

## MUSIC VIDEO AND KARAOKE RECORDINGS LICENCE AGREEMENT

THIS AGREEMENT is made on 13 January 2023

### **BETWEEN**

**Public Performance Malaysia (PPM) Berhad (201601042369 (1213311-V))** (hereinafter referred to as "PPM"), a company registered under the laws of Malaysia with a place of business at L-8-2, 8<sup>th</sup> Floor, Block L, No. 2, Jalan Solaris Mont' Kiara, 50480 Kuala Lumpur, Malaysia of the first part

### **AND**

**Wusic Entertainment Sdn Bhd (202201035051 (1480748-X))** (hereinafter referred to as "the Licensee"), a company incorporated in Malaysia and having a business address at Unit 11-3, Jalan TPP ¼, Taman Perindustrian Puchong, 47160 Puchong, Selangor, Malaysia of the second part

### **WHEREAS**

- A. PPM is a collective management organisation ("CMO") appointed and authorised by local and international recording companies ("PPM's Members") to issue licences and collect royalties for the exploitation of the Recordings.
- B. The Licensee is a seller/supplier who operates and provides a Pay Service via System by way of the permitted Platform for a streaming karaoke-on-demand service to the public ("the End Users") for the sole purpose of private and domestic use in the Territory.
- C. Licensee desires to obtain a non-exclusive and non-transferable licence from PPM to use the Recordings for the purpose of providing the same to the End Users as described above, and subject to the terms of this Agreement as set out below, which PPM hereby grants.

### **NOW IT IS HEREBY AGREED as follows:**

#### **1. Definitions & Interpretation**

- 1.1 The terms and expressions of this Agreement as set out in ANNEXURE-1 shall have the meanings and interpretations as defined therein.
- 1.2 In this Agreement, unless the context otherwise requires, a reference:
  - 1.2.1 to a clause, annexure or appendix is a reference to a clause of or annexure or appendix to this Agreement and references to this Agreement include any recital, schedule, annexure or appendix
  - 1.2.2 to this Agreement or another instrument includes any variation or replacement of either of them
  - 1.2.3 to a statute, ordinance, code or other law includes regulations, and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them
  - 1.2.4 to any of the words "include", "includes" and "including" is read as if followed by the words "without limitation"
  - 1.2.5 each of the above is individually referred to as the "Party" and collectively as the "Parties"
  - 1.2.6 the singular includes the plural and vice versa and the word person includes a firm, a body corporate, an unincorporated association or an authority; and
- 1.3 Headings are inserted for convenience only and do not affect the interpretation of this Agreement.

1.4 A provision of this Agreement must not be construed to the disadvantage of PPM merely because PPM prepared it or was responsible for its inclusion in the Agreement.

## 2. Licence

A non-exclusive and non-transferable licence to reproduce and to communicate the Recordings, the copyright of which is owned and controlled by PPM Members, via Pay Service through the Licensee's System by way of the permitted Platform for a streaming karaoke-on-demand service for sale to the End Users for the sole purpose of private and domestic use in the Territory ("the Licence"). For the avoidance of doubt, this licence does not permit the use of the System for commercial purposes and does not cover the public performance of the Recordings by the End Users, a licence for which must be applied for separately. Provided Always PPM Members' Recordings shall:-

- (a) include Universal Music Sdn Bhd's Malaysia local Recordings;
- (b) exclude Universal Music Sdn Bhd's foreign Recordings; and
- (c) exclude Sony Music Entertainment Malaysia Sdn Bhd.

## 3. Licence term and renewal

3.1 01 February 2023 to 31 December 2025 ("the Licence Period").

3.2 Provided that the Licensee has fully complied with all obligations under this Agreement, the Licensee may give written notice to PPM 3 months prior to the expiration of the Licence for renewal of the same. PPM has the sole and absolute discretion to accept or refuse to renew the Licence and will in any event inform the Licensee of its decision 2 months prior to the expiration the Licence.

## 4. Fees

4.1 In consideration of the rights granted to the Licensee in this Agreement, the Licensee agrees to pay to PPM the following:-

4.1.1 Subscription Revenue Sharing fees payable by the Licensee to PPM, as follows:

<u>Licence Period</u>	<u>Percentage of Subscription Revenue Sharing</u>	<u>Time of Invoicing</u>	<u>Time of Payment</u>
01 February 2023 to 31 December 2023	25%	Subject to PPM being in receipt of list pursuant to Clause 5.3.2 and 5.3.4, within 14 days of the end of each month during the Licence Period, in arrears for the fees accrued in respect of the preceding month.	Within 14 days from the receipt of invoice from PPM.
01 January 2024 to 31 December 2024	30%		
01 January 2025 to 31 December 2025	35%		

4.1.2 Annual Minimum Guarantee fees payable by the Licensee to PPM for provision of the Licence, as follows:

<u>Licence Period</u>	<u>Annual Minimum Guarantee</u>	<u>Time of Payment</u>
01 February 2023 to 31 December 2023	RM50,000/-	Upon the Execution of this Agreement
	RM50,000/-	Shall be due and payable on 01 April 2023

	RM50,000/-	Shall be due and payable on 01 July 2023
	RM50,000/-	Shall be due and payable on 01 October 2023
01 January 2024 to 31 December 2024	RM75,000/-	Shall be due and payable on 01 January 2024
	RM75,000/-	Shall be due and payable on 01 April 2024
	RM75,000/-	Shall be due and payable on 01 July 2024
	RM75,000/-	Shall be due and payable on 01 October 2024
01 January 2025 to 31 December 2025	RM100,000/-	Shall be due and payable on 01 January 2025
	RM100,000/-	Shall be due and payable on 01 April 2025
	RM100,000/-	Shall be due and payable on 01 July 2025
	RM100,000/-	Shall be due and payable on 01 October 2025

4.1.4 the Licence Fees during the Licence Period shall be the higher amount between:-

- (a) Percentage of Subscription Revenue Sharing on the Subscription Revenue for the Licence Period;  
or
- (b) Annual Minimum Guarantee.

Subscription Revenue means 100% of all sums and revenue (whether monetary or non-monetary) derived directly or indirectly by the Licensee from the exercise of the rights licensed to it pursuant to Clause 2 above without deduction or set-off of any kind whatsoever

- 4.2 The Parties shall use all reasonable endeavors to expeditiously conclude the final reconciliation of audited accounts and/or interim audited accounts and make the relevant payments within 1 month from the end of each Licence Period.
- 4.3 Upon receipt of the audited accounts in Clause 4.2 above, PPM shall calculate the Licence Fees payable for the relevant Licence Period and reconcile the same with the Annual Minimum Guarantee already paid by the Licensee.
- 4.4 Licensee's annual report and financial records shall be inspected by at least one auditor appointed by PPM upon request by PPM. If the discrepancy between declared Subscription Revenue and actual Subscription Revenue is more than 10%, the Licensee agrees to pay, as liquidated damages, 10 times any undeclared Subscription Revenue payable in arrears. In such event, Licensee shall also be held fully liable for all costs of such audit.
- 4.5 In the event that the Subscription Revenue Sharing payable to PPM for the relevant licence period is greater than the Annual Minimum Guarantee already paid by the Licensee, PPM shall invoice the Licensee for the shortfall payable and the Licensee undertakes to pay the amount invoiced by PPM within 14 days from the date of the invoice.
- 4.6 Time of payment shall be of the essence and PPM shall be entitled to charge the Licensee interest at the rate of 1% per month on all outstanding licence fees from the date of non-payment until the date of full payment.
- 4.7 All payments to PPM shall be exclusive of all taxes, duties and governmental levies which shall be payable by the Licensee.

## **5. Exercise of the Agreement**

- 5.1 The Licensee agrees to maintain complete and accurate records of all matters pertaining to the Licence. PPM and/or its duly authorized agents shall be entitled, upon 3 business days' prior written notice and during reasonable business hours, to inspect or audit any details or information relating to the Licence, including but not limited to the content of the System, the Licensee's book of accounts and any other relevant documents, articles and devices. Such inspection may be made notwithstanding the termination of this Agreement so long as any outstanding claims remain unsettled. PPM shall be entitled to claim the relevant professional auditors' costs of such inspection from the Licensee in the event that the inspection reveals an under-declaration of the Licence Fees by a margin of more than 5%.
- 5.2 The Licensee agrees to ensure that the following, as set out in Schedule 1(e), shall appear with reasonable prominence on all user interface screens of the System supplied to the End Users:
- 5.2.1 PPM's corporate logo and tagline; and
- 5.2.2 Copyright notice.
- 5.3 Upon execution of this Agreement, PPM shall have full access to extract the following items from the Licensee's System on or before the 5<sup>th</sup> day of the following month:
- 5.3.1 a list of all the Recordings ("Master Library List") which the Licensee has in its library in the format annexed hereto as Schedule 1(a);
- 5.3.2 a list setting out the full particulars of the Licensee's subscribers in the format annexed hereto as Schedule 1(b);
- 5.3.3 a list setting out the full particulars of all the Licensee's agents/dealers appointed for the purpose of distributing, marketing and/or selling the System in the format annexed hereto as Schedule 1(c); and
- 5.3.4 an End Users' playlist containing similar information as per Clause 5.3.1 including the frequency of play of each of the Recordings, additions and deletion made in Systems supplied to the End Users in the format annexed hereto as Schedule 1(d).
- 5.4 On or before the 7<sup>th</sup> day of each month, the Licensee shall submit the duly completed original letters of undertaking as set out in Schedule 2 by the End Users and endorsed by the Licensee and/or its agents/dealers/sub-licensees, together with a copy of the receipt of sale of each System.
- 5.5 The Licensee shall take all reasonable measures, including but not limited to, installing suitable encryption devices, to prevent unauthorized and/or illegal use or reproduction of sounds, images or digital representations thereof contained in the Recordings as reproduced in the central computer hard disk system, hard disk and storage devices, in relation to the supply and use of the System provided always that the Licensee shall first notify PPM of the same.
- 5.6 PPM must be granted the right to access and inspect the System and the Recordings installed by the Licensee at all of its premises during usual business hours of the Licensee and the Licensee undertakes to ensure that such right of access is satisfactorily and adequately safeguarded.
- 5.7 All rights in the Recordings not expressly licensed to the Licensee under herein are expressly reserved.
- 5.8 Where the Licensee obtains the Recordings from sources other than PPM's Members, the Licensee hereby warrants and undertakes that the Licensee has obtained all the necessary clearances to the Recordings provided by the System for the purpose of this Agreement.
- 5.9 The Licensee does not extend to cover the public performance of the Recordings, the reproduction and/or use of album covers, photographs, literature, artwork or the musical works recorded on or incorporated in any of the Recordings, which are expressly the intellectual property of PPM's Members as their licensors.

- 5.10 The Licensee shall not use any trademarks, names, words, signs, emblems, symbols or other identification owned by PPM and/or PPM's Members without first obtaining permission or authorization in writing.
- 5.11 The Licensee undertakes to notify PPM in writing of any material change in the Licensee's business operations 3 months prior to such changes occurring.
- 5.12 The Licensee undertakes to immediately inform PPM in writing if the Licensee becomes aware and/or receive knowledge of the Recordings being performed or communicated to the public at any unauthorized venues or premises and/or otherwise in breach of this Agreement.
- 5.13 The Licensee agrees to indemnify and keep indemnified PPM from and against any and all loss damage or liability (whether criminal or civil) suffered and legal fees and costs incurred by PPM resulting from breach of this Agreement including any acts or omission by the Licensee contrary to PPM's directions or instructions.
- 5.14 The Licensee further agrees and undertakes that the Licensee shall pay to PPM upon demand RM10,000/- for each breach or non-compliance of any of the provisions in this Agreement, as agreed reasonable damages.
- 5.15 Further to the provisions set out above, the Parties shall agree on additional provisions (if any) regarding operational and administrative issues to be mutually decided from time to time for the effective implementation and execution of the Licence.

## **6. Termination**

- 6.1 Each Party may terminate this Agreement upon any breach or default of the terms of the Agreement by the other Party if such breach or default is not remedied within 30 days after the defaulting Party's receipt of written notice thereof.
- 6.2 Either Party shall be entitled to terminate this Agreement forthwith by prior written notice to the other Party if:
  - 6.2.1 the other Party ceases its business; or
  - 6.2.2 the other Party becomes insolvent, or is placed in receivership, liquidation or bankruptcy (whether voluntary or involuntary); or
  - 6.2.3 revocation of PPM's authorization from PPM Members; or
- 6.3 Any termination of this Agreement shall be without prejudice to either Party's rights or remedies which may have accrued up to the date of termination. Both Parties continue to perform duties and obligations which survive termination or capable of operation after termination.
- 6.4 No part of licence fees paid will be refunded to the Licensee.
- 6.5 Upon termination of this Agreement, the Licensee shall cease use of the Recordings and destroy copies in possession and remove and expunge the information as per Clause 5.2 from the System, and thereafter prepare and serve a Statutory Declaration confirming such remove to PPM.
- 6.6 Without prejudice to any other right or remedy it might have, PPM may terminate the Agreement by written notice to the Licensee with immediate effect if the Licensee infringes any third party's intellectual property rights connected with the Pay Service.

## **7. General**

- 7.1 Amendments: This Agreement may only be modified, or any rights under it waived, by a written document executed by both Parties.
- 7.2 Confidentiality: The Parties agree that this Agreement and all other related information exchanged between the Parties are confidential in nature and each Party agrees not to disclose these terms or other information to any third party other than employees, agents or professional advisors of the disclosing party who need to know such

information for the purposes of acting under and pursuant to this Agreement and who are made aware of and have agreed to comply with this provision. The obligation to this provision shall not apply to any disclosure of information which is required by law or by competent regulatory authority, and shall cease to apply to any information which has come into the public domain through no fault of the recipient. Nothing herein prevents PPM from disclosing financial information to PPM's Members.

- 7.3 Personal Data: The Parties hereby agree that any data [as defined by the Personal Data Protection Act 2010 ("Act")] received by either Party to this Agreement shall be dealt with in accordance to the provision of the Act, and amendment to the Act.
- 7.4 No Agency or Partnership: This Agreement is not and shall not be deemed to constitute a partnership between the Parties nor is any Party entitled to describe itself as agent, employee or representative of any of the other Parties.
- 7.5 Government Duties and Taxes: Licensee shall bear the cost of all duties, levies and/ or taxes (including but not limited to the Stamp Act 1949) imposed by the Government in Malaysia.
- 7.6 Recovery: Licensee undertakes to pay all recovery expenses and/or costs incurred by PPM in relation to the recovery of any outstanding and owing under this Agreement, including but not limited to legal fees on a solicitor-client basis.
- 7.7 Governing Law: Parties agree that this Agreement will be governed by and construed in accordance with the laws of Malaysia.
- 7.8 Dispute Resolution: If a dispute arises from or relates to this Agreement or the alleged breach therefore if the dispute cannot be settled through negotiation within 30 days, the Parties agree to endeavors first to settle the dispute by mediation administered by the Malaysian Mediation Centre under its governing legislation and rules before resorting to other dispute resolution methods.

## 8. Notices

All notices, requests, documents or other communication in connection with or regarding this Agreement shall be in writing and shall be delivered by personal service, prepaid registered post (acknowledgement received) or by facsimile or other electronic means of telecommunications in permanent written form to the addresses specified below or to such other address as the Parties may designate by like notice hereunder from time to time.

### For PPM:

Name : Lau Ming Siew  
Designation : General Manager  
Address : Public Performance Malaysia (PPM) Berhad  
L-8-2, 8<sup>th</sup> Floor, Block L  
No. 2, Jalan Solaris, Solaris Mont' Kiara  
50480 Kuala Lumpur  
Telephone No. : +603-6207 2888  
Facsimile No.: +603-6207 2999

### For Licensee:

Name : Wong Wei Tuck  
Designation : Director  
Address : Wusic Entertainment Sdn Bhd  
Unit 11-3, Jalan TPP ¼, Taman Perindustrian Puchong  
47160 Puchong, Selangor  
Telephone No. : +65-96886662

**9. Counter Parts And Digital Signature**

- 9.1 This Agreement may be executed in any number of counterparts each of which shall be an original and all such counterparts taken together shall be deemed to constitute one and the same Agreement. Parties hereby agree that this Agreement may be executed through electronic signature by either or both parties in pursuant to the Electronic Commerce Act 2006 and/or Digital Signature Act 1997, which shall be considered as an original signature for all purpose and shall have the same force and effect as an original signature.
- 9.2 Delivery of a copy of this Agreement bearing an original manual signature or electronic or digital signature by electronic mail of Portable Format Document (".pdf") for other document form shall have the same effect as physical delivery of this Agreement in paper form bearing an original or electronic or digital signature and shall bind the Parties and shall constitute an enforceable and valid agreement.

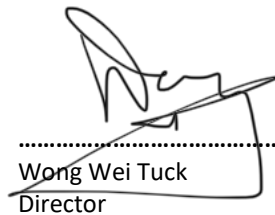
Thank you.

Yours faithfully,  
**Public Performance Malaysia (PPM) Berhad**



.....  
Lau Ming Siew  
General Manager

Accepted and Agreed by,  
**Wusic Entertainment Sdn Bhd**



.....  
Wong Wei Tuck  
Director

**ANNEXURE-1**

Agreement	This Agreement and any and all annexures (including the Annexures) attached to or incorporated in it by reference and shall include amendments to this Agreement and its annexures agreed to by the Parties.
Annexures	All and any of the annexures described in the Rights and which are all attached to this Agreement.
Confidential Information	All information of any kind, whether communicated verbally, in printed or electronic form or otherwise howsoever, including technical information, data, know-how and information relating to the business, affairs, financial condition and operations of either Party whether or not labelled as “confidential” and disclosed by a Party in connection with or for any purpose of this Agreement and which is not already in the public domain or which is in the public domain through wrongful disclosure.
Copyright Act	The Copyright Act 1987 or that Act as amended or re-enacted and any regulation, order, instrument or subordinate legislation thereunder.
End Users	A person who subscribes to the System to be used solely for private and domestic use at a residential dwelling unit in the Territory.
Licensee	Wusic Entertainment Sdn Bhd (202201035051 (1480748-X)) (“Wusic”)
Licence Period	The period as defined in Clause 3.
Master Library List	A list of all the Recordings.
Parties	PPM and Licensee referred to together and the expression “Party” means either of them as the context may require.
Pay Service	One mobile application belonging to Wusic which is a pay subscription streaming karaoke-on-demand services for the End Users operated, controlled or managed by the Licensee from time to time.
Platform	The communication of Recordings sent via the System, originating from the End Users request and delivered from a digital storage device in the Territory at a time selected by the End Users at such End Users’ sole discretion.
PPM’s Members	The list of PPM Members as listed at <a href="http://www.ppm.my">www.ppm.my</a> and which may be updated by PPM from time to time.
Recordings	Any fixation or recording (whether audio or audio-visual) of a sequence of sounds or of a representation of sounds capable of being perceived aurally (whether accompanied by visual images or otherwise) being reproduced by any means (including without limitation music video and karaoke recordings), whether now existing or coming into existence in the future, the copyright of which is owned or controlled, wholly or partly, by PPM’s Members or which PPM has the right or authority to licence in the Territory
System	The Pay Service Internet Protocol Television (IPTV) system operated and/or managed by the Licensee and including the Platform, which shall be used for private and domestic use only at residential dwelling unit in the Territory.
Territory	Malaysia only.





**Schedule 1(c):**

**SAMPLE FORMAT OF AGENT/DEALER/SUB-LICENSEE DETAILS  
(Clause 5.3.3 of the Agreement)**

No.	Company Name and Address	Trading Name and Address	Type of Business

**Schedule 1(d):**

**SAMPLE FORMAT OF END USERS' FREQUENCY PLAYLIST  
(Clause 5.3.4 of the Agreement)**

No.	Played Date	Title of Recording	Artiste(s)	Label	ISRC No. (where available)	MRD ID (where available)	Daily Pass/ Monthly Pass	Play Count

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

**Schedule 1(e):**

**COPYRIGHT NOTICE  
(Clause 5.2 of the Agreement)**



"Copyright in relevant sound, music videos and/or karaoke recordings played via this System is owned/controlled by recording companies represented by Public Performance Malaysia (PPM) Berhad. Such recordings are licensed for private and domestic use in Malaysia only. Any unauthorized use, reproduction, distribution, sale, rental or otherwise of these recordings is illegal and is subject to punishment of up to 5 years imprisonment and/or a maximum fine of RM20,000/- for each infringing copy of the recordings under the Malaysian Copyright Act of 1987."

**SCHEDULE 2**  
**(Clause 5.4 of the Agreement)**

**HOME KARAOKE LETTER OF UNDERTAKING**

To: **Public Performance Malaysia (PPM) Berhad ("PPM") (201601042369 (1213311-V))**

In consideration of the licence granted by **PPM** to use the music video and karaoke recordings in the Pay Service Internet Protocol Television (IPTV) system including the Platform ("the System") for the sole purpose of private and domestic use ("the Licence"), I hereby represent, warrant, covenant and undertake with **PPM** that:


- (1) The information provided herein is accurate and truthful;
- (2) The address listed herein is a residential dwelling unit and is the address at which I will use the System. The System will be used solely for private use at such address and the System will not be used in a public place, hotel, pub, bar, restaurant, club, cafe or other commercial establishments.
- (3) I will not use or resell the System for the purpose of commercial use and agree that I will be liable to pay damages amounting to RM10,000/- to **PPM** if I do so.
- (4) I consent to the use of any information provided herein by **PPM**, its affiliates, or third parties to whom **PPM** may disclose the information for the purposes of its business and/or in compliance with any statutory or legal obligations imposed upon **PPM** by any relevant authorities.
- (5) This document is governed by the laws of Malaysia.

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*Full Name of Purchaser*  
*Signature*

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*Address*

<b>FOR OFFICE USE ONLY</b> <i>(Please submit with a copy of sales receipt)</i>			
Dealer's Chop		Licensee's Chop	WUSIC ENTERTAINMENT SDN BHD (202201035051 (1480748-X))
Date:	..... <b>PPM Authorized Signatory</b>		