

XVC LICENSE

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If the Licensee is approached by any patent-holding entity asserting that the Licensee makes infringement of the patent holders patent by using, selling, offering for sale, importing or distributing the xvc Reference Software or any xvc Implementation, then Divideon guarantees that one of the following actions will be performed within 60 days from the date when Divideon is informed about the infringement assertion:

- a) The patent in question is added to the list of patents covered by the xvc license.
- b) Divideon accepts to pay all costs, including potential costs for litigation and damage, for example if a court finds the alleged infringement to be valid.
- c) The patented technology is removed from the xvc codec and a new version of the codec is issued, with a new version of the xvc Reference Software being made available within 60 days from the date when Divideon is informed about the infringement assertion.

An infringement assertion needs to be specific both in terms of which claim(s) of which patent is infringed and in terms of which function(s) of the reference software infringes the patent. It is Divideon's sole discretion to decide which action will be performed for each infringement assertion.

2. CONDITIONS

2.1 Acceptance of terms. This license is offered to the Licensee if and only if one of the following conditions is met:

- **xvc free.** The Licensee agrees to use the xvc Reference Software and xvc Implementations only for Non-Commercial Use. *No signature is required for xvc free.*
- **xvc pro.** The Licensee agrees to pay \$0.02 per month to Divideon for each active xvc Instance governed by the Licensee. The Licensee further agrees to provide, for each month, a truth and accurate report of the number of active xvc Instances governed by the Licensee including information regarding which products and/or services the xvc Instances are used in. *Signature in section 4 required.*
- **xvc unlimited.** The Licensee agrees to pay \$1,000,000 / month to Divideon. No reporting of number of active xvc Instances is required. *Signature in section 4 required.*

2.2 Most favorable royalty rate. A Licensee is guaranteed to always be offered the most favorable royalty rate. This means that a Licensee of xvc pro will never be charged more than the royalty rate of xvc unlimited.

2.3 Defensive suspension. All grants provided in Section 1 are immediately terminated if the Licensee or an agent of the Licensee file, maintain, or voluntarily participate in a lawsuit related to the xvc Reference Software or any xvc Implementation against Divideon or any xvc Licensee.

2.4 Non-compliance. All grants provided in Section 1 are immediately terminated if the Licensee does not comply with the terms of this license, and the Licensee will no longer be considered an xvc Licensee, starting from the date of non-compliance.

2.5 Acknowledgment of Licensee. The Licensee agrees to be listed as xvc Licensee at the xvc web page and as customer of Divideon at the Divideon web page.

2.6 Confidentiality. Information regarding the Licensee is treated as confidential and will not be shared with any party outside Divideon unless explicitly agreed by the Licensee.

2.7 Good faith obligations. The Licensee agrees to not take actions to circumvent the terms and obligations of this license. The Licensee further agrees not to use the xvc Reference Software with or without modifications for any purpose conflicting with or competing with the licensing terms being offered by Divideon through this license.

2.8 Compliance with Laws. The Licensee agrees to use the grants provided in this license agreement in accordance with all laws and regulations applicable in all jurisdictions where the grants are exercised.

2.9 Governing Law. This license agreement shall be constructed in accordance with, and all disputes hereunder shall be governed by Swedish Laws. The Swedish courts shall have exclusive jurisdiction over any disputes relating to the Agreement.

2.10 Severability. If any provision hereof is held to be invalid, illegal or unenforceable in any jurisdiction, Divideon and the Licensee shall negotiate in good faith a valid, legal and enforceable substitute provision that most nearly reflects the original intent, and all other provisions hereof shall remain in full force and effect in such jurisdiction and shall be construed in order to carry out the original intent as nearly as may be possible. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such other provisions in any other jurisdiction, so long as the essential essence of this license agreement remains enforceable.

2.11 No warranty. The xvc Reference Software is provided “as is” and any express or implied warranties, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose are disclaimed. The entire risk of implementing or using any xvc Implementation is assumed by the Licensee, except for the risk of third party patent infringement assertions for which Divideon offers indemnification according to clause 1.3. In no other event will Divideon or any xvc Patent holder be liable for any direct, indirect, incidental, special, exemplary, or consequential damages (including, but not limited to, procurement of substitute goods or services; loss of use, data, or profits; or business interruption) however caused and on any theory of liability, whether in contract, strict liability, or tort (including negligence or otherwise) arising from any cause of action of any kind with respect to this license, even if advised of the possibility of such damage.

3. DURATION AND TERMINATION

3.1 This license agreement is valid until 2028-12-31, but may voluntarily be terminated at any point in time by the Licensee, provided that written notice is given to Divideon at least 30 days prior to the termination date. The license agreement can not be terminated by Divideon. Non-compliance automatically terminates the license agreement as described in section 2.4.

4. PAYMENTS

4.1 All amounts referred to in this license agreement are expressed in U.S. dollars without deduction for taxes, assessments, fees, or charges of any kind. Each payment will reference the agreement number set forth in Annex B. All payments to Divideon will be made in U.S. dollars by wire transfer (Licensee to pay all wire transfer fees) using the payment details provided in Annex B. Payments shall be made within 30 days from the end of the month for which the payment applies.

4.2 Late payments. Amounts that are not paid when due will accrue a late charge from the due date until paid, at a rate equal to 1.0% per month (or the maximum allowed by law, if less).

5. DEFINITIONS

Licensee – A person or legal entity entering into a license agreement with Divideon through this license agreement.

Non-Commercial Use – The use of the xvc Reference Software and/or any xvc Implementation for purposes that are not commercial in nature. Such purposes are limited to; personal use, education, research, standardization and internal evaluation. The Non-Commercial Use exclude all usage that is intended for commercial advantage or monetary compensation.

xvc Bitstream – A digital representation of a video sequence consisting of at least one coded picture which can be decoded by the decoder of the xvc Reference Software resulting in that the decoder of the xvc Reference Software returns “*Conformance verified*”.

xvc Implementation – Any implementation that operates on xvc Bitstreams using parts of the methods included in the xvc Reference software. An xvc Implementation may be part of an implementation that includes methods that are not part of the xvc Reference Software. Any implementation is considered an xvc Implementation (and thereby covered by the terms of this license agreement) only to the extent that it uses methods included in the xvc Reference Software and to the extent that those methods are used to operate on xvc Bitstreams. An xvc Implementation may, but is not limited to, include operations for; producing/encoding xvc Bitstreams, decoding xvc Bitstreams, transcoding to/from xvc Bitstreams, analyzing xvc Bitstreams, validating xvc Bitstreams, distributing xvc Bitstreams, transmitting xvc Bitstreams, packing/unpacking xvc Bitstreams, encrypting xvc Bitstreams, fragmenting xvc Bitstreams, and/or multiplexing xvc Bitstreams.

xvc Instance – An instantiation of an xvc Implementation. An xvc Instance may be, but it not limited to be, included in a standalone application, a software media player a web browser, an operating system, the firmware of a device, a reprogrammable unit or a hardware chip. An xvc Instance may for example be running on a handheld device, a mobile phone, a tablet, a wearable device, a camcorder, a laptop computer, a stationary computer, a set-top-box, a media player, a smart TV, a server or a data-center. A single physical device may incorporate multiple xvc Instances. Monthly calculations of number of xvc Instances is based on instances that are active at least once during the month in question.

xvc Licensee – Any entity that complies with the terms defined in this license agreement.

xvc Patent – A patent made available for use under the terms defined in this license agreement. The list of xvc Patents is continuously updated. The most recent version of the list of xvc Patents can be found at xvc.io/license/patents/

xvc Reference Software – The software that defines the xvc codec and which is publicly available in source code form. At any point in time exactly one single version of the software is valid. The software page at the xvc web page (xvc.io/software/) identifies the valid version of the software. The software may be updated at any point in time in which case all previous versions of the software are invalidated and no longer subject to the terms of this agreement.

6. CONFIRMATION AND SIGNATURES

As a representative of the Licensee:

I hereby affirm that I am authorized to represent the Licensee to enter into agreement with Divideon AB, a Swedish limited liability company with company registration number: 559098-5205, to comply with the terms of this license agreement and thereby be provided the grants of this license agreement.

Licensee agrees to enter as xvc Licensee starting from date: _____

Type of license:

- xvc pro
- xvc unlimited

Signature: _____

Full name: _____

City: _____ Date: _____

As a representative of Divideon, I hereby affirm that I am authorized to represent Divideon to enter into agreement with the Licensee, to provide the grants set forth in this licensee agreement provided that the Licensee comply with the terms of this license agreement.

Signature: _____

Full name: _____

City: _____ Date: _____

ANNEX A. ADDRESS FOR SUBMISSION OF SIGNED LICENSE AGREEMENT

Jonatan Samuelsson
Divideon AB
Kulstötärvägen 14
122 40 Stockholm
Sweden

ANNEX B. PAYMENT DETAILS

Reference number: _____

(the reference number is a unique number that will be added by Divideon upon reception of a signed license agreement)

Recipient: Divideon AB

Bank: SWEDBANK, S-105 34 STOCKHOLM

SWIFT/BIC: SWEDSESS

IBAN: SE5380000832799646414350

ANNEX C. (INFORMATIVE) CLARIFICATIONS OF THE XVC LICENSE

This annex is provided as complementary information accompanying this license agreement. Provisions set forth in this annex shall not be interpreted as binding.

1. The license offered in this license agreement is intended to provide a one-stop-shop for xvc covering both copyright rights to the xvc Reference Software and patent rights relating to methods included in the xvc Reference Software. This license does not prohibit additional or complementary agreements, such as cross-licensing agreements relating to xvc technology. The indemnification clause in section 1.3 is intended to provide a guarantee for the benefit of xvc Licensees to protect from third party licensing claims. In particular, the indemnification clause is intended to provide a procedure for how to handle so called “patent trolls”.

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3. This license agreement does not contain any requirement of grant-back or reciprocity. Furthermore, there is no requirement for xvc Patent holders to include all their potentially relevant patents as xvc Patents. It is the discretion of each Licensor to determine if, and in that case which, patents to make available as xvc Patents.

4. This license contains the complete list of fees applicable for the copyrights of the xvc Reference Software and the patent rights of the xvc Reference Software and xvc Implementations. Fees are associated with usage of xvc Instances and is set in relation to the number of active xvc Instances only. In particular, there is no fee for manufacturing or selling products compatible with xvc and there is no fee for producing, transmitting or distributing xvc Bitstreams (content fee) except for the fee associated with the xvc Instances used for producing, transmitting and distributing the xvc Bitstreams, respectively.