

PRODUCTION AGREEMENT ADVERTISING FILMS

..... orgnr(The “Production Company”) and
.....orgnr(the “Agency”) has reached the following
agreement regarding production and assignment of rights of an advertising film.

The Production Company is a member of Film & TV Producenterna and the Agency is a member of Komm.

1. Extent of the Agreement

This agreement is meant to govern the ordering procedure and the production of an advertising film when:

- (a) The Production Company grants limited screening/exhibition rights to the advertising film/films that are covered by this agreement;
- (b) The Production Company is responsible negotiating and clearing rights with participants and external rights holders, and;
- (c) The Production Company is responsible for archiving the final advertising film/films, all recorded material and the negatives.

2. Assignment etc.

The Production Company shall produce an advertising film in accordance with the synopsis/storyboard as specified in Appendix 1 and in accordance with the time schedule and the budget as specified in Appendix 2 and Appendix 3.

The end-client is..... (the “Client”)

3. Description of the advertising film, schedule etc.

The Production Company shall produce [number of films/spot] advertising films (hereinafter the Film/the Films).

If not otherwise agreed in writing between the parties, the Film shall be ready for on-line approval by no later than [date].

The shooting shall take place during the period of [x] days and shall take place upon the following dates and at the following locations unless otherwise agreed by the parties after the signing of this agreement:.....
.....
.....

The title of the Film/Films:

The length of the Film/Films:

Editing versions:
 Language versions:
 Recording format :
 Director:
 Producer:
 Other key persons:
 Contact at Agency:
 Contact at the Production company:.....
 Representatives at the Agency, if other than those mentioned above, who is responsible for the final approval of the Film/Films:

4. Exhibition rights, option and copyright

4.1 Provided that the Agency pays the remuneration stated in this agreement in full the Agency hereby acquires an exclusive right to exhibit and show the Film/Films; during the license period (i) in the media (ii) and in the territories (iii) stated below in Clause 4.1

(i) License period (from the first exhibition in any of the medias stated below):

- one (1) year
- two (2) years
- other period ____years
- Unlimited license period

(ii) Medias:

- TV
- Internet (including the clients Youtube channel)
- Store, events, fairs etc.
- All media

(iii) Territories:

- Sweden
- Sweden, Norway, Denmark, Finland and Iceland
- Europe
- All territories

4.2 As part this agreement the Agency acquires an option to extend the license period (in the medias stated above in Clause 4.1 for:

- one (1) year
- two (2) years
- Other period ____years

If the Agency chooses to exercise the option, and with that extend the license period, the Agency shall pay a market remuneration [Sw: *marknadsmässig ersättning*] to the Production Company (in addition to the compensation that is paid to other participants and external rights holders such as actors, speakers, record companies) at time when the option is exercised.

- 4.3 If the Agency wishes to extend the license regarding other/new medias and/or territories in which the Film can be exhibited, the remuneration to be paid for such extension of right shall be negotiated in good faith and agreed upon in a separate agreement. The Agency is aware and accepts the fact that such an extension requires prior approval from the rights holders involved. As guideline in such negotiations, the parties shall take in to account size of the new territory and industry praxis.
- 4.4 The Production Company owns the copyright to the Film/Films and all recorded materials.
- 4.5 Notwithstanding the Agency's exclusive exhibition under this agreement, the Production Company shall have the right to exhibit and display the Film/Films (including stills from the Film) for marketing purposes (for example in a reel and on the Production company's website) and for festival/competition purposes during the license period and after the license period has ended. The Agency has the same right after the license period has ended.
- 4.6 The Agency acknowledges and approves that the option right, which is granted to the Agency with this agreement, is based on the condition that external rights holders have to agree to such an extension of rights.
- 4.7 The Agency is entitled to transfer the rights granted under this agreement to the Client. Such transfer shall however not affect the Agency's responsibilities and obligation towards the Production company under this agreement remains.

5. Alternative advertising film versions

In the event that the Agency requests an alternative version of the completed advertising Film/Films, which is provisional upon the yielding of rights held by external right holders, a separate agreement shall be entered into with regard to compensation and other terms. This means that the Agency doesn't have the right to re-cut the Advertising film. The Agency (or the Client) do have the right to make minor adjustments, for example price adjustments, change the contact information, change the address information and change the logo to keep the Film/Films up to date.

6. Rights of ownership and archiving

The Production Company owns the recording material.

The Agency has the physical ownership of the master of the Films as specified in this agreement.

The Production Company is obliged to save all recorded material for three (3) months from the first display date. The master shall be saved for five (5) years.

7. Clearing of rights and responsibility for content

- 7.1 The Production company is responsible for clearing all right from participants and external rights holders to exhibit the Film/Films in the manner stated above in Clause 4.1 regarding license period, medias and territories from external rights holders (including collecting societies). The Production Company shall further use it's best efforts to clear the rights in such a way that the Agency can use it's option in accordance with Clause 4.2 above.

If the Agency has contracts with external rights holders the Agency shall be liable in an equivalent manner for clearance of such rights.

- 7.2 The Agency is responsible for ensuring that the content of the completed Film/Films complies with any and all regulations applicable to the exhibition of advertising films on all individual markets. The Agency is also responsible for ensuring that the Film isn't shown in a way which is in conflict with this agreement.
- 7.3 The Agency is solely responsible for making sure that none of the props used in the Film/Films infringes on third parties rights such as brands and trademarks. If the Production company has added props or equivalent material which may include third parties intellectual properties, and when such material is not included in the storyboard/synopsis or brief, the Production company shall inform the Agency who shall make a decision if the Production company shall include the material in the Film/Films regardless of the lack of permission from third parties or if the Production company shall seek to get such permission from third parties.

8. PPM

PPM's (Pre-Production Meetings) shall be held upon the request of either party to this agreement and shall be attended by all parties. The Agency shall keep minutes for any such meetings, a copy of which shall be delivered to the Production Company without delay.

9. Rejection and final approval

It is the duty of the Agency to give final approval of the Film/Films in connection with the on-line presentation. The Agency shall notify the Production Company of any faults such as that the final result is not consistent with the synopsis/storyboard, or agreed changes or what has been agreed during the cutting of Films.

Unless the Agency has not notified the Production Company of any objections during the;

- (a) on-line presentation, or;
- (b) notified any objections regarding the technical features of the Film, within a period of two (2) weeks from the date when the Agency has received a copy of the Film, or;
- (c) or if the Films is actually being displayed

the Film shall being deemed as approved by the Agency. If the Agency has made any objections during the above stated time then the Production Company shall rectify such faults for which the Production Company is responsible if so requested by the Agency. Such corrective measures shall be made by the Production Company without delay and free of charge.

The Production Company shall also without reasonable delay make such changes, requested by the Agency, to the Film which is not considered as incorrect in relation to what has been agreed or technically incorrect. The costs for such changes shall however be covered by the Agency. The same is valid if and when the Agency is requesting off-line changes after the off-line version is approved by the Agency.

An objection that the Film has not been delivered in time according to the production plan shall be made by the Agency within three (3) working days from the delivery. The Production Company shall upon such notice within three (3) working days in writing indicate if the Production Company considers that such delay is due to a circumstance within the Agency's control. If that is the case then the delivery shall (regardless of the delay) be understood as delivered in time. The parties shall in such case mutually make its best efforts to find a suitable

solution with the aim that the Film/Films can be displayed in time and with full remuneration to The Production Company.

If The Production Company delivers the Film after the agreed delivery date but due to a circumstance within the Agency's control, then the Agency has no right to withhold parts of the remuneration according to the payment plan (p. 11 below) with reference to late delivery.

10. Props etc.

The Agency is responsible for making sure that the use of props that is acquired for the Film does not infringe on the intellectual properties of third parties. If nothing else is agreed upon, the ownership to any props specifically developed for the Film shall be retained by the Agency. Specific agreement shall be entered into between the parties for the further use of props specifically acquired for the Film. As a starting point, the ownership to any such props shall be retained by the party who has acquired or purchased the props in question.

11. Remuneration

The Production Company shall be paid a total production fee of: SEK [xxxxxxx], excluding VAT, based upon the approved budget.

The fee shall be paid as follows: 40% of the total within five (5) days of the signing of this agreement; 40% of the totals upon start of shooting; 20% of the total upon final approval.

The remuneration is based upon the conditions given in the synopsis/storyboard according to Appendix I. In the event that changes to these conditions occur the parties shall mutually negotiate a new remuneration based on the costs or savings inflicted on the production by these changes.

A precondition for The Agency's right to use and dispose the Film (in accordance with this Agreement) is that the Agency has paid the said remuneration in full. The Production Company is not obliged to deliver the master to the Agency until full remuneration is received.

If the Agency's payment is delayed the Production Company is entitled to interest based on the outstanding amounts.

12. Cancellation and delays

The Production Company has the right to suspend the production if the Agency does not fulfill its payment obligation according to clause 11 above.

If the production of the Film/Films are cancelled or delayed the following shall apply.

If the Production Company cancels the production due to lack of payment from the Agency or if the Agency cancel the production for reasons not caused by fault or negligence from the Production Company, the Agency shall pay all costs accrued by the Production Company, whether internal or external, up to the point of cancellation including costs which has not expired to payment but for which the Production Company has binding obligation to do so (including but not limited to full remuneration for director and producer and full mark-up

according to the agreed budget). The Production Company undertakes to use reasonable efforts to limit the Agency's costs in the occasion of canceled or delayed production

If the Agency cancels the production in accordance with the above paragraph then the Agency shall pay full remuneration according to clause 11 above, with deduction for any cost savings. The remuneration shall in such case become due upon such cancellation.

The Production Company shall pay back all remuneration paid by the Agency if the Production Company suspend or cancel the production without fault or negligence by the Agency.

13. Insurance

The Production Company is obliged to purchase negative insurance, or equivalent relevant insurance at a digital recording, and to pay for the costs of such throughout the entire production period.

Any weather insurance shall be purchased by the Agency. The Agency is economically liable to the Production Company for the Production Company's own and external costs accrued up to the point when the shoot must be postponed or cancelled due to weather inappropriate for shooting. Decisions regarding postponement/cancellation according to the above shall be taken in consultation between the parties.

14. Liability

Each party's liability due to this agreement is limited to the agreed Remuneration.

15. Force majeure

The following circumstances shall be regarded as grounds for release from the terms of this contract if they occur after the agreement has been concluded and prevent its fulfillment: war, political decision/revolution, labour market conflicts, even such conflicts in which the Agency or Production Company may be involved, as well as shortages of raw materials.

It is the duty of the party to this agreement that wishes to invoke such circumstances as noted above to, without delay, inform the other party of the occurrence of such circumstances as well as of their cessation.

If the fulfillment of the agreement is delayed by more than three (3) months due to force majeure as indicated above, either party to the agreement has the right to cancel the agreement via written notice to the other party. In any such situation, each party shall be responsible for its own costs.

16. Non-Disclosure

The parties hereby agree to treat the contents of this agreement as confidential. Any information obtained about the business activities of the other party or the client shall also be treated as confidential both during the period that this agreement is in force and thereafter.

17. Amendments and supplements

This Agreement contains the entire agreement of the parties and supersedes all prior agreements between the parties relating to the subject matter hereof.

This Agreement may not be modified except in writing. Changes of ongoing matters relating to the production, such as change in time schedule, location may however be executed on the basis of an e-mail confirmation between the parties appointed contact persons.

18. Disputes

Any disputes which may arise based upon the interpretation or application of this agreement shall be settled in a public court of law. The District Court of Stockholm is the exclusively authorized court of first instance.

Appendixes: [Appendix 1](#) Storyboard/Synopsis
 [Appendix 2](#) Budget
 [Appendix 3](#) Time schedule

Two identical copies of this agreement have been drawn up, of which each party to the agreement has retained one.

[Place / Date]

[Place / Date]

[Production Company]

[Agency]
