CONTRACT OF UNILATERAL REPRESENTATION OF PERFORMING RIGHTS

Between the undersigned:

AMAR., l'Associacao de Musicos, Arranjados et Regentes whose registered office is at RIO DE JANEIRO, Avenida Rio Branco, 27/r. 407 Centro

on the one part;

and

ACUM LTd., Society of Authors, Composers and Music Publishers in Israel, whose registered office is at 118 Rothschild Blvd. P.O.Box 14220 Tel-Aviv 61140, ISRAEL

on the other part;

## IT IS AGREED AS FOLLOWS:

## Article 1

(I) By virtue of the present contract AMAR confers on ACUM, 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 authorisations for all public performances (as defined in para. II 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 alinea 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".

(II) 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 any means and in any way whatever, whether the said means be alreadt 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..).



## Article 2

(I) The exclusive right to authorise performances, as referred to in Art. 1, entitles ACUM with the limit of the powers pertaining to it by virue 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 to prohibit, whether in its own name or that of the author concerned, public performances of works in the repertoire of AMAR 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, and take any

necessary legal proceedings;

- 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 ACUM 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

in despite of this clause shall be null and void without the fulfilment of any formality.

#### Article 3

(I) In virtue of the powers conferred by Article 1 and 2, ACUM undertakes to enforce within the territory in which it operates of the members of AMAR 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 foreigh 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, ACUM 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 effect of local law foreign works are subject to by the discrimination.

In particular, ACUM shall apply to works in the repertoire of



AMAR 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) ACUM 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, each Society undertakes, at the request of the other Society to concert with the other Society in seeking the most effective means to this end.

## Article 4.

AMAR shall place at the disposal of ACUM 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.

## 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, ACUM shall inform AMAR 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 shall have the right to consult ACUM'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 ACUM.

(III) AMAR may accredit a representative to ACUM 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 to such approval must be motivated.

#### Territory

## Article 6

(I) The territory administered by ACUM is as follows:

THE STATE OF ISRAEL



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

## DISTRIBUTION OF ROYALTIES

## Article 7

- (I) ACUM 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 local net royalties collected for these performances.
- (II) The allocation of sums collected in respect of works performed in the territory of ACUM shall be made in accordance with Art. 3 and the distribution rules of the distributing Society, having regard, nevertheless, to the following pargraphs:
- a) Where all the parties interested are members of a single Society other than the distributing Society, 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 the distributing Society, 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, the distributing Society may distribute the royalties in accordance with its Rules, except where different interested parties claim the same share, then 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 the distributing Society, this latter 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 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 composer's 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.

The Society 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 the distributing Society by means of international index cards or equivalent documentation.

f) Where a member of one of the Societies has acquired the rights to adapt, arrange, re-publish or exploit a work in the repertoire of the other Society, 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) ACUM shall be entitled to deduct from the sums it collects on behalf of AMAR 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 ACUM, and the latter Society shall always endeavour 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 favour of any funds serving similar purposes, ACUM shall be entitled to deduct from the sums collected by it on behalf of AMAR 10% at the maximum, which shall be allocated to the said purposes.
- (III) Any other deductions, apart from taxes, that ACUM may make or be obliged to make from the net royalties accruing to AMAR would give rise to special arrangements between the contracting parties.
- (IV) No part of the royalties collected by ACUM for the account of AMAR in consideration of the authorisations which it grants solely for the copyright works which it is authorized to administer may be regarded as not distributable to AMAR. With the exception, therefore, only of the deduction mentioned in para (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 ACUM for the account of AMAR shall be entirely and effectively distributed to the latter.

## Article 9

- (I) ACUM shall remit to AMAR 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.
- (II) Each payment shall be accompanied by a distribution statement in such form as to enable to AMAR to allocate to each interested party, whatever his membership or category as member, the royalties accruing to him. These statements, in principle, shall be three in number:



- one for general royalties
- one for radio-television
- one for sound films
- (III) Settlements shall be made by ACUM in the currency of its country.
- (IV) ACUM 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.
- (V) 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, ACUM shall;
- a) without delay, immediatly after drawing up the distribution accounting for AMAR, 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 AMAR that the said steps have been taken and formalities complied with when sending to it the statements mentioned in para (II) of the present Article.

## Article 10

- (I) AMAR shall provide ACUM with a complete and detailed list of the real names and the pseudonyms of its members, including the date of decease of those author and composer members who are deceased at the time when the present contract is concluded whose rights it continues to represent. It shall from time to time send to ACUM, in similar form, supplementary lists indicating additions, deletions or alterations to the principal list, and, at least once a year, a list of its author and, at least once a year, a list of its author and composer members who have died in the course of the year.
- (II) Each Society shall also provide the other with a copy of its current Article 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

The members of AMAR shall be protected and represented by ACUM 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 of the other Society or any natural person, firm or company having the nationality of one of 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, 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 organisation is not practicable in the territories in question.

(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 disputed 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.

## 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.

## Article 13

The present contract shall come into force as from January 1, 1988 and, subject to the terms of Art. 14, shall continue in force from year to year by automatic extension if it has not been terminated by registered letter at least three months before the expiration of each period.

## Article 14

Notwithstanding the terms of Art. 13, the present contract may be terminated immediatly by AMAR:

a) if an alteration is made in the Article of Association, Rules or Distribution Plan of ACUM 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 verified by the competent body of nature shall be International Confederation of Societies of Authors 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 the 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 Israel that the members of AMAR are placed in a less favourable



position than the members of ACUM, or if ACUM puts into practice measures resulting in a boycott of the works in the repertoire of AMAR.

# 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 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 pargagraph 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,

at Tel-Aviv

April 20, 1988

on

Signed:

For AMAR LTD.:

read and approved, by power of attorney

MAURICIO TAPAJOS

President

For ACUM :

read and approved, by power of attorney

RAN KEDAR Director General

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