

RULES AND REGULATIONS APPLICABLE TO SERVICES AT THE MARCHÉ DU FILM



MARCHÉ DU FILM
FESTIVAL DE CANNES
2020

1 • PRELIMINARY

The Société de Gestion d'Opérations commerciales pour le Festival International du Film (SOGOFIF) is responsible for the organization of the Marché du Film, hereafter the "Marché du Film" or "Marché", which takes place as part of the Festival de Cannes (the "Festival"). The SOGOFIF is a subsidiary of the Association Française du Festival International du Film (AFFIF).

The aim of the Marché du Film is to promote contacts between professionals from the film industry and to facilitate the international business of film rights, whether the films are completed or not. These films are defined as feature films destined for a first release in theatres. The Marché du Film offers various services strictly reserved to the registered participants, hereafter "Participants" or the "Company". Access of Participants to these services is conditional upon the total acceptance of the Rules and Regulations for Registration at the Marché du Film, together with the Rules and Regulations laid out hereafter, as well as those related to each specific service.

It is expressly reminded that the Marché du Film cannot be held accountable regarding any commercial or press-related results expected by the Company. This non-accountability also applies to all the programs and services provided by the Marché du Film.

2 • INVOICES AND VAT

All invoices corresponding to services bought are at the Participant's disposal on the Internet. They are available on the website www.marchedufilm.com and can be printed as "pdf" secure files through access codes given to each Participant. Companies acknowledge and accept that these files constitute the only original invoices for which no printed version will be given.

Following European regulation policies, certain services provided by the Marché du Film to companies based outside of France could be eligible for a reverse charge of the VAT. In accordance with those policies, clients will not have the VAT included in their invoices for the following services:

- services associated with booths, screenings, and additional services with the exception of entry fees (accreditations, badges, parking passes), booth's additional insurance, restaurant charges (lunches), and some specific services,
- services provided to companies taxed in their own countries: companies based in one of the 27 countries of the European Union (except France) must provide their EU VAT number; companies based in all other countries must provide a document stating that they will be taxed in their own country, companies who are not taxable or who cannot provide the above information will be invoiced with French VAT at the current rate and will not be able to request a reimbursement from the French fiscal services.

3 • CONDITIONS OF PAYMENT OF SERVICES

The service fee payment must be made according to the payment conditions marked on corresponding contract and the invoice. In case the invoice indicates an obligation of payment upon receipt of the invoice, the payment should be made within 15 (fifteen) days. Payment for services must be made online by credit card (American Express, Visa, and MasterCard only); other methods of payment require the express agreement of the Marché. Payments made in Cannes must be made by credit card or in cash (in accordance with French regulation cash payments are limited to a maximum of €1000 per company).

According to articles L441-6 and D441-5 of Commercial Law, any delay in payment will give rise to a penalty fee calculated from the day following the payment deadline stated on the invoice, with a rate of three times the legal rate of interest being applied; this rate is the interest rate applied by the European Central Bank in its recent refinancing operation increased by 10%. This penalty fee must be paid without any reminder being necessary. In addition, any delay in payment will also entail the payment of a fixed compensation fee to the Marché du Film to cover recovery costs, calculated at 40 Euros (see article D441-5 of Commercial Law). In the case where recovery costs are higher than the fixed compensation fee, the Marché reserves the right to ask for supplementary compensation. All delay in payment also gives rise to the application of the penal clause defined here-after.

In the case of non-payment, on the day after that which figures on the invoice, the Marché du Film may decide to cancel the corresponding contract, without releasing the Company from the obligation of full payment of the contract, as well as the interest referred above and the penalty listed below. The cancellation of a contract also entails the barring of the Participants registered by the Company from the Marché du Film zone and the immediate return of their badges.

In addition, registration of the Company and its Participants at the Marché du Film and the Festival will be cancelled for the year in question and all ensuing years until payment in full is received. These provisions also apply in the case where the Company and/or the Participants owe money, in similar conditions, to one of the hotels in partnership with the Marché and the Festival or to one of their official suppliers. It is hereby stated that in all cases where administrations or banks of the country of the Company would apply a tax deducted at source or any other tax, they would be at the

exclusive charge of the Company. The Company will make sure that the Marché du Film receives payment in full all tax included, corresponding to the amount due. In the case of non-payment of invoices at the date due despite the sending of the formal demand, the offender will be liable to a penalty of 20% of the total amounts due, in addition to the interest mentioned above.

4 • CONDITIONS SPECIFIC TO EACH SERVICE

4.1 Screenings in the Marché screening rooms

4.1.1 Reservation of screenings

Only those companies registered with the Marché du Film can make reservations for screenings of feature films they are selling. Once the Company has sent its request for screenings, the Marché du Film will suggest rooms, dates and times according to availability and will send an order form. Films produced after to January 1, 2019 and films that were already screened at a previous Marché du Film (AFM, Berlinale...) are not accepted.

Screening requests will be processed in the order in which they are received. Time-slots will be confirmed upon the receipt of the order form duly signed by the Company and sent together with the corresponding payment. In the case where a payment is not received by the Marché du Film within eight days of receiving the order form, the time-slots for screenings cannot be guaranteed. The titles of the films that are to be screened must be given to the Screenings Department by April 27, 2020 at the latest. Where this is not the case, screening reservations will be cancelled.

The Marché du Film reserves the right to request the synopsis or complete scenario of the film and to refuse the screening of any film which is liable to disturb public order or which may be offensive to religion, as well as pornographic films and films which encourage violence, including all corresponding posters and documentation. Screenings take place under the sole responsibility of the Participant, who guarantees to have taken all necessary steps for any legal and technical issues. The Participant agrees to respect strictly all legislation on copyright and to screen only those films for which he/she has all the necessary authorization from the entitled beneficiaries.

4.1.2 Screening rates

Screening rates are for feature films of 110 minutes length maximum. Films with a running time between 110 and 140 minutes will be invoiced at a pro-rata increased by 25%. Above 140 minutes, the Participant will have to reserve and pay for two consecutive screening slots.

In the case where a company would like to set up a test before the first screening, the Marché du Film will invoice it at a fixed rate of 25% of a screening fee and the test will not last longer than 20 minutes. If the company chooses to have a test longer than 30 minutes, it will be invoiced as a full screening slot.

For the short films, please contact Cannes Courts Métrages: ccminfo@festival-cannes.fr.

4.1.3 Access to screenings

Checks at the entrance to Marché du Film screening rooms are carried out by Marché du Film personnel who are responsible for applying both the priority access and security rules established by the Marché du Film. All Companies having reserved screenings are required to respect these rules and are, in no case whatsoever, allowed to intervene in the entrance of spectators to the rooms.

Access to the Marché du Film screening rooms is reserved to the following, in order of priority:

- 1- those who have a Marché du Film priority badge (with a mauve stripe);
- 2- those who have another type of Marché du Film badge;
- 3- those who have an invitation issued by the Screenings Department Marché du Film (no other invitation, even one issued by the company representing the film, will be accepted);

The entrance to the Palais des Festivals and the Riviera, only possible with a badge, means an invitation alone does not allow access to the screening rooms in these areas; a badge is necessary together with an invitation.

Journalists registered with the Festival de Cannes do not have access to the Marché du Film screening rooms unless the Company that has reserved the screening requests otherwise in advance.

Those who have a day pass have no access to the Marché du Film screening rooms.

The screening rooms of the Marché du Film are equipped with "bar code scanners" enabling lists of those attending the screenings to be kept. The Marché du Film cannot be held responsible in the case where a list is unavailable or incomplete, and sales companies cannot request compensation.

4.1.4 DCP requirements

Sales companies are required to provide:

- non encrypted DCPs, or
- encrypted DCPs with a DKDM (Master KDM). The Marché du Film will generate the required keys for each screening of the film, or
- failing that, encrypted DCPs with KDMs that must be provided for all servers of the Marché du Film (two servers per screening room, approximately 48 servers). The list of server serial certificates will be available on April 27, 2020 at <http://www.marchedufilm.com/en/resaprojections>.

DKDMs and KDMs must be valid from Thursday, May 7 to Saturday, May 23. DKDMs and KDMs should be delivered via email to kdm2020@festival-cannes.fr but this address will not be valid until Monday, April 27, 2020.

Technical requirements

- 2K or 4K resolution (however screenings will only be 2K).
- The DCP files should be standards ISO/SMPTE or Interop. Pictures should be encoded in JPEG 2000 X'Y'Z'. The DCP should be on CRU hard drives and the drives formatted in ext 3.
- It is best to provide "burned-in" subtitles to prevent any problem of size and display. However we also accept Interop format for enclosed subtitles with subtitles organized in timed-text xml files.
- Proper file naming must be observed per the Digital Naming Convention (<http://digitalcinemanamingconvention.com>). The file name and title should reflect the actual title provided to the Marché du Film.
- DCPs must only contain the version of the film that is being screened at the Marché. If a company provides several DCPs, they should all be delivered on separate hard drives
- DCPs must be sent in appropriate packaging to avoid any damage of the disk. In the case where a DCP is sent in a packaging that is not secure enough, the Marché du Film cannot be held responsible for any possible deterioration due to a shock, whatever the origin or the date.
- If a DCP is defective and cannot be screened as provided, the CST (Commission Supérieure Technique de l'Image et du Son) will check it. The Marché will then contact the company to request new material (in a format adapted to the equipment of the room) or suggest having the DCP checked by his/her digital laboratory. The lab will do its utmost to restore the files and this service will be invoiced at a fixed rate of 400 Euros. In addition, the company may decide to buy the new DCP at cost price if they want to. However, if the company has not replied within 3 hours, its agreement will be taken as granted and the company must accept and pay the invoice as indicated above.

4.1.5 Delivery of material

DCPs and keys

- All DCPs must arrive at our Stock of Films (Palais des Festivals et des Congrès – 1, Boulevard de la Croisette 06400 Cannes France – To Stock Films – MARCHE DU FILM – Level -1 – Aisle 9 – Office 9/16) – by Thursday, May 7, 2020 at the latest.
- The DKDMs and KDMs must be received at kdm2020@festival-cannes.fr by Thursday, May 7, 2020 at the latest

A penalty of 250 Euros will be charged to the company in case:

- the DCP, the DKDM or KDM is not received by May 7,
- the DKDM or KDM is not valid from Thursday, May 7 to Saturday, May 23.

Video material

The video material (Blu-Ray) should also be delivered to the Stock of Films by Thursday, May 7 at the latest, otherwise a penalty of 250 Euros will be charged to the company.

In the above mentioned cases, the Marché du Film will not be able to guarantee the screening and the Company will not be able to claim any refunding. Furthermore, the Marché reserves the right to cancel the screening in the case where it might prevent the following projection from starting on time. However, the cancelled screening will still be due in full.

The carriage costs of film prints, the airport taxes upon reception, the transport and delivery costs to the Marché du Film stocking rooms called "Stock Films", as well as customs expenses (import and export customs formalities for temporary admission) and the insurance costs – both on the outward trip and on the return - are borne by the shipper of the print. The Marché du Film is only responsible for the storage of copies in the «Stock Films» and their transport to the various screening rooms of the Marché.

4.1.6 Storage of prints

By special customs authorization, foreign films from non-European Union countries may enter France under temporary clearance. French customs may impose penalties and fines on the representative if a print violates customs regulations. Prints from European Union countries are not subjected to any customs formalities. Prints remain under the supervision of the Marché du Film, in its storage room, until shipped back, or if need be under the supervision of customs.

The Marché du Film insures the prints for damage only during their screening in its screening rooms. In the event of a print being damaged or lost by the Marché du Film, the Market is only liable for the value of the physical replacement of the print, calculated according to expert opinion. No claim for damaged or lost prints will be receivable if it is not notified to the Marché du Film in writing within three weeks of the end of the Market. Digital and video material that have not already been sent back, must be picked up by May 22, 2020 at the latest. Afterwards the material will be given to our transport company, Filmair Services that will send it back at the company's expense with an additional cost for storage and transport from Cannes to Paris. In case no company claims the material, Filmair will destroy it after 120 days.

4.1.7 Announcing screenings

The Participant allows the Marché du Film to publish and communicate in its printed guides and online, all information and documents provided directly or indirectly through its website, including synopses, trailers, pictures and photos from films and of company employees and logos, unless otherwise requested in writing by the company at the latest one month before the beginning of the Festival. The Participant declares to be authorized to use all these elements and guarantees that the Marché du Film will not be held responsible by any third party concerning the same.

All information given will be used in accordance with the Loi Informatique et Libertés dated January 6, 1978. Access to and correction of this information is possible.

The Marché du Film reserves the right to refuse to list in the Market Guide any film submitted by two different companies, any film produced before 2019 or any film which is liable to disturb public order, as well as those which are offensive to religion, pornographic or which incite violence.

4.1.8 Terms of cancellation of screenings

Any screenings cancelled by the company by April 16, 2020 at the latest will be reimbursed. From April 17, 2020 screenings will only be partially reimbursed if the cancelled time-slot is taken and used by another company. In that case, the administrative fees will be cancelled for each called off screening (120 Euros / 100 Euros for Palais / Riviera / Lerins exhibitors). In case of multiple cancellations, The Marché du Film will have the right to distribute equally the cancelled screenings slots. Films selected for the Official Competition, Un Certain Regard, the Directors' Fortnight or the Critics Week must first be screened within their selection. Any cancellation made as of Friday, May 1st, 2020 will be due in full.

4.1.9. Limitation of liability clause

In the case where the Marché du Film is responsible for the cancellation of a screening or for the bad execution of a screening, this cancellation or this bad execution can give rise to the programming of a new screening time slot, with similar conditions to those originally agreed upon, and within the limits of availability without any other compensation.

However, where the correct execution of the screening is impeded by the contractor or a third party or in the case of a natural disaster no compensation may be claimed.

4.2 Advertising and Signposting

4.2.1 Advertiser's obligations

The Advertiser is solely responsible for the texts, brands and logos which he/she declares to be authorized to use. The Marché du Film reserves the right to refuse unilaterally any advertising or sign-posting which would, should the event arise, be reimbursed.

4.2.2 Artwork

If the delivered artwork is not in accordance with the technical specifications, the extra technical costs incurred will be charged to the advertiser. If the artwork is not received by the deadline given, the Marché du Film will not proceed with the insertion of the page(s) of advertising or the sign-posting, and in this case the advertiser waives all rights to reimbursement.

4.2.3 Terms of cancellation

Orders cannot be cancelled under any circumstances. Non-delivery does not release the Participant from the obligation to pay all corresponding invoices in full.

4.3 Office and Video Equipment

4.3.1 Hirer/participant's obligations

For the duration of the period of rental, the hirer/participant becomes "keeper" of the rented equipment and agrees to use it for its usual purposes and not to do anything, or let anything be done, which might deteriorate it. In the same way the hirer/participant may not:

- move the rented equipment from where the technical services install it
- sublet it and/or give it to any third party

The hirer states that he has taken note of the fact that the rented equipment is designed to be placed in covered premises, protected from water infiltration and on firm ground.

Should the hirer/participant fail to present justified complaints in writing, concerning the condition and quantities of the rented equipment, within a period of 24 hours from the time the rented equipment is put at his/her disposal, it will be considered that he/she received it in good condition, and he/she is responsible for returning it in the same condition at the end of the rental period.

The hirer/participant alone is answerable to the Marché du Film for all possible deterioration, loss or theft. The hirer/participant undertakes to make all necessary arrangements in order to be insured, if he/she deems it necessary, against all risks including damage, loss, theft and any other disaster or accident. Concerning the rental of furniture, the hirer/participant can use the compulsory insurance referred to in the article 4.3.5.

The equipment rented by the Marché du Film remains its sole property.

4.3.2 Replacement

The Marché du Film expressly reserves the right to supply, in place of the equipment ordered, any equivalent equipment capable of satisfying the same usage requirements. The customer recognizes that the essential condition of his contract resides in the use that may be made of the equipment and not in its intrinsic nature. Should the customer fail to give written refusal within 24 hours of this replacement of equipment after we have given him written notice, he will be deemed to accept it and to accept the resultant obligations.

4.3.3 Sanctions

The Marché du Film expressly reserves the right to recover rented equipment without prior notice or compensation in the case of breach of the present Rules and Regulations and this without the hirer/participant being able to claim damages or engage in judicial proceedings.

Non-participation does not release the Participant from the obligation to pay in full invoices arising from the reservation and rental of equipment.

4.3.4 Terms of cancellation

Orders cannot be cancelled under any circumstances. In the case where a company cancels its attendance in Cannes or refuses ordered equipment upon delivery, all corresponding invoices for the equipment will be invoiced in full.

4.3.5 Insurance – deposits

The rental of furniture entails taking compulsory damage insurance. It will cover the hirer against risks or theft, loss or damage from the day before the official opening to the day of closure. The guarantee for risk or theft is contingent on the hirer's lodging a complaint with the proper authorities and sending a copy thereof to the Marché du Film. The amount of this insurance must be paid at the same time as the rental.