



THE 2013 FILM AGREEMENT

The 2013 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 Filmuthyrareförening u.p.a. (the Swedish Film Distributors Association), Film- och TV-producenterna i Sverige ek. för. (the Swedish Film and TV Producers Association) and Nätverket för Regionala Filmproduktionscenter (the Regional Film Funds Network), referred to below as 'the film industry', and
3. Sveriges Television AB, TV 4 AB, Modern Times Group MTG AB, SBS TV AB and C More Entertainment AB, referred to below as 'the TV companies', have entered into the following agreement.

The State has entered into this agreement subject to the Government's approval.

The contents of the agreement

Section 1

This agreement concerns the financing of support for Swedish film for the purposes stated in the agreement. The funding will be distributed by the Swedish Film Institute Foundation (referred to below as 'the Foundation'). Under its Memorandum of Association, the Foundation's affairs are managed by a Board whose members are appointed by the Government.

Objectives of the agreement

Section 2

The parties' vision for Swedish film is for Sweden to be a leading European film nation.

The overall objective of a new film agreement is to promote Swedish film production of high quality and high attractiveness, in both a national and an international perspective, and a strong and dynamic film industry. The production shall be distinguished by both continuity and renewal.

Section 3

The parties agree that the unlawful making available and copying of copyright protected cinematographic works is a major problem for the film industry. The unlawful use of film seriously undermines the financing of new Swedish film and is an obstacle in particular to the establishment and development of legal offers of film online. One objective of this agreement is therefore to promote efforts against the unlawful use of film in all screening formats.

Section 4

In addition, the parties agree on the following objectives for the agreement:

- Swedish film shall have the highest market share in the Nordic countries for nationally produced film in all screening windows;
- the number of cinema visits in Sweden shall increase, so as to increase the income accruing to this agreement, among other purposes;

- the screening of film throughout the country shall be promoted;
- funding shall be distributed so as to create the best possible conditions for a modern, vigorous and independent film production and film industry, so that cyclical circumstances can be managed and necessary financing obtained;
- funding shall be divided evenly between women and men;
- funding shall be given based on the perspective of diversity;
- Sweden shall be a European leader in development, production and distribution using new media;
- Sweden shall be a European leader in film for children and young people and in documentary film;
- Swedish film shall be represented in the competition sections of the international film festivals in Berlin and Cannes; and
- Swedish film shall be represented in the ten most important international film festivals in the world.

Section 5

Funding for Swedish film shall be designed so as to contribute to the fulfilment of the objectives of this agreement and so as to achieve sound use of the funds.

The Foundation shall make an annual report on what it has done to fulfil the objectives, the extent to which the objectives have been fulfilled and the measures that will be taken to improve the achievement of the objectives.

Section 6

The parties agree to work to increase gender equality in the area of film. The objective is that at the end of the period covered by the agreement, advance production

funding, counted in the number of projects receiving funding, will have been divided equally between women and men in the categories of scriptwriter, producer and director. This target applies separately to each of the film categories feature film, film for children and young people, and short and documentary film.

Each year the Foundation shall report the gender distribution for scriptwriters, producers and directors in the film projects that receive funding and the average levels of funding for film only or mainly by women and men respectively.

Meaning of certain terms in the agreement

Section 7

For the purposes of this agreement, the term 'feature film' refers to a film that has a running time of at least 70 minutes and in technical respects is of such quality that it can be screened at a cinema.

The Foundation may grant exceptions to the rule on running time in the case of films for children and young people and documentary films.

Section 8

For the purposes of this agreement, the term 'producer' refers to the natural person, company or other legal person that carries out and has the principal financial and artistic responsibility for the production of a film by developing the project, and by financing, shooting, completing and commercialising the film, and that thereby acquires and is responsible for the rights pertaining to that cinematographic work.

The term 'established producer' refers to a

natural person defined in the first paragraph who has produced at least two feature films or two drama series or one feature film and one drama series. The productions must have been carried out without technical or financial fault being found.

In addition, an established producer must be professionally active in the film and television industry and be associated with a production company that has film and television production as its principal activity. The company must:

1. have well-developed production activities for regular film and television production, or
2. be able to present a well-considered and long-term plan both for production activities and for the general development of the company.

Section 9

For the purposes of this agreement, a film is considered to be Swedish if its producer is Swedish and if the participation of Swedish artists is of substantial importance.

The term 'Swedish producer' refers to 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 will still be considered Swedish if the film satisfies the requirements laid down in the European Convention on Cinematographic Co-Production.

Screening fees

Section 10

The provisions in Sections 11–14 apply to exhibitors that have signed a commitment

to pay fees under this agreement in accordance with Annex 1.

Section 11

The exhibitor or other arranger of a cinematic performance (referred to below as the 'exhibitor') shall pay the Foundation 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 distribution 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 makes up the fee. In this context, the obligation to pay the fee applies irrespective of the technology used for screening the film.

Section 12

If the number of cinema visits during a total of six rolling twelve-month periods from 1 December 2012 until 31 May 2013 is consistently less than 15 million visits, the screening fee during 2014 shall be set as shown in the table below. If the number of cinema visits during at least one such twelve-month period is at least 15 million visits, the screening fee during 2014 shall be 10 per cent. The corresponding figures for other intervals in numbers of cinema visits are shown in the table below.

If the number of cinema visits during a total of twelve rolling twelve-month periods from 1 June 2013 until 31 May 2014 is consistently less than 15 million visits, the screening fee during 2015 shall be set as shown in the table below. If the number of cinema visits during at least one such twelve-month period is at least 15 million

visits, the screening fee during 2015 shall be 10 per cent. The corresponding figures for other intervals in numbers of cinema visits are shown in the table below.

Number of visitors (millions)	Screening fee (per cent)
at least 15	10
14.9–14.8	7.5
14.7–14.6	7
14.5–14.4	6.5
fewer than 14.4	6

Section 13

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 Foundation may decide that a fee is payable. Before coming to a decision in such a case, the Foundation shall give the exhibitor and the exhibitor's organisation an opportunity to express an opinion in the matter.

The Foundation 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 may be exempted from the fee.

Section 14

The exhibitor is required to report and pay

its fees directly to the Foundation each month. The Foundation shall adopt rules for this after consultation with the film industry.

Reports shall be made in accordance with the routines established by the Checking Bureau. In other respects, reports and fee payments shall comply with the general regulations governing film distribution 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 Foundation to have an inspector examine its accounts concerning the reporting of fees.

Section 15

A commitment from exhibitors concerned in accordance with Annex 1 shall be obtained without delay by the Checking Bureau and delivered to the Foundation.

If an exhibitor fails to provide such a commitment, the film distributor shall be responsible to the Foundation for the fees payable for a performance at which the film that has been rented is screened.

Contributions from the TV companies

Section 16

Sveriges Television AB shall make monthly contributions to the Foundation amounting to at least SEK 42.1 million per calendar year. In addition to this, the company guarantees to use on average at least SEK 41.3 million per year for co-production, co-financing and licence fees for new Swedish feature films and new Swedish short and documentary films (guaranteed

amount'). At least SEK 17.2 million of the guaranteed amount shall be used for co-production and co-financing of films that receive advance production funding under this agreement.

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

Before the end of February each year, starting in 2014, Sveriges Television AB shall report the size of the guaranteed amount, and how this amount has been used, to the Foundation.

Section 17

TV 4 AB shall make monthly contributions to the Foundation amounting to at least SEK 11.2 million per calendar year. In addition to this, TV 4 AB guarantees to use on average at least SEK 23 million per year for co-production, co-financing and licence fees for new Swedish feature films and new Swedish short and documentary films ('guaranteed amount'). At least SEK 9.2 million of the guaranteed amount shall be used for co-production and co-financing of films that receive advance production funding under this agreement.

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

Before the end of February each year, starting in 2014, TV 4 AB shall report the size of the guaranteed amount, and how this amount has been used, to the Foundation.

Section 17a

C More Entertainment AB shall make monthly contributions to the Foundation

amounting to at least SEK 2.3 million per calendar year. In addition to this amount, the company guarantees to use on average at least SEK 0.6 million per year for co-production, co-financing and licence fees for new Swedish feature films and new Swedish short and documentary films ('guaranteed amount').

Section 18

Modern Times Group MTG AB shall make monthly contributions to the Foundation amounting to at least SEK 4.6 million per calendar year. In addition to this, the company guarantees to use on average at least SEK 1.1 million per year for co-production, co-financing and licence fees for new Swedish feature films and new Swedish short and documentary films ('guaranteed amount').

Section 19

SBS TV AB shall make monthly contributions to the Foundation amounting to at least SEK 2.3 million per calendar year. In addition to this, the company guarantees to use on average at least SEK 0.6 million per year for co-production, co-financing and licence fees for new Swedish feature films and new Swedish short and documentary films ('guaranteed amount').

Section 20

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 2014.

In Sections 16–19, 'new Swedish feature films' and 'new Swedish short and documentary films' mean films shown for the first time in the distribution window concerned.

Contribution from the Swedish Film and TV Producers Association

Section 21

The Swedish Film and TV Producers Association shall make an annual contribution to the Foundation corresponding to the income from compensation for private copying received by the members of the association's film section, but no more than SEK 2 million.

Regional Film Funds Network

Section 22

The Regional Film Funds Network shall make an annual contribution to the Foundation of at least SEK 7,5 million.

The contribution shall be adjusted upwards by two per cent on 1 January each year, starting on 1 January 2014.

State contribution

Section 23

Provided that the Riksdag takes the required decisions, the State shall make an annual contribution to the Foundation of SEK 200 million for measures covered by this agreement.

Contributions from other parties to the agreement

Section 24

The parties 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 parties that exhibit film or exploit film in some other way.

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. Having obtained the approval of the other parties, the State may enter into such an agreement with another contributor on behalf of the other parties.

The agreement shall in substance follow the wording set out in Annex 2.

Use of the Foundation's funds

Section 25

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

1. fees for international cooperation;
2. funding for measures against the unauthorised use of films in all screening formats;
3. production funding for Swedish film;
4. funding for distribution and screening of film throughout the country; and
5. funding for international promotion of new Swedish film.

Fees for international cooperation

Section 26

Part of the funds accruing to the Foundation 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 or its successor. The size of these fees and measures will be determined within the framework of international agreements.

Funding for measures against the unauthorised use of films in all screening formats

Section 27

SEK 9 million of the funds accruing to the Foundation in the course of a financial

year shall be used for funding for measures against the unauthorised use of films in all screening formats, including spreading information about the existence of legal alternatives.

If the need for such funding ceases, the Government, having obtained the approval of the parties, may decide that the funds shall be redistributed to production funding.

See also Section 42, point 1 regarding funding for measures against the unauthorised use of films.

Production funding for Swedish film

Section 28

Production funding for Swedish film shall consist of the following forms of funding:

1. box office-related funding and funding for producers;
2. advance production funding for feature films;
3. advance production funding for films for children and young people and short and documentary films, and funding for converged media and development;
4. funding for drama series; and
5. funding for regional film funds.

Section 29

SEK 95 million of the funds accruing to the Foundation in the course of a financial year shall be used for box office-related funding and funding for producers. No more than SEK 15 million of this sum shall be used for funding for producers. During a financial year, the Foundation may reserve a maximum of 10 per cent of available funds for box office-related funding and funding for producers to be used for

the same purpose during the following financial year. Any surplus may, after consultation with the parties to the Film Agreement, be used during the following financial year for advance production funding for quality film aimed at a broad audience. Within the stated limits for funding, the Foundation may also make funding commitments for subsequent financial years. See also Section 42, points 3–4 and 6 on box office-related funding, funding for producers and repayment of box office-related funding.

Section 30

After settlement of fees for international cooperation under Section 26, funding for measures against the unauthorised use of films in all screening formats under Section 27 and box office-related funding and funding for producers under Section 29, a part of the funds accruing to the Foundation in the course of a financial year shall be used for other production funding for Swedish film as specified in the following.

At least 38 per cent shall be used for advance production funding for feature films, at least 29 per cent for advance production funding for films for children and young people and short and documentary films and funding for converged media and development, at least 6.5 per cent for funding for drama series and at least 2 per cent for funding for regional film funds.

The Foundation may reserve no more than 10 per cent of the funds allocated to each form of funding to be used for the same purpose during the following financial year.

See also Section 42, points 5–10 on advance production funding, development

funding, funding for converged media, funding for drama series, funding for regional film funds and repayment of advance production funding.

Funding for international co-productions

Section 31

At least 10 per cent of the funds reserved for advance production funding should be used for international co-productions in which the delegate producer is not Swedish.

Funding for distribution and screening of film throughout the country

Section 32

Funding for the screening of film throughout the country shall consist of the following forms of funding:

1. film promotion funding;
2. funding for parallel distribution; and
3. cinema funding.

Section 33

After settlement of fees for international cooperation under Section 26, funding for measures against the unauthorised use of films under Section 27 and box office-related funding and funding for producers under Section 29, a part of the funds accruing to the Foundation in the course of a financial year shall be used for funding the screening of film throughout the country as specified in the following. At least 2 per cent shall be used for film promotion funding, at least 3 per cent for funding for parallel distribution and at least 7 per cent for cinema funding.

The Foundation may reserve no more than 10 per cent of the funds allocated to each form of funding to be used for the

same purpose during the following financial year.

After consulting the parties, the Government may decide that the funds reserved for funding for parallel distribution may be given to a distributor for another purpose, with the aim of contributing to the distribution of film throughout the country.

See also Section 42, points 11–14, on film promotion funding, funding for parallel distribution and cinema funding.

Funding for international promotion of new Swedish film

Section 34

After settlement of fees for international cooperation under Section 26, funding for measures against the unauthorised use of films in all screening formats under Section 27 and box office-related funding and funding for producers under Section 29, at least 2 per cent of the funds accruing to the Foundation in the course of a financial year shall be used for funding for producers and distributors to be used for international promotion of new Swedish film.

Costs for administration and management

Section 35

After settlement of fees for international cooperation under Section 26, funding for measures against the unauthorised use of films in all screening formats under Section 27 and box office-related funding and funding for producers under Section 29, at most 9 per cent of the funds accruing to the Foundation in the course of a financial year shall be used for the administration of funding under the Film Agreement, for management and administration of the film commissioners' activities and for half

of the Foundation's costs for the board, management and central functions. No more than SEK 26 million may be used for these purposes.

Interest on funds under the agreement accruing to the Foundation shall be used for funding under Sections 28 and 32.

Section 36

In November each year, beginning in 2012, the Foundation shall give the parties to the agreement the opportunity to submit comments on the Foundation's business plan for the following financial year (as far as it refers to the use of funds from this agreement).

Reserve funds

Section 37

The Foundation may use the remaining funds accruing to the Foundation in the course of a financial year for the purposes set out in the agreement.

The same shall apply to the funds that the Foundation can make available for funding purposes through efficient and effective use of the funds allocated to administration and management costs.

Film commissioners

Section 38

For the purpose of assessing which film projects are to receive funding under Section 28, points 2–4, the Foundation shall engage film commissioners, at least two of whom shall be feature film commissioners.

The film commissioners shall be appointed for a limited period. When appointing film commissioners, the Foundation shall seek to ensure an even representation of women and men.

The Foundation shall establish objectives for the work of the film commissioners and report to the parties annually on how these objectives have been fulfilled. The Foundation shall also formulate guidelines for the work of the film commissioners based on regulations on film funding issued by the Government. Objectives and guidelines shall be formulated after consultation with the parties.

See also Section 42, point 15, regarding the film commissioners.

Section 39

Each financial year, the Foundation shall give the film commissioners a financial framework for their recommendations to the Foundation on funding.

Compliance with the agreement

Section 40

The parties undertake to work for compliance with this agreement.

Section 41

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

Regulations on film funding

Section 42

The validity of the agreement is conditional on the Government issuing regulations on film funding with the following principal contents.

1. Funding for measures against the unauthorised use of films in all screening formats shall be distributed by the film industry and TV companies via the Film and TV Industry Cooperation Commit-

tee, following consultation with the Foundation. The film industry and the TV companies shall report in writing to the Foundation no later than 31 December each year on how the funding will be used in the coming year. In addition, the film industry and the TV companies shall report in writing to the Foundation no later than 1 March each year, beginning with 1 March 2014, on how the funding was distributed and used in the previous year.

2. A necessary condition for a film to receive production funding is that the film can be exhibited with Swedish subtitles.
3. Box office-related funding shall be given to Swedish feature films for exhibition to the general public at cinemas. The funding shall be based on the film's gross box-office takings over the six-month period following the release of the film.

Box office-related funding for a film financed with advance production funding may correspond to no more than 50 per cent of gross box-office takings. For a film that has not been financed at all with advance production funding, box office-related funding may correspond to no more than 75 per cent of gross box-office takings. Development funding is not counted as advance production funding in this context.

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

When necessary the Foundation 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 Foundation 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 apply to the Foundation no earlier than six months before shooting begins.

Funding shall be paid until the producer has been reimbursed for a percentage, determined by the Foundation, of its own investment. Only private equity financing that entitles the investor to a share of the income generated by the film or financing from 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 funding.

4. On gross box-office takings between SEK 1 700 000 and SEK 3 300 000, funding for producers shall be credited to the production company that is the principal producer. In the case of films for children and young people, the Foundation may decide that funding for producers can be payable on gross box-office takings of less than SEK 1 700 000.

Funding for producers is calculated in accordance with the rules on box office-related funding given in Section 42,

point 3, paragraphs 1–4. However, such funding can correspond to no more than 65 per cent of the gross box-office takings. The Foundation may adjust the percentage rate as necessary in the light of available funds. The funding shall be deposited by the Foundation on behalf of the production company in a specially opened client account and is not subject to rules on repayment.

The production company is entitled to access to the funds for use as investment capital in one or more future film projects. The funds will be disbursed when a decision has been made on production of a new film and are payable in the amount that the production company itself is investing in the film according to a signed co-production agreement for the film in question, but no more than the amount that has been deposited on behalf of the production company for one (1) film.

If the production company has not used the funds within five years after the final deposit concerning a certain film, the funds will be returned to the Foundation for distribution as box office-related funding. The Foundation may extend this time limit if there are special grounds for doing so.

5. Funding under Section 28, points 2–4 will be given to producers, but only for projects with which an established producer is associated. The Foundation may grant exceptions to the requirement that an established producer shall be associated with the project in the case of funding for films for children and young people lasting less than 70 minutes, short and documentary films,

converged media and development.

The Foundation may approve funding for a producer that does not satisfy the requirements for qualifying as an established producer if there are special grounds for doing so.

Advance production funding over and above this may only be given to projects for which the producer can present an ambitious plan for the film's distribution in a range of screening formats. If the producer states in the plan that the film will also be shown on television, in videograms 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 or distribution will take place through another party to the agreement.

The Foundation shall ensure that young and new film-makers are given the opportunity to develop their skills, primarily through funding for short films. In this context, exceptions may be made to the requirement to produce a plan for distribution and screening.

6. Repayment of production funding in the form of box office-related post-production funding and advance production funding for feature films shall commence when a film is in receipt of net income, i.e. when the 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 be made with a share corresponding to

the total proportion of the production cost represented by the funding.

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

Other regulations for repayment are determined by the Government.

7. Funding for converged media may be given to innovative projects developed to generate unique audiovisual products suitable for distribution in a range of media and using different platforms.
8. Development funding shall consist of project-based funding for scriptwriters, producers and directors, funding for further professional training for established film-makers and slate funding for producers.

Slate funding may only be granted to production companies that fulfil the requirements in Section 8, third paragraph, and that are not majority-owned subsidiaries of companies engaged in distribution or broadcasting activities or that belong to such a group.

Slate funding paid to a producer may be in the range of SEK 800 000 to SEK 1 200 000 per year. Of this funding, 80 per cent shall be used for options and script development and 20 per cent to cover the producer's own costs for the development and financing of a film project.

9. Funding for drama series shall primarily concern development and shall only be payable to quality productions consisting of at least three episodes, each of which lasts at least 44 minutes. Funding shall only be payable to producers that can present an ambitious plan for the distribution of the drama series.
10. Funding for a regional film fund is conditional on a contribution by the county council, municipality or some other public body equal to or greater than the funding provided within the framework of this agreement. Both funding from the Film Agreement and funds from another body shall be used for production projects in films for children and young people. Funds from the Film Agreement shall be provided as funding and not invested in film productions.

The regional film funds that receive funding shall report in writing to the Foundation no later than 1 March each year, beginning with 1 March 2014, on how the funding was distributed and used in the previous year. At the same time, the regional film funds shall also report on the distribution of funding between men and women, in accordance with Section 6, second paragraph.

11. Following a needs assessment, film promotion funding shall be provided to distributors of Swedish feature films in an amount corresponding to the distributor's own financial investment, but not more than SEK 500 000. The amount of funding shall be determined by the Foundation prior to the film's release.

If, in view of availability of funds or other circumstances, there are special grounds for doing so, the Foundation may set the amount of funding in some other way than that stated in the above paragraph. In doing so, the Foundation may take account of the need for film promotion resulting in film releases being spread over the year.

12. Funding for parallel distribution shall be provided to distributors and shall cover the actual costs of making prints of films or digital prints, costs of obtaining films or prints, and subtitling. Parallel prints shall supplement and not replace the distributor's own prints.

Funding for parallel distribution in smaller communities shall also cover films with limited resources for promotion.

13. Cinema funding may include funding to exhibitors for the public screening of Swedish films, funding to exhibitors for box office-related measures, funding for the upgrading of cinemas and funding for arrangers of cinematic performances that are exempt from value added tax.

In distributing the funding, particular attention shall be given to cinemas in small and medium-sized communities and cinemas that supplement the range of films offered by other cinemas.

14. Film promotion funding, funding for parallel distribution and cinema funding shall, where appropriate, be technology neutral.

15. Applicants for production funding shall have the opportunity to present the same project for assessment by several film commissioners.

Other provisions

Section 43

The validity of the agreement is conditional on approval by the European Commission of the forms of funding and other terms and conditions specified in the agreement, and on the Riksdag approving the necessary legislative amendments and taking the requisite decisions on the state contribution to the Foundation.

If one or more forms of funding are not approved by the European Commission, the State will convene talks on necessary adjustments with the other parties to the agreement.

Section 44

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

Section 45

A party may terminate the agreement no later than 31 July in each calendar year with effect from 1 January of the following year if the number of cinema visits, calculated as specified in the model described in Section 12, is consistently under 14.2 million. If a party makes use of this right to terminate the agreement, all other parties may terminate the agreement no later than 15 August of the same year.

A party may convene talks on the terms and conditions in the agreement if the number of cinema visits, calculated

in accordance with Section 12, is consistently under 15 million.

Section 46

An organisation in the film industry may terminate the agreement with immediate effect if the right to deduct screening fees when calculating net operating income for income tax purposes is limited or abolished.

Section 47

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 deductions for contributions to the Foundation when calculating net operating income for income tax purposes is restricted or abolished.

Section 48

TV 4 AB may terminate this agreement with immediate effect if Sveriges Television AB, or another broadcaster whose operations are financed through a radio and television licence fee under the Act on Financing of Radio and Television in the Service of the Public (1989:41) and that is licensed to broadcast television programmes on a nationwide basis using digital technology, receives permission to broadcast paid advertisements.

The same applies if TV 4 AB loses its permit to broadcast terrestrial television using digital technology on behalf of the channel TV 4, 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 Foundation when calculating net operating income for income tax purposes is restricted or abolished.

Section 49

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 radio and television licence fee under the Act on Financing of Radio and Television in the Service of the Public (1989:41) and that is licensed to broadcast television programmes on a nationwide basis using digital technology, receives permission to broadcast paid advertisements.

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 Foundation when calculating net operating income for income tax purposes is restricted or abolished.

Section 50

SBS TV AB may terminate this agreement with immediate effect if Sveriges Television AB, or another broadcaster whose operations are financed through a radio and television licence fee under the Act on Financing of Radio and Television in the Service of the Public (1989:41) and that is licensed to broadcast television programmes on a nationwide basis using digital technology, receives permission to broadcast paid advertisements.

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 Foundation when calculating net operating income for income tax purposes is restricted or abolished.

Section 51

C More Entertainment AB may terminate this agreement with immediate effect if Sveriges Television AB, or another broadcaster whose operations are financed through a radio and television licence fee under the Act on Financing of Radio and Television in the Service of the Public (1989:41) and that is licensed to broadcast television programmes on a nationwide basis using digital technology, receives permission to broadcast paid advertisements.

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 Foundation when calculating net operating income for income tax purposes is restricted or abolished.

Section 52

Over and above what is stated in Sections 44–51, each of the parties to the agreement has the right to terminate the agreement with immediate effect if circumstances arise that substantially affect or change

the conditions for this agreement.

Section 53

If a party that has the right to terminate the agreement under any of the provisions in Sections 44–52 makes use of that right, every other party may convene talks with the other parties on the terms of the agreement. A termination document shall be sent to all parties to the agreement.

Section 54

This agreement comes into effect on 1 January 2013 and remains in effect until 31 December 2015.

Notice of termination of the agreement shall be given no later than 18 months before the end of the period of the agreement. In the absence of notice, the agreement will be renewed for one year at a time.

Section 55

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 years 2014 and 2015 shall be used in accordance with the provisions of the agreement, unless otherwise agreed by the parties.

Section 56

Disputes on the interpretation or application of this agreement or on legal relationships based on the agreement shall be settled by arbitration in accordance with the law. The arbitration shall be held in Stockholm. At the request of a party, Stockholm District Court shall appoint all three arbitrators.

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

Stockholm, 25 September 2012

For the State
Lena Adelsohn Liljerot

For Sveriges Biografägareförbund
(the Swedish Exhibitors Association)
Jan Bernhardsson

For Sveriges Television AB
Eva Hamilton

For TV 4 AB
Åsa Sjöberg

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)
Lennart Derehag

For Film- och TV-producenterna i
Sverige ek. för. (the Swedish Film and
TV Producers Association)
Björn Rosengren

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

For Modern Times Group MTG AB
Jan Lund

For SBS TV AB
Jon Petersson

For C More Entertainment AB
Tobias Andersson

For Nätverket för Regionala
Filmproduktionscenter
(the Regional Film Funds Network)
Susann Jonsson

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

Annex 1

Commitment: screening fees

The undersigned arranger of cinematic performances/exhibitor, having read the current Film Agreement and the special rules set out in Sections 10–15 of that agreement, hereby makes a commitment 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 Foundation 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.

Annex 2

Agreement with contributors not party to this agreement

The following agreement has been reached between the Swedish State, representing the parties to the 2013 Film Agreement, and NN.

The agreement is subject to approval by the Government.

Section 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 on co-production and co-financing for films that receive funding under the said agreement.)

Section 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 18 months before the end of the period of the agreement. In the absence of notice, the agreement will be renewed for one year at a time, provided that the 2013 Film Agreement is extended or that a new, equivalent film agreement is reached.

Section 3

The provisions of Sections 44–45 and 52–53 in the 2013 Film Agreement also apply in this agreement.

Section 4

Disputes on the interpretation or application of this agreement or on legal relationships based on the agreement shall be settled by arbitration in accordance with the law. The arbitration shall be held in Stockholm. At the request of a party, Stockholm District Court shall appoint all three arbitrators.

Annex 3

Protocol notes

On Section 1

The film industry and the TV companies may nominate candidates for four of the positions as Board members. When nominating members, the film industry and the TV companies shall seek to ensure an even representation of women and men.

On Section 7

The parties confirm that the removal of the requirement concerning normal release and exploitation at cinemas (Section 5 of the 2006 Film Agreement) is not intended to entail any significant change in the meaning of the concept 'feature film'.

On Section 24

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

On Section 28

The Foundation, in consultation with the parties, shall investigate the possibility of introducing automatic advance production funding and the forms for such funding, with the ambition of attracting additional funding for Swedish film. The results of the investigation are to be reported to the parties no later than 1 January 2013. The Foundation shall consult the parties concerning the execution of this assignment on at least two occasions.

On Section 42

The Government will issue the regulations on film funding referred to in Section 42 in an ordinance.

On Section 42, point 13

The parties presume that the application of funding for exhibitors will not prevent, distort or impede competition in a way that is incompatible with Swedish legislation.

On Section 54

The parties intend to hold meetings on at least two occasions per year with the chair of the Board and the CEO of the Foundation in order to be able to raise, in this context, questions concerning how the Foundation is complying with the intentions and objectives of the agreement.

Protocol note concerning the collection of statistics

The Foundation shall investigate the possibility of collecting and compiling data concerning the number of visitors at cinema performances that are not to be regarded as open to the public.

**Separate protocol note by
TV 4 AB, Modern Times Group
MTG AB, SBS TV AB and C More
Entertainment AB**

In conjunction with this agreement, the following is noted concerning advertising breaks during films shown on television. The parties to this agreement include commercial TV companies whose financing consists of advertising revenue. These companies contribute to this agreement and to 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.



REGERINGSKANSLIET

**Ministry of Culture
Sweden**

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