

BLU-RAY DISC ASSOCIATION COMMITTEE RULES

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Section 1. General Provisions

These rules (“Rules”) set forth the structure and rules for the subordinate organizations of the BDA, including committees and task forces. These Rules will be issued and amended from time to time by the BOD.

Unless otherwise provided in these Rules, the capitalized terms used in these Rules shall have the same meaning as those set forth in the Bylaws.

Section 2. Establishment of Task Force

The BOD can set up a Task Force (“TF”) for a specific task in which Contributor Members whose representatives serve on the BOD may participate and the BOD can dissolve such TF upon acceptance of the end result, achieved by the TF. The BOD may appoint, at its sole discretion, other Members to participate in each TF with due consideration of confidentiality and such appointed Members which accept such appointment shall form and work as Members of the TF. The BOD can decide how to manage each TF on a case by case basis. Decisions within the TF shall be made by unanimous consensus, or, if that is impossible, by Super Majority Vote of all Members of the TF. Unless otherwise approved by the BOD, any group subordinate to a TF created under this Section shall be constituted by the same Members and governed by the same rules as the TF to which it reports. A TF shall make a direct recommendation to the BOD. The BOD will decide, at its own discretion, whether it wishes to adopt such recommendation.

Section 3. Other Subordinate Organizations

Subsection A: Promotion Committee (“PC”)

(1) Objectives

The objectives of the PC are:

- (i) to formulate a strategic approach to promote the Blu-ray Disc Format(s) in various product categories on a global basis; and
- (ii) to implement events and activities to:
 - a) promote the Blu-ray Disc Format(s);
 - b) showcase the products conforming to the Blu-ray Disc Format(s) (hereinafter in this Subsection A referred to as “Blu-ray Disc Products”);
 - c) educate on the Blu-ray Disc Format(s) and technology adopted in the Blu-ray Disc Format(s), based on publicly available information; and
 - d) create mechanism for the General Members to participate in the activities of the PC.

(2) Activities

For achieving the foregoing objectives, the PC is assigned and authorized by the BOD to:

- (i) develop overall promotion strategy;

- (ii) develop global promotion plan with inputs from the Regional Promotion Teams (as defined below);
- (iii) create budget for the activities of the PC with inputs from the Regional Promotion Teams (as defined below), subject to the approval from the BOD;
- (iv) select and manage public relation agency(ies);
- (v) issue press releases on behalf of the BDA after obtaining unanimous approval from the BOD;
- (vi) establish and disband task force(s) as required for specific promotion activities;
- (vii) make and revise a guideline for decision making process within the BDA on press release or other public communication, subject to the approval from the BOD, and provide other subordinate organizations of the BDA with such guidelines;
- (viii) request the BOD to authorize the PC to have joint meetings with a General Member or invite any party that is not a Member to the meeting(s) within the PC under due consideration of confidentiality; and
- (ix) perform any other tasks inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the BOD from time to time.

(3) Participants

The Contributor Members are entitled to participate in the activities of the PC in accordance with the following classification of participants in each organization within the PC:

The Global Promotion Committee (defined below) shall consist of the Contributor Members whose representative serves on the BOD, the Chair and Vice Chair(s) of the Global Promotion Committee, and the Chair of the Regional Promotion Teams (defined below).

All activities of the Regional Promotion Teams (defined below) can be participated by any Contributor Member.

(4) Organization

At the commencement of the BDA, the PC has the Global Promotion Committee (in this Subsection A referred to as “GPC”) and the following three subordinate groups (herein collectively referred to as “Regional Promotion Teams”):

- (i) the America Promotion Team;
- (ii) the Europe Promotion Team; and
- (iii) the Japan and Asia Pacific Promotion Team.

4-1: GPC

The GPC shall serve as the organization having the ultimate authority within the PC in deciding all the issues which the PC is authorized and assigned to decide under these Rules. The GPC may represent and act on behalf of the PC and delegate a part of its authority and assignment to the Regional Promotion Team(s) in its own decision. The objectives and activities of the GPC are identical to those set forth above as those of the PC.

4-2: Regional Promotion Teams

The objective of each Regional Promotion Team is to implement promotion strategy approved by the GPC according to the regional coverage assigned to each Regional Promotion Team.

For achieving the foregoing objective, each Regional Promotion Team is assigned and authorized by the GPC to:

- (i) define and implement promotion strategy and budget for the region in which each Regional Promotion Team is assigned to implement promotion strategy (such region is hereinafter in this Subsection A referred to as “Own Region”);
- (ii) plan and manage promotional events in connection with the technology adopted in the Blu-ray Disc Format(s) and/or the compatibility among the Blu-ray Disc Products;
- (iii) manage regional public relation agency(ies);
- (iv) establish and maintain relationships with the press and analysts to foster positive public feelings toward the BDA and the Blu-ray Disc Format(s);
- (v) establish criteria for evaluating the effectiveness of its own activities and, upon request from the GPC, report its evaluation to the GPC;
- (vi) define meeting frequency and participants of the activities in the Own Region;
- (vii) disseminate messages to the press and analysts after obtaining approval from the GPC; and
- (viii) create mechanism for the General Members of the BDA to participate in its own activities.

4-3: Chair and Vice Chair

The GPC Chair and each Chair of the Regional Promotion Team(s) duly appointed in accordance with Section 4 shall perform the following tasks of the Chair during their tenure respectively.

The tasks of the Chair are to:

- (i) set the schedule for, preside over and facilitate the meetings of the committee or team in which he/she has his/her status as a Chair (hereinafter in this Subsection A such meetings are referred to as “Own Meeting” and such committee or team “Own Group”);
- (ii) prepare meeting agendas for the Own Meeting;
- (iii) create and align overall activity schedule and budget of the Own Group;
- (iv) in the case of the GPC Chair, maintain interface to public relation agency;
- (v) in the case of the GPC Chair, monitor public relation agency’s performance;
- (vi) coordinate promotion strategy development within the Own Group;
- (vii) in the case of the GPC Chair, periodically report activities and progress to the BOD and President;
- (viii) ensure BOD direction is properly disseminated through the Own Group;
- (ix) initiate and proceed voting procedure pursuant to this Subsection A; and
- (x) perform any other tasks inseparably related to or necessary for achieving the foregoing tasks.

Each GPC Vice Chair and each Vice Chair of the Regional Promotion Team(s) duly appointed in accordance with Section 4 shall perform the following tasks of the Vice Chair during their tenure respectively.

The tasks of the Vice Chair are to:

- (i) assist the Chair for the meetings of the committee or team in which he/she has his/her status as a Vice Chair (hereinafter in this Subsection A such meetings are also referred to as “Own Meeting”, such committee or group “Own Group” and the Chair of the Own Group is referred to as “Own Chair”) in coordination of the activities of the Own Group;
- (ii) play the role of the Own Chair in the case that the Own Chair is unable to perform one or more of his/her tasks; provided that the Own Chair shall decide which Vice Chair will act as the Own Chair in each such case;
- (iii) in the case of the GPC Vice Chair(s), participate in preparing status reports of the PC to the BOD;
- (iv) compile notes and actions of the Own Meeting and distribute meeting minutes;
- (v) archive of documents: i.e. agendas, minutes, presentation materials, etc.;
- (vi) maintain distribution list and mailing list; and
- (vii) follow up the then-current status of action items listed on a previous action list of the Own Group.

(5) Decisions by the PC.

Subject to Clause 5(5) of the Bylaws, each of Contributor Members whose representative serves on the BOD has one vote for each voted proposal in the GPC and/or the Regional Promotion Team in which such Contributor Member participates.

The GPC and the Regional Promotion Team(s) will pursue to make decisions by unanimous consensus. If unanimous consensus cannot be reached, the decision shall be made by the following voting rules:

- (i) The quorum for a voting is constituted by the presence of 75% or more of all Contributor Members whose representative serves on the BOD participating in the GPC and/or the Regional Promotion Team in which the voting is proceeded (hereinafter in this Subsection A such present Contributor Member is referred to as “Voter”);
- (ii) Each Voter shall cast a vote as “Agree”, “Disagree”, or “Abstain”;
- (iii) The number of “Abstain” vote(s) shall not be included in the number of votes cast in a voting procedure (hereinafter in this Subsection A cast votes other than “Abstain” votes are referred to as “Effective Votes”);
- (iv) A voted proposal shall be approved if more than 50% of the Effective Votes are “Agree”.

For urgent topics, the GPC Chair or each Chair of the Regional Promotion Team(s), as the case may be, can initiate a voting by e-mail pursuant the following voting rules:

- (i) The Chair shall notify by e-mail all Contributor Members whose representative serves on the BOD participating in the activities of the Own Group of proposal(s) to be voted and a due date for casting a vote on the proposal(s);
- (ii) The due date set by the Chair shall not be earlier than 7th working day after the date when the above notification is made and the due date is deemed to have passed when the due date under PST or PDT has passed;
- (iii) A voted proposal shall be approved if more than 50% of the Contributor Members whose representative serves on the BOD that have voted on the proposal by the due date have voted for the proposal.

Notwithstanding the foregoing voting rules, no press release shall be issued by the PC until all Contributor Members whose representative serves on the BOD approve the press release.

Subsection B: Compliance Committee (“CC”)

(1) Objectives

The objectives of the CC are:

- (i) ensuring the compatibility and interchangeability of products designed to conform to the Blu-ray Disc Format(s) (hereinafter in this Subsection B referred to as “Blu-ray Disc Products”);
- (ii) supporting fast and broad acceptance of the Blu-ray Disc Formats in the industry; and
- (iii) supporting correct implementation of the Blu-ray Disc Formats in products.

(2) Activities

For achieving the foregoing objectives, the CC is assigned and authorized by the BOD to:

- (i) technically support duly licensed parties in the manufacture Blu-ray Disc Products through the following activities:
 - (a) establishing policy and procedures for verification services, subject to the approval by the BOD;
 - (b) supervising verification services performed by the Blu-ray Disc Testing Center(s) defined in applicable license agreement(s) for the Blu-ray Disc Format(s);
 - (c) performing compatibility and interchangeability tests;
 - (d) creating or revising test specifications for the conformity tests, subject to the approval by the BOD; and
 - (e) preparing reference discs and calibration discs;
- (ii) consult with the JTC and other subordinate organizations of the BDA to review and attempt to resolve problems in the practical implementation of any Blu-ray Disc Format or test specification;
- (iii) manage activities to resolve technical requirements or issues across Subordinate Groups of the CC (hereinafter in this Subsection B referred to as “SG”) by:
 - (a) providing SG(s) with necessary instructions and assignments;
 - (b) prioritizing activities within and across SG(s); and
 - (c) technically advising SG(s) if such SG(s) fails to resolve technical requirement or issue within a reasonable period of time;
- (iv) establish or dissolve SG (s), subject to the approval by the BOD;
- (v) approve any SG to establish its subordinate Working Group(s) (hereinafter in this Subsection B referred to as “WG(s)”) to investigate specific technical issues within two years;
- (vi) periodically report to the BOD on the activities of the CC;
- (vii) communicate under due consideration of confidentiality with a licensing entity for the Blu-ray Disc Format(s) appointed by the BOD (hereinafter in this Subsection B referred to as “Licensing Entity”) to the extent reasonably necessary to achieve the objectives of the CC;
- (viii) invite the Licensing Entity under due consideration of confidentiality to the CC Steering Council (described below) as an observer to the extent reasonably necessary to achieve the objectives of the CC;
- (ix) request the BOD to authorize the CC, including the CC Steering Council, SG(s) and WG(s), to have joint meetings from time to time with one or more General Member(s)

- under due consideration of confidentiality;
- (x) make public statements of information from time to time with respect to the activities of the CC under due consideration of confidentiality in cooperation with the Promotion Committee; and
- (xi) perform any other task inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the BOD to the CC from time to time.

(3) Participants

The Contributor Members are entitled to participate in the activities of the CC in accordance with the following classification of participants in each organization within the CC:

The CC Steering Council (described below) shall consist of the Contributor Members whose representative serves on the BOD, the Chair and Vice Chair(s) of the CC Steering Council, and the Chair of the SG (s).

All activities of the Verification Service Group (described below) can be participated by:

- (i) any Contributor Member whose representative serves on the BOD;
- (ii) any Contributor Member that acts as a Blu-ray Disc Testing Center (hereinafter in this Subsection B referred to as "TC") defined in applicable license agreement(s) for the Blu-ray Disc Format(s); and
- (iii) any Contributor Member that has not acted as a TC but has the intention to act as a TC; provided that such Contributor Member shall be:
 - (a) a party that agrees to perform as a TC within 2 years after its initial participation in the Verification Service Group (described below);
 - (b) a party retaining the access right to a Blu-ray Disc Format or any draft of a future Blu-ray Disc Format that the party indispensably needs to refer to during its performance as a TC;
 - (c) a party that:
 - (x) participates or has participated in the activities of a Technical Expert Group that creates test specifications and test tools to verify whether a product is in compliance with a Blu-ray Disc Format; or
 - (y) manufactures and sells recorders, drives, discs, test tools and/or software in compliance with a Blu-ray Disc Format; and
 - (d) a party that obtained and maintains effective approval from the CC Steering Council (described below) for its participation in the activities of the Verification Service Group (described below) after the party applied for the participation by submitting to CC Steering Council (described below) a written statement as to any possible contribution the party can make as a TC, the party's knowledge and technical capacity to act as a TC, the party's experience in comparable activities for other optical disc related formats, and available equipment and manpower of the party to act as a TC.

All activities of the System Compatibility Group (described below) and the Test Specification Group (described below) can be participated in by any Contributor Member.

(4) Organization

At the commencement of the BDA, the CC has the CC Steering Council (hereinafter in this Subsection B referred to as “CCSC”) and the following three subordinate groups:

- (i) the Verification Service Group (hereinafter in this Subsection B referred to as “VSG”);
- (ii) the System Compatibility Group (hereinafter in this Subsection B referred to as “SCG”); and
- (iii) the Test Specification Group (hereinafter in this Subsection B referred to as “TSG”).

4-1: CCSC

The CCSC shall serve as the organization having the ultimate authority within the CC in deciding all the issues which the CC is authorized and assigned to decide under these Rules. The CCSC may represent and act on behalf of the CC and delegate a part of its authority and assignment to the Subordinate Group(s) in its own decision. The objectives and activities of the CCSC are identical to those set forth above as those of the CC.

4-2: VSG

The objectives of the VSG are to review and establish policy and procedures for verification services to be performed by the Blu-ray Disc Testing Center(s) defined in applicable license agreement(s) for the Blu-ray Disc Format(s) and supervise the verification services performed by the Blu-ray Disc Testing Center(s).

For achieving the foregoing objectives, the VSG is assigned and authorized by the CCSC to:

- (i) review pre-existing applicable verification procedures and if reasonably necessary, define logistics, technical procedures, templates, rules and plans for the verification to be performed by the Blu-ray Disc Testing Center(s);
- (ii) define procedures to ensure calibration and consistency of verification results between or among the Blu-ray Disc Testing Centers;
- (iii) define requirements for qualification and performance of the Blu-ray Disc Testing Center(s);
- (iv) audit the Blu-ray Disc Testing Center(s);
- (v) establish guidelines for communication between or among the Blu-ray Disc Testing Centers;
- (vi) define plans and rules for market inspection to be performed by the CCSC;
- (vii) organize and manage market inspection upon request of the CCSC;
- (viii) establish or dissolve WG(s), including a WG consisting of Blu-ray Disc Test Centers to study issues related to the execution of verification or market inspection, subject to the approval by the CCSC;
- (ix) share within the CC the information in connection with any problem in implementing any Blu-ray Disc Format or test specifications established by the TSG; and
- (x) perform any other tasks inseparably related to or necessary for achieving the foregoing activities, or tasks within the scope of the above objectives duly assigned to the VSG from time to time.

4-3: SCG

The objectives of the SCG are to organize and execute compatibility and interchangeability tests such as Round Robin Test(s) to be participated in by parties that have obtained and maintain relevant license to manufacture products in compliance with the Blu-ray Disc Format(s) and agree to the RRT Confidentiality Obligations as set forth below (hereinafter in this Subsection B such Round Robin Test(s) organized by SCG is referred to as “RRT(s)” and such participants in the RRT(s) are referred to as “RRT Participants”) and to analyze the result of the tests.

For achieving the foregoing objective, the SCG is assigned and authorized by the CCSC to:

- (i) organize and execute the RRT(s) for the Blu-ray Disc Products;
- (ii) analyze the results of the RRT(s);
- (iii) if requested by the CCSC from time to time, review information in connection with the activities of the SCG to be disclosed to the Members;
- (iv) establish or dissolve WG(s), subject to the approval by the CCSC; and
- (v) perform any other tasks inseparably related to or necessary for achieving the foregoing activities, or tasks within the scope of the above objectives duly assigned to the SCG from time to time.

The SCG shall ensure that all RRT Participants agree to and comply with the RRT Confidentiality Obligations set forth below and any Member participating in or having participated in the RRT(s) shall irrevocably agree to the RRT Confidentiality Obligations set forth below:

< RRT Confidentiality Obligations >

1. Any information that is disclosed, obtained and/or exchanged during a RRT (hereinafter in this Subsection B referred to as “RRT Confidential Information”) shall be used solely (i) for the objectives of the SCG as listed above and (ii) for maintaining and improving the compatibility and interchangeability of products of the RRT Participants that have participated in such RRT.
2. The RRT Confidential Information can be shared only by (i) the RRT Participants that have participated in such RRT, (ii) the SCG Chair, (iii) any SCG Vice Chair who has been duly assigned by the SCG Chair to organize such RRT prior to such RRT and deeply involved in such RRT and (iv) a Chair of a WG assigned to organize such RRT (hereinafter in this Subsection B such WG is referred to as “RRT WG”).
3. Without obtaining prior written approval from the RRT Participant that disclosed any RRT Confidential Information, neither any RRT Participant, the SCG Chair, any SCG Vice Chair nor the Chair of the RRT WG shall disclose such RRT Confidential Information to any party that has not participated in the RRT during which such RRT Confidential Information was disclosed, obtained and/or exchanged.
4. Notwithstanding the foregoing, this RRT Confidentiality Obligations shall not extend to any information that:
 - (a) was in the public domain at the time it was disclosed or becomes part of the public domain after its disclosure without violation of this RRT Confidentiality Obligations;

- (b) was lawfully obtained without restriction from a third party who is not bound by similar confidentiality obligations; or
- (c) was independently developed by the receiving RRT Participant.

5. For the avoidance of doubt, this RRT Confidentiality Obligations shall supersede the confidentiality obligations set forth in Clause 22 of the Bylaws in respect of the RRT Confidential Information. This RRT Confidential Obligations shall survive the termination of the Bylaws, these Rules, any completion or discontinuation of any RRT, any resignation or termination of a Membership and any discontinuation of a RRT Participant's participation in a RRT.

4-4 TSG

The objective of the TSG is to create clear and practical test specifications for conformity tests for Blu-ray Disc Products.

For achieving the foregoing objective, the TSG is assigned and authorized by the CCSC to:

- (i) create, evaluate and review test specifications and test methods which may include basic requirements for test tools such as verifier, test disc(s) and reference disc(s);
- (ii) distribute the reference disc(s) to relevant parties under due consideration of confidentiality;
- (iii) distribute test discs to the Adopters ;
- (iv) establish or dissolve WG(s), subject to the approval by the CCSC; and
- (v) perform any other tasks inseparably related to or necessary for achieving the foregoing activities, or tasks within the scope of the above objectives duly assigned to the TSG from time to time.

4-5 WG

The objectives of the WG are to study specific technical issues assigned by the SG that established the WG (hereinafter in this Subsection B "Own SG"). The maximum duration of each WG is two years from its establishment; provided that after its 2 year term, the continuation of such WG can be decided by the Own SG.

For achieving the foregoing objective, each WG is assigned and authorized by the CCSC and Own SG to:

- (i) investigate specific technical issues assigned by the Own SG; and
- (ii) report the results of its investigation to the Own SG.

4-6 Chair and Vice Chair

The CCSC Chair and each Chair of the SG (s) and WG(s) duly appointed in accordance with Section 4 shall perform the following tasks of the Chair during their tenure respectively.

The tasks of the Chair are to:

- (i) preside at and facilitate the meetings of the committee or group in which he/she has his/her status as a Chair (hereinafter in this Subsection B such meetings are referred to

- (ii) as “Own Meeting” and such committee or group as “Own Group”); determine the time and place for the Own Meeting after consulting with the Vice Chair(s) of the Own Group;
- (iii) notify all Contributor Members in the Own Group the date and place of the Own Meeting not later than 21 days prior to each Own Meeting; provided that in case of telephone conference, such 21 day prior notice period can be shortened by the decision made by the Majority Vote of the Contributor Members in the Own Group;
- (iv) prepare agenda for each Own Meeting after consultation with relevant Vice Chair(s) of the Own Group;
- (v) on behalf of the Own Group, communicate with or report to the BOD, President, Secretary Office, and other subordinate organizations of the BDA;
- (vi) report updated information or results of the discussion made in the Own Meeting to the organization of the BDA that requires such report or is expected to be reported under these Rules;
- (vii) in the case of the CCSC Chair, request the BOD decisions on matters that could not be resolved by the CC within a reasonable period of time;
- (viii) ensure proper dissemination of the BOD directions or other information within the CC;
- (ix) make and coordinate technical presentation if so requested by the BOD and, only in the case of the CCSC Chair, make announcement in public in cooperation with the Promotion Committee;
- (x) in the case of the WG Chair, assist the Chair of the Own SG if so requested by the Chair of the Own SG;
- (xi) assign any part of his/her tasks as the Chair to a Vice Chair of the Own Group or any other individual duly entitled to participate in the activities of the Own Group if such Vice Chair or individual accepts such assignment; and
- (xii) perform any other tasks inseparably related to or necessary for achieving the foregoing tasks.

The CCSC Vice Chair and each Vice Chair of the SG (s) and WG(s) duly appointed in accordance with Section 4 shall perform the following tasks of the Vice Chair during their tenure respectively.

The tasks of the Vice Chair(s) are to:

- (i) assist the Chair for the meetings of the committee or group in which he/she has his/her status as a Vice Chair (hereinafter in this Subsection B such meetings are also referred to as “Own Meeting”, such committee or group “Own Group” and the Chair of the Own Group is referred to as “Own Chair”);;
- (ii) participate in and contribute to the preparation of the Own Meetings with the Own Chair;
- (iii) play the role of the Own Chair in the case that the Own Chair is unable to perform one or more of his/her tasks; provided that the Own Chair shall decide which Vice Chair will act as the Own Chair in each such case;
- (iv) participate in and contribute to the preparation of update information on the discussion made in the Own Meeting;
- (v) archive agenda, minutes, presentation materials and other documents used during the Own Meeting;
- (vi) maintain mailing lists;
- (vii) draft meeting minutes and action lists of the Own Group;

- (viii) follow up the then-current status of action items of the Own Group listed on a previous action list; and,
- (ix) distribute agenda for each Own Meeting after reaching an agreement on such agenda with the Own Chair.

(5) Decisions by the CCSC, SG (s) and WG(s)

Subject to Clause 5(5) of the Bylaws, each Contributor Member that has participated in one or more of the meetings of the CCSC, SG(s) and/or WG(s) and is currently participating in the CCSC, SG (s) and/or WG(s) has one vote for each voted proposal in the CCSC, SG or WG (hereinafter in this Subsection B such participating Contributor Member are referred to as collectively “Voters” and severally “Voter”).

The CCSC, SG (s) and WG(s) will pursue to make a decision by unanimous consensus. If the unanimous consensus cannot be reached, the decision shall be made by the following voting rules:

- (i) The quorum for a voting is constituted by the presence of more than 75% of all Voters;
- (ii) Each Voter attending at a meeting shall cast a vote as “Agree”, “Disagree”, or “Abstain”;
- (iii) The number of “Abstain” votes will not be included in the number of votes cast in a voting procedure (such number of votes excluding “Abstain” votes is referred to herein as “Effective Votes”);
- (iv) If one-third or more of the Voters attending at a voting have voted “Abstain”, then the voted proposal shall be rejected;
- (v) A voted proposal is approved if more than 2/3rd of the Effective Votes are “Agree”.

For urgent topics or in the case where the above quorum is not constituted, each Chair can initiate a voting by e-mail. For such voting by e-mail, the foregoing voting rules and voting rights shall apply; provided that any Voter who has not sent its e-mail vote before the due date set by the Chair shall be considered absent. The due date shall be set by the Chair and shall be at least 10 working days after initiating the e-mail vote; provided that the Chair may invite Voters to voluntarily cast votes within shorter period of time than the 10 working day period. In any case, at any time prior to the due date, if the minimum number of affirmative votes required to approve are met or exceeded, or the minimum number of negative votes required to reject are met or exceeded, the voted matter shall be decided accordingly.

Subsection C: Joint Technical Committee (“JTC”)

(1) Objectives

The objectives of the JTC are:

- (i) coordinating and accelerating technical discussion in/among the TEG(s) and submitting technical proposals to the BOD; and,
- (ii) to the extent that the JTC is duly authorized by the BOD or the Promotion Committee, making public statements on behalf of the BDA from technical point of view in accordance with strategic guidelines of the Promotion Committee.

(2) Activities

For achieving the foregoing objectives, the JTC is assigned and authorized by the BOD to:

- (i) establish necessary TEG(s) and TTF(s) and determine their assignments and tasks, subject to approval by the BOD;
- (ii) ensure proper dissemination of the BOD directions to the TEG(s) and TTF(s);
- (iii) manage activities to resolve technical requirements or issues across TEG(s) and/or TTF(s) by:
 - (a) prioritizing activities within and across TEG(s) and/or TTF(s); and,
 - (b) technically advising TEG(s) and TTF(s) if such TEG(s) fails to resolve technical requirement or issue within a reasonable period of time;
- (iv) review schedules, milestones and progress report on the activities of TEG(s) and TTF(s) that are submitted to the JTC by TEG(s) and TTF(s);
- (v) request TEG(s) and/or TTF(s) to reconsider any technical issue that has been reported to the JTC;
- (vi) review and confirm (or reject, or request to clarify) proposals from TEG(s) and/or TTF(s) for final approval by the BOD to adopt and publish any Blu-ray Disc Format;
- (vii) submit confirmed proposals from TEG(s) and/or TTF(s) to the BOD for its approval;
- (viii) provide final approval with respect to editorial or minor changes to a proposal of any Blu-ray Disc Format prepared by TEG(s);
- (ix) report technical issues to the BOD if the JTC fails to reach any decision on a specific technical issue within a reasonable period of time and provide the BOD with reasonable options for its decision;
- (x) report to the BOD on the activities of the JTC, TEG(s) and TTF(s);
- (xi) to the extent that the JTC is duly authorized by the BOD, approve or reject TEG(s)’s or TTF(s)’s request to have joint meetings with a party that is not a Member or with a Member that is not a member of any TEG, MST or TTF;
- (xii) dissolve TEG(s) and/or TTF(s) upon completion of their assignments and tasks, subject to the approval from the BOD;
- (xiii) approve or reject TEG(s)’s request to establish and dissolve MST(s); and
- (xiv) perform any other tasks inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the BOD to the JTC from time to time.

(3) Participants

The JTC shall consist of one or two person(s) from each Contributor Member whose representative serves on the BOD, the TEG Chair(s), the JTC Chair and JTC Vice Chair(s) (hereinafter in this Subsection C collectively referred to as “JTC Constituents” and severally “JTC Constituent”). The selection of TEG Chair(s), the JTC Chair, and the JTC Vice Chair(s) are set forth in Section 4 of these Rules.

The JTC participants shall include the JTC Constituents together with individuals from Members duly invited to attend by the JTC; provided that the JTC shall take due consideration of confidentiality in inviting individuals from the General Members.

Notwithstanding the foregoing, individuals from the Contributor Members whose representative serves on the BOD may attend any JTC meetings as observers.

(4) Organization

If any JTC Chair and JTC Vice Chair(s) are appointed in accordance with the procedure set forth in Section 4, such appointed JTC Chair shall perform the tasks of the JTC Chair as specified below and such appointed JTC Vice Chair(s) shall perform the tasks of the JTC Vice Chair(s) as specified below during their tenure respectively.

Regular or special JTC meetings shall be held at a place and time designated by the BOD or at a place and time designated by the JTC Chair after consultation with the JTC Vice Chairs.

The tasks of the JTC Chair are to:

- (i) preside at and facilitate JTC meetings;
- (ii) notify all JTC Constituents of the JTC meeting date not later than 21 days prior to each JTC meeting; provided that in case of telephone conference, such 21 day prior notice period can be shortened by the decision made by the Super Majority Vote of the Contributor Members whose representative serves on the BOD;
- (iii) prepare agenda for each JTC meeting after consultation with the JTC Vice Chair(s);
- (iv) on behalf of the JTC, communicate with or report to the BOD, President, Secretary Office, TEG(s) and other subordinate organizations of the BDA;
- (v) report to the BOD updated information on the activities of the JTC, TEG(s) and TTF(s);
- (vi) request the BOD decisions on matters that could not be resolved by the JTC within a reasonable period of time;
- (vii) request the BOD to adopt any Blu-ray Disc Format proposals approved by the JTC;
- (viii) make and coordinate technical presentation or announcement in public in cooperation with the Promotion Committee; and
- (xi) perform any other tasks inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the BOD to the JTC from time to time.

The tasks of the JTC Vice Chair(s) are to:

- (i) assist the JTC Chair;
- (ii) participate in and contribute to the preparation of the JTC meetings with JTC Chair;
- (iii) play the role of the JTC Chair in the case that the JTC Chair is unable to perform one or

- more of his/her tasks; provided that the JTC Chair shall decide which JTC Vice Chair will act as the JTC Chair in each such case;
- (iv) participate in and contribute to the preparation of update information on the activities of the JTC, TEG(s) and TTF(s) to be reported to the BOD;
 - (v) archive agenda, minutes, presentation materials and other documents used during JTC meetings;
 - (vi) maintain mailing lists of addressees of the JTC Constituents;
 - (vii) draft meeting minutes and action lists;
 - (viii) follow up the then-current status of action items listed on a previous action list of the JTC; and,
 - (ix) distribute agenda for each JTC meeting after the JTC Chair has finalized the agenda.

(5) Decisions by the JTC

Subject to Clause 5(5) of the Bylaws, each Contributor Member whose representative serves on the BOD participating in the JTC has one vote for each voted proposal in the JTC; provided that only Contributor Members whose representative serves on the BOD that have signed up for the JTC and have not been absent in the preceding consecutive two JTC meetings shall have such voting right (hereinafter in this Subsection C such Contributor Members are referred to as collectively “Voters” and severally, a “Voter”).

The JTC will pursue to make a decision by unanimous consensus of all Voters. If the JTC cannot reach a consensus, the JTC will make a decision on any proposal by the following voting rules:

- (i) The quorum for a voting is constituted if more than 50% of all Voters excluding Voters that have sent any notice of absence to the JTC Chair before the voting are present (in person, by proxy or if possible by telephone, video conference or other electronic means) at the voting and the Voters present at the voting are not less than 25% of all Voters;
- (ii) Each Voter attending at a JTC meeting shall cast a vote as “Agree”, “Disagree”, “Abstain” or “Follow the Majority”;
- (iii) The number of “Abstain” votes will not be included in the number of votes cast in a voting procedure (“Effective Votes”);
- (iv) If one-third or more of the Voters attending at a voting have voted “Abstain”, then the voted proposal shall be rejected;
- (v) “Follow the Majority” vote shall mean an affirmative vote to support “Agree” or “Disagree” whichever obtains larger number of votes;
- (vi) A voted proposal is approved if at least 66.7% of the Effective Votes are “Agree” and/or “Follow the Majority”; provided that (1) if the number of the Effective Votes for “Agree” equals the number of the Effective Votes for “Disagree” and such number is less than 25% of the Effective Votes, or (2) if all the Effective Votes are for “Follow the Majority”, the voted proposal shall not be deemed approved and can be further discussed in the JTC.

For urgent topics, the JTC Chair can initiate a voting by e-mail. For such voting by e-mail, the foregoing voting rules and voting rights shall apply, provided that any Voter who has not sent its e-mail votes before the due date set by the JTC Chair shall be considered absent. The due date shall be set by the JTC Chair and shall be at least 10 working days after initiating the e-mail vote; provided that the JTC Chair may invite Voters to voluntarily cast votes within shorter period of time than the 10 working day period. In any case, at any time prior to the due date, if the minimum

number of affirmative votes required to approve are met or exceeded, or the minimum number of negative votes required to reject are met or exceeded, the voted matter shall be decided accordingly.

Subsection D: Technical Expert Group (“TEG”)

(1) Objectives

The objectives of the TEG(s) are:

- (i) creating the Blu-ray Disc Format proposals; and,
- (ii) making proposals of revisions, extensions, improvements or enhancements to the Blu-ray Disc Formats.

(2) Activities

For achieving the foregoing objectives, the TEG(s) is assigned and authorized by the JTC and the BOD to:

- (i) execute activities to create Blu-ray Disc Format proposals pursuant to the assignment defined by the JTC and the format creation schedule determined by the BOD with such assignment;
- (ii) create initial test specification proposals;
- (iii) establish MST(s) and define and designate the assignments and tasks for the MST(s), subject to the approval from the JTC;
- (iv) dissolve MST(s) upon completion of their assignments and tasks, subject to the approval from the JTC;
- (v) report progress to the JTC and request advice of the JTC, if necessary;
- (vi) propose to the JTC any versions of any Blu-ray Disc Formats or any revisions or editorial or minor changes to any Blu-ray Disc Formats;
- (vii) request the JTC to authorize the TEG(s) to have joint meetings with a party that is not a Member or with a General Member under due consideration of confidentiality;
- (viii) report and request for approval to the JTC any information including Confidential Information that TEG(s) intends to disseminate to the General Members and thereafter disseminate such information to the General Members; and,
- (ix) perform any other tasks inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the JTC or BOD to TEG(s) from time to time.

(3) Participants

Employees of each Contributor Member are eligible to participate in the activities of any TEG(s) subject to Clause 5(5) of the Bylaws; provided that each of Contributor Members shall select on a sign-up sheet prepared by and submitted to the Secretary Office which TEG(s) to participate in.

(4) Organization

If any TEG Chair and TEG Vice Chair(s) for each TEG are appointed in accordance with the procedure set forth in Section 4, the following tasks of a TEG Chair as set forth in this Subsection D shall be performed by the appointed TEG Chair and the following tasks of the TEG Vice Chair(s) shall be performed by the appointed TEG Vice Chair(s) during their tenure respectively.

Each regular or special TEG meeting shall be held at a place and time determined by each TEG

Chair after consultation with the TEG Vice Chair(s) of the TEG in which the TEG Chair has his/her status as such (hereinafter in this Subsection D such TEG is referred to as “Own TEG”).

The tasks of a TEG Chair are to:

- (i) preside at and facilitate meetings of the Own TEG;
- (ii) notify all contact persons of Contributor Members on a mailing list prepared by the Own TEG of the date for each Own TEG meeting not later than 21 days prior to each such meeting;
- (iii) prepare agenda for each Own TEG meeting after consultation with the TEG Vice Chair(s) of the Own TEG;
- (iv) on behalf of the Own TEG, communicate with or report to the JTC, the Secretary Office, and other subordinate organizations of the BDA;
- (v) report to the JTC updated information on the activities of the Own TEG and MST(s) established by the Own TEG;
- (vi) request the JTC decisions or advice on matters that could not be resolved by the Own TEG within a reasonable period of time;
- (vii) ensure proper dissemination of the JTC or BOD directions or advice to the participants of the Own TEG and MST(s) established by the Own TEG;
- (viii) request the JTC to approve any Blu-ray Disc Format proposals to be submitted to the BOD;
- (ix) cooperate with the JTC Chair to prepare any presentation material with respect to the activities of the Own TEG and/or MST(s) established by the Own TEG;
- (x) assist the JTC Chair in any matters, regardless of the scope of the objectives and activities of the TEG(s) as set forth in this Subsection, that are reasonably requested by the JTC Chair and the requested TEG Chair has agreed to assist; and
- (xi) perform any other tasks inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the JTC or BOD from time to time.

The tasks of TEG Vice Chair(s) are to:

- (i) assist the TEG Chair of the TEG in which the TEG Vice Chair(s) has his/her status as such (hereinafter in this Subsection D such TEG is also referred to as “Own TEG” and such TEG Chair “Own TEG Chair”);
- (ii) participate in and contribute to the preparation of Own TEG meetings with the Own TEG Chair;
- (iii) play the role of the Own TEG Chair in the case that the Own TEG Chair is unable to perform one or more of his/her tasks; provided that the Own TEG Chair shall decide which TEG Vice Chair will act as the Own TEG Chair in each such case;
- (iv) participate in and contribute to the preparation of update information on the activities of the Own TEG and/or MST(s) established by the Own TEG to be reported to the JTC;
- (v) archive agenda, minutes, presentation materials and other documents used during the Own TEG meetings;
- (vi) maintain mailing lists of contact persons of the Contributor Members whose representative engineers participate in the Own TEG;
- (vii) draft meeting minutes and action lists;
- (viii) follow up the then-current status of action items listed on a previous action list of the Own TEG; and,

- (ix) distribute agenda to the members of the Own TEG for each Own TEG meeting after the Own TEG Chair has finalized the agenda.

(5) Decisions by the TEG(s)

Each of Contributor Members participating in a TEG has one vote for each voted proposal in the TEG; provided that only Contributor Member(s) that have signed up for the TEG and have not been absent in the preceding two consecutive TEG meetings held in the TEG where such voting took place shall have such voting right (hereinafter in this Subsection D such Contributor Members are referred to as collectively “Voters” and severally, a “Voter”).

Each TEG will pursue to make a decision by unanimous consensus of all Voters. If a TEG cannot reach a consensus, the TEG will make a decision on any proposal by the following voting rules:

- (i) The quorum for a voting is constituted if more than 50% of all Voters excluding Voters that have sent any notice of absence to a TEG Chair of their participating TEG before the voting are present (in person, by proxy or if possible by telephone, video conference or other electronic means) at the voting and the Voters present at the voting are not less than 25% of all Voters;
- (ii) Each Voter attending at a TEG meeting shall cast a vote as “Agree”, “Disagree”, “Abstain” or “Follow the Majority”;
- (iii) The number of “Abstain” votes will not be included in the number of votes cast in a voting procedure (“Effective Votes”);
- (iv) If one-third or more of the Voters attending at a voting have voted “Abstain”, then the voted proposal shall be rejected;
- (v) “Follow the Majority” vote shall mean an affirmative vote to support “Agree” or “Disagree” whichever obtains larger number of votes;
- (vi) A voted proposal is approved if at least 66.7% of the Effective Votes are “Agree” and/or “Follow the Majority”; provided that (1) if the number of the Effective Votes for “Agree” equals the number of the Effective Votes for “Disagree” and such number is less than 25% of the Effective Votes, or (2) if all the Effective Votes are for “Follow the Majority”, the voted proposal shall not be deemed approved and can be further discussed.

For urgent topics, any TEG Chair can initiate a voting by e-mail. For such voting by e-mail, the foregoing voting rules and voting rights shall apply; provided that any Voter who has not sent its e-mail votes before the due date set by the TEG Chair shall be considered absent. The due date shall be set by the TEG Chair and shall be at least 10 working days after initiating the e-mail vote; provided that the TEG Chair may invite Voters to voluntarily cast votes within shorter period of time than the 10 working day period. In any case, at any time prior to the due date, if the minimum number of affirmative votes required to approve are met or exceeded, or the minimum number of negative votes required to reject are met or exceeded, the voted matter shall be decided accordingly.

Subsection E: Mission Specialist Team (“MST”)

(1) Objectives

The objective of the MST(s) is to resolve specific important technical issues in a TEG that established the MST(s) (hereinafter in this Subsection E such TEG is referred to as “Own TEG”).

(2) Activities

For achieving the foregoing objective, the MST(s) is assigned and authorized by the Own TEG and the JTC to:

- (i) investigate issues assigned to the MST(s) by the Own TEG;
- (ii) present results of its investigation and/or technical solution to the Own TEG; and
- (iii) request the TEG to authorize the MST(s) to have joint meetings with a party that is not a Member or with a General Member under due consideration of confidentiality; provided that the attendance of the party, its purpose and its term shall be approved by Super Majority Vote within the Own TEG.

(3) Participants

Participants in a TEG are eligible to participate in the activities of the MST(s) established by such TEG subject to Clause 5(5) of the Bylaws.

(4) Organization

The maximum duration of a MST is 2 years from its establishment or October 4, 2004, whichever is later; provided, however, after its 2 years term, the continuation of such MST can be decided by the Own TEG.

The person having the status as the chairperson of a MST of the BDF on October 4, 2004, shall perform the following tasks of a MST Chair as set forth in this Subsection in a MST of the BDA that has similar or identical tasks or assignments to those of the MST of the BDF presided by the person until October 4, 2004.

The person having the status as the vice chairperson of a MST of the BDF on October 4, 2004, shall perform the following tasks of a MST Vice Chair as set forth in this Subsection in a MST of the BDA that has similar or identical tasks or assignments to those of the MST of the BDF in which the person has the status as the vice chairperson until October 4, 2004.

At the time when any new MST is established, a MST Chair, and a MST Vice Chair if necessary, shall be appointed in accordance with the procedure set forth in Section 4.

Each MST meeting shall be held at a place and time determined by each MST in accordance with the decision making procedure set forth in this Subsection.

The tasks of a MST Chair are to:

- (i) conduct the activities of the MST in which the MST Chair has his/her status as such

- (hereinafter in this Subsection E such MST is referred to as “Own MST”) to accomplish the tasks and assignments defined by the Own TEG;
- (ii) report results of investigation or propose any technical solution to the Own TEG;
 - (iii) report to the JTC all proposals including those adopted and, if the JTC requests, those rejected in any decision making procedure;
 - (iv) cooperate with the Own TEG Chair to prepare any presentation material with respect to the activities of the Own MST(s);
 - (v) assist any TEG Chair in any matters, regardless of the scope of the objectives and activities of the MST(s) as set forth in this Subsection, that are reasonably requested by the TEG Chair and the requested MST Chair has agreed to assist; and
 - (vi) perform any other tasks inseparably related to or necessary for achieving the foregoing objectives and activities, or tasks within the scope of the above objectives duly assigned by the Own TEG from time to time.

The tasks of a MST Vice Chair are to:

- (i) assist the MST Chair of the MST in which the MST Vice Chair has his/her status as such (hereinafter in this Subsection E such MST is also referred to as “Own MST” and such MST Chair “Own MST Chair”);
- (ii) play the role of the Own MST Chair in the case that the Own MST Chair is unable to perform one or more of his/her tasks.

(5) Decisions by the MST(s)

Each of Contributor Members participating in a MST has one vote for each voted proposal in the MST; provided that only Contributor Member(s) that have not been absent in the preceding two consecutive MST meetings held in the MST where such voting took place shall have such voting right (hereinafter in this Subsection E such Contributor Members are referred to as collectively “Voters” and severally a “Voter”).

Each MST will pursue to make a decision by unanimous consensus of all Voters. If a MST cannot reach a consensus, the MST will make a decision on any proposal by the following voting rules:

- (i) The quorum for a voting is constituted if more than 50% of all Voters excluding Voters that have sent any notice to a MST Chair of their participating MST before the voting are present (in person, by proxy or if possible by telephone, video conference or other electronic means) at the voting and the Voters present at the voting are not less than 25% of all Voters;
- (ii) Each Voter attending at a MST meeting shall cast a vote as “Agree”, “Disagree”, “Abstain” or “Follow the Majority”;
- (iii) The number of “Abstain” votes will not be included in the number of votes cast in a voting procedure (“Effective Votes”);
- (iv) If one-third or more of the Voters attending at a voting have voted “Abstain”, then the voted proposal shall be rejected;
- (v) “Follow the Majority” vote shall mean an affirmative vote to support “Agree” or “Disagree” whichever obtains larger number of votes;
- (vi) A voted proposal is approved if at least 66.7% of the Effective Votes are “Agree” and/or “Follow the Majority”; provided that (1) if the number of the Effective Votes for “Agree” equals the number of the Effective Votes for “Disagree” and such number is less than

25% of the Effective Votes, or (2) if all the Effective Votes are for “Follow the Majority”, the voted proposal shall not be deemed approved and can be further discussed.

For urgent topics, any MST Chair can initiate a voting by e-mail. For such voting by e-mail, the foregoing voting rules and voting rights shall apply; provided that any Voter who has not sent its e-mail votes before the due date set by the MST Chair shall be considered absent. The due date shall be set by the MST Chair and shall be at least 10 working days after initiating the e-mail vote; provided that the MST Chair may invite Voters to voluntarily cast votes within shorter period of time than the 10 working day period. In any case, at any time prior to the due date, if the minimum number of affirmative votes required to approve are met or exceeded, or the minimum number of negative votes required to reject are met or exceeded, the voted matter shall be decided accordingly.

Subsection F: Technical Task Force (“TTF”)

(1) Objectives

The objectives of the TTF(s) are:

- (i) resolving specific important technical issues relating to multiple TEGs; and
- (ii) conducting pre-study before any new task is assigned to a TEG.

(2) Activities

For achieving the foregoing objectives, the TTF(s) is assigned and authorized by the JTC to:

- (i) investigate issues assigned to the TTF(s) by the JTC;
- (ii) present results of its investigation and/or technical solution to the JTC; and
- (iii) request the JTC to authorize the TTF(s) to have joint meetings with a party that is not a Member or with a General Member and/or Contributor Member under due consideration of confidentiality; provided that the attendance of the party, its purpose and its term shall be approved by Super Majority Vote within the JTC.

(3) Participants

Employees of any Contributor Member whose representative serves on the BOD are eligible to participate in the activities of any TTF subject to Clause 5(5) of the Bylaws.

(4) Organization

The maximum duration of a TTF is 2 years from its establishment or October 4, 2004, whichever is later; provided, however, after its 2 years term, the continuation of such TTF can be decided by the JTC.

At the time when any new TTF is established, a TTF Chair, and a TTF Vice Chair if necessary, shall be appointed in accordance with the procedure set forth in Section 4.

Each TTF meeting shall be held at a place and time determined by each TTF in accordance with the decision making procedure set forth in this Subsection.

The tasks of a TTF Chair are to:

- (i) conduct the activities of the TTF in which the TTF Chair has his/her status as such to accomplish the tasks and assignments defined by the JTC;
- (ii) report results of investigation or propose any technical solution to the JTC;
- (iii) report to the JTC all proposals including those adopted and, if the JTC requests, those rejected in any decision making procedure;
- (iv) cooperate with the JTC Chair to prepare any presentation material with respect to the activities of the TTF;
- (v) assist the JTC Chair in any matters, regardless of the scope of the objectives and activities of the TTF(s) as set forth in this Subsection, that are reasonably requested by the JTC Chair and the requested TTF Chair has agreed to assist; and
- (vi) perform any other tasks inseparably related to or necessary for achieving the foregoing

objectives and activities, or tasks within the scope of the above objectives duly assigned by the JTC from time to time.

The tasks of a TTF Vice Chair are to:

- (i) assist the TTF Chair of the TTF in which the TTF Vice Chair has his/her status as such (hereinafter in this Subsection F such TTF Chair is referred to as “Own TTF Chair”); and
- (ii) play the role of the Own TTF Chair in the case that the Own TTF Chair is unable to perform one or more of his/her tasks.

(5) Decisions by the TTF(s)

Each of Contributor Members whose representative serves on the BOD participating in a TTF has one vote for each voted proposal in the TTF; provided that only Contributor Member(s) whose representative serves on the BOD that has not been absent in the preceding two consecutive TTF meetings held in the TTF where such voting took place shall have such voting right (hereinafter in this Subsection F such Contributor Members are referred to as collectively “Voters” and severally a “Voter”).

Each TTF will pursue to make a decision by unanimous consensus of all Voters. If a TTF cannot reach a consensus, the TTF will make a decision on any proposal by the following voting rules:

- (i) The quorum for a voting is constituted if more than 50% of all Voters excluding Voters that have sent any notice of absence to a TTF Chair of their participating TTF before the voting are present (in person, by proxy or if possible by telephone, video conference or other electronic means) at the voting and the Voters present at the voting are not less than 25% of all Voters;
- (ii) Each Voter attending at a TTF meeting shall cast a vote as “Agree”, “Disagree”, “Abstain” or “Follow the Majority”;
- (iii) The number of “Abstain” votes will not be included in the number of votes cast in a voting procedure (“Effective Votes”);
- (iv) If one-third or more of the Voters attending at a voting have voted “Abstain”, then the voted proposal shall be rejected;
- (v) “Follow the Majority” vote shall mean an affirmative vote to support “Agree” or “Disagree” whichever obtains larger number of votes;
- (vi) A voted proposal is approved if at least 66.7% of the Effective Votes are “Agree” and/or “Follow the Majority”; provided that (1) if the number of the Effective Votes for “Agree” equals the number of the Effective Votes for “Disagree” and such number is less than 25% of the Effective Votes, or (2) if all the Effective Votes are for “Follow the Majority”, the voted proposal shall not be deemed approved and can be further discussed.

For urgent topics, any TTF Chair can initiate a voting by e-mail. For such voting by e-mail, the foregoing voting rules and voting rights shall apply; provided that any Voter who has not sent its e-mail votes before the due date set by the TTF Chair shall be considered absent. The due date shall be set by the TTF Chair and shall be at least 10 working days after initiating the e-mail vote; provided that the TTF Chair may invite Voters to voluntarily cast votes within shorter period of time than the 10 working day period. In any case, at any time prior to the due date, if the minimum number of affirmative votes required to approve are met or exceeded, or the minimum number of

negative votes required to reject are met or exceeded, the voted matter shall be decided accordingly.

Subsection G: Legal & Licensing Committee (“L&LC”)

(1) Objective

The objective of L&LC is to deal with legal issues related to the development, maintenance, promotion and licensing of the Blu-ray Disc format(s) and logo(s) and to the internal governing rules of the BDA, and to make proposals to the BOD on the same. For the avoidance of doubt, neither L&LC nor any of its participants is a legal counsel to the BDA.

(2) Activities

For achieving the foregoing objectives, upon the assignment from the BOD on a case-by-case basis, the L&LC shall:

- (i) prepare and review drafts of agreements and other legal documents related to the development, maintenance, promotion and licensing of the Blu-ray Disc format(s) and logo(s), including but not limited to Information Agreements and Format and Logo License Agreements and submit proposals of the same to the BOD;
- (ii) prepare and review drafts of the internal governing rules of the BDA, including but not limited to the Bylaws and these Rules, and submit proposals of the same to the BOD;
- (iii) prepare and review drafts of agreements and other legal documents related to the intellectual property owned by the BDA, including but not limited to trademark assignment agreements, and submit proposals of the same to the BOD; and
- (iv) perform any other activities inseparably related to or necessary for achieving the foregoing objectives.

(3) Participants

The following individuals are entitled to participate in L&LC activities:

- (i) Employees of any Contributor Member whose representative serves on the BOD are eligible to participate in the activities of the L&LC; and
- (ii) External legal counsel of such Contributor Member; provided that before such external legal counsel participates in L&LC activities such external legal counsel is bound by a written agreement with the Contributor Member which contains terms and conditions no less restrictive than those set forth in Clause 23 (1) – (4) of the Bylaws.

(4) Organization

The representatives of the Contributor Members whose representatives serve as the Facilitators shall serve as the co-Chairs of the L&LC. Such co-Chairs shall facilitate the L&LC on a rotating basis, in line with the rotation of the Facilitators

The tasks of the co-Chairs are to:

- (i) set the schedule for, preside over and facilitate the meetings of the L&LC;
- (ii) prepare meeting agendas for L&LC;
- (iii) create and align overall activity schedule and budget of the L&LC;

- (iv) periodically report activities and progress to the BOD;
- (v) ensure BOD direction is properly disseminated through the L&LC;
- (vi) initiate and proceed voting procedure pursuant to this Subsection;
- (vii) maintain contact information and mailing list; and
- (viii) perform any other tasks inseparably related to or necessary for achieving the foregoing tasks.

(5) Decisions by the L&LC

Subject to Clause 5(5) of the Bylaws, each Contributor Member whose representative serves on the BOD participating in the L&LC has one vote for each voted proposal in the L&LC (hereinafter in this Subsection G such Contributor Members are referred to as collectively “Voters” and severally a “Voter”).

L&LC will pursue to make a decision by unanimous consensus of all Voters. If L&LC cannot reach an unanimous consensus, the L&LC will make a decision on any proposal by the following voting rules:

- (i) The quorum for a voting is constituted if more than 50% of all Voters are present (in person, by proxy or if possible by telephone, video conference or other electronic means) at the voting;
- (ii) Each Voter present as in clause (i) may cast a vote as “Yes” or “No”, or may abstain from voting;
- (iii) A voted proposal is approved by Super Majority Vote.

For urgent topics, any L&LC co-Chair can initiate a voting by e-mail. For such voting by e-mail, the foregoing voting rules and voting rights shall apply; provided that any Voter who has not sent its e-mail votes before the due date set by the L&LC co-Chair shall be considered absent. The due date shall be set by the L&LC co-Chair and should be at least 7 calendar days after initiating the e-mail vote; provided that the L&LC co-Chair may invite Voters to cast votes within shorter period of time than the 7 calendar day period. In any case, at any time prior to the due date, if the minimum number of affirmative votes required to approve are met or exceeded, or the minimum number of negative votes required to reject are met or exceeded, the voted matter shall be decided accordingly.

Section 4. Chair / Vice Chair

The rules set forth in this Section shall be applied to the election, appointment, nomination, term of office, resignation and dismissal of Chairs and Vice Chairs of the Promotion Committee (“PC”), the Compliance Committee (“CC”), the Joint Technical Committee (“JTC”), the Technical Expert Group (“TEG”), the Mission Specialist Team (“MST”), and the Technical Task Force (“TTF”) and their subordinate groups (hereinafter in this Section 4 such Committee, Group, Team, Task Force and subordinate groups are referred to as individually “Group” and collectively “Groups”) unless otherwise determined by the BOD.

(1) Qualified Candidates for the Chair and the Vice Chair

(i) Candidates for a Chair and Vice Chair(s) of the PC, the CC, the JTC or the TTF shall be selected on the basis of personal qualifications from individuals who duly represent a Contributor Member whose representative serves on the BOD.

(ii) Candidates for a Chair and Vice Chair(s) of any subordinate Group of the PC, the CC or the JTC except the TTF shall be selected on the basis of personal qualifications from individuals who duly represent a Contributor Member.

For the avoidance of doubt, the TEG(s) and the MST are subordinate Groups of the JTC.

(hereinafter in this Section 4 such Contributor Members as described in foregoing paragraphs (i) and (ii) in this Section are referred to as “Group Members”, such individuals as described in foregoing paragraphs (i) and (ii) in this Section are referred to as “Qualified Chair Candidates”)

(2) Election of the Chair

(i) One person will be elected as the Chair of a Group. Any Qualified Chair Candidate who wishes to become the Chair of a Group shall submit an application which, at the minimum, sets forth such Qualified Chair Candidate’s name, the name of the Group Member employing him/her, and his/her background that may support such application.

(ii) A witness who has been appointed by the then-current Chair of the Group or, if it is reasonably determined that such appointment is not possible or practical, who has been appointed by the then-current Vice Chair(s) of the Group, shall initiate a voting procedure to elect a Chair of the Group. Only in the case where it is reasonably determined that the above appointment of a witness by the Chair or Vice Chair(s) is not possible or practical, the witness shall be appointed by a party duly authorized by (a) the BOD or (b) the Group in the position higher in the organizational hierarchy of the BDA and directly reported by the Group that will elect the Chair. Each Group Member shall cast one vote by submitting to the witness one written statement(including e-mail and facsimile) clearly designating either (i) the name of a Qualified Chair Candidate to support or (ii) “Follow the Majority”. For the avoidance of doubt, “Follow the Majority” in this Section shall mean to support the Qualified Chair Candidate who has received the largest number of supporting votes during such voting procedure. If there are two or more Qualified Chair Candidates and in the event that a Qualified Chair Candidate receives more than 50% of the supporting votes during such voting procedure (including “Follow the Majority” votes if applicable), such Qualified Chair Candidate shall be elected as

the Chair of the Group. If no Qualified Chair Candidate receives more than 50% of the supporting votes during such voting procedure, the witness shall initiate another voting procedure only with two Qualified Chair Candidates who have received the greatest and second greatest number of supporting votes during the last voting procedure or any additional subsequent voting procedure initiated by the witness to select such two Qualified Chair Candidates. If such Qualified Chair Candidates both receive 50% of the supporting votes during such voting procedure, the BOD shall determine which of such two Qualified Chair Candidates will be the Chair of the Group.

- (iii) If there is only one Qualified Chair Candidate and such Qualified Chair Candidate is supported by a Super Majority Vote of the Group Members during a voting procedure, such Qualified Chair Candidate shall be elected as the Chair of the Group.

(3) Appointment of the Chair

- (i) Appointment of any duly elected Chair shall be effective upon an approval of (a) the BOD or (b) a Group in the position higher in the organizational hierarchy of the BDA and directly reported by the Group that elected the Chair.

(4) Term of Office of the Chair

- (i) The term of office of the Chair shall be 2 years beginning on the earliest January 1st after the election during which such Chair was elected (this in Section 4 such 2 year period is referred to as “Chair Term”) unless such Chair chooses to resign or is dismissed prior to the end of the Chair Term.

(5) Resignation of the Chair

- (i) In the event a Chair of a Group resigns before the expiration of the Chair Term, a new Chair of the Group who has been elected by the Group shall, upon the necessary approval as set forth above, take over the tasks of the former Chair of the Group during the remaining Chair Term of such former Chair; provided that (a) if the remaining Chair Term is shorter than or equal to 15 months, the term of office of the new Chair shall be the aggregate of such remaining Chair Term of the former Chair and 2 year period immediately after such remaining Chair Term, and (b) if such remaining Chair Term exceeds 15 months, the term of office of the new Chair shall be such remaining Chair Term only.

(6) Dismissal of the Chair

- (i) At any time during the Chair Term, any Chair may be dismissed upon a Super Majority Vote of (a) the BOD or (b) a Group in the position higher in the organizational hierarchy of the BDA and directly reported to by the Group that elected the Chair.

(7) Nomination of Vice Chair(s)

- (i) A Chair of a Group can nominate up to 3 Qualified Chair Candidates as the Vice Chair(s) of the Group, taking into consideration each respective Qualified Chair Candidate’s personal

qualifications including relevant industry experience and expertise. The nomination of the Vice Chairs shall be approved by a Super Majority Vote of the Group.

(ii) The Chair's nomination of the Vice Chair(s) shall be effective upon the approval of (a) the BOD or (b) a Group in the position higher in the organizational hierarchy of the BDA and directly reported by the Group whose Chair nominated the Vice Chair(s).

(8) Term of Office of the Vice Chair(s)

(i) The term of office of the Vice Chair(s) shall be 2 years from the earliest January 1st after the nomination of such Vice Chair(s) (hereinafter in this Section 4 such 2 year term is referred to as "Vice Chair Term") unless such Vice Chair(s) chooses to resign or is dismissed prior to the end of the Vice Chair Term.

(9) Resignation of the Vice Chair(s)

(i) In the event any Vice Chair of a Group resigns before the end of the Vice Chair Term of such Vice Chair, a new Vice Chair of the Group can be nominated by the Chair of the Group. Upon necessary approval on the nomination as set forth herein, the new Vice Chair shall take over the tasks of the former Vice Chair during the remaining Vice Chair Term of such former Vice Chair.

(ii) In the event that a Chair of a Group resigns or is dismissed, the Vice Chair Term of the Vice Chair(s) nominated by such Chair will end upon the nomination of new Vice Chair(s) by the newly elected Chair of the Group. For the avoidance of doubt, even if a Chair of a Group resigns or is dismissed, the Vice Chair(s) nominated by such Chair will continue in its (their) capacity until the nomination of new Vice Chair(s) by the newly elected Chair of the Group.

Section 5. Exchange of Confidential Information for Contributor Members

The rules set forth in this Section shall be applied to the exchange of the Confidential Information for Contributor Members among the subordinate organizations of the BDA, including committees and task forces. For the avoidance of doubt, this Section provides no rules for the Confidential Information for General Members.

The Confidential Information for Contributor Members shall not be disclosed by a subordinate organization of the BDA to any other subordinate organization of the BDA unless:

- (a) all of the entities entitled to participate in the receiving subordinate organization are also entitled to participate in the disclosing subordinate organization; or
- (b) the BOD specifically approves such disclosure in advance.

Notwithstanding the foregoing, each subordinate organization of the BDA may disclose the Confidential Information for Contributor Members to its own subordinate organizations (e.g. JTC may disclose the Confidential Information for Contributor Members to TEGs).