

THE 2006 FILM AGREEMENT

Parties

1. The Swedish State,
2. Sveriges Biografägareförbund (*the Swedish Exhibitors Association*), Folkets Hus och Parker (*the National Federation of People's Parks and Community Centres*), Riksföreningen Våra Gårdar (*the Temperance Centres' Association*), Sveriges Filmthyrareförening u.p.a. (*the Swedish Film Distributors Association*), Svenska Filmdistributörers Förening u.p.a. (*the Association of Swedish Film Distributors*) and Föreningen Sveriges Filmproducenter (*the Swedish Film Producers Association*), referred to below as "the film industry", and
3. Sveriges Television AB, TV 4 AB (publ.), Modern Times Group MTG AB, Kanal 5 AB and C More Entertainment AB, referred to below as "the TV companies", have reached the following agreement.

The state enters into this agreement subject to approval by the Government.

Contents of the agreement

§ 1

This agreement concerns the financing of support extended to Swedish film by the Swedish Film Institute Foundation (referred to below as "the Insti-

tute") for the purposes specified in the agreement. Under its Memorandum of Association, the Institute's affairs are managed by a Board of Governors (referred to below as "the Board"), whose members are appointed by the Government.

Aim of the agreement

§ 2

The parties agree that the rules for support for Swedish film should be framed so as to promote a rational and efficient production and distribution of Swedish film and result in a sound use of the support funds.

§ 3

The parties agree that the aim of the agreement shall be to:

- support and stimulate the renewal and development of valuable Swedish film production and the distribution and screening of film throughout the country,
- work to establish Swedish film production as a dynamic growth industry,
- improve the conditions of women film-makers,
- promote work to combat the unauthorised use of films in all screening formats,

- work for Swedish film to reflect the whole of the country,
- work to enable Swedish film to reach a larger audience in all screening formats, both in Sweden and internationally, and
- work for an increase in the number of cinema visits in Sweden.

§ 4

The parties agree to work to increase gender equality in the area of film. The target is for support for Swedish film production to be divided evenly between men and women.

This target means that the proportion of women in central functions in film production shall increase during the period of the agreement. No later than one year before the end of the period of this agreement, both women and men should be represented at the level of at least 40 per cent each, counted as the number of projects receiving support, in the categories of scriptwriter, producer and director. This target applies to the film categories of feature film, film for children and young people and short and documentary film.

Each year the Institute shall report the distribution between women and men for scriptwriters, producers and directors in the film projects that receive support and the average levels of support for film only or mainly by men and women respectively. The distribution in the remainder of the film team for these projects shall also be reported.

The Institute's report shall also include the funds that regional production centres use to finance film projects.

Meaning of certain terms in the agreement

§ 5

A "feature film" is defined in this agreement as a film that has a running time equivalent to at least 2000 metres of 35 mm film (or the equivalent in other formats) and is intended for normal release and exploitation at cinemas. Exceptions to the rule on running time may be permitted by the Board in the case of films for children and young people and documentary films.

"Film" as defined in this agreement also refers to videograms in all cases where such usage is justified and appropriate in practice. In this agreement a "videogram" means an information storage medium containing moving pictures, with or without sound, that is intended for use in conjunction with a device for electronic reproduction.

§ 6

A "producer" is defined in this agreement as the natural person, company or other legal person that carries out the production of a film by developing a project idea and by financing, shooting and completing the film and that thereby acquires and is responsible for the rights appertaining to that cinematic work.

An independent producer refers to any legal person according to the first paragraph that is not a majority-owned subsidiary of a company that conducts distribution, screening or broadcasting operations or that is not part of such a group of companies.

§ 7

A film is deemed to be Swedish if its producer is Swedish and if the participation of Swedish actors and other Swedish artists is of substantial importance.

A “Swedish producer” is defined as a natural person residing in Sweden, or a company, a branch of a foreign company or another legal person registered in Sweden.

A film that does not have a Swedish producer may still be regarded as Swedish provided that at least 20 per cent of its production cost is financed by Swedish capital and the participation of Swedish actors and other Swedish artists is of substantial importance.

Screening fees

§ 8

The exhibitor or other arranger of a cinematic performance (referred to below as the “exhibitor”) shall pay the Institute a fee equivalent to 10 per cent of the gross box-office takings from each performance. In this context, gross box-office takings refer to gross income as defined in the general regulations governing film delivery issued by Filmägarnas Kontrollbyrå Aktiebolag (*the Film Distributors Checking Bureau Ltd*), referred to below as “the Checking Bureau”. Film rent is not payable on the portion of gross box-office takings that consists of these fees. In this context, the use of video or digital technology instead of traditional technology to exhibit a film has no bearing on the obligation to pay a fee.

§ 9

If the number of cinema visits during a total of six rolling twelve-month periods from and including 1 January 2007 up to and including 30 June 2007 is consistently less than 15 million visits the screening fee during 2008 shall be 7.5 per cent. If the number of cinema visits during at least one such twelve-month period is at least 15 million visits the screening fee during 2008 shall be 10 per cent.

If the number of cinema visits during a total of twelve rolling twelve-month periods from and including 1 July 2007 up to and including 30 June 2008 is consistently less than 15 million visits the screening fee during 2009 shall be 7.5 per cent. If the number of cinema visits during at least one such twelve-month period is at least 15 million visits the screening fee during 2009 shall be 10 per cent.

If the number of cinema visits during a total of twelve rolling twelve-month periods from and including 1 July 2008 up to and including 30 June 2009 is consistently less than 15 million visits the screening fee during 2010 shall be 7.5 per cent. If the number of cinema visits during at least one such twelve-month period is at least 15 million visits the screening fee during 2010 shall be 10 per cent.

§ 10

No fee is payable for a cinematic performance at any permanent screening location at which, according to the register maintained by the Checking Bureau, there are no more than five performances per week (excluding children’s matinees).

A children's matinee is defined as a performance aimed at children and beginning no later than 17.00.

If cinematic performances have been arranged with a view to circumventing the regulations requiring payment of a fee, the Board may decide that this fee is payable. Before coming to a decision in such a case, the Board shall give the exhibitor and the exhibitor's organisation an opportunity to express an opinion in the matter.

The Board may grant exemption from the fee for a cinematic performance where the film owner waives the film and cinema rent and where the exhibitor donates the box-office takings to charity. Film festivals and similar events are exempt from the fee.

§ 11

The exhibitor is required to report and pay its fees directly to the Institute each month. The Institute shall adopt rules for this after consultation with the film industry.

The report shall be submitted on the form adopted by the Checking Bureau. In other respects, reports and fee payments must comply with the general regulations on film deliveries adopted by the Checking Bureau. These regulations shall provide that failure to pay the fee shall be equivalent to failure to pay film rent.

The exhibitor is obliged to allow the Institute to have an inspector examine its accounts as regards the reporting of these fees.

§ 12

A written undertaking by the exhibitors concerned to pay fees under this agreement and to otherwise comply

with the provisions of the agreement shall be obtained through the Checking Bureau as soon as possible and submitted to the Institute. The wording to be used in this undertaking is set out in Appendix 1.

Exhibitors who fail to give such an undertaking will be barred from film delivery. If a bar is not implemented, despite a request to that effect, the film distributor shall be responsible to the Institute for the fees payable for a performance at which the film that has been rented is screened.

Contributions from the TV companies

§ 13

Sveriges Television AB shall make a monthly contribution to the Institute amounting to at least SEK 34 million per calendar year. In addition, the company guarantees to use on average at least SEK 36 million per year for co-production, co-financing, and the purchase of broadcasting rights for new Swedish feature films and new Swedish short and documentary films (guaranteed amount). At least SEK 15 million of the guaranteed amount shall be used for co-production and co-financing of films that receive advance support under this agreement.

Funds that Sveriges Television AB uses for its own production of films shall not be included in the guaranteed amount.

Starting in 2007, Sveriges Television AB shall report the size of the guaranteed amount and how this amount has been used to the Institute before the end of February each year.

§ 14

TV 4 AB (publ.) shall make a monthly contribution to the Institute amounting to at least SEK 8 million per calendar year. In addition, the company guarantees to use on average at least SEK 20 million per year for co-production, co-financing, and the purchase of broadcasting rights for new Swedish feature films and new Swedish short and documentary films (guaranteed amount). At least SEK 8 million of the guaranteed amount shall be used for co-production and co-financing of films that receive advance support under this agreement.

Funds that TV 4 AB (publ.) uses for its own production of films shall not be included in the guaranteed amount.

Starting in 2007, TV 4 AB (publ.) shall report the size of the guaranteed amount and how this amount has been used to the Institute before the end of February each year.

§ 15

Modern Times Group MTG AB shall make a monthly contribution to the Institute amounting to at least SEK 4 million per calendar year. In addition, the company guarantees to use on average at least SEK 1 million per year for co-production, co-financing, and the purchase of broadcasting rights for new Swedish feature films and new Swedish short and documentary films (guaranteed amount).

§ 16

Kanal 5 AB shall make a monthly contribution to the Institute amounting to at least SEK 2 million per calendar

year. In addition, the company guarantees to use on average at least SEK 0.5 million per year for co-production, co-financing, and the purchase of broadcasting rights for new Swedish feature films and new Swedish short and documentary films (guaranteed amount).

§ 17

C More Entertainment AB shall make a monthly contribution to the Institute amounting to at least SEK 2 million per calendar year. In addition, the company guarantees to use on average at least SEK 0.5 million per year for co-production, co-financing, and the purchase of broadcasting rights for new Swedish feature films and new Swedish short and documentary films (guaranteed amount).

§ 18

The contributions and guaranteed amounts from the TV companies shall be adjusted upwards by two per cent on 1 January each year, starting on 1 January 2007.

In §§ 13–17 new Swedish feature films and new Swedish short and documentary films mean films that are released in the distribution window concerned.

Contributions from the Swedish Film Producers Association

§ 19

The Swedish Film Producers Association shall make an annual contribution to the Institute equivalent to the

revenues accruing to the Association but not exceeding SEK 2 million. Neither membership and service fees from the Association's members nor direct contributions or support to the Association shall be counted as revenue in calculating the contribution to the Institute.

State contributions

§ 20

Subject to the Riksdag (Swedish Parliament) taking the necessary decisions, the state shall make an annual contribution to the Institute for measures within the framework of this agreement amounting to SEK 175 million in 2006, SEK 180 million in 2007 and SEK 185 million from and including 2008.

Contributions from entities not party to the agreement

§ 21

The state, the film industry and the TV companies agree to continue to work actively for augmented funding of the agreement through additional parties. The parties that should be affiliated to the agreement in the first place are actors that exhibit film or exploit film in some other way.

§ 22

If an entity that is not a party to this agreement wishes to make a contribution to the purposes stated in the agreement, a separate agreement shall be made between the contributor and the parties to this agreement. The

state may enter into such an agreement with another contributor on behalf of the other parties.

The agreement shall mainly follow the wording set out in Appendix 2.

Use of the Institute's funds

§ 23

The funds supplied to the Institute under this agreement shall be used for the following purposes:

1. Fees for international cooperation
2. Production support for Swedish film
3. Support for the distribution and screening of film throughout the country
4. Support for international launches of Swedish film
5. Support for measures to combat the unauthorised use of films in all screening formats

Fees for international cooperation

§ 24

Part of the funds accruing to the Institute each financial year shall be used for fees for cooperation in Eurimages and the Nordic Film and TV Fund and also for Swedish coordination measures in connection with the MEDIA Programme. The size of these fees and measures are determined within the framework of international cooperation.

Production support for Swedish film

§ 25

Production support for Swedish films shall consist of the following forms of support:

1. Audience-related support
2. Advance support for feature films, films for children and young people, short and documentary films, and development support
3. Support for regional production centres

§ 26

Of the funds accruing to the Institute during a financial year, SEK 75 million shall be used to finance audience-related support. The Board may reserve a maximum of 10 per cent of available funds for audience-related support for the same purpose during the following financial year. Within the stated limits for the support the Board may also make funding commitments for subsequent financial years.

§ 27

Audience-related support shall be given to Swedish feature films for exhibition to the general public at cinemas. The support shall be based on the film's gross box-office takings over a twelve-month period beginning on the date of the release of the film.

Audience-related support for a film financed with advance support may correspond to no more than 50 per cent of gross box-office takings. For a film no part of which has been financed with advance support, audience-related support may amount to

no more than 75 per cent of gross box-office takings. Development support according to § 30 is not counted as advance support in this context.

Audience-related support for children's films may correspond to 100 per cent of the film's gross box-office takings.

When necessary the Board may adjust the percentage rates applicable to, and set a maximum amount for, the various film categories in the light of available funds. In doing so, the Board shall seek the greatest possible clarity and degree of advance planning in order to facilitate the planning of new film projects. The producer is required to notify the Institute no earlier than six months before shooting begins.

Support shall be paid until the producer has been reimbursed for a percentage, determined by the Board, of its own investment. Only income-qualifying finance from a private source or finance by a TV company participating in this agreement is counted as an own investment.

In determining the point in time at which the producer shall be deemed to have been fully reimbursed for its own investment, account shall be taken of the fact that 25 per cent of the film's gross box-office takings may be estimated to accrue to the producer over and above the support.

Audience-related support shall be repayable according to the guidelines set out in Appendix 3.

§ 28

After settlement for fees for international cooperation according to § 24 and for audience-related support according to § 26, a part of the funds accruing to the Institute in a financial

year shall be used for other production support for Swedish film in the following way.

At least 46 per cent shall be used for advance support for feature film, at least 10 per cent for advance support for film for children and young people, at least 9 per cent for advance support for short and documentary film, at least 7 per cent for development support and at least 2 per cent for support for regional production centres.

Within these funds the Board may reserve no more than 10 per cent of the finance allocated to each form of support for use for the same purpose during the following financial year.

§ 29

Advance support shall only be payable to producers who can present an ambitious plan for the film's distribution in a range of screening formats.

If a producer states in the plan that a film will also be shown on TV, in video-grams or in some other screening format, the assessment shall take account of whether screening is anticipated through one of the TV companies participating in the agreement or whether screening and distribution will take place through an entity that provides a contribution under § 22.

Advance support for short and documentary film shall be available irrespective of whether the film is intended for a cinema or TV release.

Advance support shall be repayable according to the guidelines set out in Appendix 3.

§ 30

Development support shall consist of project-based support for scriptwriters,

producers and directors, 'greenhouse grants' to young film-makers, support for further professional training for established film-makers and business support for independent producers.

In distributing this support particular attention shall be given to the need for increased gender equality in the area of film.

Business support paid to an independent producer may not exceed SEK 1 million per year.

§ 31

Support for a regional production centre is conditional on a contribution by the county council, municipality or some other public body equal to or greater than the subsidy provided within the framework of this agreement.

The regional production centres that receive support shall report each year to the Institute the distribution between men and women and other information under § 4 third paragraph concerning the funds that the regional production centre uses to finance film projects.

§ 32

The Board shall be responsible for meeting the need for valuable Swedish film production by providing support subsidies for both feature film and short film. The Board shall also take account of the need for documentary film, film aimed at children and young people and animated film.

In addition, the Board shall ensure that support – primarily in the form of support for short films – gives young and new film-makers the opportunity to develop their skills. To

this end, exceptions may be made to the requirement to produce a plan for distribution and screening under § 29 first paragraph.

Support for the distribution and screening of film throughout the country

§ 33

Support for the distribution and screening of film throughout the country shall consist of the following forms of support:

1. Film launch support and support for parallel distribution
2. Cinema support

§ 34

After settlement for fees for international cooperation according to § 24 and for audience-related support according to § 26, a part of the funds accruing to the Institute in a financial year shall be used for support for the distribution and screening of film in the following way: at least 2 per cent shall be used for film launch support, at least 3 per cent for support for parallel distribution and at least 7 per cent for cinema support.

Within these funds the Board may reserve no more than 10 per cent of the funds allocated to each form of support for use for the same purpose during the following financial year.

Where applicable, support for the distribution and screening of cinema film shall be technology-neutral in terms of whether analogue or digital technology is used.

§ 35

Following a needs assessment, film launch support shall be provided to distributors of Swedish feature films in an amount equal to the distributor's own financial investment, but no more than SEK 500 000. The amount of the support shall be determined by the Board prior to the film's release.

If, in view of availability of funds or other circumstances, there are special grounds for doing so, the Board may set the amount of the support in some other way than that stipulated in the first paragraph. In doing so the Board may take account of the need for launches that result in film releases being spread over the year.

Support for parallel distribution in smaller communities shall also cover films with small launch resources.

§ 36

Cinema support shall consist of support to exhibitors for the exhibition of Swedish films to the general public, support to exhibitors for audience-related measures, support for the upgrading of cinemas and support to arrangers of cinematic performances that are not liable to value-added tax. Where applicable, the support shall be technology-neutral in terms of whether analogue or digital technology is used.

In the distribution of funds special consideration shall be given to cinemas in small and medium sized communities.

Support for international launches of Swedish film

§ 37

After settlement for fees for international cooperation according to § 24 and for audience-related support according to § 26, at least 2 per cent of the funds accruing to the Institute in a financial year shall be used for support to producers and distributors for international launches of new Swedish film.

Support for measures to combat the unauthorised use of films in all screening formats

§ 38

After settlement for fees for international cooperation according to § 24 and for audience-related support according to § 26, at least 2 per cent of the funds accruing to the Institute in a financial year shall be used for support for measures to combat the unauthorised use of films in all screening formats. This form of support shall be distributed by the film industry and the TV companies after consultation with the Institute.

Costs for administration and management

§ 39

After settlement for fees for international cooperation according to

§ 24 and for audience-related support according to § 26, no more than 8 percent of the funds accruing to the Institute in a financial year shall be used for administration of support under the film agreement, for management and administration of the consultants' activities and for half of the Institute's costs for its Board, management and staff functions. No more than SEK 20 million may be used for these purposes.

Reserve funds

§ 40

The Institute may use the remaining funds that accrue to the Institute during a financial year for the support purposes set out in the agreement.

The same shall apply to the funds that the Board can release for support purposes through the efficient and effective use of funds for administration and management costs.

Consultants

§ 41

The Board shall engage consultants, including at least two feature film consultants, for the assessment of which film projects should receive advance support and how development support should be distributed.

Applicants shall be able to submit the same project for assessment by several consultants.

Guidelines for the work of the consultants have been drafted by the Institute after consultation with the film industry and the TV companies.

§ 42

The consultants shall be appointed for a limited period. When appointing consultants, the Board shall seek to ensure even representation of women and men.

§ 43

Each financial year, the Board shall give the consultants a financial framework for their recommendations to the Board for support.

Compliance with the agreement

§ 44

The film industry and the TV companies undertake to work for compliance with this agreement. Organisations bound by the agreement are obliged to try to prevail on their members to comply with provisions of the agreement.

§ 45

Films that receive production support and/or launch support shall be made available on the usual commercial terms to all members of the industry organisations that are parties to this agreement.

Other provisions

§ 46

A condition for the validity of this agreement is *that* the Commission of the European Communities gives its approval to the forms of subsidy specified in the agreement and *that*

the Riksdag gives its approval to a new film agreement being limited to production support for Swedish film and certain forms of support for the distribution and screening of film throughout the country and that the state assumes responsibility for financing the other tasks of the Institute, mainly in the area of film culture.

§ 47

The state may terminate this agreement with immediate effect, if another party has breached the agreement to a significant extent.

§ 48

If the Riksdag does not take the decisions assumed in § 20 for the state contribution, the other parties are no longer bound by the agreement.

§ 49

An organisation in the film industry may terminate the agreement with immediate effect if an entertainment tax on cinematic performances is reintroduced, or another tax with essentially the same character and effect is introduced or the value-added tax on the screening of film is increased. The same applies if the right to make a deduction for the screening fee when calculating net operating income for income tax purposes is restricted or abolished.

§ 50

Sveriges Television AB may terminate this agreement with immediate effect, if the Riksdag takes decisions that entail significant changes in the financial framework within which the company

operates or that entail a significant change in the direction of the company's operations.

The same applies if the right to make a deduction for contributions to the Institute when calculating net operating income for income tax purposes is restricted or abolished.

§ 51

TV 4 AB (publ.) may terminate this agreement with immediate effect if Sveriges Television AB or another broadcaster licensed to broadcast TV programmes on a nation-wide basis using analogue broadcasting technology is given a licence to broadcast paid advertising.

The same shall apply if TV 4 AB (publ.) loses its licence to broadcast terrestrial television using digital technology for the channel TV 4 or, as long as it is still possible to broadcast television transmissions using analogue broadcasting technology, the right to broadcast television programmes in Sweden using analogue broadcasting technology.

The same applies if the right to make deductions for contributions to the Institute when calculating net operating income for income tax purposes is restricted or abolished.

TV 4 AB (publ.) has the right to demand discussions with the other parties on the terms of the agreement when TV 4 AB (publ.) is no longer able to broadcast any television transmissions using analogue technology.

§ 52

Modern Times Group MTG AB may terminate this agreement with immediate effect, if Sveriges Television

AB, or another broadcaster whose operations are financed through a TV licence fee under the TV Licence Fees Act (1989:41) and that is licensed to broadcast TV programmes on a nationwide basis using digital technology, receives a licence to broadcast paid advertising.

The same applies if Viasat Broadcasting UK Limited loses its right to broadcast terrestrial television using digital technology or if a significant change is made in the scope of that broadcasting right.

The same applies if the right to make deductions for contributions to the Institute when calculating net operating income for income tax purposes is restricted or abolished.

§ 53

Kanal 5 AB may terminate this agreement with immediate effect, if Sveriges Television AB, or another broadcaster whose operations are financed through a TV licence fee under the TV Licence Fees Act (1989:41) and that is licensed to broadcast TV programmes on a nationwide basis using digital technology, receives a licence to broadcast paid advertising.

The same applies if the company loses its right to broadcast terrestrial television using digital technology or if a significant change is made in the scope of that broadcasting right.

The same applies if the right to make deductions for contributions to the Institute when calculating net operating income for income tax purposes is restricted or abolished.

§ 54

C More Entertainment AB may terminate this agreement with immediate effect, if Sveriges Television AB, or another broadcaster whose operations are financed through a TV licence fee under the TV Licence Fees Act (1989:41) and that is licensed to broadcast TV programmes on a nationwide basis using digital technology, receives a licence to broadcast paid advertising.

The same applies if the company loses its right to broadcast terrestrial television using digital technology or if a significant change is made in the scope of that broadcasting right.

The same applies if the right to make deductions for contributions to the Institute when calculating net operating income for income tax purposes is restricted or abolished.

§ 55

If a party that has the right to terminate the agreement under any of the provisions in §§ 47–54 makes use of that right, every other party may demand discussions with the other parties on the terms of the agreement.

The termination document shall be sent to all parties to the agreement.

§ 56

The Swedish Film Producers Association may demand discussions on the terms of the agreement in January 2008 at the earliest, if the efforts to reach supplementary financing do not lead to new funds being made available to the agreement.

§ 57

This agreement comes into effect on 1 January 2006 and shall remain in force until 31 December 2010.

Notice of termination of the agreement shall be given no later than one year before the end of the period of the agreement. In the absence of notice, the agreement will be renewed for three years at a time.

When the agreement has been in force for two years, each party may demand discussions with the other parties on the terms of this agreement.

§ 58

If this agreement expires at the end of the period of the agreement without being replaced by a new agreement, the fees reported for the 2009 and 2010 shall be used in accordance with the provisions of the agreement unless otherwise agreed by the parties.

§ 59

Disputes on the interpretation or application of this agreement or on a legal relationship based on the agreement shall be settled by statutory arbitration. The arbitration shall be held in Stockholm. The Stockholm City Court shall appoint all three arbitrators at the request of a party.

This agreement has been drawn up in twelve identical copies, of which each party has taken one copy.

Stockholm, 15 September 2005

For the state
Leif Pagrotsky

For Sveriges Biografägareförbund
(the Swedish Exhibitors Association)
Jan Bernhardsson

For Sveriges Television AB
Christina Jutterström

For TV 4 AB (publ.)
Jan Scherman

For Riksföreningen Våra Gårdar
(the Temperance Centres Association)
Lars Gillegård

For Folkets Hus och Parker
*(the National Federation of People's
Parks and Community Centres)*
Åke Gustavsson

For Föreningen Sveriges
Filmproducenter *(the Swedish Film
Producers Association)*
Christer Nilson

For Sveriges Filmuthyrareförening
u.p.a *(the Swedish Film Distributors
Association)*
Eric Broberg

For Svenska Filmdistributörers
Förening u.p.a. *(the Association of
Swedish Film Distributors)*
Mattias Nohrborg

For Modern Times Group MTG AB
Hasse Breitholtz

For Kanal 5 AB
Manfred Aronsson

For C More Entertainment AB
Per Tengblad

The Film Distributors Checking
Bureau Ltd has no objection to this
agreement.
Björn Gregfelt

Appendix

Appendix 1

Undertaking: screening fees

The undersigned arranger of a cinematic performance/exhibitor, having read the current film agreement and the special rules set out in §§ 8–12 of that agreement, hereby gives an undertaking to the Swedish Film Institute Foundation to pay fees under the agreement during the period that the agreement remains in force and to allow an inspector appointed by the Institute to examine its accounts as regards the reporting of these fees. The undersigned also undertakes to comply with the provisions of the agreement in other respects and to accept that failure to pay a fee will be equated with failure to pay film rent.

Appendix 2

Agreement with contributors not party to this agreement

The following agreement has been reached between the Swedish State, as a representative of the parties to the 2006 Film Agreement, and NN.

The agreement is subject to approval by the Government.

§ 1

NN shall pay an annual contribution of SEK ... million to the Swedish Film Institute Foundation. These funds shall be used for the purposes specified in the film agreement. (In addition, NN intends to use an average of SEK ... million annually to co-production and co-financing for films that receive support under the said agreement.)

§ 2

This agreement enters into force on ... and will remain in force until

Notice of termination of the agreement shall be given no later than one year before the end of the period of the agreement. In the absence of notice, the agreement will be renewed for three years at a time, provided that the 2006 Film Agreement is renewed or that a new, equivalent film agreement is reached.

§ 3

Disputes on the interpretation or application of this agreement or on legal relationships based on the agreement shall be settled by statutory arbitration. The arbitration shall be held in Stockholm. The Stockholm City Court shall appoint all three arbitrators at the request of a party.

Appendix 3

Guidelines for the repayment of audience-related support and advance support

Repayment of production support in the form of audience-related post-production support and advance support shall commence when a film receives net income, i.e. when income exceeds the amount that corresponds to the investments, by the producer and others, that qualify for income shares, including an add-on of 35 per cent of approved financing. Repayment shall take place as a proportion that corresponds to the total proportion of the production cost that the support accounts for.

The base for repayment is all income from all countries and all screening formats. The producer shall report all income to the Institute each year. The repayment obligation expires when the support has been repaid, but no later than five years after the film's release.

Other regulations for repayment are adopted by the Institute.

Memoranda

Note to § 1

The film industry and the TV companies may nominate people for two of the positions as Board members.

Note to § 8

The parties note that the Swedish Exhibitors Association and the Swedish Film Distributors Association have reached an agreement on the purchase and booking of cinema tickets from and including 1 January 2006 and during the period of the film agreement.

Under the agreement, there is a booking fee of SEK 10 per booking made for Internet and telephone bookings followed by purchases at cash desks that members of the Swedish Film Distributors Association undertake to not include in the base for the calculation of film rent. There is no booking fee for Internet and telephone purchases. Exhibitors can give customers the right to free Internet and telephone booking through offers that are free of charge.

Note to § 22

The parties assume that the funds that the Institute receives from contributors not party to this agreement will be used for the purposes stated in the agreement.

Note to § 36

The parties assume that the application of support to exhibitors for exhibition of Swedish films to the general public will not hinder, distort or hamper competition in a manner inconsistent with business legislation.

Note to § 41

The parties assume that the Institute will draw up guidelines for the work of the consultants, no later than 1 January 2006, on the basis of the agreement and after consultation with the film industry and the TV companies.

Note to § 57

The parties intend to continue work in the film agreement's working group during the period of the agreement. This work shall include the consideration of important issues for the industry such as copyright law issues, like work against piracy and the use of pirate cards, as well as issues of technology development, the development and increased use of new windows for film and the need for knowledge about the audience for films.

On at least two occasions per year the working group shall hold meetings together with the chair of the Board in order to be able to raise, in this context, questions concerning how the Board is complying with the intentions and purpose of the agreement.

Separate memorandum
by TV 4 AB (publ.),
Modern Times Group
MTG AB, Kanal 5 AB
and C More Entertain-
ment AB

In conjunction with this agreement, the following is noted concerning advertising breaks during films shown on TV. The parties to this agreement include commercial TV companies whose financing consists of advertising revenue. These companies contribute to the film agreement and the production of Swedish film. A condition for these companies' investments and screening of film in their channels is that the films are financed with the said advertising revenue.