Qualcomm eCall licensing FAQ – March 2011

In March 2009, Qualcomm published an eCall White Paper Version 1.5, including an eCall Licensing Statement as set out below:

PSAP Equipment
In recognition of the important public safety aspects of this work and to accelerate the deployment of the eCall solution, subject to certain standard terms and conditions (e.g., protection for Qualcomm products as to the licensees or its customers patents), Qualcomm will not charge royalties for the implementation of Qualcomm patents essential to the 3GPP eCall in-band modem standard (3GPP TS 26.267 and TS 26.268) on sales of in-band voice-channel modem equipment that implements such standard and is located in the PSAP or core network, but solely when and to the extent such equipment is used for emergency communications. Qualcomm will offer to grant licenses on terms and conditions that are fair, reasonable and free from unfair discrimination for the use of such equipment for non-emergency communications.

In-Vehicle System Devices
Subject to certain standard terms and conditions (e.g., protection for Qualcomm products as to the licensees or its customers patents), Qualcomm will not charge a royalty rate for a license for its patents essential to the 3GPP eCall in-band modem standard (3GPP TS 26.267 and TS 26.268) in subscriber devices that implement such modem standard that is higher than the royalty rate that Qualcomm charges, or may in the future charge, for a license under its applicable patents for similar devices that do not implement such modem standard. For clarity, the 3GPP eCall in-band modem standard does not include cellular modem functionality or any other functionality in a handset or device.

The following FAQ is intended to help answer some questions that have been raised in relation to the above eCall Licensing Statement:

FAQ:

1. *Q. Will Qualcomm charge any royalty fees to license its eCall standard essential patents in In-Vehicle System (IVS) subscriber devices?*

A. As stated in our eCall Licensing Statement, Qualcomm will not charge a royalty rate for a license for its patents essential to the 3GPP eCall in-band modem standard (3GPP TS 26.267 and TS 26.268) in subscriber devices that implement such modem standard that is higher than the royalty rate that Qualcomm charges, or may in the future charge, for a license under its applicable patents for similar devices that do not implement such modem standard. To be clear, **Qualcomm will not charge a higher royalty rate** for a license under its applicable patents for a subscriber device that implements the eCall standard, as compared to the same

subscriber device except that it does not implement the eCall standard. This is subject to certain standard terms and conditions (e.g., protection for Qualcomm products as to the licensees or its customers patents). The foregoing is applicable to wireless devices that implement any wireless air interface(s), e.g., GSM, CDMA2000, UMTS, LTE, and/or WiMax.

2. *Q. What does this mean for single-mode GSM only eCall IVS subscriber devices?*

A. Qualcomm's position as explained in 1 above is applicable to this situation.

3. *Q. What does this mean for single-mode or multi-mode CDMA or OFDMA eCall IVS subscriber devices?*

A. Qualcomm has established licensing programs for CDMA and OFDMA subscriber devices including single-mode and multi-mode subscriber devices. Qualcomm's position as explained in 1 above is applicable to this situation.

4. *Q. Will Qualcomm charge any royalty fees to license its eCall standard essential patents in PSAP (Public Safety Answering Point) equipment to be used solely for emergency communications?*

A. As stated in our eCall Licensing Statement, **Qualcomm will not charge royalties** for the implementation of Qualcomm patents essential to the 3GPP eCall in-band modem standard (3GPP TS 26.267 and TS 26.268) on sales of in-band voice-channel modem equipment that implements such standard and is located in the PSAP or core network, but solely when and to the extent such equipment is used for emergency communications. This will be subject to certain standard terms and conditions (e.g., protection for Qualcomm products as to the licensees or its customers patents).

5. *Q. What about PSAP equipment operated by a private organization acting as a Third Party Service (TPS) or under public delegation?*

A. As stated in our eCall Licensing Statement, Qualcomm will not charge royalties for the implementation of Qualcomm patents essential to the 3GPP eCall in-band modem standard (3GPP TS 26.267 and TS 26.268) on sales of in-band voice-channel modem equipment that implements such standard and is located in the PSAP **or core network**, but solely when and to the extent such equipment is used for emergency communications. This applies to sales of equipment for use at a PSAP or by a private organization acting as a Third Party Service (TPS) or under public delegation. This will be subject to certain standard terms and conditions (e.g., protection for Qualcomm products as to the licensees or its customers patents).

6. *Will Qualcomm charge any royalty fees to license its applicable patents used to implement the eCall standard in PSAP equipment to be used for non-emergency communications?*

A. As stated in our eCall Licensing Statement, Qualcomm will offer to grant licenses on terms and conditions that are fair, reasonable and free from unfair discrimination for the use of in-band voice-channel modem equipment that implements the eCall standard and is located in the PSAP or core network for non-emergency communications.

7. *Q. What royalty fees, if any, and what other terms and conditions would Qualcomm require to license its applicable patents used to implement the eCall standard in PSAP equipment to be used for non-emergency communications?*

A. This will depend on the particular non-emergency communication service to be provided using eCall in the PSAP equipment and what other functionality may be implemented in the PSAP equipment. Please contact Daniel Hermele, Director IPR and Licensing, Qualcomm Europe at dhermele@qualcomm.com.

8. *Q. What about eCall IVS subscriber equipment or PSAP equipment sold or operated outside of the European Union?*

A. Qualcomm's eCall Licensing Statement applies worldwide.

9. *Q. As a result of its eCall Licensing Statement, does Qualcomm offer to supply eCall IVS subscriber devices, PSAP equipment, software, or services free of charge or to maintain such eCall IVS subscriber devices, PSAP equipment or software free of charge?*

A. No. No eCall IVS subscriber devices, PSAP equipment, software or services are offered to be provided or maintained by Qualcomm as a result of its eCall Licensing Statement.

10. *Q. As a result of its eCall Licensing Statement, does Qualcomm represent that no royalties will be charged by companies other than Qualcomm which may hold patents relevant to the eCall standards, if there are any?*

A. No. Qualcomm's eCall Licensing Statement relates only to the terms and conditions on which Qualcomm is prepared to license certain of its own patents applicable to eCall IVS subscriber devices and PSAP equipment as described above.

For further information about the above eCall Licensing Statement or about this FAQ, please contact Daniel Hermele, Director IPR and Licensing, Qualcomm Europe at dhermele@qualcomm.com.