

Chapter 1

A brief overview of the activities of the collective management organization in the reporting year:

In 2019 SFP-ZAPA collected over PLN 157 million, which means that for the fifth year in a row it shows the upward trend as far as the collections are concerned. SFP-ZAPA has proceeded with the contracts already concluded and led to the conclusion of several hundred new contracts, on the basis of which remuneration is collected for the authorized authors and producers. The highest collections, just as in previous years, were reached from the two key fields – broadcasting and retransmission, which are almost completely covered by the agreements. In addition, in the field of retransmission, SFP-ZAPA conducted litigations against operators diminishing the reported revenues being the basis for a SFP-ZAPA fee's calculation. In the field of cinema projections SFP-ZAPA continued several court cases against the biggest chains of multiscreen cinemas and obtained series of favorable court decisions. Also, in this field SFP-ZAPA submitted together with another collective management organization the application to the Copyright Commission for a table of tariffs' approval.

With regard to attracting new members, 352 rightholders concluded collective management agreements with SFP-ZAPA. At the end of 2019, the total number of entitled persons was 5 884. As for the representation contracts, SFP-ZAPA signed 6 new contracts with foreign cmos, thus obtaining 71 contracts on mutual or unilateral representation at the end of the reporting year.

Moreover, in 2019, SFP-ZAPA was involved in the implementation of the requirements resulting from the Act on Collective Management of Copyright and Related Rights. This was about a comprehensive review and modification of the regulations concerning a range of the organization's activities. Starting from the By-Laws and the revision of the permit for collective management of copyrights and related rights through a number of rules and rights assignment agreements, ending with agreements with users and with foreign collective management organizations.

The new By-Laws had been approved at the Extraordinary General Assembly on March 23, 2019. Subsequently, it was approved by the registry court by a decision of October 10, 2019. It should be underlined that the Minister of Culture and National Heritage, after a detailed analysis of the new By-Laws in terms of compliance with the law, in particular with the Act on Collective Management of Copyright and Related Rights, notified the registry court that there were no comments on its content. The By-Laws, meeting the requirements resulting from the new law, introduces new provisions on membership, the bodies of the Association and procedures for a collective management of rights. The new By-Laws maintains SFP-ZAPA as a separate internal unit of the Polish Filmmakers Association, acting within the scope of the collective management of copyright and related rights.

SFP participated also in the proceedings initiated ex officio by the Minister of Culture and National Heritage in accordance with the requirements of the Act on Collective Management of Copyright and Related Rights. The first one concerns the revision of the permit for collective rights management in order to adjust it to the current legal situation and the scope of activities actually run by SFP-ZAPA. The subject of the next two proceedings is admitting representativeness in terms of the scripts of audiovisual

works, the parties to which are SFP-ZAPA and ZAIKS. With regard to related rights to videograms for producers of audiovisual works, the proceeding is run with relation to SFP-ZAPA and the Audio-Video Producers Association. None of these proceedings was completed by the end of 2019.

SFP-ZAPA was also involved in legislative activities, especially in cooperation with the Society of Audiovisual Authors (SAA) - a European organization based in Brussels, gathering audiovisual cmos, lobbying for them in the EU institutions. As a member of the top management of SAA - Board of Directors, SFP-ZAPA was directly involved in tasks and decisions made by SAA. In addition, SFP-ZAPA took part in the working groups on the 2019/790 Directive on copyright in the digital single market and the 2019/789 Directive on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organizations and retransmissions of television and radio programs which were adopted by the European Parliament in 2019.

Chapter 2

Information relating to the structure of the copyright or related rights collective management organization, hereinafter the collective management organization, and its internal bodies:

1. Name, registered office and address of the collective management organization:

Stowarzyszenie Filmowców Polskich (SFP), Warsaw. Address: until 31 May 2018 — ul. Krakowskie Przedmieście 7, 00-068 Warszawa, and from 1 June 2018 — ul. Pańska 85, 00-834 Warszawa. SFP's organizational unit established for collective rights management is the Union of Audiovisual Authors and Producers (Związek Autorów i Producentów Audiowizualnych, or SFP-ZAPA), ul. Żelazna 28/30, 00-832 Warszawa.

2. Designation of the registry court in which registry files of the collective management organization are kept as well as number in the National Court Register:

District Court for the capital city of Warsaw in Warsaw
XII Commercial Division of the National Court Register
KRS: 0000068354

3. Indication of the period which refers to the report:

01.01.2019 – 31.12.2019

4. Names and surnames of members of the statutory bodies of the collective management organization holding functions during the reporting year, excluding the general meeting of members and the meeting of delegates:

Management Board of Polish Filmmakers Association (SFP):

1. Jacek Bromski	SFP President;
2. Karolina Bielawska	Vice-President;
3. Władysław Dariusz Gajewski	Vice-President;
4. Allan Starski	Member of the Management Board
5. Janusz Kijowski	Member of the Management Board
6. Juliusz Machulski	Member of the Management Board
7. Filip Bajon	Member of the Management Board
8. Michał Kwieciński	Member of the Management Board and Treasurer
9. Witold Giersz	Member of the Management Board
10. Janusz Gauer	Chairperson of Image Operators' Club
11. Maciej Karpiński	Chairperson of Screenwriters' Club
12. Nikodem Wołk-Łaniewski	Chairperson of Sound Directors' Club
13. Andrzej Haliński	Chairperson of Set Designers' Club
14. Ewa Borguńska	Chairperson of Film Producers' Club
15. Andrzej Jasiewicz	Chairperson of Children's and Youth Filmmakers' Club
16. Barbara Hollender-Kwiatkowska	Chairperson of Film Writers' Club
17. Krzysztof Wierzbiański	Chairperson of Senior Filmmakers' Club
18. Michał Szcześniak	Chairperson of Young Filmmakers' Club
19. Mirosława Wojtczak	Chairperson of Make-up Artists' Club
20. Alina Skiba Wojnach	Chairperson of Digital Film Forms Club
21. Andrzej Marek Drażewski	Chairperson of Documentary Film Section
22. Andrzej Sapija	Deputy Chairperson of Documentary Film Section
23. Jerzy Kucia	Chairperson of Animated Film Section
24. Hanna Margolis	Deputy Chairperson of Animated Film Section
25. Jacek Zygałdo	Chairperson of Television Section
26. Witold Będkowski	Deputy Chairperson of Television Section
27. Tomasz Dettloff	Chairperson of Kraków Branch of the Association (since 23.03.2019 Section)
28. Anna Mroczek	Chairperson of Łódź Branch of the Association (since 23.03.2019 Section)
29. Andrzej Stachecki	Chairperson of Wrocław Branch of the Association (since 23.03.2019 Section)

The composition of the Management Board changed during the reporting year. On 4 February 2019 a Chairperson of the Łódź Branch of the Association (Anna Mroczek) was chosen. Łódź Branch of the Association has not got a Chairperson in the previous period of the reporting year.

Supervisory Board:

1. Zbigniew Domagalski	Chairperson of the Supervisory Board
2. Irena Strzałkowska	Committee Member
3. Ewa Jastrzębska	Committee Member

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| 4. Łukasz Mańczyk | Committee Member |
| 5. Krzysztof Tchórzewski | Committee Member |

The composition of the Supervisory Board did not change during the reporting year.

The Disciplinary Court of the Association:

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| 1. Marek Piestrak | Chairperson |
| 2. Tomasz Miernowski | Deputy Chairperson |
| 3. Piotr Wojciechowski | Deputy Chairperson |
| 4. Grażyna Banaszkiewicz | Secretary |
| 5. Henryk Bielski | |
| 6. Violetta Buhl | |
| 7. Andrzej Luter | |
| 8. Wiktor Skrzynecki | |
| 9. Andrzej Sołtysik | |
| 10. Andrzej Stachecki | |
| 11. Dorian Ster | |
| 12. Magdalena Tomanek | |

The composition of the Disciplinary Court of the Association did not change during the reporting year.

SFP-ZAPA Administrative Board – internal control body of the Union of Audiovisual Authors and Producers (ZAPA):

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| 1. Juliusz Machulski | Chairperson |
| 2. Michał Kwieciński | Deputy Chairperson |
| 3. Jacek Bromski | Secretary |
| 4. Janusz Gauer | |
| 5. Jacek Hamela | |
| 6. Mirosław Bork | |
| 7. Wojciech Leszczyński | |
| 8. Karolina Bielawska | |
| 9. Janusz Kijowski | |

The composition of the SFP-ZAPA Administrative Board did not change during the reporting year.

5. Specification of the number of rightsholders referred to Article 17 Clauses 4 of Collective Management Act of 15 June 2018

The number of rightsholders referred to in the Article 17 Clauses 4 of the Management Act of 15 June 2018: **4719**.

6. Specification of the committees, boards and other teams appointed by collective management organization, with specification of responsibilities of the individual groups as well as the members' names and surnames:

- Scholarship Board of the Polish Filmmakers Association — awards art scholarships to the members of SFP's Young Filmmakers Club; Membership: 7. Composition: Julia Ruszkiewicz, Jagoda Madej, Oriana Kujawska, Anita Skwara, Jakub Paczek, Janusz Łęski i Kinga Lewińska;
- Board of the Film Discussion Club of the Polish Filmmakers Association — programs and oversees the activity of the Film Discussion Club of the Polish Filmmakers Association; Membership: 5. Composition: Andrzej Bukowiecki, Józef Gębski, Michał Bukomiejski, Anna Górna-Zajac, Marek Nowicki;
- “First Documentary” Artistic Board — assesses and, thereafter, selects the projects for Munk Film Studio's programme titled First Documentary the primary objective of which is to enable directors to debut by making their first 10 to 15-minute long professional documentary; Membership: 5. Composition: Karolina Bielawska, Jerzy Kapuściński, Paweł Kędzierski, Paweł Łoziński, Marta Minorowicz;
- “30 Minutes” Artistic Board — assesses and, thereafter, selects the projects for Munk Film Studio's programme titled 30 Minutes; the programme foresees production of ten 30-minute long fiction debuts about the contemporary world per year; Membership: 9. Composition: Jacek Bromski, Wojciech Marczewski, Michał Rosa, Filip Bajon, Denijal Hasanovic, Carmen Schwec, Anna Waśniewska-Gill, Robert Gliński, Jerzy Kapuściński;
- “Young Animation” Artistic Board — assesses and, thereafter, selects the projects for Munk Film Studio's programme titled Young Animation; the programme foresees production of five 3- to 5-minute long animated films per year; Membership: 6. Composition: Balbina Bruszevska, Piotr Furmankiewicz, Hanna Margolis, Liwia Mądzik, Kamil Polak, Alina Skiba-Wojnach;
- “60 Minutes Artistic Board — assesses and, thereafter, selects the projects for Munk Film Studio's programme titled “60 Minutes”. Membership: 5. Composition: Jerzy Kapuściński, Alicja Gancarz, Anna Jadowska, Tomasz Wasilewski, Paweł Maślona;

7. Specification of associations and other entities of which the collective management organization is a member, with the date of acquisition of their membership:

- as of 30 July 2010, the Polish Filmmakers Association is a member of the National Federation of Polish NGOs (Ogólnopolska Federacja Organizacji Pozarządowych, or OFOP);
- as of 9 November 2012, the Polish Filmmakers Association is a member of the Polish Federation of Film Discussion Clubs;

- as of 14 January 2014, the Polish Filmmakers Association is a member of the Creative Poland Association (Stowarzyszenia Kreatywna Polska).
8. Specification of international organizations of which the collective management organization is a member, with the date of acquisition of their membership:
- as of 4 March 1982, the Polish Filmmakers Association is a member of FIPRESCI (International Federation of Film Critics);
 - as of 1 October 1990, the Polish Filmmakers Association is a member of FERA (Federation of European Film Directors);
 - as of 28 April 1996, Stowarzyszenie Filmowców Polskich is a member of CIFEJ (International Centre of Films for Children and Young People);
 - as of 1 December 1999, the Polish Filmmakers Association is a member of CISAC International Confederation (Confédération Internationale des Sociétés d'Auteurs et Compositeurs);
 - as of 21 May 2002, the Polish Filmmakers Association is a member of AGICOA (Association de Gestion Internationale Collective des Oeuvres Audiovisuelles);
 - as of 15 June 2009, the Polish Filmmakers Association is a member of EUROCOPYA;
 - as of 11 May 2010, the Polish Filmmakers Association is a member of SAA (Société des Auteurs Audiovisuels).

Chapter 3

Information relating to the activity of the collective management organization in the area of acquisition of copyright and related rights for collective management:

1. Specification of the number of entities (natural persons, legal persons and unincorporated organizational units granted legal capacity under separate laws and regulations) that entrusted their rights into collective management as at the end of the reporting year, excluding the mutual or unilateral representation agreements:
5,884, of which 5,206 are authors and 678 are producers.
2. Specification of the number of entities that entrusted their rights into collective management in a given reporting year, excluding the mutual or unilateral representation agreements:
352, of which 328 are authors and 24 are producers.
3. Specification of the number of entities that withdrew their rights from collective management in a given reporting year, excluding the mutual or unilateral representation agreements:
2
4. Specification of the number of the members of the collective management organization who have entrusted their rights thereto into collective management, as at the end of the reporting year:
1069

5. Specification of the number of members of the collective management organization who entrusted their rights thereto into collective management in a given reporting year;

17

6. Specification of the number of members of the collective management organization who withdrew their rights from collective management in a given reporting year;

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7. List of societies that concluded representation agreements with SFP-ZAPA:

1. AIPA (Slovenia)
2. ALCS (United Kingdom)
3. ANICA (Italy)
4. ARGENTORES (Argentina)
5. ASDACS (Australia)
6. ATHINA (Greece)
7. AWGACS (Australia)
8. BILD-KUNST (Germany)
9. CBS INTERNATIONAL TELEVISION, a division of CBS International (Netherlands) B.V. (Netherlands)
10. CHINA FILM ASSOCIATION (China)
11. CINEMA (Ukraine)
12. COMPACT COLLECTIONS (United Kingdom)
13. CSCS (Canada)
14. DAC (Argentina)
15. DACIN SARA (Romania)
16. DAMA (Spain)
17. DFA - Danish Film Directors (Denmark)
18. DGA - The Directors Guild of America (USA)
19. DGJ - The Directors Guild of Japan (Japan)
20. DHFR (Croatia)
21. DILIA (Czech Republic)
22. DIRECTORES (Mexico)
23. DIRECTORS U.K. (United Kingdom)
24. DRCC (Canada)
25. EAU (Estonia)
26. EGEDA (Spain)
27. EMI MUSIC PUBLISHING LIMITED (United Kingdom)
28. FILMAUTOR (Bulgaria)
29. FILMJUS (Hungary)
30. FINTAGE (Netherlands)
31. FMAA (Albania)

32. FRF-VIDEO (Sweden)
33. GCA (Georgia)
34. IFTA COLLECTIONS (USA)
35. JWG - The Japan Writers Guild (Japan)
36. KOPIOSTO (Finland)
37. LATGA-A (Lithuania)
38. LIRA (Netherlands)
39. LITA (Slovakia)
40. METRO-GOLDWYN-MAYER STUDIOS INC. (USA)
41. OAZA (Czech Republic)
42. PACC (Canada)
43. PARAMOUNT PICTURES GLOBAL (USA)
44. PROCIREP (France)
45. REDES (Columbia)
46. SABAM (Belgium)
47. SACD (France)
48. SCAM (France)
49. SDGI (Ireland)
50. SGAE (Spain)
51. SIAE (Italy)
52. SONAR (USA)
53. SONY PICTURES TELEVISION DISTRIBUTION SNC (France)
54. SSA (Switzerland)
55. SUISSIMAGE (Switzerland)
56. SWISSPERFORM (Switzerland)
57. TNT ORIGINALS (USA)
58. TWENTIETH CENTURY FOX FILM CORPORATION (USA)
59. UNIVERSAL STUDIOS INTERNATIONAL B.V. (Netherlands)
60. VDFS (Austria)
61. VEVAM (Netherlands)
62. VG WORT Germany)
63. WALT DISNEY PICTURES (USA)
64. WARNER BROS (USA)
65. WGA - The Writers Guild of America, West, Inc. (USA)
66. WGJ - The Writers Guild of Japan (Japan)
67. 560 Media Rights Limited (United Kingdom)

The above list contains the reciprocal representation agreements with SFP-ZAPA within the meaning of Article 3.3 of Collective Management Act of 15 June 2018, as well as the agreements with other foreign entities receiving royalties.

8. Indication whether the collective management organization collects remunerations also for the benefit of the entities whose rights have not been entrusted thereto in collective management, with provision of the legal basis and individual fields of exploitation to which collection applies.

SFP-ZAPA collects remunerations also for the benefit of the entities whose rights have not been entrusted thereto in collective management, within the following fields of exploitation:

- fixation;
- reproduction of works using a specific technique, including magnetic recording and digital;
- distribution to the public;
- entry into computer memory;
- public performance;
- projection in cinemas and similar establishments;
- rental;
- lending;
- broadcasting by means of video or audio wire or wireless systems using a ground station or broadcasting via a satellite;
- retransmission;
- making the work available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them (on-demand exploitation).

The legal basis for collecting remunerations, also for the benefit of the entities whose rights have not been entrusted to SFP-ZAPA into collective management, are regulated in the Article 21¹ and Article 70 Clauses 2¹ and 3 of the Act on Copyright and Related Rights, Articles 752 et seq. of the Civil Code, the permission granted by the Minister of Culture and Art on 28 February 2003 and Article 15.2 of the Articles of Association of the Polish Filmmakers Association.

Furthermore, SFP-ZAPA collects remunerations pursuant to Article 70 Clauses 2¹ and 3 of the Act on Copyright and Related Rights for the film editors grouped in the Polish Association of Film Editors (Polskie Stowarzyszenie Montażystów, or PSM).

Chapter 4

Information relating to the activity of the collective management organization in the area of collection of remunerations and fees:

1. The table of tariffs of remunerations for public performances of works and subjects of related rights became final and binding, except:

The part in which it refers to hotels with regard to the rates of remunerations for public performances from sound carriers and by means of devices used to receive TV and radio broadcasts and by means of other devices and techniques:

- at restaurants and bars (O/OG);

- at service outlets (O/OU);
- during musical and dancing events (O/ZA);
- at hotels and other facilities (O/HT);
- in transport carrying passengers (O/OK);
- during fairs, special events, sports and recreational events, fashion shows (O/IM);
- at sports and recreational and entertainment facilities (O/OR);
- in shops and at shopping centers (O/OH);
- room TV (O TV-HT);
- for sound carriers in juke-boxes and devices with karaoke functions (O/SZ);

2. Resolutions and other internal acts setting out the amount of tariffs of remunerations for the exercise of the rights subject to collective management, with a brief statement of reasons for the adoption of such tariffs:

The resolution of the Administration Board of SFP-ZAPA enclosed above defines the level of the rates of remunerations for the exercise of copyright or related rights applied by SFP-ZAPA in the fields of exploitation covered by the collective management permit. The resolution indicates factors which have influence on rates of remunerations shaping. It regards the fields of exploitation where rates of remunerations are difficult to provide.

However, the resolution does not specify the separate rates of remunerations applied by SFP-ZAPA in the field of exploitation covered by the collective management permit: fixation, distribution to the public, entry into computer memory, lending.

- in the reference to the fields of exploitation: "fixation" and „ distribution to the public" scope of audiovisual works using, is inseparably connected with the field of exploitation "reproduction";
- in the reference to the field of exploitation: "entry into computer memory" scope of audiovisual works using, is inseparably connected with the field of exploitation "making the work available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them";
- in the reference to the field of exploitation "lending" SFP-ZAPA does not apply rates of remunerations. This is a consequence of the fact that according to the definition of the Article 6.8 of the Act on Copyright and Related Rights "lending means delivery thereof for use limited in time without the objective of generating direct or indirect material benefit";

The level of the rates contained in the authors' tariffs of remunerations applied by SFP-ZAPA is the result of arrangements made by SFP-ZAPA with the users of audiovisual works within individual fields of exploitation and is reflected in multiple agreements concluded by SFP-ZAPA in the past and in the present.

RETRANSMISSION - the current rate of 2.2% of net receipts of a cable TV network operator is applied in over 300 contracts with operators who jointly hold almost 100% of the cable TV market in terms of the number of subscribers. On 26 April 2018, the Court of Appeals in Poznań upheld the verdict of the Regional Court in Poznań from 2 March 2017, where the court approved the Table of Tariffs of Remunerations for the Use of Works and Videograms in Retransmission Field of Exploitation that set the rate for SFP-ZAPA rightsholders at 2.2% of the receipts of cable operators obtained from subscribers in connection with the provision of retransmission. The confirmed table

includes remuneration for exploitation in the field of retransmission on cable networks for economic rights belonging to producers and co-authors of audiovisual works as well as remuneration for retransmission on cable networks of videograms that have been introduced to trade, to which related rights belong to producers of audiovisual works. The judgment is final and binding and, consequently, the legitimacy of the 2.2% rate sought by SFP-ZAPA over many years has been ultimately confirmed.

BROADCASTING – the level of the rates of remunerations for the exercise of copyright or related rights applied by SFP-ZAPA in the fields of exploitation “broadcasting by means of video or audio wire or wireless systems using a ground station or broadcasting via a satellite”, as the amount of those rates is defined by way of individual negotiation with the users. The rates applied by SFP-ZAPA in these field of exploitation incorporate the amount of the receipts generated by the users as well as the nature and scope of use of the repertoire protected by SFP-ZAPA.

CINEMA SCREENING - the currently applied rate of 0.95% of total gross receipts (net of VAT) obtained by cinema operators for the screening of films is reflected in over 400 agreements concluded by SFP-ZAPA with the operators. Due to the fact that some of these operators have more than one cinema, the total number of cinemas covered by these contracts is higher. Comparing this number to the data presented in “Cinema Operation in 2018” (“Działalność Kin w 2018 r.”) prepared by Central Statistical Office (Główny Urząd Statystyczny), which states that in 2018 in the entire territory of Poland there were 497 permanent cinemas, reveals that the 0.95% rate is accepted by about 80% of all the cinemas in Poland.

In October 2019, District Court in Warsaw settled the dispute with Cinema City and confirmed the 0,95% rate.

At the same time it is necessary to note that just the three corporations Multikino S.A., Helios S.A. and Cinema City sp. z o.o., which have not concluded agreements with SFP-ZAPA and with whom SFP-ZAPA continues to have ongoing court cases, run 130 cinemas altogether, which is about 20% of all the cinemas in Poland.

The above rate was determined as a result of a years-long market practice within the framework of the remunerations rate collected by Society of Authors ZAiKS from cinemas in the amount of 2.1% of gross receipts (less VAT) which incorporated also the remunerations for authors represented by SFP-ZAPA. Under the agreement concluded with SFP-ZAPA, ZAiKS transferred the applicable portion of the remunerations to SFP-ZAPA which, in turn, distributed that remunerations among the eligible authors.

REPRODUCTION - the rates of the author’s remunerations in that field of exploitation were established as a result of a years-long market practice derived from the rulings of the Copyright Commission issued in 2000 and in 2001 which covered the aggregate rate for the rights represented by Society of Authors ZAiKS and SFP-ZAPA at the level of 8% of the user’s revenue. The rate currently applied by SFP-ZAPA is derived from the aforesaid global rate while taking into consideration the scope of the rights represented by SFP-ZAPA in that field in relation to the rights represented by Society of Authors ZAiKS. In addition to the percentage rates, SFP-ZAPA applies also amount-based rates. These vary depending on the type of the work and the type of the carrier on which it has been reproduced and are derived from SFP-ZAPA’s contractual practice established with the users. The rates in this field of exploitation have also been approved by the Union of Public Media Employers (Związek Pracodawców Mediów Publicznych) in the course of the proceedings for approval of SFP-ZAPA remunerations tables before the Regional Court in Poznań.

PUBLIC PERFORMANCES - the rates in this field of exploitation are derived from the remunerations table approved by the Copyright Commission on 10 July 2013. As of the date of this report, the Committee's ruling relating to some of them has already become final and binding. On 9 May 2019 the Regional Court in Poznań confirmed part of the table of rates of remuneration presented by the participants in the proceeding before the Copyright Commission in the appealed by the Chamber of Commerce of the Polish Hotel Industry. SFP-ZAPA's due share in the rates of author's remunerations approved by the Copyright Commission for the reproduction of the repertoire protected by SFP-ZAPA in the manner defined in the parts of the Table incorporates the actual scope of the repertoire protected by the organization and the manner of its utilization (e.g. public performances from an image and sound carrier, public performances in hotel rooms) within this field of exploitation. The said share was confirmed in the agreement concluded on 29 June 2015 with ZAiKS, the second organization in Poland protecting the rights of co-authors of audiovisual works.

RENTAL - the rates in this field of exploitation cover the repertoire represented by SFP-ZAPA, the level of receipts generated for the utilization of the works whose co-authors are protected by the organization as well as the scope and nature of exploitation of those works.

COMMUNICATION TO THE PUBLIC ONLINE – to eliminate ambiguities in interpretation, connected with the obligation to pay royalties to co-authors of audiovisual works (Article 70 Clause 2¹ of the Act on Copyright and Related Rights) as well as taking into consideration, innovative and differential methods of exploitation, SFP-ZAPA does not apply rates of remunerations. The rates applied by SFP-ZAPA in these field of exploitation incorporate the amount of the receipts generated by the users on internet as well as the nature and scope of use of the repertoire protected by SFP-ZAPA. Furthermore, in in the reference to the communication to the public of archive audiovisual works, according to the Article 21² of the Act on Copyright and Related Rights, SFP-ZAPA individually grants licences and negotiates conditions of the agreement regulating the amount of the royalties.

3. Specification of the fields of exploitation where the collective management organization exercised collective management during the reporting year refers to the audiovisual works and related rights

SFP-ZAPA exercised collective management within the following fields of exploitation:

- fixation;
- reproduction of works using a specific technique, including magnetic recording and digital;
- distribution to the public;
- entry into computer memory;
- public performance;
- projection in cinemas and similar establishments;
- rental;
- lending;
- broadcasting by means of video or audio wire or wireless systems using a ground station or broadcasting via a satellite;

- retransmission;
- making the work available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them (on-demand exploitation).

In the following reporting year, SFP-ZAPA intends to exercise collective management within the same scope as in the year 2019, with the provision that SFP-ZAPA will remove from the new permit two fields of exploitation: ‘‘fixation’’ and ‘‘entry into computer memory’’. This will happen if during the administrative procedure regarding permit revision for exercise collective management, Ministry of Culture and National Heritage approves this removal. In practice, making use of these audiovisual works is inseparable from distribution to the public – in case of fixation and making the work available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them – in case of entry into computer memory. That is why, there is no reason to distinct it.

At the same time it is important to consider that recent legislative changes have created a legal basis that obligates SFP-ZAPA to licence subjects of rights in the exploitation field of public performance. Specifically this concerns the addition to the Act on Copyright and Related Rights of Article 21³, which states that ‘‘owners of devices used to receive radio or television programs are allowed to publicly perform broadcast works solely on the basis of a license granted by the appropriate copyright collective management organization (...)’’.

Another new law whose implementation will allow broad licensing in the name of authors and producers is article 17 of the Copyright Directive in the Digital Single Market, on which basis service providers that provide content online (internet platforms) will be required to enter into appropriate licensing agreements with collective rights management organizations in order to allow their users to legally upload content. Moreover, proper implementation of article 18 of the Copyright Directive in the Digital Single Market, will expand the scope of SFP-ZAPA. It allows to collect the royalties from VOD and streaming platforms.

4. Specification of the number of the users with whom the collective management organization had agreements concluded as at the end of the reporting year and the number of users with whom the collective management organization concluded agreements during a given reporting year

1 499	the number of the users with whom the collective management organization had agreements concluded as at the end of the reporting year
432	the number of users with whom the collective management organization concluded agreements during a given reporting year

The aggregate number of users is not equal to the sum of the agreements concluded with the users within individual fields of exploitation. This is attributable to the fact that SFP-ZAPA has agreements concluded with some of the users that cover more than one field of exploitation.

5. Specification of the number of the users with whom the collective management organization had agreements concluded within the individual fields of exploitation as at the end of the reporting year and the number of users with whom the collective management organization concluded agreements in individual fields of exploitation during a given reporting year

5.1. Specification of the number of the users with whom the collective management organization had agreements concluded within the individual fields of exploitation as at the end of the reporting year:

- a. Public performance: 658
- b. Screening in cinemas: 410
- c. Retransmission: 308
- d. Reproduction: 100
- e. Broadcasting by means of video or audio wire or wireless systems using a ground station or broadcasting via a satellite: 19
- f. Making the work available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them: 5

5.2. Specification of the number of users with whom the collective management organization concluded agreements in individual fields of exploitation during a given reporting year:

1. Public performance: 41
2. Screening in cinemas: 316
3. Retransmission: 24
4. Reproduction: 50
5. Broadcasting by means of video or audio wire or wireless systems using a ground station or broadcasting via a satellite: 0
6. Making the work available to the public in such a way that members of the public may access it from a place and at a time individually chosen by them: 1

The overwhelming majority of the agreements indicated in items 5.1 and 5.2 are agreements concluded for a definite term. They are concluded for specific exploitation of the works that commences and ends during the reporting year (e.g. film shows held during the summer holiday, occasional reproduction of films, e.g. during temporary exhibitions or a film on a DVD added to a magazine or newspaper). Additionally, especially in the case of retransmission, a part of businesses wind up their business or are acquired by major operators.

6. Information on cases in which the collective management organization refuses to conclude agreement or collect payment, including an indication of the reasons for the refusal

In the year 2019, there were no cases in which the collective management organization refuses to

conclude agreement or collects payment.

7. Specification of the amount of remunerations for collective management collected during the reporting year within the individual fields of exploitation, including separately under Article 70 Clause 2¹ of the act, in net amounts;

Total amount of remunerations collected in 2019:

	TOTAL AMOUNT OF REMUNERATIONS COLLECTED IN 2019
RETRANSMISSION	PLN 72 970 973.52
COMMUNICATION TO THE PUBLIC ON INTERNET	PLN 163 453.16
fees due on the basis of art. 70 clause 2 ¹ of the Act	
CINEMA SCREENING	PLN 2 324 729.37
PUBLIC PERFORMANCE	PLN 2 994 782.85
BROADCASTING	PLN 75 269 246.97
REPRODUCTION	PLN 1 606 252.14
PRIVATE COPYING TO AUTHORS (DOMESTIC)	PLN 1 407 006.08
PRIVATE COPYING TO PRODUCERS (DOMESTIC)	PLN 31 495.10
PRIVATE COPYING TO AUTHORS (FOREIGN)	PLN 105 177.46
PRIVATE COPYING TO PRODUCERS (FOREIGN)	PLN 12 025.41
FOREIGN RENUMARATIONS AND FEES (OTHER THAN PRIVATE COPYING)	PLN 967 377.49
TOTAL	PLN 157 852 519.55

8. Specification of the amount of remunerations and fees collected during the reporting year from the national or foreign collective management organizations, also under the unilateral or mutual representation agreements, in net amounts;

Amount of remunerations and fees collected during the reporting year from national collective management organizations: **PLN 5 684 058.84**

Amount of remunerations and fees collected during the reporting year from foreign collective management organizations: **PLN 1 071 712.46**

9. Specification of the amount of income arising from the investment of rights revenue before their payment to rightsholders.

Interests: **PLN 2 875 337.74**

During the period from their collection until their payment to rightsholders, receipts from fees and remunerations are deposited in term deposits and overnight deposits. This is owed to the fact that a collective management organization may rely solely on the safe forms of investment that guarantee rapid access to the accumulated monies. Keeping those monies in a non-interest bearing account would expose the collective management organization to the charge of mismanagement. SFP-ZAPA allocates the interest earned on deposits to coverage of its current operating expenses.

10. Specification of the total amount of remunerations with divisions into fields of exploitation:

Fields of exploitation	Payments for rightsholders and national and foreign collective management organizations, in gross
BROADCASTING	PLN 40 036 250.31
RETRANSMISSION	PLN 55 855 187.64
REPRODUCTION	PLN 3 065 285.37
PUBLIC PERFORMANCE	PLN 1 436 705.75
PRIVATE COPYING	PLN 1 719 611.20
SCREENING IN CINEMAS	PLN 1 551 822.67
FOREIGN USYING	PLN 447 046.03
DISTRIBUTION TO THE PUBLIC ON INTERNET	PLN 27 860.32
THE PAYMENT OF AN ADVANCE ROYALTIES	PLN 5 317 768.94
TOTAL	PLN 109 457 538.23

11. Specification of the total amount of remunerations and other performances transferred during the reporting year to Polish collective management organizations and foreign collective management organizations, in gross:

Polish collective management organizations: **PLN 88 236.02**

Foreign collective management organizations: **PLN 36 589 803.52**

Patronage is one of the most important parts of executing the statutory mission of SFP which is the popularisation of film culture – thus among the events that are given this status there are often small, local events. SFP awards honorary patronage as well as media patronage on www.sfp.org.pl and

- Supporting domestic and international events promoting Polish cinematography.
- Without the support from the Polish Filmmakers Association, young artists, deprived of financial backing, would have little chance, for instance, to write a film script or raise their professional qualifications to be able to pursue a career in film professions such as a film director or operator. By securing the young artists' financial future, scholarships allow them to focus on their professional development and work under a professional mentorship scheme,
- Funding scholarships and prizes for young Polish artists.
- Film debuts are supported within the framework of "30 minutes", "First Documentary", "Young Animation", and "60 minutes" programs implemented by the Munk Film Studio (Studio Młodzi i Film im. Andrzeja Munka) operating within the SFP structures.
- Supporting debuts of young filmmakers.
- Polish filmmakers to express their views on the current developments in the film industry.
- This encompasses multiple initiatives pursued by the Polish Filmmakers Association such as, for instance, publishing *Magazyn Filmowy*, the Polish filmmakers' specialist industry magazine, and operating a website service dedicated, in the first place, to filmmakers, which presents in depth issues relating to the Polish audiovisual market. The publications co-sponsored by SFP provide a forum for the Polish filmmakers to express their views on the current developments in the film industry.
- Supporting publications promoting Polish cinematography.
- In 2019 SFP continued to support financially and in terms of content the Camerimage International Film Festival (Międzynarodowe Festiwalu Sztuki Autorów Zdjęć Filmowych CAMERIMAGE), an event known and appreciated outside of Poland. In addition SFP once more supported many events dedicated to film animation, among others Międzynarodowy Festiwal Filmowy „Etiuda&Anima”, Międzynarodowy Festiwal Filmów Animowanych ANIMATOR, Konkurs Polskich Filmów Animowanych ANIMATOR.PL, Międzynarodowe Warsztaty Filmu Animowanego w Krakowie/Lanczkornie as well as Legnicka Akademia Filmowa – Warsztaty Filmu Animowanego. The Association also contributed to many renowned festivals and events that are directed at smaller audiences, but are very important for the promotion of Polish film, and at the same time are recognized as worthy by the film community. These include Tarnowska Nagroda Filmowa, Ogólnopolski Festiwal Sztuki Filmowej „Prowincjonalia”, Festiwal Filmu i Sztuki „Dwa Brzegi”, Festiwal Mediów „Człowiek w Zagrozeniu”, Festiwal Filmów – Spokan Niezwykłych, Plenery „Film Spring Open”, Kino w Zagrozeniu”, Festiwal Filmów – Suspence Film Festival, Festiwal Piosenki i Ballady Dokumentu w Domu Sztuki na Ursynowie, Suspence Film Festival, Festiwal Piosenki i Ballady Filmowej, Gdańsk Docfilm Festival and Międzynarodowy Festiwal Filmów Młodego Widza „Ale Kino!”.
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- Supporting domestic and international events promoting Polish cinematography.
- Patronage is one of the most important parts of executing the statutory mission of SFP which is the popularisation of film culture – thus among the events that are given this status there are often small, local events. SFP awards honorary patronage as well as media patronage on www.sfp.org.pl and

Chapter 5

Information relating to the deductions made for administration costs during the reporting year, with explanation of the reasons for cost growth in relation to the preceding reporting year, if any.

1. Specification of the amount of the costs of administration and distribution:

SFP-ZAPA costs: **PLN 12 848 837.92**

The total amount of the above-mentioned costs was covered from deductions from rights revenues as well as deductions from income arising from rights revenues made as costs of collection, distribution and payment.

2. Specification of the amount, purpose and legal basis of the deduction from the amount of remunerations and fees, before their payment to rightsholders

2.1. The deduction made for the cost of administration and distribution: **PLN 15 908 650.88**

2.2. The deductions made for the Statutory Social, Cultural and Film Promotion Fund: **PLN 15 091 601.87**

2.3. Legal basis:

- the deduction made for the cost of administration and distribution: Resolution No. 5/2019 of SFP-ZAPA Administration Board dated 14 March 2019, on the matter of changing the deduction made for the collection costs as well as the Agreement with AGICOA on the cost deduction re producers' retransmission;

- the deductions made for the Statutory Social, Cultural and Film Promotion Fund: article 18 Paragraph 5 of the Articles of Association of the Polish Filmmakers Association

3. Percentage of deductions for administration and distribution costs from rights revenues:

PLN 15 908 650.88 / PLN 157 852 519.55 zł = 10,07%

4. The Statutory Social, Cultural and Film Promotion Fund:

SFP-ZAPA does not expend the monies deducted for the aforesaid Fund. The amounts collected on that account are transferred in full to the Polish Filmmakers Association which manages them each time on the basis of the resolutions of the Management Board of SFP, passed in compliance with the applicable regulations, in particular the Rules and Regulations of the Statutory Social and Cultural and Film Promotion Fund. In the overwhelming majority of cases, the collected monies are used to finance all initiatives supporting the making of films. The key initiatives include:

• Supporting financially festivals at which Polish films are presented.

The main area of the Association's activity were the comprehensive measures taken to create, build, coordinate and deliver highly-rated events of great artistic value both to the film industry and the Polish

Magazyn Filmowy. Festivals, overviews, exhibits, contests and workshops, more rarely books and DVD/BD or CD releases are given patronage. Among the film events given patronage by SFP were: the Polish Film Festival in Gdynia, Kraków Film Festival, Koszalin Film Debut Festival, Camerimage International Film Festival, Tarnowska Nagroda Filmowa, Kołobrzeg Suspense Film Festival, Ogólnopolskie Spotkania Filmowe Kameralne Lato w Radomiu, Ogólnopolski Festiwal Sztuki Filmowej Prowincjonalia, Festiwal Filmu i Sztuki Dwa Brzegi, Film Spring Open, Sokołowsko Festiwal Filmowy Hommage a Kieślowski, Międzynarodowy Festiwal Filmów Młodego Widza „Ale Kino”, Forum Kina Europejskiego Cinergia w Łodzi, Międzynarodowy Festiwal Filmów i Programów Religijnych dla dzieci MUNDI, Międzynarodowy Festiwal Filmowy „Etiuda&Anima”, Międzynarodowy Festiwal Filmów Animowanych „Animator”, Polish Film Festival w Los Angeles, Seattle Polish Film Festival and the Toronto Polish Film Festival „Ekran”.

The Association organizes and supports financially tens of events promoting the Polish cinematography. The most important ones include:

- SFP Documentary and Animated Film Forum (Forum Dokumentu i Animacji SFP) during the Krakow Film Festival;
- SFP Forum (Forum SFP) during the Gdynia Film Festival;
- SFP Prizes and Golden Tapes of SFP Film Writing Club (Złote Taśmy Koła Piśmiennictwa SFP);
- Perspective Prize named after Janusz “Kuba” Morgenstern;
- Polish film shows for the diplomatic corps in Poland;
- Formal premieres of films after digital reconstruction at Kultura cinema;
- Premieres of films produced by Munk Film Studio and SFP; and
- Young Viewer Polish Cinema project.

For SFP-ZAPA



Dominik Skoczek

SFP-ZAPA Managing Director

