

[TEMPLATE]
TV/STB PATENT LICENSE AGREEMENT
(Blended rate)

This TV/STB Patent License Agreement (“Agreement”) is entered into on [date] (“the Effective Date”) by and between:

KONINKLIJKE PHILIPS N.V., having its registered office in Eindhoven, The Netherlands (“Philips”)

and

[Full name of entity to be licensed], having its registered office in [address of the entity] (“Licensee”)

(Philips and Licensee may hereinafter be referred to individually as “a Party” and collectively as “the Parties”).

WHEREAS, Philips has for many years been engaged in research and development in the area of broadcast and interactive television receivers and systems;

WHEREAS, Philips and its Affiliates own multiple patents covering TV/STB Functionality (as hereinafter defined);

WHEREAS, Licensee and its Affiliates are and have been engaged in the manufacture or Sale of TVs and STBs using technology covered by one or more TV/STB Patents (as hereinafter defined);

WHEREAS, Licensee wishes to take a license under the TV/STB Patents for the use of TV/STB Functionality in TVs and STBs Sold or manufactured by Licensee and its Affiliates; and

WHEREAS, Philips is willing to grant Licensee such a license on the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and undertakings herein contained, the Parties agree as follows:

1. Definitions

When used in this Agreement, the following capitalized terms shall have the meanings ascribed thereto below:

“Affiliate” shall mean, in relation to either Party, any legal entity which is directly or indirectly (i) owned or controlled by that Party; (ii) owning or controlling that Party; or (iii) owned or controlled by the legal entity owning or controlling that Party, but any such legal entity shall only be considered an Affiliate for as long as such ownership or control exists. For the purpose of this definition, an entity is controlled if more than 50% (fifty per cent) of its voting stock is owned by the controlling company or if such controlling company has the ability to direct the business activities of the entity or to appoint the majority of the directors of the entity. For the purposes of this Agreement, Philips Lighting Holding B.V., as well as any legal entity which is directly or indirectly owned or controlled by Philips Lighting Holding B.V. shall not be deemed an Affiliate of Philips.

“CPA” shall mean a certified public accountant or any other internationally recognized equivalent qualification including, but not limited to, a Chartered Accountant and a Registered Accountant, associated with a certified accountancy company and acting in accordance with applicable professional standards and/or codes of conduct.

“Compliance Rate” shall mean the compliance rate per Licensed Product as specified in Annex C as attached to this Agreement.

“Essential Patent” shall mean any Philips Patent that is either technically essential in the sense that it is necessarily be infringed by implementation of one or more standards or commercially essential in the sense that there is no commercially viable alternative to the application of the technology covered by the patent claim concerned in Licensed Products.

“Excluded Functionality” shall mean (i) technologies specifically defined by the following standards: MPEG-2 video, MPEG-4 video, AVC, MVC, HEVC, VC-1, MP3, AAC, MPEG surround, HDMI, IEEE 1394, MPEG2/4-system layer, ATSC, GSM, UMTS/LTE, WiFi and (ii) any 3D depth perception technologies and High Dynamic Range imaging technologies.

“Licensed Product” shall mean a TV or STB using TV/STB functionality and either (i) bearing a trademark owned by Licensee or its Affiliates or (ii) bearing a trademark owned by the direct customer of Licensee.

“Non-Essential Patent” shall mean any Philips Patent that is not an Essential Patent.

“Patent” shall mean any patent or patent application in any country, having a priority date before the end of the term of this Agreement, including any divisionals, re-issues, re-examinations, continuations, continuations-in-part and renewals thereof.

“Philips Patent” shall mean any Patent owned by Philips or any of its Affiliates at any time during the term of this Agreement, provided that such Patent can be freely licensed by Philips without payment to any third party other than its employees.

“Philips TV/STB Patents” shall mean the Philips Patents listed in [Annex D](#).

“Royalty Reporting Form” shall mean a written statement setting forth the quantities of Licensed Products Sold by Licensee and its Affiliates in the relevant reporting period using the form attached hereto as [Annex B](#), or such other form as may be subsequently prescribed by Philips.

“Sale” shall mean the sale, lease, loan or other disposal and Sell, Sold and other cognate expressions shall be construed on the same basis.

“Smart TV/STB” shall mean a TV or STB which supports interactive services, including but not limited to Video-On-Demand and/or access to third party services via the Internet or a proprietary network.

“4k UHD Smart TV/STB” shall mean a TV or STB which supports ultra-high definition (3840 pixels wide by 2160 pixels tall or higher) television and interactive services, including but not limited to Video-On-Demand and/or access to third party services via the Internet or a proprietary network.

“Standard Rate” shall mean the standard rate per Licensed Product as specified in Annex C as attached to this Agreement.

“STB” shall mean a finished electronic device, primarily intended for sale to or use by the general public, the primary function of which is preparing audio and/or video content for presentation on an external display, regardless of whether this content arrives at the device via terrestrial or satellite transmission, by coaxial cable or by wired or wireless Internet connection. Notwithstanding the foregoing, an electronic device intended for use in combination with medical systems shall not be considered a “STB”.

“Territory” shall mean the countries specified in Annex A.

“TV” shall mean a finished electronic device, primarily intended for sale to the general public, having a display of at least 15 inches and the primary function of which is displaying on said display video content, regardless of whether this content arrives at the device via terrestrial or satellite transmission, by coaxial cable or by wired or wireless Internet connection. Notwithstanding the foregoing, an electronic device intended for use in combination with medical systems shall not be considered a “TV”.

“Basic TV/Basic STB” shall mean a TV or STB which has only unidirectional broadcast reception capabilities.

“TV/STB Functionality” shall mean any functionality required for the receipt, for the storage on and play-back from solid state memory or hard disc drive or network attached storage and for the processing of audio and/or video content and for the reproduction of video content and/or multimedia data on a TV screen (either integrated in the Licensed Product or separate from the Licensed Product), but excluding any Excluded Functionality. TV/STB Functionality as defined herein shall not extend to any other product functionality, even if such other functionality is combined with or incorporated in a TV or STB, such as (by way of example without limitation) the processing of audio and/or video content from an optical drive, e.g. a DVD or Blu-ray player.

2. Release and License

2.1 Past Use: It is confirmed that Licensee has submitted to Philips a Royalty Reporting Form certified by a corporate officer of Licensee and setting forth the number of Licensed Products that use any of the claims of any of the Philips TV/STB Patents Sold by Licensee and its Affiliates prior to the Effective Date in the Territory ("Past Use") and a specification of the corresponding royalties due ("Past Use Amount"), based on a royalty specified in Annex C per Licensed Product.

The Royalty Reporting Form in respect of Past Use is attached hereto as Annex E. Licensee represents that said Royalty Reporting Form in respect of Past Use represents a true, ac

curate and complete report of the Licensed Products Sold by it and its Affiliates prior to the Effective Date.

The past use Royalty Reporting Form shall be subject to Philips' right of audit set out in Clause 3.6.

Licensee shall pay the Past Use Amount to Philips by way of a non-recoupable and non-refundable payment, within 14 days after the Effective Date in accordance with Clause 3.4.

2.2 Philips TV/STB Patents – Release: Subject to the timely receipt by Philips of the Past Use Amount, Philips, in good faith reliance upon Licensee's representation as to the truthfulness, accuracy and completeness of the Royalty Reporting Form for Past Use, acting for itself and on behalf of its Affiliates, shall release Licensee, Licensee's Affiliates existing at the Effective Date, as well as its/their customers from all claims of infringement of any Philips TV/STB Patent in respect of Past Use, provided that this release shall be strictly limited to the use of TV/STB Functionality in Licensed Products and shall not extend to any other functionality incorporated in Licensed Products or otherwise.

2.3 Philips TV/STB Patents – License: For the term of this Agreement and subject to its provisions, including but not limited to the timely receipt by Philips of all payments specified in Clause 3, Philips, hereby grants Licensee and its Affiliates a non-exclusive, indivisible, non-transferable, royalty-bearing license, without the right to grant sub-licenses, under the Philips TV/STB Patents to make or have made or otherwise to procure and to Sell in the Territory Licensed Products so manufactured by or for it, provided that this license shall be strictly limited to the use of TV/STB Functionality in Licensed Products and shall not extend to any other functionality in Licensed Products or otherwise.

It is expressly confirmed that the license granted herein extends only to Licensee and to those of its Affiliates which qualify as Affiliates at any time during the term of this Agreement and, as to any particular Affiliate, only for as long as it continues to be an Affiliate of Licensee. Further, if any particular Affiliate of Licensee ceases to be an Affiliate of Licensee, all rights and licenses under this Agreement shall automatically terminate as to that Affiliate with immediate effect from the date of divestiture. Licensee shall inform Philips in writing promptly on the occurrence of any such event.

For the avoidance of doubt, the license granted in this Clause 2.3 shall only apply to Licensed Products on a stand-alone basis and shall not extend to any combination of devices or products, or to any devices or products connected to a particular Licensed Product.

2.4 Components or combinations: The license under Clause 2.3 shall not extend to the separate Sale of components for Licensed Products (including but not limited to subassemblies and kits), save where such component are Sold as replacement parts for the purpose of repair of defective Licensed Products.

2.5 Transfer of Patents: If, during the Term, Philips or any of its Affiliates assigns or transfers any of the Philips TV/STB Patents or grants an exclusive or sole license to a third party under any of the Philips TV/STB Patents, Philips or the Affiliate concerned shall obtain from that third party an undertaking that it shall respect and maintain the license granted to Licensee and

its Affiliates under this Agreement in accordance with its provisions.

3. Reporting and Payment

3.1 Royalty Rate: Licensee shall pay Philips the applicable royalty on all Licensed Products Sold by it and its Affiliates during the term of this Agreement, irrespective of the number of Philips TV/STB Patents that may be used in the Licensed Products. The applicable royalty shall be the Standard Rate, unless the Compliance Rate applies. Licensee may apply the Compliance Rate (instead of the Standard Rate) when Licensee is in full compliance with its obligations under this Agreement, including but not limited to (i) timely and accurate filing of Royalty Reporting Forms and (ii) full and timely payment of all royalties due under this Agreement.

If Licensee fails to comply at any time with any of its obligations under this Agreement, Licensee shall be considered not to be in full compliance with immediate effect from the first day of the Reporting Period to which the occurrence of non-compliance relates until such moment that Philips confirms in writing to Licensee that Licensee's non-compliance has been remedied in full.

3.2 Royalty Reporting: Within 30 days following the last day of each calendar quarter ending after the Effective Date, Licensee shall submit to Philips (even in the event that no sales have been made) a Royalty Reporting Form signed by an authorized officer of Licensee and setting forth with respect to the preceding calendar quarter, in a true, accurate and complete manner, and for all Licensed Products, specified per model name:

- (1) Trademark or brand name;
- (2) TV/STB model name(s) or code;
- (3) Product type;
- (4) Name manufacturer;
- (5) Country of manufacture;
- (6) Country of sale;
- (7) Total quantity of Licensed Products Sold by Licensee and its Affiliates;
- (8) The computation of the royalties due.

In addition, Licensee shall submit any other information in such form as Philips may reasonably request in order to verify the correctness and completeness of Licensee's reporting under this Agreement.

For the avoidance of doubt, the initial reporting period hereunder shall be the period from the Effective Date until the last day of the calendar quarter ending immediately after the Effective Date.

Licensee shall specify in its Royalty Reporting Form the name, telephone number and email address of its employee acting as contact person for any updates or enquiries regarding the Royalty Reporting Form.

Philips shall maintain all information included in the Royalty Reporting Forms as confidential information in accordance with the provisions of Clause 4.

- 3.3 Royalty Payment: Licensee shall pay to Philips the royalties due under this Agreement in respect of all Licensed Products for the relevant reporting period within 30 days following the end of each calendar quarter ending after the Effective Date to Philips' bank account specified below, without any deduction whatsoever, whether for bank transmission charges or otherwise, save as explicitly permitted by Clause 3.4.

Acceptance of the payment by Philips shall not be deemed to constitute acceptance by Philips of the correctness of the Royalty Reporting Form and shall not affect any of Philips' rights under this Agreement, including, without limitation, Philips' right to conduct an audit in accordance with the provisions of Clause 3.6.

- 3.4 Any payment under this Agreement shall be made by wire transfer without any deduction whatsoever, whether for bank transmission charges or otherwise, in EURO to:

Bank account No.:	8923019
In the name of:	Koninklijke Philips N.V. - Licenses Citibank N.A., London
Swiftcode:	CITIGB2L
IBAN code:	GB61CITI18500808923019
Sortcode:	185008
Ref:	Royalties [project number]

All costs, stamp duties, taxes (including but not limited to business taxes, value added taxes, income taxes) and other similar levies arising from or in connection with the conclusion of this Agreement shall be borne by Licensee.

In the event that the government of a country imposes any income taxes to be withheld from payments made by Licensee to Philips under this 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 Philips with tax receipts issued by the relevant tax authorities so as to enable Philips to support a claim for credit against income taxes which may be payable by Philips or its Affiliates in The Netherlands and to enable Philips to document, if necessary, its compliance with tax obligations in any jurisdiction outside The Netherlands. If such tax receipts are not provided promptly, Philips reserves the right to treat the undocumented deductions as unpaid royalties due which will become subject to the provisions of this Agreement.

- 3.5 Late Payment: Any payment under this Agreement which is not made on the date(s) specified herein, shall accrue interest at the rate of 1% (one percent) per month (or part thereof), computed from the original date due until such time that the principal amount outstanding, together with all interest accrued thereon will have been paid in full, irrespective of whether such full payment occurs during the term of this Agreement or thereafter.

In no event shall Licensee have the right to set off or suspend any payments due under this Agreement against or based on any claim, of whatever nature, that it or any of its Affiliates may have against Philips or any of its Affiliates.

Any excess payment shall not be refunded by Philips, but shall be credited to subsequent payment obligations of Licensee under this Agreement.

3.6 Audit and Inspection:

Maintain records: To enable verification of the Royalty Reporting Forms, Licensee and its Affiliates shall keep complete and accurate books and records relating to the procurement and inventory of components for the manufacture of Licensee's TVs and/or STBs and the Sale of all Licensee's TVs and/or STBs and shall keep these books and records available for a period of 5 years following the procurement, manufacture or Sale of such TVs. In the event that competent authorities take possession of the records and books of Licensee or its Affiliates for tax investigation purposes or otherwise, Licensee shall ensure that a complete set of photocopies or electronic copies of all such records and books is kept so as to allow inspection in accordance with this Clause 3.

Audit rights: Philips shall have the right to have a CPA inspect the books and records of Licensee and its Affiliates from time to time to verify the completeness and accuracy of the Royalty Reporting Forms. Any such inspection shall take place no more than once per year and shall be conducted by a CPA appointed by Philips. The inspection shall be conducted at Philips' own expense, except in case the audit establishes any discrepancy or error exceeding 3% (three percent) of the royalties actually due.

Inspection preparation: Philips shall give Licensee written notice of such inspection at least 14 days prior to the inspection.

Actual Inspection: Licensee and its Affiliates shall willingly co-operate and provide all such assistance in connection with such inspection as Philips or the CPA may require, including by providing an electronic copy of the records and access to any document, record or IT system the CPA considers necessary to perform the verification of the completeness and accuracy of the reporting by Licensee. The CPA will regularly report to a Philips' employee on the progress of the inspection and may provide the Philips' employee with information that is reasonably required to enable the inspection to be completed in a timely matter. Failure by Licensee or its Affiliates to co-operate with the inspection as set out in this Clause 3 shall constitute a material breach of this Agreement and, in the event of such failure, Licensee shall be liable for the cost of inspection and all costs and damages resulting from such failure. Further, such failure shall entitle Philips to terminate this Agreement in accordance with Clause 6.2.

Inspection report: The CPA shall report Philips on its conclusions of the inspection, including, but not necessarily limited to, (i) the audit process and a description of the evaluated records and documents, (ii) an evaluation of the co-operation of the Licensee during the inspection, (iii) the number of unreported and/or incorrectly reported Licensed Products, (iv) recommendations for the improvement of Licensee's royalty reporting, (v) the amounts due to Philips based on the identified underreported units multiplied by the Standard Rate, and (vi) a determination if the discrepancy or error exceeds 3% (three per cent) of the royalties actually due.

Any obligation of Licensee to bear the cost of the audit shall be without prejudice to Licensee's obligation to promptly make up for such underpayment based on the number of underreported units as identified in the audit, multiplied by the applicable Standard Rate and without prejudice to any other claim or remedy as Philips may have under this Agreement or under applicable law..

4. Confidentiality

- 4.1 Each Party and its Affiliates shall keep the terms and conditions of this Agreement confidential and shall not disclose any of the terms or conditions of this Agreement to any third party, except to external auditors, legal representatives, and to the competent courts to the extent that this is required by either Party in connection with the enforcement of its rights under this Agreement or at law.
- 4.2 Philips shall, during the term of this Agreement and for a period of 5 years thereafter, not disclose to any third party any confidential information obtained from Licensee in connection with Clause 3, save that Philips may disclose such information to its employees engaged in Philips' licensing programs, its external auditors, legal representatives and to the competent courts in connection with the enforcement of Philips' rights under this Agreement or at law.
- 4.3 Each Party may disclose to its business contacts (customers, suppliers, licensees) that this Agreement has been concluded; in addition, Philips may add the names of Licensee and its Affiliates and its/their trademarks used in relation to the Licensed Products to the list of licensed companies on its website (which currently is www.ip.philips.com) and may remove the names of Licensee and its Affiliates in case of non-compliance. No press release or other public announcement concerning the conclusion of this Agreement or its contents shall be issued without the prior written consent of each Party.

5. No Warranty

- 5.1 It is acknowledged by Licensee that third parties may own intellectual property rights in the field of TVs or STBs. Philips makes no warranty whatsoever that the manufacture, procurement, sale or other disposal of Licensed Products does not infringe or will not cause infringement of intellectual property rights of any third party.
- 5.2 Licensee shall defend, indemnify and hold Philips and its Affiliates harmless from and against any and all third party claims in connection with Licensed Products manufactured or Sold by Licensee and its Affiliates.
- 5.3 Licensee acknowledges that Philips may own intellectual property rights that may be relevant to aspects of Licensed Products and are not covered by the Philips TV/STB Patents or do not relate to TV/STB Functionality, such as Excluded Functionality. Philips reserves the right to charge separate royalties over and above those payable under this Agreement in relation to any use of its Patents in respect of any such other technology. Philips makes no warranty whatsoever that the manufacture or Sale of Licensed Products does not infringe or will not cause infringement of any intellectual property rights other than the Philips TV/STB Patents licensed under this Agreement.

6. Term and termination

- 6.1 Term and Expiration: This Agreement shall enter into force on the Effective Date and shall remain in force until the date of expiration of the last to expire of the Philips TV/STB Patents,

unless terminated earlier in accordance with its provisions. Any termination or expiration shall not affect any royalty payment or other obligation under this Agreement accrued prior to such termination.

- 6.2 Termination: Without prejudice to the provisions of Clause 6.3 each Party may terminate this Agreement at any time by means of a written notice to the other Party in the event that the other Party fails to perform any obligation under this Agreement and such failure is not remedied within 30 days after receipt of a notice specifying the nature of such failure and requiring it to be remedied.

Further, Philips is entitled to terminate this Agreement at any time by means of a written notice to Licensee and with immediate effect in the event Licensee fails to comply with its obligations under Clause 3.1 or in the event Licensee is in breach of its representation contained in Clause 2.1.

Any right of termination under this Agreement shall not be exclusive of any other right or remedy to which the non-breaching Party may be entitled and all such remedies shall be cumulative.

- 6.3 Receivership / Bankruptcy: Philips may terminate this Agreement forthwith by means of a written notice to Licensee in the event that 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 in the event that Licensee becomes insolvent or makes any voluntary arrangement with its creditors or becomes subject to any court or administration order pursuant to any bankruptcy or insolvency law.

- 6.4 All provisions of this Agreement which are intended to survive expiration or termination (whether express or implied, and including, without limitation, all royalty payment obligations and the provisions of Clauses 3, 4, 5 and 6.5) shall so survive.

- 6.5 Consequences of Expiration and Termination: Upon the termination of this Agreement for any reason, Licensee and its Affiliates shall immediately cease the manufacture and all procurement of Licensed Products. Further, upon such termination, any and all amounts outstanding under this Agreement shall become immediately due and payable

Within 30 days following the expiration or termination of this Agreement, Licensee shall submit to Philips a report on the number of Licensed Products in stock at the time of expiration or termination of this Agreement certified by its Chief Financial Officer. Royalties, calculated in accordance with Clause 3, shall be due and payable for all Licensed Products manufactured prior to but remaining in stock with Licensee on the date of expiration or termination of this Agreement, and all such products shall be considered Licensed Products and may be freely Sold by Licensee provided the royalties associated with them have been paid in full.

The certified report on the number of Licensed Products in stock shall similarly be subject to Philips' right of audit set out in Clause 3.6 herein.

7. Miscellaneous

7.1 Notice: Any notice, other than the Royalty Reporting Forms, by either Party under this Agreement shall be given in writing and signed by an authorized representative of the notifying Party by means of a letter or electronic mail directed:

If to Philips: Koninklijke Philips N.V.
c/o Philips Intellectual Property & Standards
High Tech Campus 5
5656 AE Eindhoven
The Netherlands
email: IPLicensing@philips.com
Attention: IP&S Head of IP Licensing

If to Licensee: [Name]
[Address 1]
[Address 2]

7.2 Integration: This Agreement sets forth the entire understanding and agreement between the Parties as to the subject matter hereof and supersedes and replaces all prior arrangements, discussions and understandings between the Parties relating thereto. No variation of this Agreement shall be binding upon either Party unless made by means of a single written instrument, signed by an authorized representative of each Party.

7.3 Nothing in this Agreement shall be construed as:

- (a) imposing on Philips or its Affiliates any obligation to instigate any suit or action for infringement of any of the Philips TV/STB Patents or to defend any suit or action brought by a third party challenging the validity of any such Patents. Licensee and its Affiliates shall have no right to instigate any such suit or action for infringement of any of the Philips TV/STB Patents or to defend any such suit or action challenging the validity of any such Philips TV/STB Patents;
- (b) imposing any obligation on Philips or its Affiliates to file, to secure or to maintain any Patent in force;
- (c) a warranty or representation by Philips as to the validity or scope of any of the Philips TV/STB Patents;
- (d) conferring any license or right to copy or imitate the appearance or design of any product of Philips or its Affiliates;
- (e) granting by implication, estoppel, or otherwise any licenses or rights under any patent or patent application other than the Philips TV/STB Patents; or
- (f) conferring any license or other right to manufacture, procure, sell or otherwise dispose of any product or device other than a Licensed Product under this Agreement.

7.4 Free to Prosecute and Abandon: Licensee acknowledges and agrees that Philips is entitled to abandon and apply for amendments to any of the Philips TV/STB Patents. Licensee consents to such abandonment or amendment as Philips or its Affiliates may undertake or apply for in the future and acknowledges that it shall not be entitled to any reduction by virtue thereof.

7.5 Licensee acknowledges and agrees that:

- (i) the TV/STB Patents include both Essential Patents and Non-Essential Patents;
- (ii) Philips has provided Licensee with the free choice to take a license under Essential Patents only, under Non-Essential Patents only, or a combined license under both Essential Patents

and Non-Essential Patents, in each instance in a transparent manner; and (iii) Philips' offer for a license under its Essential Patents is not conditioned on any requirement that Licensee also conclude a license under any Non-Essential Patents.

- 7.6 No Waiver: Neither the failure nor the delay of either Party to enforce any provision of this Agreement shall constitute a waiver of such provision or of the right of either Party to enforce each and every provision of this Agreement.
- 7.7 Severability: Should any provision of this Agreement be finally determined void or unenforceable by a court of competent jurisdiction, such determination shall not affect the operation of the remaining provisions hereof.
- 7.8 No Assignment: Licensee may not transfer any of its rights or obligations under this Agreement to any third party. Philips may freely assign its rights and obligations under this Agreement to any third party.
- 7.9 Export Laws and Regulations: Licensee hereby acknowledges that the rights and obligations of the Agreement may be subject to the laws and regulations relating to the export of Licensed Products. Without limitation, Licensee shall comply with all such laws and regulations. Licensee shall indemnify Philips in respect of any claims and damages resulting from Licensee's conduct in contravention of the aforementioned export control laws and regulations.
- 7.10 Applicable law and jurisdiction: This Agreement shall be governed by and construed in accordance with the laws of the Netherlands without reference to its conflict of laws principles.

Any dispute arising out of or in connection with the interpretation or execution of this Agreement (including, without limitation, any question regarding its existence, validity or termination) shall be finally settled by the competent courts of Amsterdam.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be signed by their duly authorized representatives.

Koninklijke Philips N.V.

Licensee

Brian Hinman
Chief Intellectual Property Officer

Name:
Title:

ANNEX A
Territory

Territory:

- (1) All Member States of the European Patent Organisation, as specified on <http://www.epo.org/about-us/organisation/member-states.html> on the Effective Date;
- (2) **[The United States of America]**;

ANNEX B
Royalty Reporting Form

The form below is to be used for all royalty reporting (an Excel file is available upon request):

SCOPE PRODUCT ROYALTY REPORTING FORM								
Licensee:		Licensee-name		Applicable rate		Compliance <input type="checkbox"/> e		
Reporting Period:		Q2 2015				Compliance Rate <input type="checkbox"/>		
						Standard Rate <input type="checkbox"/>		
Trademark or Brandname	Model Name or Code	Product Type	Name Manufacturer	Country of manufacture	Country of Sale	Total Quantity Sold	from Summary TAB	Amount due
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This form must be send as excel file to :
 ips.ladcs (Functional Account) : ips.ladcs@philips.com
 with the following title in the mail-header : RFF [projectnumber] period Qx year

ANNEX C
Royalty Rates

Standard Rate and Compliance Rate:
[Example list – subject to the list of patents in ANNEX D]

Type	Compliance Rate	Standard Rate
Basic TV/STB	€ 0.45	€ 0.50
Smart TV/STB	€ 0.90	€ 1.00
4K UHD Smart TV/STB	€ 1.15	€ 1.25

ANNEX D

Patent Portfolio Lists for TV/STB Functionality

[to be added]

Subject to selected and agreed technologies and cluster of patents to be licensed]

ANNEX E
Past Use Royalty Reporting Form

[Based on based ANNEX B and as completed by Licensee]