

EXHIBIT 1

SETTLEMENT, LICENSE and NON-ASSERTION AGREEMENT

Between

KONINKLIJKE KPN N.V.

And

SAMSUNG ELECTRONICS CO., LTD.

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THE UNDERSIGNED

Koninklijke KPN N.V. having its registered seat at The Hague, the Netherlands and its principal place of business at Maanplein 55, 2516 CK The Hague, the Netherlands (hereinafter referred to as "**KPN**")

and

Samsung Electronics Co., Ltd., a corporation having its principal place of business at 129, Samsung-ro, Yeongtong-gu, Suwon, Gyeonggi-do, 443-742 South Korea (hereinafter referred to as "**Samsung**")

KPN and Samsung are herein individually referred to as "**Party**" or jointly as the "**Parties**"

WHEREAS

- A. KPN is the registered proprietor of various patents and patent applications;
- B. There is now pending in the United States District Court for the Eastern District of Texas, Marshall Division, consolidated Civil Action Nos. 2:14-cv-1165 and 2:15-cv-948, and 2:16-cv-00908, each entitled *Koninklijke KPN N.V. v. Samsung Electronics Co., Ltd. et al.* alleging infringement of certain patents identified below ("the U.S. Lawsuits");
- C. There is now pending in the District Court Düsseldorf, 4c O 94/14 and 4c O 7/15 alleging infringement of certain patents identified below ("the German Lawsuit");
- D. There is now pending in 2016 Jing 73 Min Chu No.584 (2016 京 73 民初 584 号) ; 2016 Jing 73 Min Chu No.585 (2016 京 73 民初 585 号) alleging infringement of certain patents identified below ("the Chinese Lawsuit") (the U.S. Lawsuits, the German Lawsuit, and the Chinese Lawsuit collectively referred to as "the Lawsuits");
- E. Samsung has denied the allegations set forth in the Lawsuits;

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- F. The Parties have agreed to settle the Lawsuits on the terms and conditions set forth herein, without admitting in any way the other Party's claims or arguments;
- G. KPN and Samsung wish to enter into a settlement, license and non-assertion agreement with respect to KPN's patents and patent applications under the terms and conditions as set out below;

AGREE AS FOLLOWS:



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Article 1 Definitions

In this Agreement, the following terms, identifiable by the use of a capital letter, shall have the following meanings:

- Agreement** means this settlement, license and non-assertion agreement.
- Affiliated Company** means an entity which is directly or indirectly owned or controlled by a Party
- An entity shall be deemed an Affiliated Company only as long as such a direct or indirect ownership or control exists between the Party and such entity.
- For these purposes, control shall mean direct or indirect ownership or control (whether by contract or otherwise) of more than fifty percent (50 %) of voting stock in such entity, or is able to direct its affairs or to control the composition of its board of directors or equivalent body, and in the case of non-corporate entities, more than fifty percent (50%) of the equity interest.
- Chip Sets** means integrated circuits and/or processors manufactured by Samsung or any of its Affiliated Companies and/or a third party and sold separately or integrated in another product, except if integrated in an Samsung Product.
- Effective Date** means August 17, 2016.
- End User** means an individual consumer, a telecommunication, internet or broadcast operator/service provider, or other similar customer or user of Samsung Products.
- Have Made** means manufacturing by a third party for the further manufacture, use, distribution, sale, offer for sale, rent, lease, keep in stock, import, or other disposition by and benefit of Samsung and/or an Affiliated Company (the third party being the 'Have Made Producer'), provided that
- a) Samsung and/or its Affiliated Companies owns the designs, specifications and/or working drawings supplied to such third party; and
 - b) such designs, specifications and/or working

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drawings are complete and sufficient so that no substantial additional design is needed by any third party; and

- c) such products have been made by the Have Made Producer solely for further manufacture, use, distribution, sale, offer for sale, rent, lease, keep in stock, import, or other disposition by Samsung or its Affiliated Companies, excluding each and every product that is resold by Samsung or its Affiliated Companies to the Have Made Producer, its affiliates or any party to which the Have Made Producer is an affiliate;

For the avoidance of doubt such Have Made Producer shall not be allowed to sell such products to other third parties.

Income Tax

means source withholding taxes requested by the Korean government for royalty payment to companies with their principal place of business in the Netherlands in accordance with any Korea-Netherlands Tax Treaty and applicable Korean tax law.

KPN Licensed Patents

means the patents, including their Patent Family, listed in Annex 1.

KPN Non-Asserted Patents

means all patents, patent applications, anywhere in the world (including but not limited to, divisionals, continuations, continuations in part, reissues, renewals, reexaminations or extensions of any kind and any counterparts claiming priority therefrom), and including utility models, owned, licensable or otherwise controlled by KPN or its Affiliated Companies during the period from the Effective date until December 31, 2024, with the exception of (i) the KPN Licensed Patents, and (ii) the patents, patent applications, utility models and divisional applications listed in Annex 2.

KPN Patents

means the KPN Licensed Patents and the KPN Non-Asserted Patents.

Patent Family

means any patents, patent applications, anywhere in the world (including but not limited to divisionals, continuations, continuations in part, reissues, renewals, reexaminations or extensions of any kind), and including utility models, that are based on the same priority date

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and the same priority application as the aforementioned patents and all patents, patent applications (including but not limited to divisionals, continuations, continuations in part reissues, renewals, reexaminations or extensions of any kind) and any patents or patent applications claiming priority from any of the foregoing.

Patent Pool

means a patent pool or a joint licensing program for a standard, and wherein at least one KPN Non-Asserted Patents is evaluated and found to be essential by an independent evaluator, and which joint license program or patent pool is offered by several patent owners, and managed jointly by the patent owners or by a joint licensing agent, and is consisting of their patents declared or, evaluated and found, to be essential for a standard.

Patent Pool Payment

means any payment by Samsung or any of its Affiliated Companies to a Patent Pool during the Term of the Agreement.

Pooled Patents

means one or more of the KPN Non-Asserted Patents, which are part of a Patent Pool.

Samsung Products

means products or services of Samsung and its Affiliated Companies, sold under the Samsung brand, or under the brand of an Affiliated Company of Samsung, whether manufactured or designed by Samsung, its Affiliated Companies or a Have Made Producer.

Term of the Agreement

means the period, which begins on the Effective Date and ends on the later of December 31, 2024, or the last to expire of all KPN Licensed Patents, unless the Agreement is terminated earlier pursuant to the provisions thereof, in which case the Term of the Agreement ends on the date on which the Agreement ends.

Article 2 License and Covenant Not to Sue by KPN

- 2.1 Subject to the terms and conditions of this Agreement, KPN on behalf of itself and its Affiliated Companies hereby grant to Samsung and its Affiliated Companies a non-exclusive, worldwide, non-transferable, irrevocable, indivisible, fully paid-up and perpetual license under the KPN Licensed Patents, to manufacture, Have Made, use, distribute, sell, offer for sale, rent, lease, keep in stock, import and otherwise dispose of Samsung Products (also through one or

more downstream vendees of Samsung Products such as distributors, retailers, resellers, importers, agents and the like in any country of the world, hereinafter "Distributors", regardless of the jurisdiction in which the first sale of Samsung Products occurred), until the last of the KPN Licensed Patents (including their Patent Family members) expire.

- 2.2 The license granted to Samsung and its Affiliated Companies pursuant to article 2.1 does not include the right to grant sub-licenses.
- 2.3 KPN covenants, on behalf of itself and its Affiliated Companies, to neither initiate nor have initiated or prosecute any proceedings against Samsung and its Affiliated Companies and their Have Made Producers, Distributors and End Users before any court or tribunal (including the United States International Trade Commission and any similar venue in any other jurisdiction), operating under any jurisdiction anywhere in the world, for infringement of the KPN Non-Asserted Patents by making, Having Made, using, distributing, selling, offering for sale, renting, leasing, keeping in stock, importing or otherwise disposing of Samsung Products from the Effective Date until December 31, 2024.
- 2.3.1 Except as otherwise provided in article 2, the liability, liabilities or damages in the form of royalties or otherwise, if any, shall not accrue for Samsung Products made, Have Made, used, distributed, sold, offered for sale, rented, leased, kept in stock, imported or otherwise disposed of during the Term of the Agreement (the "Waived Damages").

In the event that Samsung takes a license from a Patent Pool, KPN shall have the right, as an exception to the foregoing, to receive the KPN share of any Patent Pool Payment made by Samsung to that Patent Pool during the Term of the Agreement.

- 2.3.2 If, during the Term of this Agreement, Samsung or any of its Affiliated Companies, initiate any patent infringement litigation against KPN and/or any of its Affiliated Companies before any court or tribunal, operating under any jurisdiction anywhere in the world, KPN shall have the right to terminate the non-assertion covenant provided in this article 2.3 from sixty (60) days after actual notice to Samsung onwards if (i) KPN provides Samsung notice pursuant to article 9.1 that KPN intends to exercise such right, and (ii) Samsung fails to cure, by terminating such litigation within sixty (60) days from the receipt of such notice. If Samsung effects such cure, the non-assertion covenant of this article 2.3 shall remain in effect. Further, if, during the Term of this Agreement, a company that controls or owns Samsung, or is under common control with Samsung (control meaning direct or indirect ownership or control (whether by contract or otherwise) of more than fifty percent (50 %) of voting stock in such entity, or being able to direct its affairs or to control the composition of its board of directors or equivalent body, and in the case of non-corporate entities, more than fifty percent (50%) of the equity interest) initiates any patent infringement

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litigation against KPN and/or any of its Affiliated Companies before any court or tribunal, operating under any jurisdiction anywhere in the world, Samsung shall exercise its best effort to make the company negotiate in good faith with KPN to resolve the litigation.

- 2.3.3 If, during the Term of this Agreement, any Have Made Producer of Samsung's or of any of its Affiliated Companies' initiates any patent infringement litigation against KPN and/or any of its Affiliated Companies before any court or tribunal, operating under any jurisdiction anywhere in the world, KPN shall have the right to suspend the non-assertion covenant provided in this article 2.3, but only as it relates to the Have Made Producer, from sixty (60) days after actual notice to Samsung onwards if (i) KPN provides Samsung and the Have Made Producer notice pursuant to article 9.1 that KPN intends to exercise such right, and (ii) the Have Made Producer fails to cure, by terminating such litigation within sixty (60) days from the receipt of such notice. The covenants granted to Samsung or its Affiliated Companies by KPN or its Affiliated Companies hereunder shall otherwise be unaffected by such suspension. If the Have Made Producer effects such cure, the non-assertion covenant of this article 2.3 as it relates to the Have Made Producer shall remain in effect. The suspension of the undertaking not to assert the KPN Non-Asserted Patents in accordance with this article shall cease at the moment that the Have Made Producer-initiated proceedings are settled, or withdrawn, or judgment is given and not appealed, without, however, affecting the terms of such settlement or judgment.
- 2.3.4 If, during the Term of this Agreement, any Distributor or End User of Samsung's or of any of its Affiliated Companies' initiates any patent infringement litigation against KPN and/or any of its Affiliated Companies before any court or tribunal, operating under any jurisdiction anywhere in the world, KPN shall have the right to suspend the non-assertion covenant provided in this article 2.3, but only as it relates to the Distributor or End User, retroactively if (i) KPN provides Samsung and the Distributor or End User notice pursuant to article 9.1 that KPN intends to exercise such right, and (ii) the Distributor or End User fails to cure, by terminating such litigation within sixty (60) days from the receipt of such notice. The covenants granted to Samsung or its Affiliated Companies by KPN or its Affiliated Companies hereunder shall otherwise be unaffected by such suspension. If the Distributor or End User effects such cure, the non-assertion covenant of this article 2.3 as it relates to the Distributor or End User shall remain in effect. The suspension of the undertaking not to assert the KPN Non-Asserted Patents in accordance with this article shall cease at the moment that the Distributor- or End User-initiated proceedings are settled, or withdrawn, or judgment is given and not appealed, without, however, affecting the terms of such settlement or judgment.
- 2.4 The covenant of article 2.3 is non-exclusive, personal to Samsung and its Affiliated Companies, and their Have Made Producers, Distributors and End Users only, non-transferable and Samsung, and its Affiliated Companies, or their

Have Made Producers, Distributors or End Users cannot and shall not (otherwise) provide any rights under the covenant to third parties. Nothing in this Agreement precludes KPN and its Affiliated Companies from granting non-assertion covenants under the KPN Patents anywhere in the world to other third parties prior to, during and after the Term of the Agreement or from enforcing the KPN Non-asserted Patents against other third parties.

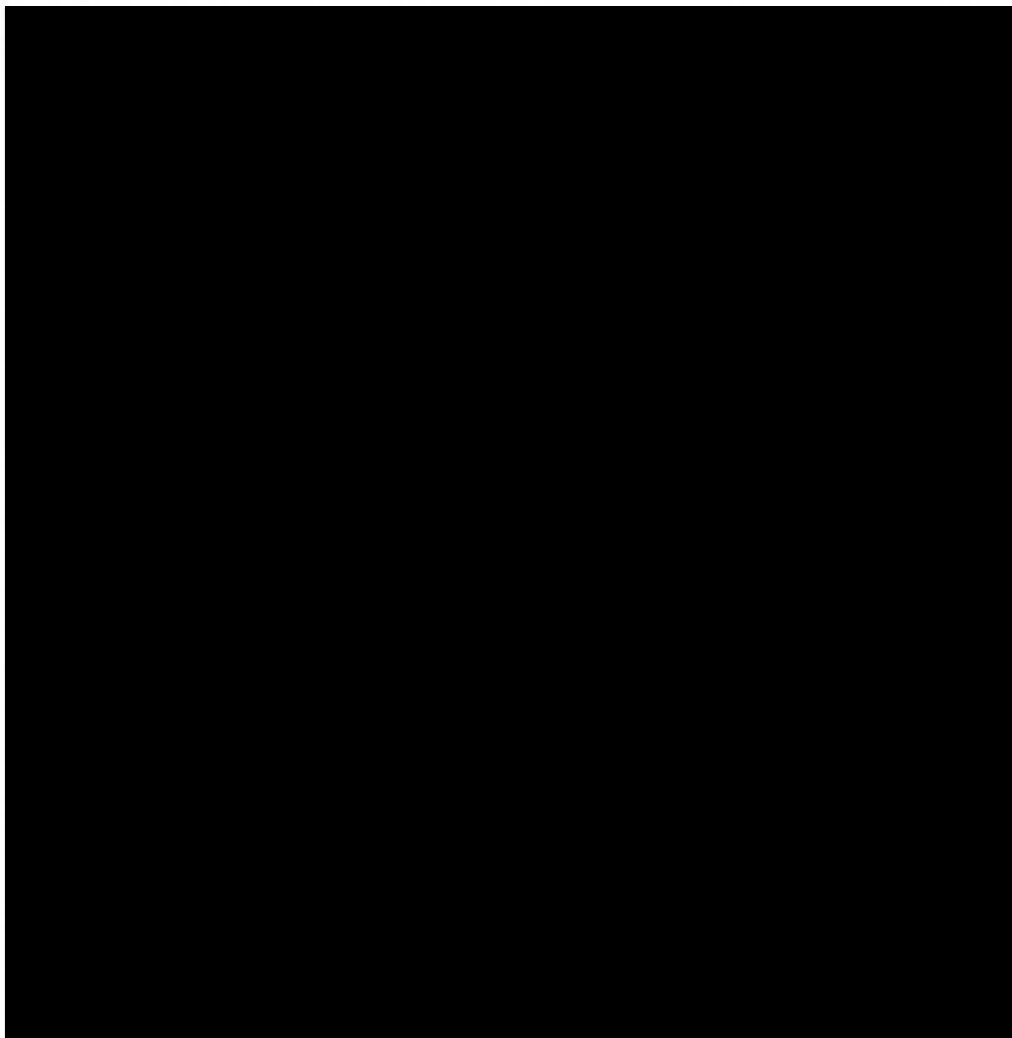
- 2.5 To the extent that and as long as the Samsung Products are licensed under the KPN Licensed Patents to Samsung and its Affiliated Companies pursuant to this Agreement, or to the extent that and as long as the Samsung Products are subject to the covenant under the KPN Non-Asserted Patents as to Samsung and its Affiliated Companies pursuant to this Agreement, KPN and its Affiliated Companies will not initiate any proceedings directly or indirectly before any court or tribunal (including the United States International Trade Commission and any similar venue in any other jurisdiction), operating under any jurisdiction anywhere in the world, for infringement of the KPN Patents as a result of the manufacture or sale by suppliers of Samsung and/or its Affiliated Companies of parts for Samsung Products solely to the extent that such parts are delivered to Samsung and/or its Affiliated Companies (hereafter: "Samsung Suppliers").

In the event however that a Samsung Supplier institutes patent infringement proceedings against KPN or any of KPN's Affiliated Companies before any court or tribunal, operating under any jurisdiction anywhere in the world, KPN and its Affiliated Companies shall have the right to suspend the non-assertion covenant of this article 2.5 granted to the instituting Samsung Supplier from sixty (60) days after actual notice to Samsung onwards if (i) KPN provides notice pursuant to article 9.1 to Samsung and such initiating Samsung Supplier that KPN intends to exercise such right, and (ii) such initiating Samsung Supplier fails to cure, by terminating of such litigation within sixty (60) days from the receipt of such notice. The covenants granted to Samsung or its Affiliated Companies by KPN or its Affiliated Companies hereunder shall otherwise be unaffected by such suspension. If such initiating Samsung Supplier effects such cure, the non-assertion covenant of this article 2.5 shall remain in effect. The suspension of the undertaking not to assert the KPN Non-Asserted Patents in accordance with this article shall cease at the moment that the Samsung Supplier-initiated proceedings are settled, or withdrawn, or judgment is given and not appealed, without, however, affecting the terms of such settlement or judgment.

- 2.6 The licenses and non-assertion covenants set forth in this article 2 shall in no way prevent KPN from asserting the KPN Patents against any party who is not explicitly mentioned as being entitled to the license and/or non-assertion covenants according to this article 2, including third party manufacturers (also for sales to Samsung and/or its Affiliated Companies, unless such third party is a Have Made Producer and the products in question are delivered to Samsung or its Affiliated Companies), unless the assertion of the KPN Patents is specifically excluded in this Agreement or by operation of law.

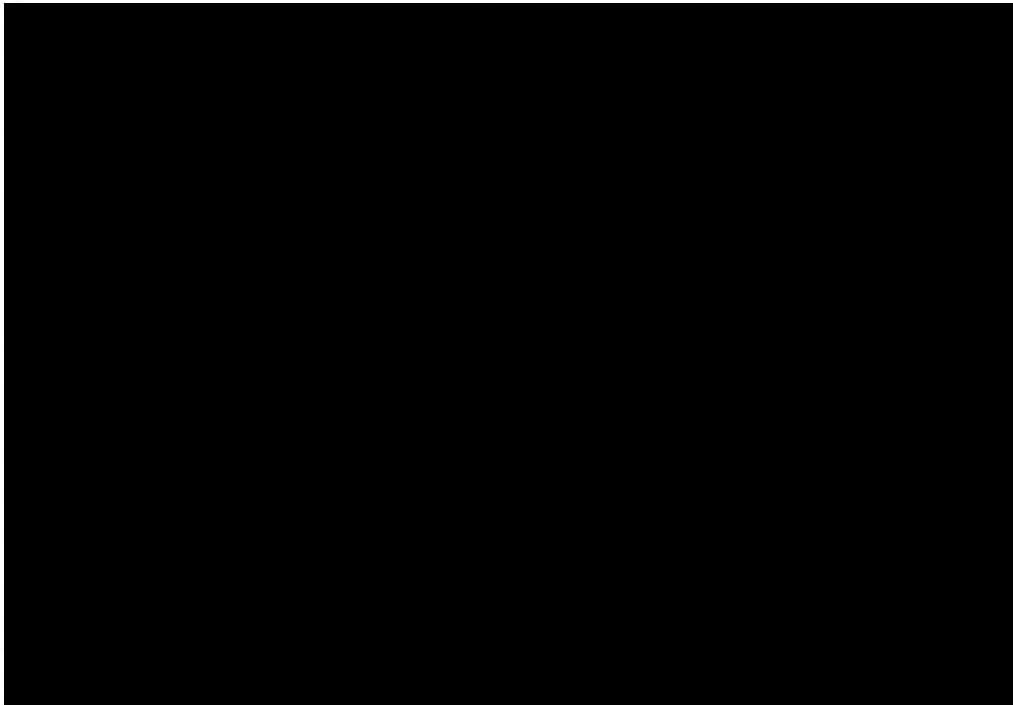
- 2.7 For the avoidance of doubt, except as otherwise provided for Have Made Producers, the license and non-assertion covenants granted in this article 2 do not extend to products that are both (i) manufactured by a third party using software specifications, functional specifications, hardware specifications or other technical specifications licensed or otherwise provided by Samsung to the third party and (ii) sold under a brand other than the Samsung brand or the brand of an Affiliated Company of Samsung.
- 2.8 The license and non-assertion covenants granted in this article 2 do not apply to the product category of Chip Sets.

Article 3 Financial Conditions



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Article 4 Other Obligations of the Parties

- 4.1 Within five (5) business days after the execution of this Agreement, KPN shall dismiss with prejudice any patent proceedings it has initiated against Samsung and/or its Affiliated Companies, including the Lawsuits, and KPN shall execute any action which is required for the dismissal with prejudice of the infringement proceedings, upon either the request of Samsung or the relevant court or tribunal.

Within five (5) business days after the execution of this Agreement, Samsung and its Affiliated Companies will take all steps necessary to withdraw or terminate, jointly with KPN as needed, any invalidation or nullity action or related court or patent case against any of the KPN Patents (including in Germany; Federal Patent Court/Bundespategericht, 5 Ni 25/15 and 5 Ni 26/15), and Samsung shall execute any action which is required for the withdrawal of the infringement proceedings, upon either the request of KPN or the relevant court or tribunal, including to submit a joint request for termination of the reexamination (inter partes or ex parte) requests pending against the KPN Licensed Patents. Samsung agrees not to file any additional reexamination requests against the KPN Patents covered under this Agreement during the Term of the Agreement, provided that KPN does not breach its covenants set forth in articles 2.3 and 2.5 of this Agreement..

- 4.2 The Parties agree that each Party shall bear the costs of its representation in the matters mentioned in this Article 4, including but not limited to the dismissal of the

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matters, and shall not move for costs or court fees, and shall refrain from any request for cost reimbursement (in Germany: "Kostenerstattungsantrag"). Where the dismissal or withdrawal requires the consent of the other party, such party shall instruct their representatives to give such consent within one week from the request by the court or tribunal or by the party seeking dismissal or withdrawal.

Article 5 Release

- 5.1 KPN, on behalf of itself, its Affiliated Companies, and so far as KPN is legally able, their respective directors, officers, shareholders, predecessors, successors, and assigns, hereby fully, finally and forever release, acquit and discharge Samsung, its Affiliated Companies, and their respective directors, officers, shareholders, predecessors (including former Affiliated Companies), successors, and assigns, and their Distributors, End Users and Suppliers from all claims, demands, damages, liabilities, and rights of action which KPN and its Affiliated Companies may have on account of any act of infringement or alleged infringement prior to the Effective Date on the KPN Patents provided (i) such act would be covered under the license granted in article 2.1 at any time and/or non-assertion covenant granted in articles 2.3 and 2.5 of this Agreement if it had occurred prior to the Term, and (ii) Samsung has paid all fees due under article 3.1 of this Agreement.
- 5.2 If, during the Term of this Agreement, any Distributor or End User of Samsung's or of any of its Affiliated Companies' initiates any patent infringement litigation against KPN and/or any of its Affiliated Companies before any court or tribunal, operating under any jurisdiction anywhere in the world, KPN shall have the right revoke the release of article 5.1 for acts of infringement or alleged infringement of the KPN Non-Asserted Patents prior to the Effective Date, but only as to the release for such acts of the Distributor or End User, if (i) KPN provides Samsung and the Distributor or End User notice pursuant to article 9.1 that KPN intends to exercise such right, and (ii) the Distributor or End User fails to cure, by terminating or causing the termination of such litigation within sixty (60) days from the receipt of such notice. The releases granted to Samsung or its Affiliated Companies by KPN or its Affiliated Companies in article 5.1 shall otherwise be unaffected by such revocation. If the Distributor or End User effects such cure, the release of article 5.1 as it relates to the Distributor or End User shall remain in effect. The revocation of the release as it relates to the KPN Non-Asserted Patents in accordance with this article shall cease at the moment that the Distributor- or End User-initiated proceedings are settled, or withdrawn, or judgment is given and not appealed, without, however, affecting the terms of such settlement or judgment.

Article 6 Warranty – Liability of KPN

- 6.1 KPN hereby warrants to Samsung that KPN and its Affiliated Companies own, co-own or control the KPN Patents and that they are not under any obligation to

any other person, organization or company which in any way prevents or restricts KPN from entering into this Agreement, from agreeing to the terms hereof and from giving the promises and undertakings contained herein. KPN hereby warrants to Samsung that since the Effective Date, KPN and its Affiliated Companies have not assigned or granted an exclusive license to the KPN Licensed Patents.

- 6.2 KPN hereby warrants to Samsung that KPN has exclusively licensed the patents, patent applications, utility models and divisional applications listed in Annex 2 ("the Annex 2 patents") to unaffiliated third parties and that KPN has given the right to determine when to assert, and the right to assert, the Annex 2 patents to the unaffiliated third parties. KPN warrants and covenants, for itself and its Affiliated Companies that KPN or its Affiliated Companies will not sue for the Annex 2 patents.
- 6.3 Nothing in this Agreement shall be construed as a representation or warranty by KPN that the technology included in the KPN Patents is fit for its intended purpose, or that any of the KPN Patents is valid or that the development, making, use or sale of Samsung Products does not constitute an infringement of any valid and subsisting third party patent or other intellectual property rights not in the possession of KPN. KPN will not indemnify or hold harmless Samsung and/or its Affiliated Companies and/or its customers and/or its Have Made Producers and/or any other third party for any damages or legal costs, which arise as a result of the technology in the KPN Patents not being fit for purpose, one or more of the KPN Patents not being granted or being held invalid and/or the development, making, use or sale of Samsung Products constituting or alleging to constitute an infringement of any intellectual property or other right of third parties not in the possession of KPN.

Article 7 Term and termination

- 7.1 This Agreement shall commence on the Effective Date and shall automatically expire upon expiry of the Term of the Agreement.
- 7.2 This Agreement may be terminated, also in respect of the Affiliated Companies, by written notice to Samsung by KPN, if Samsung fails to make timely payment under this Agreement.
- 7.3 The Parties acknowledge and agree that the KPN Patents are "intellectual property" as defined in Section 101(35A) of the United States Bankruptcy Code (the "Code"), as the same may be amended from time to time, that have been licensed, covenanted or released hereunder in a contemporaneous exchange for value. KPN and its Affiliated Companies acknowledge that if KPN or any of its Affiliated Companies, as a debtor in possession or a trustee in bankruptcy in a case under the Code, rejects this Agreement, Samsung may elect to retain its rights under this Agreement as provided in Section 365(n) of the Code. Upon

written request from Samsung to KPN, any of its Affiliated Companies or the bankruptcy trustee of the election to proceed under Section 365(n), KPN, any of its Affiliated Companies or the bankruptcy trustee shall comply in all respects with Section 365(n), including, without limitation, by not interfering with the rights of Samsung as provided by this Agreement.

- 7.4 Any termination or expiry of this Agreement shall not affect the accrued rights or liabilities of either Party. The termination or expiry of the Agreement shall not result in an obligation for KPN or the Affiliated Companies of KPN to refund any of the amounts, which have been paid to KPN or KPN's Affiliated Companies pursuant to this Agreement.
- 7.5 The rights and obligations of the Parties which by their nature would continue past termination of this Agreement shall survive and continue after any such termination of this Agreement: including but not limited to articles 1 (Definitions), 6 (Warranty), 7 (Term and termination), 8 (Confidentiality), 9 (Notices), 10 (Non-assignability), 12 (Miscellaneous), and 13 (Governing law and disputes).
- 7.6 As of the date of termination or expiry of this Agreement for reasons other than Samsung's compliance with its obligations under Article 3, Samsung and its Affiliated Companies will no longer have any right the use the KPN Non-Asserted Patents.

Article 8 Confidentiality

- 8.1 The existence of the Agreement may be disclosed by either Party. However, the terms of this Agreement and all correspondence relating to this Agreement are confidential. The Parties shall keep terms and particulars of this Agreement strictly confidential and no Party shall now or hereafter disclose such terms and particulars to any third party except: (i) with the prior written consent of the other Party, (ii) as may be required by applicable law, regulation or order of a governmental authority of competent jurisdiction, (iii) during the course of litigation so long as the disclosure of such terms and conditions is subject to the highest level of confidentiality permitted under a court-entered protective order limiting disclosure to outside counsel and such disclosing Party provides the other Party written notice at least ten (10) business days prior to such disclosure, (iv) in confidence to the professional legal and financial counsel representing such Party, or (v) in confidence to any party covered by the releases, licenses or covenants granted herein. With respect to the foregoing (ii), such disclosing Party shall, to the extent legally permissible, provide the other Party with prior written notice of such applicable law, regulation or order and, at the request of the other Party, use reasonable efforts to limit the disclosure of the terms and conditions of this Agreement, and to obtain a protective order or other confidential treatment,

- 8.2 Parties will not issue or otherwise make available to the press or members of the public, press-releases pertaining to the conclusion and/or subject matter of the Agreement including its existence without the prior written consent of the other Party. Notwithstanding the foregoing, the Parties may make statements necessary to satisfy public reporting obligations.

Article 9 Notices

- 9.1 Any notice or other document to be served under this Agreement shall be delivered by hand or courier service, sent by registered mail or faxed (with confirmation by delivery or registered mail if faxed) to the Party to be served as follows:

to KPN at:

Koninklijke KPN N.V.
Corporate Intellectual Property Office
P.O. Box 95321
2509 CH The Hague
The Netherlands

Fax no.: +31 (0)70 3855437

to Samsung at:

Samsung Electronics Co., Ltd.
Licensing Team, IP Center
Attn.: Hojin Chang
9th Floor, Tower C,
Seongchon-gil 33, Seocho-gu, Seoul, 06765
Korea

Fax no. : +82 (0)2 6147 8279

or at any other address as it may have notified in writing to the other Party in accordance with this clause.

- 9.2 In the absence of proof of earlier service, any service under the Agreement is deemed to have taken place at the latest one (1) week after proven sending of the notice or other document unless later service is proven by the respective other side to be served.
- 9.3 Any notice or other document served under this Agreement to a Party shall be deemed to be a notice served to such Party and its Affiliated Companies. A Party receiving a notice under this Agreement shall ensure that such notice is forwarded to its Affiliated Companies.

Article 10 Non-assignability

- 10.1 Neither Party shall be entitled to assign, transfer or otherwise dispose of any of its rights or any of its obligations under this Agreement without the prior written consent of the other Party. All the terms and conditions of this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and assigns and legal representatives.
- 10.2 Any merger with a third party or any acquisition by a third party of any of the shares or assets of Samsung or any of its Affiliated Companies shall not result in the extension of this Agreement to the products sold or services furnished by that third party (existing or to be incorporated), or any of its Affiliated Companies – neither with respect to acts prior to nor with respect to acts following such merger or acquisition - even if they are of the same kind or similar to those of Samsung, its Affiliated Companies.
- 10.3 If during the Term of this Agreement, Samsung or any of its Affiliated Companies acquires a new Affiliated Company, or the business or assets, or any portions thereof, of an entity or other person (hereinafter such new Affiliated Company or business unit(s) being referred to as the "Acquired Entity"), which is not licensed under the KPN Patents (or such Acquired Entity is merged into Samsung or any of its Affiliated Companies), and the total annual sales revenue of such respective Acquired Entity (excluding stand-alone Chip Set sales, if any) in its fiscal year preceding the acquisition exceeds twenty five percent (25%) of the total annual sales revenue of the corresponding Samsung Products of Samsung and its Affiliated Companies (excluding stand-alone Chip Set sales) in their fiscal year preceding the acquisition, such respective Acquired Entity shall not be granted a license and non-assertion covenant for such annual sales revenue exceeding twenty five percent (25%), but rather, if Samsung desires a license or non-assertion covenant, Samsung shall be required to negotiate an additional royalty with KPN for such exceeding sales revenue. Notwithstanding anything to the contrary in this article 10.3, if there is no such corresponding Samsung Products of Samsung and its Affiliates as of the date of acquisition, and total annual sales revenue of an Acquired Entity in its fiscal year preceding the acquisition exceeds US\$ 100 Million (One Hundred Million United States Dollars), such Acquired Entity shall not be granted a license and non-assertion covenant for such annual sales revenue exceeding US\$ 100 Million (One Hundred Million United States Dollars), but rather, if Samsung desires a license or non-assertion covenant, Samsung shall be required to negotiate an additional royalty with KPN for such exceeding sales revenue.
- 10.4 KPN hereby agrees that it and its Affiliated Companies shall not, during the Term of the Agreement, assign any KPN Patents to any third party, unless such assignment is made subject to the rights and obligations set forth in this Agreement, including the maintenance of license, non-assertion covenants and release provisions herein. In case KPN or its Affiliated Companies transfers any rights to any of its KPN Patents to any third party during the Term of the

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Agreement, KPN shall ensure that the license, non-assertion covenant and releases set forth in this Agreement survive the transfer regardless of any subsequent transfer of any of the KPN Patents and go with the transferred patent(s) to the fullest extent possible under applicable law and shall be binding on any successor-in-interest, licensee, transferee, or assign thereof.

10.5 Insofar as this Agreement contains any rights for the respective Affiliated Companies of the Parties, any such rights and obligations of the Affiliated Companies under this Agreement are hereby accepted by the Parties on behalf of their Affiliated Companies. The Parties represent and warrant that they are duly authorized to represent their Affiliated Companies.

10.6 In the event (any of the following referred to as the "Divestiture") that any Affiliated Companies of Samsung ceases to be an Affiliated Company of Samsung, or one or more business unit(s) or business related to the Samsung Products of Samsung or its Affiliated Companies, is assigned, transferred, merged, divested, sold, spun-off or otherwise separated from the respective such business unit(s) of Samsung or its Affiliated Companies (hereinafter such former Affiliated Companies or business unit(s) being referred to as the "Divested Entity"), the licenses, covenants, releases and other rights granted to such Divested Entity and obligations under this Agreement shall continue in full force and effect as specified in the terms and conditions of this Agreement with respect to such Divested Entity, but will be limited to those Samsung Products (while under the brand of the Divested Entity) that are licensed under this Agreement as of the date of such Divestiture, as well as those Samsung Products in development by the Divested Entity as of such date, and in no case with respect to the then-existing business of any entity which acquires such Divested Entity and such entity's Affiliated Companies. Samsung and such Divested Entity shall notify jointly to KPN of the fact of such Divestiture and profile of the Divested Entity within thirty (30) calendar days from the date of such Divestiture.

Article 11 Proceedings

11.1 During the Term of the Agreement, KPN shall pay the costs and fees and perform such acts as it in its sole discretion considers reasonably necessary or desirable to maintain the KPN Patents and, where applicable to ensure that patents which are still patent applications, proceed to grant.

11.2 KPN shall be under no obligation to introduce or defend any legal proceedings for infringement or validity of the KPN Patents.

Article 12 Miscellaneous

12.1 If any term, clause, provision, or part thereof, of this Agreement is invalidated or deemed unenforceable by operation of law or otherwise, the Parties shall

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negotiate in good faith the replacement with a legally valid term, clause or provision that best meets the intent of the Parties.

- 12.2 This Agreement may be amended only in writing and signed by both Parties. A waiver of the written form shall only be binding if such a waiver is made in writing and signed by both Parties.
- 12.3 A waiver, whether express or implied, by one of the Parties under or in the context of this Agreement shall not constitute a continuing waiver.
- 12.4 Nothing in this Agreement shall be deemed to constitute a partnership between the Parties, nor shall either Party become or be considered to be an agent for the other for any purpose.
- 12.5 The article headings are for convenience only and are not part of the content of this Agreement. The article headings shall therefore not have any effect on the construction or the interpretation of this Agreement.
- 12.6 This Agreement constitutes the entire and sole agreement and understanding of the Parties with respect to the subject matter hereof.
- 12.7 The Parties shall execute, acknowledge, and deliver any other instruments and documents and take any further action consistent with the terms of this Agreement as may be reasonably required to effect the Agreement's specified intent and purpose.
- 12.8 This Agreement shall be executed in duplicate, each Party having a signed copy which shall be deemed an original.

Article 13 Governing law and disputes

- 13.1 This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of New York, excluding its choice of law provisions.
- 13.2 If one of the Parties concludes that a dispute has arisen under this Agreement it will so inform the other Party in a written notice (the "Notice"). This Notice shall set forth the issues requiring resolution. The Notice shall be effective on the date that it is received by the receiving Party. The Party receiving the Notice may respond within ten (10) business days from the effective date of the Notice with a list of issues to be added to the Notice. Immediately upon issuance of the Notice the Parties shall engage in good faith negotiations at executive level aimed at amicably resolving the issues raised in the Notice.
- 13.3 If the Parties are unable to resolve the issues raised in the Notice within twenty (20) business days after the effective date of the Notice the issues shall be submitted to (non-binding) mediation. The Parties shall make good faith efforts to



make the mediation successful. The mediator shall be Former U.S. District Judge David Folsom, or if he is unavailable, will be selected from the roster of accredited mediators of CEDR (Centre for Effective Dispute Resolution) (in which case the services of CEDR shall be used for selecting the mediator). Neither Party may veto the selection of a mediator for any reason, except for compelling reasons of conflict of interest. The mediation shall be concluded no more than 90 (ninety) days after the effective days of the Notice. If the mediation is not successful, either Party may proceed under Article 13.4.

13.4 In the event of any dispute arising out of or in connection with this Agreement, including any question regarding its existence, validity or termination, and such dispute is not resolved pursuant to Article 13.3, the U.S. courts shall be the sole forum for resolution of such dispute. The Parties cannot rely on and will not disclose in any litigation anything, which has been communicated (orally or in writing) by or on behalf of the Parties or the mediator during the mediation proceedings.

In witness whereof, the Parties hereto have caused this Agreement to be executed in the manner legally binding upon them by causing authorised representatives to sign this Agreement.

For Koninklijke KPN N.V.

Name: Eelco Blok

Title: CEO

Date: 21 September 2016

Place: The Hague

For Samsung Electronics Co., Ltd.

Name: Hojin Chang

Title: Vice President

Date: 22-09-2016

Place: Seoul

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ANNEX 1 : KPN Licensed Patents

EP1280279 and Patent Family (including CN1097933C)
US5930250 and Patent Family
US6212662 and Patent Family
US9014667 and Patent Family
US8886772 and Patent Family

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of

ANNEX 2

KPN Test Equipment Patents complaint with the ITU P.861, P.862, P.863 (in definition phase), P.563 and subsequent standards, and with J.247, in particular :

Title	EP Publication number	EP Countries	Other Countries
Coding and decoding a system and apparatus for a digital signal.	EP0815707B1	AT BE CH DE DK ES FI FR GB IE IT LU NL PT SE	CA 2,215,358 CN 96193737.8 US 6,064,946 HK 1009692 JP 4024225
System comprising at least one encoder for coding a digital signal and at least one decoder for decoding a coded digital signal	EP0815705B1	AT BE CH DE DK ES FI FR GB IE IT NL PT SE	CA 2,215,366 CN 96193745.9 HK 1009691 JP 4024226 US 6,041,294
Method and device for determining the quality of a signal.	EP1250830B1	AT BE CH DE DK ES FI FR GB IE IT NL SE	CA 2,396,455 JP 3982797 US 7,016,814
A method of and a device for output based objective speech quality assessment.	EP1317752B1	CH DE FR GB IT NL SE	US 7,024,352
Method and device for determining the quality of a speech signal.	EP1374229B1	BE CH DE ES FR GB IE IT NL SE	CA 2,440,685 JP 3927497 US 7,624,008 CN 1327407
A method and an arrangement for objective assessment of video quality	EP1059004B1	DE ES FR GB IT NL SE	CA 2,322,219 US 6,704,451
Method and system for determining a perceived quality of an audio system	EP2465112B1	AT BE CH DE DK ES FI FR GB IE IT NL SE	CN 102549657 IN 18MUMNP/2012 US 13/390,538
Method and system for determining a perceived quality of an audio system	EP2465113B1	AT BE CH DE DK ES FI FR GB IE IT NL SE	CN 102576535 IN 35/MUMNP/2012 US 13/390,221 JP 2013-501952

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ANNEX 3 : Application for Entitlement to Reduced Tax Rate on Domestic Source Income

■ Enforcement Regulation of the Corporate Income Tax Law [Form No. 72-2]

Application for Entitlement to Reduced Tax Rate on Domestic Source Income (for Foreign Corporation)

Filing No.

Filing Date

1. Applicant Information

① Type of Entity

☐ Corporation, ☐
Pension, ☐ Fund,

☐ Overseas investment
vehicle recognized as
beneficial owner under
tax treaty

(Relevant tax
treaty provisions:
)

☐ Other ()

② Name of
Corporation

⑤ Address

③ Name of
Representative

⑦ Country
of
Residen
ce

④ Taxpayer
Identification No.

⑧ Country
Code

⑤ Date of
Incorporation

⑨
Telepho
ne
Number

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2. Claim of Applicable Tax Treaty Provisions

⑩ Tax Treaty between Korea and: Article Paragraph
Subparagraph Type of Income Tax Rate %
Article Paragraph
Subparagraph Type of Income Tax Rate %
Article
Paragraph Subparagraph Type of Income Tax Rate
%

3. Determination of Beneficial Owner

⑪ A pension established under the laws of a tax treaty partner country, which are equivalent to the Korean National Pension Act, Public Officials Pension Act, Armed Forces Personnel Act, Pension for Private School Teachers and Staff Act, and Guarantee of Workers' Retirement Benefits Act, etc.: Yes ☐ No ☐

⑫ A fund that is established as a non-profit organization under the laws of a tax treaty partner country, which does not distribute its profits to its members: Yes ☐ No ☐

⑬ An overseas investment vehicle recognized as beneficial owner under the tax treaty between Korean and the country in which it is incorporated: Yes ☐ No ☐

⑭ Is the corporation liable to tax under the tax laws of the country of residence?: Yes ☐ No ☐

⑮ Is the corporation a beneficial owner of domestic source income?: Yes ☐ No ☐

○, ⑯ Is the Applicant or its income subject to the provisions of the tax treaty between Korea and its country of residence that deny (restrict) tax treaty benefits? Yes ☐ No ☐

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The Application hereby confirms that with regard to submitting this Application pursuant to Article 98-6 of the Corporate Income Tax Law ("CITL") and Article 138-7 of the Enforcement Decree of CITL ("ED-CITL"), the Applicant is clearly aware of the followings provided below that there is no false statement in the contents of this Application, and that the Applicant is the beneficial owner (or attorney-in-fact authorized to sign this Application on behalf of the beneficial owner) of all the domestic source income which this application relates.

- 1) The Applicant is aware that if any of the contents of this Application is different from true facts, the amount of withholding tax under this Application may be less than the amount of withholding tax that shall be withheld in accordance with the relevant laws.
- 2) The Applicant is aware that if it answers "Yes" to any one of ⑪ through ⑬ above satisfying the requirements thereof, the withholding agent shall apply the reduced tax rate under the tax treaty between Korea and the country in which the relevant pension, etc. is established.
- 3) The Applicant is aware that if it answers "No" to any one of ⑭ and ⑮ or "Yes" to ⑯ above, the reduced tax rate under the tax treaty between Korea and the country of the Applicant's residence shall not apply.

Date

Applicant
(Representative)

(Signature or
Seal)

To.

Attachment: Documents substantiating the fact that the Applicant falls under any of the categories ① through ⑬

Attorney- ⑰,17 Type ⑰,18 Name of ⑰,19 Taxpayer ID No. (Resident
in-Fact [] Tax individual or Registration No.)
Administrator corporation
[] Other

⑰,20 Address or Location

2.11.25

[Signature]