



Filmfondet FUZZ AS
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Guidelines and regulations
for

Filmfondet FUZZ AS

as
funder and co-producer

Bergen, 21 April 2008

Introduction

Filmfondet FUZZ AS (hereinafter called «FUZZ») is a limited liability company wholly owned by the City of Bergen and formed at its statutory general meeting on 6 February 2006. Its articles of association were adopted by Bergen City Council on 19 September 2005.

Through an internal partnership, FUZZ has private investors who are sleeping partners.

The company's board of directors includes representatives from the City of Bergen and participating investors as well as other contributors and persons with competence in the areas of films and financing.

FUZZ shall be an investment fund for the partial financing of feature films for the cinema and quality productions for television, with a main focus on fiction.

Guidelines for the fund's activities

Object

I

- To contribute to increasing the funding base for Norwegian films
- To contribute to strengthening the regional perspective in Norwegian films
- To promote the production of Norwegian films of high quality with good viewer potential

II

- To promote film and television production in Bergen and West Norway in terms of both quality and quantity
- To develop and strengthen the infrastructure for film and television production in the region
- To contribute to the general economic development in the region
- To contribute to profiling Bergen, Hordaland and the West Norway region, nationally and internationally

Conditions for investment

- The project shall be of high quality
- The project shall have substantial viewer potential
- The project shall have cultural spin-off benefits in the region
- The project shall have a substantial effect on the economy and employment in the region
- There must be potential for a return on the fund's investments
- Projects that contribute to raising local competence will be preferred

Regulations

General provisions

1. The fund will only consider participating in projects in which a substantial part of the production is located in the West Norway region.
2. The delegate producer or the Norwegian co-producer (who shall be other than FUZZ) shall maintain a staffed office in the region during production. Under otherwise equal conditions, a delegate producer with permanent operations in the region will be preferred.
3. As a general rule, at least 50 per cent of the film crew or of the production's entire staff shall be recruited locally, i.e. pay tax to a municipality in the region.
4. The fund's participation will normally be expected to generate local sales of at least 200 per cent of the invested capital, and the project's costing and accounts shall show such breakdown of sales.
5. FUZZ will participate as co-producer, and a co-production agreement shall be signed between the delegate producer and all other producers.
6. A foreign delegate producer must have an implementation contract with a Norwegian co-producer (see clause 2 above), which must be a privately owned company and must not, pursuant to current European regulations, be a television distribution company.
7. The delegate producer must have a completion guarantee (completion bond or equivalent) for the project and must have documented experience of feature film production or similar.
8. FUZZ can only participate in productions where its investments entitle the fund to an owning interest in the project's rights.
9. FUZZ will normally not participate in projects where filming has already started.
10. The production must be carried out in accordance with the description and documentation underlying the board's decision to participate. Any material changes to the script, budget and staff shall be actively approved (in writing) by FUZZ.
11. Applications for participation shall include a comprehensive description of the project, a preliminary costing and funding plan and two complete copies of the script.

12. FUZZ can invest up to 20 per cent of the project's total budget, normally with a ceiling of NOK 2 million.

Documentation requirements and decision-making procedures

1. Before any decision can be made about participation, there must be a final, signed budget, financing plan, production plan, marketing plan and an overview of the film's income flow. The calculation of the production's equity must be described specifically and the budget must be drawn up in accordance with the currently applicable costing standards in the Scandinavian film industry.
2. It is the delegate producer's responsibility to produce a draft co-production agreement. This will normally be used for a final round of negotiations between all participating parties. If this negotiation meeting is held elsewhere than in Oslo or Bergen, the production shall cover the travelling expenses. The final agreement shall be signed by all co-producers before any disbursements can be made from FUZZ. The documentation mentioned in clause 1 above shall be included as an annex to any such agreement. These guidelines and regulations for FUZZ shall also be included as a signed annex.
3. The co-production agreement cannot be signed until there is written confirmation that all funding is in place, as well as a distribution guarantee and, where appropriate, agreements regulating the project's distribution and utilisation.
4. The fund's investment will normally be disbursed on written request in four tranches: 1) when filming starts; 2) when filming has been completed; 3) at the film's premiere /first showing; 4) when the final accounts are submitted.
5. Decisions regarding participation will be made by the board of directors of FUZZ, on the recommendation of the fund's general manager in consultation with the chair of the board.

Follow-up

1. At least three times during the clipping period FUZZ shall be invited to watch and exchange opinions before the final cut. If these viewings do not take place in Oslo or Bergen the production shall pay travelling expenses.
2. Regular reports must be sent throughout the filming about the progress and financial status of the production. The delegate producer shall keep adequate accounts and on request allow FUZZ (or its auditor) access to these at all times.

3. Before filming starts, FUZZ shall have received a full list of all those employed in the production, as well as important suppliers. An updated version of this list shall be submitted at the end of the production, specifying the age and permanent address of each employee.

Rights and income

1. Through the co-production agreement (see above) FUZZ will acquire owning interests with appurtenant rights in the project and shall normally receive a proportion of the income from the film from the very first krone (1st priority).
2. The basic rule is that the owning interest shall be equal to the percentage of the fund's investment in relation to the total equity of the project, after deducting government subsidies, sponsorship money, pre-sales, minimum guarantees etc, and that the fund's income shall be received in the same relative percentage and at the same progression (pro rata pari passu) as all the other co-producers.
3. Film projects with a particularly strong connection to the production community in the region may qualify for calculation of the owning interest according to the following model: FUZZ's share shall be equal to the percentage of its investment in relation to total financing, after deduction of subsidies from the Norwegian Film Institute.
4. The film's income shall normally be managed through a separate independent company (Collection Agency), but the delegate producer is responsible for submitting a quarterly statement of income for the three years following the film's premiere. This reporting will continue on a six-monthly basis for the next two years and once a year thereafter.

Crediting

1. FUZZ shall feature as co-producer in the film's credit list shown either before or after the film and in all printed and digital material where the film is presented and marketed. The size and exposure of this crediting shall be equivalent to that afforded to other co-producers, and shall in general comply with the industry's standards. The crediting shall be approved in writing by FUZZ.
2. FUZZ's logo shall be used wherever it is natural to do so.

3. The general manager of FUZZ, and/or person designated by him/her shall personally be credited as co-producer or, alternatively, executive producer, unless only the film's delegate producer is credited by name.

Information and marketing

1. When FUZZ has reached a final decision regarding participation in the project, the decision will be published on the fund's website and through announcements in the media. A short synopsis will be published and the film's title with the names of the director, screenwriter and central actors will be published. Where desired, this material shall be designed in collaboration with the delegate producer.
2. FUZZ, in collaboration with the delegate producer, shall draw up a plan for its media work during the production period, where it may be appropriate to organise a press day.
3. FUZZ is entitled to visit the production together with important interested parties by appointment with the delegate producer.

Materials

1. FUZZ shall receive free of charge a minimum of ten copies of all advertising and marketing materials such as posters, brochures and EPK cassettes, where relevant in both Norwegian and English language versions. In addition, FUZZ shall receive a set of selected stills, five DVD cassettes of the ready-to-show film and ten copies of the commercial DVD cassette.

Premiere

1. It will normally be desirable to have a separate premiere of the film in Bergen or at another location in the region. The time and place will be decided by FUZZ in consultation with the distributor and delegate producer. The production shall cover any costs in this connection, where the director, delegate producer and central actors are to participate.

Exceptions

1. These regulations are intended as guidelines. Exceptions may be made from these provisions in special cases where the board finds that doing so is expedient and in accordance with the fund's overriding objectives.