

MPEG-2 License Terms Summary¹

- MPEG-2 Decoders and Encoders - \$2.50 per unit from Jan. 1, 2002 (\$4.00 per unit before Jan. 1, 2002), but \$2.00 from later of January 1, 2010 or execution of license through December 31, 2015
- Consumer Products - \$2.50 from Jan. 1, 2002 (\$6.00 per unit before Jan. 1, 2002), but \$2.00 from later of January 1, 2010 or execution of license through December 31, 2015
- From January 1, 2016 through December 31, 2017, royalty rates for MPEG-2 Decoders, MPEG-2 Encoders and MPEG-2 Consumer Products are \$0.50 per unit with right of voluntary termination on 30-days written notice, but Licensees may elect a royalty of \$0.35 per unit with right of voluntary termination on or after January 1, 2018
- From January 1, 2018 forward, royalty rates for MPEG-2 Decoders, MPEG-2 Encoders and MPEG-2 Consumer Products are \$0.35 per unit with right of voluntary termination on 30-days written notice

¹ This summary is for information purposes only. The MPEG-2 Patent Portfolio License provides the only definitive and reliable statement of license terms.

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- **MPEG-2 Packaged Medium**
 - Effective September 1, 2005, a simplified option was made available under which Licensees pay applicable MPEG-2 Video Event* rate (\$0.016 from later of January 1, 2010 or execution of license through December 31, 2015) for each MPEG-2 video disc regardless of its specific content or playing time (except where the playing time is 12 minutes or less in which case the royalty is \$0.01)
 - From January 1, 2016 forward, producers of MPEG-2 Packaged Medium in full compliance with the MPEG-2 Patent Portfolio License through 2015 will be deemed to have paid-up coverage without additional royalty after December 31, 2015 if the Enterprise with which the producer is affiliated continues in full compliance with the MPEG-2 License

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² MPEG-2 video information with normal playing time up to 133 minutes. For information on MPEG-2 Packaged Medium rates over course of the MPEG-2 licensing program, please consult the MPEG-2 License.

