

**CONTRACT OF UNILATERAL REPRESENTATION
PERFORMING RIGHTS**

Between the undersigned:

RAO – Society Authors the Russian whose registered, **RAO**, B. Bronnaya Str. 6a – Moscow, 123995, Russia, and represented by Mr. Sergey Fedotov, Chairman.

Of the one part.

And

Sociedade Brasileira de Administração e Proteção de Direitos Intelectuais hereinafter designated **SOCINPRO**, whose registered office is at Av. Beira Mar, 406 – Gr. 1205 – Centro – 20021-060 Rio de Janeiro – Rj. Represented by Jorge S. Costa, General Director, affiliated at CISAC with number 189.

Of the other part,

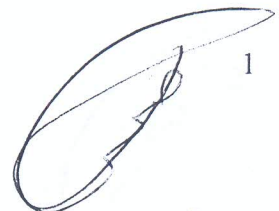
It is agreed as follows:

Article 1.

- (i) By virtue of the present contract, the **SOCINPRO** confers on **RAO** the exclusive right, in the territory in which this latter Society operates (as they are defined and delimited in Article 6 (I) hereafter), to grant the necessary authorizations for all public performances (as defined in paragraph II of this article) of musical work, with or without lyrics, which are protected under the terms of national laws, bilateral tráties 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 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**".

- (II) Under the terms of the present contract, the expression "public performance" includes all sounds and performances rendered audible to the public in any place whatever



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within the territory in which **RAO** 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 phonographical records, wires, tapes and soundtracks (magnetic and otherwise) by processes of projection (sound film) 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 and devices, etc.).

Article 2

- (I) The exclusive right to authorize performances, as referred to in Article 1, entitles **RAO**, 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 **SOCINPRO** and to grant 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 sums due as indemnification or damages for unauthorized performances of the works in question
 - c) to commence and pursue, either 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 **SOCINPRO**, **RAO** 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 contrary to this clause shall be null and void without the fulfillment of any formality.

Article 3.

In virtue of the powers conferred by Articles 1 and 2, **RAO** undertakes to enforce within the territory in which it operates the right of the members of **SOCINPRO** 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. In particular, **RAO** shall apply to works in the repertoire of **SOCINPRO** the same tariffs, methods and means of collection and distribution of royalties (subject to what is agreed hereafter in Article 7) as those which it applies to works in its own repertoire.

Article 4

SOCINPRO shall place at the disposal of **RAO** all documents enabling the latter to justify the royalties it is responsible for collecting under the present contract and to take any legal or other action, as mentioned in Article 2 (I) above.

Article 5.

(I) **SOCINPRO** shall place at the disposal of **RAO** 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 **RAO** shall inform **SOCINPRO** of any discrepancy which it notes between the documentation received from **SOCINPRO** and its own documentation or that furnished by other society.

(II) In addition **SOCINPRO** shall have the right to consult all records **RAO**, 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 **RAO**.

(III) **SOCINPRO** may accredit a representative to **RAO** to carry out on its behalf the verification provided for in paragraphs (II) above. The choice of this representative shall be subject to the approval of **RAO** to which he or she is to be accredited. Refusal to such approval must be motivated.

TERRITORY



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Article 6.

- (I) The territory in which the **RAO** operates is: Russia.
- (II) For the duration of the present contract **SOCINPRO** shall refrain from any intervention within the territory of **RAO** in the latter's exercise of the mandate conferred by the present contract.

DISTRIBUTION OF ROYALTIES

Article 7.

- (I) **RAO** undertakes to do its utmost to obtain programmes of all public performances which take place in its territory, and to use these programmes as the effective basis for the distribution of the total net royalties collected for these performances
- (II) The allocation of sums collected in respect of works performed in the territory of **RAO** shall be made in accordance with Article 3 and the distribution rules of **RAO**, having regard, nevertheless, to the following paragraphs:
 - a) Where all the parties interested in a work are members of a single society other than **RAO**, 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 **RAO**, 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).

In the case of contradictory index cards or notifications, **RAO** may distribute the royalties in accordance with its own Rules, except where different interested parties claim the same share, when such share may be put into suspense until agreement has been reached between the Societies concerned.

- c) In the case of a work one at least of whose original creators belongs to **RAO**. **RAO** 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 absence 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

composers 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.

SOCINPRO receiving royalties distributed according to the foregoing rules is responsible in the case of mixed works, for making any necessary transfers to other Societies interested in the work and for informing **RAO** by means of international index cards or equivalent documentation.

- f) Where a member of **RAO** has acquired the right to adapt, arrange, re-publish or exploit a work in the repertoire of **SOCINPRO**, 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").

Article 8.

- (I) **RAO** shall be entitled to deduct from the sums it collects on behalf of **SOCINPRO** 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 **RAO**, and **RAO** 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 favor of any funds serving similar purposes **RAO** shall be entitled to deduct from the sums collected by it on behalf of **SOCINPRO** 10% at the maximum, which shall be allocated to the said purposes.
- (III) Any other deductions apart from taxes, that **RAO** may make or be obliged to make from the net royalties accruing to **SOCINPRO** would give rise to special arrangements between the contracting parties.
- (IV) No part of the royalties collected by **RAO** for the account of **SOCINPRO** in consideration of the authorizations which it grants solely for the copyright works which it is authorized to administer may be regarded as not distributable to **SOCINPRO**. With the 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 **RAO** for the account of **SOCINPRO** shall be entirely and effectively distributed to **SOCINPRO**.

Article 9.

- (I) **RAO** shall remit to the other the sums due under the terms of the present contract as and when distribution are made to its own members, and at least once a year. Payment of these sums shall be made within the 90 days following each distribution, barring duly ascertained cases outside its control.
- (II) Each remittance shall be accompanied by a distribution statement in such form as to enable **SOCINPRO** to allocate to each interested party the share of fees due to him. The said statement shall be uniform in style and material, and shall, at least, indicate the following items:
- (a) the titles of works:
 - (b) the names of authors, composers and/or other interested parties with their respective shares:
 - (c) the total points or sum credited to each work:
 - (d) the category of fees and the period covered by the said remittance.
- (III) Settlement shall be made by **RAO** in the currency of its country. The settlement of accounts for **SOCINPRO** under the present contract shall be made in any international vehicle currency.
- (IV) **RAO** shall remain responsible to **SOCINPRO** for any error or omission which it may make in the distribution of the royalties accruing to works in the repertoire of **SOCINPRO**.
- (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 **RAO** which has failed to make the payment due to **SOCINPRO** on the date in question. Naturally this provision is subject to force majeure.
- (VI) So long as legislative or statutory measures impede the free exchange of international payments, or exchange control agreements have been or will be concluded in the future, between the countries of the two contracting Societies, **RAO** shall:
- a) Without delay, immediately after drawing up the distribution accounting for **SOCINPRO**, 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 **SOCINPRO** 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.

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Article 10.

SOCINPRO undertakes to supply on a regular basis to the IPI Center of **CISAC** complete and detailed information on the real names and the pseudonyms of its members, including dates of decease, deletions and alterations. Furthermore **RAO** undertakes to use the IPI List output as the basis for its identification of and distribution in respect of the membership of **SOCINPRO**.

Article 11.

- (I) The members of **SOCINPRO** shall be protected and represented by **RAO** under the present contract without the said members being required by the **RAO** representing them to comply with any formalities and without their being required to join **RAO**.
- (II) While this contract is in force, neither of the contracting Societies may without the consent of the other, accept as member any member of the other Society or any natural person, firm or company having the nationality of one of the countries in which the other Society operates.
- (III) Nevertheless, the preceding clause shall not be interpreted as prohibiting either of the contracting Societies from representing in its own territories of operation persons who enjoy refugee status in those territories or who have been authorized to settle there and have actually been resident there for at least one year, as well as, in virtue of a unilateral mandate, other performance royalty-collecting bodies existing in the territories of the other Society when collection by a single organization is not practicable in the territories in question.
- (IV) **RAO** undertakes not to communicate directly with members of **SOCINPRO**, but, if occasion arises, to communicate with them through the intermediary of **SOCINPRO**.
- (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 amicable between them in the widest spirit of conciliation.

CONFEDERATION

Article 12.

The present contract is subject to the provisions of the Statutes and decisions of the International Confederation of Societies of Authors and Composers.

DURATION

Article 13.

The present contract shall come into force as from March 31th, 2005 and, subject to the terms of Article 14, shall continue in force from year to year by automatic extension if it has not been determined by registered letter at least six (6) months before the expiration of each period.

Article 14.

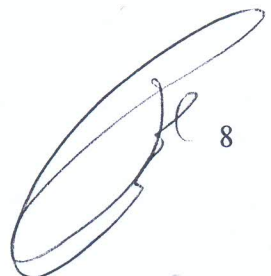
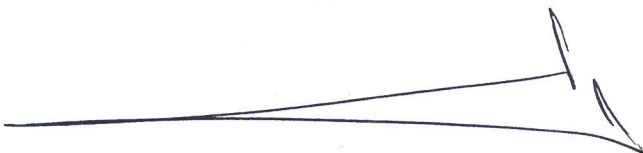
Notwithstanding the terms of Article 13, the present contract may be determined immediately by one of the contracting Societies:

- c) 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 unfavourable way the enjoyment or exercise of the patrimonial rights of the present owners of the copyright 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 Administrative 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 taken by the Society in question the present contract may be terminated by the unilaterally expressed wish of the Society represented if it so decides;
- d) if such a legal or factual situation arises in the country of **RAO** that the members of **SOCINPRO** are placed in a less favorable position than the members of **RAO**, or if **RAO** puts into practice measures resulting in a boycott on the works in the repertoire of **SOCINPRO**.

LEGAL DISPUTES – JURISDICTION

Article 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.



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- (II) The two Societies may, if need be, and after attempting conciliation before the body mentioned in Article 10 b) 6th paragraph of the Confederal Statutes, agree to resort to arbitration by the Confederation's 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.

In, 30/05/, 2005

In, _____, 2005

For: **RAO**

For: **SOCINPRO**

read and approved,

read and approved,



Sergey Fedotov
Chairman

A handwritten signature in black ink, appearing to be "Jorge S Costa".

Jorge S Costa
General Director