

## Appendix 3

### **Specific provisions on the application of the ‘film money’**

The provisions of this Appendix 3 reflect the content of the Media Policy Accord 2007-2010 of 6 June 2006 as well as the Film Policy Accord 2007-2010 of 27 October 2006.

On the basis of the said agreements the following provisions are hereby set out for DR's involvement in Danish film production:

#### General

DR shall contribute to a strengthening of Danish film production. For this purpose, ‘Danish film production’ means the production of feature films and short and documentary films at the premises of independent producers. In addition, DR shall contribute to the talent development scheme.

DR's involvement in Danish film production must amount to at least DKK 77 million a year (on an average in the course of the contract term).

The annual amount of DKK 77 million must be added to the outsourcing of production from DR to independent producers which is assessed at approximately DKK 120 million in 2007, approximately DKK 130 million in 2008, approximately DKK 140 million in 2009 and approximately DKK 150 million in 2010.

An average of not less than DKK 58 million of the annual amount of DKK 77 million must be allocated to feature films, not less than DKK 11.6 million to short and documentary films and not less than DKK 7.3 million to the talent development scheme.

DR's involvement in feature films and short and documentary films may be by way of proper arm's-length investments as well as pre-buys of transmission rights. Purchases of finished films etc. cannot be included in the statement of the application of the "film money".

DR's involvement in feature films and short and documentary films will be stated as at the date of any contractual commitment.

#### More particularly about feature films

It is generally assumed that DR's financial involvement will extend to 9-11 feature films a year.

At least 25% of the annual amount of DKK 58 million must be allocated to feature films for children and young persons. Also, DR must apply an average of not less than 50% of the annual amount of DKK 58 million to the purchase of transmission rights, the investment not to exceed 50%.

Any other inclusion in the DKK 58 million shall be subject to the following conditions:

- DR's involvement in a given feature film shall not exceed approximately 50% of total production costs.
- In the case of projects resulting partly in a feature film and partly in a TV series, DR's investment/pre-buy can only be included in the DKK 58 million referred to above to the extent of the feature film part, and only if the Danish Film Institute has approved project accounts broken down by the feature film and the TV series respectively.

DR's agreements with the individual independent producers on investment and/or purchase of transmission rights to the specific film projects must be based on the standard contract made between DR, TV 2/DANMARK A/S and the Danish Producers' Association on the initiative of the Danish Film Institute<sup>1</sup>.

More particularly about short and documentary films

It is generally assumed that DR's financial involvement will extend to 15-18 short and documentary films a year.

At least 25% of the annual amount of DKK 11.6 million must be allocated to short and documentary films for children and young persons. In addition, DR must apply not less than 50% of the DKK 11.6 million a year to the purchase of transmission rights, the investment not to exceed 50%.

Any inclusion in the DKK 11.6 million shall be subject to the following conditions:

- There must be cash contributions to productions which are suitable for TV broadcasting as well as the Danish Film Institute's video/DVD distribution, and which will normally also be supported by the Danish Film Institute. DR will be free to decide which productions to be involved in.
- DR's involvement in a given short or documentary film shall not exceed 50% of total production costs.

DR's agreements with individual independent producers on investment and/or purchase of transmission rights to the specific film projects must be based on a standard contract made between DR, TV 2/DANMARK A/S and the Danish Producers' Association on the initiative of the Danish Film Institute.

---

<sup>1</sup> During the contract term the current standard contract of 31 March 2003 is to be renegotiated. Until a new contract is available, the contract currently in force is to apply..

More particularly about the talent development scheme

The annual amount of DKK 7.3 million allocated to the talent development scheme must cover fiction, documentaries and games.

DR's involvement will be stated as at the date of payment.

DR shall enter into a collaboration agreement with TV 2/DANMARK A/S and the Danish Film Institute on the talent development scheme within fiction, documentaries and games.

Follow-up

The annual report from DR on the performance of the public service contract must provide an overview of DR's total financial involvement in Danish film production during the year under review, broken down by feature films, short and documentary films, and the talent development scheme – and in the case of feature films and short and documentary films the breakdown of total expenses by investment and pre-buys of transmission rights respectively.