

## A G R E E M E N T

THIS AGREEMENT is made and entered into by and between **LATGA-A, Agency of Lithuanian Copyright Protection Association** (hereinafter "LATGA-A") with its principal office located at 4B Basanaviciaus Str., 01118 Vilnius, Lithuania,

And

The Writers Guild of America, west, Inc., with its principal office located at 7000 Third Street, Los Angeles, California 90048, acting on behalf of itself and the Writers Guild of America, east, Inc., and on behalf of the respective individuals they represent as their Collective Bargaining Representatives, (hereinafter "WGA").

LATGA-A and WGA shall hereafter collectively be referred to as the Contracting Parties.

WHEREAS, the Lithuanian Law on Copyright and Related Rights of 5 March 2003 (hereinafter "Lithuanian Copyright Law"), provides for the payment of royalties to authors for:

- a. **Private recording on blank audio or audiovisual analogue/digital media;**
- b. **Retransmissions of Audiovisual Works by cable television systems;**
- c. **Rental of copies of Audiovisual Works.**

WHEREAS, LATGA-A is a Lithuanian collecting society representing authors of audiovisual works, including writers;

WHEREAS, WGA desires that LATGA-A act on its behalf in collecting and distributing the remuneration, which the WGA may receive under the Lithuanian Copyright Law;

Now, THEREFORE, in consideration of the promises and covenants contained herein, the Contracting Parties agree as follows:

1. Subject to all conditions contained in this Agreement, the WGA grants to LATGA-A the exclusive authorization to administer the rights/claims of WGA for all US originated Audiovisual Works whether for cinema (theatrical), television or any other medium in the territories administered by LATGA-A for the purposes of collection and distribution of the remuneration for:
  - a. **Private recording on blank audio or audiovisual analogue/digital media;**
  - b. **Retransmissions of Audiovisual Works by cable television systems;**
  - c. **Rental of copies of Audiovisual Works**provided for in the Lithuanian Copyright Law. For the purposes of this Agreement, the term "Audiovisual Work" shall mean a cinematographic work or any other work created by means of cinematography, consisting of a series of related images which impart an impression of motion, whether or not accompanied by sound, and recorded (fixed) in an audiovisual recording medium.
2. During the term of this Agreement, WGA will not grant to any other collecting society or individual in the territory the rights described in paragraph 1 above.
3. For the purpose of protection of authors' rights LATGA-A shall treat members of WGA on equal terms with its own members. Remuneration collected and

distributed by LATGA-A to WGA shall be governed by this Agreement and the terms and conditions generally applicable to the payment of monies to members of LATGA-A. The WGA agrees to be bound by the rules and regulations of LATGA-A, but in case of any conflict between this agreement and the rules and regulations of LATGA-A, this Agreement shall be controlling.

- a) Payment shall be made by LATGA-A to the WGA at such times as provided for by LATGA-A distribution rules and, in principle, on an annual basis.
- b) The formulae used for the distribution of monies received by LATGA-A for US Audiovisual Works shall be non-discriminatory and shall be applied in like manner.
- c) The transfer of remuneration collected for rental of copies, cable retransmission on national channels and private copying of Audiovisual Works by LATGA-A to WGA shall be accompanied by electronic files which shall include the year of exploitation, title of the work and the amount of remuneration allocated for each title.

The remuneration collected for cable retransmission and private copying of Audiovisual Works by LATGA-A shall be transferred to the WGA as a total amount. LATGA-A shall provide electronic files in the case of the remuneration for cable retransmission of Audiovisual Works on national channels and private copying which identify the titles of the Audiovisual Works for which remuneration is being paid and a code or system to identify the relative value assigned to each work so that the WGA can distribute the proceeds transferred. With respect to foreign signals included in the remuneration paid to WGA by LATGA-A for cable retransmission and private copying, and, except for France and the United Kingdom for which a separate understanding shall apply, LATGA-A shall allocate 32.5% of the remuneration applicable to collections for the Audiovisual Works transmitted by such foreign signals for US Audiovisual Works authors.

4. Pursuant to agreement with producers in the United States, WGA has agreed to share the remuneration that it may receive from foreign collecting societies for the retransmission of US Audiovisual Works by cable television systems and for the reproduction of US Audiovisual Works under private copy levy schemes. These agreements provide for a sharing of the remuneration in certain specified percentages for the periods on or after June 1, 1990. WGA will notify LATGA-A of the portion of remuneration that it is obligated to share with such producers once it receives notification from LATGA-A of the amount available for distribution to WGA for each specified period. Thereafter, WGA will direct LATGA-A as to the distribution of such share to the appropriate producers or their representatives.
5. LATGA-A shall be entitled to deduct from the amounts it collects on behalf of the WGA the percentage necessary to cover the actual administrative costs incurred by LATGA-A. This percentage shall not exceed that which is deducted for this purpose from amounts collected for members of LATGA-A.

6. LATGA-A shall reserve the right to deduct from the remuneration it collects a maximum rate of 10% for cultural and/or social purposes.
7. WGA will provide LATGA-A with such information as LATGA-A in its judgment reasonably deems necessary in order to fulfill its obligations under this Agreement. LATGA-A's right to collect remuneration under this Agreement is not contingent upon a prior notification by WGA that a particular Audiovisual Work is available in the territory.
8. LATGA-A shall take all necessary action to protect the rights granted by the WGA. All costs in connection therewith shall be borne by LATGA-A except those provided in paragraph 4 above or otherwise agreed to in writing in advance by WGA.
9. In cases where WGA members or their heirs register claims with LATGA-A asserting the failure of WGA to make a proper distribution of the cable television, private copy levy or rental remuneration previously paid out by the WGA on their behalf, the WGA agrees to hold LATGA-A harmless from any and all successful claims made by such parties. The WGA's hold harmless obligation shall be limited to the difference between the amount(s) paid by the WGA to an individual(s) and the amount(s) that it is subsequently determined should have been paid to such individual(s) pursuant to LATGA-A's distribution rules and regulations.

The WGA Agreement to hold harmless and pay claims made against LATGA-A by the above described parties is subject to LATGA-A providing the WGA with prompt notice of any claim and the right of the WGA to defend, settle or require LATGA-A 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 LATGA-A harmless or to pay claims where the claims of another party arise from an error, omission or act of negligence of LATGA-A or where the claim challenges the distribution method or formulae applied by LATGA-A.

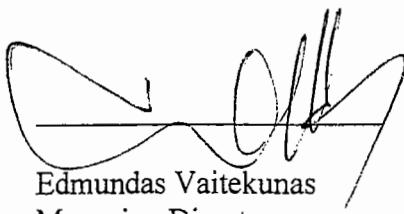
10. Pursuant to this Agreement, the WGA has agreed to distribute to US screenwriters a share of the cable television, private copy and rental remuneration for all US originated Audiovisual Works. Such agreement is made by WGA as the exclusive bargaining representative of screenwriters for those Audiovisual Works covered by Guild agreements. With respect to those US originated Audiovisual Works not covered by WGA agreements, the WGA has been advised that LATGA-A requires that the WGA also receive royalties therefore, and the WGA has agreed to distribute such royalties to the appropriate writers. The WGA makes no representations herein with respect to the representation status of WGA regarding such writers, but agrees to hold LATGA-A harmless of any claims or responsibilities regarding such writers to the extent of the amount paid to the WGA by LATGA-A on behalf of such writers.
11. LATGA-A agrees to consult the WGA in advance regarding negotiations with other societies and government agencies regarding the formulae for the division of monies to rightsholders, or the distribution of monies to writers in order to represent adequately and effectively the views of WGA. To the maximum extent possible, LATGA-A undertakes to make the necessary arrangements to keep the WGA informed of all such deliberations and

negotiations, and to provide that the WGA receive any and all of the communications relating to distributions by LATGA-A.

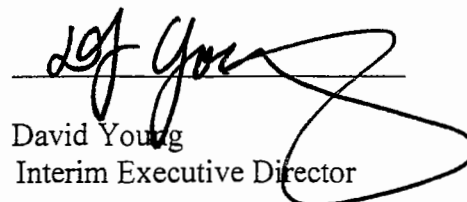
12. This contract is personal to the Contracting Parties and concluded on that basis. Except as otherwise provided herein, it is hereby formally agreed that, without the express and written authorization of the other Contracting Party, no assignment or transfer of any right, privilege or obligation under this Agreement may be made by any party to this Agreement.
13. It is mutually agreed that throughout the duration of this Agreement, the WGA and LATGA-A shall refrain from any interference in the exercise of the rights granted to any Contracting Party by this Agreement. LATGA-A expressly agreed not to enter into any direct communication or to cause any communication to be made to any screenwriters or their heirs as represented by the WGA without the express written consent of the WGA. The WGA agrees not to unreasonably withhold its consent to acting as an intermediary for any communication necessary to LATGA-A's performance of its obligations under this Agreement.
14. The initial term of this Agreement shall be five years commencing on January 1, 2005. At the conclusion of the initial term, on December 31, 2009, this Agreement shall continue in force for subsequent periods of one year each, by automatic extension, if it has not been terminated by either party by letter at least three months before the expiration of the initial period or each such subsequent period.
15. Royalties collected before the entry into force of this agreement shall be payable in compliance with legal provisions regarding the period during which LATGA-A has an obligation to hold the royalties.
16. This Agreement shall be governed by the laws of Lithuania, and the parties agree that only the courts of Vilnius shall have jurisdiction.
17. The WGA shall have the right upon reasonable notice, subject to LATGA-A's rules and negotiations regarding confidentiality, to audit the books and records of LATGA-A with respect to the collections and distributions of monies payable to the WGA.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, this 9<sup>th</sup> day of February 2006.

For LATGA-A:

  
Edmundas Vaitekunas  
Managing Director

For the WGA:

  
David Young  
Interim Executive Director