

# CONTRACT OF UNILATERAL REPRESENTATION OF PUBLIC PERFORMANCE RIGHTS

Between the undersigned:

**The Sociedade Independente de Compositores e Autores Musicais** (hereafter called - **SICAM**), whose registered office is at *Endereço : Largo do Paissandu , Nr 51 - 10<sup>a</sup> andar - centro - São Paulo SP - Brasil - Cep 01034 - 010*; represented by its President, Mr. *Chrysóstomo Pinheiro de Faria*,

And

**The Sociedad de Autores y Compositores de México, S. de G. C. de I. P.** (hereafter called **SACM**), whose registered office is at Real de Mayorazgo No 129, Col. Xoco, Mexico D.F. 03330 Mexico; represented by its Director General, Mr. Roberto Cantoral Zucchi,

On the other part,

IT IS AGREED AS FOLLOWS:

## Article 1.

(I) By the virtue of the present contract, **SICAM** confers on **SACM** the exclusive right, in the territories in which this latter Society 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 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 **SICAM** by its members, in accordance with its Articles of Association and Rules; the said works collectively constituting "the repertoire of SICAM".

(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 Societies operates, by means and in any way whatever, whether 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 record, wires, tapes and sound tracks (magnetic and otherwise); by processes of projection (sound film), of diffusion and transmission such as radio and television broadcasts, whether made directly or relayed, transmitted etc...) as well as by any process of wireless reception (radio and television receiving apparatus, telephonic reception, etc... and similar means and devices, etc...)

(IV) With regard to direct broadcasting by satellite, the contracting Societies agree that the rights conferred by virtue of Art. I of this Contract are not limited to the territories of operation but are valid for all countries within the footprint of the satellite of which the transmissions are effected, subject to having acquired the other contracting Society's agreement beforehand as to the conditions under which the authorizations required for such transmissions may be delivered, insofar as the territories in which it operates are situated within the satellite's footprint.

## Article 2.

(I) The exclusive right to authorize performances, as referred to in Art. 1, entitles SACM, 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 operated;

- a) to permit or prohibit, whether in its own name or that of the author concerned, public performances of works in the repertoire of **SICAM** 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)
- c) to receive all sums due as indemnification or damages for unauthorized performances of the works in question;
- d) 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;
- e) to transact, compromise, submit to arbitration, refer to any Court of Law, special or administrative tribunal;
- f) 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 **SICAM**, the **SACM** may not in any circumstances assign or transfer to a third party all or part of the exercise of the prerogative, faculties or otherwise to which it is entitled under the said contract and in particular under Art. 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.

## Article 3.

(I) In virtue of the powers conferred by Art. 1 and 2, SACM undertakes to enforce within the territory in which it operates the rights of **SICAM** 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, SACM



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, SACM shall apply to work in the repertoire of **SICAM** 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) SACM undertakes to send **SICAM** any information for which it may be asked concerning the tariffs it applies to different kinds of public performance in its own territory.

(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, SACM undertakes, at the request of **SICAM**, to concert in seeking the most effective means to this end.

#### **Article 4.**

SACM shall place at the disposal of **SICAM** all documents enabling SACM to justify the royalties is responsible for collecting under the present contract and to take any legal or other action, as mentioned in Art. 2 (1) above.

#### **Article 5.**

(I) SACM shall place at the disposal of **SICAM** 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, an obtaining and checking performance programs.

In particular, SACM shall inform **SICAM** of any discrepancy which it notes between the documentation received from **SICAM** and its own documentation or that furnished by another Society.

(II) In addition, **SICAM** shall have the right to consult all of SACM'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 SACM.

(III) **SICAM** may accredit a representative to SACM 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 SACM to which he is to be accredited. Refusal of such approval must be motivated.

### **TERRITORY**

#### **Article 6.**

(I) The territory in which **SACM** operates is as follows:

UNITED MEXICAN STATES - MEXICO

(II) For the duration of the present contract, **SICAM** shall refrain from any intervention within the territory of **SACM** in the latter's exercise of the mandate conferred by the present contract.

## DISTRIBUTION OF ROYALTIES

### Article 7.

(I) **SACM** 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.

(II) The allocation of sums collected in respect of works performed in the territories of **SACM** shall be made in accordance with Art. 3 and the distribution rules of **SACM**, having regard, nevertheless, to the International Documentation and Distribution Procedures established by the Technical Committee of BIEM and CISAC and approved by the Administrative Council of CISAC, and any subsequent amendments to or new versions of those procedures.

### Article 8.

(I) **SACM** shall be entitled to deduct from the sums it collects on behalf of **SICAM** 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 **SACM**, and **SACM** shall always endeavor in this respect to keep within reasonable limits, having regard to local conditions in the territory 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, **SACM** shall be entitled to deduct from the sums collected by it on behalf of **SICAM** 10% at the maximum which shall be allocated to the said purposes.

(III) Any other deductions, apart from taxes, that **SACM** may make or be obliged to make from the net royalties accruing to **SICAM** would give rise to special arrangements between the contracting parties so as to enable **SACM** not making such deductions recoup itself as far as possible from the royalties collected by **SACM** for the account of **SICAM**.

(IV) No part of the royalties collected by **SACM** for the account of **SICAM** 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 **SICAM**. 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 **SACM** for the account of **SICAM** shall be entirely and effectively distributed to the latter.

### Article 9.

(I) **SACM** shall distribute to **SICAM** the sums due under the terms of the present contract as and when distributions are made to its own members and at least once a year. Payment of these sums shall be made within 90 days following each distribution, barring duly ascertained cases outside the Societies' control.

(II) Each payment shall be accompanied by a distribution statement in such form as to enable **SICAM** to allocate to each interested party, whatever his membership or category as member, the royalties accruing to him. These statements shall be uniform in style and content and conform as far as



possible to the standards recommended from time to time by the Technical Committee of BIEM and CISAC and approved by the Administrative Council of CISAC.

(III) Settlements shall be made by each Society in the currency of its country. If such a currency is not transferable settlements shall be made in a transferable currency at international rates current on the day of payment.

(IV) SACM shall remain responsible to **SICAM** for any error or omission which it may make in the distribution of the royalties accruing to works in the repertoire of **SICAM**.

(V) The mere fact that the date for settlement of accounts agreed upon between the contracting Societies has fallen due shall constitute without any formality, a formal demand on SACM which has failed to make the payment due to **SICAM** on the date in question. This provision shall be 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, SACM shall:

- a) Without delay, immediately after drawing up the distribution accounting for **SICAM**, take all necessary steps and comply with all formalities as required by its national authorities order to ensure that the said payments can be effected at the earliest possible moment;
- b) Inform **SICAM** 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.

#### **Article 10.**

(I) Each Society undertakes to supply on a regular basis to the CAE Centre of CISAC (SUISA) complete and detailed information on the real names and pseudonyms of its members, including dated of decease, deletions and alterations. Furthermore each Society undertakes to use the CAE List output as the basis for its identification of and distribution in respect of the membership of the other Society.

(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 thereto while the present contract is in force.

#### **Article 11.**

(I) The members of **SICAM** shall be protected and represented by SACM 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 SACM.

(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 operate. Any refusal to consent to such acceptance by the other Society must be duly motivated. In the absence of a reply within three months, following a request sent by recorded delivery letter, it shall be presumed that agreement has been given.

(III) Nevertheless, the preceding clause shall not be interpreted as prohibiting either of the contracting Society from accepting as members natural persons who enjoy refugee status in its own territories of operation, or who have been authorized to settle there and have actually been resident there for at least one year, and to do so as long as they continue to reside there. Such 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 Society.

(V) Any disputes or difficulties which may arise between the two contracting Societies relating to the membership of an interested party or assignee be settled amicably 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 (CISAC).

## DURATION

### Article 13.

The present contract shall come into force as from **JANUARY 1, 2010** and, subject to the terms of Art 14, shall continue in force form year to year by automatic extension if it has not been determined by registered letter at least **6 months** before the expiration of each period.

### Article 14.

Notwithstanding the terms of Art. 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 SACM 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 **SICAM**. Any change of this nature shall be verified by the competent body of the CISAC. After such verification the Confederation's Administrative Council may allow the **SACM** a period of three months to remedy the situation thus created. When this period has expired without the necessary steps having been taken by **SACM** 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 place in a less favorable position than the member of the Society of the said country, or if one of the contracting Societies puts into practice measures resulting in a boycott of the works in the repertoire of the other contracting Society.



## 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.

(II) The two Societies may, if need be, and after attempting conciliation before the body mentioned in Article 10b) 6<sup>th</sup> 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.

### Article 16.

The Sociedad de Autores y Compositores de México, Sociedad de Gestion Colectiva de Interes Publico (SACM), is hereby authorized by *Sociedade Independente de Compositores e Autores Musicais (SICAM)*, to present, ratify or waive lawsuits and claims on behalf of all and each member, as well as on behalf of the Society itself, in virtue of the fact that it has enough power from the latest to carry out the provisions in Article 200 of the Ley Federal del Derecho de Autor de México (Mexican Federal Law on Author's Right) in force as of March 24<sup>th</sup>, 1997, without applying the provisions on article 120 of the Código Federal de Procedimientos Penales (Federal Code for Criminal Proceedings).

To produce the desired effect, the said power of attorney, Article 2554 of the Civil Code applicable in Federal matter in Mexico, is being transcribed:.

Article 2554 "For all general powers of attorney for lawsuits and collections, it is sufficient to state that it is granted with all general and special faculties requiring a special clause according to the Law, to be understood as vested without any limitation.

In general powers of attorney for goods administration, it is enough to express that they are granted with such so that the attorney may have every administrative faculty whatsoever.

In general powers to exercise acts of domain, it will be enough to granted them with such character so that the attorney may have all kinds of authorities from the owner for both, everything regarding the goods and to carry out all kinds of management to defend them.

When it is desired to limit the powers of the attorneys, in the three cases mentioned above, limitations shall be instructed or the powers will be granted as special.

Notaries shall include this article in the testimonials of the powers granted.

Article 200 of the New Federal Authors' Right Law. "Upon the authorization granted to the societies of collective management by the Institute they will be legitimized under the terms resulting from their own statutes to exercise the rights entitled for the management and to enforce them every judicial and administrative procedures whatsoever.

The societies of collective management are entitled to bring, ratify or waive demands or complaints on behalf of its members, providing, however that they are vested with a general power of attorney for lawsuits and collections with the special clause to file claims or to waive them, issued in the society's favor and registered in the Institute, without application of the provisions in article 120 of the Codigo Federal de Procedimientos Penales (Federal Code for Criminal Proceedings) and without prejudice that authors and the derived right holders might contribute personally with the corresponding society of collective management. In case of aliens with residence outside the Mexican Republic, all the provisions set in the reciprocal representation agreements will be applied.

Article 120 of the Codigo Federal de Procedimientos Penales (Federal Code for Criminal Proceedings):

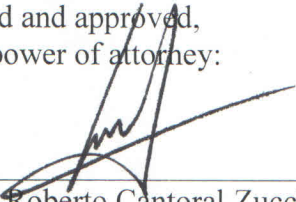
"Article 120.- Intervention of legal attorney shall not be allowed to file suits, except in the case in which legal entities that may act by a general attorney for lawsuits and collections. The claims brought to on behalf of legal entities, will be allowed when the attorney has a general power of attorney for lawsuits and collections including the special clause to press claims complaint without the need of agreements or ratification from the Board of Directors or from the Members or Stockholders' Meeting to grant special powers of attorney for specific case or concrete instructions by plaintiff. AP

Executed in good faith, in three copies.

Signed:  
For **SACM**

For **SICAM**

Read and approved,  
by power of attorney:



Lic. Roberto Cantoral Zucchi  
Director General.  
In Mexico City:  
JANUARY 1st, 2010.

Read and approved,  
by power of attorney:



Chrysóstomo Pinheiro de Faria  
President  
In Brasil:

