GLOBAL CAPACITY ALLIANCE (GCA)

INTELLECTUAL PROPERTY RIGHTS (IPR) POLICY

1. **DEFINITIONS**
    a. **"Affiliate"** shall mean, with respect to any Member, any entity directly or indirectly owned or controlled by such party, or under common control.
    b. **"**GCA Standard or Regulatory Submission" shall mean: (i) any technical specification, protocol, or compliance ledger formally internally ratified and adopted by the GCA (a "GCA Standard"), or (ii) any draft protocol, architecture, Nodal Protocol Revision Request (NPRR), or regulatory framework formally submitted by the GCA to a regulatory body, grid operator, or reliability council for binding adoption (a "Regulatory Submission").
    c. **"Working Group"** shall mean any committee, task force, or working group chartered by the GCA Board to evaluate, develop, or refine a GCA Standard (including the ERCOT Technical & Commercial Committee).
    d. **Working Group Participation"** shall mean executing a GCA Task Force Participation Agreement, registering on an official Working Group roster, or actively contributing to, attending, or accessing the materials, communications, or meetings of a Working Group. Any Member or entity that executes a Participation Agreement or accesses Working Group materials or meetings is deemed a Working Group Participant and is subject to the disclosure, Open Contributions, and FRAND licensing obligations of this Policy for that specific GCA Standard or Regulatory Submission (including associated NPRRs).
    e. **"Participation Agreement"** shall mean any GCA Task Force Participation Agreement, guest agreement, or committee onboarding agreement executed between the GCA and a Participant or Member.
    f. **"Essential Intellectual Property Rights"** (EIPR) shall mean any patent claim which would be necessarily and unavoidably infringed by complying with the base physical, actuarial, or telemetry specifications of a GCA Standard, or by complying with the binding text of a Regulatory Submission as adopted by the target regulatory body or grid operator. Commercial Carve-Out: EIPR is strictly limited to technical compliance; any proprietary software, secondary market-making algorithms, user interfaces, or premium commercial execution platforms built on top of the standard are explicitly excluded from this definition and are exempt from any FRAND licensing obligations.
    g. **"Personally Known"** shall mean something an individual participant in the GCA knows personally.

h. **"Letter of Assurance"** (LOA) shall mean the standardized, binding legal declaration, in the exact form attached hereto as Exhibit A, executed by a Member to irrevocably pledge their Essential Intellectual Property Rights (EIPR) to the FRAND licensing terms established in this Policy.

2. DISCLOSURE OF ESSENTIAL INTELLECTUAL PROPERTY

a. **Good Faith Disclosure:** Members participating in a Working Group must act in good faith to disclose any EIPR that is Personally Known to them that may be encompassed by a draft GCA Standard.

b. **No Duty to Search & Blanket Disclosures:** Members are not required to conduct patent portfolio searches for potentially essential patents. Members may satisfy their disclosure obligations by providing a "Blanket Disclosure" (a general FRAND commitment for the standard) without itemizing specific pending or provisional patent applications. No Member is required to disclose the unpublished technical contents, claims, or drafts of any pending IP.

3. LICENSING COMMITMENTS

a. **Mandatory FRAND Commitment:** If a Member's or Working Group Participant's IP is deemed an EIPR, they must submit a formal Letter of Assurance (LOA) pledging to license the EIPR to any implementer of the GCA Standard on Fair, Reasonable, and Non-Discriminatory (FRAND) terms.

b. **The Exclusion Window**: For GCA Standards, members shall have forty-five (45) days from the exact start date of the internal Technical Comment Period (Phase 2a) to declare exclusions. For Regulatory Submissions, this window begins 45 days prior to the formal filing of the submission with the target regulatory body. If a patent is not explicitly excluded, the FRAND pledge automatically triggers upon either internal GCA standard ratification or the formal approval and implementation of the Regulatory Submission by the target regulatory body (e.g., ERCOT), whichever occurs first.

c. **Bi-Lateral Execution & Non-Interference**: The GCA acts solely as a repository for LOAs to provide market assurance. The GCA has no authority to negotiate, determine, or enforce actual FRAND licensing fees. All royalty negotiations and IP enforcement shall remain strictly bi-lateral between the Licensor and Licensee.

d. **Successors in Interest:** If an IP owner executes an LOA pledging their EIPR and subsequently transfers that patent to a third party, the FRAND pledge shall permanently attach to the EIPR and bind the successor.

e. **Copyright Grant:** Members grant the GCA a non-exclusive, perpetual, royalty-free, worldwide copyright license to reproduce, distribute, and

publish any written contributions made by the Member solely for the purpose of developing and publishing the GCA Standard documentation.

f. **Reciprocity:** A Member's obligation to grant a FRAND license to a specific implementing party is explicitly conditioned upon that implementing party's willingness to grant reciprocal FRAND licenses for its own EIPR related to the same GCA Standard.

4. REGULATORY SAFE HARBOR & ENFORCEMENT

a. **Injunction Waiver:** The FRAND pledge includes an explicit, irrevocable Injunction Waiver. The EIPR owner agrees they will never seek a Prohibitive Order (e.g., an interim/permanent court injunction or exclusionary order) to physically halt the operations, grid interactions, or SCED dispatch of either (i) a GCA-certified implementer, or (ii) any market participant operating in compliance with an approved Regulatory Submission (such as an adopted ERCOT protocol).

b. **Restriction to Damages:** The EIPR owner's sole legal remedy for FRAND licensing disputes shall be restricted to monetary damages. Members are free to resolve bilateral licensing disputes through litigation in a court of competent jurisdiction or through mutually agreed-upon alternative dispute resolution. Grid operators (e.g., ERCOT, PJM) are intended third-party beneficiaries of this Injunction Waiver.

c. **Defensive Suspension & Willful Hold-Out:** An EIPR owner may suspend its FRAND licensing obligations toward a specific implementer if that implementer acts in Bad Faith ("Willful Hold-Out"). Bad Faith is defined as an implementer who practices the standard but refuses to negotiate a FRAND license in good faith, or who refuses to comply with a final, non-appealable judicial or arbitral award regarding FRAND compensation. Notwithstanding any such suspension, the Injunction Waiver set forth in Section 4.a shall remain absolute and irrevocable. However, in the event of a Willful Hold-Out, the EIPR owner is expressly released from any obligation to offer a FRAND license or to limit its claimed damages to a FRAND rate, and shall be entitled to seek all available monetary damages and financial remedies under applicable law.

5. OPEN CONTRIBUTIONS & NO CONFIDENTIALITY

a. **No Confidential Obligations:** To foster open standardization and avoid restricting Members' independent research and development, no information, materials, concepts, or feedback freely disclosed by any Member during GCA Working Group activities shall be deemed confidential, proprietary, or subject to any non-use restrictions.

b. **Protection of Internal R&D:** The disclosure of information within the GCA shall not restrict any receiving Member from pursuing its own internal research, development, or commercialization efforts, provided such efforts do not violate any valid patent rights subject to the FRAND commitments herein.
c. **Responsibility for IP Protection:** Members acknowledge that there is no affirmative obligation to disclose any proprietary information. Members are solely responsible for securing appropriate patent protection for their inventions prior to disclosing them during the standardization process.

6. SURVIVAL AND ANTI-RETROACTIVITY

a. **Survival of FRAND Pledges:** If a Member withdraws, resigns, or is expelled from the GCA, any FRAND Letter of Assurance (LOA) executed prior to their termination date survives permanently.
b. **Anti-Retroactivity:** Future amendments, votes, or modifications to this Master IPR Policy cannot be applied retroactively to any EIPR for which a Letter of Assurance (LOA) has already been executed. The rules existing on the exact date the LOA was signed shall govern that specific EIPR in perpetuity, unless the EIPR owner provides written consent to be bound by the new rules.

7. ADMINISTRATIVE DISPUTE RESOLUTION & GOVERNING LAW

a. **Administrative Arbitration:** Any dispute, controversy, or claim arising between a Member and the GCA relating to organizational governance, membership status, or the administration of this Policy shall be resolved by final and binding arbitration administered by the American Arbitration Association (AAA) in accordance with its Commercial Arbitration Rules, seated in Austin, Texas.
b. **Bilateral IP Dispute Exemption:** For the avoidance of doubt, the GCA shall have no authority or jurisdiction over bilateral intellectual property or licensing disputes between Members, or between Members and third parties. All such FRAND licensing negotiations, royalty determinations, and IP enforcement actions shall be resolved bilaterally in a venue chosen by the disputing parties.
c. **Governing Law:** This IPR Policy shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule.

EXHIBIT **A**

FORM OF LETTER OF ASSURANCE (LOA)

To: The Global Capacity Alliance (GCA)

Regarding: Licensing Declaration for GCA Standard(s)

1. MEMBER INFORMATION

- **Legal Entity Name:** _____ ("Member")
- **Representative Name & Title:** _____
- **GCA Working Group / Standard / Regulatory Submission:** _____ ("Applicable Standard")

2. DECLARATION OF ESSENTIAL INTELLECTUAL PROPERTY RIGHTS (EIPR) *In accordance with Section 2 of the GCA Master Intellectual Property Rights (IPR) Policy, the Member hereby declares the following regarding its Essential Intellectual Property Rights (EIPR) for the Applicable Standard (Check one):*

- [ ] **Option 1: Blanket FRAND Commitment (No Search Required).** The Member hereby declares that, without conducting a portfolio search, it commits to license any and all EIPR that it currently owns, or may own in the future, that are essential to the Applicable Standard, under the FRAND terms outlined in Section 3 below.
- [ ] **Option 2: Specific Patent Disclosure.** The Member hereby declares that it holds the following specific patents/patent applications that it believes may contain EIPR for the Applicable Standard, and commits them to the FRAND terms outlined in Section 3 below:
    - *Patent/Application Number(s):* _____

3. THE FRAND LICENSING COMMITMENT The Member hereby irrevocably declares that it will grant a non-exclusive, non-transferable, worldwide license to its EIPR to any implementing third party solely to comply with the Applicable Standard. Such license shall be granted on **Fair, Reasonable, and Non-Discriminatory (FRAND) terms, which may include a reasonable royalty or fee.**

- **Commercial Carve-Out:** The Member acknowledges that this commitment is strictly limited to the technical execution of the Applicable Standard. No license is granted or implied for proprietary software, secondary algorithms, or commercial execution platforms built atop the Standard.

- **Defensive Suspension:** The Member retains the right to suspend this FRAND obligation toward any specific licensee that initiates a patent infringement action against the Member regarding the Applicable Standard, or who acts in Bad Faith (Willful Hold-Out) by refusing to negotiate a FRAND license or participate in binding arbitration. However, such suspension only relieves the Member of the obligation to license on FRAND terms; it does not nullify the absolute Injunction Waiver in Section 4.

4. REGULATORY SAFE HARBOR & INJUNCTION WAIVER To ensure global grid reliability and regulatory certainty, the Member explicitly waives its right to seek prohibitive or injunctive relief.

The Member irrevocably agrees that it will **never seek a Prohibitive Order** (including, but not limited to, interim/permanent court injunctions or exclusionary orders) to physically halt the operations, grid interactions, or SCED dispatch either (i) a GCA-certified implementer, or (ii) any market participant operating in compliance with an approved Regulatory Submission over an EIPR licensing dispute. This Injunction Waiver is absolute and survives even if the Member exercises its right to Defensive Suspension. The Member agrees its sole legal remedy for EIPR disputes shall be monetary damages and/or binding arbitration.

5. BINDING EFFECT & SUCCESSION The Member agrees that the commitments made in this LOA are irrevocable. If the Member transfers ownership of any EIPR covered by this LOA to a third party, the Member agrees to include this FRAND commitment and Injunction Waiver as a binding condition of the transfer. Furthermore, this LOA shall survive the Member's withdrawal, resignation, or termination from the GCA.

SIGNATURE I declare that I am legally authorized to bind the Member entity listed above to the commitments made in this Letter of Assurance.

Signature: _____

Date: _____