

## AN AGREEMENT OF RECIPROCAL REPRESENTATION

Between THE WRITERS GUILD of AMERICA West, Inc. (WGAW) whose registered office is at 7000 West Third Street, Los Angeles, CA 90048, USA acting on behalf of itself and WRITERS GUILD of AMERICA, East, Inc. (WGAe), 555 West 57 Street New York, NY 10019, (WGAW and WGAe hereinafter jointly referred to as WGA) of the one part and ARTISJUS whose registered office is at H-1016 Budapest, Mészáros u. 15-17, Hungary of the other part

The parties agree as follows:

### RECITALS

WGA hereby represents that it is lawfully operates as a Guild of literary authors and qualifies as an alliance of two societies of collective administration of copyright the statutes of which are in accordance of the Statutes of CISAC.

ARTISJUS hereby represents that it is registered by the relevant government authority and lawfully operates as a society of collective administration of copyright, the statutes of which are in accordance with the Statutes of CISAC.

Artisjus attaches as Exhibit I to this Agreement the relevant excerpt of the English translation of the Registration Order issued by the Minister of the National Cultural Heritage as published in the Official Gazette „Magyar Közlöny” No. 2000/10 and the relevant provisions of the Copyright Act providing evidence of Artisjus' statutory authorization to collect and distribute the rights specified in Clause 2 (1) of this Agreement.

### CLAUSE 1

- (1) By virtue of the present agreement, WGA confers on ARTISJUS, the authority to represent WGA in the territories administered by ARTISJUS, as defined in CLAUSE 8 below, to protect the rights of WGA as described in CLAUSE 2.1 below, in respect of the literary and dramatic Works prepared for and/or used in audiovisual works of the members of WGA and those represented by WGA in accordance with both international and national laws which subsist in the territories exercised by ARTISJUS.
- (2) Reciprocally, ARTISJUS confers on WGA the authority to represent ARTISJUS in those territories administered by WGA as defined in CLAUSE 8 below, to protect the rights as described in CLAUSE 2.2 below, in respect of literary and dramatic Works prepared for and/or used in audiovisual works of the members of ARTISJUS and those represented by ARTISJUS under the Hungarian Copyright Act in accordance with both international and national laws which subsist in the territories administered by WGA.
- (3) The parties hereto shall exercise their respective authorities in accordance with their respective statutes (Articles of Association) and domestic rules of each of them and, subject to the terms of this Agreement, shall apply in the case of the members or those represented by the other party the same rules of distribution as are applied in the case of its national authors. The parties hereto shall regularly inform each other about the fees (deductions) applicable to the rights collected and distributed

*WGA*

by them under their respective statutes and rules as well as transferred under this Agreement

#### CLAUSE 2

(1) The categories of rights referred to in CLAUSE 1 (i) are the rights conferred on ARTISJUS to collect and distribute in respect of:

- a) the blank tape/medium levy
- b) the right of retransmission by cable.

(2) The categories of rights referred to in CLAUSE 1 (2) are the rights conferred on WGA to collect and distribute in respect of:

- a) the blank tape/medium levy
- b) the right of retransmission by cable.

(3) At the time of execution of the present agreement the economic rights under paragraph (2) are not or are partly introduced into the domestic law of the territory as described in CLAUSE 8 administered by WGA. The parties hereby agree that the authorization granted by ARTISJUS and the respective obligation assumed by WGA under CLAUSE 1 (2) shall take effect on the condition and from that effective day that the economic rights under paragraphs a) and b) be exercisable by WGA in accordance with the domestic law of the territory as described in CLAUSE 8 administered by WGA.

#### CLAUSE 3

The copyright royalties accruing from the utilisations specified in CLAUSE 2 shall be fixed in accordance with the laws, contracts and customs of the country where the secondary utilisation takes place and in conformity with the tariffs applicable by government confirmation and/or reason of these contracts or these customs.

#### CLAUSE 4

- (1) Each party undertakes to ensure to the best of its ability that in the case of the economic rights specified in CLAUSE 2 above to mention the title of the film, the name of the film producer, the title of the original literary work, the name of the author of the original literary work, the name of the author of the Hungarian, or respectively the English version of the original literary work if any in case of use of subtitled and/or dubbed films, but any omission on the part of the user to make such a mention shall not be held against the Society concerned.
- (2) Artisjus exercises extended statutory collective administration in conformity with the EXHIBITS under the second RECITAL of this Agreement, thereunder it is entitled and obliged to collect and manage rights for the benefit of all foreign affected rightholders disregarding their eventual membership in WGA. As a consequence of the extended collective licensing ARTISJUS is entitled and obliged to transfer the royalties and the relevant accompanying data under CLAUSE 6 to WGA in conformity with this Agreement due to any US affected rightholder.

#### CLAUSE 5

Each party is entitled to deduct for itself from the collections effected by it the percentage which it deducts in accordance with its statutes from sums collected for its own members.



If one of the parties makes a higher deduction, either in accordance with the statutes or for the financing of a cultural support and/or welfare fund, the other party may increase its percentage for Works by authors of the party in question.

#### CLAUSE 6

(1) Royalties are payable by each of the contracting parties, in USD on the basis of an annual accounting which indicates against the name of the author concerned the amount of the royalties collected. In case of missing and incomplete data on literary and audiovisual authors the amounts shall be set against the title of the audiovisual work.

(2) These settlements must be made, at the latest, before 31 st December in each year following utilisation of the Works. The settlements with regards to utilizations and collections from 1997 through 2001 shall be made at the latest, before 31-st December of the calendar year of the execution of this agreement. Royalty claims with regards to utilizations and collections prior to 1997 are subject to time limitation, and as a result unenforceable.

(3) Each party is entitled upon reasonable notice and subject to the other party's rules and the applicable mandatory legal provisions concerning confidentiality and data protection to audit the books and records of the other party relevant to the implementation of this Agreement. CLAUSE 2 (3) applies accordingly.

(4) Pursuant to agreements made with producers in the United States, WGA has agreed to divide the remuneration it may receive from ARTISJUS pursuant to CLAUSE 2(1) in certain fixed amounts.

(a) With respect to the amounts payable for the blank tape/medium levy under CLAUSE 2(1)(a), WGA has agreed to pay 75% of the remuneration it may receive from ARTISJUS to certain US producers, including the member - companies of the Motion Picture Association (hereinafter: „MPA” for Motion Picture Association and „MPA Companies” for the member companies) for the period 1997-1999, and to pay 66,67% of the remuneration it may receive from ARTISJUS to certain US producers, including the MPA Companies for the period 2000-2004. The payments to such producers will be allocated based on the titles of the audiovisual works included in the distribution plan. WGA will assist ARTISJUS in determining the amounts allocable to the different US producers by reviewing the list of titles for which remuneration is payable under the distribution plan. After assigning the amounts payable to the US producers, ARTISJUS will pay all remaining amounts available for distribution to WGA. It shall be the responsibility of MPA and other organizations representing US film producers (e.g., AFMA, Compact, Fintage) - upon a written notice of this agreement by WGA addressed to the said organizations - to notify ARTISJUS of their banking arrangements and the entities to whom payment should be made.

(b) With respect to the amounts payable for the right of retransmission by cable under CLAUSE 2(1)(b), WGA has agreed to pay 66,67% of the remuneration it may receive from ARTISJUS to the MPA Companies for the period 2000-2004. The payments to the MPA Companies shall be

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allocated based on the titles of the audiovisual works included in the distribution plan. WGA will assist ARTISJUS in determining the amounts allocable to the MPA Companies by reviewing the list of titles for which remuneration is payable under the distribution plan. However, at the present time, the WGA does not have agreements with any other US producers or organizations representing US producers concerning the sharing of the remuneration it may receive from ARTISJUS under CLAUSE 2(1)(b). Therefore, after assigning the amounts payable to the MPA Companies, all remaining amounts available for distribution by ARTISJUS shall be paid to WGA. It shall be the responsibility of the MPA Companies - upon a written notice of this agreement by WGA addressed to the said organizations - to notify ARTISJUS of the banking arrangements and the entities to whom payment should be made.

- (c) ARTISJUS shall be regarded as lawfully notified about the division and assignment of royalties due to WGA under paragraphs (a) and (b) of this CLAUSE. WGA shall be responsible for notifying ARTISJUS, within a reasonable time, of any changes concerning the division of royalties under paragraphs (a) and (b) of this CLAUSE.
- (d) WGA undertakes to indemnify defend and hold harmless ARTISJUS against any claims, liabilities, losses, damages, judgments, settlements, costs and expenses (including reasonable attorneys' fees) of any affected US rightholders under CLAUSE 1 (1) based on, in connection with and/or arising out of the uses and exercise of economic rights under CLAUSE 2 in the territory of ARTISJUS as described in CLAUSE 8. Should any affected US rightholders under CLAUSE 1 (1) or any third person acting in representation or for the benefit of the said rightholders commence or initiate any legal dispute / proceeding against ARTISJUS on the legal ground as indicated in the previous sentence WGA undertakes to enter into the legal dispute /proceeding concerned for the benefit of ARTISJUS in accordance with the applicable laws of the country where the legal dispute / procedure takes place. Notwithstanding the participation of WGA in any legal dispute/ proceeding WGA undertakes to pay any royalties, remunerations, damages or any miscellaneous pecuniary compensation including lawyer's fees to the said rightholder instead of ARTISJUS if any court or government decision orders Artisjus to pay such amounts.
- (e) The WGA agreement under the above subparagraph (d) to hold harmless and pay claims made against ARTISJUS by the parties specified in the above subparagraph (d) is subject to ARTISJUS providing the WGA with prompt notice of any claim and the right of WGA to defend, settle or require ARTISJUS to defend said claim(s). No indemnification shall be required where there is a settlement without the approval of said settlement by the WGA. It is further agreed that the WGA shall not be required to hold ARTISJUS harmless or to pay claims where claims of another party arise from an error, omission or act of negligence of ARTISJUS or where the claim challenges the distribution method or formulae applied by ARTISJUS. Any omission or defect of the data listed in Clause 4 (1) shall not be held as an error, omission or act of negligence of ARTISJUS.

*WGA*

## CLAUSE 7

Each party shall place at the disposal of the other party all documents, information, registration forms or lists, available to it necessary to enable the other party to exercise effective execution of the rights entrusted in virtue of the present Agreement.

## CLAUSE 8

The territories of administration of the rights being the subject of the present Agreement are:

ARTISJUS: Hungary

WGA: United States of America.

## CLAUSE 9

Where the users oppose or infringe statutory or contractual conditions the parties hereto shall inform each other of this situation and endeavour to obtain an amicable settlement of the dispute.

Where an amicable settlement is not possible, legal proceedings, where necessary, will be at the expense of the party of the country in which those proceedings are taken, except when the action is urgently demanded by the other party. Actions under CLAUSE 6 paragraph d) are not provided for in this CLAUSE.

## CLAUSE 10

This Agreement shall commence on signature of both parties and replaces and supersedes any and all previous agreements or correspondence entered into by and between the parties hereto. The Agreement shall be for an initial period ending 31 st December 2005 and shall remain in force thereafter by tacit agreement of both parties for new periods of one year unless the agreement is terminated by one of the parties hereto by written notice addressed to the other by registered mail at least six months prior to the expiration of the current year

## CLAUSE 11

Any notice consent or the like (in this clause referred to generally as 'notice') required or permitted to be given under this Agreement shall not be binding unless in writing and may be given personally or sent to the party to be notified by pre-paid first class registered post or by telex, electronic mail or facsimile transmission at its address as set out above or as otherwise notified in accordance with this clause. Notice sent by registered air mail in accordance with this clause shall be deemed given at the commencement of business of the recipient on the 8-th business day next following its posting (as evidenced by the certificate of posting). Notice sent by telex, electronic mail or facsimile transmission in accordance with this clause shall be deemed given at the time of its actual transmission (or if that shall not be within a business day then at 9.30 am on the business day next following its actual transmission).

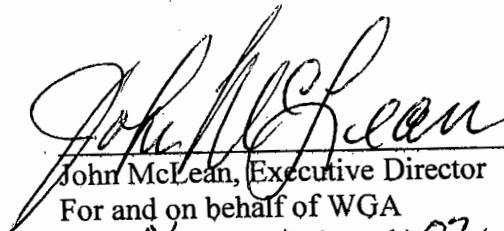
## CLAUSE 12

In the event of a dispute concerning the present agreement the competent Tribunal shall be that of the country in which the defendant party is domiciled.

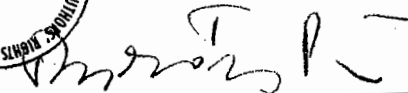
A handwritten signature in cursive script, appearing to read 'L. H. F.', is located at the bottom left of the page.

CLAUSE 13

This Agreement is made in two original duplicate copies in the English language.

  
John McLean, Executive Director  
For and on behalf of WGA  
Dated 24 (day) 11 (month) 02 (year)



  
Dr. Péter Gyertyánfy, Director General  
For and on behalf of ARTISJUS  
Dated 21, November, 2002.

**Exhibit I of the AGREEMENT OF RECIPROCAL REPRESENTATION**

between WGA of the one part and ARTISJUS of the other part

CLAUSE I

Excerpt of the bilingual (Hungarian –English) version of the Registration Order issued by the Minister of the National Cultural Heritage as published in the Official Gazette „Magyar Közlöny” No. 2000/10

NKÖM közlemény a szerzői jogról szóló 1999. évi LXXVI. törvény (Sztj.) szerint nyilvántartásba vett közös jogkezelő egyesületekről (Kivonat)/

Note of the Minister of National Cultural Heritage on the collective management societies registered under the Act LXXVI of 1999 on Copyright (hereinafter: CA) (Excerpt)

A szerzői jogról szóló 1999. évi LXXVI. törvény 86. § (2) bekezdése, valamint a szerzői és a szomszédos jogok közös kezelését végző egyesületek nyilvántartásának szabályairól szóló 16/1999. (XI. 18.) NKÖM rendelet alapján a nemzeti kulturális örökség minisztere 2000. január 25-én újból nyilvántartásba vette az alábbi közös jogkezelő egyesületeket: /

The Minister of the National Cultural Heritage registered the following collective management societies in accordance with § 86 (2) of the CA under the Regulation of the Ministry of the National Cultural Heritage No. 16/1999.(XI.18.) on the implementation regulations of the registration of the societies of collective management of authors' and neighboring rights on January, 25, 2000:

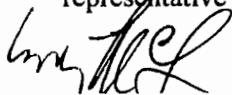
I.

1. A közös jogkezelő egyesület neve: ARTISJUS Magyar Szerzői Jogvédő Iroda Egyesület /The name of the collective management society reads: ARTISJUS Society Bureau for the Protection of Authors' Rights.

2. A közös jogkezelő egyesület rövidített neve: ARTISJUS /The abbreviated name of the collective management society reads: ARTISJUS

3. A közös jogkezelő egyesület székhelye: 1016 Budapest, Mészáros u. 15-17. / The collective management society is seated at: 1016 Budapest, Mészáros u. 15-17.

4. A közös jogkezelő egyesület képviselőjének neve, lakcíme / The name and residence of the representative of the collective management society is:



dr. Gyertyánfy Péter főigazgató, 1147 Budapest, Fűrész u. 95/A. (...)

5. Jogszabályban előírt közös jogkezelésbe tartozó szerzői és/vagy szomszédos jogok az Sztj. megfelelő rendelkezéseinek megadásával /The authors' and/or neighboring economic rights managed collectively under a statutory basis: (...)

5.2. szerzői művek, előadások hangfelvételek és sugárzott műsorok magáncélú másolására tekintettel fennálló díjigény [Sztj. 20. § (1), (2), (4), (5), (6)] / remuneration right concerning the private reproduction of authors' works, performances sound recordings and broadcast programs [§ 20. (1), (2), (4), (5), (6) CA]; (...)

5.8. szerzői művek egyidejű vezetékessé továbbközvetítésére tekintettel fennálló díjigény [Sztj. 28. § (2)-(5)] / remuneration right concerning the simultaneous cable retransmission of authors' works [§ 28. § (2)-(5) CA];

7. A gyakorolt közös jogkezelési tevékenység: /the scope of collective management:

7.1. felhasználás engedélyezése (jogdíjbeszedés), jogérvényesítés; /licensing (collection) and enforcement of claims;

7.2. a közös jogkezeléssel érintett felhasználások adatainak kezelése (dokumentáció)/ documentation and process of data of exploitation;

7.3. a közös jogkezeléssel érintett jogosultak, valamint műveik, illetve előadásaik vagy hangfelvételeik adatainak kezelése (dokumentáció) / documentation and process of data of affected rightholders;

7.4. a jogdíjak felosztása /distribution of remunerations; (...)

8. A közös jogkezeléssel érintett jogosulti kör meghatározása /Specification of the affected rightholders:

Jog/Right 5.	Tevékenység/Scope of activity 7.	Érintett jogosultak /Affected rightholders 8.
5.2.	7.1., 7.2., 7.3., 7.4.	Zeneszerzők, zeneszövegírók, zeneműkiadók, irodalmi szerzők/composers, lyricists, music publishers, literary authors
5.8.	7.1., 7.2., 7.3., 7.4.	Zeneszerzők, zeneszövegírók, zeneműkiadók, irodalmi szerzők /composers, lyricists, music publishers literary authors

## Clause 2

Excerpt of the relevant provision of the bilingual (Hungarian –English) version of the CA

20. § (1) A rádió- és a televízió-szervezetek műsorában sugárzott, a saját műsort vezeték útján a nyilvánossághoz közvetítők műsorába belefoglalt, valamint a kép- vagy hanghordozón forgalomba hozott művek szerzőit, előadóművészi teljesítmények előadóművészeit, továbbá hangfelvételek előállítóit műveik, előadóművészi teljesítményeik, illetve hangfelvételeik magáncélú másolására tekintettel megfelelő díjazás illeti meg.

§ 20. (1) A fair and equitable remuneration shall be due, on the private-purpose copying of their works, performances and sound recordings, to the authors of works, the performers of performances, and the producers of sound recordings broadcast in the programmes of radio and television organizations, included in the programmes of those communicating their own programmes to the public by cable, and released for distribution on video or audio carriers.

(2) Az (1) bekezdésben említett díjat az irodalmi és a zenei művekkel kapcsolatos szerzői jogok közös kezelését végző szervezet állapítja meg. A díjszabásról véleményt kell kérni az érintett szerzők egyéb közös jogkezelő szervezeteitől, valamint az előadóművészi és a hangfelvétel-előállítói jogok közös kezelését végző szervezetektől is. A díjat az üres kép- és hanghordozó gyártója, külföldi gyártás esetén pedig a jogszabály szerint vám fizetésére kötelezett személy köteles az irodalmi és a zenei művekkel kapcsolatos szerzői jogok közös kezelését végző szervezethez a forgalomba hozataltól, külföldi gyártás esetén pedig a vámkezelés befejezésétől számított nyolc napon belül befizetni.

(7) A jogosultak díjigényüket csak közös jogkezelő szervezeteik (85-93. §) útján érvényesíthetik, díjukról csak a felosztás időpontját követő hatállyal, a rájuk jutó összeg erejéig mondhatnak le.

28.§ (2) A rádió- vagy televízió-szervezet, illetve a saját műsort a nyilvánosságához vezeték útján vagy másként közvetítő műsorában sugárzott, illetve közvetített műveknek sugárzással, vezeték útján vagy egyéb módon - az eredetihez képest más szervezet közbeiktatásával - a nyilvánosságához történő egyidejű, változatlan továbbközvetítéséhez a szerző hozzájárulását megadottnak kell tekinteni, ha a továbbközvetítő szervezet az irodalmi és a zenei művekkel kapcsolatos szerzői jogok közös kezelését végző szervezetnek a megállapított díjat befizette.

(3) A jogosultak díjigényüket csak közös jogkezelés útján érvényesíthetik, díjukról csak a felosztás időpontját követő hatállyal, a rájuk jutó összeg erejéig mondhatnak le:

(2) The remuneration referred to in Paragraph (1) shall be determined by the organization performing the collective administration of rights related to literary and musical works. Before determining the said remuneration, other organizations likewise performing collective administration of rights for the affected authors as well as the organization performing the collective administration of rights of performers and producers of sound recordings shall be consulted. The producer of blank video and audio carriers, or the person obliged pursuant to the law to pay customs duties in the case of manufacture abroad, shall pay the remuneration to the organization performing the collective administration of rights related to literary and musical works within eight days from the date of the release for distribution or from the completion of the customs clearance in the case of manufacture abroad.

(7) The rightholders may enforce their claims to remuneration only by the agency of the organization performing the collective administration of their rights (Articles 85 to 93), and they may renounce the remuneration only with effect following the date of the distribution and to the extent of the amount due to them.

In case the works broadcast or cable-transmitted in the programme of the radio or television organization or of the entity communicating its own programme by cable to the public are simultaneously and in an unaltered manner retransmitted by cable to the public via an organization other than the original one, the authorization of the author shall be considered as granted if the organization executing the simultaneous retransmission has paid the determined remuneration to the organization performing the collective administration of rights in literary and musical works.

(3) The rightholders may enforce their claim to remuneration only via collective administration and may waive such remuneration only following the date of its distribution and to the extent of the amount due to them.



91. § (1) Ha a közös jogkezelést végző - a 86-89. §-ok alapján nyilvántartásba vett - egyesület valamely felhasználónak engedélyt ad a felhasználásra, illetve a felhasználóval szemben díjigényt érvényesít, a felhasználó jogosult az egyesület által végzett jogkezelés szempontjából érintett valamennyi jogosult - közös jogkezelés alá tartozó - azonos műfajú műveinek vagy szomszédos jogi teljesítményeinek felhasználására is, az ezekre a művekre vagy szomszédos jogi teljesítményekre vonatkozó jogdíjak azonos feltételek alapján történő megfizetése mellett.

86. § (1) A szerzői és a szomszédos jogokra vonatkozó jogszabályoknak megfelelő közös jogkezelést végző szervezetekről a miniszter nyilvántartást vezet. (...) A nyilvántartásban fel kell tüntetni, hogy az egyesület milyen jogkezelési tevékenységet folytat. A miniszter a nyilvántartásba vételt a Magyar Közlönyben közzéteszi. A nyilvántartásban szereplő egyesületekről és az általuk végzett közös jogkezelési tevékenységekről a miniszter közleményt jelentet meg a Magyar Közlönyben.

§ 91 (1) In case a society registered under Articles 86 to 89 for the collective management of authors' or neighboring rights authorizes use for, or enforces a remuneration claim against, a user, the user shall be entitled to the use of the works or performances under neighbouring rights of the same genre produced by rightholders covered by the society' collective administration of rights and falling under the collective administration of rights, provided the user pays the royalties related to the works and performances involved on the same conditions.

§ 86 (1) The minister shall keep records of the organizations performing collective administration of rights under statutes on authors' rights and neighbouring rights. (...) The type of the collective management provided by the society shall be indicated in the register. The Minister shall publish the registration in the official Gazette Magyar Közlöny. The Minister shall publish a note containing the names of the registered societies and their collective management activities in the Magyar Közlöny.

(End of Exhibit attached to the Agreement of reciprocal representation between WGA and ARTISJUS)

