

RECIPROCAL CONTRACT

Between the undersigned

HUNGART, Collecting Society of Hungarian Visual Artists, whose registered office is located at: 1055 Budapest, Falk Miksa u., 30, fszt.2; represented by its President, Mr. Sárkány Győző

and

CROATIAN COLLECTING SOCIETY OF FINE ARTISTS „ARS CROATICA“, whose registered office is located at: HR 10 000 Zagreb, Ribnjak 40, Croatia, represented by Silvije Hraste, general council

hereinafter also the Contracting Societies,

IT HAS BEEN AGREED AS FOLLOWS:

ARTICLE I

1. (a) By this Contract HUNGART confers on ARS CROATICA the exclusive mandate to represent it in the territories administered by the latter and as is specified in Article IX hereafter, for the purpose of control and collection of royalties for the use of the works of its members.

(b) Reciprocally, ARS CROATICA confers on HUNGART the exclusive mandate to represent it in the territories administered by the latter and as is specified in article IX hereafter, for the purpose of control and collection of royalties for the use of the works of its members.

2. The rights of use, whose exercise by each of the Contracting Societies are subject of the Contract, include property rights and prerogatives granted to creators of graphic, plastic and photographic works according to both national and international law in force in the territory administered by each party. The rights of use involve in particular:

- for HUNGART: Droite de Suite.
- for ARS CROATICA: Droite de Suite.



ARTICLE II

By the exclusive mandate, as defined in Article I above, each of the Contracting Societies is enabled to extent of its powers resulting both from the acts of admission of its members and from its own statutes and rules, from this Contract and the law in force in its territory of administration to do the following:

- collect for all rights stipulated as a result of signing of treaties with users;
- collect all sums which might be due by way of compensation or damage and interest;
- settle disputes, refer to arbitration, institute all necessary legal proceedings, subject nevertheless to the preliminary consent of the other Contracting Society which is not itself taking action; however, in all cases where the urgency would justify it, each of the contracting parties is enabled to take, without delay, all necessary measures but on the condition that it informs the other Society.

The effect of such an obligation is strictly limited to the contractual relations between the parties under the present Contract and can in no circumstances be enforced by a third party;

- it is agreed between the Contracting Societies that any legal fees, costs and expenses incurred in the necessary institution of legal proceedings as set out in Article II hereof shall be borne by the contracting party of the country in which such proceedings are instituted;
- undertake generally all acts and steps in order to ensure the better administration of the rights in respect of which this mandate is conferred.

ARTICLE III

1. This Contract having been settled between the Contracting Societies by virtue of their personality, it is formally agreed that without the express and written authorization of one Contracting Society, the other Society may not assign or transfer to a third party, in any way whatsoever, all or part of the exercise of those prerogatives, capacities and other objects which it possesses from the said Contract and more especially from Article II above.

ARTICLE IV

1. Throughout the duration of this Contract, each of the Contracting Societies will refrain from any interference in the exercise by the other party of the rights conferred by this Contract.



Each of the Contracting Societies undertakes in particular not to enter into any direct communication with the members of the other party but to make any such communication, if need be, through the intermediary of the other party.

2. Each of the Contracting Societies undertakes to make available to the other party all documents useful for the collection that is asked to make by virtue of this Contract and equally for the exercise of all appeals or judicial steps as stated in Article II above.

Each of the Contracting Societies will inform at the shortest possible notice of the admission of new members and of possible resignations and will send to the other Society upon request, a copy or photocopy certified to be according to the acts of admission and powers enjoyed by its members.

Each of the Contracting Societies will place at the disposal of the other party all useful documents and facts, in order to enable it to undertake a proper and efficient inspection of the operations which it performs on behalf of the other party within the limits of application of this Contract.

ARTICLE V

Each Society undertakes to assert in its own territory of administration the rights of the members of the other Society in the same way and to the same extent as it does for its own members and in particular to apply to the works of the members of the other Society the same charge, methods and means of collection and inspection of rights as it does to the works of its own members.

ARTICLE VI

The members of each of the Contracting Societies will be defended and represented by the other Society, by virtue of this Contract, without their being required to perform any formalities as regards the representing party not to belong to the same.

The parties agree that each Contracting Society may accept as its members the authors from the country of the other Society under the condition that these authors are residents or the center of their business activity is on the territory of the Society, accepting them as members.

All disputes and difficulties that may arise between the Contracting Societies with regard to such kind of membership will be settled by them in the spirit of true compromise search and maximum adherence to mutual interests.



ARTICLE VII

As regards the total collection made in furtherance of this Contract, the Contracting Societies will apply the following administration expenses:

HUNGART 25%

ARS CROATICA 25%

ARTICLE VIII

Each of the Contracting Societies undertakes to supply the other Society at the latest 90 days following the expiration of each year, with an account of the royalties received in its territory of administration for the beneficiaries of the other Society in respect of the year just elapsed.

This account will include:

- a) a list summarizing the royalties collected during the year gone by,
- b) the statements of account of each beneficiary.

The accounts will come with a payment corresponding the total of the royalties appearing on the summary after deduction of administration expenses specified in Article VII in euro at the rate of exchange on the day of payment.

ARTICLE IX

1. For the purpose of application of this Contract the territory of administration of HUNGART is Hungary.
2. The territory of administration of ARS CROATICA is Croatia.

ARTICLE X

Each of the Contracting Societies may seek the advice of the International Confederation of Societies of Authors and Composers about any difficulty which may arise between the two Societies regarding the interpretation or the performance of this Contract.

If necessary, any dispute arising out of this Contract may be referred to the arbitration of the International Confederation of Societies of Authors and Composers (CISAC).



If the Contracting Societies do not consider it appropriate to resort to the arbitration of the Confederation and in the absence of mutual agreement, the competent Court of Jurisdiction shall be that in which the defendant party is domiciled.

ARTICLE XI

Despite the terms of Article XII of the present Agreement, Contracting Societies agree that the Agreement can be considered null and void at any moment by one of the Contracting Societies, if the Charter and rules of other Society would be amended with the additions or changes, which would substantially hamper the use or protection of the rights of the members of the Society, announcing the annulment of the Agreement.

ARTICLE XII

This Contract shall come into force from June 1, 2011 and renewal shall continue from year to year by tacit agreement, unless it has been rescinded by one or other of the Contracting Societies by recording delivery with acknowledgement of receipt (decided by the postmark) at least 3 months before the date of expiry of each current period.

Made in two copies each in English language.

Zagreb *May 16* 2011

Budapest *May 31* 2011

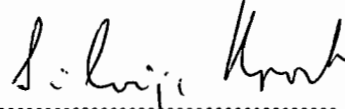
For HUNGART



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Sárkány Győző
President

HUNGART Vizuális Művészek Közös
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For ARS CROATICA



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Silvije Hraste
General council

