

FILM DIRECTOR AGREEMENT (FICTION FILM)

The Parties to this Agreement are:

_____, personal identity code _____,

address _____ (hereinafter the "Director"); and

_____, company identity code _____,

address _____ (hereinafter the "Producer").

1. OBJECT OF THE AGREEMENT

1.1 The Producer will employ the Director for making the film _____ (hereinafter the "Film") in accordance with the terms **and conditions agreed in this Film Director Agreement (hereinafter the "Agreement")**.

1.2 The Film will be filmed in _____ format, and its screen time is fixed at _____ minutes.

1.3 The target age limit for the Film shall be _____.

1.4 The production budget for the Film is _____ euros.

1.5 The Film shall be based on:

a) _____'s literary or other work entitled "_____".

The film rights in respect of the work have been transferred under a separate agreement between the Producer and the holder of the rights.

b) Original idea by _____

The manuscript for the Film has been made by: _____.

The film rights in respect of the manuscript have been transferred under a separate agreement between the Producer and the holder of the rights.

2. THE DIRECTOR'S JOB DESCRIPTION

2.1 The employment of the Director begins / has begun on _____.20____.

The Director's work shall be conducted as follows:

Preliminary planning between _____ - _____, in total ___ days;

Filming period between _____ - _____, in total ___ days;

Post-production work between _____ - _____, in total ___ days.

The Director's employment will end once the Director has inspected and approved the final form of the Film. Should the Film not be finished in accordance with the production schedule for reasons not attributable to the Director or by _____.20___ at the latest, the Parties shall separately agree on the works conducted after this by the Director and the compensation related to such.

2.2 The Director shall be obligated to conduct the following work assignments:

- monitoring and approval of the film version of the manuscript;
- appointing the artistically executive persons, casting and choice of filming locations together with the Producer;
- approving the production plan, production schedule, budget and marketing plan (appendices 1.-4.) together with the Producer;
- preparing and directing of the filming;
- monitoring of the post-production works: image and sound editing, music selection, mixing, color specification, monitoring of the image post-processing and approval of the final form.

In addition, the Director shall approve in collaboration with the Producer the marketing plan of the Film (distribution plan, marketing campaign, posters, photo material, trailers etc.) The Director shall attend to the marketing events of the Film to the reasonable extend, unless prevented due to other work assignments or corresponding good reason.

3. LIABILITIES AND OBLIGATIONS OF THE DIRECTOR AND THE PRODUCER

3.1 The Producer will assume the overall financial responsibility for finishing the Film. The Producer shall distribute, benefit and market the Film in best reasonable way.

3.2 The Director will assume the overall artistic responsibility for the Film. The Director will be responsible for making of the Film and its final cut. The Director shall to the best of his/ her ability and **with the Producer's instructions** carry out his/her tasks in such a manner that the most optimal utilization of the available resources is achieved. The Director is not allowed, without the prior consent of the Producer, make decisions that materially deviate from the approved manuscript or increase the production costs of the Film. In the event that the budget or the dead-

line is threatened to be exceeded, the Producer and the Director shall jointly negotiate on the actions to be taken.

- 3.3 The Producer and the Director shall commit on a continuing basis to consult each other in relation to all significant issues concerning the making and completion of the Film. The Director is responsible for monitoring the realization of the budget and he/she is entitled to receive without undue delay any copies and information on the updated budget, accountings and financing of the Film. The Producer shall provide the Director with a copy of mid report and final report required by the funding instructions of the Finnish Film Foundation (*Suomen elokuväsäätiö*) by the latest after one month from the date the Producer having submitted such documents to the Finnish Film Foundation.
- 3.4 The Producer shall be **obliged to clearly credit the Director in the Film's opening and end credits, marketing materials as well as in any other material published in connection with the Film e.g. websites, posters and DVD covers.**
- 3.5 The Producer shall take insurance covering **the Director's sickness and accidents.**
- 3.6 The Producer shall retain the original materials of the Film as required by law. Should the Producer not want to retain the original materials, it shall primarily offer those to the Director. The Producer is only allowed to destroy the Film materials **with the Director's prior written consent.**
- 3.7 Should the Director be prevented from finishing the directing of the Film, the Parties shall jointly agree on a new director. The Parties shall, without undue delay or other material harm for the production, select such director, who has the best possibilities to realize the Film in accordance with the original plan. The Director is entitled to retain the compensation already paid out to him / her. The remaining part of the agreed compensation and copyright royalties shall be agreed separately and proportioned to the work contribution already done.

4. THE **PRODUCER'S RIGHTS**

- 4.1 The Director assigns to the Producer for the compensation agreed in this Agreement the exclusive right, unlimited in terms of time and geography, to make copies of the Film in its final form as well as for publication and showing of the Film both in commercial and non-commercial distribution irrespectively of the distribution channel. Pursuant to this Agreement the Producer shall have the rental-, lending-, **and sales rights** to the Film.
- 4.2 The above-mentioned rights concern the primary utilisation of the Film. The **aforementioned assignment does not exclude the Director's right to receive payment via collective administration that may comprise the use of the Film.**
- 4.3 The right to remake the Film shall be agreed separately. / The Parties agree on the following of the right to remake the Film: _____.

- 4.4 The Producer shall have the right to produce trailers, commercials and other marketing and press materials from the Film materials to be approved by the Director. The Director shall not unreasonably withhold his / her approval pursuant to this clause without a justified reason.
- 4.5 The Producer shall have the right to further assign its rights under this Agreement provided that the assignee will in writing commit to follow the terms and conditions of this Agreement. The Producer shall notify the Director in good time prior to the assignment and the commitment of the assignee pursuant to this clause. This clause shall apply also to the co-producers of the Film.

5. THE **DIRECTOR'S RIGHTS**

- 5.1 The Director shall decide on the final form of the Film within the frames set by this Agreement and in accordance with the **Producer's** instructions. The final form of the Film may neither be altered nor divided or shown in parts, unless otherwise agreed, without a prior written consent of the Director.
- 5.2 If the Film is transferred to another material / format, the Director shall approve the prepared version. The Director shall not unreasonably withhold such approval without a material reason.
- 5.3 The Film may be subtitled or dubbed for another language, should the Director not have a reasonable reason to prohibit this based on **author's moral rights**.
- 5.4 If due to the requirements of the international distribution of the Film changes to the final form of the Film are necessary (e.g. censorship, duration or interruptions for commercials), the Producer and the Director shall jointly agree on such changes with the respect for **the Director's moral rights**.
- 5.5 The Director shall approve the final Finnish, Swedish and English name of the Film together with the Producer.
- 5.6 Should the Producer decide on making a sequel based on the Film, the right to direct such sequel shall be primarily offered to the Director with at least corresponding terms and conditions as agreed in this Agreement.
- 5.7 Should the Producer wish to sell further the rights to the Film, these rights shall be primarily offered to the Director.
- 5.8 The rights that have not been explicitly assigned with this Agreement shall remain with the Director. The Parties explicitly agree that the Director shall have the right to show the Film on festivals and other corresponding non-commercial events for promoting his/her artistic career.
- 5.9 This Agreement shall not effect on the collective administration of rights that may be done by associations representing the Director. The collective administration

of rights enables the collection of compensations directly from the user. The Producer shall inform the users on this in its agreements with these users.

- 5.10 The Director will receive copies of the Film in DVD and Blue-ray format (the first 50 copies free of charge). The Producer shall assist the Director to a reasonable extent in obtaining the Film in other formats, if necessary, for its own use (e.g. for show-reel). The Director shall obtain to a reasonable extent material born in relation to the Film.

6. DIRECTOR'S SALARY

- 6.1 In accordance with this Agreement, the Director has a fixed-term employment to the Producer. The Producer shall pay the Director ____.____,___ euros as salary ("**Salary**").

In addition to the Salary, The Producer shall pay to the Director annual holiday compensation, amounting to 13.5% of the Salary. The annual holiday compensation shall be paid out to the Director in connection with the last salary payment by the Producer.

- 6.2 The Salary shall be payable for the Director by the Producer in accordance with the following schedule and proportions:

- 20% within two weeks from the signing of this Agreement;
- 30% within two weeks from the beginning of the filming period;
- 40% within two weeks from the end of the filming period;
- 10% within two weeks from the approval of the final form of the Film.

In addition to the aforementioned compensation, the Producer shall compensate the Director the direct travelling and mobile phone costs deriving from the making and marketing of the Film.

The delay interest shall be determined in accordance with the Finnish Interest Act (20.8.1982/633).

7. OTHER COMPENSATION

- 7.1 As a copyright compensation for the financial utilisation of the Film the Director shall receive royalties from the Producer amounting to ____ % of the net income generated by the Film.

- 7.2 The net income shall mean the income generated to the Producer after the deduction of all production costs of the Film in full. The realized production costs of the Film shall be settled in the final report to be submitted to the Finnish Film Foundation (*Suomen elokuväsäätiö*) and audited by an authorized auditor, which shall include all production costs as well as production financing. For the sake of clarity it is noted that the total costs shall include maximum of 5% administrative

cost reservation, but not reservation for extraordinary costs. The Producer may deduct from the net income additionally the costs directly targeted to such income such as manufacturing-, financing- and marketing costs as well as the direct costs of sales e.g. agent fees, provisions etc. copying, mailing and phone cost however, excluding, however, **the right to deduct the Producer's** fixed costs from this income.

- 7.3 The income of the Film shall include all income for the Film whether film rents, video incomes or compensation for showing rights. The income shall also include all supports awarded for distribution and production. The Producer shall commit to use the possible production after support (as defined from time to time by the Finnish Film Foundation) to cover the self-financing share of the Film.

(OR instead of 7.1-7.4)

- 7.X As a copyright compensation for the financial utilisation of the Film the Producer will pay the Director royalties of _____ euros after the domestic ticket sales of the Film exceeding _____ sold tickets where after _____ euros per each sold ticket.
- 7.4 The Producer shall account to the Director for the royalty payment pursuant to this section annually, however, at the latest by __.__.20__. The Director or his / her representative has a right to receive a copy **of receipts as well as auditor's** report concerning the Film. The Director or his / her representative has a right to inspect and have a copy of the agreements concerning the use of the Film.
- 7.5 Any prizes awarded to the Film shall be considered to be awarded to the Director, should those not in specific be awarded to some other party. The Director shall be entitled to 30% of the quality support granted for the Film.

8. TERMINATION OF THE AGREEMENT

- 8.1 Should either Party materially breach its obligations under this Agreement, the other Party shall be entitled to terminate this Agreement with immediate effects.

The material breach on the part of the Director may consist of e.g. the following:

- a material negligence of the tasks or obligations without a justified reason;
- decisions, which substantially deviate from the approved manuscript or increase the production costs, **made without the Producer's consent**;
- non-sharing of information with the Producer which significantly increases the production costs of the Film.

The material breach on the part of the Producer may consist of e.g. the following:

- **a material negligence of the Producer's liabilities such as insufficient** marketing, distribution and/or other financial utilisation of the Film;

- failure to pay to the Director any due compensation pursuant to this Agreement, after the Producer has been notified in writing about this;
- significant changes in the production prerequisites of the Film;
- **a material breach of the Director's rights pursuant to this Agreement.**

8.2 **In the event of Producer's** bankruptcy the Director shall have immediate right to terminate this Agreement and suspend her/his work pursuant to this Agreement. **The Director's rights in accordance with this Agreement shall** revert to the Director thirty (30) days after the filing of a petition for bankruptcy.

9. JURISDICTION AND APPLICABLE LAW

9.1 This Agreement shall be governed by the laws of Finland.

9.2 Any dispute and claims relating to the compensation arising out of the interpretation of this Agreement shall be primarily settled through negotiations over a dinner. If the Parties fail to reach common understanding during such negotiations, the dispute shall be finally settled by _____ district court.

10. SIGNATURES

This Agreement has been made in three identical counterparts, one for the Director, one for the Producer and one shall be delivered to:

Suomen elokuvaohjaajaliitto SELO ry.
 PL 177
 00531 HELSINKI

_____ (place), _____ (day) _____ of _____ (month) _____ (year).

 (Director)

 (Producer)

APPENDICES

1. Production plan
2. Production schedule
3. Budget
4. Marketing plan