

THREAD GROUP

INTELLECTUAL PROPERTY AND CONFIDENTIALITY POLICY

1. Background

1.1 Background. The Thread Group, Inc. (the “Alliance”) is a nonprofit non-stock Delaware corporation formed for purposes including, but not limited to, enabling low power, secure whole home connectivity for IoT (Internet of Things) devices. Comments or questions about the Alliance Intellectual Property Policy (the “IP Policy”) should be directed to the Alliance’s Board of Directors through the Executive Director.

1.2 Intellectual Property Basis. The Alliance will initially adopt the Thread 1.0 Specification as developed jointly, and submitted to the Alliance, by the Founding Members. The Alliance may also develop Successor Thread Specifications. The IP Policy is intended to maximize the likelihood of widespread adoption of the Thread 1.0 Specification and Successor Thread Specifications by Alliance Participants.

1.3 Legal Compliance. Participants are bound to the terms of the IP Policy (to the extent the Policy explicitly recites obligations of Participants) by virtue of their membership in the Alliance. The IP Policy is designed to comply with all applicable law, including federal and state antitrust laws.

2. Definitions

Unless defined explicitly in this policy, the terms in this IP Policy shall have the meaning given in the Bylaws of the Alliance. For the purposes of this IP Policy, the capitalized terms below shall have the meaning defined in this Section 2, while any other capitalized terms used in this IP Policy shall have the meanings respectively assigned to them. The definitions in the singular form shall also be applicable to the plural form and vice-versa, where the context so requires.

“Affiliate” means a corporation, company or other entity that owns or controls a Participant, or is owned or controlled by a Participant or is under common control with a Participant, but such corporation, company or other entity shall be deemed to be an Affiliate only so long as such ownership or control exists. For the purposes of this definition “own or controls” means owning or controlling, directly or indirectly, more than fifty percent (50%) of the outstanding shares or securities (representing the right to vote for the election of directors or other managing authority) or more than fifty percent (50%) of ownership interest representing the right to make the decisions for such corporation, company or other entity.

“Associate” means a Participant *not* considered a “member” within the meaning of the Delaware General Corporation Law as applied to non-stock corporations.

“Compliant” means compliance with the relevant portions of a Final Specification as tested and verified in accordance with formal certification procedure and programs established by the Alliance.

“Contribution” means information, data, materials, publications, architecture, white papers, presentations, proposals, charts, functional and technical specifications, submitted by a

Participant for incorporation in a Draft Specification or Final Specification but does not include software, firmware, computer programs, code, hardware, or mask works.

“Copyrights” means copyrights of a Participant or its Affiliates pertaining to a Contribution of that Participant, a license to which is necessary to finalize, reproduce and distribute the Thread 1.0 Specification, and to develop, reproduce and distribute a Successor Thread Specification.

“Draft Specification” means a set of documents designated as an Alliance Draft Specification, including without limitation, Successor Thread Specifications, test tool, test plan, reference design documents, certification program and generally any document marked "Draft Specification" or words of similar meaning by the Alliance included in the set, and all Contributions included in the Draft Specification.

“Essential IPR” means one or more claims in patents, patent applications, and utility models (hereinafter jointly referred to as “Patents”) which, absent any license, it is unavoidable that they be directly infringed to make, use, market, import, offer to sell, or sell, and to otherwise directly or indirectly distribute, or otherwise commercially exploit products compliant with the Required Portions of a Final Specification. Explicitly excluded from “Essential IPR” are any claims of any Patent, even if other claims of that Patent are Essential IPR, directed to technology that may be used to develop, design, manufacture, sell or use any product or portion thereof that complies with the Final Specification but is not expressly set forth therein (examples of such technologies include without limitation semiconductor manufacturing technology, compiler technology, object oriented technology, and basic operating system technology).

“Executive Director” means an employee or contractor of the Alliance whose duties and responsibilities have been set forth by the Alliance Board of Directors.

“Excluded IPR” means Essential IPR identified in a Licensing Objection.

“Final Specification” means a Draft Specification that has been adopted by the Board in accordance with the Bylaws and this IP Policy as Final Specification. Such Final Specification may carry the marking Thread 1.X Specification, Thread 2.0 Specification, or other similar marking as resolved by the Board of Directors.

“Granting Participant” means a Participant granting a license to Essential IPR.

“Incremental Aggregate Contributions” means all Contributions submitted by all Participants included in a Final Specification for a Successor Specification that do not pre-exist in any prior Final Specification.

“Licensed Material” means only those specific portions of a Requesting Participant's product (hardware, software, or combinations thereof) that (a) implement and are Compliant with all the Required Portion(s) of the applicable Draft Specification or Final Specification; and (b) to the extent that the Requesting Participant's products implement one or more optional portions of such Draft Specification or Final Specification, those portions of Requesting Participant's products that implement and are Compliant with all Required Portions that must be implemented to comply with such optional portions of the Draft Specification or Final Specification.

“License on Controlled Terms”: a copyright license that requires that the use, copying, modification and/or distribution of a modified version or a derivative work (hereinafter “Derivative Work”) of provided information be subject, in whole or in part, to one or more of the following terms:

- (i) the Derivative Work be made available to any third party on request, whether royalty-free or not;

- (ii) that permission to create modified versions or derivative works of the Derivative Work be granted to any third party; and
- (iii) that a royalty-free license relating to the Derivative Work be granted to any third party.

For the avoidance of doubt, any license that merely permits (but does not require) any of (i)-(iii) is not a License on Controlled Terms.

“Member” means a Participant considered a "member" of the Alliance within the meaning of the Delaware General Corporation Law as applied to non-stock corporations.

“Participant” means Member and/or Associate.

“RAND-RF License” means a nonexclusive, worldwide, non-sublicensable (except to Affiliates), perpetual patent license (or an equivalent non-assertion covenant) to Essential IPR licensable by a Granting Participant without consent of and/or payments to third parties (including all Essential IPR to which Granting Participant obtains such right in the future) and contained in a Final Specification on fair, reasonable, and non-discriminatory terms without payment of royalties or fees to make, have made, use, market, import, offer to sell, and sell, and to otherwise directly or indirectly distribute, or otherwise commercially exploit, Licensed Material. For the sake of clarity, the rights set forth above include the right to directly or indirectly authorize a third party to make unmodified copies of the Receiving Participant’s Licensed Material and to license (optionally under the third party's license) the Receiving Participant’s Licensed Material within the scope of and subject to the terms of the Receiving Participant’s RAND-RF License and acceptance by the third party of this IP Policy. The RAND-RF License may include a term providing that such RAND-RF License may be suspended with respect to the Receiving Participant if that Receiving Participant commences legal action against the Granting Participant for infringement by the Granting Participant of any of the Receiving Participant's Essential IPR.

“Receiving Participant” means a Participant receiving a license to Essential IPR.

“Required Portion” means a portion of a Draft Specification or Final Specification that must be implemented to comply with such Draft or Final Specification. If such Draft Specification or Final Specification defines optional parts, Required Portions include those portions of the optional part that must be implemented if the implementation is to comply with such optional part.

“Thread 1.0 Specification” means the initial Thread Specification, as developed outside the Alliance by the Founding Members and contributed thereby to the Alliance.

“Subcontractor” means any individual not directly employed by a Participant or the Alliance.

“Successor Thread Specification” means a Final Specification providing additions to or modification of the Thread 1.0 Specification or portion as adopted by the Alliance Board of Directors.

3. Thread 1.0 Specification Intellectual Property Licensing

3.1 Basis. The Thread 1.0 Specification will be contributed to the Alliance by the Founding Members as a Draft Specification, and submitted to the Alliance Board of Directors for adoption of the Thread 1.0 Specification as a Final Specification in accordance with the process set forth in the Bylaws.

3.2 Prior to adopting the Thread 1.0 Specification as a Final Specification, the Board of Directors shall provide the Participants a sixty (60) day review period (Specification Review Period) during which each Participant can review the Thread 1.0 Specification with respect to any intellectual property licensing issues including, without limitation, consideration of such Member's licensing obligations with respect to any Essential IPR that may be contained therein. If, during the License Review Period, a Participant in good faith believes that such Participant is unwilling to provide a RAND-RF license under such Essential IPR under the terms of this IP Policy, that Participant must within the License Review Period provide written notification to the Secretary of the Alliance of its intent not to grant licenses under such Essential IPR ("Licensing Objection"). Such Licensing Objection shall be made by completing the Licensing Objection form adopted by the Alliance, which form shall not impose any obligations going beyond those of this IP Policy and explicitly require to identify at least:

- (a) the Essential IPR that such Participant identifies as Excluded IPR and desires to exclude from the licensing commitments under this IP Policy;
- (b) the part(s) of the Thread 1.0 Specification to which the Excluded IPR identified under (a) pertains;
- (c) the legal entity owning or controlling (such as a sole and exclusive licensee) the Excluded IPR; and
- (d) the terms and conditions (if any) under which the legal entity owning or controlling the Excluded IPR is willing to grant licenses to the Excluded IPR.

3.3 In the event that a Participant does not properly submit a Licensing Objection compliant with Section 3.2 within the License Review Period, the licensing provisions of this Section 3 shall apply, and only in the event that a Participant properly submits a Licensing Objection compliant with Section 3.2 within the Specification Review Period, will the Participant not be required to grant licenses to the Excluded IPR under the terms of this IP Policy. However, a Participant cannot identify as Excluded IPR any Essential IPR pertaining to a Contribution that the Participant made to the Thread 1.0 Specification (Contributed Essential IPR) and any Licensing Objection shall be null and void for all purposes under this IP Policy as far as such Contributed Essential IPR is concerned.

3.4 In the event that one or more Licensing Objections compliant with Section 3.2 is timely received by the Secretary, the Board of Directors shall:

- (i) promptly notify all Participants of the receipt of such Licensing Objection(s);
- (ii) request the Participants' input on the alternative terms of license offered, if any;
- (iii) designate the Technical Committee to review and evaluate each Licensing Objection, as well as alternatives for the Thread 1.0 Specification that render the Excluded IPR non-Essential IPR, and set a time-limit within which the Technical Committee shall deliver to the Board of Directors the results of its findings; and

(iv) determine whether or not the alternative terms offered and/or alternatives rendering the Excluded IPR non-Essential are technically and commercially feasible and decide on a course of action that leads to the lowest amount of costs for the Participants' use of the Thread 1.0 Specification.

3.5 Ownership of Rights. The intellectual property rights to Contributions contained in the Thread 1.0 Specification shall be owned by the Member who made the Contribution. Such Member shall have the right to obtain in its own name patents, copyrights, registrations, and similar other protections, but without any obligation to do so.

3.6 RAND-RF License. Except with respect to Excluded IPR for which a valid Licensing Objection is submitted, each Participant hereby covenants that it will grant every other Participant a RAND-RF License for the Thread 1.0 Specification. With respect to Excluded IPR, each Participant hereby covenants that it will grant to every other Participant a license under such Excluded IPR on terms and conditions not more costly or restrictive than those described in such Participant's Licensing Objection under Section 3.2(d).

3.7 License Limitation. Such RAND-RF License need not extend to features of Licensed Material that are not required to comply with the Required Portions of the Thread 1.0 Specification.

3.8 No Other License. The Participants agree that no patent license, immunity or other right is granted under this Section 3 by any Participant either directly or by implication, estoppel or otherwise, other than the agreements to grant licenses expressly set forth in this Section 3, and that no patent license, immunity or other right is granted to non-Participants.

3.9 Transfer of Essential IPR. Any transfer by a Participant to a third party of a Patent having Essential IPR shall be subject to the terms and conditions of this IP Policy, including but not limited to all obligations to grant licenses hereunder. A Participant who transfers ownership of Essential IPR shall include appropriate provisions in the relevant transfer documents to ensure that this undertaking is binding on the transferee, and that the transferee will similarly include appropriate provisions in the event of future transfers with the goal of binding all successors-in-interest. Notwithstanding the forgoing, the undertaking shall be interpreted as binding on successors-in-interest regardless of whether such provisions are included in the relevant transfer documents. For the purpose of this provision, a transfer of ownership shall include any means of transferring control by a Participant of Essential IPR regardless of the legal means and includes granting (sole and) exclusive licenses, and assigning actual ownership.

3.10 Copyright License. Each Participant hereby grants to the Alliance and each other Participant, a worldwide, irrevocable, nonexclusive, nontransferable, fully-paid up and royalty-free, copyright license to reproduce, create derivative works, distribute, display, and perform, and sublicense the rights to reproduce, distribute, display and perform, the Thread 1.0 Specification solely for the purposes of developing, publishing and distributing the Thread 1.0 Specification and related materials. Further, each Participant hereby grants to the Alliance a worldwide, irrevocable, nonexclusive, nontransferable, fully-paid up and royalty-free, copyright license to reproduce, create derivative works, distribute, display, perform and sublicense the rights to reproduce, distribute, display and perform promotional material, and also hereby grants

to each other Participant, solely for the purpose of promoting the Alliance or the Thread 1.0 Specification, a worldwide, irrevocable, nonexclusive, nontransferable copyright license to reproduce, distribute, display and perform promotional material. Effective as of the approval of the Thread 1.0 Specification, each Participant hereby conveys to the Alliance a non-exclusive, undivided, and equal ownership in the copyrights in the Thread 1.0 Specification which shall for the purpose of copyrights be deemed ownership of a collective work under 17 USC 201(c) (collectively “Materials”) while retaining ownership of the copyrights in any Contribution made by such Participant. The Alliance may exercise any and all rights of copyright ownership and sublicense such rights in the Materials as if such rights were solely owned by the Alliance, without permission of the granting Member and without any duty to account. This Section 3.10 shall survive any withdrawal from membership of such granting Member.

3.11 Copyright Notice. The Thread 1.0 Specification shall contain an appropriate copyright notice in the name of the Alliance.

4. **Successor Specification Intellectual Property Licensing**

4.1 Notice to Participants. Upon resolution by the Alliance Board of Directors to develop a Draft Specification for a Successor Thread Specification, the Alliance shall provide all Participants with not less than thirty (30) days’ prior notice (notice may be via email to all Members or via a publication on the Alliance’s official website, or such other method as the Board directs) of the initiation of a new activity for the development of a Successor Thread Specification. Such notice shall include at least a scope of the intended specification as approved by the Board in accordance with the Bylaws.

4.2 Contribution Process. A Technical Committee, to be chartered by the Board of Directors, shall have the responsibility for drafting and developing a Draft Specification for the Successor Thread Specification, which shall be submitted to the Board of Directors to decide on acceptance as a Final Specification. Each Participant may at its discretion submit Contributions and exchange with other Participants any information the submitting Participant deems useful to develop a Draft Specification for the Successor Thread Specification. No Participant shall be compelled to submit any such Contributions; nor will the submission of any such Contributions affect the Participant’s intellectual property rights in any manner other than explicitly set forth in this IP Policy.

4.3 Review Period. Prior to accepting a Draft Specification for a Successor Thread Specification as a Final Specification by the Board of Directors, the Alliance, acting through the Secretary, shall distribute the Draft Specification to all Participants. Each Participant shall have forty-five (45) days following distribution (the “License Review Period”) to review the Draft Specification with respect to any intellectual property licensing issues including, without limitation, consideration of such Member’s licensing obligations with respect to any Essential IPR that may be contained therein.

4.4 Licensing Objection. If, during the License Review Period, a Participant in good faith believes that such Participant is unwilling to provide a RAND-RF License under its Essential IPR to the Final Specification for a Successor Thread Specification in accordance with Section 4.8 hereof, that Participant must, within the License Review Period, provide written

notification to the Secretary of the Alliance of its intent not to grant a RAND-RF License under such Essential IPR (“Licensing Objection”). Such Licensing Objection shall be made by submitting a Licensing Objection in the form adopted by the Alliance and available on the Alliance website (the “Licensing Objection Form”). Each section of the Licensing Objection Form that is applicable must be completed with the requested detail in order for the Licensing Objection to be compliant. The Alliance reserves the right to make reasonable changes, consistent with this IP Policy, to the format and/or content of the Licensing Objection Form at any time by posting a revised Licensing Objection Form at its website. All Licensing Objections made more than 30 days after the posting of a revised Licensing Objection Form must use such revised Licensing Objection Form in order to be compliant. The Licensing Objection Form shall not impose any obligations going beyond those of this IP Policy and explicitly require to identify at least:

- (a) the Essential IPR that such Participant identifies as Excluded IPR and desires to exclude from the RAND-RF licensing commitments under this IP Policy;
- (b) the part(s) of the Draft Specification to which the Excluded IPR identified under (a) pertains;
- (c) the legal entity owning or otherwise controlling (such as a sole and exclusive licensee) the Excluded IPR; and
- (d) the terms and conditions (if any) under which the legal entity owning or controlling the Excluded IPR is willing to grant licenses to the Excluded IPR.

4.5 Impact of Valid Licensing Objection. In the event that a Participant properly submits a Licensing Objection compliant with Section 4.4 within the License Review Period and does not thereafter withdraw such Licensing Objection, such Participant shall not be required to grant RAND-RF Licenses under the identified Essential IPR in accordance with Section 4.8. However, such Licensing Objection is invalid to the extent it: (i) identifies as Excluded IPR any Essential IPR pertaining to a Contribution that Participant made to the Draft Specification for a Successor Thread Specification (Contributed Essential IPR) or (ii) identifies Essential IPR that is Essential IPR for any previously adopted Final Specification.

4.6 Notice and Process for Licensing Objections. In the event that one or more Licensing Objections compliant with Sections 4.4 and 4.5 is timely received by the Secretary and not withdrawn within a reasonable period of time, the Board of Directors shall: (i) promptly notify all Participants of the receipt of such Licensing Objection(s); (ii) request the Participants’ input on the alternative terms of license offered, if any; (iii) designate the Technical Committee to review and evaluate each Licensing Objection, as well as alternative design options or recommendations for the Successor Thread Specification that render the Excluded IPR non-Essential IPR for the Successor Thread Specification; and (iv) determine whether or not the alternative terms offered and/or alternatives rendering the Excluded IPR non-Essential are technically and commercially feasible and decide on a course of action that leads to the lowest amount of costs for the Participants’ use of the Successor Thread Specification. The Technical Committee shall deliver to the Board of Directors the results of its findings within a reasonable period of time

4.7 Ownership of Rights. The intellectual property rights to Contributions contained in the Draft Specifications or Final Specification for Successor Thread Specifications shall be owned by the Participant making the Contribution. Such Participant shall have the right to obtain in its own name patents, copyrights, registrations, and similar other protections, but without any obligation to do so.

4.8 License Grant. Participant hereby covenants that it will grant every other Participant a RAND-RF License for the Final Specification for each Successor Thread Specification, except as provided herein:

(a) Subject to Section 4.8(c), no Participant is obligated to grant a RAND-RF License for Incremental Aggregate Contributions to a Participant who has submitted, and not withdrawn, a valid Licensing Objection pertaining to such Incremental Aggregate Contributions;

(b) With respect to Participants that submit and do not withdraw a valid Licensing Objection identifying Excluded IPR, each such Participant hereby covenants that:

(i) it will grant to every other Participant a license under such Excluded IPR on terms and conditions not more costly or restrictive than those described in such Participant's Licensing Objection under Section 4.4(d); and

(ii) it will grant every other Participant a RAND-RF License to Essential IPR not identified by the Licensing Objection for the Final Specification for such Successor Thread Specification.

(c) Each Participant is obligated to grant, to a Participant that submits and does not withdraw a valid Licensing Objection, a license to Incremental Aggregate Contributions on terms and conditions that are reciprocal of or otherwise reasonably similar to those identified in the submitted Licensing Objection.

4.9 License Limitation. Such license need not extend to features of Licensed Material that are not required to comply with the Required Portions of the Final Specification for a Successor Thread Specification.

4.10 No Other License. The Participants agree that no patent license, immunity or other right is granted under this Section 4 by any Participant to any other non-members or third parties, either directly or by implication, estoppel or otherwise, other than the agreements to grant licenses expressly set forth in this Section 4.

4.11 New Participant Review. Upon joining the Alliance as a Participant, such Participant shall be permitted forty-five (45) days to review any previously adopted and published Final Specification for any and all Essential IPR (the "Withdrawal Review Period"). In the event that such Participant refuses to grant all other Participants a RAND-RF License for Essential IPR included in all previously adopted and published Final Specifications, such Participant must withdraw from the Alliance prior to the expiration of the Withdrawal Review

Period with no obligation to submit a Licensing Objection. Upon joining the Alliance as a Participant, such Participant shall be permitted a certain period of time (the “Draft Specification Review Period”) to review any distributed Draft Specification for a Successor Thread Specification that has a License Review Period overlapping with the Withdrawal Review Period. The Draft Specification Review Period shall have a maximum duration equal to the License Review Period but in no event extend past the last day of the License Review Period. Such Participant may submit a Licensing Objection for such Draft Specification and such Licensing Objection will be deemed valid as long as such Licensing Objection is (i) submitted prior to the expiration of the Draft Specification Review Period and (ii) compliant with Sections 4.4 and 4.5. In the event a Participant withdraws from the Alliance prior to the expiration of the Draft Specification Review Period, such Participant shall have no obligation to submit a Licensing Objection and shall not be obligated to grant licenses under Section 4.8 for the corresponding Successor Thread Specification.

4.12 Transfer of Essential IPR. Any transfer by a Participant to a third party of a Patent having Essential IPR shall be subject to the terms and conditions of this IP Policy, including but not limited to all obligations to grant licenses hereunder. A Participant who transfers ownership of Essential IPR shall include appropriate provisions in the relevant transfer documents to ensure that this undertaking is binding on the transferee, and that the transferee will similarly include appropriate provisions in the event of future transfers with the goal of binding all successors-in-interest. Notwithstanding the forgoing, the undertaking shall be interpreted as binding on successors-in-interest regardless of whether such provisions are included in the relevant transfer documents. For the purpose of this provision, a transfer of ownership shall include any means of transferring control by a Participant of Essential IPR regardless of the legal means and includes granting (sole and) exclusive licenses, and assigning actual ownership.

4.13 Intellectual Property Rights of Third Parties. Each Participant agrees to use its best efforts not to use, and in any case not to use knowingly, as part of any material or information supplied to any Participant pursuant to this Agreement or as part of any Contribution, any information subject to any copyright of a third party, including subcontractors, except in the event that the copyright is disclosed clearly in writing to all the other Participants or the Participant has acquired the right to grant licenses that is not a License on Controlled Terms. Each Participant is responsible for obtaining its own rights to any intellectual property rights which may be held by a third party, including subcontractors.

4.14 Copyright License. Each Participant hereby grants to the Alliance and each other Participant, a worldwide, irrevocable, nonexclusive, nontransferable, fully-paid up and royalty-free, copyright license to reproduce, create derivative works, distribute, display, and perform and sublicense the rights to reproduce, distribute, display and perform each Final Specification solely for the purposes of developing, publishing and distributing the Final Specification and related materials. Further, each Participant hereby grants to the Alliance a worldwide, irrevocable, nonexclusive, nontransferable, fully-paid up and royalty-free copyright license to reproduce, create derivative works, distribute, display, perform and sublicense the rights to reproduce, distribute, display and perform promotional material, and also hereby grants to each other Participant, solely for the purpose of promoting the Alliance or any Final Specification, a worldwide, irrevocable, nonexclusive, nontransferable copyright license to reproduce, distribute, display and perform promotional material. Effective as of the approval of

each Final Specification, each Member hereby conveys to the Alliance a non-exclusive, undivided, and equal ownership in the copyrights in the Final Specification which shall for the purpose of copyrights be deemed ownership of a collective work under 17 USC 201(c) (collectively "Materials") while retaining ownership of the copyrights in any Contribution made by such Participant. The Alliance may exercise any and all rights of copyright ownership and sublicense such rights in the Materials as if such rights were solely owned by the Alliance, without permission of the Participant and without any duty to account. This Section 4.17 survives any withdrawal from membership of such Participant.

4.15 Copyright Notice. Each Final Specification shall contain an appropriate copyright notice in the name of the Alliance.

5. Alliance Developed Intellectual Property

5.1 Alliance Intellectual Property. Any intellectual property developed or created: (i) by any of the Alliance's employees, if any, alone; or (ii) by a contractor to the Alliance performing work for the Alliance on a "work made for hire" basis; (iii) or during any meetings of the Alliance Participants as the collective work product thereof; or (iv) otherwise solely assigned to or procured by the Alliance (collectively "Alliance Intellectual Property"), shall be owned exclusively by the Alliance. Except with respect to the Alliance trademarks and promotional materials, which will be licensed to Participants pursuant to a separate license agreement, each Participant shall have an irrevocable, royalty-free, worldwide, unlimited license in any Alliance Intellectual Property created during that Participant's membership in the Alliance. No rights are granted to prepare derivative works of the Alliance Intellectual Property.

5.2 Notification and Delivery. The Alliance shall notify each Participant of the adoption of all Alliance Intellectual Property promptly upon its adoption by the Alliance Board of Directors, or in the event that a committee of the Board of Directors is delegated the task of adopting intellectual property, upon its adoption by such committee. Each Participant may receive a copy of such Alliance Intellectual Property as may be comprised of Alliance trademarks, service marks, and corresponding logos connoting membership in the Alliance, in document or electronic form, upon request to the Secretary of the Alliance, and execution of a License Agreement governing its use. Any other Alliance Intellectual Property shall be licensed to Participants on a case by case basis, on terms approved by a majority of the Board of Directors.

5.3 Copyright License to Participants. As to the Final Specifications adopted by the Alliance prior to or during a Participant's participation in the Alliance, or other copyrighted materials of the Alliance, the Alliance hereby grants each Participant an irrevocable (except for breach), nonexclusive, non-sublicensable, nontransferable, fully-paid up and royalty-free copyright license to, internally (within the participating company including Affiliates or, subject to a restricted use nondisclosure agreement, third party contractors of the participating company) reproduce, distribute, perform, create derivative works of and display the Final Specifications and promotional materials, as reasonably necessary to develop and commercialize products based upon the Final Specifications, procure products based upon the Final Specifications, or design, develop or implement internal systems and processes based upon the Final Specifications. This license to the Participants expressly excludes the right to create

derivative works except under the restrictions set forth in this Section 5.3 and in any case excludes making derivative works for the purpose of developing products not compliant with the Thread 1.0 Specification or any Successor Thread Specification.

5.4 Trademarks. In the event that the Alliance proposes to adopt any other name or logo as a trademark or trade name (collectively, “Trademarks”), the Alliance shall notify the Participants in writing of the proposal. The Alliance will not adopt any Trademark for which a Participant has notified the Alliance of reasonable objections, notably that the proposed trademark affects trademarks owned, used or adopted by the Participant. The Alliance shall take such steps as the Board of Directors deems necessary and proper to protect its rights under the Trademarks adopted for use by the Alliance and the Alliance shall own such Trademarks and the goodwill from the Trademarks shall be for the benefit of the Alliance. In furtherance thereof, the Board of Directors shall establish and disseminate reasonable conditions and procedures for the licensing and use of the Trademarks adopted for use by the Alliance, fully-paid up royalty-free and demonstrably free of any unfair discrimination among the Participants. Each Participant agrees that unless it provides written notice to the Executive Director of that Participant’s challenge to the proposed Trademark prior to its adoption by the Board of Directors, then the Participant shall not assert against the Alliance or any Participant any trademark or trade name rights they may have or thereafter possess in the proposed Trademarks. Each Participant agrees not to use or adopt any trademarks for any product, service, guideline, specification, or standard likely to cause confusion with any of the Trademarks adopted by the Alliance, unless agreed by the Board of Directors or already used or adopted by the Participant prior to adoption of the Trademark by the Alliance.

5.5 Patents. The Alliance will not assert claims to or against any patent held by any Participant. The Alliance does not currently contemplate either the development or acquisition of any patents to be owned by the Alliance. Any patent to be developed or acquired by the Alliance shall be in all respects subject to a patent policy (either general, or specific to a particular patent) adopted by the Board of Directors, as an amendment to this IP Policy, which shall ensure availability of RAND-RF licenses thereto for the Participants.

5.6 Defense of Alliance Intellectual Property. Subject to the prior approval of the Alliance Board of Directors, the Alliance may initiate legal proceedings, at the Alliance’s cost, to restrain infringement of Alliance Intellectual Property on behalf of the Alliance, upon the terms and conditions agreed to by the Alliance Board of Directors.

6. Confidentiality

6.1 Disclosure of Participant Confidential Information. “Participant Confidential Information” means valuable information concerning a Participant’s business which is not generally known to the public and is disclosed to the Alliance. A Participant may disclose confidential information to other Participants in connection with this Agreement or in furtherance of the Alliance’s purposes subject to the provisions of this Section 6.1. Confidential Information may be disclosed: i) in writing; ii) by delivery of items; iii) by authorized access to the Confidential Information, such as may be contained in a document; and iv) by oral and/or visual presentation. All materials containing the Confidential Information must have a restrictive marking of the disclosing Participant at the time of disclosure. Confidential Information

disclosed orally must be summarized in writing provided to the recipient Participant within thirty (30) days of disclosure. In addition to the foregoing, all discussions among Participants pursuant to this Agreement or relating to the Alliance's purposes, as well as all minutes of meetings, draft Proposals, or other materials prepared by or on behalf of the Alliance, shall be considered the Confidential Information of each Participant.

6.2 Protection. For three (3) years after disclosure of Confidential Information, the recipient Participant will:

(a) Not disclose Confidential Information to any third party other than as expressly permitted under this IP Policy;

(b) Restrict disclosure of Confidential Information to only those employees and subcontractors of the recipient Participant who need to know the Confidential Information for the Alliance's purposes as and who are bound by confidentiality terms at least as restrictive as those in this Agreement;

(c) Be liable to the disclosing Participant for any use of Confidential Information by any such employees and subcontractors in violation of such terms;

(d) Not reverse engineer, de-compile or disassemble any Confidential Information;

(e) 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;

(f) Promptly notify the disclosing Participant upon discovery of any unauthorized use or disclosure of that Participant's Confidential Information and take reasonable steps to regain possession of the Confidential Information and prevent further unauthorized actions or other breach of this Agreement;

(g) Only use the Confidential Information in connection with the Alliance's purposes; and

(h) return to the disclosing Participant all materials received there from containing Confidential Information and destroy all copies thereof, at the option of the Participant, or certify in writing that all such Confidential Information has been destroyed upon the termination of this IP Policy or upon the written request of the disclosing Participant.

6.3 Residuals. Notwithstanding anything herein to the contrary, any Participant may use Residuals for any purpose, including without limitation use in development, manufacture, promotion, sale and maintenance of its products and services; provided that this right to Residuals does not represent a license under any patents, copyrights or other registerable intellectual property rights of the disclosing Participant. "Residuals" means any information retain in the unaided memory of the persons that have had access to Confidential Information compliant with the terms of the IP Policy. A person's memory is unaided if the person has not referred to notes or copies of the Confidential Information or intentionally memorized the

Confidential Information for the purpose of retaining and subsequently using or disclosing it. Nothing in this paragraph, however, shall be deemed to grant to the receiving Participant a license under the disclosing Participant's intellectual property rights.

6.4 Required Disclosures. If the recipient Participant is required to disclose Confidential Information pursuant to applicable law, statute, or regulation, or court order, the recipient Participant will give to the disclosing Participant prompt written notice of the request and a reasonable opportunity to object to such disclosure and seek a protective order or appropriate remedy. If, in the absence of a protective order, the recipient Participant determines, upon the advice of counsel, that it is required to disclose such information, it may disclose only Confidential Information specifically required and only to the extent required to do so.

6.5 Exceptions. The obligations under this section 6 shall not apply to the extent that Participant Confidential Information includes information for which the receiving Participant can prove that it has been: is:

- (a) Already rightfully in the recipient Participant's possession or rightfully received by recipient Participant without breach of a non-disclosure obligation to the disclosing Participant;
- (b) Developed independently by recipient Participant without the use of any of disclosing Participant Confidential Information or any breach of this Agreement;
- (c) Publicly available when received, or thereafter becomes publicly available through no fault of the recipient Participant;
- (d) Disclosed by the disclosing Participant without breach of a non-disclosure obligation to the disclosing Participant; or
- (e) Is required to be disclosed by a government agency or by a proper order of a court of competent jurisdiction; provided, however, that the receiving Participant will use its best efforts to minimize such disclosure and will consult with and assist the disclosing Participant in obtaining a protective order prior to such disclosure.

6.6 Confidentiality Obligations. The Alliance agrees to maintain in confidence Participant Confidential Information and not to disclose such information to any person except its employees or consultants to whom it is necessary for the purpose which such Participant may hereafter authorize in writing. The Alliance shall take reasonable measures to maintain the confidentiality of Participant Confidential Information.

These obligations shall not apply to the extent that Participant Confidential Information includes information which:

- (a) The Alliance proves was already known to the Alliance at the time of disclosure;
- (b) Becomes publicly known through no act or failure to act of the Alliance;

(c) Is independently developed by the Alliance without reference to the Confidential Information of the Participant;

(d) Is approved for release by written authorization of the Participant;
or

(e) Is required to be disclosed by a government agency or by a proper order of a court of competent jurisdiction; provided, however, that the Alliance will use its best efforts to minimize such disclosure and will consult with and assist the Participant in obtaining a protective order prior to such disclosure.

6.7 Ownership. All materials including, without limitation, documents, drawings, models, apparatus, sketches, designs and lists furnished to the Alliance by a Participant which contain Participant Confidential Information shall remain the property of the Participant. The Alliance shall return to the Participant or destroy such materials and all copies thereof, at the option of the Participant, and certify in writing that all such Confidential Information has been returned or destroyed upon the termination of this IP Policy or upon the written request of the Participant. However, the recipient Participant may retain one (1) archival copy of the Confidential Information that it may use only in case of a dispute concerning this Agreement. No license, express or implied, in the Confidential Information is granted under this Agreement other than to use the Confidential Information in the manner and to the extent authorized in this Section 5.

6.8 Applicability. The provisions of this Section 6 shall govern communications between the Participants relating to the Alliance's purposes. Nothing in this Section 6 is intended to govern communications that do not relate to the Alliance's purposes ("Other Communications") or to modify any agreement between two or more Participants relating to any Other Communications.

6.9 Alliance Agent Confidentiality Obligations. When an advanced written agreement between a Participant and the Alliance designate one or more employee(s) of Participant an agent of the Alliance, such agent shall be bound by the confidentiality provisions of this Section 6.

6.10 Termination. Upon termination of a Participant's membership, the Alliance shall cease to use that Participant's Confidential Information and shall comply with Section 6.7 within twenty (20) days of the date of termination. All Alliance Agents which have Participant Confidential Information shall also cease to use the Participant Confidential Information and shall comply with Section 6.7 within twenty (20) days of the date of termination. Participant's Contributions are explicitly excluded from this paragraph, and this paragraph shall not be interpreted as any limitation on the rights to use the Participant's Contributions to develop the Successor Thread Specification for which the Contribution was made.

6.11 Participant Remedies. A Participant may initiate an action for injunctive relief to restrain improper disclosures of its Participant Confidential Information and/or an action

for damages for improper disclosures of its Participant Confidential Information against the Alliance, Alliance Agents, or other Participants.

7. General IPR Clauses

7.1 License Rights of Participants. This IP Policy shall not supersede, modify or prevent any licensing agreements or arrangements by or between Participants, by or between the Alliance and one or more Participants, or by or between Participants, the Alliance and/or any third parties. In addition, this IP Policy shall not be construed to imply any separate obligation or agreement by or between Participants.

7.2 No Search Requirement. No obligation in this IP Policy shall require any Participant to carry out patent or other searches of its patent portfolio for claims that could become Essential IPR to a Draft Specification, the Successor Thread Specification, and the Final Specification.

7.3 Affiliates. Any rights granted under, and obligations arising out of this IP Policy to a Participant extend to its Affiliates, but under no circumstances can an Affiliate claim more rights arising out of this IP Policy than a Participant. Any rights granted to Affiliates of a Participant under this IP Policy only exist for as long as they are Affiliates of that Participant and to the extent they accept the obligations of that Participant. Any and all such rights terminate without any notification when the Affiliate ceases to be an Affiliate of that Participant or when the rights of the Participant terminate.

7.4 Name, Trademark and Trade name Use. Nothing in this Agreement gives any Participant permission to use any other Participant's name, trademark or trade name in any publication or in respect of any service or item to be supplied to the public, whether relating to the Agreement or otherwise and any such use shall be subject to the explicit prior written consent of the other Participant.

8. Survival of Agreement to License

A Participant may in its sole discretion withdraw from the Alliance at any time pursuant to the procedures described in the Bylaws for the Alliance. Notwithstanding the dissolution of the Alliance or a Participant's withdrawal from the Alliance, termination, or non-renewal of its participation in the Alliance, and except as provided herein, a Participant's agreement to grant a license as provided in Sections 3 and 4 shall remain in full force and effect for: (a) any Essential IPR to a Contribution made by such Participant that becomes part of the particular version of the Final Specification for which the Contribution was made; as well as (b) any Essential IPR to a Final Specification that has been adopted by the Board of Directors prior to the effective date of the Member's withdrawal from, termination of, or expiration of membership. For the avoidance of doubt, this Section 8 does not impact the rights or obligations of a new Participant as described in Section 4.11.

Notwithstanding the generality of the foregoing, the obligations set forth in (a) and (b) above will additionally survive to the extent such Essential IPR are both: (i) necessary for future Final Specifications to be backwards compatible with prior Final Specifications (i.e.,

designed to fully interoperate, communicate or connect with or to products that comply with the prior Final Specifications); and (ii) used in a substantially similar manner and to a substantially similar extent with a substantially similar result as the same Essential IPR was used in a prior Final Specification for which the Participant is obligated to grant licenses. Except as set forth in this Section 8, a withdrawn, terminated, expired, or otherwise former Participant shall not be subject to any additional obligation to license its Essential IPR. Any requirements to grant licenses to a Participant under this IP Policy only extend to Final Specifications finally adopted by the Board of Directors prior to the effective date of the Participant's withdrawal from, termination of, or expiration of membership except in the case of Essential IPR to a Contribution made by the Participant that becomes part of the particular version of the Final Specification for which the Contribution was made.

9. No Representation or Warranties.

EACH PARTICIPANT HEREBY AGREES AND ACKNOWLEDGES THAT: (A) THE ALLIANCE AND EACH PARTICIPANT INCLUDING WORKING GROUP REPRESENTATIVES AND WORKING GROUP CHAIRS, TAKE NO POSITION AS TO WHETHER ANY INTELLECTUAL PROPERTY RIGHTS EXIST IN ANY DRAFT OR FINAL SPECIFICATIONS; (B) THE SPECIFICATIONS AND ANY CONTRIBUTIONS THERETO ARE ALL PROVIDED "AS IS" AND "WITH ALL FAULTS"; (C) THE ALLIANCE AND EACH PARTICIPANT, INCLUDING WORKING GROUP REPRESENTATIVES AND WORKING GROUP CHAIRS, MAKE NO WARRANTIES, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE WITH RESPECT TO THE SPECIFICATIONS OR ANY CONTRIBUTIONS THERETO, INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE, OF REASONABLE CARE OR WORKMANLIKE EFFORT, OR RESULTS OR OF LACK OF NEGLIGENCE; AND (D) NEITHER THE ALLIANCE NOR ANY OF ITS PARTICIPANTS INCLUDING WORKING GROUP REPRESENTATIVES AND WORKING GROUP CHAIRS, HAS UNDERTAKEN ON BEHALF OF THE ALLIANCE OR ITS PARTICIPANTS ANY PATENT SEARCH WITH RESPECT TO THE SPECIFICATIONS OR ANY CONTRIBUTIONS THERETO. NOTHING HEREIN SHALL, HOWEVER, BE CONSTRUED AS A RESTRICTION ON ANY PARTICIPANT CONDUCTING ITS OWN DUE DILIGENCE OR OTHER TECHNOLOGY SEARCH OR SCREENING WITH RESPECT TO THE SPECIFICATIONS.

10. Limitation of Liability.

IN NO EVENT SHALL THE ALLIANCE OR ANY PARTICIPANT BE LIABLE TO ANY OTHER PARTICIPANT OR THIRD PARTY FOR (A) ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES RESULTING UNDER THIS IP POLICY, WHETHER UNDER CONTRACT, TORT, WARRANTY OR OTHERWISE, AND WHETHER OR NOT SUCH PARTY HAD ADVANCE NOTICE OF THE POSSIBILITY OF SUCH DAMAGES; OR (B) THE COST OF PROCURING SUBSTITUTE GOODS OR SERVICES, LOST PROFITS, LOSS OF USE, OR LOSS OF DATA.

11. Amendments and Modifications

Any revisions or amendments to this IP Policy will become effective only upon adoption by the Board of Directors in accordance with the Bylaws.

12. Applicable Law

All disputes arising under this IP Policy shall be governed by the law of the state of Delaware, United States of America, without regard to its rules with respect to conflict of laws. However, any disputes with respect to the ownership, existence, scope, validity or infringement of intellectual property rights shall be governed by the law of the country in which the intellectual property rights confer protection.