



DANISH FILM INSTITUTE

**TERMS FOR SUPPORT TO
NEW DANISH SCREEN**
VALID FROM 1 OCTOBER 2012

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CONTENT

1. PURPOSE	page 3
2. TARGET GROUP	page 3
3. FORMATS	page 3
4. APPLICATION	page 4
5. DEVELOPMENT SUBSIDIES	page 4
6. PRODUCTION SUBSIDIES	page 6
6.3 Applying for production subsidies	page 6
6.4 Letter of Commitment (LOC) and Letter of Interest (LOI)	page 7
6.5 Budget and financing plan	page 8
6.6 Regional subsidies	page 9
6.7 Payment instalments	page 9
6.8 Depositing materials	page 9
6.9 Reporting and accounting	page 10
6.10 Distribution rights	page 11
6.10.1 DR and TV 2	page 11
6.10.2 The DFI's distribution rights	page 12
6.10.3 The subsidy recipient's rights	page 12
7. PROMOTION SUBSIDIES	page 13
8. COMPETENCY DEVELOPMENT SUBSIDIES	page 13
9. GENERAL TERMS AND CONDITIONS	page 14
9.2 Subsidy application, subsidy commitment, and reporting	page 14
9.3 Security	page 15
9.4 Accounting	page 15
9.5 Repayment and negligence	page 15
9.6 Credits	page 15
9.7 The DFI's rights	page 16

1 PURPOSE

- 1.1** Under the subsidy scheme New Danish Screen (NDS), the Danish Film Institute (DFI) can support the development and production of Danish documentary, fiction, and hybrid productions, plus the development and, in special cases, production of Danish cross-media projects.

Subsidies can be awarded to productions in all genres and formats, and on all platforms, including pilots of TV series.

NDS can furthermore subsidise the development of business competencies of individuals and production companies in the Danish film industry and support promotion efforts that include several NDS titles.

NDS is a subsidy scheme founded on a partnership between the Danish Broadcasting Corporation DR, TV 2 Denmark, and the DFI. Subsidies are awarded by the DFI's management.

- 1.2** Under the DFI, NDS shall support talent development in Danish cinema. NDS shall secure the future development of Danish cinema, ensuring that Danish cinema sustains its originality, diversity, and dynamism. By subsidising low-budget film productions, NDS shall develop talent who have already manifested themselves by making films or other audiovisual productions.

2 TARGET GROUP

- 2.1** NDS's target group encompasses new talents working on the professional level in all genres and formats as well as more experienced professionals who are experimenting or changing course from their past productions.

NDS subsidies can only be obtained in limited phases of an applicant's professional career.

- 2.2** As a requirement for applying for subsidies, the applicant must have produced works documenting the applicant's singular talents and experiences. Application cannot be made for NDS subsidies to develop core competencies and functions in which the applicant has not previously worked, though cf. Items 7 and 8.

- 2.3** NDS supports all parts of the production environment but puts a special focus on applications regarding new projects and initiatives.

3 FORMATS

NDS awards subsidies to development and production of film projects in the following formats:

- under 15 minutes
- 24-28 minutes
- 38-42 minutes
- 52-58 minutes
- +75 minutes

Subsidies may be awarded for development and, in special cases, to production of cross-media projects whose content is predominantly of a filmic nature. There are no format requirements for cross-media projects.

Subsidies for series projects are normally limited to the development and production of a pilot.

4 APPLICATION

- 4.1** In case of first-time application, applicants do not necessarily have to apply for a certain subsidy (development or production) for the project or include a budget.
- 4.2** An artistic assessment is performed by two editors of equal status, the project editor and the artistic director, who divide the received applications between themselves for processing.
- 4.3** In case of rejection, reapplication for subsidies for a project can be made only if NDS judges that the project has been changed in significant ways.
- 4.4** In processing first-time applications, an assessment of the qualities of the applicants as well as the project is performed.

The applicants' singular talents and potential are assessed on the basis of the past projects stated in the application. The quality of the project is assessed independently and in terms of whether the project is judged to qualify, develop, and strengthen the applicants' singular talents in future projects.

5 DEVELOPMENT SUBSIDIES

- 5.1** NDS can support the development of a project if development is judged to be significantly important to strengthen the project artistically, financially, or production-wise.
- 5.2** The purpose of development subsidies is to ensure the best possible development of the project and to form a basis for the DFI's evaluation of a possible subsequent application for a production subsidy, though see Item 5.14. Subsidies can be awarded for all forms of development, including treatment, research, screenwriting, series bible, casting, workshops, location scouting, development of a visual concept, urgent shoots, user journey, game design document, prototype, plus obtaining third-party services.
- 5.3** Development subsidies for screenplay preparation can be awarded to a writer, a writer-director, a production company, or a team of the aforementioned. If the subsidy recipient is a production company, a contract with a writer must be presented to NDS.

The subsidy recipient must subsequently submit documentation for the use of the funds to NDS for approval.

- 5.4** Applications must include the following information and documents:

- Breakdown/pitch
- Treatment or Screenplay or Project description
- Project status
- Description and goals of the development
- Development schedule
- Development budget (incl. sub-items)
- Budget for regional added costs
- Development financing plan
- CVs of key project personnel
- Two examples of productions directed by the director
- A production for which the writer has written a screenplay, or a screenplay, or a work in which the writer has had a significant creative function.

Upon commitment, the following additional documents must be provided to the DFI:

- Rights agreements

- 5.5** If application is made for subsidies to treat a copyright-protected work, the applicant must

satisfactorily document that the applicant possesses the necessary rights to the work before a subsidy commitment can be made.

- 5.6** Before a decision to award development subsidies is made, NDS performs a production and financial assessment of the project, though not if the development subsidy is intended exclusively for screenplay preparation.

When considering a development subsidy for research, NDS prepares a production and finance assessment of the project in cases when the approved budget for research exceeds DKK 25,000 and includes items other than salary costs.

- 5.7** NDS does not normally approve that a budget for a development project contains a margin of uncertainty.

Administration expenses of no more than 7% for fiction and 10% for documentaries and cross-media projects, respectively, of the budgeted development costs may be included in the development budget, unless the development subsidy is awarded exclusively for screenplay preparation or research.

- 5.8** Development subsidies for project development of a fiction or documentary production may constitute no more than the following total amounts:

- +75 minutes: DKK 400,000
- 52-58 minutes: DKK 325,000
- 38-42 minutes: DKK 250,000
- 24-28 minutes : DKK 175,000
- Under 15 minutes: DKK 100,000

Development subsidies for hybrid projects are determined within the framework of the aforementioned amount limits.

Development subsidies for cross-media project are determined without reference to any set amount limits.

NDS can make exception to the maximum subsidy amount when awarding development subsidies to series projects if NDS judges that the project has special development needs. The difference between the maximum total development subsidy amount and the total development subsidy awarded to the project on the basis of an exception is deducted from a possible subsequent production subsidy, cf. Item 6.5.4.

- 5.9** As a requirement for treating applications for development subsidies, the applicant must submit a plan for the distribution of the total development costs of the individual development phases of the project through to the possible production.

At least half of the total development subsidy will normally be expected to be used for project development other than research and script preparation.

- 5.10** The total maximum development subsidy can normally only be awarded on the basis of at least two applications for development subsidies for the same project.

NDS is not obligated to award the maximum development subsidy amount to a project that obtains a subsidy commitment.

- 5.11** Development subsidies are normally paid in two instalments: the first instalment upon NDS's receipt of the subsidy recipient's written acceptance of the subsidy approval, and the second instalment upon NDS's approval of the final accounts and the development outcome.

- 5.12** The subsidy recipient is responsible for managing project development and must present accounts for NDS's approval within one month of the completion of project development, as set down in the development schedule, cf. Items 6.9 and 9.4.

- 5.13** The subsidy recipient must on an ongoing basis keep NDS informed about the progress of project development, including any changes to the development schedule.
- 5.14** A commitment to a development subsidy does not imply a commitment to a subsequent production subsidy.
- 5.15** Production subsidies cannot be awarded until audited accounts of the development project have been presented to NDS for approval, cf. Items 6.9 and 9.4.
- 5.16** If the project is subsequently awarded a DFI production subsidy, the development subsidy is not included in the maximum production subsidy that NDS can award to a production, cf. Item 6.5.4.

6 PRODUCTION SUBSIDIES

- 6.1** NDS can award subsidies to the production of Danish documentaries and fiction film productions, hybrid productions, pilots for TV series, and, in special cases, cross-media projects.
- 6.2** Before a decision to award production subsidies is made, NDS performs a production and finance assessment of the project.
- 6.3** **Applying for production subsidies**
- 6.3.1** Applications for production subsidies must include the following information and documents:

FICTION

- Breakdown/pitch
- Screenplay
- The director's intentions
- The producer's intentions
- Production concept
- Production schedule
- Production budget (incl. sub-items)
- Budget for regional added costs
- Production financing plan (organised by country)
- Crew list
- Cast list
- CVs of key project participants
- Two examples of productions directed by the director, links to productions
- A production for which the writer has written a screenplay, or a screenplay, or a work in which the writer has had a significant creative function.

Upon commitment, the following additional documents must be provided to the DFI:

- Cash flow plan
- Co-production agreements
- Rights agreements
- Deposit 1, www.dfi.dk/new-danish-screen-afleveringslisten (in Danish)

DOCUMENTARIES

- Breakdown/pitch
- Treatment or Screenplay or Project description
- The director's intentions

- The producer's intentions
- Production concept
- Production schedule
- Production budget (incl. sub-items)
- Budget for regional added costs
- Production financing plan (organised by country)
- Crew list
- CVs of key project participants
- Two examples of productions directed by the director, links to productions
- A production for which the writer has written a screenplay, or a screenplay, or a work in which the writer has had a significant creative function, link to text

Upon commitment, the following additional documents must be provided to the DFI:

- Rights agreements
- Cash flow plan
- Co-production agreements
- Deposit 1, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish)

CROSS-MEDIA

- Breakdown/pitch
- Treatment or Screenplay or Project description
- Project status
- The director's intentions
- The producer's intentions
- Production concept
- Production schedule
- Production budget (incl. sub-items)
- Budget for regional added costs
- Production financing plan (organised by country)
- Crew list
- CVs of key project personnel
- Two examples of productions directed by the director, links to productions
- A production for which the writer has written a screenplay, or a screenplay, or a work in which the writer has had a significant creative function, link to text

Upon commitment, the following additional documents must be provided to the DFI:

- Rights agreements
- Cash flow plan
- Co-production agreements
- Deposit 1, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish)

6.3.2 NDS may request further information and statements as required for application processing.

6.4 Letter of Commitment (LOC) and Letter of Interest (LOI)

6.4.1 If the documents required under Item 6.3.1 are incomplete, NDS, upon the granting of a subsidy by management, may reserve a production subsidy for a period in a so-called Letter of Commitment (LOC). A subsidy commitment cannot be drawn up until all the requirements in the LOC have been fully met.

6.4.2 2 If the requirements stated in the LOC have not been met within the period set down in the LOC,

the reserved production subsidy is void.

6.4.3 In special cases the LOC can be extended following a written application.

6.4.4 In special cases, NDS can write a Letter of Interest (LOI), without a subsidy amount, to show its interest in a project. However, a LOI is no guarantee that the project will be subsidised.

6.5 Budget and financing plan

6.5.1 Production subsidies are awarded on the basis of an NDS-approved budget. The budget must list all costs at the best obtainable market prices, in DKK and/or EUR.

NDS is a low-budget subsidy scheme and it is a requirement that this be clearly reflected in the budget in general, and regarding items for salaries and fees in particular, and that budget items for gear and other technical facilities are listed at the lowest obtainable market prices at the time.

6.5.2 The budget must include the following items:

The NDS-approved development accounts in a separate budget item.

A budget margin of uncertainty of no less 5% and no more than 10% of the budgeted production costs, excluding the costs of project development and administration.

For certain budget items, the following applies:

Administration expenses constituting no more than 7% of the budget for fiction and 10% of the budget for documentaries, excluding the costs of project development and the margin of uncertainty.

The amount of the producer's fee must be approved by NDS and normally may not exceed the director's fee.

6.5.3 Regarding the production budget for fiction +75 minutes, the following furthermore applies:

The total development budget may not exceed DKK 6,000,000 (excluding the approved development accounts).

NDS does not approve expenses for answer prints and similar distribution expenses in the production budget.

6.5.4 Production subsidies for fiction may not exceed the following total amounts:

- +75 minutes: DKK 5,000,000
- 52-58 minutes: DKK 4,000,000
- 38-42 minutes: DKK 3,000,000
- 24-28 minutes: DKK 2,000,000
- Under 15 minutes: DKK 1,000,000

Production subsidies for documentaries may not exceed the following total amounts:

- +75 minutes: DKK 2,000,000
- 52-58 minutes: DKK 1,600,000
- 38-42 minutes: DKK 1,250,000
- 24-28 minutes: DKK 850,000
- Under 15 minutes: DKK 400,000

Production subsidies for hybrid projects and cross-media projects are determined within the framework of the above amount limits.

6.5.5 NDS determines the amount of the production subsidy to a specific project within the maximum subsidy limits and is not obligated to award the maximum production subsidy to a production that

obtains a subsidy commitment.

6.5.6 Subsidies are not awarded for expenses already incurred.

6.5.7 The NDS subsidy normally constitutes the entire financing of the approved production budget. NDS may, however, approve other co-financing on the condition that the co-financing contains no requirement for influence on the content of the project or production conditions in general.

NDS does not accept co-financing that has conditions attached regarding distribution, beyond what follows from the present terms and conditions.

6.5.8 If the production budget, excluding development costs in accordance with the approved development accounts, cf. Items 6.9 and 9.4, exceeds the maximum NDS production subsidy, the applicant must submit written documentation of supplemental financing together with the application for production subsidies for the project, and must submit to NDS all financing agreements and co-production agreements regarding the project, including the production company's own investment in the project. The co-production agreements must state how the film's financing and rights are distributed among the co-production partners and the Danish executive production company.

As a requirement for NDS's approval of financing and co-production agreements for the film, there must be a reasonable proportion between the production company's transfer of rights to co-production partners and investors and their shares of the film's total financing.

6.6 Regional subsidies

6.6.1 NDS can subsidise production taking place outside Greater Copenhagen. NDS can subsidise added costs arising from production outside Greater Copenhagen, including subsistence allowances, accommodation, meals, transport, etc. Application for such a subsidy can be made together with the application for a development or production subsidy or upon realisation of the LOC.

Regional subsidies can only be awarded to films that have received a development or production subsidy from NDS.

2 Applications for regional subsidies must include a specified budget for added costs arising from production taking place outside Greater Copenhagen.

6.6.2 The NDS regional subsidy is not included in the maximum production subsidy that NDS can award to a production, cf. Item 6.5.4.

6.7 Payment instalments

6.7.1 Production subsidies are paid to the subsidy recipient in instalments, the amounts of which are specified by NDS in the subsidy commitment on the basis of the approved cash flow plan.

Production are normally paid in four instalments:

- The first instalment is paid upon NDS's receipt of the subsidy recipient's written acceptance of the subsidy commitment and upon the DFI's receipt and approval of the first part of the deposit materials, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish)
- The second instalment is paid after NDS's viewing of fine cuts and after the DFI has received and approved the second part of the deposit materials, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish)
- The third instalment is paid upon the DFI's receipt and approval of the materials listed in Items 6.8.1, 6.8.2, and 6.8.5
- The fourth instalment is paid upon the DFI's receipt of the revised production accounts, cf. Items 6.9 and 9.4

6.7.2 In case of significant changes to the schedule, production plan, cash-flow plan, etc., NDS reserves the right to change the dates and amounts of the instalments.

6.8 Depositing materials

- 6.8.1** The production company must submit an ISAN number and archive materials relating to the film to the DFI Film Archive, cf. the applicable Legal Deposit Act at the date of deposit, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish).
- 6.8.2** The production company must deposit materials relating to the film, for use in the DFI's PR, publishing, and festival efforts, in compliance with the applicable deposit list at the date of deposit, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish).
- 6.8.3** The DFI must approve the technical quality of the deposited materials.
- 6.8.4** Deposit in compliance with Items 6.8.1 and 6.8.2 must be made free of charge and may be included in the production budget.
- 6.8.5** Deposit of materials to the Danish Broadcasting Corporation DR and TV 2 Danmark must take place through NDS, and deposit must take place in compliance with the applicable technical specifications at the date of deposit, www.dfi.dk/new-danish-screen-afleveringsliste (in Danish).

6.9 Reporting and accounting

- 6.9.1** During all phases, the production company must on an ongoing basis keep the DFI informed about the production's progress. The DFI is entitled to monitor the production on an ongoing basis, including the viewing of rough cuts, fine cuts, and the final version of the film.
- 6.9.2** Upon request, the production company must submit a cost report to NDS. NDS may require the cost report to be certified by a registered or state-certified accountant. The cost reports must include the same items as the approved budget, expenditures to date, and the estimated final results of the budget's main items, with relevant comments.
- 6.9.3** NDS's receipt and/or approval of a cost report does not imply an approval of possible variances from the production budget.
- If the final results of individual budget items are expected to vary more than 10%, and more than DKK 5,000, from the individual items of the approved budget, including the margin of uncertainty, the production company must prepare a revised budget to be submitted to NDS for approval.
- 6.9.4** During the entire course of production, the production company must keep separate accounts of earnings and expenses relating to the film.
- 6.9.5** No later than three months after the second to last instalment has been paid, the production company must submit the film's production accounts to NDS for approval, cf. applicable DFI accounting instructions at the time.
- 6.9.6** Any savings on the development accounts and the production accounts against the approved budget must be repaid to the DFI in a proportion equal to the share of the DFI subsidy. The production accounts cannot be approved until repayment of the DFI's share of the savings has been made.
- An unspent margin of uncertainty is non-repayable.
- 6.9.7** The NDS's subsidy rate is calculated on the basis of the approved production budget.
- 6.9.8** The production accounts must include a specification of the production's production costs.

The production accounts must include the same items as the approved budget and the budget figures must be stated for comparison.

The production accounts must include a statement of variances of more than 10% on individual budget items. This does not apply to amounts under DKK 5,000.

The production accounts must furthermore include a separate specification of amounts included in the film's financing, including grants from funds, public grants, pre-sales, etc.

If the total approved budget is overrun, the final budget must in any event include a statement of the overrun.

NDS-approved budget overruns are transferred as an expense for the production.

In none of the above cases does NDS approve budget overruns for administration, fees for directors and producers, or internal salaries over the costs set down in the applicable approved budget, cf. Items 6.5 and 6.9.3. See also the accounting requirements in Item 9.4.

6.9.9 All salaries and fees relating to the production, as well as all due taxes to public coffers, must be paid before the accounts are presented. Upon request, the production company must be able to document that such payment has been made.

6.9.10 NDS kan til statistisk brug, anmode producenten om en opgørelse over filmens indtægter.

Producenten skal fremsende opgørelsen inden 14 dage efter datoen for anmodningens afsendelse.

Grundlaget for indtægtsopgørelsen er filmens indtægter i alle lande i alle medier.

I indtægtsopgørelsen skal indtægter særskilt opgøres for henholdsvis distribution i danske biografer, udlejning og salg på video, VOD, streaming, salg til TV-stationer og øvrige indtægter.

Distributions- og markedsføringsstøtte fra NDS skal sammen med anden offentlig støtte til distribution og markedsføring indgå i indtægtsopgørelsen.

Indtægter, som i følge det godkendte produktionsregnskab er indgået i filmens finansiering, herunder minimumsgarantier, presales m.v., medregnes ikke i opgørelsen af filmens indtægter.

6.10 Distribution rights

6.10.1 DR and TV 2

6.10.1.1 In a licence period of six years, the DR and TV 2 acquire the right to broadcast the production in a total of 12 TV transmissions and an additional 12 re-transmissions, on TV channels owned by, respectively, DR and TV 2. A retransmission is understood as a single transmission that must take place within 30 days of the first transmission.

The licence period runs from the date of submission to DR/TV 2 or from the expiration of a possible holdback.

Within the licence period, DR and TV 2 divide the 12 TV transmissions as well as the 12 re-transmissions between the TV stations.

6.10.1.2 Within the licence period, DR and TV 2 have an option to buy, at market prices, additional transmissions on TV channels owned by DR and TV 2.

If DR and/or TV 2 buy additional transmissions, DR and TV 2, respectively, settle the retransmission fee with the third party.

6.10.1.3 DR and TV 2 have the non-exclusive right, within the determined licence period, to stream the production on their own websites, on the condition this is free for the user.

6.10.1.4 Broadcast of the production within the licence period on Danish TV channels other than DR and TV 2 must be approved in writing by DR and TV 2.

6.10.1.5 Broadcast rights, in compliance with Items 6.10.1.1 – 6.10.1.4, of a pilot for a TV series fall to the TV station (DR or TV 2) that enters into an agreement with the subsidy recipient on acquiring the rights to develop and produce a TV series based on the pilot, plus write scripts, etc., for the TV series.

If neither DR nor TV 2 enters into an agreement thereon, DR and TV 2 acquire no rights to the pilot or the script, concept, etc., for the TV series. The subsidy recipient is subsequently free to transfer the rights to the pilot, or the script, concept, etc., to a third party.

If the subsidy recipient does not, within a period of 12 months, starting from the date of submission

to NDS, inform NDS that the subsidy recipient has entered into an agreement to transfer the rights to the pilot, or the script, concept, etc., to a third party, DR and TV 2 acquire the right to broadcast the pilot, cf. Items 6.10.1.1 - 6.10.1.4. Upon request by the subsidy recipient, NDS can extend this period.

Distribution rights to cross-media productions are specified upon further agreement between NDS and the production company.

6.10.2 The DFI's distribution rights

Respecting the commercial usage of the subsidised film, the DFI has the non-exclusive right to distribute the film in any way and in any medium, including, but not limited to, DVD, CD-Rom, Bluray, etc., and all other presently known and future analogue, digital, and interactive media and formats, to schools, institutions, associations, film clubs, libraries, and other non-commercial entities in Denmark, Greenland, and the Faroe Islands, and among the Danish minority in South Schleswig.

The DFI's distribution rights, as described above, include the right to publicly present the film in any manner, on any platform, and in any media, presently known and future, by screenings, Internet streaming, and by making the film available at individually selected times and places to individuals, schools, institutions, associations, film clubs, museums, libraries, and other non-commercial entities and to their students, users, and members.

The DFI furthermore has the non-exclusive right to publicly present the film to individuals on any platform, presently known and future, by Internet streaming or by making the film available in such a way that individuals get access to the film at an individually selected place and time.

The DFI specifies further rules to secure the commercial usage rights, e.g., by establishing a reasonable holdback between the production's release date and the DFI's distribution in accordance with the aforementioned or by establishing a "black hole" in the DFI's distribution.

The DFI's acquisition of rights under the present terms and conditions is non-exclusive. The DFI's acquisition of rights thus poses no restriction on the subsidy recipient's and the underlying rights holders' usage of the rights in accordance with already made and future agreements thereon inter partes and with third parties.

The DFI's acquisition of the non-exclusive distribution rights, as stated in Item 3.14 of the present terms and conditions, poses no restriction on the subsidy recipient's or the underlying rights holders' right to claim remuneration under (and under schemes established via) Paragraphs 13, 17, 30a, 35, 39, and 50, Section 2, of the Danish Consolidated Act on Copyright and similar foreign or international regulations or the like that may later supplement or change them.

6.10.3 The subsidy recipient's rights

The subsidy recipient owns all rights to the production that have not, in compliance with the present terms and conditions, been transferred to the DFI, DR, or TV 2, including the right to use the production's narrative universe, plot, persons, characters, etc., for merchandising or other commercial usage.

If the subsidy recipient, no later than four months after the anticipated Danish release, can document that the production can achieve theatrical distribution, other commercial usage, or an international festival premiere, the DFI and the subsidy recipient may enter into an agreement on a reasonable holdback or "black hole" between the production's release date and broadcast on DR and TV 2. The TV stations' six-month licence period is pushed back accordingly.

The subsidy recipient bears all costs for payment of remunerations and royalties to third parties in connection with usage of the subsidy recipient's rights to the production.

7 PROMOTION SUBSIDIES

7.1 In special cases, NDS can award promotion subsidies in connection with distribution, publications, or events that include several NDS-supported productions.

NDS first and foremost subsidises promotions that point out new distribution paths, appeal to new target groups, or make talent visible in new ways.

As a requirement for applying for promotion subsidies, a distributor/editor/publisher must be attached to the project.

The applicant for NDS promotion subsidies is normally a distributor/ editor/publisher.

7.2. Applications for promotion subsidies must be in writing and addressed to the NDS producer.

Applications must include:

- Description of the promotion initiatives
- Budget
- Financing plan
- List of people attached to the promotion

7.3 NDS promotion subsidies are normally paid in two instalments. The first rate is paid upon NDS's receipt of the subsidy recipient's written acceptance of the subsidy commitment, and the second rate upon NDS's approval of the final accounts and end result.

7.4 The subsidy recipient must, no later than the date specified in the subsidy commitment, submit accounts to NDS for approval, cf. Items 6.9 and 9.4.

7.5 In connection with promotion of individual titles, further application for subsidies may be made to the DFI's promotion consultants for, respectively, features, shorts, and documentaries.

8 COMPETENCY DEVELOPMENT SUBSIDIES

8.1 NDS can award subsidies to develop the professional competencies of production companies or individuals, including creative and technical employees, producers, and owners of production companies.

Subsidies cannot be awarded to continued education and the like of individuals.

The business competency that is sought to be developed via the subsidy application must be central to the company, i.e., the business competency must be pivotal in several projects and not just in terms of a single project.

If application for subsidies to a new business concept is made, the concept must be original and have the potential to point out new paths and opportunities for Danish cinema.

Competency development subsidies can only be awarded to persons and production companies who are contractually responsible for, and an active party in, the realisation of a project that is in development or production with support from NDS.

8.2 Applications for competency development subsidies must be in writing and addressed to the NDS producer. An application is not required, but the application must include:

- Description of the business competency and/or business concept that is sought to be developed
- Budget
- Financing plan
- List of functions/persons who are, or will be, attached to the process, plus their CVs

8.3 Competency subsidies may constitute no more than DKK 100,000.

8.4 Competency subsidies are normally paid in two instalments. The first instalment is paid upon NDS's receipt of the subsidy recipient's written acceptance of the subsidy commitment, and the second instalment upon NDS's approval of the final accounts and result.

8.5 Budget

Subsidies are not awarded to operations, rent, internal salaries (incl. the applicant's), purchase of equipment, or other overhead.

8.6 Accounting

The subsidy recipient must submit accounts for approval by NDS no later than the date specified in the subsidy commitment, cf. Items 6.9 and 9.4.

9 GENERAL TERMS AND CONDITIONS

9.1 The following general terms and conditions apply to all forms of NDS subsidies awarded under these terms and conditions. Subsidies are understood to mean any form of capital infusion to the project that does not express an investment or a remuneration.

9.2 Subsidy application, subsidy commitment, and reporting

9.2.1 Subsidies can be awarded to Danish production companies, on the condition that the producer, or leading employees of the production company, can document experience in film production and have film production as their main occupation. The director and the producer/production company may not be the same person, unless NDS specifically judges this not to be an issue due to the special nature of the project.

9.2.2 Simultaneous application under more than one DFI subsidy scheme may not be made for screenplay, development, or production subsidies.

9.2.3 As a requirement for receiving subsidies, full disclosure of all conditions regarding the rights to the individual project must be made and the subsidy recipient must hold unrestricted rights to, or be able to acquire, all rights to the project as are necessary for the subsidy recipient and NDS/DFI/DR/TV 2 to exploit the film under the present terms and conditions.

9.2.4 The applicant must, at the time of application, have entered into agreements with rights holders and the cast as entail that the applicant holds, or can acquire, all necessary rights to adapt and distribute the finished work.

9.2.5 At any time, NDS can require the applicant to provide the documentation necessary for application processing, including documentation that the applicant holds, or can acquire, the rights indicated in Items 9.2.3 and 9.2.4.

9.2.6 Regarding a specific project, NDS can supplement and/or change these terms and conditions in order to ensure and/or meet the intentions of the subsidy schemes and/or the project's feasibility. The subsidy recipient is obligated to the present terms and conditions, and any deviation therefrom must be approved in writing by the DFI. The DFI is obligated to respond to requests from the subsidy recipient in this regard within a reasonable period of time.

9.2.7 If changes to the schedule, budget, or production plan are made, the production company must

immediately submit the changed schedule or plan to NDS for approval.

- 9.2.8** NDS may reject a subsidy application, if NDS and/or the DFI has an unsecured outstanding account against the applicant, or against a subsidy recipient controlled by the applicant, or against a subsidy recipient controlling the applicant. NDS can furthermore reject a subsidy application, if the applicant, or a subsidy recipient controlled by the applicant, or a subsidy recipient controlling the applicant, is in violation of the subsidy terms and conditions in connection with another project.
- 9.2.9** Realised screenplays (Final Draft) will be stored in the DFI Library for public view or lending. By request of the screenwriter, and if significant cause is demonstrated, the DFI can decide not to make the script publicly available.
- 9.2.10** The subsidy recipient is obligated to register the finished film with ISAN. The subsidy recipient must provide the DFI with written information about the film's assigned ISAN number no later than upon submission of the legal deposit materials, in compliance with Item 6.8.1 of the present terms and conditions.

The film's producer and director must be available in connection with the DFI's launch and promotion of the project, as agreed with NDS and/or the DFI and in consideration of the producer and the director's other engagements, planned vacations, etc.

9.3 Security

- 9.3.1** To ensure the film's completion in case of the production company's bankruptcy, as well as to ensure NDS's conditional requirements for repayment of subsidies, NDS can require the production company to provide satisfactory security. The production company must bear all costs of such security.
- 9.3.2** The production company is obligated to complete the film.

9.4 Accounting

- 9.4.1** The production company must, for DFI-approval, submit accounts for projects that have received competency or promotion subsidies. The accounts must contain the same items as the approved budget, and the budget figures must be stated for comparison. The accounts must be audited by a registered or state-certified accountant.
- 9.4.2** Auditing of the production accounts must, at a minimum, include a general audit of the accounts, as well as an audit of assets and liabilities, cf. the applicable DFI audit instructions for subsidies of, respectively, less than DKK 100,000, less than DKK 500,000, and DKK 500,000 and above. The Office of the Auditor General of Denmark has access to review accounts and documents provided by the subsidy recipient.

9.5 Repayment and negligence

- 9.5.1** If the subsidy recipient abandons, or for other reasons prematurely terminates, a subsidised project, and no violation of the subsidy terms and conditions on the part of the subsidy recipient is found, cf. Item 9.5.2, any unspent part of the subsidy must be repaid immediately. In such cases, NDS may require auditor-certified accounts.
- 9.5.2** If the present terms and conditions are violated, or if it is determined that the film cannot legally be screened in Denmark, NDS's subsidy commitment is void and any paid subsidies must be repaid.
- 9.5.3** NDS may waive the repayment requirement, if, in NDS's judgment, special circumstances apply, or if the repayment requirement will counteract the objectives of NDS's and/or the DFI's activities under the Film Act.

9.6 Credits

- 9.6.1** All press materials, advance advertising, covers, posters, etc., in Denmark and abroad, must clearly state that film is produced in partnership with New Danish Screen, and the film's director,

screenwriter, producer, and production company must be credited.

- 9.6.2** A possible poster must display the logos of New Danish Screen, DFI, the Danish Broadcasting Corporation DR, and TV 2 Denmark.
- 9.6.3** The film's credit texts must be presented to, and approved, by New Danish Screen. The film's credit texts must clearly state that the film is produced in partnership with New Danish Screen. The New Danish Screen project manager must be credited by name and title.
- 9.6.4** New Danish Screen's animated logo must be included, in its full duration and size, in the opening of the film, in all formats.
- 9.6.5** New Danish Screen, DFI, the Danish Broadcasting Corporation DR, and TV-2 Danmark must be credited with logos at the end of scrolling credits, in all formats.

9.7 The DFI's rights

- 9.7.1** When rights to subsidies projects are transferred, NDS must approve such transfer in writing. Transfers must take place at market prices. NDS can oppose a transfer, if the transfer entails a risk that NDS will be unable to exercise its rights in accordance with the present terms and conditions or other agreements made with the production company.
- 9.7.2** Should the subsidy recipient's circumstances prevent the implied use within 24 months of the project's most recent subsidy commitment from NDS, NDS, in order to ensure the realisation of the subsidy's purpose, may require the subsidy recipient to transfer the necessary rights to the subsidised project to NDS, with a view to exploiting the rights through a retransfer. The subsidy recipient is entitled to be reimbursed by NDS for documented costs relating to the project, plus the possible added value of rights related to the project, to the extent that such amounts exceed the amount of subsidies received from the DFI or other contributors. Disputes over the appraisal of rights relating to the project are settled by arbitration, in accordance with the rules of Det Danske Voldgiftsinstitut (The Danish Institute of Arbitration).
- 9.7.3** The subsidy recipient can prevent the rights to the subsidised project to transfer to NDS, if the subsidies are repaid within 30 days of notification of the NDS demand for transfer of the rights.
- 9.7.4** The DFI is entitled to screen the film at festivals, domestically and internationally. The DFI is furthermore entitled to screen the film domestically and internationally as part of its cinema-culture activities, including to paying audiences. The DFI may screen the film only at individual, special events, if the film is still playing in cinemas in the same geographical area. The DFI shall notify the production company of such screenings.
- 9.7.5** In case of screenings to paying audiences, the DFI is obligated to follow market prices, if the film is in commercial distribution. It is the production company's obligation to provide written information about market prices. If not, the DFI will price admission to the film.
- 9.7.6** DR and TV 2 are entitled to use quotes from the finished production in accordance with Section 3 of the Danish Consolidated Act on Copyright, and to use brief excerpts and stills of its choice for advance advertising, year-end cavalcades, programme publications, press, exhibitions, etc.

The DFI is entitled to use trailers, teasers, film posters, film quotes, stills, and other image materials, dialogue sequences, and excerpts of title scores and of the film in promoting subsidised film productions domestically and internationally, and in the exercise of the DFI's distribution right, cf. Item 3.14, and as part of the DFI's film-cultural efforts. Furthermore, the DFI, DR, and TV 2 are entitled to use the materials, with appropriate credits, in the DFI's, DR's, and TV 2's publications, including in videogram formats (DVD, CD-ROM, Blu-ray, etc) and on the Internet, on all platforms, as well as in festival and press contexts. All images must be provided to the DFI with credits of still photographers and with indication of the director, screenwriter, and production company.
- 9.7.7** The DFI, DR, and TV 2 are entitled to publish any information about the film in connection with the

DFI's, DR's, and TV 2's promotion and press efforts, unless other written agreement with the subsidy recipient has been made and on the condition that this is available in a medium or on a platform that is free to users.

9.7.8 The DFI, DR, and TV 2 have the unrestricted right to produce copies of the film and other materials, cf. Item 9.7.6, with a view to exercising the parties' rights under the present terms and conditions.

9.7.9 There are no time constraints on the DFI's acquisition of rights under the present terms and conditions.

The DFI can transfer the rights acquired under the present terms and conditions to a third party for use in the DFI's exercise of these rights under the present terms and conditions.

9.7.10 The DFI's, DR's, and TV 2's exercise of its rights under the present terms and conditions does not imply an obligation to pay remuneration to the production company or others, unless such has specifically been determined.

9.7.11 Sponsorships, advertising, and product placement:

There may be no kind of advertising exploitation in the production, be it for individuals, corporations, products, etc., since this could constitute illegal, concealed advertising.

Unless separate permission is granted by DR or TV 2, the production may not be sponsored, i.e., there may be no direct or indirect third-party funding for the production, if the purpose is to promote the sponsor's name, image, activities, or products. If specific permission for sponsorship of the production is granted, the subsidy recipient is responsible for following the applicable advertising regulations, as well as DR's and TV 2's internal sponsorship rules, and for ensuring that all sponsorship agreements are preapproved by NDS.

There may be no product placement in the production. Product placement is understood to be the display or mention of a product, service, or brand as part of a programme's plot in return for payment or other compensation.

9.7.12 The subsidy recipient is obligated to enter into agreements with the relevant rights holders and cast members as ensure the DFI's, DR's, and TV 2's free and unrestricted exercise of the rights to the finished production, as described in the present terms and conditions, and to ensure that the DFI's, DR's, and TV 2's exercise of the rights described in the present terms and conditions do not violate rights held by others. The subsidy recipient must document to the DFI that the necessary rights have been obtained. The subsidy recipient shall indemnify the DFI, DR, and TV 2 against any claim by third parties that may arise from the DFI's, DR's, and TV 2's exercise of their rights under the present terms and conditions or under other possible agreements with the subsidy recipient.

9.7.13 The subsidy recipient is obligated to append the present terms and conditions to all contracts relating to the film regarding circumstances that are regulated by the present terms and conditions or that might otherwise be of importance to the DFI's, DR's, and TV 2's rights under the present terms and conditions.

The present subsidy terms and conditions are set down by the DFI's management in accordance with the DFI's rules and regulations.