

AGREEMENT

between

BROADCAST MUSIC, INC. (BMI[®]), a New York corporation, whose address is 7 World Trade Center, 250 Greenwich Street, New York, New York, U.S.A. 10007 (hereinafter referred to as "BMI"),

on the one part,

and

SOCIEDADE BRASILEIRA DE ADMINISTRAÇÃO E PROTEÇÃO DE DIREITOS INTELLECTUAIS (SOCINPRO), whose address is Av. Presidente Wilson, 210 9e Andar - CEP 20030-021 Rio de Janeiro, Brazil (hereinafter referred to as "SOCINPRO"),

on the other part,

together hereinafter referred to as the "Parties",

NOW IT IS HEREBY AGREED AS FOLLOWS:

1. **DEFINITIONS:** For the purposes of this agreement (hereinafter referred to as the "Agreement"), the following words shall have the following meanings:
 - 1.1 "BMI Territory" shall mean the United States of America, its territories, possessions, trusteeships and commonwealth(s).
 - 1.2 "Performing Right" shall mean the right, within the BMI Territory, to perform musical works in public (e.g., live performances in a nightclub or concert venue; recorded performances or retransmitted broadcasts in restaurant or hotel) and the right to broadcast, transmit, or otherwise communicate musical works to the public (e.g., radio and television broadcast, linear and on-demand cable and Internet transmissions) including the right, if any, to make available musical works for such transmission or communication, whether the laws in the BMI Territory refer to such right as a performing right, a transmission right, a communication right, or another equivalent right.
 - 1.3 "SOCINPRO Works" shall mean all musical works, including individual musical works embodied within dramatico-musical productions, which are in the repertory of SOCINPRO during the Term with respect to which SOCINPRO licenses the performing right in such works for the BMI Territory, and:
 - 1.3.1 in which publishing rights for the BMI Territory have been or during the Term shall be granted by a member of SOCINPRO to a publisher who is an affiliate of BMI; or
 - 1.3.2 with respect to which the publisher thereof who is a member of SOCINPRO shall not have granted publishing rights for the BMI Territory to any publisher and shall have given written notice to SOCINPRO that he wishes rights therein to be included within the grant to BMI herein and BMI agrees that said rights shall be so included; or

[®] Broadcast Music, Inc. and BMI are registered trade marks

1.3.3 with respect to which the authors/composers thereof who are members of SOCINPRO shall not have granted publishing rights to any publisher and one or more of the authors/composers shall have given written notice to SOCINPRO that they wish their respective rights therein to be included within the grant to BMI herein and BMI shall have given written notice to SOCINPRO that BMI agrees said rights shall be so included.

1.4 "Term" shall mean the period commencing January 1, 2011 and ending December 31, 2011 and continuing thereafter from year to year unless cancelled by either Party at the end of any year upon written Notice to the other party at least six (6) months before the end of that calendar year.

2. LICENSES

2.1 SOCINPRO hereby grants to BMI, on a non-exclusive basis subject to the conditions in sub-paragraph 2.1.1 of this Paragraph, for the Term and for the BMI Territory all rights which SOCINPRO licenses, controls, owns or acquires to broadcast and otherwise publicly perform and/or transmit and/or otherwise communicate to the public the SOCINPRO Works by any means whatsoever, whether now known or hereafter developed, and to grant licenses to do so; but this shall not include dramatic rights, the right to perform dramatico-musical works in whole or in substantial part, or the right to use the music licensed hereunder in any other context which may constitute an exercise of the "grand rights" therein.

2.1.1 SOCINPRO shall not grant the same member's interest(s) in the performing right in a SOCINPRO work licensed under this Agreement to any other performing right licensing society in the BMI Territory during the Term.

2.1.2 This Agreement only covers use of SOCINPRO Works within the BMI Territory. Any license or use of SOCINPRO Works outside of the BMI Territory by a user or an on-line provider, whether by satellite, Internet, or otherwise, is excluded from this Agreement and reserved for SOCINPRO.

2.1.3 It is the intention of the Parties that BMI and its licensees shall enjoy all rights in the SOCINPRO Works incidental to the normal grant of performing rights which are enjoyed by BMI's licensees in musical works in the BMI Territory, including the non-exclusive right to: (a) record or reproduce, and to license others to record or reproduce, any part or all of any of the SOCINPRO Works on electrical transcriptions, wire, tape, film or otherwise, but only for the purpose of performing such work publicly by means of radio and television or for archive or audition purposes and not for: (i) sale to the public; (ii) synchronization with motion pictures intended primarily for theatrical exhibition; or (iii) synchronization with programs distributed by means of syndication to broadcasting stations; and (b) to arrange, and to license others to arrange, any part or all of the SOCINPRO Works for public performance purposes. BMI shall remit payment to SOCINPRO of the royalties, if any, which are generated from such recordings or reproductions, in accordance with Paragraph 4 of this Agreement.

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- 2.1.4 In each instance during the Term or the term of any prior agreement between BMI and SOCINPRO where a member of SOCINPRO enters into an agreement for publishing in the BMI Territory by any publisher affiliated with BMI of any musical work in the repertory of SOCINPRO, such musical work shall be considered a SOCINPRO Work licensed hereunder.
- 2.1.5 In each instance where any agreement described in Paragraph 2.1.4 expires or is terminated during the Term, any musical work covered by such agreement shall continue to be a SOCINPRO Work licensed hereunder until the member of SOCINPRO enters into a new agreement for the publishing in the BMI Territory by a publisher affiliated with a society in the BMI Territory other than BMI, and SOCINPRO shall have given BMI written Notice thereof at least thirty (30) days prior to the effective date of such contract.
- 2.1.6 In each instance where a musical work is a SOCINPRO Work licensed hereunder pursuant to sub-paragraphs 1.3.2 and 1.3.3, the grant contained in this Agreement shall be effective for an initial period that starts at the beginning of the calendar quarter during which the musical work becomes a SOCINPRO work and is terminable at the end of any calendar year after the third full calendar year upon at least ninety (90) days prior written Notice from SOCINPRO to BMI.
- 2.1.6.1 Notwithstanding the foregoing, if the Term of this Agreement expires and a musical work that is a SOCINPRO Work licensed hereunder pursuant to sub-paragraphs 1.3.2 and 1.3.3 has not completed its initial period of three (3) calendar years, the grant contained in this Agreement with respect to such musical work shall continue and is terminable at the end of the three (3) calendar year period.
- 2.1.6.2 Additionally, the grant shall expire immediately if the author/composer or the publisher described in sub-paragraphs 1.3.2 and 1.3.3 should terminate its membership with SOCINPRO.
- 2.1.7 For the purposes of obtaining royalties payable under "The Audio Home Recording Act of 1992" (hereinafter "Home Taping Bill"), SOCINPRO hereby grants to BMI the right to represent such claims of all authors and composers of SOCINPRO Works licensed hereunder, and agrees not to grant the same member's interest(s) in such royalties to any other performing right licensing society in the BMI Territory during the Term. In those instances where the owner of the publishing rights in a SOCINPRO Work licensed hereunder is a publisher member of SOCINPRO, or a publisher affiliated with BMI that owns or controls the publishing rights in a SOCINPRO Work licensed hereunder in the BMI Territory, requests that BMI represent such publisher's claims under the Home Taping Bill, SOCINPRO hereby grants to BMI the right to represent such claims, and agrees not to grant the same member's interest(s) in such claims to any other performing right licensing society in the BMI Territory during the Term.

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3. ADMINISTRATION

- 3.1 Each Party agrees to cooperate generally in the best interests of the mutual relationship with the other, particularly to respond promptly to inquiries of the other Party with respect to the SOCINPRO repertory.
- 3.2 BMI shall, upon request, supply SOCINPRO with copies of its current articles, rules, regulations, rate schedules, and other documents which shall pertain to its distribution method and shall promptly forward all subsequent modifications thereof.
- 3.3 Each Party shall provide the other Party all information, if possible in electronic format, as to titles, audiovisuals, authors/composers, publishers and sub-publishers showing the data requirements specified in their current standard for documentation of royalties between Societies issued by the International Confederation of Societies of Authors and Composers (CISAC) in respect to SOCINPRO Works embraced hereby. Where SOCINPRO provides information on its own members/affiliates it shall be considered authoritative whether it is provided in electronic format or otherwise.
- 3.4 SOCINPRO shall have the right to designate in writing a representative who shall, during normal business hours, have reasonable access to BMI's books and records insofar as said books and records relate to the subject matter of this agreement. The choice of such representative shall be subject to the approval of BMI, which shall not be unreasonably withheld.
- 3.5 All claims of perceived omissions or errors in the accounting or distribution of royalties as provided in Paragraph 4 of this Agreement must be made in writing within three (3) years of such accounting or distribution.
- 3.6 During the Term, either Party may accept as a member/affiliate a member/affiliate of the other Party with the written consent of the other Party.
- 3.7 Each Party undertakes not to communicate directly with members/affiliates of the other Party when it relates to such member/affiliate's royalties and/or repertory.
- 3.8 Each Party undertakes to cooperate with the other Party in seeking the most effective means to co-ordinate their mutual efforts to raise the level of copyright protection in the Parties' respective territories.
- 3.9 SOCINPRO makes, constitutes and appoints BMI, or its nominee, SOCINPRO's true and lawful attorney during the Term, in the name of BMI or that of its nominee, or in SOCINPRO's name or in the name of the owner of the copyright or the author/composer or publisher of any work embraced hereby, or otherwise, to do all acts, take all proceedings and execute, acknowledge and deliver any and all instruments, papers, documents, process or pleadings that may be necessary, proper or expedient to restrain infringement of the rights granted by SOCINPRO



hereunder and/or to enforce and protect said rights, and to recover damages in respect to or for the infringement or other violation of said rights, and in BMI's sole judgment to join SOCINPRO and/or others in whose names the copyright to said works may stand, and to discontinue, compromise or refer to arbitration, any such actions or proceedings or to make any other disposition of the disputes in relation to said works: provided that any action or proceeding commenced by BMI pursuant to the provisions of this Paragraph 3.9 shall be at its sole expense and for its sole benefit. SOCINPRO agrees to promptly furnish BMI with all documents which may be necessary to enforce said rights and to cooperate generally with the other Party with respect thereto.

4. ACCOUNTING AND DISTRIBUTION

- 4.1 BMI agrees to apply to the performance of SOCINPRO's musical works in BMI's territory the same licensing and distribution rules and rates, including any allocation of royalties among performing rights and other rights that may be licensed (e.g., reproduction and/or distribution rights), as BMI shall be applying to its own authors/composers and publishers of works whose performing rights it licenses. The number of such performances shall be determined by BMI in accordance with its then current method of computing such performances. BMI shall promptly advise SOCINPRO in the event of a change in its distribution rules, rates, or allocation of royalties between or among rights, SOCINPRO shall have the right to terminate this Agreement at the end of the next complete calendar quarter in the event of such a change by sending written notice to BMI within sixty (60) days of receiving notice of a change.
- 4.1.1 Payments made by BMI to SOCINPRO shall be accompanied by a royalty accounting statement showing, at a minimum, the data requirements specified in then current CISAC standard for distribution of royalties between Societies.
- 4.1.2 Royalty adjustments, whether they are debits or credits, shall be included in the regular distribution showing the data requirements specified in then current CISAC standard for distribution of royalties between Societies. Perceived omissions or errors in a distribution must be communicated to BMI in writing within a period of three (3) years from the date of the royalty accounting in which the perceived omission or error occurred. BMI is not obligated to provide a credit adjustment that exceeds three (3) years from the original date of the request for such adjustment.
- 4.1.2.1 Royalty adjustments shall only be required for a period of three (3) years from the date the royalty accounting statement is received from BMI plus all additional distribution periods following such original notification.
- 4.1.2.2 In the case of a debit, BMI shall allow SOCINPRO a period in accordance with the relevant provisions of the CISAC Principles for Documentation and Distribution Binding Resolutions (or successor CISAC rule or standard) to investigate debits in excess of US\$500,00.



4.1.2.3 No adjustments shall be required by BMI if the minimum amount associated with the actual and demonstrable administrative cost in processing the adjustment is in excess of the absolute value of the adjustment itself. This minimum amount shall be the same as BMI establishes for adjustments it makes to other societies with which BMI has a similar licensing agreement.

4.2 No distributions, special distributions or other payments of any nature shall be made by BMI solely to its own members/affiliates. In particular, interest or other financial income shall benefit each Party members/affiliates alike on a pro-rata basis. All such distributions shall be shared with SOCINPRO by treating its repertory on an equal basis with BMI's repertory. The use of financial income in reduction of administrative cost shall satisfy the provisions of this Paragraph 4.2.

4.3 BMI shall transmit payments and accountings hereunder at such times as payments are made to its own members/affiliates, *provided, however*, that:

4.3.1 Payments and accountings shall be made at least semi-annually within twelve (12) months after the close of each semi-annual period of the Term; and

4.3.2 SOCINPRO shall have the right to receive more frequent payments and accountings if BMI has agreed to transmit more frequent payments and accountings to any other society with which BMI has entered into an agreement.

4.4 Subject to the deductions described in Paragraph 5 below, the royalties payable by BMI to SOCINPRO with respect of SOCINPRO's works shall represent full payment as indicated on each accounting rendered hereunder for all of the authors/composers and publishers who are members/affiliates of SOCINPRO. All payments by BMI shall be made in United States dollars. BMI shall make payments by electronic bank transfer to SOCINPRO's bank, as directed, or at such other place or places or by such other method or methods as SOCINPRO may request in writing from time to time. If payment by BMI is made later than twelve (12) months after the close of any semi-annual period of the Term, BMI shall provide SOCINPRO with an amount that compensates SOCINPRO for any monetary loss resulting from the difference in exchange rates on the actual date of payment and the last day payment was due.

4.5 The making of all payments hereunder by BMI to SOCINPRO shall be subject to all applicable laws, rules, regulations and orders of the United States government, and their departments, bureaus or sub-divisions, states or provinces including without limitation deductions or withholding for tax purposes.

5. DEDUCTIONS

5.1 BMI shall be entitled to make such deductions from the royalties payable under this Agreement to SOCINPRO as shall be in accordance with its normal operating procedures; provided, however, that identical deductions are made by

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BMI with respect to its own members/affiliates and the member/affiliates of all other societies with which BMI has entered into an agreement.

- 5.2 With respect to SOCINPRO's works in which publishing rights for the BMI territory have been granted to a publisher affiliated with BMI, BMI shall have the right to pay royalties to such publisher that share of the normal publisher performance royalties as such publisher is entitled to pursuant to the terms of the contract granting such publishing rights, and to deduct that amount from the publisher royalties payable to SOCINPRO.

6. AUDIT

- 6.1 SOCINPRO shall have the right, at its sole cost and expense, once with respect to each year of the Term (or portion thereof), by its duly authorized representatives, at any time during customary business hours and upon thirty (30) days' advance written notice, to examine only those books and records of account of BMI that are necessary in order to verify any and all statements, accountings and reports rendered and/or required by this Agreement. The period for which SOCINPRO may audit BMI shall be limited to three (3) calendar years preceding the year in which Notice of intention to audit was provided to BMI.
- 6.2 In the event that an audit reveals a deficiency, BMI shall, within thirty (30) days of its receipt of Notice specifying the results of the audit: (a) pay the amount owed to SOCINPRO within thirty (30) days of receipt of an audit conclusion letter; or (b) provide SOCINPRO with Notice that it disputes the results of the audit ("Audit Dispute Notice"). The Audit Dispute Notice shall specify the amount subject to, and the basis for, the dispute, and BMI shall remit any amounts owed that are not in dispute with such Notice.
- 6.3 If the parties are unable to resolve the dispute within sixty days and do not otherwise agree in writing to continue negotiations, the audit results will be deemed accepted and final unless BMI commences an arbitration proceeding within the sixty (60) day period by sending Notice of its intention to arbitrate to SOCINPRO. Unless otherwise agreed, the arbitration will be held in the municipality where BMI is headquartered, and shall be conducted by an arbitrator or arbitrators to be selected as follows: Each of the parties shall, by written notice to the other, have the right to appoint one arbitrator. If, within fifteen (15) business days following the giving of such notice by one party the other shall not, by written notice, appoint another arbitrator, the first arbitrator shall be the sole arbitrator. If two arbitrators are so appointed, they shall appoint a third arbitrator. The award made in the arbitration shall be binding and conclusive on the parties and judgment may be, but need not be, entered in any court having jurisdiction. Such award shall include the fixing of costs, expenses, and attorneys' fees of arbitration, which shall be borne by the unsuccessful party.
- 6.4 SOCINPRO shall treat as confidential all data and information coming to its attention as the result of any such examination of books and records, and shall not use any such information other than in connection with its administration of this Agreement.



7. DISPUTE RESOLUTION

Each Party shall resolve any dispute which arises between it and: (a) one of its members/affiliates in accordance with the provisions of its membership/affiliation agreement with such member/affiliate and in accordance with the law governing such agreement; and (b) other performing right licensing organizations in accordance with the provisions of the contracts for the time being in force between it and the other performing right licensing organizations and with the law governing such contracts.

8. INDEMNIFICATION

SOCINPRO agrees to defend, indemnify and save and hold BMI and its licensees free and harmless from any and all loss and damage (including reasonable attorneys' fees) resulting from any claims or actions arising out of: (a) the grants made hereunder by SOCINPRO to BMI; (b) the performance of any one or more of SOCINPRO's works in the BMI territory; and/or (c) errors in BMI's documentation. Notwithstanding the foregoing, the obligations of SOCINPRO referred to in this Paragraph 8 shall not apply to any matter added to, or changes made in, any work by any of the BMI members/affiliates or its licensees.

9. WARRANTY

Each Party represents and warrants that it has full rights and power to enter into this Agreement and to grant the rights herein contained.

10. ASSIGNMENT

Each Party agrees that it shall not, without the written consent of the other Party, assign this Agreement or any of its rights hereunder. No rights of any kind against the other Party will be acquired by the assignee if any purported assignment is made by said Party without such written consent.

11. AGREEMENT

11.1 It is agreed and understood that during the Term, SOCINPRO shall not grant to any other society any conditions, deductions, privileges, payments or any other terms which shall be in any respect more favorable than those which shall have been granted hereto BMI. In the event that SOCINPRO, in violation of this provision, shall grant such more favorable terms to any other society, BMI shall have the option, in its sole discretion, to:

11.1.1 deem this Agreement modified so that such more favorable terms are incorporated herein, effective as of the date such terms were granted to such other society, or

11.1.2 deem such grant to such other society a material breach of this Agreement and to cancel this Agreement on thirty (30) days' advance Notice by registered or certified mail. In the event of such cancellation,



SOCINPRO shall be liable, in addition to all other remedies available to BMI, for payment to BMI of all damages which may ensue on account of such grant to such other society from the date thereof to the termination of this Agreement.

- 11.2 It is agreed and understood that the paragraph headings in this Agreement are included for convenience of reference purposes only.
- 11.3 It is agreed and understood that this Agreement constitutes the entire understanding between SOCINPRO and BMI with respect to the subject matter hereof and cancels and supersedes as of the effective date hereof any and all prior agreements, understandings and arrangements between the Parties. No waiver of, addition to or modification of this Agreement shall be valid unless in writing and signed by SOCINPRO and BMI.
- 11.4 In the event any part or parts of this Agreement are found to be void by a Court of competent jurisdiction, the remaining part or parts shall nevertheless be binding with the same force and effect as if the void part or parts were deleted from this Agreement.

12. NOTICE

All notices and other communications between the parties hereto with respect to this Agreement shall be in writing and deemed received (i) when delivered in person; or (ii) upon confirmed transmission by facsimile device; (iii) by e-mail provided receipt of such is confirmed by the recipient; or (iii) upon confirmation of receipt via postage prepaid mail or express courier, addressed to the other party at the address set forth below (or at such other address as such other party may supply by written notice):

BMI: 7 World Trade Center
250 Greenwich Street
New York, New York 10007
Attn: Senior Vice President, International
Fax: 212-220-4470
Email: rsollefeld@bmi.com

with a separate copy to:

Senior Vice President and General Counsel

SOCINPRO:



13. FORCE MAJEUR

Neither Party will be liable to the other Party for any failure or delay in the performance of its obligations under this Agreement if such failure or delay is caused by unforeseen acts or circumstances beyond its reasonable control (i.e., so-called Force Majeur circumstances such as natural disasters (earthquakes, hurricanes, floods or other acts of God), or acts of government authority (wars, riots or other upheaval)); provided, however, that the Party seeking to avoid or postpone its performance hereunder shall notify the other Party in writing of such acts or circumstances as soon as reasonable and practicable; and provided further that any such failure or delay in performance is postponed for only as long as reasonably necessary under the circumstances.

14. JURISDICTION

The competent Court in case of any dispute relating to or arising out of this Agreement shall be that of the place where defendant has its principal place of business.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their respective authorized officers on the 14th day of January, 2011.

BROADCAST MUSIC, INC.


By 

Ronald R.C. Solleveld
Senior Vice-President

SOCIEDADE BRASILEIRA DE ADMINISTRAÇÃO E
PROTEÇÃO DE DIREITOS INTELECTUAIS

By 

Jorge S. Costa
Director Adm. and Finance


Sylvio Rodrigues Silva
Diretor Geral
CPF: 348.610.778-49