# CONTRAC OF RECIPROCAL REPRESENTATION (PERFORMING RIGHTS)

REGISTRATE A MICROFILMAGE

#### BETWEEN THE UNDERSIGNED:

The YAYASAN KARYA CIPTA INDONESIA, hereinafter called KCI, whose registered office is at Golden Plaza Fatmawati Bloc C.12 JI. R.S. Fatmawati No. 15 Jakarta 12420 Indonesia, represented by its General Manager, Mr Dahuri, SE, specifically authorized for the purposes of the present contract by power of attorney / by Articles of Association.

On the one part;

And

The SOCINPRO, hereinafter called "SOCINPRO", whose registered office is at Av. Beira Mar, 406/1205 – Centro 20021-060 Rio de Janeiro, BRAZIL, represented by its Jorge S. Costa, Director General, specifically authorized for the purposes of the present contract by Articles of Association.

On the other part;

#### IT IS AGREED AS FOLLOWS:

Art. 1 - (I) By virtue of the present contract, the KCI confers on the SOCINPRO the exclusive right in the territories in which this latter operates (as they are defined and delimited in Art. 6 (I) hereafter), to grant the necessary authorizations for all public performances (as defined in paragraph III of this Article) of musical works, with or without lyrics, which are protected under the terms of national laws, bilateral treaties and multilateral international conventions relating to the author's right (copyright, intellectual property, etc) now in existence or which may come into existence and enter into effect while the present contract is in force.

The exclusive right referred to in the preceding paragraph is conferred in so far the public performance right in the works concerned has been, or shall be, during the period when the present contract is in force, assigned transferred, or granted by whatever means, for the purpose of its administration, to the KCI by its members, in accordance with its Articles of Association and Rules; the said works collectively constituting "the repertoire of **KCI**".



Reciprocally, by virtue of the present contract, the SOCINPRO confers on the CI the exclusive right in the territories in which this latter Society operates (as these erritories are defined and delimited in Art. 6 (I) hereafter) the necessary authorizations for all public performances (as defined in paragraph III of this Article) of musical works, with or without lyrics, which are protected under the terms of national laws, bilateral treaties and multilateral international conventions relating to the author's right copyright, intellectual property, etc) now in existence or which may come into existence and enter into effect while the present contract is in force.

The exclusive right referred to in the preceding paragraph is conferred insofar as the public performance right in the works concerned has been, or shall be, during the period when the present contract is in force, assigned, transferred or granted by whatever means, for the purpose of its administration, to the **SOCINPRO** by its members, in accordance with its Articles of Association and Rules, the said works collectively constituting "the repertoire of the **SOCINPRO**".

(III) Under the terms of the present contract, the expression "public performances" includes all sounds and performances rendered audible to the public in any place whatever within the territories in which each of the contracting Society operates, by any means and in any way whatever, whatever the said means be already known and put to use or whether hereafter discovered and put to use during the period when this contract is in force. "Public performance" includes in particular performances provided by live means, instrumental or vocal: by mechanical means such as phonographic records, wires, tapes and sound tracks (magnetic or otherwise); by processes of projection (sound films), of diffusion and transmission (such as radio and television broadcasts, whether made directly or relayed, retransmitted, etc.), as well as by any-process of wireless reception (radio and television receiving apparatus, telephonic reception, etc, and similar means devices, etc.). The public audition or public performance by mechanical means such as phonographic records, wires, sound tracks (magnetic and otherwise), etc., may only be authorized if the mechanical right owner (or his representative) has prior hereto authorized the mechanical reproduction of the sound carrier in question for the purposes of its public performance.

Authorization for wireless diffusion and transmission is subject to the condition that the broadcasting organization has received the consent of the mechanical right owner (or his representative), on the one hand, for its own recordings and, on the other hand, for the use of sound carriers made by third parties.

The provisions of the two preceding paragraphs are not applicable in countries where law or case law do not grant the author the rights to control the use of recording the making of which he has authorized.

Authorization for performance by processes of projection (sound film) is subject to the condition that the synchronization right has been duly granted by the copyright owner (or by its representative).

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order to cover as precisely as possible the concept had public performance aragraph III above) as this concept is understood is each countries is which reciprocal presentation instituted by the present contract is to operate, by solely for this purpose, the contracting parties undertake to make party to the present contract, in so far as may be necessary, the stage right Societies of their respective countries, or for unitary Societies, their stage rights department.

- **ART. 2- (I)** The exclusive right to authorize performances, as referred to in Art. I entitles each of the contracting Societies, within the limits of the powers pertaining to it by virtue of the present contract, and of its own Articles of Association and Rules, and of the national legislation of the country or countries in which it operates;
- a) to permit or prohibit, whether in its own name or that of the author concerned, public performances of works in the repertoire of the other Society and to grand the necessary authorizations for such performances;
- **b)** to collect all royalties required in return for the authorizations granted by it (as provided in a) above);

to receive all suns due as indemnification or damages for unauthorized performances of the works in questions;

c) to commence and pursue, ether in its own name or that of the author concerned, any legal action against any person or corporate body and any administrative or other authority responsible for illegal performances of the works in question;

to transact, compromise, submit to arbitration, refer to any Court of Law, special or administrative tribunal;

- d) to take any other action for the purpose of ensuring the protection of the public performance right in the works covered by the present contract.
- (II) The present contract being personal to the Contracting Societies, and concluded on that basis, it is formally agreed that, without the express written authorization of one of the contracting Societies, the other contracting Society may not in any circumstances assign or transfer to a third party all or part of the exercise of the prerogatives, faculties or otherwise to which it is entitled under the said contract and in particular under Article 2. Any transfer effected in despite of this clause shall be null and void without the fulfillment of any formality, except as regards a transfer limited to the administration of rights for purposes of diffusion by means of a fixed service satellite and operated in favor of a Society having concluded a reciprocal representation contract with each of the contracting Societies.

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(T. 3 - (I) - In virtue of the powers Conferred by Articles 1 and 2, each of the ontracting parties undertakes to enforce within the territory in which it operates the rights of the members of the other party in the same way and to the same extent as it does for its own members, and to do this within the limits of the legal protection afforded to a foreign work in the country where protection is claimed, unless, in virtue of the present contract, such protection not being specifically provided in law, it is possible to ensure an equivalent protection.

Moreover, the contracting parties undertake to uphold to the greatest possible extent, by way of the appropriate measures and rules, applied in the field of royalty distribution, the principle of solidarity as between the members of both Societies, even where by the effect of local law foreign works are subject to discrimination.

In particular, each Society shall apply to works in the repertoire of the other Society the same, tariffs, methods and means of collection and distribution of royalties (subject to what is agreed hereafter in Art. 7) as those which it applies to works in its own repertoire.

- (II) Each of the contracting Societies undertakes to send to the other Society any information for which it may be asked concerning the tariffs it applies to different kinds of public performances in its own territories.
- (III) For the purpose of coordinating their efforts to raise the level of copyright protection in their respective countries and with a view to equating the economic content of the present contract, each Society undertakes, at the request of the other Society, to concert with the other Society in seeking the most effective means to this end.
- ART. 4 Each of the contracting parties shall place at the disposal of the other all documents enabling the letter to justify the royalties it is responsible for collecting under the present contract and to take any legal or other action, as mentioned in Art. 2 (I) above.
- ART. 5 (I) Each contracting party shall place at the disposal of the other all documents, records and information enabling it to exercise effective and thorough control over its interests, in particular as regards notification of works, collection and distribution of royalties, and obtaining and checking performance programmes.

In particular, each contracting party shall inform the other of any discrepancy which it notes between the documentation received from the other Society and its own documentation or that furnished by another Society.

(II) In addition, each of the Societies shall have the right to consult all the other Society's records and to obtain all information from it relating to the collection and distribution of royalties to enable it to check the administration of its repertoire by the other Society.

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II) Each contracting Society may accredit a representative to the Jother Society to carry out on its behalf the check provided for in paragraphs (I) and (II) above. The choice of this representative shall be subject to the approval of the Society to which he is to be accredited. Refusal of such approval must be motived.

#### TERRITORY

**ART.** 6 - (I) The territories in which the KCI operates are as follows:

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#### Indonesia

The territories in which the SOCINPRO operates are as follows:

#### Brazil

For the duration of the present contract, each of the contracting Societies shall refrain from any intervention within the territory of the other Society in the latter's exercise of the mandate conferred by the present contract.

#### DISTRIBUTION OF ROYALTIES

**ART.7** – Each Society undertakes to do its utmost to obtain programmes of all public performances, which take place in its territories, and to use these programmes as the effective basis for the distribution of the total net royalties collected for these performances.

The allocation of sums collected in respect of works performed in the territories of each Society shall be made in accordance with Article 3 and the distribution rules of the distributing Society, having regard, nevertheless, to the following paragraphs:

- a) Where all the parties interested in a work are members of a single Society other than the distributing Society, the whole (100%) of the royalties accruing to that work shall be distributed to the Society of which the said interested parties are members.
- b) In the case of a work the parties interested in which are not all members of the same Society but of whom none is a member of the distributing Society, the royalties shall be distributed in accordance with the international index cards (that is, the index cards or equivalent notifications sent and accepted by the Societies of which the interested parties are members).

the case of contradictory index cards or notification, the distributing Society may istribute the royalties in accordance with its rules, except where different interested parties claim the same share, when such share may be put into suspense until agreement has been reached between.

- c) In the case of a work one of the parties interested in which is a member of the distributing Society, this latter Society may distribute the royalties in accordance with its own Rules.
- d) The publisher's share of the royalties accruing to a work, or the total share of all the publishers or sub-publishers of a work, no matter how many, shall in no case exceed one half (50%) of the total royalties accruing to the work.
- e) Where a work, in the absense of an international Index card or equivalent documentation, is identified only by the name of the composer being a member of a Society, the total of the royalties accruing to that work is to be sent to the composer's Society. If the work is an arrangement of a non-copyright work, the royalties are to be paid to the arranger's Society insofar as he is known. In the case of lyrics adapted to a non-copyright work, the royalties are to be sent to the lyric writer's Society.

The Society receiving royalties distributed according to the foregoing rules is responsible, in the case of mixed works, for make the necessary transfers to other Societies interested in the work and for informing the distributing Society by means of international index cards or equivalent documentation.

- f) Where a member of one of the Societies has acquired the rights to adapt, arrange, republish or exploit a work in the repertoire of the other Society, the distribution of royalties shall be made with due regard to the provisions of the present Article and of the "Confederal Statute of Sub-publication" established by the International Confederation of Societies of Authors and Composers (hereafter designated "the Confederation").
- **ART. 8 (I)** Each Society shall be entitled to deduct from sums it collects on behalf of the other Society the percentage necessary to cover its effective administration expenses. This necessary percentage shall not exceed that which is deducted for this purpose from sums collected for members of the distributing Society, and the latter Society shall always endeavour in this respect to keep within reasonable limits, having regard to local conditions in the territories in which it operates.
- (II) When it does not make any supplementary collection for the purpose of supporting its members' pensions, benevolent or provident funds, or for the encouragement of the national arts, or in favour of any funds serving similar purposes, each of the Societies shall be entitled to deduct from the sums collected by it on behalf of the co-contracting Society 10% at the maximum, which shall be allocated to the said purposes.

- I) Any other deduction, apart from taxes that either of the contracting Societies may nake or be obliged to make from the net royalties accruing to the other Society would give rise to special arrangements between the contracting parties so as to enable the Society not making such deductions to recoup itself as far as possible from the royalties collected by it for the account of the other Society.
- (IV) No part of the royalties collected by either Society for the account of the other in consideration of the authorizations which it grants solely for the copyright works which it is authorized to administer may be regarted as not distributable to the other Society. With this exception, therefore, only of the deduction mentioned in paragraph (I) of this Article, and subject to the provisions of paragraphs (II) and (III) of the said Article, the net total of the royalties collected by one of the contracting Societies for the account of the other shall be entirely and effectively distributed to the latter.
- **ART.** 9 (I) Each of the contracting Societies shall distribute to the other sums due under the present contract as and when distributions are made to its own members and at least once a year.

Payment of this sums shall be made 90 days following each distribution, barring duly ascertained cases outside the Societies' control.

In the case of modification in the monetary party of the countries of the contracting Societies

( national currencies relative to the usual currency payment), if this modification represents an effective devaluation and if the payment is made outside the aforementioned contractual period, the debtor Society shall use the amount of its national currency necessary in order to provide the creditor Society with the same amount of its currency that it would have received if the settlement had been made at the exchange rate applicable on the ninetieth day of the afore-mentioned contractual period; provided that the creditor Society has complied with all the administrative procedures needed to enable the debtor Society to fulfill its commitment.

(II) Each payment shall be accompanied by a distribution statement in such form as to enable the other Society to allocate to each interested party, whatever his membership or category as member, the royalties accruing to him.

These statements, in principle, shall be three in number:

one for general royalties one for radio-television one for sound films

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ley shall be uniform in style and material. REGISTRAGE # MICROFILMAGO

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The statements of general royalties and radio-television shall be established in six columns, the last of which is left blank at the disposal of the addresses Society ( if possible). The other five columns shall contain:

- 1) composers' names (in alphabetical order);
- 2) for each composer, work titles (in alphabetical order);
- 3) interested parties;
- 4) share accruing to the addressee Society; and
- 5) royalty amounts, preferably indicated in currency of the transmitting organization, or, in default thereof, in points.

The statement concerning sound films shall also have six columns, like the preceding statements, but the first two columns, instead of indicating the names of composers and works, shall indicate respectively; 1) the film title, in the language of the country of exploitation; 2) the original title of the said film.

- (III) Settlements shall be made by each Society in the currency of its country.
- (IV) Each Society shall remain responsible to the other for any error or omission which it may make in the distribution of the royalties accruing to works in the repertoire of the other Society.
- (V) The mere fact that the date for settlement of accounts agreed upon between the contracting Societies has fallen due constitutes in itself, without any formality being necessary to that effect, a formal demand on the Society which has failed to make the payment due to the other Society on the date in question. Naturally, this provision is subject to force majeure.
- (VI) So long as legislative or statutory measures impede the free exchang of international payments, or exchange control agreements have been or will be concluded in the future between the countries of the two contracting Societies, each Society shall:
- a) without delay, immediately after drawing up the distribution accounting for the other Society, take all necessary steps and comply with all formalities as required by its national authorities in order to ensure that the said payments can be effected at the earliest possible moment;

b) inform the other Society that the said steps have been taken and formalities complied with when sending to it the statements mentioned in paragraph (II) of the present Article.

RT. 10 – (I) Each Society shall provide the other with a complete and detailed list of the real names and the pseudonyms of its inembers, including the date of decease of those author and composer and members who are deceased at the time when the present contract is concluded whose rights it continues to represent. It shall from time to time send to the other Society, in similar form, supplementary lists indicating additions, deletions or alterations to the principal list and, at least once a year, a list of its author and composer members who have died in the course of the year.

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- (II) Each Society shall also provide the other with a copy of its current Articles of Association and Rules, including its Distribution Plan, and shall inform it of any subsequent modifications made hereto while the present contract is in force.
- ART. 11 (I) The members of each contracting Society shall be protected and represented by the other Society under the present contract without the said members being required by the Society representing them to comply with any formalities and without their being required to join the other Society.
- (II) While this contract is in force, each of the contracting Societies will refrain from carrying out any active recruitment policy in respect of the other Society's members, although the people's Fundamental Right of free association will always be prevailing. In any case, both societies will recommend to the individual and body corporates, being nationals of the territories where the other society carries out its own activity, to maintais their affiliation to the latter for such territories.
- (III) Nevertheless, the preceding clause shall not be interpreted as prohibiting either of the contracting Societies from accepting as members persons who enjoy refugee status in the respective territories of their operation. This membership shall not apply to the territory of the Society operating in the country of which the author is a national.
- (IV) Each contracting Society undertakes not to communicate directly with members of the other Society, but, if occasion arises , to communicate with them through the intermediary of the other Society.
- (V) Any disputes or difficulties which may arise between the two contracting Societies relating to the membership of an interested party or assignee shall be settled amicably between them in the widest spirit of conciliation.

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**ART. 12** – The present contracting is subject to the provisions of the Statutes and decisions of the International Confederation of Societies of Authors and Composers.

#### **DURATION**

**ART. 13** – The present contract shall come into force as from June, 23<sup>rd</sup>,2005, and subject to the terms of Art. 14, shall continue in force from year to year by automatic extension it if has not been determined by registered letter at least three months before the expiration of each period.

**ART. 14** – Notwithstanding the terms of Article 13, the present contract may be determined immediately by one of the contracting Societies:

a) if an alteration is made in the Articles of Association, Rules or Distribution Plan of the other Society such as may modify in an appreciably unfavorable way the enjoyment or exercise of the patrimonial rights of the present owners of the copyrights administered by the Society represented. Any change of this nature shall be verified by the competent body of the International Confederation of Societies of Authors and Composers. After such verification the Confederation's Council may allow the representing Society a period of three months to remedy the situation thus created. When this period has expired without the necessary steps having been take by the Society in question the present contract may be terminated by the unilaterally expressed wish of the Society represented, if it so decides;

b) if such a legal or factual situation arises in the country of one of the contracting Societies that the members of the other Society are placed in a less favorable position than the members of the Society of the said country, or if one of the contracting Society puts into practice measures resulting in a boycott of the works in the repertoire of the other contracting Society.

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#### **LEGAL DISPUTES - JURISDICTION**

RESISTRADO E MICROFILMAGO RIO DE JANEIRO - CAPITAL - RJ

- ART. 15 (I) Each of the contracting Societies may seek the advice of the Confederation's Administrative Council about any difficulty which may arise between the two Societies regarding the interpretation or performance of this contract.
- (II) The two Societies may, if need be, and after attempting conciliation before the body mentioned in Article 10 b) 6<sup>th</sup> paragraph of the Confederal Statutes, agree to resort to arbitration by the Confederation appropriate authority in order to settle any dispute that may arise between them with regard to the present contract.
- (III) If the two contracting Societies do not think it appropriate to resort to arbitration, by the Confederation, or to arrange between them for arbitration, even independently of the Confederation, in order to settle their disagreement the competent Court to decide the issue between them shall be that in which the defendant Society is domiciled.

Executed in good faith in the same number of copies as there are parties to this contract, including intervening parties,

Indonesia/Brazil, June,23<sup>rd</sup>,2005.

By SOCINPRO:

Jorge de Souza Costa.

Director General

Dahuri, SE

General Manager

