

Dual Aperture Image Fusion Technology – Proposed Engagement Framework

Dear Apple strategic deals team

In continuation to our discussions, Corephotonics is proposing to Apple to license its fusion technology along with additional components relating to zoom.



1. Background

Corephotonics' was established just three years ago by a small group of entrepreneurs with accumulated experience of almost 100 years in technology development and imaging. Corephotonics' vision is to bring to the smartphone market a significant performance leap in photographic quality by differentiated and well patented technologies, developed internally to the rigorous market standards. Since its inception Corephotonics successfully developed and patented dual aperture zoom and low light cameras which were evaluated and scrutinized by Apple's camera and imaging teams.

2. Objectives and assumptions of the engagement

- a. Corephotonics would integrate its fusion algorithms to designated Apple computing platform(s)
- b. The fusion is considered for deployment as part of Apple's image processing technology stack and not necessarily in association with a specific product
- c. To facilitate Apple's needs from fusion technology Corephotonics is open to consider various operational frameworks. Among these options, is a dedicated Apple team that would be created by Corephotonics and would be maintained not only up to delivery but possibly on an ongoing basis with multi-generational support in mind

3. Deliverables and services

Corephotonics deliverable(s) are fusion algorithms for designated Apple computing platforms. Additionally to this Corephotonics supports as a service, the camera integration and image fine tuning activity together with the camera module supply chain, Apple camera team and with Apple Imaging and applications teams.

4. Business model

Corephotonics establishes a license agreement with Apple. The license is for using the Corephotonics deliverables under the Corephotonics patents and IP rights.

5. Fees

- a. License fee \$1m

Fee for fusion and zoom dual camera technology IP license.

- b. NRE TBD

Corephotonics engineering costs related to completing product level delivery of fusion and camera integration to Apple.

- c. Royalty Corephotonics list price for zoom royalty is \$0.52

Apple will issue quarterly report about unit shipments containing the licensed components or software libraries. For each unit shipped a royalty is due to Corephotonics.

6. Apple-specific terms

Corephotonics is flexible to accommodate special requirements Apple may have in the operational run of the project. One option is a dedicated Apple team with dedicated office access, network, servers, data-access permissions and so on. Corephotonics maintains that having this team in the Corephotonics main office with daily interaction to the rest of Corephotonics team would be most conducive to the project.

7. Non-fusion IP and deliverables

Apple is considering to obtain Corephotonics' fusion technology and develop multi aperture camera components independently. However, Corephotonics team believes that camera related IP and know how, including Corephotonics' IP on miniature telephoto lens design may turn out necessary to achieve desired product results and should be included in this engagement.

8. The terms in this proposal are valid through September 30 2014.

Looking forward to hear back from you.

Eran Kali

VP BD & Marketing