

RULES OF MEMBERSHIP

FORUM

Background

The Forum has been established for the purpose of encouraging the development of Network Interface Specifications for Compliant Network Products and to establish such Network Interface Specifications as open world standards for the benefit of end-users of Compliant Network Products. All such Network Interface Specifications will be developed through Member participation.

Each Network Interface Specification covers a specific Technical Area. The highest common denominators of all Network Interface Specifications are embodied in a Common Specification. When becoming a Member of this Forum, such Member shall opt for engagement in one or several Technical Area or Areas, by which its Scope of Membership is determined, and the Common Specification.

As specified herein, Members shall undertake to encourage and participate in the development of joint Network Interface Specifications for Compliant Network Products, to make public such Network Interface Specifications for the purpose of establishing an open world standard for the benefit of end-users of Compliant Network Products and to contribute with licenses and support the Forum in accordance with these Rules.

In order to facilitate the administration of the Forum, a management services company has been assigned and a non-profit company has been founded for the purpose of administration.

These Rules shall only govern the participation of Members in the Forum, and shall not apply to any other matters or any other rights or responsibilities between or among the Members except in connection with the Forum. Nothing in these Rules shall limit a Member from entering into an agreement with another Member or Members which modifies or supersedes these Rules in their dealings with each other.

1. Definitions

For the purpose hereof, the following capitalized terms shall have the respective meaning provided below:

- 1.1 “**Affiliate**” shall mean, with respect to any party hereto, any legal entity of, firm, partnership, proprietorship, or other legally recognizable form of

business entity, in whatever country organized or resident, directly or indirectly (i) owned or controlled by such party, (ii) owning or controlling such party or (iii) owned or controlled by any legal entity under common control with such party. For the purpose of this definition, “ownership” shall mean more than fifty percent (50%) beneficial ownership of the equity securities or interests of the legally recognizable entity or the ability to vote more than fifty percent (50%) of the aggregate votes cast at a partner or shareholder meeting (or the ability to control any single class of votes), in each case, only so long as such ownership or voting rights continue. For the purpose of this definition, “control” shall mean the power to direct or cause the direction of the management or policies of such legally recognizable entity, directly or indirectly, whether through the ownership of voting shares, by contract or otherwise.

- 1.2 **“Committee”** shall mean the committees as further described in these Rules.
- 1.3 **“Common Specification”** shall mean the overall specification which sets out the common denominators of all Network Interface Specifications adopted by the Forum. The Common Specification is a separate specification, to which all Network Interface Specifications will refer.
- 1.4 **“Company”** shall mean any non-profit company established for the purpose of facilitating the administration work of the Forum.
- 1.5 **“Compliant Network Product”** shall mean a network versatile software application or hardware product as set out in Appendix B.
- 1.6 **“Confidential Information”** shall mean any information disclosed in any form whatsoever (including, but not limited to, disclosure made in writing, orally or in the form of samples, models, computer programs or otherwise) by a Member to another Member under these Rules, provided that (i) if such information is disclosed by the disclosing Member in writing, it shall be marked as confidential at the time of disclosure, (ii) if such information is disclosed by the disclosing Member orally, it shall be identified as confidential at the time of disclosure and shall also be summarized and designated as confidential in a written memorandum delivered to the receiving Member within thirty (30) days of disclosure, (iii) if disclosed in any other manner, it shall be designated in writing as confidential at the time of disclosure.

- 1.7 **“Contributing Member”** shall mean a Member of the member level Contributing Members, which shall be open for Members who wishes to participate in the work of the Forum but do not want to accept the obligations expected of a Full Member.
- 1.8 **“Contribution”** shall mean a Member’s contribution, in terms of ideas and technologies, to the development of the Specifications.
- 1.9 **“Essential Intellectual Property Rights”** shall mean any Intellectual Property Right which would be necessarily and unavoidably infringed by the making, having made, designing, using, offering for sale, selling, importing, exporting, leasing or disposing by other means of those portions of a product that implements a Network Interface Specification in a particular country in the absence of a license or other authorization from the owner of such Intellectual Property Rights in such country. As used herein, “infringe” includes direct infringement, contributory infringement and/or inducement of infringement. For the avoidance of doubt, the Essential Intellectual Property Right shall not include any Intellectual Property Right which merely cover
- (i) any enabling technologies that may be necessary to make or use any product or portion thereof that complies with a Network Interface Specification, but are not themselves expressly set forth in a Network Interface Specification;
 - (ii) semiconductor manufacturing technology, DSP architecture, processor architecture/micro architecture, wireless communication technology, compiler technology, integrated circuit packaging technology, security technology, internal architectures of integrated circuits, applications which run on integrated circuits, audio coding technology, video coding technology or basic operating system technology;
 - (iii) any generally-available standard or format, whether in whole or significant part, not developed by or for the Forum, but referred to or incorporated in a Network Interface Specification, or
 - (iv) any portions of any product and any combination except for that portion or portions which are required solely in order to achieve an interface that is compliant with a Network Interface Specification;
 - (v) any methods or processes practiced, in whole or in part, over an interface that are not expressly set forth in a Network Interface Specification.
- Finally, Essential Intellectual Property Rights shall not include any Intellectual Property Rights which if licensable, would require a payment of royalties or other consideration by the relevant Member or its Affiliate (or any other party, if the context requires so) to third parties as a

result of licensing such Intellectual Property Rights in accordance with the terms hereof.

- 1.10 **“Forum”** shall mean the network versatile interface alliance between the Members described in these Rules.
- 1.11 **“Full Member”** shall mean a Member of the member level Full Members, which shall be open for Members who wishes to have full member rights as defined in Section 2.3 below.
- 1.12 **“Initiators”** shall mean the companies establishing the Forum, i.e Axis Communications AB, Robert Bosch GmbH and Sony Corporation.
- 1.13 **“Intellectual Property Rights”** shall mean patents, designs (registered or otherwise), know-how, copyrights, other works of authorship and similar rights, statutory or otherwise, together with applications thereof.
- 1.14 **“Logo(s)”** shall mean the trademark rights, copyrights and other rights in and to certain logos of the Forum, as set forth in Appendix A, which may be revised from time to time by a unanimous vote by the Steering Committee.
- 1.15 **“Member”** shall mean a member of any level of the Forum.
- 1.16 **“Network Interface Specification(s)”** shall mean the collective network interface specifications for Compliant Network Products, which are developed and adopted by the Forum in accordance with the terms and conditions of these Rules and which may be constituted by a single specification or several specifications divided into different functional areas. Each respective Network Interface Specification covers and rules the development work regarding the global standardization of a specific Technical Area. Such parts of the different Network Interface Specifications, which are deemed to be common, shall however be allocated to the Common Specification. It is anticipated that the Network Interface Specifications will address the interface protocol to realize the communication between the Compliant Network Products. For the avoidance of doubt, a Network Interface Specification shall be limited to include only the interface itself and not the resulting actions from such interface commands.
- 1.17 **“Observer Member”** shall mean a Member of the limited member level Observer Members, which shall be open for Members who do not want to participate in any work of the Forum, but who is granted certain limited

benefits such as the right to access Network Interface Specification test tools and to receive such information as discretionally provided by the Forum from time to time. However, an Observer Member may not present, claim, market or promote any hardware product or software application or other device to be qualified as a Compliant Network Product.

- 1.18 “**Other Committee**” shall mean the Committee set forth in Section 3.3.1.
- 1.19 “**Resign(ation)**” shall mean withdrawal, exclusion or suspension of membership as Member as set forth in Section 2.5 below.
- 1.20 “**Rules**” shall mean these Rules, including all attachments hereto, and any and all amendments to the Rules and/or such attachments.
- 1.21 “**Scope of Membership**” shall mean the Technical Areas opted for by a Member, by which the extent of such Member’s membership is determined.
- 1.22 “**Specification(s)**” shall mean the specifications, as established by the Technical Committee from time to time, for any Network Interface Specification.
- 1.23 “**Technical Area**” shall mean the different technical areas, covered by each respective Network Interface Specification, *inter alia* network video interface and access control. The Technical Areas are set forth in Appendix B, as amended from time to time.
- 1.24 “**User Member**” shall mean a Member of the member level User Members, which shall be open for Members who wishes to use one or several Network Interface Specifications and have access to Specification proposals, but do not want to participate in any work of the Forum.

2. **Forum membership**

2.1 Levels of Membership.

There shall be four (4) levels of membership (Full, Contributing, User, Observer) as specified in Section 2.3 below.

2.2 Conditions of Membership

Any association, partnership, organization, company or corporation, including its Affiliates, which has an interest in the Forum may, depending

on its business, become a Member of the Forum, upon satisfaction of the following conditions:

- A) execution of these Rules by a duly authorized representative of the proposed Member; and
- B) payment of such annual fees for membership as provided for in these Rules.

A Member shall remain in “good standing” as a Member provided the Member timely pays all dues, assessments, and other fees, executes and continues to agree to, and abides by, these Rules and any other Forum documentation and policies, and continues to meet all of the other requirements of membership, as from time to time determined by the Steering Committee.

Each Member may have its Affiliates involved in the activities of the Forum on behalf of itself. For the avoidance of doubt, each group of companies, which are Affiliates to each other, shall only be entitled to one (1) membership in the Forum. Each Member shall accordingly only have one (1) vote in any election or voting procedure to be performed in accordance with these Rules.

2.3 Rights and Obligations of Membership

The conditions, benefits, rights, privileges, and powers (if any) of any level of Members may be changed, and the conditions, benefits, rights, privileges, and powers of each such level may be prescribed, by adoption of an amendment to these Rules by a unanimous vote by the Steering Committee. Any such amendment shall be notified to the Members in writing and be effective upon the date of receipt thereof by the Members in accordance with Section 11.2 below. No amendment shall apply retroactively unless explicitly so stated by the Steering Committee.

2.3.1 Each **Full Member** shall be entitled to:

- A) participate in the work of and be nominated to chair any of the Committees;
- B) participate in such work group(s) which support the Network Interface Specifications encompassed by the relevant Scope of Membership for such Member;
- C) vote for the seats in any of the Committees;
- D) provide Contributions to the Network Interface Specifications

encompassed by the relevant Scope of Membership for such Member;

- E) have early access to the Network Interface Specifications encompassed by the relevant Scope of Membership for such Member, and marketing materials that are generally released by the Forum, prior to release to non-members, consistent with reasonable procedures from time to time established by the Technical Services Committee;
- F) use the Logos in accordance with Section 5.3 below; and
- G) participate in the Forum annual and other general membership meetings if held.

Each **Full Member** shall commit to use commercially reasonable efforts to meet all agreed upon target dates and/or milestones as may be defined by the Steering Committee from time to time. If the agreed upon targets or milestones cannot be met by any Full Member, it shall then immediately notify the other Full Members that the target dates as well as the milestones may require adjustments.

2.3.2 Each **Contributing Member** shall be entitled to:

- A) participate in the work of any of the Committees;
- B) participate in such work groups which support the Network Interface Specifications encompassed by the relevant Scope of Membership for such Member;
- C) vote for the seats in any of the Committees except the Steering Committee;
- D) provide Contributions to the Network Interface Specifications encompassed by the relevant Scope of Membership for such Member;
- E) have early access to Network Interface Specifications encompassed by the relevant Scope of Membership for such Member, and marketing materials that are generally released by the Forum, prior to release to non-members, consistent with reasonable procedures from time to time established by the Technical Services Committee;
- F) use the Logos in accordance with Section 5.3 below; and
- G) participate in the Forum annual and other general membership meetings if held.

2.3.3 Each **User Member** shall be entitled to:

- A) access Specification proposals.
- B) use the Logos in accordance with Section 5.3 below.

2.3.4 Each **Observer Member** shall be entitled to:

use the Logos in accordance with Section 5.3 below.

2.3.5 **All Full, Contributing and User Members** shall always use their best endeavours in creating and promoting any Specification while being a Member of the Forum. Promoting includes, without limitation, to provide Contributions and to grant licenses in accordance with these Rules for the purpose of the development of the relevant Network Interface Specification(s). Further, all Members shall always uphold and safeguard the interests of the Forum.

2.4 Membership Fees

Each Member shall pay an annual membership fee to the Company. Such fee may be different for different membership levels. The sole purpose of the said fee shall be to cover the administration costs related to the Company and the Logos and other costs directly related to the Forum. Subject to the annual budget of the Forum, which is proposed by each of the Other Committees and approved by the Steering Committee, the fee level shall annually be adjusted and approved by the Steering Committee, such approval to be granted without undue delay unless the difference between the suggested level and the current level reasonably can be considered to be too extensive. The annual membership fees, which apply for different levels of membership, are set out in Appendix C, which will be updated by the Steering Committee on a yearly basis

For the avoidance of doubt, each member shall be solely responsible for all of its expenses incurred by it in connection with being a Member.

2.5 Changes of membership

2.5.1 *Resignation*

Any Member may, in its sole discretion, withdraw from its membership of the Forum with a twenty (20) calendar days prior written notice to the chairman of the Steering Committee. No refund of membership fees is

payable upon withdrawal.

Any Member not in good standing as set forth in Section 2.2 above may be excluded or suspended from membership of the Forum by resolution of a majority vote of the Steering Committee.

Any warranties, licenses and/or commitment including such agreements as set forth in Section 5 below, given or granted by a Member within the work of the Forum and in accordance with the terms of these Rules, shall continue in full force and effect for (i) any Contribution made available to the Forum prior to the date of Resignation or (ii) any Intellectual Property Rights covering a Network Interface Specification established prior to the date of Resignation. In case of Resignation of a Member during any Review Period, as defined in Section 5.6 below, such Member shall grant all necessary licenses in and to Essential Intellectual Property Rights in accordance with Section 5.3.1 or 5.3.2 below, whichever is applicable.

After Resignation, a Member shall not undertake adverse actions against the Forum.

Any licenses and other rights (including but not limited to licenses to the Logos and Essential Intellectual Property Rights licenses) granted to a Member in accordance with the provisions of these Rules are terminated immediately upon Resignation.

2.5.2 Change of Scope of Membership

Each Full and Contributing Member is entitled to extend, diminish or otherwise alter its Scope of Membership with twenty (20) days prior written notice to the chairman of the Steering Committee. The provisions of Section 2.5.1 above shall apply in case of reduction of a Member's Scope of Membership by withdrawal from a Technical Area.

2.5.3 Change of Level of Membership

Each Member is entitled to change its level of membership with twenty (20) days prior written notice to the chairman of the Steering Committee. The provisions of Section 2.5.1 above shall apply in case a Member wants to descend from a higher level of membership to a lower level of membership.

2.6 Initiators

The Initiators are the founders of the Forum. Accordingly, the Initiators shall serve as Full Members with one (1) representative in the Steering

Committee and one (1) or more representatives in each one of the Committees.

For the purpose of continuity, one of the Initiators shall serve as chairman of the Steering Committee for the first two (2) years following the Formation Date as defined below. Thereafter, the Steering Committee shall appoint its chairman by majority vote at the first Steering Committee meeting following the annual meeting, as described in Section 3.1.1 below.

3. **Forum Organization and Operations**

The Forum is organized in a number of committees and work groups, which all work for the joint purposes of developing and marketing of the Network Interface Specifications. The main executive body is the Steering Committee.

3.1 Full and Contributing Member meetings and voting procedures

3.1.1 *Annual Meetings*

An annual meeting shall be held in connection with the anniversary of the Formation Date (as defined in Section 3.2.2 below), and all voting procedures shall occur at the annual meeting.

In case voting is requested by a Full Member or Contributing Member in the matters which may appear at the annual meeting, the voting shall be done by casting ballots with a 2/3 qualified majority vote rule applied.

Only one (1) vote shall be accorded for a Full Member or Contributing Member on matters for which it is able to cast a vote pursuant to these Rules.

Minutes shall be kept at all meetings between the Full Members and Contributing Members, and at Committee meetings. Such minutes shall be distributed to all Full Members and Contributing Members.

3.1.2 *Committee and Work Group Meetings*

In case voting is requested by a representative of a Full Member or a Contributing Member on a Committee or work group meeting, the voting shall be done by casting ballots with a 2/3 qualified majority vote rule applied. In such a vote, only one (1) vote shall be recorded for Full or Contributing Member. Quorum of any voting requires appearance of majority of the Members qualified in the applicable Committee.

Minutes shall be kept at all meetings between the Full Members and Contributing Members, and at Committee meetings. Such minutes shall be distributed to all Full Members and Contributing Members.

3.1.3 *Representation in Committees*

The seats in the Steering Committee and the Other Committees shall be held by Full Members and Contributing Members as such. Accordingly, each of the Full Members and the Contributing Members may appoint and replace its representatives in the applicable Committees at its discretion.

3.2 Steering Committee

3.2.1 *General*

The Steering Committee shall consist of no more than seven (7) representatives. Only Full Members are represented in the Steering Committee. Each Member of the Steering Committee shall be entitled to have, as a maximum, one (1) representative in the Steering Committee.

In the event of a merger between two (2) Members, the merged Member, if a Full Member, will have only one (1) representation in the Steering Committee.

A Full Member may resign from the Steering Committee by written notice to the chairman of the Steering Committee.

In the event that any Member of the Steering Committee is absent from the meeting of the Steering Committee more than three (3) consecutive occasions, such Member shall be automatically disqualified from membership of the Steering Committee.

3.2.2 *Initial Steering Committee*

For a period following the Formation Date, as defined below, the following shall apply as to the Steering Committee.

The Steering Committee and the Forum shall be deemed established on the date on which all Initiators make one (1) Steering Committee representative available (the “**Formation Date**”).

In connection with establishing the Forum, the Initiators may invite certain potential members to become Members of the Forum, and may thereafter invite them to participate with initial representatives in the Steering Committee.

3.2.3 *Steering Committee Elections*

Subject to Section 2.6, Steering Committee elections for open positions, up to the total maximum representatives set out in Section 3.2.1 above, shall be held at the annual meeting. Any such positions shall be appointed by voting by the Full Members. Such appointments shall be made for a term of one (1) year. Voting shall be performed in accordance with Section 3.1 above.

The chairman of the Steering Committee shall be appointed in accordance with Section 2.6 above. The chairman shall appoint a person to serve as the vice chairman. In absence of the original chairman the vice chairman shall take act as chairman during the meetings.

Any possible changes of members of the Steering Committee shall come in effect immediately after the annual meeting has been closed.

A Full Member shall announce its candidacy to the Steering Committee to the chairman of the Steering Committee, minimum forty (40) calendar days prior to the anniversary date of the Formation Date. All candidates for open Steering Committee positions shall be announced to the Full Members minimum thirty (30) calendar days prior to the anniversary meeting.

Vacancies will be filled at the next regular Steering Committee Election unless only one (1) or two (2) Steering Committee Members remain, in which case additional Full Members shall be invited to the Steering Committee by the chairman until there are a minimum of three (3) members in the Steering Committee.

3.2.4 *Steering Committee Duties and Responsibilities*

The Steering Committee shall have the power to determine its own internal governance in order to accomplish the tasks related to its duties and responsibilities described below, and as otherwise required to run the Forum:

- A) The Steering Committee shall in its own, or through its members or appointed officers, handle the organization and work of the Forum.
- B) The Steering Committee shall decide on the assignment to the management association. For establishment of the Forum, the Initiators may decide, by unanimous vote, on such assignment and may contract with the management association on behalf of the Forum.

- C) The Steering Committee shall adopt amendments to these Rules as it deems necessary for the benefit of the Forum.
- D) The Steering Committee shall decide on exemptions from the general rule of non-remunerative licenses, in cases where a Member has made a disclosure of Essential Intellectual Property Rights according to Section 5.5 below and requested a right to license such rights on reasonable and non-discriminatory terms.
- E) The Steering Committee shall organize the annual meetings, and in cooperation with the Other Committees, the voting procedures at said annual meetings.
- F) The Steering Committee shall define the work areas for the Technical Committee.
- G) The Steering Committee shall approve the budgets of the Other Committees and subject to such budget shall determine the annual membership fee.
- H) The chairman of the Steering Committee shall act as a spokes person for the Forum.
- I) The Steering Committee shall safeguard and uphold the interests of all Members of the Forum equally, regardless of level of membership and Scope of Membership.

3.2.5 *Voting Procedures*

Decisions by the Steering Committee in accordance with Section 3.2.4 B) (Assignment to the management association) and 3.2.4C) (Amendments to these Rules) shall be made by unanimous vote. For the avoidance of doubt, the adoption of a new Technical Area in accordance with Section 5.4 below shall not be deemed to constitute an amendment to these Rules requiring a unanimous voting result.

Decisions by the Steering Committee in accordance with Section 3.2.4 D) (Exemptions from the general rule of non-remunerative licenses) 3.2.4 F) (Work areas for the Technical Committee), 3.2.4 G) (Annual membership fee) and 5.4 (Adoption of new Technical Areas) shall be made by 2/3 qualified majority vote.

3.3 Other Committees

3.3.1 *General*

The Other Committees are the following: Technical Committee, Technical Services Committee, and Communication Committee.

The Other Committees shall each consist of no more than seven (7) representatives of which at least five (5) shall be Full Members and two (2) may be Contributing Members. Only Full Members and Contributing Members are represented in the Other Committees. Each Member of each of the Other Committees shall be entitled to have, as a maximum, one (1) representative in each of the Other Committees.

In the event of a merger between two (2) Members, the merged Member, if a Full or Contributing Member, will have only one (1) representation in each of the Other Committees. Affiliate of Full Member or Contributing Members shall not be entitled to have representation in the Other Committees.

A Full Member or Contributing Member may resign from one (1) of the Other Committees by written notice to the chairman of that committee.

In the event that any Member of the Other Committee is absent from the meeting of the applicable Other Committee or the work group thereof more than three (3) consecutive occasions, such Member shall be automatically disqualified from membership of such Other Committee.

3.3.2 *Initial Phase of the Other Committees*

For the initial period following the Formation Date and until the first annual meeting the following shall apply as to the Other Committees.

The Other Committees shall be deemed established, at a date following the Formation Date on which three (3) Full Members or Contributing Members for the Other Committee are available.

3.3.3 *Other Committees Elections*

The procedure described in relation to the Steering Committee in Section 3.2.3 above (other than that for the first Steering Committee), shall apply *Mutatis Mutandis* to the appointment of members to the Other Committees.

Each of the Other Committees shall appoint a chairman by majority vote at the first Committee meeting following the annual meeting, as described in Section 3.1.1 above. The chairman shall appoint a person to serve as the vice chairman. In absence of the original chairman, the vice chairman shall chair the meetings.

3.3.4 *Voting Procedures*

Unless otherwise explicitly provided for herein, all decisions by the Other Committees shall be made by majority vote.

3.4 Technical Committee

3.4.1 *Technical Committee Duties and Responsibilities*

The Technical Committee shall organize its work in accordance with the instructions from the Steering Committee, and in areas where needed to form technical work groups, and set the frames for future development of the Network Interface Specifications, which the Technical Committee shall govern and administer. The Technical Committee shall have the following responsibilities:

- A) The Technical Committee shall, directly or through its work groups, receive Contributions and proposals of extensions of the Network Interface Specifications from Full Members and Contributing Members of the Forum.
- B) The Technical Committee shall govern and co-ordinate the content of the Common Specification, including, but not limited to any updates thereof, and ensure that the highest common denominators of each respective Network Interface Specification are properly identified in the Common Specification. Also, the Technical Committee ultimately, by 2/3 qualified majority vote, adopts the Common Specification. The Technical Committee shall further review for approval, by 2/3 qualified majority vote, initiation of the adoption procedure for new versions of the Common Specification in accordance with Section 5.6 below, which may lead to the full embracement of such new versions by the Forum.
- C) The Technical Committee shall, prior to starting up work in new work areas, obtain approval from the Steering Committee.
- D) The Technical Committee shall govern and administer the work in its approved work areas.
- E) The Technical Committee shall define and approve, by 2/3 qualified majority vote, work items for work groups (which may consist of one (1) or more individuals) organized under the Technical Committee.
- F) The Technical Committee shall receive work item project proposals

from the work groups.

- G) Project proposals from work groups shall be reviewed and approved by the Technical Committee. Approval of such project proposals requires 2/3 qualified majority vote of the Technical Committee.
- H) The Technical Committee shall receive Specification proposals, based on approved project proposals, from the work groups regarding one or several Network Interface Specifications.
- I) The Technical Committee shall receive or instigate proposals for new Technical Areas, and forward such proposals to the Steering Committee for the initiation of the adoption procedure set out in Section 5.4 below, provided however that the Technical Committee has decided, by 2/3 qualified majority vote, to recommend such adoption to the Steering Committee.
- J) The Technical Committee shall review for approval, by 2/3 qualified majority vote, initiation of the adoption procedure for a Specification proposal in accordance with Section 5.6 below, which may lead to the full embracement of the Specification proposal by the Forum.
- K) The Technical Committee shall forward to the Steering Committee all disclosures of Essential Intellectual Property Rights made by Members in accordance with Section 5.5 below.
- L) The Technical Committee shall decide, by 2/3 qualified majority vote, whether to proceed with the adoption procedure for a Specification proposal in cases described in Section 5.6 B) below.
- M) The chairrman shall act as a spokes person for the Technical Committee.

3.5 Technical Services Committee

3.5.1 *Technical Services Committee Duties and Responsibilities*

The Technical Services Committee shall organize its work in accordance with the instructions from the Steering Committee, and with the main tasks listed below:

- A) The Technical Services Committee shall define and create a verification and self certification process for Compliant Network Products.

B) The chairman shall act as a spokes person for the Technical Services Committee.

3.6 Communication Committee

3.6.1 *Communication Committee Duties and Responsibilities*

The Communication Committee shall organize its work in accordance with the instructions from the Steering Committee and govern and administer planning of promotional activities of the Forum through events such as trade shows, press announcements and the Forum's web site, and preparation of exhibitions and promotional materials thereto.

A) The Communication Committee shall initially set up a Forum web site through which communication with the Members, and to the extent applicable external parties, primarily shall take place.

B) The Communication Committee shall appoint one (1) PR spokes person for the Forum.

C) The chairman shall act as a spokes person for the Communication Committee.

4. **Intellectual Property Rights**

4.1 All Intellectual Property Rights created solely by employees of a Member in pursuance of these Rules shall belong exclusively to that Member and it shall have the right to make applications for protection for such Intellectual Property Rights.

4.2 All Intellectual Property Rights created jointly by employees of two (2) or more of the Members in pursuance of these Rules ("Joint IPR") shall, unless otherwise agreed between such Members, be jointly owned by those Members having at least one (1) creator (the "Participating Parties"). The Participating Party which becomes first aware of the relevant Joint IPR shall inform the other Participating Parties on a confidential basis about this fact and each Participating Party shall ensure that all rights necessary to fulfil these Rules are forthwith complied with.

4.3 The Participating Parties shall for each Joint IPR, agree on the details of the first filing, further filing, prosecution, maintenance and defense, relating to applications for protection of the Joint IPR in the joint names of all agreeing Participating Parties. In case no such agreement is reached in a

reasonable time, each Participating Party shall be entitled to file, prosecute, maintain and defend, at its own expense, Joint IPR in its own name, provided it gives to the other Participating Parties at least thirty (30) days notice of its intention to do so. Any other Participating Party may give notice within said thirty (30) days of its intention to join said filing. Any Participating Party not joining a filing shall sign all documents necessary for a filing to proceed in the names of the joining Participating Parties.

- 4.4 The costs of filing and maintaining agreed applications for protection and granted rights in respect of any Joint IPR shall be shared equally between the Participating Parties agreeing to those filings.
- 4.5 Any Participating Party choosing not to join any filing or any Participating Party choosing not to share the costs of filing and maintaining agreed applications and rights granted shall, subject to any applicable law of employee inventions, assign its ownership in such filing or granted rights to the remaining Participating Parties.
- 4.6 Each Participating Party undertakes to license any Joint IPR, if an Essential Intellectual Property Right, in accordance with Section 5 below of these Rules.
- 4.7 If and as long as a Participating Party shares in the costs, where applicable, as a joint applicant to file, obtain, maintain and defend against opposition and revocation actions in respect of applications to protect such Joint IPR (all hereinafter referred to as "IPR costs"), the granting of licenses to third parties under rights resulting from the Joint IPR shall be subject to the mutual agreement of the Participating Parties, provided that the Joint IPR is Essential Intellectual Property Right and is subject to Section 5 below.
- 4.8 Any provision related to Joint IPR herein shall not imply any license under any Intellectual Property Rights which a Member or its Affiliates may own independent of these Rules, except if expressly agreed in these Rules.

5. **Licensing of Intellectual Property Rights**

5.1 Network Interface Specifications

All Members agree that the Company will own the copyright of each and every Network Interface Specification, provided that, if any part of a Network Interface Specification constitutes a Member's Contribution, copyright of such part shall be retained by such Member and shall be

subject to the license as the Essential Intellectual Property Rights as set forth below.

5.2 Logos

The Logos shall be the exclusive property of the Company.

Each Full, Contributing and User Member is hereby granted a non-exclusive, non-remunerative, worldwide license to use the Logos for the sole purpose of (i) promoting and endorsing its membership in the Forum, and (ii) promoting and marketing its Compliant Network Products, developed in accordance with the relevant Scope of Membership of such Member.

Each Observer Member is hereby granted a non-exclusive, non-remunerative, worldwide license to use the Logos for the sole and limited purpose of promoting and endorsing its membership in the Forum.

Any use of the Logos shall always be in accordance with the Logo guidelines (Appendix A), as established by the Communication Committee from time to time

5.3 Contributions and License Grants

It is expressly understood and acknowledged by the Members that participation in the work of the Forum does not imply any transfer of intellectual property rights or other rights between the Members other than as expressly agreed between the Members. However, as established in Section 5.2 above, any copyright related to a Network Interface Specification itself shall be vested in the Company.

5.3.1 *Non-remunerative License to Essential Intellectual Property Rights*

By signing these Rules, all Full, Contributing and User Members grant to all other Full, Contributing and User Members, under the Essential Intellectual Property Rights of such Member and for the term of such Essential Intellectual Property Rights, a non-exclusive, non-transferable, non-remunerative license to these Essential Intellectual Property Rights on a worldwide basis, to make, design, have made, use, offer to sell, import, export, lease or otherwise dispose of Compliant Network Products, as encompassed by such Member's relevant Scope of Membership(s), and consequently release all other Full, Contributing and User Members from

any and all claims of infringement of such Essential Intellectual Property Rights.

5.3.2 *License to Essential Intellectual Property Rights on Reasonable and Non-discriminatory Terms.*

The obligation to license Essential Intellectual Property Rights according to Section 5.3.1 above shall not apply in case a Member has made a disclosure of Essential Intellectual Property Rights in accordance with Section 5.5 below and in connection therewith stated that it is – subject to the Steering Committee’s approval thereof – willing to offer to all Full, Contributing and User Members, for the term of the Essential Intellectual Property Rights, a non-exclusive, non-transferable license to the Member’s Essential Intellectual Property Right on a worldwide basis, to make, design, have made, use, offer to sell, import, export, lease or otherwise dispose of Compliant Network Products, as encompassed by such Member’s relevant Scope of Membership(s), subject to reasonable and non-discriminatory terms, including but not limited to a reasonable royalty or other fee.

For the avoidance of doubt, the Forum will not be involved in determining reasonable and non-discriminatory terms according to this Section 5.3.2, and will not make any assurance that the obligation to apply such terms are fulfilled in practice by the Member offering the license.

5.3.3 *Copyright License*

Further, by signing these Rules, all Full and Contributing Members agree to grant to Company, and to all other Full, Contributing and User Members, a non-exclusive, perpetual, non-remunerative, sublicensable copyright license under such Member’s copyrights in any Contribution made by such Member to reproduce, distribute, perform, display, and create derivative works of the Contribution solely for the purpose of producing and distributing the relevant Network Interface Specification(s).

5.4 Adoption of a new Technical Area

In order to adopt a new Technical Area, the Technical Committee shall, subject to Section 3.4 D) above, initiate such adoption procedures by sending a proposal hereof by written notice to the Steering Committee. The Steering Committee shall thereafter review the proposal and evaluate its compliance with the overall purpose of the Forum as expressed in the preamble of these Rules, the Common Specification, the Technical Areas

previously adopted and the general possible contribution the proposed new adoption may generate.

A new Technical Area is adopted by 2/3 qualified majority decision hereof by the Steering Committee. Once such decision has been taken, the Technical Committee shall appoint a work group for the practical execution of the adoption.

The work group shall act in accordance with the procedure set forth in Section 3.4.1 above. Review of and voting procedures regarding the proposal of a new Network Interface Specification pertaining to such adopted Technical Area shall take place in accordance with the provisions of Section 5.6 below.

5.5 Obligation to Disclose Essential Intellectual Property Rights

The development of the Network Interface Specifications or the Common Specification presupposes that the work groups and the Members have as much information about any Intellectual Property Rights constraints on new versions as possible. It is therefore a requirement that all Members must disclose the existence of such Essential Intellectual Property Rights held by the Members, for which the Members are not willing to grant a non-remunerative license according to Section 5.3.1 above (for the avoidance of doubt, disclosure of Essential Intellectual Property Rights is not mandatory if the Member is willing to grant non-remunerative licenses thereto). Full and Contributing Members, which are part of a work group, must make such disclosure as soon as reasonably possible if any such Member determines that the draft specification of such work group encompasses, or is likely to encompass, Essential Intellectual Property Rights held by the Member. In all other cases, Members are required to disclose any Essential Intellectual Property Rights as soon as they become aware that a draft specification encompasses or is likely to encompass, such Member's Essential Intellectual Property Rights, and in all events prior to the expiration of the Review Period (as defined below in Section 5.6).

A disclosure of Essential Intellectual Property Rights according to the above must include a list of the numbers of any issued patents or published patent applications and a reference to the portion of the draft specification affected. The disclosure shall be addressed to the Technical Committee. It shall include a written statement indicating whether or not such Member is willing to grant a license to its Essential Intellectual Property Rights on reasonable and non-discriminatory terms according to Section 5.3.2 above. Said option for the

disclosing Member to be exempted from the general rule of non-remunerative licenses as set forth in Section 5.3.1 above is always subject to Steering Committee's approval thereof. Consequently, the Technical Committee will forward any and all disclosures of Essential Intellectual Property Rights made in accordance herewith to the Steering Committee.

The Technical Committee shall be responsible for maintaining and publish a list of Essential Intellectual Property Rights disclosed by a Member. Further details on the procedure for disclosing Essential Intellectual Property Rights are available at [hyperlink].

If Essential Intellectual Property Rights are disclosed by a Full or a Contributing Member at work group stage, the Technical Committee shall decide how to proceed with regard to the draft specification, including evaluating alternative technologies for the purpose of revising or modifying the draft Specification so it negates the disclosed Essential Intellectual Property Rights.

The Forum disclaims any responsibility for identifying the existence of or for evaluating the applicability of any Essential Intellectual Property Rights, disclosed or otherwise, to any Network Interface Specification, the Common Specification or any versions thereof, and it will take no position on the validity or scope of any such Essential Intellectual Property Rights or a disclosure thereof. However, the Technical Committee may take into account their own opinions of the validity, enforceability or applicability of Essential Intellectual Property Rights in their evaluation of alternative technologies as described above.

Any misuse of the obligation to disclose Essential Intellectual Property Rights, or failure to make such disclosures, according to this Section 5.5 is a violation of these Rules, and can ultimately lead to the exclusion or suspension of the Member in accordance with Section 2.5.1 above.

5.6 Adoption of new versions of a Network Interface Specification

To adopt any version of a Network Interface Specification or the Common Specification, a written notice (which shall include a copy of the proposed specification) shall be sent by the Technical Committee to all Full, Contributing and User Members advising of a voting procedure to be held for the purposes of adopting such new version. Such voting shall take place at least ninety (90) days after submission to said Members of the proposed new version (the "**Review Period**").

If the proposed draft specification encompasses Essential Intellectual Property Rights of a Member, such Member is required to make a disclosure thereof as soon as possible according to the procedure set forth in Section 5.5 above.

(A) If Essential Intellectual Property Rights are disclosed during the Review Period, and the Member holding such Essential Intellectual Property Rights has stated to the Technical Committee that it is not willing to grant any license to such Essential Intellectual Property Rights, the proposed draft specification, including any portion thereof, cannot be adopted by the Forum.

(B) If Essential Intellectual Property Rights are disclosed during the Review Period and the Member has stated to the Technical Committee that it is willing to grant licenses to such Essential Intellectual Property Rights on reasonable and non-discriminatory terms, the Technical Committee shall decide whether to proceed with an adoption of the new version subject to such license grant. A decision by the Technical Committee to proceed with an adoption requires (i) that the Steering Committee approves an exemption from the general rule of non-remunerative licenses and (ii) that the implementation of the portion of the new version encompassing Essential Property Rights of the Member is optional. The Forum holds firm to the principle that no mandatory-to-implement technology can be specified in a new version of a Specification unless a non-remunerative license is available to all Full, Contributing and User Members.

If a Member has failed to disclose Essential Intellectual Property Rights at the expiration of the Review Period, such Member is not entitled to refuse a non-remunerative license to any of its Essential Intellectual Property Rights.

Unless any rejection is notified as set forth above under (A), or the Technical Committee has decided not to proceed with an adoption as set forth above under (B), or if no Essential Intellectual Property Rights are disclosed during the Review Period, a voting shall be open, during the fifteen (15) days immediately following the expiration of the Review Period, for Full Members and Contributing Members on the subject of adoption or non adoption by the Forum of the proposed new version. Each Full Member's or Contributing Member's vote shall be submitted in writing to the Technical Committee within the said fifteen (15) day period. The proposed new version shall be adopted if 2/3 of the votes from Full

Members are in favour of adoption and not more than ¼ of the total number of votes are against, provided however that at least one half (1/2) of the Members voting against the proposal are Full Members.

For the avoidance of doubt, the Forum and the Members do not provide any warranty of any kind as regards infringement of third parties' Intellectual Property Rights. Accordingly, any implementation of a new version of a Specification is at the risk of the implementing Member. The Specifications may however include references to Intellectual Property Rights of third parties which need to be licensed and that are known at the time of adoption.

6. **Competition Law Compliance**

6.1 General

The Forum will conduct all of its activities in conformance with all applicable antitrust laws. The Steering Committee shall consult legal counsel and seek legal review whenever necessary to ensure that the activities of the Forum are conducted in conformance with such laws.

Members will be combining unique experiences and skills to create open specifications for communication between network devices. This purpose would otherwise be difficult to achieve through the independent efforts of each company. Members are committed to fostering open competition in the development and sales of products and services related to communication between Compliant Network Products. Members also understand that in certain lines of business they are direct competitors and that it is imperative that they and their representatives act in a manner which does not violate any antitrust laws. Thus, all Members shall comply with all applicable antitrust laws. Members shall not exchange any information regarding the price of their products or services, the cost of their products or services, the release timing of their products or services or the terms and conditions under which they are sold or any topic which may be construed as a violation of antitrust laws. Members are not required to develop or market any offerings, and are not precluded from engaging in any business activities whatsoever, even if they are competitive with the activities conducted under the Forum.

6.2 No Obligation to Endorse

No Member shall, by reason of its membership, or participation in the activities, of the Forum or otherwise, be obligated to license, use or endorse any technology developed or endorsed by the Forum, or to conform any of its products to any standards or specifications developed or adopted by the Forum, nor shall any such Member be precluded from independently licensing, using or endorsing similar intellectual property, software, specifications or documentation developed by it or by others.

7. **Confidentiality**

7.1 Obligations

A recipient of Confidential Information shall

- A) not disclose Confidential Information to any third party;
- B) be allowed to disclose Confidential Information to its Affiliates or contractors provided such Affiliate or contractor is subject to obligations substantially identical to those set forth in these Rules;
- C) restrict dissemination of Confidential Information to only those of its employees and contractors and other Members who need to know for the purposes of carrying out work in accordance with these Rules and which are subject to confidentiality obligations substantially identical to those set forth in these Rules;
- D) use the same degree of care as for its own information of like importance, but at least use reasonable care, in safeguarding against disclosure of Confidential Information; and
- E) use Confidential Information solely for the purposes of the development of the Specifications in accordance with the terms and conditions of these Rules.

7.2 Exceptions

Section 7.1 above imposes no obligation upon a Member with respect to Confidential Information disclosed to such Member under these Rules which:

- A) is now available or becomes available to the public without breach of these Rules;
- B) is explicitly approved for release by written authorization of the

disclosing Member;

- C) is lawfully obtained from a third party or parties without a duty of confidentiality;
- D) is known to such Member prior to such disclosure; or
- E) is at any time developed by the Member independently of any such Confidential Information.

7.3 No Licenses

No license, express or implied, is granted to the recipient under any of the disclosing Member's Intellectual Property Rights to use the Confidential Information for purposes other than the purposes of these Rules.

7.4 Term

The recipient's obligations regarding Confidential Information received under these Rules expire five (5) years from the date of receipt of each Confidential Information.

8. **Standards of Care**

Each Member shall use commercially reasonable efforts to apply the level of a scientific care which is customary in the relevant industry and shall comply with generally accepted rules of technology, unless any other Member expressly represents and warrants certain features of the result of a certain development project.

9. **Liability**

9.1 General

Save for act of gross negligence and/or wilfulness in no event shall any Member be liable to the other Members for incidental damages, punitive damages, lost profits, lost savings or any other such damages, including consequential damages, regardless of whether the claim is for breach of contract, breach of warranty, tort (including negligence), failure of a remedy to accomplish its purpose or otherwise, even if such Member has been advised of the possibility of such damages.

9.2 Intellectual Property Rights

No Member shall have any liability to any other Member for infringement of Intellectual Property Rights of third parties.

10. Governing Law and arbitration

- 10.1 These Rules shall be governed by the substantive laws of Switzerland.
- 10.2 The Members agree to attempt to settle any claim or controversy arising out of these Rules through consultation and negotiation in the spirit of mutual cooperation. If those attempts fail, then the dispute will be submitted for non-binding mediation conducted by a mediator accepted by the Steering Committee. The mediator will be chosen by the Steering Committee within twenty-one (21) days after written notice by either Member demanding mediation.
- 10.3 Any dispute which cannot be resolved between the Members through negotiation or mediation within forty-five (45) days of the date of the initial demand for mediation by one of the Members shall be finally settled by a Court of Arbitration to be convened at Zürich/Switzerland. The Court of Arbitration shall consist of three (3) arbitrators. The Court of Arbitration shall act on the basis of the Rules of Arbitration of the International Chamber of Commerce. The arbitrators shall be appointed in accordance with the said Rules. The Code of Civil Procedure of the Canton Zurich shall supplement said Rules. Arbitration proceedings shall be conducted in English.
- 10.4 Nothing in this Section 10 will prevent any Member from resorting to judicial proceedings, if (i) the claim or suit involves Intellectual Property Rights, or (ii) interim relief from a court is necessary to prevent serious and irreparable injury to that Member or to others.

11. Miscellaneous

- 11.1 These Rules does not create a joint venture, partnership or other form of business initiative among the Company and the Members nor an obligation, except as expressly stated herein, to develop, make available, use, license, buy or sell any information, product, services or technology.
- 11.2 Wherever notice is required in these Rules, such notice shall be in writing and shall be deemed to have been duly given if mailed by first class mail, postage prepaid, addressed to the person or entity entitled to

receive the same, or delivered personally to such party, or sent by facsimile transmission, or sent by electronic mail, or sent by courier, to the addresses of the Members, Steering Committee and Other Committees announced on the Forums Webpage or to such other address, in any such case, as any Member hereto shall have last designated by notice to the Steering Committee. Notice shall be deemed to have been given on the day that it is so delivered personally or sent by facsimile transmission and the appropriate answer back or confirmation of successful transmission is received or, if sent by courier, shall be deemed to have been given two (2) business days after delivery by the courier company, or if mailed, ten (10) business days following the date on which such notice was mailed.

- 11.3 No Members shall assign or otherwise transfer its rights or obligations under these Rules without the approval of seventy-five percent (75%) of the Members of the Steering Committee.
- 11.4 Each Member agrees to comply with all applicable laws, rules and regulations, including without limitation, those relating to the export or re-export of technical data when exporting or re-exporting any products relating to the Forum.
- 11.5 Except as otherwise explicitly provided for in these Rules, all costs and expenses incurred by any Member in carrying out its obligations under these Rules shall be paid by the Member that incurred the expense. Each Member shall possess or obtain at its own expense all necessary licenses or permits.
- 11.6 If any provision of these Rules is invalid, illegal or unenforceable at law, the rest of the provisions remain in effect and the invalid, illegal or unenforceable provision shall be modified to the minimum extent necessary to make such provision valid, legal or enforceable, as the case may be. The headings in these Rules are for reference only. They will not affect the meaning or interpretation of these Rules.
- 11.7 No Member shall bear any responsibility or liability for any losses arising out of any delay or interruption of its performance of obligations under these Rules due to any act of God, act of governmental authority, or due to war, flood, civil commotion, labour difficulty, severe or adverse weather conditions, lack or shortage of electrical power malfunctions of equipment or software programs or any other cause beyond the reasonable control of the Member delayed.
- 11.8 These Rules may be executed in counterparts, each of which shall be

deemed an original, but all of which together shall constitute one and the same instrument.

- 11.9 These Rules sets forth the entire agreement and understanding between the Members as to the subject matter hereof and supersedes any prior versions of these Rules and merges all prior discussions between the Members. Neither of the parties shall be bound by any conditions, definitions, warranties, waivers, releases or representations (either expressed or implied) with respect to the subject matter of these Rules, other than expressly set forth herein (including the exhibits hereto), or as duly set forth on or subsequent to the date hereof in writing signed by a duly authorized representative of the party to be bound thereby.

12. **Termination**

These Rules shall terminate when all Full Members terminate their membership, or all Full Members agree on termination of these Rules, whichever occurs earlier; provided that (i) in case of the termination of these Rules, remaining membership fee is to be equally distributed to each Member as of such termination, (ii) Sections 4.6 and 5 above shall survive the termination of these Rules to the extent it relates to the latest version of the Network Interface Specifications, and (iii) Section 7 shall survive the termination of these Rules.

APPENDIX A: Logo(s)

List of logos

- ONVIF Logo
- ONVIF Logo with tagline
- ONVIF Profile Logos

Conditions of use:

A Member may use the ONVIF Logo or the ONVIF Logo with tagline for communication of the Member's Membership in the Forum.

A Full, Contributing and User Member may use the ONVIF Profile Logos for product marking of its versatile network interface product derived from a Specification, which compliance has been proven by fulfilling the compliance procedure established by the Forum.

Any use of the Logos shall be subject to appliance of the Logo Guidelines as established from time to time by the Steering Committee.

APPENDIX C: Membership Fees

The membership fees for the year 2016 shall be:

- Full Member: USD 20,000
- Contributing Member: USD 10,000
- User Member: USD 2,000
- Observer Member: USD 500