

CONTRACT OF RECIPROCAL REPRESENTATION

Between the undersigned:

- LIETUVOS AUTORIŲ TEISIŲ GYNIMO ASOCIACIJOS AGENTŪRA,
hereinafter designated "LATGA-A" whose registered office is
at Vilniaus 25, 2600 Vilnius, Lithuania, represented by its
Managing Director, Edmundas Vaitekūnas,


on the one part

and
- SOCIEDADE INDEPENDENTE DE
COMPOSITORES E AUTORES MÚSICAIS, hereinafter designated
SICAM whose registered office is at
Largo do Paissandu, 51 - 10ªA - São Paulo - Brasil, represented
by its President CÉLIA BARROS MADUREIRA FAVI

on the other part,

it is agreed as follows:

Article 1.

 (I) By virtue of the present contract, LATGA-A confers on SICAM the exclusive right in the territories in which this latter Society operates (as defined and delimited in Articles 6 (I) hereafter), to grant the necessary authorisations 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 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 the whatever means, for the purpose of its administration, to LATGA-A by its members, in accordance with its Articles of Association and Rules; the said works collectively constituting "the repertoire of LATGA-A".

SICAM (II) Reciprocally, by virtue of the present contract, confers on LATGA-A the exclusive right, in the territory in which this latter Society operates (as defined and delimited in Article 6 (I) hereafter) to grant the necessary authorisations 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 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 auditions or performances rendered audible to the public in any place whatever within the territories in which each of the contracting Societies operates, by any 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 performances" include in particular performances provided by live means, instrumental or vocal; by mechanical means such as photographic records, 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,

retranslated 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 authorise performances as referred to in Article 1, entitle 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 copyright owner 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);
received all sums due as indemnification or damages for unauthorised performances of the works in question;
to give due and valid receipt for the aforementioned collections;

c) to commence and pursue, either in its own name or that of the copyright owner 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 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 authorisation of one of the contracting Societies, the other contracting Society may not in any circumstances assign or transfer to the 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 to 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 or similar device 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, each of the contracting 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. Moreover, the contracting parties undertake to uphold to the greatest possible extent, by way of the appropriate measure 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 of the contracting Societies shall apply to works in the repertoire of the other Society the same tariffs, methods and means of collection and distribution of royalties (subjects to the provisions of Article 7 below) 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 territories.

(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 concert with the other in seeking the most effective means to this end.

Article 4.

Each of the contracting Societies shall place at the disposal of the other 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 of the contracting Societies shall place at the disposal of the other all documents, records and information enabling the latter to exercise effective and through control over its interests, in particular as regards notification of works, collection and distribution of royalties, and obtaining and verifying performance programmes.

In particular, each of the contracting Societies 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 contracting 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 verify the administration of its repertoire by the other Society.

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

TERRITORY



Article 6.

(I) The territory in which LATGA-A operates is Lithuania. The territory in which SICAM operates is Brasil.

(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) Each of the contracting Societies undertakes to do its utmost to obtain programmes of 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 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 interested parties in a work are members of a single Society other than the distributing Society, the total fees (100%) accruing to the work in question shall be distributed to the Society of which the said interested parties are members.

b) In the case of a work of which the interested parties are not all members of the same Society but where none is a member of the distributing Society, the fees shall be distributed in accordance with International Index Cards (i.e. the index cards or equivalent declarations sent and accepted by the Societies of which the interested parties are members).

In case of contradictory index cards or declarations, the distributing Society may distribute 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 the Societies concerned.

c) In the case of a work where at least one of the interested parties is a member of the distributing Society, this 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 shares of all the publishers and sub-publishers of a work, no matter how many, shall in no case exceed half (50%) of the total fees accruing to the work.

e) Where a work, in the absence of an International Index Cards or equivalent documentation, is identified solely by the name of its composer, being a member of a Society, the total of the royalties accruing to that work shall be distributed to such composer's Society; in the case of an arrangement of a non-copyright work, the royalties shall be distributed to the Society of the arranger in so far he is known; in the case of lyrics adapted to a non-copyright work, the royalties are to the Society of the lyric writer.

The Society receiving the royalties distributed under the above-mentioned rules is required, in the case of mixed works, to make any necessary transfers to the other Societies interested in the work and to inform the distributing Society by means of International Index Cards or equivalent documentation.

f) Where a member of one of the Societies has acquired the right to adapt, arrange, republish or exploit a work in the repertoire of the other Society, the royalties shall be distributed with due regard to the provisions of this Article and of the "confederation Statute of Sub-publication" established by the International Confederation of Societies of Authors and Composers (hereinafter designated "the Confederation").

Article 8.

(I) Each of the contracting Societies 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 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 contracting 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.

(III) Any other deductions, apart from taxes, that either of the contracting Societies may make 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 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 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 account of the other shall be entirely and effectively distributed to the latter.

Article 9.

(I) Each of contracting Societies 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.

In the case of modification in the monetary parity of the countries of the contracting Societies (national currencies relative to the usual currency of payment), if this modification represents an effective devaluation and if the payment is made outside the afore-mentioned 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 own 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 fulfil 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 too him. These statements in principle, shall be of three kinds:

1. for general fees;
2. for radio and television fees;
3. for sound-films.

They shall be uniform in style and material.

The distribution statements of general fees and those for radio and television fees will be prepared in six columns, the last of which shall be left blank for the use of the receiving Society (if possible); the five other columns shall give:

1. the names of the composers (in alphabetical order);
2. for each composer, the titles of the works (in alphabetical order);
3. the rights owners;
4. the share due to the receiving Society;
5. the amounts of royalty, preferably in the currency of the country of the distributing organisation or, failing this, in points.

The statements relating to the sound films will also have six columns like the preceding ones, but the first two columns shall give instead of the composers' names and works:

1. the title of the film, in the language of the country of exploitation;
2. the original title of the film.

(III) Settlements shall be made by each Society in the currency of is own country.

(IV) Each of contracting Societies shall remain responsible to the other for any error or omission which it may make in the distribution of 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. The provision shall be subject to force majeure.

(VI) If the 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, 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.

Article 10.

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

Article 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, 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 the occasion arises, to communicate with them through the intermediary of the other Society.

(V) Any disputes or difficulties which may arise between the two contacting 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 decision of the International Confederation of Societies of Authors and Composers

DURATION

Article 13.

The present contract shall come into force as from January 1, 1998 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 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:

a) if an alteration is made in the Article 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 decided.

b) if such 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 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 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 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.


at Vilnius on

at São Paulo


signed:

For the LATGA-A
read and approved,
by power of attorney:

For the SICAM
read and approved
by power of attorney:



Edmundas Vaitekūnas
Managing Director



Célia Barros Madureira Favi
President

ANNEX

TO THE CONTRACT OF RECIPROCAL REPRESENTATION

between LATGA-A, Lietuvos Autorių Teisių Gynimo Asociacijos Agentūra, Vilnius, and SICAM - Sociedade Independente de Compositores e Autores Musicais

a) In order to be taken into consideration, the devaluation which has effectively taken place in the country of the debtor Society must have come into effect at the close of a period of 90 days from the date of its distribution to its own members. In other words, any devaluation coming into effect in the course of this period, including the ninetieth day thereof, shall not be taken into account for the purpose of applying the rule set out in Article 9 (I), paragraph 2.

b) It is therefore essential, in order to correctly apply the afore-mentioned rule (calculation of the 90-day payment period stipulated in the contract), for the contracting Societies to make known reciprocally and very precisely (either within the contract concluded by them itself or in addition to it) the dates of their distributions to their own members.

c) The loss resulting from the difference between the exchange rate applicable before devaluation and the devaluated exchange rate must be covered by the debtor Society from the sums accruing to its own members (deduction from the sums available for its social and/or cultural fund, for example).

d) If the supplementary payment owed by the debtor Society (the difference between the exchanging rate before devaluation and devalued rate) is not sent with the principal payment, or is not sent at a later stage once it is established that this supplementary payment is due, under the rule set out in Article 9 (I), paragraph 2, the creditor Society shall be entitled to have recourse to the compensation system insofar as such a system is materially and legally possible.

e) If a Society has real difficulties in effecting transfers due to extremely long procedures required by the authorities (exchange control), the contractual obligations which it has entered into shall be fulfilled if it provides evidence that it has duly submitted an official request for transfer to its competent government authorities within the 90 days in question. This evidence must consist in the production of an official document from the competent national authorities certifying that such a request has been duly presented to them and the date thereof.

Handwritten signature