of actual net royalty collections apportioned and distributed to Dual-Pool Licensors under Advance's HEVC patent pool based on products of Company covered by one or more of the Dual-Pool Licensor patents licensed through both Advance's HEVC patent pool and another HEVC patent pool or joint licensing program, and expressly exclude all fees and other allocations or deductions made by Advance prior to apportionment and distribution of net royalty collections to all Dual-Pool Licensors based on their respective licensed patents.