

LICENSE AGREEMENT
FOR UHD SOFTWARE
MANUFACTURER

This *License Agreement for UHD Software Manufacturer* is dated [insert Date] (“License Agreement”) and is between [insert Licensee Name] (“Licensee”) and One-Blue, LLC (“Licensing Company”).

The following terms used in this License Agreement have the meanings set out below:

Effective Date: _____

Licensee: _____

Licensee’s Office Address:

Licensee’s Notice Address and Fax Number:

Address:

Fax:

Country of Domicile of Licensee: _____

RECITALS

WHEREAS, members of the Blu-ray Disc Association, a California non-profit mutual benefit corporation, have developed a new optical disc format, which has been presented under the name Ultra HD Blu-ray (“UHD”) and previously developed an optical disc format presented under the name Blu-ray Disc (“BD”);

WHEREAS, the Licensors are prepared to license their Licensed Patents on the terms set forth in this License Agreement;

WHEREAS, each Licensor has granted Licensing Company the right to conclude this License Agreement in accordance with the terms of this License Agreement;

WHEREAS, each Licensor has authorized Licensing Company to grant licenses on behalf of such Licensor in accordance with the terms of this License Agreement; and

WHEREAS, Licensee acknowledges and understands that each of the Licensors whose Patents are licensed under this License Agreement, also makes their own Patents available through separate licenses and that Licensee is encouraged by Licensing Company to evaluate and determine whether separate licenses or this joint license best meets Licensee’s requirements and needs;

NOW, THEREFORE, Licensee and Licensing Company agree as follows:

1.A DEFINITIONS

“*Affiliate*” means, in relation to either party hereto, a legal entity which now, or at any time during the term of this License Agreement, directly or indirectly, controls, is controlled by, or is under common control with that party, but only for as long as such control exists. The term “control” as used in this definition means ownership of more than fifty percent (50%) of the outstanding shares representing the right to vote for directors or other managing officers of such legal entity; or for a legal entity which does not have outstanding shares, more than fifty percent (50%) of the ownership interest representing the right to appoint directors or other managing officers of such legal entity. The term Affiliate also includes any entity in which a party has, directly or indirectly, a majority of the beneficial ownership of such entity.

“*Aftermarket UHD-Capable Drive*” means a UHD-Capable Drive which is shipped and sold as a stand-alone product separate from a PC.

“*Aftermarket UHD Playback Drive*” means an Aftermarket UHD-Capable Drive which is capable of UHD Playback Functions, but is not capable of UHD Recording Functions.

“Authorized Recipient” means a Non-Affiliated Entity that is not Affiliated with Licensee Parties and is obligated by a written contract with Licensee Parties, to report (a) the number of all copies of Licensed Product that are first Sold by the Non-Affiliated Entity and (b) the number of all copies of Licensed Product first Sold by an entity (such entity hereinafter referred to as a "Retailer") that directly received a copy of the Licensed Product from it or its Affiliates. For the purposes of this paragraph, “Non-Affiliated Entity” means an entity that is not Affiliated with Licensee Parties and references to a Non-Affiliated Entity shall be further understood to refer to the Affiliates of the Non-Affiliated Entity.

“AVCREC Format” means the specifications identified in sub-sections (s) through (u) of the definition of BD Standard(s) set out below.

“BD AV” means System Description Blu-ray Disc Rewritable Part 3: Audio Visual Basic Specifications Version 1.0 and System Description Blu-ray Disc Rewritable Part 3: Audio Visual Basic Specifications Version 2.0 and System Description AVCREC Rewritable Part 3: Audio Visual Basic Specifications Version 1.0, including any modified or updated version.

“BD MV” means System Description Blu-ray Disc Rewritable Part 3: Audio Visual Basic Specifications Version 3.0 and System Description Blu-ray Disc Read-Only Part 3: Audio Visual Basic Specifications Version 2.0 and System Description Blu-ray Disc Read-Only Format Security Virtual Machine Specifications (BD+) Version 1.0 and DVB GEM [ETSI TS 102 819 V1.3.1 (2005-10) – Digital Video Broadcasting (DVB); Globally Executable MHP Version 1.0.2 (GEM 1.0.2; A095; Errata (1) to Globally Executable MHP (TS 102 819 V1.3.1)] as referenced in Blu-ray Disc Read-Only Format, Part 3, including any modified or updated version.

“BD-R Format” means the specifications identified in subsections (k), (l), (o) and (r) of the definition of BD Standard(s) set out below.

“BD-RE Format” means the specifications identified in subsections (a) through (g), (o) and (r) of the definition of BD Standard(s) set out below.

“BDXL-R Format” means the specifications, identified in subsections (m), (n) and (j) of the definition of BD Standard(s) set out below.

“BDXL-RE Format” means the specifications, identified in subsections (h) through (j) of the definition of BD Standard(s) set out below.

“BD Drive Standard(s)” means any one or more of the following BD Standards, which may be modified or updated from time to time by the Blu-ray Disc Association:

- (a) System Description Blu-ray Disc Rewritable – Part 1: Basic Format Specifications, Version 1.0.

- (b) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 1.0.
- (c) System Description Blu-ray Disc Rewritable – Part 1: Basic Format Specifications, Version 2.0.
- (d) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 2.0.
- (e) System Description Blu-ray Disc Rewritable – Part 1: Basic Format Specifications, Version 3.0.
- (f) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 3.0.
- (g) System Description Blu-ray Disc Recordable – Part 1: Basic Format Specifications, Version 1.0.
- (h) System Description Blu-ray Disc Recordable – Part 2: File System Specifications, Version 1.0.
- (i) System Description Blu-ray Disc Recordable – Part 1: Basic Format Specifications, Version 2.0.
- (j) System Description Blu-ray Disc Recordable – Part 2: File System Specifications, Version 2.0.
- (k) System Description Blu-ray Disc Hybrid Format – Version 1.0.
- (l) System Description Blu-ray Disc Read-Only – Part 1: Basic Format Specifications, Version 1.0.
- (m) System Description Blu-ray Disc Read-Only – Part 2: File System Specifications, Version 1.0.
- (n) System Description AVCREC Recordable Format – Part 2: File System Specifications (UDF®), Version 1.0.
- (o) System Description AVCREC Rewritable Format – Part 2: File System Specifications (UDF®), Version 1.0.

For the avoidance of doubt, BD Drive Standard(s) includes references within any one of (a) – (o) above to another BD Drive specification (listed in (a) to (o) above), but excludes any other standard (by way of example, MPEG-2 Video, VC1 or AC-3) that is merely referred to in one

of the above subsections or which is made mandatory by a "Format and Logo License Agreement" issued by the Blu-ray Disc Association.

“BD Playback Functions” means the ability of a product to read in the BD-RE Format, BD-R Format, BDXL-RE Format, BDXL-R Format, AVCREC Format or any other data format that is specified in the BD Software Standards but not defined in the DVD Software Standards or CD Standards.

“BD Recording Functions” means the ability of a product to record in the BD-RE Format, BD-R Format, BDXL-RE Format, BDXL-R Format, AVCREC Format or any other data format that is specified in the BD Software Standards but not defined in the DVD Software Standards or CD Standards.

“BD Software Standard(s)” means any one or more of the following BD Standards, which may be modified or updated from time to time by the Blu-ray Disc Association:

- (a) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 1.0.
- (b) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 1.0.
- (c) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 2.0.
- (d) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 2.0.
- (e) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 3.0.
- (f) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 3.0.
- (g) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 4.0.
- (h) System Description Blu-ray Disc Recordable – Part 2: File System Specifications, Version 1.0.
- (i) System Description Blu-ray Disc Recordable – Part 2: File System Specifications, Version 2.0.

- (j) System Description Blu-ray Disc Read-Only – Part 2: File System Specifications, Version 1.0.
- (k) System Description Blu-ray Disc Read-Only – Part 3: Audio Visual Basic Specifications, Version 2.0.
- (l) System Description AVCREC Recordable Format – Part 2: File System Specifications (UDF®), Version 1.0.
- (m) System Description AVCREC Rewritable Format – Part 2: File System Specifications (UDF®), Version 1.0.
- (n) System Description AVCREC Rewritable Format – Part 3: Audio Visual Basic Specifications, Version 1.0.

For the avoidance of doubt, BD Software Standard(s) includes references within any one of (a) – (n) above to another BD Software specification (listed in (a) to (n) above), but excludes any other standard (by way of example, MPEG-2 Video, VC1 or AC-3) that is merely referred to in one of the above subsections or which is made mandatory by a "Format and Logo License Agreement" issued by the Blu-ray Disc Association. Notwithstanding the foregoing exclusion, "BD Software Standard(s)" includes:

- (o) System Description Blu-ray Disc Read-Only Format Security Virtual Machine (BD+) (which may be modified or updated from time to time by BD+ Technologies LLC); and
- (p) DVB GEM [ETSI TS 102 819 V1.3.1 (2005-10) – Digital Video Broadcasting (DVB); Globally Executable MHP Version 1.0.2 (GEM 1.0.2; A095; Errata (1) to Globally Executable MHP (TS 102 819 V1.3.1)] as referenced in Blu-ray Disc Read-Only Format, Part 3.

"*BD Standard(s)*" (also known as Blu-ray Disc Standard(s)) means any one or more of the following standard specifications, which may be modified or updated from time to time by Blu-ray Disc Association:

- (a) System Description Blu-ray Disc Rewritable – Part 1: Basic Format Specifications, Version 1.0.
- (b) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 1.0.
- (c) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 1.0.

- (d) System Description Blu-ray Disc Rewritable – Part 1: Basic Format Specifications, Version 2.0.
- (e) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 2.0.
- (f) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 2.0.
- (g) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 3.0.
- (h) System Description Blu-ray Disc Rewritable – Part 1: Basic Format Specifications, Version 3.0.
- (i) System Description Blu-ray Disc Rewritable – Part 2: File System Specifications, Version 3.0.
- (j) System Description Blu-ray Disc Rewritable – Part 3: Audio Visual Basic Specifications, Version 4.0.
- (k) System Description Blu-ray Disc Recordable – Part 1: Basic Format Specifications, Version 1.0.
- (l) System Description Blu-ray Disc Recordable – Part 2: File System Specifications, Version 1.0.
- (m) System Description Blu-ray Disc Recordable – Part 1: Basic Format Specifications, Version 2.0.
- (n) System Description Blu-ray Disc Recordable – Part 2: File System Specifications, Version 2.0.
- (o) System Description Blu-ray Disc Hybrid Format, Version 1.0.
- (p) System Description Blu-ray Disc Read-Only – Part 1: Basic Format Specifications, Version 1.0.
- (q) System Description Blu-ray Disc Read-Only – Part 2: File System Specifications, Version 1.0.
- (r) System Description Blu-ray Disc Read-Only – Part 3: Audio Visual Basic Specifications, Version 2.0.

- (s) System Description AVCREC Recordable Format – Part 2: File System Specifications (UDF®), Version 1.0.
- (t) System Description AVCREC Rewritable Format – Part 2: File System Specifications (UDF®), Version 1.0.
- (u) System Description AVCREC Rewritable Format – Part 3: Audio Visual Basic Specifications, Version 1.0.

For the avoidance of doubt, “BD Standard(s)” includes references within any one of (a) – (u) above to another BD specification (listed in (a) to (u) above), but excludes any other standard (by way of example, MPEG-2 Video, VC1 or AC-3) that is merely referred to in one of the above subsections or which is made mandatory by a “Format and Logo License Agreement” issued by the Blu-ray Disc Association. Notwithstanding the foregoing exclusion, “BD Standard(s)” includes:

- (v) System Description Blu-ray Disc Read-Only Format Security Virtual Machine (BD+) (which may be modified or updated from time to time by BD+ Technologies LLC); and
- (w) DVB GEM [ETSI TS 102 819 V1.3.1 (2005-10) – Digital Video Broadcasting (DVB); Globally Executable MHP Version 1.0.2 (GEM 1.0.2; A095; Errata (1) to Globally Executable MHP (TS 102 819 V1.3.1)] as referenced in Blu-ray Disc Read-Only Format, Part 3.

“*Bundled Product*” means a product which is not a PC, which product is configured to be installed in or operatively connected to a PC when in use, and the use of which may involve interacting with the PC to perform UHD Playback Functions and/or UHD Recording Functions. Bundled Products include, but are not limited to products of the following types:

- (a) Aftermarket UHD-Capable Drives
- (b) TV Tuner Cards
- (c) Video Grabbers
- (d) 3D Monitors

“*Bundled UHD Software*” means, with respect to a particular Bundled Product, a copy of UHD Software that is supplied by Licensee or a Licensee Affiliate to its customer for the purpose of Shipment and sale by said customer together with a Bundled Product, and when shipped by such customer is (a) contained in the same packaging for end users that contains the Bundled Product (e.g., off-the-shelf retail packaging, or provided in the shipping box used by such customer to ship customized Bundled Products to end users) or (b) shipped directly to the end

user by such customer (regardless of whether it is shipped in the same packaging as the Bundled Product) and the UHD Software and the Bundled Product are included in the same end user order.

“*CD Standard(s)*” means any one or more of the following standard specifications, which may be modified or updated from time to time by Sony Corporation and Koninklijke Philips Electronics N.V.:

- (a) Compact Disc Digital Audio System Description (Red Book).
- (b) CD-DA System Description, Subcode Channels R-W.
- (c) CD-DA System Description, CD TEXT Mode.
- (d) Compact Disc Read-Only Memory System Description (Yellow Book).
- (e) CD-ROM XA System Description.
- (f) Multisession CD Specification.
- (g) CD EXTRA (Enhanced Music CD) Specification (Blue Book).
- (h) Compact Disc Interactive Full Functional Specification (Green Book).
- (i) Video CD Specification (White Book).
- (j) Super Video CD Specifications.
- (k) Recordable Compact Disc Systems (Orange Book) – Part II: CD-R, Volume 1.
- (l) Recordable Compact Disc Systems (Orange Book) – Part II: CD-R, Volume 2 (Multi Speed).
- (m) Recordable Compact Disc Systems (Orange Book) – Part III: CD-RW, Volume 1 (1x, 2x and 4x).
- (n) Recordable Compact Disc Systems (Orange Book) – Part III: CD-RW, Volume 2 (High Speed).
- (o) Recordable Compact Disc Systems (Orange Book) – Part III: CD-RW, Volume 3 (Ultra-Speed).
- (p) High Capacity Recordable Disc System.

For the avoidance of doubt, CD Standard(s) includes references within any one of (a) – (p) above to another CD specification (listed in (a) to (p) above), but excludes any other standard that is merely referred to in one of subsections of this definition of CD Standard(s).

“Commercially Essential Patent(s)” means any Patent (a) either (i) owned, at any time on or after the Effective Date, by a Licensor or its Affiliates, or (ii) in respect of which Licensor or its Affiliates have or acquire, at any time on or after the Effective Date, the right to license without payment of compensation to a third party other than its Affiliates, agents or employees, and (b) that contains one or more claims that is/are necessary as a practical matter on the basis that there are no economically viable substitutes to implement the relevant UHD Standards, the BD Software Standards, the DVD Software Standards, or the CD Standards.

“Country of Domicile of Licensee” has the meaning set forth on the cover page of this License Agreement.

“DVD Drive Standard(s)” means any one or more of the following DVD Standards, including any supplements or revisions, which may be modified or updated from time to time by the DVD Format/Logo Licensing Corporation, based in Minato-ku, Tokyo, Japan or by the DVD+RW Alliance:

- (a) DVD Specifications for Read-Only Disc – Version 1.0 (Parts 1 and 2).
- (b) DVD+RW 4.7 Gbytes Basic Format Specifications – Version 1.0.
- (c) DVD+RW 4.7 Gbytes Basic Format Specifications – Part 1, Volume 2 (High Speed), Version 1.0.
- (d) DVD+RW 8.5 Gbytes Basic Format Specifications – Part 2, Volume 1 (Dual Layer), Version 1.0.
- (e) DVD+R 4.7 Gbytes Basic Format Specifications – Version 1.0.
- (f) DVD+R 8.5 Gbytes Basic Format Specifications – Part 2 (Dual Layer), Version 1.0.
- (g) DVD Specifications for Recordable Disc – Version 1.0 (Parts 1 and 2).
- (h) DVD Specifications for Recordable Disc – Version 2.0 (Parts 1 and 2).
- (i) DVD Specifications for Recordable Disc – Version 3.0 (Parts 1 and 2).
- (j) DVD Specifications for Re-recordable Disc – Version 1.0 (Parts 1 and 2).
- (k) DVD Specifications for Re-recordable Disc – Version 2.0 (Parts 1 and 2).

- (l) DVD Specifications for Rewritable Disc – Version 1.0 (Parts 1 and 2).
- (m) DVD Specifications for Rewritable Disc – Version 2.0 (Parts 1 and 2).

For the avoidance of doubt, DVD Standard(s) includes references within any one of (a) – (m) above to another DVD Drive specification (listed in (a) to (m) above), but excludes any other standard that is merely referred to in one of subsections contained in the definition of DVD Drive Standard(s).

“*DVD Software Standard(s)*” means any one or more of the following DVD Standards, including any supplements or revisions, which may be modified or updated from time to time by the DVD Format/Logo Licensing Corporation, based in Minato-ku, Tokyo, Japan or by the DVD+RW Alliance:

- (a) DVD Specifications for Read-Only Disc – Version 1.0 (Part 2).
- (b) DVD Specifications for Read-Only Disc – Version 1.0 (Part 3).
- (c) DVD+RW Video Format System Description – Version 1.0.
- (d) DVD+RW Video Format System Description – Version 2.0.
- (e) DVD+RW Video Format System Description – Version 3.0.
- (f) DVD+R Video Format System Description – Version 1.0.
- (g) DVD Specifications for Read-Only Disc – Version 1.0 (Part 4).
- (h) DVD Specifications for Recordable Disc – Version 1.0 (Part 2).
- (i) DVD Specifications for Recordable Disc – Version 2.0 (Part 2).
- (j) DVD Specifications for Recordable Disc – Version 3.0 (Part 2).
- (k) DVD Specifications for Re-recordable Disc – Version 1.0 (Part 2).
- (l) DVD Specifications for Re-recordable Disc – Version 2.0 (Part 2).
- (m) DVD Specifications for Rewritable Disc – Version 1.0 (Part 2).
- (n) DVD Specifications for Rewritable Disc – Version 2.0 (Part 2).
- (o) DVD Specifications for DVD-RAM/ DVD-RW/ DVD-R for General Discs – Version 1.0 (Parts 3, 4 and 5).

For the avoidance of doubt, DVD Standard(s) includes references within any one of (a) – (o) above to another DVD Software specification (listed in (a) to (o) above), but excludes any other standard that is merely referred to in one of subsections contained in the definition of DVD Software Standard(s).

“*DVD Standard(s)*” means any one or more of the following standard specifications, including any supplements or revisions, which may be modified or updated from time to time by the DVD Format/Logo Licensing Corporation, based in Minato-ku, Tokyo, Japan or by the DVD+RW Alliance:

- (a) DVD Specifications for Read-Only Disc – Version 1.0 (Parts 1 and 2).
- (b) DVD Specifications for Read-Only Disc – Version 1.0 (Part 3).
- (c) DVD+RW 4.7 Gbytes Basic Format Specifications – Version 1.0.
- (d) DVD+RW 4.7 Gbytes Basic Format Specifications – Part 1, Volume 2 (High Speed), Version 1.0.
- (e) DVD+RW 8.5 Gbytes Basic Format Specifications – Part 2, Volume 1 (Dual Layer), Version 1.0.
- (f) DVD+RW Video Format System Description – Version 1.0.
- (g) DVD+RW Video Format System Description – Version 2.0.
- (h) DVD+RW Video Format System Description – Version 3.0.
- (i) DVD+R 4.7 Gbytes Basic Format Specifications – Version 1.0.
- (j) DVD+R 8.5 Gbytes Basic Format Specifications – Part 2 (Dual Layer), Version 1.0.
- (k) DVD+R Video Format System Description – Version 1.0.
- (l) DVD+R Video Format System Description – Version 2.0.
- (m) DVD+R Video Format System Description – Version 3.0.
- (n) DVD Specifications for Read-Only Disc – Version 1.0 (Part 4).
- (o) DVD Specifications for Recordable Disc – Version 1.0 (Parts 1 and 2).
- (p) DVD Specifications for Recordable Disc – Version 2.0 (Parts 1 and 2).

- (q) DVD Specifications for Recordable Disc – Version 3.0 (Parts 1 and 2).
- (r) DVD Specifications for Re-recordable Disc – Version 1.0 (Parts 1 and 2).
- (s) DVD Specifications for Re-recordable Disc – Version 2.0 (Parts 1 and 2).
- (t) DVD Specifications for Rewritable Disc – Version 1.0 (Parts 1 and 2).
- (u) DVD Specifications for Rewritable Disc – Version 2.0 (Parts 1 and 2).
- (v) DVD Specifications for DVD-RAM/DVD-RW/DVD-R for General Discs – Version 1.0 (Parts 3, 4 and 5).

For the avoidance of doubt, DVD Standard(s) includes references within any one of (a) – (v) above to another DVD specification (listed in (a) to (v) above), but excludes any other standard that is merely referred to in one of subsections contained in the definition of DVD Standard(s).

“Effective Date” shall have the meaning set forth on the cover page of this License Agreement.

“Essential Licensor Patent(s)” means a Commercially Essential Patent, a Technically Essential Patent or both, regardless of whether the Patent is listed in the Essential Licensor Patent List.

“Essential Licensor Patent List” means the Essential Licensor Patent(s) listed on the Website. The omission of a particular Patent from the Essential Licensor Patent List is not a representation or warranty that the omitted Patent is not essential.

“Former Essential Patent(s)” has the meaning set forth in Section 3.4.

“Licensed Patent(s)” means Essential Licensor Patents. “Licensed Patents” shall further include Former Essential Patents, but solely to the extent the Former Essential Patents are made available pursuant to Section 3.4, and solely to the extent the Licensee did not notify Licensing Company of its wish that the Former Essential Patents not be included in the license as set forth in Section 3.1.

“Licensee Affiliate(s)” means one or more of the Affiliates of Licensee listed in Appendix A. If an entity listed in Appendix A ceases to be an Affiliate of Licensee (by way of example, due to a change in control), such entity shall lose its status as a Licensee Affiliate the same moment it ceased to be an Affiliate of Licensee (regardless of whether the entity continues to be listed in Appendix A).

“Licensee Parties” means Licensee and/or Licensee Affiliates, each a “License Party”.

“Licensed Product” means UHD Software made, used, Sold, offered for Sale or imported by or on behalf of Licensee Parties to the extent a royalty rate applicable to such software is set forth in the definition of “Standard Rate”. Licensed Product includes activated Trial/Disabled Software, but otherwise excludes Trial/Disabled Software, as the term "activated Trial/Disabled Software" is defined in the definition of "Trial/Disabled Software.

“Licensor(s)” means each entity listed on the list entitled “Licensors” which can be accessed on the Website and which may be amended from time to time by Licensing Company; provided, however, that “Licensors” for the purposes of this License Agreement shall only include those entities that are listed on the list entitled “Licensors” during the Term.

“Patent(s)” means any issued patent(s) in any country, including reexaminations, reissues, continuations, divisionals and continuations-in-part.

“Patent Expert” means a patent expert independent from the parties hereto and from Licensors, which is designated and retained from time to time by Licensing Company to determine whether a Patent is an Essential Licensor Patent or to make other determinations as set forth in this License Agreement.

“PC” means a personal computer device that allows an end user to install and execute available software applications. By way of example and not limitation, a PC may be a personal computer, workstation, server or other computer device, provided that the device is not intended for simultaneous use by two or more people.

“Retailer” means an entity as defined in the definition of “Authorized Recipient.”

“Quarter” means the calendar quarters ending on March 31st, June 30th, September 30th and December 31st, or other non-overlapping quarterly periods to which One-Blue consents in writing.

“Royalty Reporting Form” means a statement provided by Licensee to Licensing Company by electronic means pursuant to Section 5.4., or in such other means as may be subsequently communicated by Licensing Company to Licensee.

“Sell”, “Sale,” or variants thereof in the context of product means to transfer for money or any other form of compensation. By way of example only and not limitation, the Licensee Parties’ licensing or renting, or other type of making available for any purpose of a copy of software in exchange for payment, credit or other form of compensation shall be considered a "Sale" of the copy regardless of whether Licensee Parties, Authorized Recipient or Retailer retained title to such copy. Notwithstanding the foregoing, transfer of software by enabling downloading a copy from the internet or other network, or allowing access to software via the internet or other network on a subscription basis, shall be considered a “Sale” of such software at the time of the download or first subscription, regardless of whether or not the transfer is for money or any other form of compensation. Trial/Disabled Software shall not be considered Sold unless and

until such software is or becomes “activated Trial/Disabled Software” as defined in the definition of “Trial/Disabled Software”.

“Standard Rate” means:

- A. If this Agreement is entered into on or before September 30, 2017, then
1. for Shipments prior to April 1, 2017:
 - i) the following with respect to Licensed Product that is not a UHD Only Plug-In, and is not Bundled UHD Software:
 - (a) US\$2.50 (two US Dollars and fifty US Dollar cents) for each copy of UHD Software that is UHD Combi Software;
 - (b) US\$2.00 (two US Dollars) for each copy of UHD Software that is UHD Playback Software.
 - ii) the following if the Licensed Product is a UHD Only Plug-In:
 - (a) US\$1.60 (one US Dollar and sixty US Dollar cents) for each copy of a UHD Only Plug-In that is UHD Playback Software.
 - iii) the following if the Licensed Product is Bundled UHD Software:
 - (a) US\$1.50 (one US Dollar and fifty US Dollar cents) for each copy of Bundled UHD Software that is UHD Combi Software; and
 - (b) US\$1.25 (one US Dollar and twenty-five US Dollar cents) for each copy of Bundled UHD Software that is UHD Playback Software, and
 2. for Shipments on and after April 1, 2017 and before July 1, 2017:
 - i) the following with respect to Licensed Product that is not a UHD Only Plug-In, and is not Bundled UHD Software:
 - (a) US\$2.00 (two US Dollars) for each copy of UHD Software that is UHD Combi Software;

- (b) US\$1.60 (one US Dollar and sixty US Dollar cents) for each copy of UHD Software that is UHD Playback Software.
 - ii) the following if the Licensed Product is a UHD Only Plug-In:
 - (a) US\$1.28 (one US Dollar and twenty-eight US Dollar cents) for each copy of a UHD Only Plug-In that is UHD Playback Software.
 - iii) the following if the Licensed Product is Bundled UHD Software:
 - (a) US\$1.20 (one US Dollar and twenty US Dollar cents) for each copy of Bundled UHD Software that is UHD Combi Software; and
 - (b) US\$1.00 (one US Dollar) for each copy of Bundled UHD Software that is UHD Playback Software.
- 3. for Shipments on and after July 1, 2017:
 - i) the following with respect to Licensed Product that is not a UHD Only Plug-In, and is not Bundled UHD Software:
 - (a) US\$2.20 (two US Dollars and twenty US Dollar cents) for each copy of UHD Software that is UHD Combi Software;
 - (b) US\$1.80 (one US Dollar and eighty US Dollar cents) for each copy of UHD Software that is UHD Playback Software.
 - ii) the following if the Licensed Product is a UHD Only Plug-In:
 - (a) US\$1.40 (one US Dollar and forty US Dollar cents) for each copy of a UHD Only Plug-In that is UHD Playback Software.

iii) the following if the Licensed Product is Bundled BD Software:

- (a) US\$1.35 (one US Dollar and thirty-five US Dollar cents) for each copy of Bundled UHD Software that is UHD Combi Software; and
- (b) US\$1.10 (one US Dollar and ten US Dollar cents) for each copy of Bundled UHD Software that is UHD Playback Software.

B. If this Agreement is entered into after September 30, 2017, then

1. for Shipments prior to April 1, 2017:

i) the following with respect to Licensed Product that is not a UHD Only Plug-In, and is not Bundled UHD Software:

- (a) US\$2.50 (two US Dollars and fifty US Dollar cents) for each copy of UHD Software that is UHD Combi Software;
- (b) US\$2.00 (two US Dollars) for each copy of UHD Software that is UHD Playback Software.

ii) the following if the Licensed Product is a UHD Only Plug-In:

- (a) US\$1.60 (one US Dollar and sixty US Dollar cents) for each copy of a UHD Only Plug-In that is UHD Playback Software.

iii) the following if the Licensed Product is Bundled UHD Software:

- (a) US\$1.50 (one US Dollar and fifty US Dollar cents) for each copy of Bundled UHD Software that is UHD Combi Software; and
- (b) US\$1.25 (one US Dollar and twenty-five US Dollar cents) for each copy of Bundled UHD Software that is UHD Playback Software, and

2. for Shipments on and after April 1, 2017:

- i) the following with respect to Licensed Product that is not a UHD Only Plug-In, and is not Bundled UHD Software:
 - (a) US\$2.20 (two US Dollars and twenty US Dollar cents) for each copy of UHD Software that is UHD Combi Software;
 - (b) US\$1.80 (one US Dollar and eighty US Dollar cents) for each copy of UHD Software that is UHD Playback Software.

- ii) the following if the Licensed Product is a UHD Only Plug-In:
 - (a) US\$1.40 (one US Dollar and forty US Dollar cents) for each copy of a UHD Only Plug-In that is UHD Playback Software.

- iii) the following if the Licensed Product is Bundled BD Software:
 - (a) US\$1.35 (one US Dollar and thirty-five US Dollar cents) for each copy of Bundled UHD Software that is UHD Combi Software; and
 - (b) US\$1.10 (one US Dollar and ten US Dollar cents) for each copy of Bundled UHD Software that is UHD Playback Software.

“System Change” means a revision made in accordance with Section 10.

“Technically Essential Patent(s)” means any Patent (a) either (i) owned, at any time on or after the Effective Date, by a Licensor and its Affiliates, or (ii) in respect of which Licensor and its Affiliates have, or acquire, at any time on or after the Effective Date, the right to license without payment of compensation to a third party other than its Affiliates, agents or employees; and (b) containing one or more claims that is/are necessarily infringed in an implementation of the relevant UHD Standards, BD Software Standards, the DVD Software Standards or the CD Standards.

“Term” means the period beginning on the Effective Date and ending when this License Agreement expires or is terminated in accordance with the provisions hereof.

“Trial/Disabled Software” means UHD Software that, at the time of first Sale, (a) will automatically disable all UHD and BD functionality after a specified period of time, which is sixty (60) days or less, after the date of first use by an end user or (b) has none of its UHD and BD functionality enabled. For the purposes of this License Agreement, Trial/Disabled Software is considered "activated" the moment any of its BD functionality is enabled and such enabled functionality will not be automatically disabled after such specified period of time after the date of first use by an end user.

“UHD-Capable Drive” means a non-virtual disc drive product that (a) is capable of playing back UHD Discs or UHD Recording Functions, including disc-reading components designed, or intended by its manufacturer, to be used in standalone playback devices or installed into PC disc drives, (b) is specifically designed, and intended by Registered Party, to be incorporated as a drive in, or used as an external drive with, a personal computer device where such device permits the execution of software applications, (c) is not designed, or intended by Registered Party to be used, to provide data to any other device unless the data is first conveyed through a personal computer, and (d) is not capable of performing UHD Decoding Functions.

“UHD Combi Software” means a software product that enables a processor to read, but not record, in any data format that is specified in the UHD Standards but not defined in the BD Software Standards, DVD Software Standards or CD Standard, and to record in any data format that is specified in the BD Software Standards but not defined in the DVD Software Standards or CD Standards. Providing UHD Combi Recording Software includes UHD Playback Functions and BD Recording Functions, it may also be capable of reading in accordance with the BD Software Standards, DVD Software Standards and/or CD Standards, and/or of recording in accordance with the BD Software Standards, DVD Software Standards and/or CD Standards.

“UHD Disc” means a dual or triple layer optical disc with a capacity of no more than 34 GBytes per layer, designed and manufactured for recording thereon digital information, and which conforms to the UHD Standards.

“UHD Decoding Functions” means the ability of a product to convert data from a data format that is specified in the UHD Standard but not in the BD Standard, DVD Standard or CD Standard, to a data format that is not specified in the UHD Standard).

“UHD Only Plug-In” means any computer program that (a) is capable of execution by a general purpose processor incorporated in a hardware product to the extent the program enables the hardware product to create, render, display, play, modify or enhance data in accordance with the UHD Standards, (b) is not capable of creating, rendering, displaying, playing, modifying or enhancing data in accordance with the BD Software Standards, DVD Software Standards or CD Standards and (c) is intended to enhance a computer program that is capable of creating, rendering, displaying, playing, modifying or enhancing data in accordance with the BD Software Standards, DVD Software Standards and CD Standards.

“UHD Playback Drive” means a UHD-Capable Drive that is capable of UHD Playback Functions but is not capable of UHD Recording Functions.

“UHD Playback Functions” means the ability of a product to read in any format specified in the UHD Standards but not defined in the BD Software Standards, DVD Software Standards or CD Standards.

“UHD Playback Software” means a software product that enables a processor to read in any format specified in the UHD Standards but not defined in the BD Software Standards, DVD Software Standards or CD Standards, but does not enable the processor to record in any data format specified in the UHD Standards, BD Software Standards, DVD Software Standards or CD Standards. Providing UHD Playback Software includes UHD Playback Functions, it may also be capable of reading in accordance with the BD Software Standards, DVD Software Standards and/or CD Standards.

“UHD Recording Functions” means the ability of a product to read UHD Discs and to record in any one or more of future UHD recordable or rewritable disc format standards developed by the Blu-ray Disc Association.

“UHD Recording Software” means a software product that enables a processor to read and to record in any data format that is specified in the UHD Standards but not defined in the BD Software Standards, DVD Software Standards or CD Standards. Providing UHD Recording Software includes UHD Playback Functions and UHD Recording Functions, it may also be capable of reading and/or recording in accordance with the BD Software Standards, DVD Software Standards and/or CD Standards.

“UHD Standard(s)” (also known as Ultra HD Blu-ray Disc Standard(s)) means any one or more of the following standard specifications, which may be modified or updated from time to time by the Blu-ray Disc Association:

- (a) System Description Blu-ray Disc Read-Only (Ultra HD Blu-ray) Part 1: Basic Format Specifications, Version 2.0.
- (b) System Description Blu-ray Disc Read-Only (Ultra HD Blu-ray) Part 2: File System Specifications, Version 3.0.
- (c) System Description Blu-ray Disc Read-Only (Ultra HD Blu-ray) Part 3: Audio Visual Basic Specifications, Version 3.0.

For the avoidance of doubt, UHD Standard(s) includes references within any one of (a) – (c) above to another UHD specification (listed in (a) to (c) above), but excludes any other standard (by way of example, MPEG-2 Video, VC1 or AC-3) that is merely referred to in one of the above subsections or which is made mandatory by a "Format and Logo License Agreement" issued by the Blu-ray Disc Association.

“*UHD Software*” means any of UHD Playback Software, UHD Combi Software, and UHD Recording Software.

“*Website*” means www.one-blue.com or any other website designated by Licensing Company from time to time in connection with this License Agreement.

1.B EFFECT OF CORRESPONDING BD AGREEMENT

This License Agreement shall dominate and control in respect of UHD Software over any *License Agreement for BD Software Manufacturer* entered into between Manufacturer and Licensing Company (a “Corresponding BD Agreement”). Notwithstanding the foregoing, if this License Agreement has been entered into on or before September 30, 2017 and any Sales or Shipments prior to July 1, 2017 of UHD Software has been reported under the Corresponding BD Agreement as BD Software with comparable royalty rates, then the scope of the licenses granted under the Corresponding BD Agreement for such Sales or Shipments of UHD Software shall be deemed to be the same as if such licenses were obtained pursuant to this License Agreement.

2 LICENSEE’S AFFILIATES

- 2.1 *Identification of Affiliates.* Licensee shall complete and amend Appendix A to include the corporate name, principal place of business and registered office of each and every Licensee Affiliate that is engaged in the Sale of any Licensed Product. Licensee shall remove from Appendix A, by amendment, the names of any entity that ceases to be an Affiliate of Licensee. Licensee may amend Appendix A by adding the names of Affiliates that will engage in the Sale of Licensed Product and removing the names of Affiliates that are not engaged in the Sale of any Licensed Product. Any amendment to Appendix A made pursuant to this Section 2.1 shall be effective when Licensing Company receives a written copy of such amended Appendix A, which shall include an indication of the information that has been added, deleted or changed.
- 2.2 *Licensee Affiliates' Rights and Obligations.* With the exception of this Section 2, Section 11 (“Essential Patents”), Section 13 (“Term and Termination”) and any other provision that expressly distinguishes between Licensee and a Licensee Affiliate, the obligations and other requirements of this License Agreement that apply to Licensee shall also apply to each and every Licensee Affiliate, and Licensee shall ensure that its Licensee Affiliates satisfy all obligations and other requirements imposed on Licensee Affiliates.
- 2.3 *Authority.* Licensee warrants that it has either (a) all necessary right and authority to bind Affiliates to the obligations imposed on Affiliates in this License Agreement or (b) provided

Licensing Company with a written undertaking from each Affiliate towards Licensing Company in which such Affiliate states that it understands and agrees to comply with the obligations of this License Agreement, including the joint liability for breach set forth in Section 2.4 and, with respect to Affiliates, grant-back obligations set forth in Section 7.

- 2.4 Licensee Responsible for Affiliates' and Authorized Recipients' Acts. On behalf of itself and its Licensee Affiliates, Licensee agrees that if any actions or omissions by a Licensee Affiliate or an Authorized Recipient breach this License Agreement, then Licensee on the one hand and such Licensee Affiliate or Authorized Recipient as the case may be on the other hand shall be jointly and severally liable for such breach.
- 2.5 Licensee Responsible for Authorized Recipients Underreporting. On behalf of itself and its Licensee Affiliates, Licensee agrees that if an Authorized Recipient commits an act of underreporting, Licensee will be liable for such act of Authorized Recipient, as if it had committed a breach of its obligations under this License Agreement.

3 GRANT OF RIGHTS

- 3.1 License Grant. Subject to Licensee Parties' full and unconditional compliance with its obligations under this License Agreement, Licensing Company hereby grants to Licensee Parties during the term of this License Agreement a non-exclusive, non-transferable license, under the Licensed Patents, to make, use, sell in machine-executable format, offer for Sale in machine-executable format and import Licensed Products. The license conferred pursuant to this Section 3.1 applies only to the extent the structure, features and functions of a Licensed Product are used to practice those UHD Standards, BD Software Standards, DVD Software Standards, CD Standards applicable to that Licensed Product, and said license does not extend to any structure, features or functions of a Licensed Product not used to practice the UHD Standards, BD Software Standards, DVD Software Standards or CD Standards. No license is granted under this Section 3.1 with respect to Licensed Product that is not made by Licensee Parties or for Licensee Parties pursuant to the "have-made" right set forth in Section 3.3.
- 3.2 Limitation of License. No licenses are granted under this License Agreement for:
- (a) the benefit of any entity other than the Licensee Parties;
 - (b) any product other than the Licensed Products;
 - (c) any intellectual property right other than rights in the Licensed Patents;
 - (d) UHD Software used, or configured for use, in connection with devices that are intended for simultaneous use by two or more people (by way of example and not

limitation, a server) unless such numbers of copies/users and royalty thereof has been reported and paid to the Licensing Company by Licensee;

- (e) a disc drive or a disc-reading hardware component for retrieving or recording BD-compliant data;
- (f) Trial/Disabled Software;
- (g) programs executed by end-user standalone devices dedicated to the playback of UHD, BD, DVD and CD discs;
- (h) any copy of UHD Software Sold by any entity that is not reported to Licensing Company, in accordance with this License Agreement, as being Sold; or
- (i) any copy of UHD Software that is transferred to a non-Affiliated entity unless, at the time of transfer, the UHD Software is Sold by (i) the Licensee or its Affiliate to the entity, (ii) the Authorized Recipient or its Affiliate to the entity or (iii) the Authorized Recipient's Retailer to the entity, provided that Licensee will account for such Sale in its reports to Licensing Company.

3.3 Have Made Right. The rights granted to Licensee Parties pursuant to Section 3.1 include the right for Licensee Parties to have Licensed Products, other than Bundled UHD Software, developed and made by third parties solely for the account of Licensee Parties and provided that the third-party developer does not engage in any action in connection with the Licensed Product that would breach this Agreement if performed by Licensee Parties. Licensee Parties shall not exercise this "have made" right in a manner such that it is a sham for the purpose of effectively sublicensing the Licensed Product to third parties. Except as provided by this paragraph, Licensee Parties are not permitted to authorize third parties to make Licensed Product.

3.4 Essential Patents that Cease to be Essential Patents. In the event that Licensing Company becomes aware that a Patent that was originally listed on the Essential Licensor Patent List was determined by a Patent Expert or a court of competent jurisdiction as no longer qualifying as an Essential Licensor Patent ("Former Essential Patent(s)"), then Licensing Company shall modify the Essential Licensor Patent List accordingly. Upon Licensing Company modifying the Essential Licensor Patent List after such a determination, and provided that Licensee had entered into this License Agreement before the moment of such determination, such Patent will continue to be licensed pursuant to this License Agreement, unless Licensee notifies Licensing Company in writing of its wish that such Patent not be so included. Licensing Company and Licensee further acknowledge and agree that any changes to the Essential Licensor Patent List, as well as a determination that a Patent is a Former Essential Patent, shall not give rise to any adjustment of the Standard Rate or the royalties payable pursuant to this License Agreement and Licensee shall not be entitled to any refund by virtue of such changes.

3.5 Reproduction. Licensee Parties shall not directly or indirectly authorize any third party, and no license is granted hereunder, to reproduce the Licensed Product for any purpose other than archival purposes unless:

- (a) the copy of Licensed Product to be reproduced is transferred by Licensee Parties to the third party as machine-readable object code and not human-readable source code;
- (b) the third party is not authorized to, and does not, modify the copy of Licensed Product transferred to it;
- (c) the Licensed Product is capable of displaying Licensee Parties' corporate name, or a brand owned by Licensee Parties, to end users based on a reasonable inspection of the Licensed Product (by way of example only and not by limitation, by listing Licensee Parties' corporate name in the "about" or "splash" box displayed by the Licensed Product); and
- (d) the third party is an Authorized Recipient or an entity that makes duplications of the Licensed Product for Licensee Parties without transferring the resulting product to any party other than the Licensee Parties.

For clarity, if one copy of Licensed Product is reproduced from another copy of Licensed Product, each copy shall be considered a separate Licensed Product for the purposes of this License Agreement (by way of example and not limitation, a copy accrues a royalty when it is Sold regardless of whether a royalty was paid for the copy from which it was reproduced).

3.6 Obligation for Accuracy. Licensee Parties shall use commercially reasonable efforts to ensure the accuracy and completeness of all information required to be submitted in connection with this License Agreement.

3.7 Software Pre-Installed on PCs or Bundled with Aftermarket Drives. Licensee and Licensing Company acknowledge that Licensing Company offers a separate *License Agreement for UHD-PC Manufacturer* to cover UHD Software that is pre-installed on personal computers by personal computer manufacturers and a separate *License Agreement for Manufacturer of Aftermarket UHD Drive Bundled With UHD-PC Software* to cover UHD Software that is bundled with Aftermarket UHD-Capable Drives by after-market drive makers (each, a "Separate License Agreement", and collectively, "Separate License Agreements"). If UHD Software is covered pursuant to a Separate License Agreement, then the licensing of such software shall be governed by such Separate License Agreement. Licensing Company further acknowledges that any UHD Software provided or Sold by Licensee to a personal computer manufacturer for pre-installation on personal computers or to an after-market drive maker for bundling with Aftermarket UHD-Capable Drives shall be neither licensed under, nor authorized by, this License Agreement, except to the extent Licensee exercises the option set forth below. Licensee may, at its option, elect to have UHD Software it Sells to any particular

after-market drive maker licensed under and authorized by this License Agreement by giving notice to Licensing Company, identifying the after-market drive maker, the Sales to which, it elects to cover. In the event that Licensee makes such an election, all obligations of Licensee under this License Agreement shall apply to such Sales, including, without limitation, the obligations of Section 5 of this License Agreement to report and pay royalties. Licensing Company retains the right to modify or cease offering such Separate License Agreements.

4 REGISTRATION AND RENEWAL FEES

- 4.1 Payment of Registration Fee. Licensee shall, within thirty (30) days of the execution of this License Agreement, pay Licensing Company a non-refundable, non-recoupable registration fee of US\$ 25,000 (twenty-five thousand US Dollars). This registration fee covers the initial five-year period of this License Agreement, and not any extension or renewal thereof. Licensee shall not be obligated to pay such registration fee if Licensee or its Affiliate already paid a registration fee of at least \$25,000 to Licensing Company in connection with a substantially identical *License Agreement for UHD-Software Manufacturer*.
- 4.2 Payment of Renewal Fee. Licensee shall, within thirty (30) days of each renewal of this License Agreement, pay Licensing Company a non-refundable, non-recoupable renewal fee of US\$ 10,000 (ten thousand US Dollars). This renewal fee covers the five-year period applicable to the current renewal of this License Agreement, and not any extension or further renewal thereof. Licensee shall not be obligated to pay such renewal fee if Licensee or its Affiliate paid a renewal fee of at least \$10,000 to Licensing Company in connection with a renewal of a substantially identical *License Agreement for UHD-Software Manufacturer*, for a renewal period extending beyond the date of renewal of this License Agreement.

5 ROYALTIES, REPORTS AND PAYMENTS

- 5.1 Standard Rate. Licensee shall pay to Licensing Company a royalty at the Standard Rate for each copy of Licensed Product that is provided directly or indirectly by Licensee or its Affiliate and that (a) is Sold by Licensee or its Affiliate, or (b) Licensee or its Affiliate is aware of being Sold by an Authorized Recipient, a Retailer or any other third party has Sold (regardless of whether or not Authorized Recipient has actually reported the data from its own sales and the sales of its Retailer to Licensee or its Affiliate). Notwithstanding the foregoing, in respect of Licensee and its Affiliates, there shall be no royalty payable if the copy of the Licensed Product is used for research and development purposes for and on behalf Licensee or its Affiliates. Licensee shall not be obligated to pay Licensing Company a royalty for any copy of Licensed Software for which Licensee or another licensee of One-Blue has already reported and paid the Standard Royalty to Licensing Company. Each copy of Licensed Product reproduced from

another Licensed Product shall be considered a separate Licensed Product for the purposes of this Agreement.

- 5.2 Royalty Offsetting. If Licensee is also a party to a license agreement or covenant not to sue or assert (“Bilateral Agreement”), other than this License Agreement or any other agreement with Licensing Company, wherein one or more of a Licensor's (“Bilateral Licensor”) Licensed Patents that cover a Licensed Product are separately licensed, the Licensee may direct Licensing Company to adjust the royalties payable under this License Agreement (as calculated on the basis of the Standard Rate or discounted Standard Rate to the extent Section 5.8 applies), by deducting therefrom the royalty portion that would otherwise be due to such Bilateral Licensor pursuant to this License Agreement for the applicable Shipments of Licensed Product on account of those Licensed Patents that are separately licensed under the Bilateral Agreement. If given, Licensee shall give such instruction by submitting to Licensing Company a Confirmation of Bilateral Agreement form, a template of which is provided as Appendix B to this License Agreement, duly completed and signed by Licensee and the Bilateral Licensor concerned, to confirm that such Bilateral Agreement has been executed and that the Bilateral Licensor agrees to such adjustment in accordance with the provisions hereof. The Confirmation of Bilateral Agreement form that is submitted to Licensing Company by or for Licensee, and the existence and applicability of the bilateral agreement between the Licensee and the Bilateral Licensor shall constitute confidential information of the Licensee and the Bilateral Licensor.
- 5.3 Past Use. Except as set forth in subsections (a)-(b) of this Section 5.3, the provisions of Section 5 (Royalties, Reports and Payments) shall apply to each copy of Licensed Product that was provided directly or indirectly by Licensee or its Affiliate(s) and that (a) has been Sold by Licensee or its Affiliate prior to the Effective Date or (b) Licensee or its Affiliate is aware prior to the Effective Date of being Sold by an Authorized Recipient, a Retailer or any other third party has Sold (regardless of whether or not Authorized Recipient has actually reported the data from its own sales and the sales of its Retailer to Licensee or its Affiliate), (hereafter, “Previously-Sold Products”) to the same extent such provisions apply to Licensed Product.
- (a) Release. Upon full payment of the amounts and reports required for Previously-Sold Products, Licensing Company, on behalf of itself and the Licensors, its and their successors and assigns, hereby releases, to the extent of its right to do so, Licensee Parties, their respective successors and assigns, as well as any end-users, distributors, dealers, suppliers, vendors and customers, under any patent infringement arising prior to the Effective Date of this Agreement for which the rights and licenses expressly granted under this Agreement to Licensee Parties would be a complete defense had this Agreement been in effect at the time such patent infringement arose and as if the Previously-Sold Product was made, used, Sold, offered for Sale or imported in compliance with the remaining provisions of this License Agreement. For greater certainty, the release in this Section 5.3(a) does not operate with respect to acquisitions of any sort by Licensee Parties during the Term.

(b) Reporting.

- (1) Estimated Past Use Report. As a condition precedent to the entry into force of this License Agreement, Licensee shall submit to Licensing Company an Estimated Past Use Report that includes the same information for all Previously-Sold Products as is required for Licensed Products under Section 5.4 (Payment Schedule and Royalty Reporting), provided however, that the country-specific information required by Section 5.4(a), subdivisions (i) through (v), may be omitted.
- (2) Official Past Use Report. Within sixty (60) days after the Effective Date, Licensee shall submit to Licensing Company an Official Past Use Report that includes all the same information for all Previously-Sold Products as is required for Licensed Products under Section 5.4 (Payment Schedule and Royalty Reporting); provided, however, that Licensee may use commercially reasonable efforts to estimate such information if Licensee cannot reasonably obtain more reliable information. Licensee shall also provide an explanation of any material differences between the Official Past Use Report and the Estimated Past Use Report.
- (3) No Waiver. Notwithstanding that Licensing Company may execute the License Agreement with knowledge of the Estimated Past Use Report and/or may invoice Licensee based on the Official Past Use Report, it shall not be considered that Licensing Company has accepted the Estimated Past Use Report and/or the Official Past Use Report, or waived any of its rights with respect to past use, including but not limited to the right to request an audit statement pursuant to Section 5.6 and the right to audit the books and records of Licensee set forth in Section 6.1(b).

5.4 Payment Schedule and Royalty Reporting. Within thirty (30) days after the end of each Quarter during the term of this License Agreement, Licensee shall submit to Licensing Company (even in the event that no royalties are due) a Royalty Reporting Form signed by a duly authorized officer on behalf of Licensee, setting forth with respect to the preceding Quarterly period and with respect to all Licensed Product for which a royalty must be paid to Licensing Company:

- (a) the type of Licensed Product (by way of example, a description sufficient to determine whether a Licensed Product is UHD Playback Software or UHD Combi Software, and whether or not it is a UHD Only Plug-in or is Bundled UHD Software);
- (b) the quantity of Licensed Product by type;

- (c) the brand name under which the Licensed Product was sold to end-users (if available);
- (d) to the extent known to Licensee or a Licensee Affiliate, the country where the majority of the code for the relevant UHD Software was primarily developed and, to the extent such information is not known, the country from which the Licensed Product was first transferred by Licensee or a Licensee Affiliate to a non-Affiliated entity;
- (e) to the extent known to Licensee or a Licensee Affiliate, the country in which the Licensed Products was or will ultimately be Sold to end-users and, to the extent such information is not known, the country to which the Licensed Product was first transferred by Licensee or a Licensee Affiliate to a non-Affiliated entity;
- (f) the quantities of Licensed Products, by type, associated with each country identified in connection with subsections (d) through (f); and
- (g) a computation of the royalties due under this License Agreement prior to the royalty offsetting of Section 5.2.

5.5 *Invoicing and Payment Due Date.* Within thirty (30) days after the receipt of the Royalty Reporting Form, Licensing Company shall invoice Licensee at the applicable Standard Rate for royalties that have accrued in the previous calendar Quarter or earlier (except in the case of Previously-Sold Products, Licensing Company shall send an invoice to the Licensee for the royalties that have accrued for such products within thirty (30) days after receipt of the Official Past Use Report referenced in Section 5.3(b)(2)) Except as otherwise provided in this License Agreement Licensee shall pay to Licensing Company the sum stated to be due in each such invoice no later than forty-five (45) days from the date of such invoice.

5.6 *Audit Statement to Confirm Official Past Use Report.* If Licensing Company reasonably suspects that Licensee has submitted an inaccurate Official Past Use Report of Previously-Sold Products pursuant to Section 5.3(b)(2), Licensing Company may request Licensee to submit to Licensing Company, within sixty (60) days after the notice by Licensing Company informing Licensee of the reasonable suspicion, an audit statement prepared by its external independent auditors confirming that the Official Past Use Report of Previously-Sold Products provided by Licensee to Licensing Company under Section 5.3(b)(2), is true, accurate and complete in all material respects. The auditor and audit statement must meet the requirements set out in Appendix D (Audit Guide). Licensing Company shall reimburse Licensee for the cost of such audit, to the extent the cost is customary and reasonable, if Licensee's external independent auditor certifies that the total discrepancy or error by way of underreporting of quantities is less than five percent (5%) of the quantities set forth in the Official Past Use Report of Previously-Sold Products.

5.7 Payments in U.S. Dollars. All payments to be made by Licensee to Licensing Company under this License Agreement shall be made in US Dollars.

5.8 Wire Information for Payments. All payments to be made by Licensee to Licensing Company under this License Agreement shall be made without any deduction whatsoever (except for the tax deduction specified in Section 5.8), whether for bank transmission charges or otherwise, by wire transfer to:

Bank Account No.: 936717636

Name: One-Blue, LLC Royalties

Bank: JP Morgan Chase
270 Park Avenue
New York, NY 10017

SWIFTCODE: CHASUS33 (International Customers Only)

ABA Number: 021000021

or such other bank account as Licensing Company may designate in writing from time to time.

5.9 Stamp Duties, Taxes and Other Levies. All stamp duties, taxes (including but not limited to business taxes, values added taxes, income taxes) and other similar levies arising from or in connection with this License Agreement shall be borne by Licensee. If the government of any country imposes any income taxes to be withheld from payments made by Licensee under this License Agreement, and requires Licensee to withhold such tax from such payments, Licensee may deduct such tax from such payments. In such event, Licensee shall promptly provide Licensing Company with all tax receipts issued by the relevant tax authorities that Licensing Company may require to enable Licensing Company to document, if necessary, its compliance with tax obligations in any country. If such tax receipts are not provided promptly, Licensing Company reserves the right to treat the un-documented deductions as unpaid royalties due which will become subject to the provisions of this License Agreement. Licensee shall inform Licensing Company if the withholding tax rates on an invoice issued by Licensing Company are incorrect. Licensee shall inform Licensing Company of such error prior to paying the subject invoice.

5.10 Activated Trial/Disabled Software. For the purposes of this Section 5, Trial/Disabled Software that is first activated or enabled by Licensee Parties will be considered, and will only be considered, Licensed Product that is Sold by Licensee Parties the moment it is first activated or enabled by Licensee Parties. For the purposes of this Section 5, Trial/Disabled Software that is first activated or enabled by a third party will be considered, and will only be considered, Licensed Product that is Sold by Licensee Parties on the date that a Licensee Party was informed of such activation or enablement. However, no royalty or Royalty Reporting Form

shall be due under this License Agreement with respect to activated or enabled Trial/Disabled Software if a Licensee Party or another licensee of One-Blue has reported and paid a royalty to Licensing Company for such software (or such a royalty was expressly waived) pursuant to and in compliance with a separate agreement with Licensing Company (by way of example and not limitation, a third-party PC maker timely paid Licensing Company a royalty after the activation pursuant to a separate agreement).

- 5.11 Increased Functionality. If Licensee, Licensee Affiliate, Authorized Recipient or any third party causes or permits a Licensed Product to be capable of additional functionality after it is first Sold, and such additional functionality would have required a royalty greater than the royalty owed for the Licensed Product upon its first Sale, then in addition to the royalty owed Licensee shall also pay Licensing Company the difference between the greater royalty and the royalty already owed. Licensee shall separately identify the Licensed Product with additional functionality, and the circumstances relating to the additional functionality, in the Royalty Reporting Form for the monthly period in which the Licensed Product became capable of additional functionality.
- 5.12 Updates/Replacements. Notwithstanding Section 5.10, no royalty shall be due under this Agreement for a software update to Licensed Product that was already Sold to an end user, or a replacement for such Licensed Product, that is provided to an end user if (a) the update or replacement is intended to replace some or all of the functionality of the Licensed Product that was already Sold to the end user and none of Licensee, Licensee Affiliate or their direct or indirect customers receive any additional consideration from any entity (by way of example and not limitation, the end user or a third-party PC manufacturer) for the update or replacement or (b) the update or replacement does not contain any functionality described in the UHD Standards, BD Software Standards, DVD Software Standards or CD Standards.
- 5.13 Interest Due for Late Payments. Any payment that becomes due under this License Agreement and that is not made in full when due, accrues interest at the rate of one percent (1%) per month (or part thereof) or at the maximum rate permitted by law, whichever is lower.

6 RIGHT TO AUDIT

- 6.1 Permission for Certified Public Auditor to Audit. In order to verify:
- (a) the completeness and accuracy of the Quarterly Royalty Reporting Forms as submitted by Licensee to Licensing Company;
 - (b) the completeness and accuracy of the number of Licensed Products on which royalties are or have been payable by Licensee; and

- (c) Licensee Parties' compliance with other provisions of this License Agreement (provided, however, that Licensing Company has a good faith belief that a Licensee Party is in breach of such other provisions),

Licensee shall permit an independent certified public auditor selected by Licensing Company ("Certified Auditor") to inspect all books and records of Licensee Parties in accordance with this Section 6 upon notice from Licensing Company requiring such inspection. Such audit shall be performed under confidentiality obligations materially similar to those contained in this Agreement. The Certified Auditor shall be (i) a certified public auditor, chartered accountant or registered accountant (as these terms are generally known in the United States, the United Kingdom and The Netherlands respectively) or holding an equivalent professional qualification in the country in which the auditor practices, (ii) a member of a well-respected firm, preferably one of KPMG, PricewaterhouseCoopers, Deloitte Touche Tohmatsu and Ernst & Young (or any of their successors), or (iii) a member of the American Institute of Certified Public Accountants (AICPA), the Institute of Chartered Accountants in England & Wales (ICAEW), or Koninklijk Nederlands Instituut van Register accountants (NIVRA) (whichever of these associations governs accounting in the country in which the auditor practices), or a member of a professional body of similar standing where this is not practicable.

- 6.2 Requirements in the Event and in Preparation for Audits. Licensee Parties shall maintain complete and accurate books and records relating to Licensee's obligations under this License Agreement and shall keep such books and records available for inspection by a Certified Auditor for a period of three (3) years following each Sale to which the books or records relate. Licensee shall ensure that a full copy of such books and records remains available for inspection by the Certified Auditor at all times during normal business hours. Any inspection under this Section 6 shall be initiated by Licensing Company no more than once per calendar year and shall be conducted by the Certified Auditor. Licensing Company shall give Licensee notice of such inspection at least seven (7) business days prior to the inspection. Licensee shall promptly and fully co-operate and provide access to its books and records and provide all assistance that Certified Auditor may reasonably require in connection with such inspection. Licensee shall allow the Certified Auditors (if such Certified Auditor determines it to be reasonably necessary) to make copies of all documents, and to take such copies from Licensee Parties' premises (or any other premises at which the documents are held by Licensee) to enable the Certified Auditor to prepare and support its audit report. The Certified Auditor shall not provide Licensing Company with any information obtained from Licensee Parties in connection with such audit unless the Licensee Party was obligated to provide such information to Licensing Company pursuant to this License Agreement (excluding this Section 6) or the provision of such information to Licensing Company is reasonably necessary in order for the Certified Auditor to inform Licensing Company of an actual or potential breach.
- 6.3 Costs of Audit. The inspection referred to in this Section 6 shall be conducted at Licensing Company's own expense, except that such expense shall be borne by Licensee where the inspection reveals that:

- (a) a Licensee Party has failed to comply with its obligations under Section 6.2; or
- (b) the Certified Auditor certifies that there is a discrepancy or error by way of underpayment of five percent (5%) of the monies actually due during the period under inspection.

6.4 Effect of Underpayment. If the inspection determines that an underpayment of the monies actually due occurred during the period under inspection, Licensee shall pay the amount of the underpayment plus interest calculated in accordance with the provisions of Section 5.12.

6.5 Payment of Audit Does Not Prejudice Other Rights. Payment of the cost of inspection and of additional royalties pursuant to this Section 6 shall be without prejudice to any other claim or remedy that Licensing Company may have under this License Agreement, including, without limitation, Licensing Company's right to terminate this License Agreement, or under any applicable law.

6.6 Audit of Authorized Recipient. Upon request by Licensing Company and the fulfillment of all the conditions listed below, Licensee shall instruct a registered accountant to conduct an inspection of an Authorized Recipient and disclose all the details of such inspection to Licensing Company:

- (a) Licensing Company has recently audited a Licensee Party and has articulated to Licensee that it has a suspicion that the Authorized Recipient has underreported a quantity of Licensed Products Sold by the Authorized Recipient;
- (b) Licensee has an audit right in its written agreement with such Authorized Recipient (and Licensee shall use best efforts to incorporate an audit right for its benefit in all of its newly concluded agreements – after the Effective Date - with Authorized Recipients)
- (c) Licensing Company has not requested Licensee to conduct similar audit against any Authorized Recipient in the past twelve months; and
- (d) Authorized Recipient has accumulated certain unit of Licensed Product sales; which Licensing Company reasonably believes to be substantial in the year previous to the year in which the audit is required to take place.

Prior to the start of such audit, Licensee may agree with Licensing Company that Licensing Company will bear the expenses of the audit regardless of the outcome of such an audit and if so agreed by Licensing Company, Licensee agrees to forfeit all proceeds that would have normally been the result of the audit for Licensee (including full royalties payable by the Authorized Recipient to Licensee per product for all underreported quantities of products) and these will be owed to Licensing Company. Licensee further agrees to provide full access to all audit reports in connection with the audit.

If Licensing Company does not agree to bear the costs of the audit as described in the foregoing paragraph, Licensing Company shall bear the expense incurred by an independent accountant conducting such an inspection in a manner that it shall bear (1) the expenses for the audit, if the accountant determined that the discrepancy or error (if any) of the quantity of Sold Licensed Product reported by the Authorized Recipient to Licensee was less than five percent (5%) or (2) the difference between the audit expenses and the actual monies recovered by Licensee as a result from the audit, if the discrepancy or error was found to be greater than five percent (5%) and the actual monies recovered by Licensee as a result from the audit was less than the expenses of the audit.

7 RAND GRANT-BACK

- 7.1 Obligation to Grant-Back Under RAND Terms. Licensee and its Affiliates shall not unreasonably refuse to grant to qualified entities (defined below), for products that are configured in compliance with the UHD Standards or the BD Software Standards (“UHD/BD Products”), non-exclusive, non-transferable rights (by way of license or otherwise), on fair, reasonable, non-discriminatory conditions, to manufacture, transfer, sell, import or otherwise dispose of UHD/BD Products under any and all Grant-Back Essential Patents. “Grant-Back Essential Patents” means present and future Patents that contain one or more claims which are (or which were, if Former Essential Patents) necessarily infringed, or necessary as a practical matter on the basis that there are no economically viable substitutes, to implement the UHD Standards, the BD Software Standards, the DVD Software Standards or the CD Standards, for which Licensee or its Affiliates have during the Term, or may acquire during the Term, the right to grant licenses. For the purposes of this Section 7.1 only, each Licensor’s per-Patent share of the royalties paid per Licensed Product in accordance with this License Agreement shall be deemed to be a fair, reasonable and non-discriminatory royalty rate for the grant (by way of license or otherwise) by Licensee and its Affiliates under its Grant-Back Essential Patents. For the purposes of this paragraph, “qualified entities” means (a) third parties and their respective Affiliates that have entered or will enter into a registration or license agreement with Licensing Company under one or more of the Licensed Patents (by way of example, a “*License Agreement for UHD Software Manufacturer*”) and (b) Licensors. Notwithstanding any provision of this paragraph to the contrary, Licensee (or its Affiliates) shall not be required to grant a third party a license under a Grant-Back Essential Patent if such a license would require Licensee (or its Affiliates) to pay compensation to a third party other than the Affiliates, agents or employees of Licensee (or its Affiliates).
- 7.2 Consideration for RAND Grant-Back. The undertaking given by Licensee and its Affiliates in Section 7.1 is given in consideration of the benefits set forth in this License Agreement, including the benefit of substantively equivalent undertakings given by other entities under a “*License Agreement for UHD Software Manufacturer*” or under other registration or license agreements with Licensing Company under one or more of the Licensed Patents that include

undertakings substantively equivalent to the undertaking in Section 7.1, and without prejudice to the provisions of Section 13 (Term and Termination) of this License Agreement.

- 7.3 Term of the Grant-Back License. Any license made available under Section 7.1 shall be available for a period ending on the expiry date of the last subsisting Grant-Back Essential Patent. For the avoidance of doubt, where a Patent for which a license has been granted pursuant to Section 7.1 has expired, it shall be removed from such license, which shall continue to run only in relation to still subsisting Patent(s).
- 7.4 Transfer of Grant-Back Essential Patents. If Licensee (or its Affiliates) assigns, exclusively licenses, sells or transfers a Grant-Back Essential Patent to another entity, Licensee (or such Affiliates) shall, in the instrument giving effect to such assignment, exclusive license, sale or transfer, include provisions which ensure that the assignee, exclusive licensee, purchaser or transferee of such Grant-Back Essential Patents is bound by equivalent obligations with respect to such Grant-Back Essential Patents as is Licensee (or such Affiliates) pursuant to this Section 7. Licensee acknowledges that the obligation to license Grant-Back Essential Patents on fair, reasonable, non-discriminatory conditions in accordance with Section 7.1 runs with such Patents and thus binds any subsequent owners of such Patents.
- 7.5 Grant-Back and Affiliates. If an entity that was an Affiliate of a Licensee becomes no longer Affiliated with the Licensee, the entity's obligations under Section 7 shall continue with respect to any Patent that the entity had or acquired between the Effective Date and the moment the entity became no longer Affiliated with the Licensee.

8 NO WARRANTY, INDEMNITY

- 8.1 No Representation or Warranty as to Standards. Licensing Company makes no representation or warranty as to the completeness or accuracy of the UHD Standards, BD Standards, DVD Standards or CD Standards, nor as to the ability of Licensee to achieve interoperability of Licensed Product through the use of such information.
- 8.2 Indemnification as to Licensed Products. Licensee acknowledges for itself and its Affiliates, and agrees that third parties may own intellectual property rights relating to Licensed Product. Licensing Company makes no representation or warranty that the manufacture, importation, use, offering for Sale, Sale or other disposal of Licensed Product does not infringe or will not infringe any intellectual property right of any third party. Licensee shall indemnify and hold harmless Licensing Company from and against any and all third-party claims made in connection with Licensed Product manufactured, acquired, used, Sold, offered for Sale or otherwise disposed of by Licensee.
- 8.3 Waiver. Licensee, on behalf of itself and its Affiliates, hereby waives all rights and hereby forever releases from liability, or in respect of matters that cannot be released from liability,

shall indemnify and hold harmless, Licensing Company and Licensors from and against any and all liabilities as may arise in relation to claims made by Licensee Parties, or customers of Licensee Parties, relating to Licensed Products being delayed or detained at customs, seized or destroyed.

- 8.4 Limitation of Liability. In no event shall Licensing Company be liable to Licensee Parties under any cause of action (other than intentional breach or liabilities arising under Section 6.3) arising under or related to this License Agreement for any amount greater than US\$20,000 (twenty-thousand US Dollars).
- 8.5 Notwithstanding anything to the contrary in this License Agreement, Licensing Company makes no representation or warranty about the validity or enforceability of any of the Licensed Patents and specifically excludes and disclaims any liability for any damages that a Licensee Party may suffer under any cause of action due to the invalidity or unenforceability of any of the Licensed Patents.
- 8.6 Representations and Warranties. Licensing Company and Licensee each represent and warrant that: (a) it is a duly organized and validly existing legal entity; (b) it has all requisite power and authority to execute this License Agreement and to perform its obligations hereunder; (c) this License Agreement has been duly executed by an officer or representative of such party authorized to act on its behalf; and (d) its obligations under this License Agreement do not conflict with its bylaws, certificate of incorporation or equivalent charter documents.
- 8.7 No Special Damages. TO THE GREATEST EXTENT PERMITTED BY LAW, LICENSING COMPANY SHALL NOT BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, PUNITIVE OR SPECIAL DAMAGES, INCLUDING WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS OR BUSINESS INTERRUPTION, RELATING TO THE LICENSED PRODUCTS OR ARISING OUT OF THIS LICENSE AGREEMENT, EVEN IF LICENSING COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. EXCLUDING THE EXPRESS WARRANTIES SET FORTH HEREIN, LICENSING COMPANY MAKES NO EXPRESS OR IMPLIED WARRANTIES.

9 CONFIDENTIALITY

- 9.1 Licensing Company shall, during the term of this License Agreement and for a period of five (5) years thereafter, not disclose to any third party or use any confidential information obtained in connection with this License Agreement for any purpose other than:
- (a) if required by any judicial or governmental request, requirement or order, or by operation of law, provided, however, that Licensing Company shall provide Licensee with notice of such request, requirement or order and, if available, assist

Licensee (at Licensee's expense) with obtaining a protective order against such disclosure;

- (b) to disclose the information under an obligation of confidence to an auditor for any purpose contemplated by this License Agreement;
- (c) to disclose the information under an obligation of confidence to a subcontractor of the Licensing Company; or
- (d) to enforce Licensing Company's rights under this License Agreement in the event of a breach by Licensee. The disclosure of confidential information pursuant to this subsection "(d)" may include disclosure under an obligation of confidence to Licensors in order for Licensing Company to: (i) inform Licensors of a Licensee Party's breach of this License Agreement or Licensing Company's plan to terminate this License Agreement due to such a breach; or (ii) seek Licensors' approval to enforce this License Agreement using legal or governmental institution(s). Notwithstanding the foregoing, in no event shall Licensing Company disclose Licensee Parties' competitively sensitive information to Licensors.

9.2 Circumstances When Not Obligated to Keep Information Confidential. The obligations of Licensing Company in Section 9.1 shall not apply to the extent that the Licensing Company can prove, by written evidence, that such information:

- (a) has, after the date of this License Agreement, been published or otherwise generally made available to the public, except in consequence of a willful or negligent act or omission by Licensing Company in breach of its confidentiality obligations under this Section 9;
- (b) has been made available to Licensing Company by a third party who is entitled to divulge such information and who is not under any obligation of confidentiality in respect of such information to Licensee or which has been disclosed under an express statement from Licensee or a Licensee Affiliate that it is not confidential;
- (c) has been independently developed by Licensing Company other than in the course of the exercise of Licensing Company's rights under this License Agreement or the implementation of this License Agreement; or
- (d) is information already known to Licensing Company before its receipt from the disclosing party and such information was not protected by confidentiality protections.

9.3 This License Agreement Is Not Confidential. For the avoidance of doubt, the contents of this License Agreement are not subject to any confidentiality obligation.

10 SYSTEM CHANGES

- 10.1 *Licensing Company May Make Changes to Licensing System.* Licensee acknowledges for itself and its Affiliates, and agrees that the integrity of Licensing Company's licensing system is important to the equitable treatment of manufacturers of Licensed Product and to open and fair competition in the market for Licensed Product and the market for licensing intellectual property rights relevant to Licensed Product. Accordingly, Licensee acknowledges for itself and its Affiliates, and agrees that Licensing Company may, in its sole discretion which Licensing Company shall not exercise unreasonably or within an unreasonably short period of time revise the Standard Rate.

Licensee acknowledges for itself and its Affiliates, and agrees that any such revision or other change as set out in a notice shall be deemed to be incorporated into this License Agreement upon the effective date of the change. Other than provisions related to the Standard Rate, revisions and changes in accordance with this Section 10.1 shall not conflict with any other provisions of this License Agreement.

- 10.2 *Licensee May Terminate This License Agreement in the Event of System Change.* Licensee shall be entitled to refuse to comply with any System Change, including pre-authorized increases in the Standard Rate, by providing Licensing Company with timely notice of such refusal. In the event Licensee provides such notice, this License Agreement will automatically terminate if the refusal relates to a pre-authorized increase in the Standard Rate. An increase in the Standard Rate shall be considered "pre-authorized" if it occurs in conjunction with (a) a substantial increase in the number of patents listed on the Essential Licensor Patent List because of (1) the addition of one or more entities to the list of Licensors or (2) the acquisition of patents by an existing Licensor, or (b) a modification or update by the Blu-ray Disc Association to the standard specifications listed in the definitions of UHD Standards and/or "BD Standards", which results in a material addition of technology covered by the definitions. Such notice of refusal shall be considered "timely" if it is provided (i) one or more days before the System Change takes effect, in which case this License Agreement shall automatically terminate the day before such System Change takes effect, or (ii) thirty (30) or less days after the System Change takes effect, in which case this License Agreement shall automatically terminate immediately upon the provision of such notice and Licensee shall not be considered to have breached this Agreement merely because it failed to comply with the System Change.

- 10.3 *Licensing Company Agrees Not to Make Certain Changes.* Licensing Company undertakes that it will not:

- (a) act unreasonably in making any System Change; or
- (b) restrict the scope of any license that has been granted under this License Agreement.

11 ESSENTIAL PATENTS

- 11.1 Objection to Essentiality. Should Licensee object to the inclusion or exclusion of any Patent owned by Licensors as a Technically Essential Patent or a Commercially Essential Patent in or from the Essential Licensor Patent List based on a contention set forth in a Notice of Challenge as defined in Appendix C of this License Agreement, such Patent shall be submitted to a Patent Expert to evaluate the subject Patent and resolve the contention. The fees and expenses of the Patent Expert for such evaluation shall be borne by the Licensee pursuant to Appendix C of this License Agreement. In the event that the Patent Expert determines that such Patent is or is not a Technically Essential Patent or a Commercially Essential Patent, such Patent shall be deleted from or added to the Essential Licensor Patent List as appropriate until such time, if ever, that the Patent Expert's decision is overturned by a court of competent jurisdiction.
- 11.2 Essential Licensor Patent List May Be Subject to Revisions and Royalty Rates Will Not Change Due to Such Revisions. Licensing Company and Licensee acknowledge and agree that the Essential Licensor Patent List may be subject to continual revision. Licensing Company and Licensee further acknowledge and agree that any changes to the Essential Licensor Patent List, as well as a determination that a Patent is a Former Essential Patent, shall not give rise to any adjustment of the Standard Rate or the royalties payable pursuant to this License Agreement and Licensee shall not be entitled to any refund by virtue of such changes.
- 11.3 Revocation of Patents from License. “Licensee-Related Entity” means (a) Licensee; (b) an Affiliate of Licensee; or (c) a minority shareholder having thirty percent (30%) ownership or more in Licensee or its Affiliates which manufactures or Sells any UHD or BD product(s) or an Affiliate of such minority shareholder which manufactures or Sells any UHD or BD product(s). A “Licensee Essential Patent” is a Patent that contains one or more claims which are (or which were, if Former Essential Patent) necessary (where “necessary” for the purposes of this paragraph only means that the claim is either necessarily infringed, or necessary as a practical matter on the basis that there are no economically viable substitutes, to implement the relevant UHD Standards, BD Software Standards, DVD Software Standards or CD Standards. Licensee acknowledges that in the event a Licensee-Related Entity has brought a claim for infringement of a Licensee Essential Patent in a lawsuit or other proceeding against one or more of the Licensors, or that a Licensee-Related Entity has refused to grant a Licensor a license under a Licensee Essential Patent on reasonable and non-discriminatory conditions, such Licensor’s Licensed Patents may be removed from any license granted by Licensing Company to such Licensee or its Licensee Affiliate. In the event that a Licensee-Related Entity bringing such a claim does not agree that its Patent contains one or more necessary claims, such Patent shall be promptly submitted to a Patent Expert and Licensing Company’s right to revoke the Licensor’s Patents shall be suspended until the Patent Expert determines that such Patent contains a necessary claim. The fees of the Patent Expert for such evaluation shall be borne by the Licensee unless the Patent Expert determines that such Patent does not contain one or more

necessary claims, in which case the fees shall be borne by the relevant Licensor(s) contending that such Patent does contain one or more necessary claims.

12 NO ASSIGNMENT

- 12.1 Licensee's Assignment. This License Agreement shall inure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assignees. It may not be assigned by Licensee in whole or in part except with the prior consent of Licensing Company, which consent shall not be unreasonably withheld when assigned in whole to an Affiliate of Licensee, given in writing and executed by a duly authorized representative of Licensing Company.
- 12.2 Licensing Company's Assignment. Licensing Company may assign this License Agreement in whole to a successor of Licensing Company after providing Licensee with at least fourteen (14) days' notice.

13 TERM AND TERMINATION

- 13.1 Term. This License Agreement shall commence on the Effective Date. Unless and until terminated earlier in accordance with the provisions of this Section 13, this License Agreement shall remain in force for a period of five (5) years from the Effective Date or until the expiry date of the last Licensed Patent whichever comes first. This License Agreement shall automatically extend for successive five (5) year periods, unless (a) Licensee notifies Licensing Company of its wish not to extend the Term no later than forty-five (45) days prior to the then-applicable end of the then-current five (5) year period, in which case this License Agreement shall terminate at the end of the then-current five-year period or (b) this License Agreement is terminated prior to the expiration of the then-current five-year period.
- 13.2 Licensee May Terminate Without Cause. Notwithstanding Section 13.1, Licensee may terminate this License Agreement without cause upon giving Licensing Company forty-five (45) days' notice of its intention to terminate.
- 13.3 Either Party May Terminate if Other Party Breaches. Without prejudice to the provisions of Section 13.4 through Section 13.9, either party may terminate this License Agreement if the other party (or any Licensee Affiliate) fails to perform any obligation under this License Agreement and such failure is not remedied within thirty (30) days after receipt of a notice specifying the nature of such failure and requiring it to be remedied. Such right of termination shall be without prejudice to any other remedy to which the non-defaulting party may be lawfully entitled and all such remedies shall be cumulative.

- 13.4 Licensing Company May Terminate. Licensing Company may terminate this License Agreement if:
- (a) subject to applicable laws, a creditor or other claimant takes possession of, or a receiver, administrator or similar officer is appointed over, any of the assets of Licensee or a Licensee Affiliate, or Licensee or a Licensee Affiliate makes any voluntary arrangement with its creditors or becomes subject to any court or administration order pursuant to any bankruptcy or insolvency law; or
 - (b) any of Licensee's or a Licensee Affiliate's representations in or under this License Agreement proves to be false or are breached in any manner; or
 - (c) a notice has been issued by Licensing Company specifying non-payment or late payment of royalties, and Licensee does not remedy such non-payment or late payment within thirty (30) days of such notice being issued.
- 13.5 Notice of Termination. In each instance where Licensing Company has a right to terminate pursuant to Section 13.4, Licensing Company may only exercise such termination right by giving notice to Licensee specifying the reason for such termination. Any termination so effected shall be effective immediately upon such notice.
- 13.6 Payments Due Notwithstanding Termination. Upon termination of this License Agreement by Licensing Company for any reason pursuant to Sections 13.3 or 13.4, any and all amounts outstanding under this License Agreement shall become immediately due and payable. Rights already accrued shall survive termination.
- 13.7 Survival. All acknowledgements by Licensee and Licensee Affiliate under this License Agreement, and the following provisions of this License Agreement, shall survive the expiry or termination of this License Agreement: Sections 1, 2, 5, 6, 7, 8, 9, 13.6 and 13.8 of this License Agreement shall survive the expiry or termination of this License Agreement for one year.
- 13.8 Reporting of Stock Following Termination. Within thirty (30) days following the termination of this License Agreement, Licensee shall submit to Licensing Company a report certified by its external auditors (i) specifying the number of UHD Software owned or controlled by Licensee, Licensee Affiliates or its Authorized Recipients that reside on a physical media intended for distribution to other entities and remain in stock at such date of termination and (ii) identifying the nature and location of all warehouses or other storage facilities at which such media are stored. The rights and obligations of this License Agreement shall continue to apply to UHD Software on such media after termination of this License Agreement until (a) no such products remain in stock, (b) the date occurring thirty (30) days after the termination of this License Agreement if this License Agreement has been terminated by Licensing Company in accordance with Section 13.3, or (c) the date occurring ninety (90) days from the termination of this License Agreement if this License Agreement has not been terminated by Licensing

Company in accordance with Section 13.3, whichever occurs earliest. The obligations of Licensee in this Section 13.8 shall not apply to UHD Software: (i) that remains under Licensee's or Licensee Affiliate's control and for which royalties have become due in accordance with the provisions of this Licensee Agreement or (ii) UHD Software that were stored on a physical media in, and remain in, a country where no Licensed Patents subsist.

- 13.9 Termination Upon All Patents Expiring or Non-Infringement. Upon (i) the expiration of the last to expire Essential Licensor Patent; or (ii) the final adjudication by a court of competent jurisdiction of invalidity or unenforceability of the last of the unexpired Licensed Patents, from which adjudication no appeal is taken or allowed; or (iii) the issuance of a written opinion by a Patent Expert concluding that a the last subsisting Licensor's Patent made available by this License Agreement does not qualify as a Licensed Patent, this License Agreement shall automatically terminate.

14 MISCELLANEOUS

- 14.1 Right, Title and Interest in Patents Remain with Licensors/Licensing Company. Licensee acknowledges for itself and its Affiliates that all right, title and interest in and to Licensed Patents are owned by Licensors and by Licensing Company, respectively. Licensee Parties shall not acquire any rights or title in any of the Licensed Patents, whether by implication, use, registration or otherwise.
- 14.2 Third Party Infringement of Licensed Patents. Licensee acknowledges for itself and its Affiliates, and agrees that this License Agreement does not grant or imply any right to instigate any action against a third party for infringement of any Licensed Patents.
- 14.3 Modifications to the License Agreement for UHD Software Manufacturer. Licensee acknowledges for itself and its Affiliates, and agrees that Licensing Company may modify the wording of the standard version of the "License Agreement for UHD Software Manufacturer" at any time. Licensee shall at all times have the option of entering into the most recent version of the "License Agreement for UHD Software Manufacturer", as published by Licensing Company on the Website or otherwise communicated by Licensing Company to Licensee after the Effective Date. Except as provided in Section 10, nothing in this License Agreement shall be construed as giving Licensing Company the right to change the wording of this License Agreement, without Licensee's consent, after it has been executed by Licensee.
- 14.4 Notices. Any notice required to be given by either party under this License Agreement shall, unless explicitly specified in this License Agreement otherwise, be given in writing in the English language by means of a letter, facsimile or e-mail directed:

in respect of Licensee or its Registered Affiliate to: [insert Licensee Name]

Address: [insert Licensee Address]
Attn: [insert Licensee Contact Name]
Fax: [insert Licensee Fax Number]
E-mail: [insert Licensee E-mail Address]

for notice purposes.

in respect of Licensing Company, to: One-Blue, LLC

Address: 520 White Plains Road, Suite 500
Tarrytown, New York, 10591, USA
Attn: Legal Department

Tel: +1 (212) 223-3190
E-mail: info@one-blue.com

or such other address as may be thereafter specified by the party for the purpose of receiving notice. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission or e-mail and the appropriate answer back or confirmation of successful transmission or e-mail is received or, if sent by courier, shall be deemed to have been given two (2) business days after delivery by the courier company, or if mailed, ten (10) business days following the date on which such notice was so mailed. The proper sending of notice to Licensee shall constitute the proper sending of notice to any and all Licensee Affiliates.

- 14.5 *Force Majeure.* Neither party shall be responsible for any failure to fulfill its obligations due to causes beyond its reasonable control, including without limitation, acts or omissions of government or military authority, acts of God, materials shortages, transportation delays, fires, floods, labor disturbances, riots, wars, terrorist acts or inability to obtain any export or import license or other approval or authorization of any governmental authority.
- 14.6 *Entire Agreement.* This License Agreement sets forth the entire understanding and agreement between the parties as to the subject matter to which it refers, and supersedes and replaces all prior arrangements, discussions and understandings between the parties relating to such subject matter. Subject to Sections 2.1, 10 and 11, no variation to this License Agreement shall be binding upon either party unless made in writing and signed by an authorized representative of each of the parties.
- 14.7 *Rights and Obligations Not Conferred By this License Agreement.* Nothing contained in this License Agreement shall be construed:

- (a) as imposing on either party any obligation to instigate any action for infringement of any Licensed Patents, or to defend any action brought by a third party which challenges or relates to the validity of any of these intellectual property rights;
- (b) as imposing any obligation to file any patent, trademark or copyright applications, to secure any patent, trademark or copyright registrations, or to maintain any subsisting patent, trademark or copyright registrations; or
- (c) as conferring any license to manufacture, sell or otherwise dispose of any product or device, or as transferring any title to any product or device.

- 14.8 Independent Counsel. Licensee, on behalf of itself and its Affiliates, acknowledges and confirms that it has had sufficient opportunity to engage legal counsel of its choice to review the structure, contents and implications of this License Agreement, and Licensee, on behalf of itself and its Licensee Affiliates, acknowledges and confirms that it freely enters into this License Agreement.
- 14.9 No Waiver. Neither the failure nor the delay of either party to enforce any provision of this License Agreement shall constitute a waiver of such provision or of the right of either party to enforce each provision of this License Agreement.
- 14.10 Severability. Should any provision of this License Agreement be finally determined to be void or unenforceable in any judicial proceeding, such determination shall not affect the operation of the remaining provisions of this License Agreement, provided that, in such event, either party shall have the right to terminate this License Agreement by notice to the other party.
- 14.11 Interpretation. The Section headings contained in this License Agreement are for reference purposes only and do not in any way control the meaning or interpretation of this License Agreement. Explicit references to a particular section shall be deemed to include a reference to its subsections, if any. The terms "for the avoidance of doubt," "including," "such as," "by way of example" or any variation thereof means "including the following by way of example only, without limitation" and shall not be construed to limit any general statement that it follows to the specific or similar items immediately following it. This License Agreement shall be fairly interpreted in accordance with its terms and without any presumption in favor of or against either party regardless of the drafter.
- 14.12 Governing Law. If the Country of Domicile of Licensee is the People's Republic of China, this License Agreement is governed by the laws of the Hong Kong Special Administrative Region. If the Country of Domicile is not the People's Republic of China, this License Agreement is governed by the laws of the State of New York, United States of America.
- 14.13 Dispute Resolution. Other than as provided in Section 14.14 any dispute between the parties in connection with this Registration Agreement (including any question regarding its existence, validity or termination) shall be submitted to and finally resolved by (a) if the Country of

Domicile is the People's Republic of China, arbitration administered by the Hong Kong International Arbitration Centre under the Hong Kong International Arbitration Centre Administered Arbitration Rules in force when the Notice of Arbitration is submitted, the seat of arbitration being the Hong Kong Special Administrative Region, the number of arbitrators being one, and the arbitration proceedings being conducted in English, provided for the avoidance of doubt that Licensing Company retains the right to apply to any court of competent jurisdiction for provisional and/or conservatory relief, including but not limited to pre-arbitral attachments or injunctions, or (b) if the Country of Domicile is not the People's Republic of China, the Supreme Court of the State of New York, located in the County of New York, New York State, United States of America or the United States District Court for the Southern District of New York, United States of America, provided always that, where the Country of Domicile is not the People's Republic of China and Licensing Company is the plaintiff, it may, alternatively and at its sole discretion, submit such dispute either to the competent courts in the country where Licensee's office is located, or to the competent courts in any country where Licensee or its Licensee Affiliates are otherwise located or have manufacturing facilities, or, for claims arising in relation to a Shipment by Licensee or its Licensee Affiliates, to any of the competent courts in the country of destination of the Shipment. The service of any process and any other documents connected with any proceedings in connection with this Section 16.14 will be deemed to have been validly served on a party if they are served by mail to the addresses indicated in Section 14.4 or by any other method of service authorized by law applicable to the jurisdiction where service is made, and service shall be deemed to have been completed upon receipt by the party being served.

Licensee irrevocably waives any rights it may have to object to the jurisdiction, process and venue of any such court and to the effectiveness, execution and enforcement of any order or judgment (including, but not limited to, a default judgment) of any such court in relation to this License Agreement, to the maximum extent permitted by the law of any jurisdiction, or to the laws which might be claimed to be applicable regarding the effectiveness, enforcement or execution of such order or judgment.

14.14 Arbitration Solely for Disputes Concerning Jurisdiction. The parties acknowledge and agree that any effort to defeat or circumvent the appropriate jurisdiction or jurisdictions for disputes as set out in Section 14.13 are to be dealt with expeditiously and accordingly if:

- (a) a Licensee Party refers a dispute to any court other than the courts specified in Section 14.13 applicable to when the Country of Domicile is not the People's Republic of China and Licensing Company alleges that the Licensee Party has done so in breach of Section 14.13; and
- (b) a dispute arises between the parties as to
 - i) whether a Licensee Party has referred a dispute to a court (other than the courts specified in Section 14.13 applicable to when the Country of

Domicile is not the People's Republic of China) that, under Section 14.13, lacks jurisdiction; or

- ii) the appropriate remedy by way of injunction and/or damages or otherwise due to Licensing Company from a Licensee Party arising from such breach,

Licensing Company may refer the dispute under this Section 14.14 (b) to arbitration by giving to Licensee a notice, including a reference to this Section 14.14, specifying the dispute that Licensing Company has referred to arbitration. The arbitration shall be conducted by one arbitrator appointed by the American Arbitration Association at Licensing Company's request. The arbitrator shall be a lawyer qualified under the laws of, and engaged in private practice in, the State of New York, United States of America. Before his appointment he shall have given an assurance (either on oath or binding as a matter of professional conduct) to discharge the office of arbitrator impartially. The arbitration shall be conducted in the English language in New York, New York, the United States of America. If the arbitrator dies, resigns, refuses to arbitrate or becomes incapable of arbitrating, Licensing Company shall request the arbitrator to appoint a new arbitrator. If arbitration had already commenced prior to the new arbitrator being appointed, it shall continue as if the new arbitrator had been acting from the beginning. The arbitrator shall use his/her best endeavors to issue a final award within twenty (20) days of his/her appointment. Procedural matters not specified in this Section 14.14, including costs of the arbitration, shall be determined by the arbitrator. Neither party may apply to a Court to determine any question of law arising in the course of, or otherwise in relation to, the arbitration, or appeal to a Court on a question of law relating to an award.

AS WITNESS, the parties hereto have caused this License Agreement to be executed in duplicate on the date first written above by their duly authorized representatives.

LICENSING COMPANY

ONE-BLUE, LLC

By: _____

Name: _____

Title: _____

Date: _____

Reference Copy

AS WITNESS, the parties hereto have caused this License Agreement to be executed in duplicate on the date first written above by their duly authorized representatives.

LICENSEE

[insert LICENSEE NAME]

By: _____

Name: _____

Title: _____

Date: _____

Reference Copy

APPENDIX A

LICENSEE AFFILIATES

Reference Copy

APPENDIX B

CONFIRMATION OF BILATERAL AGREEMENT

[insert Date]

One-Blue, LLC
520 White Plains Road, Suite 500
Tarrytown, NY 10591
USA
Attn: Royalty Offsetting Administration

Dear Sirs:

We hereby request you to make the royalty adjustment of the “*License Agreement for UHD Software Manufacturer*” reflecting the Bilateral Agreement between **[insert Licensor of the Bilateral License Arrangement]** and our company dated **[insert Effective Date of the License Arrangement]**, the relevant terms and conditions of which are provided below.

Our request for royalty adjustment and confirmation of the existence of the Bilateral Agreement covering Licensed Products, between **[insert Licensor of the Bilateral License Arrangement]** and our company, was acknowledged and agreed by **[insert Licensor of the Bilateral License Arrangement]**, a duly authorized signature of which is indicated below. (The terms used herein shall have the meaning set forth in the “*License Agreement for UHD Software Manufacturer*”.)

(i) Scope of Products. Please mark the relevant boxes which are subject to the Bilateral Agreement:

- Licensed Product that is not a UHD Only Plug-In and is not Bundled UHD Software, and that is UHD Combi Software
- Licensed Product that is not a UHD Only Plug-In, and is not Bundled UHD Software, and that is UHD Playback Software
- Licensed Product that is a UHD Only Plug-In and is UHD Playback Software
- Licensed Product that is Bundled UHD Software, and that is UHD Combi Software
- Licensed Product that is Bundled UHD Software, and that is UHD Playback Software

other [*insert Descriptions here*]

(ii) Scope of Patents. Please mark the relevant boxes which are subject to the Bilateral Agreement:

all Licensed Patents with respect to UHD Standards for the products marked above.

all Licensed Patents with respect to BD Software Standards for the products marked above.

all Licensed Patents with respect to DVD Software Standards for the products marked above.

all Licensed Patents with respect to CD Standards for the products marked above.

other [*insert Descriptions here*]

(iii) The term of Bilateral Agreement.

from [insert Date] to [insert Date]

Yours sincerely,

[insert Name of Signatory]
[insert Title, etc.]
[insert Licensee Name]

Acknowledged and Agreed:

By (sign): _____

Name (print): _____

Title: _____

Company: _____

Date: _____

APPENDIX C

PAYMENT OF PATENT EXPERT FEES

Licensee shall pay the fees and expenses of the Patent Expert for the evaluation of the subject Patent, in the following cases:

1. Licensee requests Patent Expert to evaluate a Patent listed on the Essential Licensor Patent List to determine whether the Patent qualifies as either a Technically Essential Patent or a Commercially Essential Patent, and the Patent Expert determines the Patent to qualify as either a Technically Essential Patent or a Commercially Essential Patent; and
2. Licensee submits a “Notification of Challenge” (as defined hereinafter) regarding the subject Patent.

“*Notification of Challenge*” means a Licensee’s document to be submitted to the Licensing Company to indicate its objection and contention pursuant to Section 11.1 of this License Agreement to the inclusion or exclusion of any Patent owned by Licensors as a Technically Essential Patent or a Commercially Essential Patent in or from the Essential Licensor Patent List, and which explains the Licensee’s contention in sufficient detail to enable a Patent Expert to evaluate the subject Patent and resolve the contention. If the objection relates to Commercially Essential Patent(s), the contention shall explain why the Licensee believes in good faith that as a practical matter there is (in the case of objection to inclusion of a Patent on the Essential Licensor Patent List) or there is not (in the case of objection to exclusion of a Patent from the Essential Licensor Patent List) an economically viable substitute to implement the relevant UHD Standards, the BD Standards, the DVD Standards or the CD Standards to which the Patent pertains.

APPENDIX D

AUDIT GUIDE

This Audit Guide lays down the conditions under which audits are to be performed and audit statements generated by Licensee's external auditors on the Official Past Use Report pursuant to Section 6.3(b)(2), respectively, of the "*License Agreement for UHD-Software Manufacturer*" between Licensee and Licensing Company. This Audit Guide may be amended by Licensing Company from time to time.

1. Auditor's Qualifications

The auditor appointed by Licensee to issue an audit statement on the Official Past Use Report shall, where Licensee appoints an auditor on a regular basis to issue an auditor's opinion on the financial statements of Licensee, be the same auditor, unless reasonable explanation to the contrary; and, in any event, the auditor shall be:

- (a) a certified public auditor, chartered accountant or registered accountant (as these terms are generally known in the United States, the United Kingdom and The Netherlands respectively) or holding an equivalent professional qualification in the country in which the auditor practices;
- (b) a member of a well-respected firm, preferably one of KPMG, PricewaterhouseCoopers, Deloitte Touche Tohmatsu and Ernst & Young (or any of their successors); and/or
- (c) a member of the American Institute of Certified Public Accountants (**AICPA**), the Institute of Chartered Accountants in England & Wales (**ICAEW**), or Koninklijk Nederlands Instituut van Registeraccountants (**NIVRA**) (whichever of these associations governs accounting in the country in which the auditor practices), or a member of a professional body of similar standing where this is not practicable.

2. Opinion

The audit statement on the Official Past Use Report shall be in the form of the Independent Audit Statement set out in Schedule 1.

Schedule 1

Independent Audit Statement

Independent Audit Statement to the Directors and/or Management of
[insert Licensee Name], *The Licensee*

We have audited the attached report (the *Official Past Use Report*) relating to the Shipments of Licensed Products to or by Licensee and its Registered Affiliates, as reported by Licensee to Licensing Company under the “*License Agreement for UHD Software Manufacturer*” between them dated **[insert dd/mm/yyyy]** (the *License Agreement*). The Official Past Use Report has been duly initialed by us for identification purposes and relates to the period starting **[insert Date]** and ending **[insert Date]**.

1. Respective Responsibilities of Directors, Management and Auditors

The directors and/or management are responsible for preparing the Official Past Use Report in accordance with the terms of the License Agreement, so as to set out completely and accurately the information required to be reported under the License Agreement for the period **[insert Date]** through **[insert Date]**.

Our responsibility is to express an opinion on the completeness and accuracy of the Official Past Use Report based on our audit of Licensee Owner’s (and/or its Registered Affiliates’) books and records and other aspects of its manufacturing and distribution operations.

This audit statement is intended for use by the Board of Directors and Management of Licensee for the purpose of its reporting requirements under the License Agreement, and therefore may only be made available by Licensee to Licensing Company (and Licensee’s Affiliates) as defined in the License Agreement. We consent to such distribution on the understanding that under no circumstances shall we accept any liability or responsibility to Licensing Company (or its Affiliates), or to any other party to whom our report is made available, whether or not intentionally and whether or not by Licensee or Licensing Company (or either of their Affiliates). This audit statement may not be made available to any other party without our prior written consent.

2. Basis of Audit Opinion

We have conducted our audit in accordance with those elements of generally accepted international standards on auditing that are relevant for the purposes of forming an opinion on the completeness and accuracy of the Confirmation Letter. These standards require that we:

- (a) plan and perform the audit in order to make ourselves satisfied that the Official Past Use Report is free of material mistakes, misstatements or other inaccuracies;
- (b) examine, on a test basis, evidence supporting the statements made in the Official Past Use Report;
- (c) assess the appropriateness of the accounting principles adopted in preparing the Official Past Use Report and the accuracy of significant estimates made in the Official Past Use Report by the management of Licensee; and
- (d) evaluate the overall presentation of the Official Past Use Report.

We believe that the method adopted in our audit provides a reasonable basis for issuing our statement.

3. Statement

In our opinion, the Official Past Use Report sets out completely and accurately (in all material respects) the information required to be reported by Licensee under the License Agreement for the period **[insert Date]** through **[insert Date]**.

(signed)

[insert Name of Audit Firm]

[insert City]

[insert Date]

Attachment: *Official Past Use Report* (___ pages)