

AGREEMENT
ON FILM CO-PRODUCTION
BETWEEN
THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND
THE GOVERNMENT OF THE REPUBLIC OF KOREA

The Government of the Italian Republic and the Government of the Republic of Korea (hereinafter referred to individually as a "Party" and collectively as the "Parties");

With the aim of developing and expanding cooperation between the two countries in the area of film production;

Considering that the film industries of both countries can benefit from co-production in film works;

Acknowledging that the promotion of cinematographic works co-produced between the two countries contributes to the economic growth of the film production and distribution sectors in the Italian Republic (hereinafter referred to as "Italy") and the Republic of Korea (hereinafter referred to as "Korea");

Convinced that film cooperation can enhance cultural relations between the two countries;

Recalling the Agreement on Cultural Cooperation between the Government of the Italian Republic and the Government of the Republic of Korea, done at Rome on 21 October 2005 (hereinafter referred to as the "Cultural Cooperation Agreement"), and, in particular, its Article 8;

Have agreed as follows:

Article 1
Definitions

For the purposes of this Agreement:

(a) "co-production" means a film, regardless of genre, including fiction, documentary and

animation films, of any length, produced by one or more Italian co-producers and one or more Korean co-producers, in any medium and for exploitation primarily in cinemas and then on television, on the internet, including future formats of diffusion and distribution, made in compliance with the laws and regulations in force in Italy and Korea.

- (b) “co-producer” means an Italian or Korean film production company, as defined by the laws and regulations in force in Italy and Korea respectively, which participates in the creation of the co-production. The term “co-producer” may refer to multiple Italian or Korean film production companies.

Article 2

Competent Authorities

1. The Competent Authorities responsible for the application of this Agreement are:
 - (a) for the Italian Party: the Ministry of Culture – Directorate general for Cinema and audiovisual;
 - (b) for the Korean Party: the Korean Film Council under the Ministry of Culture, Sports and Tourism.
2. If either Party intends to designate another authority as its Competent Authority, that Party shall notify the other Party in advance of such changes, in writing through diplomatic channels. Any such change to the Competent Authority shall not be regarded as an amendment to this Agreement under Article 19, paragraph 5.

Article 3

Co-production Recognition

1. Each co-production made within the framework of this Agreement, in compliance with the law in force in Italy and Korea, shall be treated as a national work and entitled to access the benefits provided for by the provisions in force or which may be enacted in the countries of the respective co-producers. These benefits accrue solely to the co-producer of the country that grants them.
2. In order for a work to obtain recognition as a co-production, the co-producers shall submit a specific application to their respective Competent Authorities and ensure that the project complies with the provisions of this Agreement and with the law in force in each country.
3. The Competent Authorities shall inform each other of the decisions taken on the projects submitted. In principle, it shall be the Competent Authority of the majority co-producer

that first communicates its opinion to the Competent Authority of the minority co-producer.

4. The co-producers shall document the existence of good technical organisation, as well as a respected reputation and appropriate professional qualifications that will allow them to successfully carry out the co-production.
5. Co-production recognition shall not be granted to a project where the co-producers are linked by common management or control. An exception to this provision may be made only with the mutual written consent of the Competent Authorities.

Article 4

Annex

1. The applications submitted for the co-production recognition referred to in Article 3, paragraph 2, shall meet the requirements set out in the Rules of Procedure, defined in the Annex to this Agreement, of which the Annex forms an integral part.
2. The Competent Authorities may jointly propose amendments to the Annex. The Annex may be amended in writing by mutual consent of the Parties through the exchange of Notes Verbales. The amendments shall enter into force on the date of receipt of the Note Verbale of response.

Article 5

Participation

1. The authors, the scriptwriters, the directors, the performers and the rest of the creative, technical and artistic personnel, as well as other workers participating in the making of the co-production film shall be:
 - (c) as regards Italy:
 - (i) nationals of Italy;
 - (ii) nationals belonging to the European Economic Area; or
 - (iii) long-term foreign residents of Italy, according to the law in force therein;
 - (d) as regards Korea:
 - (i) nationals of Korea;
 - (ii) long-term foreign residents of Korea, according to the law in force therein.
2. The participation of foreign creative, technical and artistic personnel as well as other workers who do not meet the requirements set out in paragraph 1 of this Article may be allowed only in exceptional cases and by mutual consent in writing of the Competent

Authorities, if their participation is necessary to make the co-production.

Article 6

Shooting

1. Filming in studios shall be carried out in studios located in Italy or Korea or in cases of multilateral co-productions, in one of the third countries referred to in Article 8 of this Agreement. Exceptions to this provision may only be permitted with the joint approval of the Competent Authorities.
2. If the script or the subject of a co-production makes it necessary, the Competent Authorities may authorise outdoor or indoor shooting, in addition to studio shooting, in countries other than those of the co-producers. The Competent Authorities shall give the authorisation in writing by mutual consent.

Article 7

Contributions of Co-producers

1. The financial contribution of the co-producers of each country shall not be less than twenty (20) percent and not more than eighty (80) percent of the total cost of the co-production. The contribution of the co-producers shall include, in principle, creative, technical and artistic participation in a reasonable proportion to the financial contribution of each co-producer.
2. Exceptions to the provisions of paragraph 1 of this Article shall be allowed by mutual consent in writing of the Competent Authorities, provided that the financial contribution of each co-producer shall not be less than ten (10) percent and not more than ninety (90) percent of the total cost of the co-production.
3. If the Italian co-producer or the Korean co-producer aggregates two or more production companies, the financial contribution of each company shall not be less than five (5) percent of the total cost of the co-production.

Article 8

Multilateral Co-productions

1. The Competent Authorities shall consider favourably the possibility of jointly approving the making of multilateral co-productions between Italian and Korean co-producers and co-producers from third countries with which one or both Parties have concluded a film

or audiovisual co-production agreement, in compliance with the terms of this Agreement and the terms of the agreements with such third countries.

2. In cases of multilateral co-productions, the financial contribution of the co-producers of each country shall not be less than ten (10) percent and not more than seventy (70) percent of the total financial contribution of all the co-producers. If the co-producers of the third countries aggregate two or more production companies, the financial contribution of each company shall not be less than five (5) percent of the total cost of the co-production.

Article 9

Master and Languages

1. Each co-producer shall be the owner pro rata of the original master of the co-production with the right to make copies. The original master shall be deposited, in joint name, in a jointly determined facility located in Italy or in Korea. Intellectual property rights are excluded, except as agreed in the co-production contract.
2. The original master of each co-production shall be produced in a facility located in Italy or in Korea. In exceptional cases and only with the prior written consent of the Competent Authorities, it shall be possible to use a facility located in a third country. Dubbing and subtitling activities shall be carried out in the countries of the participating co-producers, unless an exemption is granted by the Competent Authority.
3. Each co-production shall be available in Italian and in Korean or, where not available in these languages, shall at least include subtitling in the official languages of both countries. If the script requires it, the Competent Authorities of the Parties may jointly authorise dialogue in other languages.

Article 10

Facilitating of Mobility

1. In compliance with the legislation in force in each of the Parties and, with regards to the Italian Party, with the obligations arising from Italy's membership of the European Union, the Parties shall facilitate the creative, technical and artistic personnel participating in the co-productions to enter and reside in their countries for the purposes of making the co-production.
2. Each Party shall facilitate, in accordance with the legislation in force in each of the Parties as well as, with regards to the Italian Party, with the European Union legislation in force,

the temporary importation and exportation of equipment necessary for the making and commercialisation of co-productions.

Article 11

Export

In the event that a co-production is exported to a country that imposes restrictions on the import of film works, it shall be attributed to the quota:

- (a) of the country of the majority co-producer;
- (b) of the country of the co-producer that offers greater export possibilities if the financial participation is equal;
- (c) of the country of which the director is a national if difficulties arise in the application of the provisions referred to in subparagraphs (a) and (b) of this Article.

Article 12

Festivals

1. Co-productions shall be presented at international festivals, in principle, by the majority co-producer or as agreed by the co-producers.
2. Co-productions with equal participation shall be presented at international festivals by the Party of which the director is a national. If the director is a national of a third country, the decision shall be set out in the co-production contract and shall be jointly approved by the Competent Authorities.

Article 13

Revenues

1. Contractual clauses providing for the distribution of markets and revenues between the co-producers shall be drafted in proportion to each co-producer's total contribution (financial, artistic and technical) and shall be notified to the Competent Authorities.
2. The abovementioned distribution shall, in principle, be proportional to the total contribution of each co-producer and consist of the sharing of revenues or markets or a combination of both.

Article 14

Credits

The opening and closing credits, trailers, publications and any other promotional material of the co-production shall identify the work as an Italian-Korean or a Korean-Italian co-production.

Article 15

Joint Commission

1. Without prejudice to the competencies and functions of the Joint Committee referred to in Article 19 of the Cultural Cooperation Agreement, and in order to oversee the implementation of this Agreement, the Parties shall establish a Joint Commission, composed of officials from both countries and, where necessary, experts, including directors and producers, of the two countries, chosen by their respective Competent Authorities.
2. Meetings of the Joint Commission shall be held primarily by electronic means and at the request of one or both of the Competent Authorities, in particular in the event of significant difficulties in the implementation of this Agreement or in the event of significant changes in the legislation of either country governing the cinematographic sector.
3. The Joint Commission shall verify the existence of a general balance of co-productions by examining the amount of investment of the co-producers and the technical, artistic and financial participation. In the event that a balance is not achieved, the Joint Commission shall establish suitable measures to achieve it, which must be submitted for approval to the Competent Authorities.

Article 16

Applicable Law

This Agreement shall be implemented in compliance with the applicable international law and, as regards the Italian Party, with the obligations arising from Italy's membership of the European Union.

Article 17

Personal Data Protection

Each Party shall ensure the protection of personal data received from the other Party for the purpose of carrying out the cooperative activities provided for in this Agreement, undertaking not to transfer such data to third parties and, in any case, not to process the data in a manner incompatible with the purposes of this Agreement, without the prior written consent of the Parties.

Article 18

Dispute Resolution

1. The Parties shall amicably resolve any dispute relating to the interpretation and/or implementation of this Agreement through direct consultations and negotiations between them.
2. Notwithstanding paragraph 1 of this Article, any disputes between co-producers shall be governed by the provisions referred to in paragraph 2©(ix) of the Rules of Procedure, set out in the Annex to this Agreement. Such disputes shall not be regarded as disputes between the Parties.

Article 19

Final Provisions

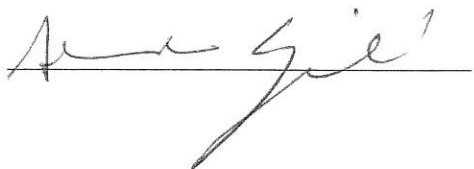
1. This Agreement shall enter into force on the date of receipt of the second of the two notifications by which the Parties inform each other, through diplomatic channels, of the completion of their respective internal procedures required for its entry into force.
2. This Agreement shall remain in force for a period of five (5) years and it shall be automatically renewed for further periods of five (5) years.
3. Notwithstanding paragraph 2 of this Article, either Party may notify the other Party in writing, through diplomatic channels, of its intention to terminate this Agreement, at least six (6) months prior to the intended date of termination.
4. In the event of the termination of this Agreement, its provisions shall continue to apply to co-productions that have already obtained the recognition referred to in Article 3, paragraph 2 of this Agreement and to those for which, at the time of termination, an application for recognition had already been submitted. The provisions of this paragraph shall also apply to the distribution of revenues from completed co-productions.

5. This Agreement may be amended, at any time, by written agreement of the Parties. Such amending agreements shall enter into force in accordance with the procedures set forth in paragraph 1 of this Article. The foregoing is without prejudice to the provisions of Article 4, paragraph 2.

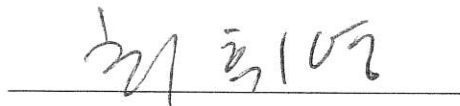
IN WITNESS WHEREOF, the undersigned, being duly authorised thereto, have signed this Agreement.

DONE in duplicate at SAINT-PAUL-VENISE, on the (7) day of (JULY), (2010), in the Italian, Korean and English languages, all texts being equally authentic. In case of any divergence, the text in English shall prevail.

FOR THE GOVERNMENT OF
THE ITALIAN REPUBLIC



FOR THE GOVERNMENT OF
THE REPUBLIC OF KOREA



ANNEX
TO THE AGREEMENT ON FILM CO-PRODUCTION
BETWEEN
THE GOVERNMENT OF THE ITALIAN REPUBLIC
AND
THE GOVERNMENT OF THE REPUBLIC OF KOREA

RULES OF PROCEDURE

1. Applications for the recognition of co-productions under this Agreement shall be submitted by the co-producers to their respective Competent Authority before the beginning of the filming or of the main work on an animation, if possible, simultaneously.
2. Applications shall be accompanied by the following documents, drawn up in the Italian language for Italy and in the Korean language for Korea:
 - (a) the script;
 - (b) a document proving the legal acquisition in each country of ownership of the copyright for the production and use of the co-production;
 - (c) the co-production contract signed by the co-producers, subject to approval by the Competent Authorities. This contract shall include:
 - (i) the title of the work to be co-produced, at least provisionally;
 - (ii) the name of the author(s) of the work or the screenwriter(s) in the case of the adaptation of a literary work or the adaptor in case of drawing from literary source;
 - (iii) the name of the director (a substitution clause may be included to provide for his/her replacement);
 - (iv) the detailed budget;
 - (v) the amount of the financial contributions from the co-producers;
 - (vi) the commitment of the co-producers to cover any expenditure or reimburse any under-expenditure in proportion to their respective financial contributions;
 - (vii) a clause establishing the conditions for a financial settlement between the co-producers:
 - A. in the event that the Competent Authority of either Party does not approve the application after having examined the complete file;
 - B. in the event the Competent Authorities do not approve the public exhibition of the co-production in either country;

C. in the event a co-producer does not fully comply with the commitments agreed in the co-production agreement;

- (viii) a clause requiring the majority co-producer to obtain an insurance policy covering "all production risks" and "all production risks associated with the original material";
- (ix) a clause establishing the applicable procedure for resolving any dispute between the co-producers that cannot be resolved amicably;
- (x) the approximate date when shooting is to begin or of the main work on the animation;
- (d) the detailed financing plan;
- (e) the list of the authors and artistic and technical personnel, indicating their nationalities and the roles played by the actors;
- (f) the shooting plan with a description of film locations;
- (g) the synopsis;
- (h) the distribution contract, where this has already been concluded.

3. The Competent Authorities may require, in addition, any necessary complementary documents and details for the examination of the application submitted by the co-producers.

4. Contractual modifications may be made to the original deposited co-production contract, subject to the approval of the Competent Authorities of the Parties, before finishing the co-production.

5. The replacement of a co-producer may only be accepted in exceptional cases for valid reasons that have to be jointly recognised by the Competent Authorities.

6. When examining the application for recognition of a co-production, both Competent Authorities shall ensure that their decisions are taken in accordance with the law in force in each country as well as with the provisions of these Rules of Procedure.

