# CONTRACT OF UNILATERAL REPRESENTATION BETWEEN AMAR/SOMBRÁS AND TONO

Between the undersigned

Associação de Músicos, Arranjadores e Regentes -Sociedade Musical Brasileira - AMAR/SOMBRÁS, whose registered office is at Av. Rio Branco, 18/19º e 20º andar - Centro - Rio de Janeiro - RJ, CEP: 20.090-000, Brazil, represented by Marco Venicius Mororó de Andrade, specifically authorised for the purposes of the present contract by power of attorney

on the one part

and

TONO, whose registered office is at Tøyenbekken 21, 0188 Grønland, represented by its Managing Director Cato Strøm, specifically authorised for the purposes of the present contract by power of attorney

on the other part;

it is agreed as follows:

#### Art. 1.-

(I) By virtue of the present contract, AMAR/SOMBRÁS confers on TONO the non-exclusive right, in the territories in which this latter society operates (as they are defined and delimited in Art. 6 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 non-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 AMAR by its members in accordance with its articles of association and rules the said works collectively constituting "the repertoire of AMAR/SOMBRÁS".

The rights granted include the right to enforce the author's rights before any competent authority, including the courts and the Prosecution Authority. In the event that the non-exclusive rights granted



under this Article do not entitle TONO to enforce such rights, then AMAR/SOMBRÁS will assign to TONO all rights necessary for enforcing the author's rights.

- (II) Under the terms of the present contract, the expression "public" 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 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 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 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.).
- (III) With regard to direct broadcasting by satellite, the contracting Societies agree that the rights conferred by virtue of Art. 1 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 authorisations required for such transmissions may be delivered, insofar as the territories in which it operates are situated within the satellite's footprint.

## Art. 2.-

- (I) The right to authorise performances, as referred to in Art.1, entitles TONO, 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 turn 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; to give valid receipt for the collections made and sums received as aforesaid;
- 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 woks 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 authorisation of AMAR/SOMBRÁS, TONO 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 Art. 2. Any transfer effected in despite 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.



### Art. 3.-

(I) In virtue of the powers conferred by Articles 1 and 2, TONO undertakes to enforce within the territory in which it operates the rights of the members of AMAR/SOMBRÁS 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 filed 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, TONO shall apply to works in the repertoire of AMAR/SOMBRÁS 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) TONO undertakes to send to AMAR 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, TONO undertakes, at the request of AMAR/SOMBRÁS, to concert with the other society in seeking the most effective mans to this end.

#### Art. 4.-

TONO shall place at the disposal of AMAR/SOMBRÁS 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 Art. 2 (I) above.

#### Art. 5.-

(I) TONO shall place at the disposal of AMAR/SOMBRÁS all documents, records and information enabling it to exercise effective and thorough central over its interests, in particular as regards notification of works, collection and distribution of royalties, and obtaining and checking performance programmes.

In particular, TONO shall inform AMAR/SOMBRÁS of any discrepancy which it notes between the documentation received from AMAR and its own documentation or that furnished by another society.

- (II) In addition, AMAR/SOMBRÁS shall have the right to consul all the TONO'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 TONO.
- (III) AMAR/SOMBRAS may accredit a representative to TONO to carry out on its behalf the check provided for in paragraph (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.

#### TERRITORY

## Art. 6.-

The territories in which TONO operates are as follows: The Kingdom of Norway, including Svalbard and Jan Mayen.

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## **DISTRIBUTION OF ROYALTIES**

#### Art. 7.-

- (I) TONO 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 TONO shall be made in accordance with Article 3 and TONO's distribution rules, having regarded, 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.

### Art. 8.-

- (I) TONO shall be entitled to deduct from the sums it collects on behalf of AMAR/SOMBRÁS 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 TONO, and TONO 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, TONO shall be entitled to deduct from the sums collected by it on behalf of AMAR/SOMBRÁS 10% at the maximum, which shall be allocated to the said purposes.
- (III) Any other deductions, apart from taxes, that TONO may make or be obliged to make from the net royalties accruing to AMAR would give rise to special arrangements between the contracting parties so as to enable the not making such deductions to recoup itself as far as possible from the royalties connected by it for the account of the other Society.
- (IV) No part of the royalties collected by TONO for the account of AMAR/SOMBRÁS 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 AMAR. 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 TONO for the account of AMAR/SOMBRÁS shall be entirely and effectively distributed to the latter.

#### Art. 9.-

(I) TONO shall distribute to AMAR/SOMBRÁS 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 a fore-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.

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- (II) Each payment shall be accompanied by a distribution statement in such form as to enable AMAR 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 TONO in Norwegian currency (NOK).
- (IV) TONO shall remain responsible to AMAR for any error or omission which it may make in the distribution of the royalties accruing to works in the repertoire of AMAR/SOMBRÁS.
- (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 TONQ to make the payment due to AMAR 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 by TONO, the latter shall:
- a) without delay immediately after drawing up the distribution accounting for AMAR/SOMBRÁS, take all necessary steps and comply with the 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 AMAR 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.

#### Art. 10.-

- (I) AMAR undertakes to provide on a regular basis the IPI registry with complete and detailed information on the real names and the pseudonyms of its members, including dates of decease, additions, deletions and alterations. Furthermore, TONO undertakes to use the output of the IPI registry as the basis for its identification of and distribution in respect of the membership of AMAR/SOMBRÁS.
- (II) Each society shall, on request, 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.

#### Art. 11.-

- (I) The members of AMAR shall be protected and represented by TONO under the present contract without the said members being required TONO to comply with any formalities and without their being required to join TONO.
- (II) 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

#### Art. 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**

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### Art. 13.-

The present contract shall come into force as from 01.01.2014 and subject to the terms of Art. 14 shall continue in force from year to year by automatic extension if it has not been determined by registered letter at least three months before the expiration of each period.

#### Art. 14.-

Notwithstanding the terms of Art. 13, the present contract may be determined immediately by AMAR:

- a) If an alteration is made in the articles of association, rules or Distribution Plan of TONO 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 AMAR/SOMBRÁS. 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 Board of Directors may allow TONO a period of three months to remedy the situation thus created. When this period has expired without the necessary steps having been taken by TONO the present contract may be terminated by the unilaterally expressed wish of AMAR, if it so decides;
- b) If such a legal or factual situation arises in the the territories administered by TONO that the members of AMAR are placed in a less favourable position than the members of TONO, or if TONO puts into practice measures resulting in a boycott of the works in the repertoire of AMAR/SOMBRÁS.

## **LEGAL DISPUTES – JURISDICTION**

## Art. 15.-

- (I) Each of the contracting societies may seek the advice of the Confederation's Board of Directors 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, 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, event 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 two copies, one for each of the contracting parties.

Oslo, September ...., 2014

Rio de Janeiro, September 21, 2014

For **TONO**: Read and approved,
By power of attorney:

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For AMAR/SOMBRÁS: Read and approved, By power of attorney:

Cato Strøm

Managing Director

Marco Venicio Mororó de Andrade

President.

CONFIDENTIAL DOCUMENT

# ANNEX TO THE CONTRACT OF UNILATERAL REPRESENTATION BETWEEN AMAR/SOMBRÁS AND TONO

The following comments concern Art. 9 (I) of the contract of unilateral representation made between AMAR and TONO

- a) In order to be taken into consideration, the devaluation which has effectively taken place in the country of the debtor society must have came 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 Art. 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 of 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 exchange rate before devaluation and the 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.

Executed in good faith, in two copies, one for each of the parties to this annex.

Oslo, September ...., 2014

Rio de Janeiro, September ...., 2014

For TONO:

Read and approved, By power of attorney:

Cato Strøm

**Managing Director** 

For AMAR/SOMBRÁS:

Read and approved,

By power of attorney:

Marco Vegicio Mororó de Andrade

President