

## Duplicate Royalty Policy<sup>(1)</sup>

HEVC Advance and its Licensors have agreed to address and resolve the issue of duplicate royalties that may arise with certain HEVC Advance Licensees due to multiple program licenses, such as exists with HEVC Advance and MPEG LA's HEVC licensing programs. This obligation is included in the HEVC Advance Agreement Among Licensors<sup>(2)</sup>.

In the event a Licensor would receive duplicate royalties from a Licensee in respect of one or more Patent(s) that:

- are included in the HEVC Advance Patent Portfolio and are also included in the patent list of another patent licensing pool, or joint licensing program, which pool or program expressly encompasses the HEVC Standard and includes an overlap in the scope of the license grants under the pool or program, as applicable;

then, upon request by the Licensee<sup>(3)</sup>, or at Licensor's election, the Licensor shall reimburse<sup>(4)</sup> one of the following amounts attributable to the duplicate royalty payment:

- the net distribution<sup>(5)</sup> the Licensor received from HEVC Advance, or
- the net distribution the Licensor received from another pool or joint licensing program, or
- any other amount agreed<sup>(6)</sup> between the Licensor and Licensee<sup>(6)</sup>.

HEVC Advance has agreed to use reasonable efforts to comply in a timely manner with requests made by a Licensor to provide reimbursement through a deduction or credit made by HEVC Advance to the Licensee's royalty invoice, subject to agreement on any necessary requirements and sharing of information as HEVC Advance may require from the Licensor and the Licensee. In the absence of such agreement, then the Licensor and Licensee must handle this matter directly between themselves.

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- (1) This policy does not modify or otherwise impact Licensee's obligation to remit all royalties due under the PPL in full and without deduction unless specifically reflected in an invoice provided by HEVC Advance to Licensee. HEVC Advance reserves the right to modify and/or terminate this policy, in whole or in part, at any time and for any period without prior notice at its sole discretion.
- (2) The Licensor is solely responsible to assure compliance with its obligations under this policy.
- (3) If a Licensee directly contacts HEVC Advance concerning duplicate royalty payments, HEVC Advance will refer the request to the applicable Licensor(s).
- (4) To the extent any Licensee information is required, any duplicate reimbursement shall be subject to receipt of such required information. Requests for reimbursement must be made by the Licensee prior to invoice issuance by HEVC Advance for any applicable sales/reporting period, unless otherwise agreed by HEVC Advance at its sole discretion.
- (5) In the case of the HEVC Advance patent pool, duplicate royalties are that portion of actual net royalty collections apportioned and distributed to all Licensors based on their respective patent portfolios which relate to those Licensor patents in multiple programs which grant rights to the same products or services as described in the first bullet in the Policy Statement above, and expressly exclude all fees and other allocations/deductions made by HEVC Advance prior to apportionment and distribution of net royalty collections to all Licensors based on their respective patent portfolios.
- (6) The maximum amount of royalties that HEVC Advance will deduct or credit for any Licensee on any invoice covering any sales/reporting period is the applicable Licensor's portion of actual net royalty collections as described in (5) above for each such sales/reporting period.