

CONTRACT OF
UNILATERAL REPRESENTATION
BETWEEN
SICAM AND STIM

Between the undersigned:

Sociedade Independente de Compositores e Autores Musicais in the following called SICAM whose registered office is at Largo do Paissandu, 51-10° andar, conj. 1002, CEP 01034 São Paulo, SP, Brazil; represented by its President **Chrysóstomo Pinheiro de Faria, specifically authorised for the purposes of the present contract by power of attorney**

on the one part;

and

STIM whose registered office is at Sandhamnsgatan 79, 100 54 Stockholm, Sweden, represented by its Managing Director Mr. Gunnar Petri, specifically authorised for the purposes of the present contract by power of attorney

on the other part

it is agreed as follows:

Article 1

(I) By virtue of the present contract, SICAM confers on STIM the exclusive right, in the territory in which this latter Society operates (as it is defined and delimited in Article 6 (I) hereafter) to authorise all public performances (as defined in paragraph (III) of this Article) of musical works, with or without lyrics, which are protected under the provisions 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 SICAM by its members, in accordance with its Articles of Association and Rules; the said works collectively constituting "the repertoire of SICAM".

(II) Under the terms of the present contract, the expression "public performance" includes all sounds and performances audible to the public in any place within the territory in which each of the contracting Societies operates, by whatever means, whether the said means be already known and used or whether hereafter discovered and put into use 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 and otherwise); by process of projection (sound film), of diffusion and transmission (such as radio and television broadcasts, whether direct, relayed or 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.).

(III) With regard to direct broadcasting by satellite, the contracting Societies agree that the rights conferred by virtue of Article 1 of this Contract are not limited to the territory of operation but are valid for all countries within the footprint of the satellite by which the transmissions are effected, from the territory in which the contracting Society operates.

Article 2

(I) The exclusive right to authorise performances, as referred to in Article 1, entitles STIM, 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 grant the necessary authorisations for such performances;

b) to collect all royalties required in return for the authorisations granted by it (as provided in (a) above);

to receive all sums due as indemnification or damages for unauthorised 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 to 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 authorisation 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 means which it enjoys under the said contract and in particular under Article 2. Any transfer effected in contravention of this clause shall be null and void without the fulfilment 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 favour of a Society having concluded a reciprocal representation contract with each of the contracting Societies.

Article 3

(I) By virtue of the powers conferred by Articles 1 and 2, STIM 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 so within the limits of the legal protection afforded to a foreign work in the country where protection is claimed, unless, by virtue of the present contract, such protection not being specifically provided in law, it is possible to ensure an equivalent protection. Moreover, STIM undertakes to uphold to the greatest possible extent, by way of 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, STIM 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 Article 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 performance in its own territory.

(III) For the purpose of co-ordinating 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 consult with the other Society in order to agree on the most effective means to this end.

Article 4

SICAM shall place at the disposal of STIM 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) 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 any other party.

(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.

(III) Each contracting Society may accredit a representative to the other 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 motivated.

Article 6

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

Brazil

The territory in which STIM operates is as follows:

The Kingdom of Sweden

(II) 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

Article 7

(I) STIM 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.

(II) The allocation of sums collected in respect of works performed in the territory of STIM shall be made in accordance with Article 3 above and the distribution rules of the distributing Society, 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) STIM shall be entitled to deduct from the sums it collects on behalf of the other Society the percentage necessary to cover its effective administration expenses. This 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, STIM 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.

(III) No part of the royalties collected by STIM for the account of the other in consideration of the authorisations which it grants solely for the copyright works which it is authorised to administer may be regarded as not distributable to the other Society. With the exception, therefore, only of the deduction mentioned in paragraph (I) of this present Article, and subject to the provisions of paragraph (II) of the said Article, the net total of the royalties collected by STIM for the account of the other shall be entirely and effectively distributed to the latter.

Article 9

(I) STIM shall distribute to the other 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 the other Society 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) Remittance shall be made in a transferable currency at international rates current on the day of payment.

(IV) STIM shall remain responsible to the other Society 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 shall constitute, without any formality, a formal demand on the Society which has failed to make the payment due to the other Society on the date in question. This provision shall be subject to force majeure.

(VI) If legislative or statutory measures impede the free exchange of international payments, or exchange control agreements have been or will be concluded in future, between the countries of the two contracting Societies, STIM shall:

- a) without delay, immediately after drawing up the distribution accounting for the other Society, take all necessary steps to 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.

Article 10

(I) Each Society undertakes on a regular basis to supply the CAE Centre of CISAC (SUISA) with complete and detailed information on the real names and pseudonyms of its members, including dates of decease, deletions and alterations. Furthermore, STIM 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 contract is in force.

Article 11

(I) The members of SICAM 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, 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. 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 Societies from accepting as members natural persons who enjoy refugee status in its own territories of operation, or who have been authorised 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 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.

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 with effect from 1 January 1996 and, subject to the terms of Article 14, shall continue in force from year to year by automatic extension if it has not been cancelled by registered letter by either party at least six months before the expiration of each period.

Article 14

Notwithstanding the terms of Article 13, the present contract may be cancelled 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 unfavourable 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 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;
- 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 favourable position than the members of the Society of the said country, or if one of the contracting Societies puts into practice measures resulting in a boycott of 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 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.

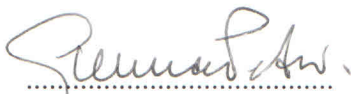
(III) If the two contracting Societies do not consider it appropriate to resort to arbitration by the Confederation or to arrange between them for arbitration, even independently of the Confederation, in order to settle their disagreement, the competent Court to decide the issue between them shall be that of the country where the defendant Society is domiciled.

Executed in good faith, in two copies.

STIM

For and behalf of STIM:
read and approved,
by power of attorney:

Stockholm, 13 September 1996



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Gunnar Petri
Managing Director

For and behalf of SICAM:
read and approved,
by power of attorney:

São Paulo, 24 September 1996



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CHRYSÓSTOMO PINHEIRO DE FARIA
President