

## EUROPA CINEMAS AGREEMENT

**ME 2018 CZ 003**

Between

The Co-ordinator, EUROPA CINEMAS, an association under French law subject to the provisions of the Act of 1 st July 1901, 54 rue Beaubourg, F-75003 PARIS, represented by Claude-Eric Poiroux duly authorised for that purpose,

hereinafter EUROPA CINEMAS

and

The Co-Beneficiary, the exhibition company TIC BRNO, příspěvková organizace, Radnická 365/2, CZ 60200 Brno, represented for the purposes of this act by Mrs. Jana Ticha Janulikova

hereinafter THE EXHIBITOR

FOR THE THEATRE (S) :

Kino Art (2 screens) / Cihlarska 19/ CZ 60200 Brno 1 screens under contract,

hereinafter THE THEATRE

The EXHIBITOR of the THEATRE above confirms that he is aware that this Agreement, of which he is the Co-Beneficiary, is signed with the European Commission by the EUROPA CINEMAS Co-ordinator. This Agreement stipulates the following aims:

- increasing and diversifying programming in theatres and attendance at European films, as a priority non-national films,
- promoting exhibitors' initiatives around European film aimed at Young Audiences,
- developing a network of theatres allowing for joint initiatives at national and European levels.

Signatories have agreed the following:

#### ARTICLE 1 - PURPOSE OF THIS AGREEMENT

The current agreement aims to define the arrangements for implementing the objectives of this Agreement and disbursing the corresponding funding to the Co-Beneficiary in keeping with the criteria laid out in the Guidelines (See the Europa Cinemas website). The signatories of this agreement undertake to respect the 2018 Guidelines, which form an essential component of this agreement.

#### ARTICLE 2 - THE THEATRE'S EUROPEAN PROGRAMMING

The exhibitor shall undertake to ensure that during year 2018 the theatre's programming satisfies the following conditions: 25% minimum of total programming of the THEATRE, measured as the total number of screenings, shall be of European non-national films. The support shall be granted on the basis of the overall programming of the multiplex and calculated on a pro rata basis for the number of screens than can demonstrate 25% Screenings of European Non National Films (SENN). The European component of programming as indicated above shall comprise at least 70% of screenings of first-run films. The theatre's percentage of European screenings will also be taken into account for the calculation of funding (See Guidelines).

#### ARTICLE 3 -INITIATIVES AIMED AT YOUNG AUDIENCES AND SCHOOL-AGE CHILDREN

The Young Audience support per annum shall be allocated for specific initiatives offered by a theatre in terms of programming and activities targeted at young spectators:

- separate screenings for schoolchildren or other organised groups,
- extra promotion or specific activities for Young Audiences: regular events, presentations, discussions, meetings ...
- festivals, films programs designed primarily for Young Audiences,
- active participation in programmes developed at regional, national or European levels.

Young Audiences screenings offered within the scope of general programming and not involving special promotion or specific activities and a simple reduction in admission fee are not eligible for funding.

These criteria are stipulated in the Young Audiences Guidelines, which form an integral part of this agreement.

#### ARTICLE 4 - EXAMINATION OF THE PROGRAMMING AND INITIATIVES BY THE VALIDATION COMMITTEE

A Validation Committee selected by EUROPA CINEMAS proceeds to the analysis of the programming and of the Young Audiences initiatives of the film theatres in the network and to the selection and remaining of the theatres that are members of the network.

The EXHIBITOR undertakes to transmit regularly, and at least once annually at the end of the year, all the information requested by EUROPA CINEMAS in the programming tables published by EUROPA CINEMAS. When doing films, the EXHIBITOR should first and foremost use the Member Zone of Europa Cinemas' website. Incomplete applications, or applications submitted after the deadline, will neither be studied nor submitted to the Validation Committee. The Committee shall examine the information transmitted by the EXHIBITOR and shall determine:

- the percentage of European non-national programming expressed as the number of screenings,
- the global percentage of European screenings,
- European initiatives of THE EXHIBITOR aimed at Young Audiences.

#### ARTICLE 5 - CONDITIONS FOR REMAINING IN THE NETWORK

Each year the Validation Committee may examine whether THE THEATRE has satisfied the conditions for continued participation in the network. Should the conditions required in Article 2 not be met during three consecutive years, the theatre's designation as a EUROPA CINEMAS theatre may be revoked or suspended after examination of exhibitor's justifications. The decision to exclude THE THEATRE from the network shall be communicated to THE EXHIBITOR after the meeting of the Validation Committee and shall take effect as from January of the next year.

The exhibitor may re-submit an application for the theatre later on.

#### ARTICLE 6 - AMOUNT AND UTILISATION OF SUPPORT

If THE THEATRE complies with the conditions relating to programming and in-house events stipulated in Articles 2 and 3, EUROPA CINEMAS' contribution to support European programming and initiatives aimed at Young Audiences for the year 2018 may amount to a maximum annual total of 15500 € (bonus not included) granted to THE THEATRE on the basis of the following breakdown:

- 12500€ maximum for European non-national programming
- 3000€ maximum for initiatives aimed at Young Audiences and school-age children

Additional support will be paid to THE THEATRE as a diversity bonus based on the number of European nationalities represented in the list of screened films. This bonus will be calculated on the basis of the scale included in the Guidelines.

No payment for programming support may exceed 1 (one) € per admission to European non-national films in THE THEATRE.

Should THE THEATRE close for more than two consecutive weeks during the period under examination, the amount of support payable will be calculated on a pro rata basis for the weeks during which the theatre is open.

Should there be a change in the number screens in THE THEATRE over the course of the year, the amount of support payable will be prorated according to the number of screens in activity during each period.

#### ARTICLE 7 - ARRANGEMENTS FOR PAYMENT OF SUPPORT

Payment shall be made after examination by the Validation Committee and subjected to approval from the European Commission.

The sum ultimately paid on the basis of each agreement will depend in particular on the global financial package received from the European Commission and on the number of theatres that are members of the network and receive financial support from EUROPA CINEMAS.

No payment may be made to a theatre which has not signed and sent back within the required deadline the present agreement and the attached mandate. If there has been a change in legal representative, it is THE THEATRE'S responsibility to send EUROPA CINEMAS an official communication stating the identity of the new legal representative.

EUROPA CINEMAS shall notify THE THEATRE of the amount of the support to receive as well as of the conditions to fulfill by THE EXHIBITOR for the payment, which are, the mailing of the following documents:

- the present agreement along with its mandate(s), duly signed, thus confirming the continued activity of THE THEATRE,
- bank details of the exhibition company of THE THEATRE.

If EUROPA CINEMAS does not receive these documents by the 31<sup>st</sup> December of the year of notification, THE THEATRE shall be considered as renouncing the support and the payment shall be cancelled.

No payment may be made to a theatre which has closed completely at the time when payment is to be made.

Should THE THEATRE change exhibition companies during the accounting period, support will be paid to the company operating THE THEATRE at the time of payment. The previously existing agreement will be cancelled and payment will only be made if the new company adheres to the same policy and signs a new agreement based on the same conditions as the former one. EUROPA CINEMAS reserves the right to check beforehand that the programming of the new exhibitor satisfies the objectives of the Guidelines before paying the support.

In the cases of mini-networks, Europa Cinemas will require the beneficiary / head of network of the agreement to prove the payment to the other co-beneficiaries.

#### ARTICLE 8 - RESERVATION CLAUSE

If for any reason EUROPA CINEMAS does not receive the expected subsidies from the European Commission, or only in part, the sum to be paid to THE THEATRE pursuant to this agreement may either be reduced or not paid, with no notice given and no ensuing right to claim compensation of any sort from EUROPA CINEMAS.

#### ARTICLE 9 - THEATRE OWN INVESTMENT (MATCHING FUND)

The investment corresponds to expenditure for rental of European non-national films, as paid by THE EXHIBITOR to distributors. For each film included in the programme THE EXHIBITOR shall indicate the total sum for box-office related revenue and the number of admissions per film. EUROPA CINEMAS reserves the right to request that THE THEATRE inform EUROPA CINEMAS of the amount invoiced by the distributor for each film programmed, inclusive of tax, and that it provide any invoice relating to expenditure for in-house events and advertising.

Invoices paid by THE EXHIBITOR in relation to advertising of European non-national films may be incorporated into THE THEATRE'S investment.

#### ARTICLE 10 - JOINT INITIATIVES: CO-ORDINATION, INFORMATION, COMMUNICATION

Joint information and promotion initiatives are in particular the following: Network Review, website, databases, Europa Cinemas Label, co-ordination of national or regional initiatives, Exhibitor's Conference, publication of studies and surveys, meetings of professionals, joint programming initiatives, joint advertising material, dissemination of information. EUROPA CINEMAS shall co-ordinate initiatives taken within the network.

In order to facilitate the internal communication of the network and the transfer of programming data and general information concerning THE THEATRE and the exhibition company, THE EXHIBITOR must use the Member Zone, accessible from EUROPA CINEMAS' website.

The information communicated by THE EXHIBITOR via the Member Zone and included in this Agreement must be reliable, regularly updated and engages the responsibility of THE EXHIBITOR.

#### ARTICLE 11 - ADVERTISING AND COMMUNICATION OF THE EXHIBITOR

THE EXHIBITOR commits to the following:

- Visibly display the EUROPA CINEMAS / MEDIA signboard in the theatre's foyer.
- Run the EUROPA CINEMAS / MEDIA animated logo on 35mm film or digital format before each screening.
- Include the following text, legibly, on all advertising material and documentation published during the period covered by this Agreement: EUROPA CINEMAS / Creative Europe/MEDIA sub-programme. Several copies of such material shall be sent to EUROPA CINEMAS.

THE EXHIBITOR will receive a EUROPA CINEMAS PASS giving THE EXHIBITOR free access to all the theatres in the network. In return, THE EXHIBITOR commits to providing one or two free seats to holders of this Pass, valid for all screenings in THE THEATRE.

THE EXHIBITOR will receive the following promotional material for the above-mentioned communication measures to inform the audience that THE THEATRE is part of the network and that it receives financial assistance from the European Union:

- EUROPA CINEMAS / MEDIA signboard,
- Animated logo, digital or 35mm,
- Logos,
- EUROPA CINEMAS Pass.

IMPORTANT: THE EXHIBITOR's failure to duly respect the undertakings stipulated in this article and to supply justifiable cause can lead to the suspension or cancellation of this Agreement and of associated payments.

#### ARTICLE 12 - NAME AND DISTINCTIVE SIGNS OF EUROPA CINEMAS ASSOCIATION

THE EXHIBITOR shall utilise the name or distinctive signs of EUROPA CINEMAS solely in order to identify and promote the network within the framework of this agreement.

THE EXHIBITOR undertakes not to register or have registered any brand, commercial name or distinctive sign belonging to EUROPA CINEMAS (or any other brand or sign that might be confused with those of EUROPA CINEMAS) in the exhibitor's country or in the European Union.

Should THE THEATRE cease to be part of the network, THE EXHIBITOR shall no longer be authorised to utilise the name or distinctive signs of EUROPA CINEMAS.

## ARTICLE 13 - CORRECT REPRESENTATION OF INFORMATION

THE EXHIBITOR shall certify that all information given by the exhibitor to EUROPA CINEMAS in performance of this agreement is correct, precise and truthful.

Receipts declarations or distributors bills can be required during the analysis of the programmings. Furthermore, EUROPA CINEMAS and the European Commission reserve the right to carry out inspections at the office of THE EXHIBITOR and in the premises of THE THEATRE at their convenience, either directly or through an intermediary chosen by them, in order to verify that information, particularly on accounting, provided to them by THE EXHIBITOR, is correct. Any false statement shall lead to immediate ipso jure termination of this agreement and the reimbursement of the sum already paid for this agreement.

THE EXHIBITOR undertakes to inform EUROPA CINEMAS of any change to the operation of THE THEATRE of such a nature as to alter the conditions of performance of this agreement.

## ARTICLE 14 - APPLICABLE LAW - DISPUTES - LANGUAGE OF THE AGREEMENT

French law shall govern Interpretation, implementation and performance of this agreement. Each of the parties shall make every effort to settle amicably any dispute that may arise between them with regard to the interpretation or implementation of this agreement. In the absence of such amicable settlement, the courts of PARIS shall have jurisdiction. The languages of this agreement are French or English.

## ARTICLE 15 - CONFIDENTIALITY

Europa Cinemas is committed to protecting the confidential information provided by the exhibitor. As of the agreement signed on 22/12/2017 between Europa Cinemas and the Education, Audiovisual and Culture Executive Agency (EACEA), Europa Cinemas will provide access to the information available to internal audit services, to the Financial Irregularities panel and/or to the European Anti-Fraud Office. Beneficiaries may, on written request, gain access to their personal data and correct any information that is incorrect or incomplete. They should address any questions regarding the processing of personal data to the EACEA. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor.

## ARTICLE 16 - NULLITY

The invalidity or non-applicability of any one of the above provisions shall not affect the validity or applicability of the other provisions of this agreement unless this invalid or non-applicable clause can be regarded as an essential (material) clause, in other words, unless this clause is such that the parties would not have concluded the present agreement if they had been aware of the invalidity or non-applicability of said clause.

Moreover, the parties to this agreement agree that similar provisions may be substituted to replace invalid or non-applicable provisions and that such provisions shall form an integral part of this agreement.

## ARTICLE 17 - TERM OF THE AGREEMENT

This agreement is concluded for the year 2018.

Done in two original copies,

In Paris, on 21/12/2018

EUROPA CINEMAS

Claude-Eric Poiroux  
General Director

Signature : XXXXXXXXXXXXXXXXXX

FOR THE COMPANY :

TIC BRNO, příspěvková organizace

THE EXHIBITOR :

Mrs. Jana Ticha Janulikova

Signature: XXXXXXXXXXXXXXXXXX