

**COLOMBIA FILMING CONTRACT No. 000/2000, ENTERED INTO BY FONDO MIXTO DE PROMOCIÓN CINEMATOGRAFICA "PROIMÁGENES COLOMBIA" AND NAME OF THE PRODUCTION COMPANY (CHARGED TO THE COLOMBIA FILM FUND)**

This Contract number 000 of 2000 (hereinafter, the "Contract") is entered into between the following parties:

The first party, **Fondo Mixto de Promoción Cinematográfica "Proimágenes Colombia"** (hereinafter "Proimágenes"), is a non-profit civil corporation which has been legally incorporated under the laws of the Republic of Colombia. It has registered offices in the city of Bogota; its Tax Identification Number (NIT) is 830.046.582-4. It is registered with the Bogota Chamber of Commerce under number 15532 in book I of non-profit entities. Proimágenes is represented in this Contract by Claudia Triana Soto, of legal age, identified as shown below her signature, who acts herein as its legal representative.

The second party is **Name of the production company** (hereinafter, the "Producer"). The Producer has been legally incorporated in accordance with the laws of **country of incorporation** and is identified by business ID number 000000. The Producer is represented in this Contract by **Name of legal representative**, of legal age, identified as shown below his or her signature.

These parties, which shall be jointly referred to as the "Parties," have agreed to enter into this Contract based on the information in the following recitals.

**RECITALS**

- I. Whereas, Law 1556 of 2012 regulates the operations and use of the Colombia Film Fund (hereinafter the "FFC").
- II. Whereas, the Producer submitted the audiovisual project entitled "**Name of the project**" (hereinafter the "Project") in order to receive the cash rebate established in Article 9 of Law 1556 of 2012 (hereinafter the "Cash Rebate") for expenses in contracting film services and film logistics services in Colombia (hereinafter jointly referred to as the "Project Services").
- III. Whereas, paragraph 1 of Article 8 of Law 1556 of 2012 establishes a minimum amount for spending on Project Services, corresponding to one thousand eight hundred (1,800) SMLMV, including taxes (hereinafter, the "Minimum Expenditure").
- IV. Whereas, given the above, the Producer submitted the following: (a) a budget including all items and amounts that will be spent in the country, broken down by film services, film logistics services, taxes, and other expenses (hereinafter the "Budget of Total Expenses"); and (b) a budget of expenses in the country for film services and film logistics services that are eligible for the FFC cash rebate, excluding VAT taxes, i.e., excluding expenses not covered by the FFC tax rebate (hereinafter the "Budget of Expenses Eligible for Cash Rebate").
- V. Whereas, the Producer deposited in the account indicated for that purpose the sum of forty (40) legal minimum monthly salaries (SMLMV), in effect at the time

the Project was submitted, in order to guarantee the fulfillment of the specified obligations (hereinafter the "Guarantee").

- VI. Whereas, by means of resolution No. 000 issued on [date], the Colombia Film Promotion Committee (hereinafter the "CPFC") approved the Project in accordance with Law 1556 of 2012, its implementing regulations, and the Resource Allocation Manual approved by the CPFC (hereinafter the "Resource Allocation Manual"). The aforementioned Law, regulations, and Manual shall hereinafter be jointly referred to as the "FFC Rules."

The Parties hereby enter into this Contract, which is governed by the clauses set forth below, and for matters not covered therein, by the FFC Rules and by private law, specifically by all civil and commercial legal provisions in force in the Republic of Colombia.

## CLAUSES

**ONE. Subject Matter:** This Contract sets forth the conditions, obligations, and other requirements for disbursing the Cash Rebate to the Producer, provided that the Producer pays expenses for Project Services in accordance with the Project submitted to the CPFC, the established Minimum Expenditure, and the requirements and parameters established in the FFC Rules.

**Paragraph one:** The Project is an integral part of this Contract. In the event that there are any inconsistencies between the Project and the Contract, the latter shall prevail.

**TWO. Terms and definitions:** In addition to the terms written in capital letters and in parentheses in this Contract, the terms set forth in the Resource Allocation Manual shall apply for the purposes of this Contract.

**THREE. Obligations of the Producer:** The following are obligations of the Producer:

- 3.1.** Establish a trust at an entity under the oversight of the Colombian Financial Regulatory Agency (*Superintendencia Financiera*) for the administration and disbursement of funds to be spent for Project Services. The trust shall be specifically designated or identified with this purpose and shall be established in a period of no more than three (3) months after entering into this Contract.

Paragraph one: The trust shall be established for an amount of no less than ten percent (10%) of the total submitted by the Producer to be spent on Project Services, according to the Budget of Total Expenses.

Paragraph two: In the event that the Producer fails to create the trust in the stipulated time period and for the stipulated amount, regardless of the reason, the Producer shall be deemed to withdraw from the Project, even if it creates the trust after the stipulated date. In this event, the amount of the Guarantee shall remain to be used for the purposes of the FFC. Furthermore, restrictions shall apply to the Producer's future participation, as set forth in the Resource Allocation Manual.

- 3.2.** Pay expenses for film services through a film services company or companies (hereinafter the "Film Services Company"), registered in the Ministry of Culture's registry of film services providers and duly identified in the Project.

Paragraph one: If the Producer intends to pay expenses through a company that is not specified in the Project approved by the CPFC, the Producer shall request prior approval

from the CPFC. If the CPFC denies approval, this expense shall not be deemed to be eligible for the FFC Cash Rebate.

Paragraph two: The Producer shall have the option of using the Film Services Company to pay for film logistics expenses in Colombia. It is hereby agreed that if the Producer chooses to contract film logistics services through the Film Services Company, these expenses shall be subject to the provisions for film services.

Paragraph three. In any event, for domestic film projects the use of the Film Services Company is optional.

**3.3. Pay expenses for Project Services for which the Cash Rebate has been requested, solely for the items in the Budget of Expenses Eligible for Cash Rebate.**

Paragraph one: Regardless of the reason, in the event that the Producer does not pay the Minimum Expenditure, the Guarantee shall remain to be used for the purposes of the FFC. Furthermore, the restrictions on the Producer's future participation, set forth in the Resource Allocation Manual, shall become effective. As established in the Resource Allocation Manual, the minimum expenditure shall be calculated based on the legal minimum monthly salary in effect in Colombia in the year the project is approved.

Paragraph two: The Budget of Expenses Eligible for Cash Rebate may be reduced by no greater than twenty per cent (20%) without incurring the consequences stipulated in the preceding paragraph, provided that the payments are made for the established Minimum Expenditure.

**3.4. Film the audiovisual work described in the Project, in whole or in part, in Colombia. Proimágenes may designate a person from its team to be present during filming.**

Paragraph one: In the case of animation projects, production activities are carried out, rather than filming activities. A person designated by Proimágenes may also be present in these activities.

**3.5. Comply with FFC Rules in the submission and execution of the Project.**

**3.6. Deliver to Proimágenes in a timely manner the proof of payment documents required for disbursement of the Cash Rebate, and make any needed corrections within the allotted time period.**

**3.7. Provide the reports on the Project stipulated in this Contract, as well as those required by the CPFC or Proimágenes.**

Paragraph one: Without prejudice to any other reports that have specifically been agreed upon, the Producer undertakes to submit and support all reports regarding any aspect of the management and execution of the Project. These shall include all reports detailing the financial, accounting, contractual, execution, and documentation aspects of the Project. The reports shall be submitted within the period required by Proimágenes, which shall be no less than three (3) days.

**3.8. Exhibit or present to the public the audiovisual work resulting from the Project. The failure to publicly exhibit or present the film shall lead to the restrictions on future participation established in the Resource Allocation Manual.**

**3.9. Upon completion of the film, include a credit in the film for public presentation via any platform and in any format, in accordance with the instructions of Proimágenes. In the event of non-compliance with the provisions of this section, the**

restrictions on future participation established in the Resource Allocation Manual shall apply.

- 3.10.** For strictly cultural, non-commercial purposes, allow the use of images from the film receiving the Cash Rebate, for a duration of up to five (5) minutes, in order to carry out activities promoting Colombia for audiovisual work. This authorization is granted for public institutional materials and for the objectives of the Film Commission in all territories, media, and formats. To this end, the administering entity may edit and reproduce such images and may distribute them directly or through the aforementioned institutions.

Paragraph one: The provisions of this section are equally applicable to audiovisual images on the creation of the film, "behind the scenes," and the film trailer, whether provided by the Producer or directly filmed by Proimágenes.

- 3.11.** Not assign this Contract to third parties.

Paragraph one: Notwithstanding the above, Proimágenes may disburse the Cash Rebate to a financial institution or financing fund that has provided credit to the Producer, upon request by the Producer and provided that the proof of payment documents requested by Proimágenes are satisfactory.

- 3.12.** Not accept the participation in the Project of persons described in the application restrictions, as established in the Resource Allocation Manual.

- 3.13.** Any other obligation established in the Resource Allocation Manual.

**FOUR. OBLIGATIONS OF PROIMÁGENES.** The following are obligations of Proimágenes:

- 6.1. Disburse the FFC Cash Rebate within the agreed-upon time period, provided that the requirements, obligations, and conditions stipulated in this Contract and the FFC Rules have been met.
- 6.2. Return the Guarantee to the Producer within sixty (60) days of the termination of this Contract, provided it has been verified that the established requirements have been met.

**FIVE. Cash Rebate:** The maximum amount of the Cash Rebate that Proimágenes may disburse to the Producer, if it fulfills each and every one of the required obligations and conditions, shall be the sum of **amount in pesos in words (COP 000,000,000)**. This shall be used as the amount of the Contract for all purposes.

**Paragraph one:** Any taxes or withholding resulting from the Cash Rebate shall be the responsibility of the Producer.

**Paragraph two:** In any event, the cash rebate shall only be provided up to the amount approved by the CPFC.

**SIX. Disbursement of the Cash Rebate:** Proimágenes shall disburse the FFC Cash Rebate, upon request by the Producer, based on the proof of payment documents for Project Services expenditures. This shall cover:

**6.1.** A maximum of forty percent (40%) of the amount paid for film services identified in the Budget of Expenses Eligible for Cash Rebate.

**6.2.** A maximum of twenty percent (20%) of the amount paid for film logistics services identified in the Budget of Expenses Eligible for Cash Rebate.

**Paragraph one:** The total Cash Rebate may not exceed the amount stipulated in clause five, provided that the Minimum Expenditure has been proven.

**Paragraph two:** The amount of the value-added tax (VAT) shall not be reimbursed for the expenditures accepted for the Cash Rebate.

**SEVEN. Proof of payment documents:** For the disbursement of the Cash Rebate, the Producer shall submit the following documents to Proimágenes:

**7.1.** Certificate issued by the trust company (hereinafter the "Trust Company Certificate") and addressed to Proimágenes. This certificate shall confirm the deposit of the Project funds into the trust and that such funds have been spent for the items in the Budget of Expenses Eligible for Cash Rebate. The Trust Company Certificate shall be issued in the form established by the Resource Allocation Manual and shall meet the following requirements:

- 7.1.1. The total amount of expenditures on Project Services shall be a sum no less than the established Minimum Expenditure.
- 7.1.2. The certificate shall list the numbers of formal printed invoices ("*facturas*") or billing statements ("*cuentas de cobro*"); their issuers; the dates of issue of each one; and dates of payment.
- 7.1.3. Film services expenses certified with billing statements shall be accepted only if: the issuer thereof is a natural person registered under the simplified tax system ("*regimen simplificado*"); the issuer is one of the technical or artistic personnel, pursuant to the definitions in the Resource Allocation Manual; or the issuer has performed work related to screenwriting or script editing. All other film services or film logistics services shall be billed with a formal printed invoice. Proof of payment documents (formal printed invoices or billing statements, as the case may be) may not be dated prior to the creation of the trust.
- 7.1.4. If general payments are made to Film Services Companies for film services, a formal printed invoice shall be provided for all of these payments. In this event, it is the obligation of the Producer to submit a detailed list of each of the film services and film logistics services, audited by the external auditor described in this Contract and in the Resource Allocation Manual.
- 7.1.5. Proimágenes may request detailed information regarding the expenditures from the trust company or the Producer.

**7.2.** Expert opinion, certificate, or report issued by the external auditor (legal person meeting the requirements established in the Resource Allocation Manual) that has been contracted by the Producer (hereinafter the "Audit Firm"). Such expert opinion, certificate, or report shall be submitted in the form established by the

Resource Allocation Manual. In addition to the information required in the form, it shall certify the following:

- 7.2.1. Compliance with each of the requirements for the Trust Company Certificate described in section 7.1, above, with the exception of the dates of payments made by the trust company.
- 7.2.2. Formal printed invoices or billing statements supporting the Trust Company Certificate shall: (a) be truthful; (b) be for expenditures from the Budget of Expenses Eligible for Cash Rebate; and (c) meet all legal requirements.
- 7.2.3. Compliance with *parafiscales* obligations and provision of all required health and pension benefits for Colombian personnel employed by the project.

Paragraph one: The contract entered into by the Producer with the audit firm, which may be verified by Proimágenes, shall include the following provisions:

- a) The expert opinion, certificate, or report described in the audit contract shall be issued by the audit firm in the form established by the Resource Allocation Manual, addressed to Proimágenes.
  - b) Proimágenes may seek clarifications and may have a reporting relationship with the audit firm.
  - c) The audit firm shall submit to Proimágenes any explanations or clarifications required by Proimágenes.
  - d) It is understood that the producer shall exercise no form of interference or control over the audit firm.
- 7.3. For foreign film projects, the Producer shall attach a certificate or certificates issued by the film services company or companies, stating which of the expenses certified by the trust company were paid through that company. This certificate shall also be attached if the Producer has voluntarily contracted film logistics services through such company. If a domestic Project has voluntarily contracted these services through a film services company, it shall also submit this certificate.

**EIGHT. Interpretation and joint agreements:** The Parties hereby agree to be bound by the following stipulations and statements, and accept them as the rules of interpretation of this Contract:

**8.1.** In view of the nature of film projects, non-compliance with this Contract or the Project by the Producer cannot be excused. The Producer recognizes and declares that the following events shall in no case constitute force majeure or unforeseeable circumstances:

- 8.1.1. Insufficient other sources of financing, or circumstances making it impossible for the Producer to obtain or administer funds.

- 8.1.2. Difficulties, disagreements, or disputes arising out of the contractual relationship between the Producer and the artistic, technical, and creative staff, or with co-producers, participants, investors, or third parties associated with the Project.

Paragraph one: In entering into this Contract, the Parties understand that the Cash Rebate shall not substitute the obligation of the Producer to carry out the Project with its own funds.

- 8.2. The Cash Rebate shall not constitute compensation to the Producer for services rendered. This Contract is civil and commercial in nature, and shall not create any other relationship between the Parties.
- 8.3. The Producer hereby agrees that if Proimágenes has any doubts regarding the submitted reports or certificates, Proimágenes shall be entitled to refrain from disbursing the Cash Rebate until the situation has been clarified. Furthermore, the Producer hereby declares that this suspension of the disbursement may not be presented as grounds for it to not complete the Project, or as a cause of injury to the Producer or to third parties.
- 8.4. Neither Proimágenes nor the CPFC have any liability regarding the Project. Any consequence of the Project, including labor, contractual or other relationships that the Producer enters into with third parties, shall be the sole responsibility of the Producer. The Producer shall at all times hold harmless the aforementioned entities, including but not limited to any claims or disputes regarding salaries, fees, copyright, or matters involving co-producers or investors.
- 8.5. The Producer's obligations under this Contract are performance obligations.
- 8.6. The Producer hereby declares that all of the information included in the Project is true and correct. Inaccuracy of the information in the Project or in the proof of payment documents for Project Services shall constitute grounds for denying the Cash Rebate.
- 8.7. In any of the cases described in this Contract, the interests generated by the Guarantee shall be used for the purposes of the FFC.
- 8.8. The signer of this Contract hereby declares that he or she possesses all of the capacities needed to bind the Producer in the stipulated manner, and that he or she shall be personally and jointly and severally liable for any inaccuracy in this statement.
- 8.9. The Parties hereby declare that each of the statements and obligations in this Contract have been freely made and assumed, without any limitations to their consent and with full understanding of the scope of each statement and provision. Furthermore, the parties declare that each of them has been separately counseled prior to entering into this legal relationship.

**NINE. Term:** The maximum term of this Contract shall be [months in words \(00\)](#) months from its signing. In the event that it is satisfied before the end of this term, the Parties shall be able to terminate it by mutual agreement and perform the stipulated reconciliation of accounts.

Without prejudice to the aforementioned maximum term, the following terms are hereby agreed upon:

- 9.1. The maximum term to pay expenses for Project Services shall be **months in words (00)** months from the signing of this Contract.
- 9.2. The term to establish the trust for administering funds for Project Services expenses shall not exceed **three (3)** months from the signing of this Contract.
- 9.3. The maximum term for providing the proof of payment documents for the Cash Rebate shall be **three (3) months** from the end date of the term established in section 9.1 above. In any event, the Producer may submit the proof of payment documents at an earlier date after the expenses for Project Services have been paid. If all proof of payment documents are not submitted within this term, the Producer shall be deemed to forgo the Cash Rebate.
- 9.4. The term for the disbursement of the Cash Rebate, if all conditions have been fulfilled and all proof of payment documents have been submitted, shall be **two (2)** months from Proimágenes' receipt of all proof of payment documents in the correct form.
- 9.5. Without prejudice to the maximum term of the Contract, the credit obligation to the FFC shall continue until the date of the premiere of the audiovisual work.
- 9.6. The right to file a claim for facts discovered by Proimágenes after the date of termination of this Contract shall survive indefinitely and, if applicable, until the statute of limitations has expired for the corresponding actions.

**TEN. Non-compliance by the Producer:** Without prejudice to other facts that may generate non-compliance of the subject of the contract and that are not specifically stated in the Contract, for all purposes of this Contract the following are deemed non-compliance by the Producer:

- 10.1. Any act of providing untrue information regarding this Contract or the Project submitted to the CPFC, regardless of when Proimágenes learns of this act. The Parties agree that for these purposes, a court judgment or ruling shall not be necessary; rather, an examination of the information by Proimágenes shall be sufficient. In these cases, Proimágenes shall notify the appropriate criminal authorities of any acts that may be punishable by law. Any disbursement that may have been made of the Cash Rebate does not rectify deficiencies that may have occurred during the submission of the Project or during the execution of the Contract.
- 10.2. The conclusion of this Contract by the Producer, when the Producer is covered by any of the restrictions on the submission of projects described in the Resource Allocation Manual.
- 10.3. The failure to include the credit recognizing the FFC in the public presentation of the audiovisual work. In this case, the consequences shall only be the payment of the monetary penalty and the restrictions on participation described in the Resource Allocation Manual.



In these cases, the following procedures, agreed upon by the parties to guarantee their rights, shall be followed:

**10.4.** Proimágenes shall invoke this clause and shall notify the Producer, in writing, of the non-compliance. The Producer may present its explanations, also in writing, within ten (10) days of the date of sending the notice. Proimágenes may send one or several notices.

**10.5.** If the non-compliance continues, Proimágenes shall contact the Producer for a meeting to mutually terminate the Contract, if it is still in effect, for which a term of not less than thirty (30) days shall apply. In the event that the Producer does not attend the meeting to mutually terminate the Contract and does not pay the agreed upon monetary penalty, Proimágenes shall notify the Producer in writing of the termination of the contractual relationship. Proimágenes may demand payment of the monetary penalty and, if applicable, may initiate the appropriate actions and file a claim for the damages caused. In the event of non-compliance and the application of the provisions of this clause, the Cash Rebate shall not be partially or fully disbursed.

**Paragraph one:** Non-compliance with the Producer's obligations shall result in the collection of the stipulated monetary penalty, the termination of the Contract, if it is still in effect, and the appropriate legal actions.

**Paragraph two:** At any stage of the procedures agreed upon in this clause, the Parties may settle their dispute.

**Paragraph three:** The events for which another consequence has been set forth in this Contract shall not be considered contractual non-compliance that would result in the actions established in this clause or in the payment of the agreed upon monetary penalty. Specifically, these events are:

- a) Failure to create the trust in the time period and for the amount agreed upon.
- b) Failure to pay expenses for the amount established as the Minimum Expenditure.
- c) Failure to pay the expenditures established in the Budget of Expenses Eligible for Cash Rebate approved by the CPFC. In these cases, as stipulated, the Guarantee shall remain in possession of Proimágenes to be used for the purposes of the FFC. Furthermore, the restrictions on the Producer's future participation, set forth in the Resource Allocation Manual, shall become effective.

**ELEVEN. Monetary penalty:** By agreement between the parties, in the event that the Producer breaches the provisions of the preceding clause – except the cases described in paragraph three of the above clause – an amount equal to ten percent (10%) of the total amount of the Contract is hereby established as a penalty clause. This amount shall be considered a preliminary, but not definitive, valuation of the damages caused to Proimágenes as the administrator of the FFC. The Parties hereby accept that payment of the penalty shall not discharge the primary obligation, and they waive any court injunction or notice of default.

**TWELVE. Enforceable document:** The parties hereby agree to grant and recognize the nature of this Contract as an enforceable document for collection in the stipulated cases of non-compliance.

**Paragraph one:** The Parties hereby agree that a notice of default or a court injunction shall not be necessary as prior requirements for the herein agreed upon enforceability or any other contractual action.

**THIRTEEN. Monitoring:** Proimágenes shall monitor this Contract through its staff, according to their duties at Proimágenes. This shall be documented prior to the disbursement of the Cash Rebate. Notwithstanding the disbursement of the Cash Rebate, and notwithstanding the monitoring and reconciliation of accounts of the Contract, the parties hereby understand and agree that in the event of subsequent events constituting non-compliance with the Producer's obligations, Proimágenes shall be able to proceed with the appropriate legal actions and claims.

**Paragraph one:** Any delay by Proimágenes in exercising the rights and actions arising from non-compliance by the Producer may not be interpreted as waiving the exercise of these rights and actions, or as accepting the circumstances leading to the non-compliance.

**FOURTEEN. Reconciliation of accounts:** Upon the end of this Contract, the Parties shall conduct a reconciliation of accounts detailing the disbursement of the Cash Rebate and the current situation of the Project. Proimágenes shall conduct this reconciliation of accounts directly, as authorized by the Producer, if the Producer has not done so within two (2) months from the end of the Contract.

**FIFTEEN. Termination:** The grounds for termination of the Contract are those established by civil legislation and by mutual agreement. The Parties hereby agree that the Contract shall end at an earlier date upon notification by Proimágenes to the Producer in the cases and following the procedures stipulated in this Contract.

**SIXTEEN. Election of domicile:** For all purposes, the domicile of this Contract shall be Bogota D.C., Colombia. Any legal claim shall be pursued in the jurisdiction of the Republic of Colombia.

**SEVENTEEN. Notices:** The Parties shall be deemed to have been notified at the following addresses. Each Party undertakes to inform the other of changes in the information contained in this clause:

- Proimágenes:

Address: Calle 35 No. 5 - 89 (Barrio La Merced), Bogotá D.C.

Phone: +57 1 2870103

- The Producer:

Address:

Phone:

Email:

**EIGHTEEN. Validity and execution:** This Contract shall be executed and take effect for legal purposes on the date of its signing by the Parties.

In witness whereof, the Parties sign this Contract in two (2) counterparts, each of which shall be deemed to be an original, on [date in words](#) (2000).

Proimágenes,

The Producer,

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**Claudia Triana Soto**  
Citizen ID Number (C.C.) 41.685.231

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**Representative of the production  
company**  
ID No. 00000000 from Country