

HVD FORUM CHARTER

Approved 2nd March 2005
As Amended as of 10th November, 2005
As Amended as of 21st September, 2006
As Amended as of 1st April, 2007

Article 1. Name & Purpose

The purpose of this charter (hereinafter, the "Charter") is to provide the structure and rules for governance and operation of the HVD FORUM (hereinafter, the "FORUM").

Article 2. Period of Duration

The FORUM, firstly commenced as "HVD Alliance" as of September 28, 2004, and the name was changed to "HVD FORUM" as of April 1, 2007, shall continue in existence for a period of ten (10) years from the commencement date. The duration of the FORUM may be reviewed and terminated earlier or extended at the option of the Executive Committee by a vote pursuant to Article 8(4) of this Charter.

Article 3. Purpose

The FORUM is a voluntary association of hardware manufacturers, software firms and other users of Holographic Versatile Disc ("HVD").

- (1) to establish the single HVD Format for each of the HVD application products, including revisions, improvements and enhancements, that would be in the best interests of consumers and users, and
- (2) to encourage the broad acceptance of HVD Products, including drives, cartridges, cards, tester equipment, software and formats on a worldwide basis among members of the FORUM, related industries and the public.
- (3) to define, establish and/or support one or more specifications, standards, reference implementations, test suites, and best practices and procedures that enable HVD products and foster the rapid adoption of these specifications, standards, reference implementations, test suites, and best practices and procedures by developers and users of HVD products and services.
- (4) to provide a FORUM and environment whereby the FORUM's Members and Affiliates may meet to suggest and or approve relevant specifications; and, to provide an FORUM whereby users may meet with developers and providers of related products and services to identify requirements for interoperability and general usability.
- (5) to educate the market, media and analyst communities as of the value, benefits and applications for HVD products and services through public statements, publications, trade shows demonstrations, seminars and other programs established by the FORUM.
- (6) to serve the needs of consumers and promote competition among vendors by supporting the creation and implementation of uniform, industry-standard conformance test procedures and processes which assure the interoperability of HVD products and services.
- (7) to maintain relationships and liaisons with educational institutions, government research institutes, other technology consortia, and other organizations that support and contribute to the development of the specifications; and to make appropriate submissions to established agencies and bodies with the purpose of ratifying these specifications as internationally recognized standards.
- (8) to foster competition in the development of new products and services based on specifications developed by the FORUM in conformance with all applicable antitrust laws and regulations.

Article 4. Place of Business

The location of the Chair Company of the FORUM shall be the Place of Business. The Executive Committee, pursuant to Article 8 of this Charter, may move location of the office from time to time and may establish and close branches or subordinate offices.

Article 5. Membership

(1) Membership. Membership in the FORUM is open to any corporation or organization which is, or will be, engaged in research, development and/or manufacture of any HVD products, and any software firms and other users of the HVD products, that are interested in developing and improving the HVD Formats. Members of the HVD FORUM ("Member" or "Members") shall not be required to support the HVD Formats to the exclusion of other formats.

(2) Class of Members. The FORUM shall have three (3) classes of membership: Sponsoring Membership, Contributing Membership and Associate Membership. Subject to Articles 5 (5) and (6), the annual membership shall be automatically renewed at the end of each fiscal year provided in Article 15 (1).

(a) Sponsoring Membership. Sponsoring Membership shall be open to entities deemed to be making a significant contribution to the development, promotion or improvement of the HVD FORUM and who pay the required membership fees. Sponsoring Members shall be entitled to participate in and Chair Committees and Working Groups, and to access to the technical information developed through their activities, provided that such Sponsoring Members shall enter into a non-disclosure agreement for protection of the confidentiality of technical information disclosed in Technical Alliance Committees (TAC) and Working Groups. Sponsoring Members are automatically members of the Executive Committee.

(b) Contributing Membership. Contributing Membership is open to any interested entity which elects to join the FORUM as a Contributing Member and pays the required membership fees. Contributing Members shall be entitled to be members of Technical Alliance Committees (TAC) and Working Groups, provided that such Contributing Members shall enter into a non-disclosure agreement for protection of the confidentiality of technical information disclosed in Technical Alliance Committees (TAC) and Working Groups.

(c) Associate Membership. Associate Membership is open to any interested entity which elects to join the FORUM as an Associate Member and pays the required membership fees. Associate Members shall be entitled to participate in Promotions Committee and to access to certain documents, such as Working Group activity reports, Promotions Committee documents and so on which shall be issued from time to time, provided that such Associate Members shall enter into a non-disclosure agreement for protection of the confidentiality of technical information disclosed in Working Groups.

(d) Any new membership for Contributing Members and Associate Members shall be reported to the Executive Committee Members in writing every month.

(3) Membership Fees. The annual membership fee for Sponsoring Members shall be Two Million Five Hundred Thousand Japanese Yen (2,500,000). The annual membership fee for Contributing Members shall be One Million Two Hundred and Fifty Thousand Japanese Yen (1,250,000). The annual membership fee for Associate Members shall be Six Hundred and Twenty Five Thousand

Japanese Yen (625,000). The membership fees shall be reviewed and adjusted, if necessary, on an annual basis. Those Members who join the FORUM on or after July 1 shall be entitled to a reduction of the annual membership fees for the first fiscal year to one half.

(4) Subsidiaries. A subsidiary company more than fifty percent (50%) of whose voting rights a Member owns or controls and which is in substantially the same business field as the parent Member with respect to HVD ("Subsidiary") shall be included in the membership for the parent Member. A Subsidiary shall be represented by the parent Member at the voting at Executive Committee, General Meetings, Committee Meetings and Working Groups. Any affiliated company of a Member other than Subsidiaries shall pay its own membership fee and have one vote at the meetings separately and independently from the Member. A Subsidiary, if it wishes, can also become an independent Member separately from its parent company by paying a separate membership fee, but the voting right and Working Group membership of the Subsidiary shall be represented by the parent Member unless it is approved by the Executive Committee that such Subsidiary shall have its own voting right at Executive Committee, General Meetings, Committee Meetings and Working Group, taking into consideration its substantially independent position from its parent Member.

(5) Withdrawal from Membership. Members may withdraw from membership in the FORUM at any time upon thirty (30) days' prior written notice to the FORUM. The membership fee paid by a withdrawing Member shall not be refundable.

(6) Termination of Membership. Subject to Article 8 (5), Membership in the FORUM shall terminate as follows:

(a) with respect to any Member which is more than sixty (60) days in default of payment of the annual membership fee after receipt of the invoice, such membership shall be terminated retroactively as of the first date of the term for which such annual membership fee is due, or

(b) with respect to any Member which has materially breached the terms and conditions of this Charter, such membership may be terminated if such Member has not cured such breach within thirty (30) days after receiving a written notice thereof by the Executive Committee.

Article 6. Organization

(1) The FORUM shall be composed of the General Meeting, an Executive Committee, a Technical Alliance Committee (TAC), a Promotion Committee, Working Groups and any other organization to be approved by the Executive Committee (including authorized verification laboratories).

(2) The FORUM shall have a Chair Company and two Vice-Chair Companies to be elected from among the Executive Committee members by the majority vote of the Executive Committee members every two (2) years. The Vice Chair Companies shall consist of one company from the IT industry, and one company from the Recording Media industry. The Chair Company shall administer overall arrangements for the Executive Committee meetings and the FORUM, including all HVD administrative functions. The Vice-Chair Companies shall perform management functions at Executive Committee meetings.

(3) The FORUM shall have a Secretary Office. The Secretary Office shall make arrangements for the FORUM meetings, including the General Meetings and Executive Committee meetings, make and

keep minutes and records of the meetings, handle accounting matters of the FORUM, and perform other clerical work related to the activities of the FORUM..

Article 7. General Meeting

(1) A General Meeting of the FORUM shall be held upon the call of the Executive Committee, which shall be notified in writing to all Members at least thirty (30) days prior to the scheduled meeting date. All Members shall be entitled to attend and participate in discussions at the General Meetings, provided that only Sponsoring Members effective as of thirty (30) days prior to the General Meeting shall be entitled to vote at the General Meetings. Each such Sponsoring Member shall have one (1) vote in each General Meeting, which vote may be made in person, by a proxy or in writing, the manner of which shall be designated by the Executive Committee.

(2) The General Meeting shall have the following powers:

- (a) To approve annual membership fees proposed by the Executive Committee; and
- (b) To approve the annual statement of accounts for the FORUM submitted by the Executive Committee.

At each General Meeting, the Executive Committee shall report the summary of activities of the FORUM and its Committees and their Working Groups during the past year and also the plan for the next year's activities.

(3) The General Meeting shall be presided over by the Chair Company of the FORUM.

(4) At a General Meeting, the presence in person or by a proxy of at least fifty percent (50%) of all the Sponsoring Members shall be required to constitute a quorum.

(5) Any resolutions of the General Meeting shall require the consent of a majority of all the Sponsoring Members present at the meeting.

Article 8. Executive Committee

(1) Objective. The Executive Committee shall serve as the executive body of the FORUM.

(2) Membership. Members of the Executive Committee for the initial two (2) years shall be the Sponsoring Members.

Membership after the initial two (2) year term shall be determined by an election to be made among all the Sponsoring Members, and up to ten (10) but not less than three (3) members shall be elected by a majority vote of all the Sponsoring Members actually voting, from the Sponsoring Members as the Executive Committee members for the subsequent two (2) year terms.

In election of the Sponsoring Members for the initial two (2) year term, it shall be the principle that such Sponsoring Members shall be the companies that participate in all Committees or otherwise have made significant contributions, as determined by the Executive Committee, to the development, improvement, verification or promotion of the FORUM.

Each Executive Committee Member may appoint two representatives to serve as its members on the Executive Committee. The Chair Company of the FORUM shall act as a chair of the Executive Committee.

(3) Meetings. Executive Committee meetings shall be notified in writing by the Chair Company to all the members of the Executive Committee at least fifteen (15) days prior to the scheduled meeting date.

(4) Decisions. Decisions of the Executive Committee on any matter (except a matter covered by Article 18) shall be made by the majority of those members of the Executive Committee casting a yes or no vote on such matter, provided that the number of yes votes shall be at least one-third of elected Executive Committee members.

(5) Matters Requiring Approval of the Executive Committee. The Executive Committee shall approve all decisions relating to the structure or policy or operation of the FORUM, including, but not limited to, the following matters:

(a) adoption and/or publication of new HVD Formats or Revisions (hereinafter defined) to the existing HVD Formats proposed by the Technical Alliance Committee (TAC), including the terms of such publication. "Revisions" shall mean modifications, enhancements or other changes to an existing HVD Format as represented by a change of the version number in the first and/or second digit(s), which means that the new version of the format may not have a full compatibility with the existing version of the format.

(b) licensing of HVD Formats and HVD logo to FORUM members and other third parties, including terms and conditions of such licensing and appointment of a licensing entity.

Notes: Licensing of HVD Formats that had been created before the HVD FORUM was established requires prior consent of the owners of the formats. Licensing of HVD logo requires a prior consent of the logo owner.

(c) approval of chair companies of Committees and Working Groups.

(d) termination of FORUM membership of any Member pursuant to Article 5(6),

(e) establishment of a new organization of the FORUM (including authorized verification laboratories) and determination of their operating rules.

(f) approval of plans for HVD Promotional Conferences.

(g) amendment or repeal of the Charter pursuant to Article 18.

(h) approval of any other matters submitted by Committees, and

(i) all decisions to extend the term of the FORUM, dissolve or substantially change the structure or organization of the FORUM.

(6) Quorum for Executive Committee Meeting. The number of Executive Committee members participating in a meeting (in person, by proxy or by telephone, video conference or other electronic means) shall be at least 60% of the number of elected Executive Committee members.

Article 9. Technical Alliance Committee (TAC)

(1) Membership. The Technical Alliance Committee ("TAC") shall be comprised of all Sponsoring Members and Contributing Members, provided that such Members shall enter into a non-disclosure agreement for protection of the confidentiality of technical information disclosed in the TAC. The

chair company of the TAC shall be elected by the members of the TAC and approved by the Executive Committee every two (2) years.

(2) The TAC meetings shall be held upon the call by its chair company, which shall be notified in writing to all the members at least fifteen (15) days prior to the scheduled meeting date.

(3) The TAC shall coordinate activities of the Working Groups and submit technical proposals to the Executive Committee. The powers and delegations of the TAC shall include the followings:

(a) approval of adoption and publication of new HVD Formats or Revisions to the existing HVD Formats as proposed by Working Group(s), and submission of such proposals to the Executive Committee for final approval.

(b) final approval of changes to draft standards and final approval of standards proposed for adoption by Accredited Standards Developing Organizations (SDOs).

(c) formulation and adoption of any operating rules and guidelines that are applicable to all the Working Groups.

(d) any other decisions concerning activities of the Working Groups.

(4) Resolutions of the TAC on any matter shall be made by the majority of those members of the TAC casting a yes or no vote on such resolution, provided that the number of yes votes shall be at least one-third of TAC members.

(5) Quorum for TAC Meeting. The number of TAC members participating in a meeting (in person, by proxy or by telephone, video conference or other electronic means) shall be more than 50% of the number of TAC members.

Article 10. Promotions Committee

(1) Organization. The Promotions Committee ("PC") and its subordinating regional committees may be organized by the Executive Committee. All FORUM members are eligible to be PC members. The Chair company of the PC shall be elected by the members of the PC and approved by the Executive Committee and shall report activities of the PC to the Executive Committee.

(2) Objectives. The objective of the PC shall be to promote the exchange of information among participants in order to facilitate common understandings and wide acceptance of the HVD Products in each region, and promote communication with consumers and organizations outside of the HVD FORUM.

(3) Conference Fees. All Members shall be entitled to participate in any promotional conference held by the PC with more favorable participation fee than what is charged to non-FORUM members.

Article 11. Working Groups

(1) The FORUM may have working groups (the "Working Group(s)").

(2) Membership. Each Working Group shall be open to any Sponsoring Member and Contributing Member, in principle, that is capable of contributing to the discussions at such Working Group,

provided that such Member shall enter into a non-disclosure agreement for protection of the confidentiality of technical information disclosed in Working Groups. The membership of each Working Group shall be reported to the Executive Committee at each Executive Committee meeting.

(3) Organization. Each Working Group may organize task groups under the Working Group. Each Working Group shall appoint one (1) chair-company to be approved by the Executive Committee.

(4) Power and Delegations. Each Working Group shall have the powers and delegations for it that is proposed by a Committee and approved by the Executive Committee.

(5) Reports. Each Working Group shall submit periodic progress reports on the activities thereof prepared by the chair-company to the Parent Committee and the Executive Committee.

Article 12. Verification

(1) Verification. The HVD FORUM shall establish verification programs and their procedures for implementation in order to maintain compliance of HVD products with the HVD Formats adopted by the HVD FORUM.

(2) Verification Policy Committee. The Verification Policy Committee (“VPC”) may be organized by the Executive Committee for the purpose of supervising and establishing policies for Verification. VPC shall be comprised of the Executive Committee members then in office and leading companies, as approved by the Executive Committee, that are involved in the development of HVD formats. The Chair-company of VPC shall be elected by the members of the VPC and approved by the Executive Committee and shall report the activities of the VPC to the Executive Committee.

Article 13. Format/Logo Advisory Group

The Format/Logo Advisory Group (“FLAG”) may be organized by the Executive Committee and shall be comprised of Executive Committee member companies then in office for the purpose of advising the Executive Committee on matters relating to the determination of names/logos for HVD Formats and the licensing of HVD Formats and HVD logos. The Chair-company of the FLAG shall be elected by the members of the FLAG and approved by the Executive Committee and shall report the activities of the FLAG to the Executive Committee.

Article 14. Confidentiality

Any information discussed in or by the FORUM, including as part of any Conference, Executive Committee meetings, Committee Meetings and Working Group meetings will be non-confidential and treated as such by the Members unless otherwise covered by written non-disclosure agreements as to technical information between the disclosing party and receiving parties, or unless incorporated into HVD format(s) which information shall be treated as confidential. Any Member shall enter into a non-disclosure agreement in a form of “HVD FORUM Member Agreement”. . Note: Confidentiality agreements between parties that include references to Licensing of HVD Formats that had been created before the HVD FORUM was established requires prior consent of the owners of the formats. Licensing of HVD logo requires a prior consent of the logo owner.

Article 15. Accounting

(1) Fiscal Year: The fiscal year of the FORUM for accounting purposes shall be from January 1 to December 31 unless otherwise determined by the Executive Committee.

(2) Books and Records: The Secretary Office of the FORUM shall keep accurate, full and complete books and accounts showing income, operations, transactions and the financial conditions of the FORUM. Any Member shall have the access to such books and accounts at any reasonable time during regular business hours and shall have the right to copy said records at its expense, which records shall be kept confidential. The Secretary of the FORUM may engage outside services to assist with Accounting.

(3) Audit: An auditor shall be appointed by the Executive Committee to audit annual balance sheet and statement of accounts of the FORUM.

(4) Reports: The Secretary Office of the FORUM shall prepare and submit to the Executive Committee an audited balance sheet of the FORUM as of the end of each fiscal year and the related statements of operations, within thirty (30) days after the end of such fiscal year.

Article 16. Antitrust Compliance

The FORUM will conduct all of its activities in strict compliance with all applicable laws, including all applicable antitrust laws.

Article 17. Intellectual Property

By participating in the FORUM, no Member shall grant or be deemed to have granted to the FORUM or any other Member, expressly or by implication, any license or right under any patent, copyright, trademark, trade secret or other intellectual property rights owned or controlled by that Member, except otherwise provided in this Charter.

No Member shall use the name of another Member or Members in any form of publicity without the express written permission of such other Member or Members whose name is so used, provided, however, that any Member may disclose and publicize its own membership in the FORUM and the FORUM may disclose and publicize the membership of any Member in the FORUM unless such Member expressly requests in writing that the FORUM not disclose or publicize its membership in the FORUM.

Those Members of the categories as specified below will be requested to execute a written instrument, in which such Member agrees to grant, under fair, reasonable and non-discriminatory terms and conditions (RAND), to any Members or third parties, a license of patents, both granted and pending, to the extent permitted under applicable laws, provided that these patents are necessary to manufacture, sell and/or use HVD products (the "License") provided further that a party obtaining a License from such Member agrees to grant to such Member a license, under terms and conditions comparable to those contained in the License, of their patents necessary to manufacture, sell and/or use HVD products.

(a) Members who participate in the Technical Alliance Committee (TAC) and/or Working Group activities for creation and/or improvement of HVD Formats; and

(b) Members who created a certain format outside the HVD FORUM and propose such format to the HVD FORUM to be agreed upon as a new format.

Article 18. Amendments

This Charter may be amended or repealed, or a new charter may be adopted, by the affirmative vote of at least 70% of all the members of the Executive Committee.

Article 19. Disclaimer of Liability

This Charter is not intended, and shall not be construed, to create a corporation, partnership, joint venture, agency relationship or other legally recognized entity by or among the Members. No Member shall have any power to enter into any agreement or obligation on behalf of other Members or the FORUM without the express written authorization of such other Members or the FORUM, as the case may be. A Member shall have no liability, loss or damages whatsoever resulting from any unauthorized acts of another Member or the FORUM. Each Member agrees to indemnify the other Members and the FORUM from all liabilities, loss or damages resulting from the indemnifying Member's unauthorized acts.

Article 20. Language

The official language of the FORUM shall be English.