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**Subject: Informal AUDI-HORIBA statement on the joint patent application
WO2018202421A1**

History/ background information:

On the 24th of March 2020, HORIBA's representatives in the PMP IWG on non-exhaust-emissions were contacted by the PMP IWG chair. The PMP IWG chair have been informed in the course of 2020 that back in 2017, AUDI and HORIBA filed a patent application in the field of brake particle emission measurements (WO2018202421A1; based on the German priority application DE102017109356.7A). This patent application is covering a lot of aspects and methods, which are currently under discussion in the PMP IWG making it difficult for other partners to find a technical work-around in the preparation for an upcoming legislation in the field of Brake Dust.

Over the course of 2020, AUDI, HORIBA and the PMP IWG chair have been engaged in an open and transparent discussion on how to resolve this issue addressing the major concerns from the legislative authorities:

- Provided that an international patent from the patent family linked to WO2018202421A1 will be granted to AUDI and HORIBA, a future Brake Dust legislation based on the "commonly accepted method on measuring Brake Dust" developed within the PMP IWG could be (partially) covered by the AUDI/ HORIBA patent. GRPE is not comfortable with this situation because of potential interest conflicts. GRPE does not want to interfere with the market and if they set up a legislation based on an existing patent, they are favoring AUDI and HORIBA over other suppliers.

AUDI/ HORIBA statement and suggestion on how to proceed further:

As AUDI and HORIBA, we are aiming to support the society with our high performance and high-quality products, so our customers and the society feels relevant and appreciated. The AUDI and HORIBA thinking is that our brand name has to stand for passion, always striving for the best and being innovative to contribute to our environment. That is why next to the target of running our companies efficiently, we need to support such an important work as the PMP IWG is doing with respect to health and environment. Compromising the progress of the work in the PMP IWG is what we certainly want to avoid. However, we want to keep the AUDI and HORIBA brand as an innovative company so the discussion point for us is how we can keep our Intellectuality without insisting on the Property.

AUDI and HORIBA are delighted to offer the following solution: Provided that a patent will be granted to AUDI and HORIBA, our companies will immediately open up the patent WO2018202421A1 for everyone. A royalty-free license with a non-restricted territorial scope

will be provided for an unlimited time frame. The entire patent or individual parts of it can be used completely free-of-charge by all interested parties who agree and sign the free-license agreement with AUDI and HORIBA. This ensures that the patent does not interfere with a future market based on the upcoming Brake Dust legislation.

Additional non-commercial terms and conditions for using the patent WO2018202421A1 or individual parts of it will be subject to the free-license agreement negotiated between the licensee and AUDI and HORIBA. A template of this free-license agreement is currently under development outlining the terms and conditions regarding legal aspects (e.g. prohibition to sublicense the patent license), ownership acknowledgement (e.g. licensee shall indicate the information on product solutions covered by the patent ["licensed by AUDI/ HORIBA"]), warranty issues (e.g. AUDI/ HORIBA do not take over any responsibilities if the patent is used in the wrong way) and others. Further details can be shared soon.

We sincerely hope that these suggestions are seen as a good solution for all the involved members and parties within the PMP IWG so that we can immediately continue with the important technical work in this group.

This statement is an informal document for the PMP IWG.

Yours sincerely,

Robert Waninger on behalf of AUDI AG
Joel Danzer on behalf of HORIBA Europe GmbH