

SAINT LAWRENCE COMMUNICATIONS AMR-WB LICENSE FEES

1- LICENSE FEES

A product must fall within a pricing category to constitute a Licensed Product.

(A) Initial Fee: \$6,500 payable on the date of the execution of this Agreement by the Parties.

(B) Quarterly Royalty Fee: Within thirty (30) days after the end of each calendar quarter during the term of this Agreement, Licensee shall pay to Licensor a Quarterly Royalty Fee. Such Quarterly Royalty Fee shall be the greater of (i) \$1,500 and (ii) the royalties due according to the pricing schedule below. For the first calendar quarter after the Effective Date, the Quarterly Royalty Fee shall be made in addition to the Initial Fee and payment for all royalties accrued prior to the Effective Date.

(C) Discounts: Discounts may apply to the royalty rates set forth in the pricing schedule below based on a number of factors, including without limitation, volume, early adoption, and scope of license.

Category 1- Pricing per Individual Consumer Device

Category 1- Pricing per Individual Consumer Device ⁽¹⁾			
per device	Decoder	Encoder	Codec
	\$0.20	\$0.20	\$0.20

⁽¹⁾ Category applies to Licensed Products which are hardware products excluding Handsets and excluding Wi-Fi Devices, limited to one application with a maximum of six (6) Realtime Channels allowed. For example, this category includes all individual consumer products (IP phones, etc.) and home based telecommunication products (e.g. home gateway for an operator).

Category 2- Professional Content Applications

Category 2- Professional Content Applications ⁽¹⁾			
	Decoding capability per application	Encoding capability per application	Encoding and Decoding capability per application
	\$13.00	\$13.00	\$26.00

⁽¹⁾ This category applies to infrastructure products which have no channel or session capability and the transcoding is always done "off-line". For example, an off-line content transcoder and professional content creation tools typically fall under this category 2.

Category 3a- Downloaded Content Applications

Category 3a- Downloaded Content Applications ⁽¹⁾⁽²⁾			
per downloaded application	Decoder	Encoder	Codec
	\$0.13	\$0.13	\$0.13

(1) “Downloaded Content Application” means a software application that cannot be used for telephony and which is separately sold or licensed to an Individual Consumer for installation on a device by the Individual Consumer but not integrated into, packaged with or otherwise offered with the device when sold or licensed. The scope of the license is limited to the application, i.e. it does not enable third party applications.

(2) For example, consumer content creation tools and media players may belong to this category.

Category 3b- Downloaded VoIP Applications

Category 3b- Downloaded VoIP Applications ⁽¹⁾⁽²⁾			
per downloaded application	Decoder	Encoder	Codec
	\$0.13	\$0.33	\$0.33

(1) “Downloaded VoIP Application” means a VoIP Application which is separately sold or licensed to an Individual Consumer for installation on a device by the Individual Consumer but not integrated into, packaged with or otherwise offered with the device when sold or licensed. The scope of the license is limited to the application, i.e. it does not enable third party applications.

(2) Category applies to VoIP Application with a maximum of six (6) Realtime Channels per device.

Category 4- Telecom and Multimedia Infrastructure

Category 4- Telecom and Multimedia Infrastructure ⁽¹⁾			
per Realtime Channel ⁽²⁾⁽³⁾	Decoder	Encoder	Codec
	\$0.40	\$0.40	\$0.40

(1) Category applies to Licensed Products where Realtime Channels can be counted. This category is for telecommunications and multimedia infrastructure including, but not limited to, base stations, base station controllers, radio network controllers, switching centers, gateways and servers. Board level products (blades) and programmable board level products are also included if they constitute a complete product.

(2) If the exact number of Realtime Channels in a Licensed Product can vary, then the maximum number of Realtime Channels that can be handled by the product will be used for royalty calculation.

(3) All upgrades to Licensed Products which add Realtime Channels to such Licensed Product shall be subject to reporting and License Fees.

Category 5- Licensed Products enabling 3rd party applications for Individual Consumer Devices

Category 5- Licensed Products enabling 3rd party applications for Individual Consumer Devices ⁽¹⁾		
	Decoder	Codec
Flat rate	\$0.27	\$0.40

(1) Category applies to Licensed Products which enable third party applications which are not Personal Computer Decoder or Handsets or Wi-Fi Devices.

Category 6 for wireless devices:

Choose one of the following two (2) fee options:

NON PREPAID OPTION

Category 6 - Pricing per Licensed Product ⁽¹⁾⁽²⁾			
Cumulative Volume	Decoder	Encoder	Codec
1 to 10,000,000	\$0.43	\$0.60	\$0.60
10,000,001 to 60,000,000	\$0.37	\$0.50	\$0.50
60,000,001 +	\$0.30	\$0.40	\$0.40

PREPAID OPTION

Category 6 - Pricing per Licensed Product ⁽¹⁾⁽²⁾⁽³⁾	
Prepaid Volume	Codec
10,000,000	\$0.55
60,000,000	\$0.45
100,000,000	\$0.40

(1) Category applies to Licensed Products with a maximum of six (6) Realtime Channels per Licensed Product. This category refers specifically to physical wireless end user devices including but not limited to Handsets or Wi-Fi Devices but excluding Personal Computers.

(2) Counting of Cumulative Device Volume will be reset annually.

(3) Prepaid Volume fee is payable in advance for the following year, on the Effective Date and on each anniversary of the Effective Date of the Agreement.