

SFP-ZAPA's basic report for 2020

Chapter 1 of the basic report contains a brief description of the activity pursued by the collective management organisation in the reporting period.

The year falling on the 25th anniversary of SFP-ZAPA's existence was unusual for the organisation in many respects. The coronavirus pandemic forced a revision of a major part of the plans made at the beginning of the year. After the first lockdown, in the first six months of 2020, it seemed that it would not be possible to carry out the financial plan. The advertising revenues of broadcasters went significantly down, and cinemas and hotels were closed, which caused a serious reduction in the royalties paid. However, additional actions taken immediately by SFP-ZAPA, which increased revenues from other areas, and intensification of litigative efforts allowed the organisation, in spite of the pandemic, to close the previous financial year with the highest result in its history.

In 2020, SFP-ZAPA collected an amount in excess of PLN 176 million. It consisted not only of current receivables but also accumulated outstanding dues of certain users for periods reaching many years ago, received by way of negotiations and settlements or successfully completed court proceedings. In accordance with the Act on Collective Management of Copyright and Related Rights ("Act on CM"), the organisation must pay out royalties within 9 months following the year in which the amounts were collected at the latest. SFP-ZAPA distributes funds within much shorter times.

The year 2020 was also record-breaking in terms of outgoing payments. SFP-ZAPA paid to Polish and foreign rights holders the amount of PLN 146.8 million. Out of this amount, as much as PLN 102.3 million was paid to authors, and PLN 44.5 million was distributed to producers. These are the actual amounts transferred to the bank accounts of rights holders represented by SFP-ZAPA or of foreign organisations protecting authors and producers from all over the world. The amount provided for distribution was, of course, higher, but because of reported participation conflicts or incomplete identification of repertoire, some payments could not be made for reasons beyond our control. In accordance with the Act on Collective Management, we have three years to search for rights holders which have not been identified during the distribution process. After three years, the amounts collected on account of such repertoire are treated, in accordance with the Act on CM, as the so called "amounts not subject to distribution", and are then paid on a pro rata basis to rights holders participating in previous distributions.

In response to the very difficult situation faced last year by the entire film industry due to the pandemic, SFP-ZAPA implemented a large package of aid measures for its rights holders. All dates of distribution and payment of royalties were speeded up. For the first time in the history of the organisation, associated producers could also claim advances based on future royalties. As a result, their accounts were credited with a total of PLN 4.6 million already in April last year. Furthermore, authors who entrusted their rights to SFP-ZAPA were offered advances for living expenses to be deducted from future royalties, with deadline for repayment deferred to 2022. Following a decision by the Administrative Board of SFP-ZAPA to pay amounts deemed undistributable, nearly PLN 9 million was provided for payment to rights holders. Moreover, at the end of last year, the Administrative Board of SFP-ZAPA decided to make certain additional amounts from dissolved provisions, totalling more than PLN 11 million in extra funds, available to authors and producers protected by the organisation.

In 2020, nearly 300 new authors or successors entrusted their rights to SFP-ZAPA. At the end of last year, their number was nearly 5500. At the same time, by the end of 2020, in total over 2300 Polish authors entrusted their rights to screenplays to SFP-ZAPA. Last year 23 new producers were enrolled to the organisation. Their total number at the end of last year was nearly 680.

The fact that SFP-ZAPA represents numerous screenwriters brought about the issuance of a long-awaited decision by the Minister of Culture and National Heritage in 2020, wherein the Minister stated that SFP-ZAPA was a representative organisation with respect to copyright to screenplays of audio-visual works. It means that as of the entry of the Act on CM into force (the decision is of declaratory nature, i.e. it confirms already existing legal regime) SFP-ZAPA represents not only those screenwriters who have directly entrusted the rights for collective management to the organisation, but also all screenwriters who have not entrusted their rights either to SFP-ZAPA or to the Society of Authors ZAiKS. A natural consequence of this decision, which increases the number of authors protected by SFP-ZAPA, will be an increase in the amounts collected in nearly every field of exploitation.

Retransmission

The retransmission market is one of very few for which the pandemic did not bring a significant reduction in revenues. This field of exploitation is of key importance to SFP-ZAPA and has been bringing high current revenues for many years. Owing to effective monitoring of the performance of concluded contracts – at the end of 2020 there was over 300 such contracts, which means that a rate of 2.2% is applied to nearly 100% of the market – SFP-ZAPA also in this field maintained a high level of amounts collected for current periods.

As anticipated, the year 2020 also brought about the first final and unappealable, and fully favourable to SFP-ZAPA, resolution in a case against Vectra S.A., the largest cable operator in Poland, which had been understating the basis for payments to SFP-ZAPA. The judgment should be regarded as a turning point for several reasons. First, the largest entity on the market became obligated to pay extra remuneration amounting to many millions plus high interest. Second, the Court resolved in a final and unappealable ruling that it is contrary to the provisions of licence agreements concluded with SFP-ZAPA to exclude from the base used for calculating payments to SFP-ZAPA any amounts obtained cyclically from subscribers.

Last year saw also intensive efforts of SFP-ZAPA targeted at applying agreements with a rate of 2.2% to other operators on the market of paid television, regardless whether they use wire or wireless retransmission technology. It translates into increasingly higher revenues received not only from traditional cable or satellite operators but also from entities distributing TV programmes via the Internet.

Ultimately, in 2020 SFP-ZAPA collected an amount of nearly PLN 83 million in the field of retransmission, which was higher by over PLN 10 million compared to 2019.

Broadcasting

As a result of the COVID-19 pandemic, the television market had to face an abrupt and previously unknown collapse on the market of television advertising, which is a key source of revenues for broadcasters. This, in turn, resulted in decreased payments to SFP-ZAPA. In April 2020, advertising revenues included in the basis for royalty calculation fell in the case of some broadcasters by as much as 40%. In subsequent months the decline slowed down, and in the second half of the year some recovery

was even observed. On an annual basis, it resulted only in a deviation by a few percent as compared to prior years. Ultimately, in 2020 we received a total of nearly PLN 80 million in revenues from broadcasting.

Nearly the whole market of broadcasting is covered by agreements with SFP-ZAPA. In 2020, we actively monitored the market of TV broadcasters in order to search for new business partners. Negotiations were held with smaller users who until recently had not exploited the repertoire protected by the organisation.

Projection in cinemas

2020 should be deemed a break-through year in the field of projection in cinemas. The year ended with the amount of nearly PLN 9 million collected in this field of exploitation, that is almost four times higher than in 2019.

The cinema market suffered the most during the pandemic, which was reflected in low revenues from current payments. The restrictions imposed on this sector affected payments from 400 cinemas, mostly art-house and local ones, which have had agreements with SFP-ZAPA for many years. The amounts collected from those entities fell by ca. 50% on an annual basis.

However, the final and unappealable win last year in a court dispute with the largest multiplex cinema in Poland, Cinema City, enabled us to enforce from this cinema chain the outstanding amounts on account of films projected in 2011-2013. After six years of litigation, in November 2020 the Court of Appeal in Warsaw issued a final and unappealable judgment, fully favourable to SFP-ZAPA, wherein it obligated the operator of the largest cinema chain in Poland to pay many millions of outstanding remuneration due to authors represented by the organisation.

The Court had no doubts that the percentage rate on revenues from all film projections negated by the multiplex cinema and applied by SFP-ZAPA was reasonable. Nevertheless, Cinema City, which is part of the largest cinema chain in the world, failed to perform the judgment voluntarily and refused to pay the amounts outstanding for other periods. Consequently, SFP-ZAPA was forced to initiate enforcement in order to recover the awarded royalties. As a result, by the end of last year the organisation's account was credited with about half of the awarded amount.

After the judgment against Cinema City, the other two operators of large multiplex cinemas – Helios and Multikino – which until recently had been in court disputes with SFP-ZAPA, started discussions on settlement with the organisation at the end of 2020. Consequently, settlements and general agreements with them were concluded already at the beginning of 2021. Pursuant thereto, two operators of collectively almost 100 cinemas in Poland will pay amounts outstanding for many years until the end of 2020, and after opening their cinemas again will begin to pay current amounts.

The proceedings on tables of tariffs are still pending, after the Copyright Commission refused at the end of 2020, but only because of formal reasons, to approve remuneration tables for all collective management organisations, including under a joint application submitted by SFP-ZAPA and ZAiKS. The adjudicating panel of the Commission did not comment at all on the rates of remuneration stated in the joint application of both organisations, which took into account the decision on SFP-ZAPA's representative status with respect to screenplays, translating into updated division of the total rate for

copyright as follows: 1.05% for SFP-ZAPA and 1.0% for ZAiKS. The organisations appealed against the decision of the Copyright Commission to the Minister of Culture.

Public performance

Revenues from public performance, which before the pandemic did not bring very high amounts to the organisation, really went down because of restrictions in the operation of particular sectors of economy, including closed hotels or their limited operation. Having regard to the situation faced by business partners co-operating with the organisation, SFP-ZAPA decided not to collect royalties from hotels over a period of one year starting from March 2020. Immediately after the decision, suspension of payments to collective management organisations was implemented by one of the provisions of the so called “first anti-crisis shield”, suspending the collection of royalties calculated on the basis of fixed rates (as in the case of performance of works in hotel rooms).

Notwithstanding the foregoing, as a result of nearly eight years of efforts on the part of collective management organisations, in October last year the Court of Appeal in Poznań approved, in a final and unappealable ruling, the table of remuneration rates of SFP-ZAPA and several other organisations for the performance of works and objects of related rights in hotels. The approved rates should result in future in increased amounts collected by SFP-ZAPA in this field of exploitation, which until now could be regarded as purely symbolic.

Reproduction

As planned, last year SFP-ZAPA brought about the conclusion of two settlements: with Edipresse publisher and Hagi film distributor. The exploitation of films on DVDs and Blu rays from year to year is getting smaller and brings small current revenues. However, SFP-ZAPA takes up intensive measures in order to collect royalties for authors also from this portion of the market. For some authors, their repertoire is used only in this field of exploitation and for them it is the only source of royalties.

Private copying

According to the plan, based on favourable to SFP-ZAPA principles of dividing levies on private copying negotiated in the middle of 2018, the organisation received amounts for subsequent periods in accordance with the same principles.

Last year, SFP-ZAPA also monitored works connected with a draft law on professional artist status, which is directly connected with a change in the system of levies for private copying. The draft was prepared following a debate in the artistic circles which has been continuing since 2017 and its main assumption is to support the lowest-earning representatives of artistic professions by supplementing their social and health insurance contribution payments. For the purpose of co-financing contributions of professional artists, the draft law envisages the establishment of a special Professional Artist Support Fund, with its revenues being, apart from special purpose subsidies from the State Treasury, also revenues from private copying levies referred to in Article 20 of the Act on Copyright and Related Rights. Actions taken by SFP-ZAPA were focused on developing such a model of change in the system of levies which, on the one hand, would take into account the main assumption of the draft law – supporting artists – and, on the other hand, would bring about the long-awaited update of the list of devices and media subject to a levy, which is necessary in order to ensure fair compensation to authors for private use of their works.

Internet (VOD)

Proactive efforts taken by SFP-ZAPA on the Polish and European market were beneficial for the initiation of measures aimed at changing regulations implementing an obligation on websites to pay remuneration to authors for exploitation of their films on the Internet. Although Polish regulations at the moment do not obligate VOD platforms to pay remuneration to authors, SFP-ZAPA takes efforts aimed at conclusion of agreements under which authors would receive remuneration on that account. Last year the organisation successfully performed a contact with Polish Television (TVP), pursuant to which SFP-ZAPA received remuneration for authors for making available to the public the so called “archival works” produced in the past with participation of TVP.

Fight with piracy

The last pandemic year forced changes in the way of how audio-visual works are used. A significant part of film exploitation was transferred to the Internet and was made, among others, with the intermediation of websites providing VOD services. Unfortunately, mass availability of films on the web had also negative effects. It was followed by a significant increase in piracy on the Internet. Therefore, SFP-ZAPA intensively monitored websites in order to disclose and remove content violating financial copyright to specific films. In addition, the organisation actively participated in penal proceedings related to violations of rights to audio-visual works. As a result of one of them, at the end of 2020 a website named videopenny.com, which was very popular among Poles living abroad, was closed. In a ruling ending the case, the Court also accepted a motion for redress of damage submitted by SFP-ZAPA and awarded the amount of several dozen thousand Polish zlotys to injured producers represented by the organisation.

Key draft legislation

In 2020 the organisation took intensive actions for correct implementation in Poland of regulations reforming the European copyright law. As a participant in the implementation process of the Directive on Copyright on Digital Single Market, SFP-ZAPA demanded that the right to remuneration be granted to authors for exploitation of films on the Internet, not only from VOD websites and streaming platforms, but also from websites that make available content originating from third parties, such as YouTube. Also the other of the EU Directives adopted in 2019, the so called SatCab II, requires implementation to the Polish law. It confirms the principle of technological neutrality in the field of retransmission, at the same time adopting obligatory collective management in this respect.

Last year SFP-ZAPA was also involved in the last stage of the legislative process connected with the amendment of the Code of Civil Procedure, proposing the introduction of courts specialised in intellectual property to Polish judiciary. Initially, the draft law envisaged certain changes to procedural solutions, which could significantly reduce the level of copyright protection, but owing to SFP-ZAPA’s engagement in the course of parliamentary works it was possible to maintain the current scope of information disclosure claims and take into account in the regulations the distinct nature of copyright law in relation to law on industrial property and unfair competition law. The regulations on Intellectual Property Courts and new principles for conducting court proceedings in relation to copyright entered into force on 1 July 2020.

International co-operation

In the previous year SFP-ZAPA signed several more agreements with foreign collective management organisations: with AVAKA in Lithuania representing authors and producers, with LITERAR-MECHANA in Austria, OOA-S in the Czech Republic and with DASC in Columbia – all three representing authors, as well as with GWFF in Germany representing producers with respect to private copying. As a result, 77 agreements on representation concluded between SFP-ZAPA and foreign organisations were in place at the end of 2020.

As in the prior years, representatives of SFP-ZAPA actively took part in works carried out by the management of the Society of Audiovisual Authors (SAA) seated in Brussels, the Board of Directors of AGICOA, and actions of CISAC governing bodies. Because of the COVID-19 pandemic, from April 2020 all meetings were held remotely.

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: 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:

01.01.2020 – 31.12.2020

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):

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| 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 Wolk-Laniewski	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 Drązewski	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 Zygadło	Chairperson of Television Section
26. Witold Będkowski	Deputy Chairperson of Television Section
27. Tomasz Dettloff	Chairperson of Kraków Branch of the Association
28. Anna Mroczek	Chairperson of Łódź Branch of the Association
29. Andrzej Stachecki	Chairperson of Wrocław Branch of the Association
30. Ewa Borguńska	Chairperson of Producers Branch of the Association

In the reporting year, the composition of the Management Board of Polish Filmmakers Association changed in such a way that on November 2, 2020, Mrs. Ewa Borguńska resigned.

Supervisory Board:

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

1. Marek Piestrak	Chairperson
2. Tomasz Miernowski	Deputy Chairperson
3. Piotr Wojciechowski	Deputy Chairperson

4. Grażyna Banaszekiewicz Secretary
5. Henryk Bielski
6. Violetta Buhl
7. Andrzej Luter
8. Wiktor Skrzynecki
9. Andrzej Soltysik
10. Andrzej Stachecki
11. Dorian Ster
12. Magdalena Tomanek

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

1. Juliusz Machuński 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: **4994**

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 Łoziński, Marta Minorowicz, Katarzyna Malinowska;
- "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: 10. Composition: Jacek Bromski, Wojciech Marczewski, Michał Rosa, Filip Bajon, Denijal Hasanovic, Carmen Szewc, Anna Waśniowska-Gill, Robert Gliński, Jerzy Kapuściński, Katarzyna Malinowska;
- "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, Katarzyna Malinowska, 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: 6. Composition: Jerzy Kapuściński, Alicja Gancarz, Katarzyna Malinowska, 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;

6131, of which 5455 are authors and 676 are producers and 15 foreign entities that are not collective management organizations

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;

311, of which 288 are authors and 23 are producers. This number also includes heirs who entrusted their rights in 2020.

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;

3

The authors who terminated the entire collective management agreement with SFP-ZAPA were indicated. At the same time, in the reporting year, SFP-ZAPA terminated contracts with 17 authors and 25 producers. These contracts were terminated due to the failure to submit the repertoire protected by SFP-ZAPA.

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;

1040

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;

14

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. AKKA-LAA (Latvia)
3. ALCS (United Kingdom)
4. ANICA (Italy)
5. ARGENTORES (Argentina)
6. ASDACS (Australia)
7. ATHINA (Greece)
8. AWGACS (Australia)
9. AVAKA (Lithuania)
10. BILD-KUNST (Germany)
11. CBS INTERNATIONAL TELEVISION, a division of CBS International (Netherlands) B.V. (Netherlands)
12. CHINA FILM ASSOCIATION (China)
13. CINEMA (Ukraine)
14. COMPACT COLLECTIONS (United Kingdom)
15. CSCS (Canada)
16. DASC (Columbia)
17. DAC (Argentina)
18. DACIN SARA (Romania)
19. DAMA (Spain)
20. DFA - Danish Film Directors (Denmark)
21. DGA - The Directors Guild of America (USA)
22. DGJ - The Directors Guild of Japan (Japan)
23. DHFR (Croatia)
24. DILIA (Czech Republic)
25. DIRECTORES (Mexico)
26. DIRECTORS U.K. (United Kingdom)
27. DRCC (Canada)
28. EAU (Estonia)
29. EGEDA (Spain)
30. EMI MUSIC PUBLISHING LIMITED (United Kingdom)
31. FILMAUTOR (Bulgaria)
32. FILMJUS (Hungary)
33. FINTAGE (Netherlands)
34. FMAA (Albania)
35. FRF-VIDEO (Sweden)
36. GCA (Georgia)
37. GWFF (Germany)
38. IFTA COLLECTIONS (USA)
39. JWG - The Japan Writers Guild (Japan)
40. KOPIOSTO (Finland)
41. LATGA-A (Lithuania)
42. LIRA (Netherlands)
43. LITA (Slovakia)

44. LITERAR MECHANA (Austria)
45. METRO-GOLDWYN-MAYER STUDIOS INC. (USA)
46. OAZA (Czech Republic)
47. OOA-S (Czech Republic)
48. PACC (Canada)
49. PARAMOUNT PICTURES GLOBAL (USA)
50. PROCIREP (France)
51. REDES (Columbia)
52. SABAM (Belgium)
53. SACD (France)
54. SCAM (France)
55. SDGI (Ireland)
56. SGAE (Spain)
57. SIAE (Italy)
58. SONAR (USA)
59. SONY PICTURES TELEVISION DISTRIBUTION SNC (France)
60. SSA (Switzerland)
61. SUISSIMAGE (Switzerland)
62. SWISSPERFORM (Switzerland)
63. TNT ORIGINALS (USA)
64. TWENTIETH CENTURY FOX FILM CORPORATION (USA)
65. UNIVERSAL STUDIOS INTERNATIONAL B.V. (Netherlands)
66. VDFS (Austria)
67. VEVAM (Netherlands)
68. VG WORT Germany)
69. WALT DISNEY PICTURES (USA)
70. WARNER BROS (USA)
71. WGA - The Writers Guild of America, West, Inc. (USA)
72. WGJ - The Writers Guild of Japan (Japan)
73. 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. 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;
- public performance;
- projection in cinemas and similar establishments;

- rental;
- lending;
- entry into computer memory;
- 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 remuneration and fees:

1. The table of tariffs for public performance of works and objects of related rights became final and binding;

Further to longstanding efforts of the collective management organisations involved in the proceeding of Tables of tariffs approval, in October 2020 the Court of Appeal in Poznań approved, in a final and unappealable ruling, the remuneration rates for public performance in hotels. The tables of tariffs are binding with regard to SFP-ZAPA and other cmos's fees.

2. The tables of tariffs for retransmission approved in 2018.
3. Resolutions and other internal acts setting out the amount of tariffs of remuneration for the exercise of the rights subject to collective management, with a brief statement of reasons for the adoption of such tariffs;

In the absence of binding tariffs, the rates of remuneration for the exercise of copyright or related rights applied by SFP-ZAPA are defined further to the resolution of the SFP-ZAPA Administrative Board. 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. This is because:

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 remuneration 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. The remuneration claimed by SFP-ZAPA takes into account the economic value of user's revenues, as well as the characteristics and scope of exploitation of copyright and related rights.

4. 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 and digital one; distribution to the public;
- rental, lending;
- public performance;
- projection in cinemas and similar establishments;
- broadcasting by means of video or audio through wire or wireless systems by a ground station or broadcasting via a satellite;
- retransmission;
- entry into computer memory; 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).

5. Specification of the fields of exploitation where the collective management organization did not exercise collective management during the reporting year refers to the audiovisual works and related rights, stating the reasons for not exercise collective management, if such a situation took place

In the reporting year, SFP-ZAPA exercised collective management in all fields of exploitation covered by the permission granted by the Minister of Culture and Art on 28 February 2003.

6. 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

1 514	the number of the users with whom the collective management organization had agreements concluded as at the end of the reporting year
312	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 on specific 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. Below, point 7 shows the number of agreements from individual fields of exploitation.

7. 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.

- 7.1. 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: 667
- b. Screening in cinemas: 400
- c. Retransmission: 307
- d. Reproduction: 116
- e. Broadcasting by means of video or audio wire or wireless systems by a ground station or broadcasting via a satellite: 18
- 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: 6

7.2. 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: 13
2. Screening in cinemas: 249
3. Retransmission: 4
4. Reproduction: 45
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 7.1 and 7.2 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.

8. 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 2020, there were no cases in which the collective management organization refuses to conclude agreement or collects payment.

9. 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 remuneration collected in 2020:

	TOTAL AMOUNT OF REMUNERATION COLLECTED IN 2020
RETRANSMISSION	PLN 82 813 690.95
FOREIGN RENUMARATION AND FEES (OTHER THAN PRIVATE COPYING)	PLN 1 475 085.65
PRIVATE COPYING (DOMESTIC)	PLN 1 183 326.35
DISTRIBUTION TO THE PUBLIC ON INTERNET	PLN 344 538.38
PRIVATE COPYING (FOREIGN)	PLN 335 759.24
fees due on the basis of art. 70 clause 2 ¹ of the Act	
BROADCASTING	PLN 80 048 622.57
CINEMA SCREENING	PLN 8 955 824.72
PUBLIC PERFORMANCE	PLN 747 659.22
REPRODUCTION	PLN 649 169.71
TOTAL	PLN 176 553 676.79

10. 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 2 968 925.19**

Amount of remunerations and fees collected during the reporting year from foreign collective management organizations: **PLN 1 806 996.69**

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

Interests: **PLN 386 145.27**

The above amount of income arising from the investment is included in the total amount of revenues from the rights referred to in point 9 of this chapter of the report.

12. Specification of the total amount of remuneration with division into fields of exploitation with the total number of entitled persons covered by payments, in net amounts:

Fields of exploitation	Payments for rightsholders and national and foreign collective management organizations, in gross
BROADCASTING	PLN 56 470 781.99
RETRANSMISSION	PLN 51 992 249.95
SCREENING IN CINEMAS	PLN 1 612 304.99
REPRODUCTION	PLN 1 447 893.75
PRIVATE COPYING	PLN 888 962.39
PUBLIC PERFORMANCE	PLN 865 225.06
FOREIGN USES	PLN 550 195.89
MAKING AVAILABLE (ONLINE USES)	PLN 198 497.74
DOWN PAYMENTS FOR FUTURE ROYALTIES	PLN 11 110 064.46
EXTRA PAYMENTS TO SUPPORT MEMBERS IN CONNECTION WITH THE COVID-19 PANDEMIC	PLN 10 841 477.72
UNDISTRIBUTABLE AMOUNTS	PLN 9 642 649.33
SOCIAL DOWN PAYMENTS IN CONNECTION WITH THE COVID-19 PANDEMIC	PLN 1 227 141.25
TOTAL	PLN 146 847 444.52

The above amount of PLN 146.8 million includes the amounts actually paid to the entitled persons (transferred to their individual bank accounts).

The total number of entitled persons covered by payments: 5,101 entitled persons who directly entrusted their rights to collective management of SFP-ZAPA and hundreds of thousands of entitled persons represented by other collective management organization with whom SFP-ZAPA has concluded representation agreements.

13. 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 120 872.58**

Foreign collective management organizations: **PLN 39 266 717.67**

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 14 764 314,94**

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

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

2.1. The deduction made for the cost of administration and distribution:

PLN 15 665 507,78

2.2. The deductions made for the Statutory Social, Cultural and Film Promotion Fund:

PLN 17 074 721,29

2.3. In addition to the deductions shown above, on April 29, 2020, the Board of SFP adopted resolutions on allocating to the Statutory Social, Cultural and Film Promotion Fund:

- the bank interests of 2019, in the amount of **PLN 1 872 826.88**;, intended strictly for social purposes related with removing the effects of the SARS-CoV-2 pandemic in the film industry,
- the amount of **PLN 8 902 633.20** from revenues from the rights referred to in art. 41 of the Act on Collective Management of Copyright and Related Rights.

2.4. Legal basis:

- the deduction made for the cost of administration and distribution: Resolution No. 5/2020 of SFP-ZAPA Administrative Board dated 25 March 2020, 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 15 665 507.78 / PLN 176 553 676.79 = 8,87%

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 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:

Social activities

- scholarships
- taking care of the members of the Senior Filmmakers Club
- taking care of the members of the Young Filmmakers Club
- support for SFP members
- part of the activities of the House of Creative Work (Dom Pracy Twórczej) in Kazimierz Dolny
- support for members in the form of 28,023 lunches delivered to their homes (due to pandemic restrictions)
- allowances for filmmakers associated in SFP
- help for the youngest representatives of the film community as part of the "Support System for Members of the SFP Youth Filmmakers Club" program
- transfer of funds for the program "Scholarships for filmmakers" run by the Polish Film Institute

Cultural activities

- implementation of statutory projects, including co-organizing festivals, events, meetings with representatives of the diplomatic corps (including the Polish Film Festival in Gdynia, Krakow Film Festival, Youth and Film Festival in Koszalin, Festiwal Filmu i Sztuki Dwa Brzegi, part of the costs of Polish film festivals organized abroad, International Animated Film Festival Animator, Camerimage International Film Festival of the Art of Cinematography, Etiuda & Anima International Film Festival)
- co-financing cultural events,
- some of the activities of Kino Kultura
- part of the activities of the House of Creative Work (Dom Pracy Twórczej) in Kazimierz Dolny,
- the activities of Munk Film Studio

Educational activities

- implementation of statutory projects, including co-organizing festivals, events, meetings with representatives of the diplomatic corps (including, among others, part of the costs of Polish film festivals organized abroad, International Animated Film Workshop in Krakow / Lanckorona, Film Discussion Club meetings,
- subsidizing educational events, incl. industry workshops,

- some of the activities of Kino Kultura
- part of the activities of the House of Creative Work (Dom Pracy Twórczej) in Kazimierz Dolny,
- the activities of Munk Film Studio

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 society at large. In 2019, SFP supported as a Co-Organizer, Partner, Benefactor or Patron over a dozen events held in Poland (festivals, reviews and conferences). In 2020, many of the events before regularly supported by SFP did not take place due to the COVID-19 pandemic.

The most important festivals for SFP remain the Polish Film Festival in Gdynia, the key annual event for the Polish fiction film industry, the Krakow Film Festival, the oldest film festival in Poland dedicated to foreign and Polish documentaries, animated and short films, and the Koszalin Film Debut Festival "Młodzi i Film", a unique event in Poland held for many years that is devoted in full to film debuts and the young generation of filmmakers. For those three festivals, the Association maintained its status of the Co-Organizer and supported the events not only financially but also in terms of organisation, substance and program.

In 2020 SFP continued to support financially and in terms of content the Camerimage International Film Festival (Międzynarodowego 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, Międzynarodowe Warsztaty Filmu Animowanego w Krakowie/Lanckoronie as well as Legnicka Akademia Filmową – Warsztaty Filmu Animowanego. SFP supports financially and substantively the most prestigious competition in Poland for the script of a full-length feature film, Script Pro. 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, Festiwal Filmu i Sztuki „Dwa Brzegi”, Festiwal Mediów „Człowiek w Zagrożeniu”, Festiwal Filmów – Spotkań Niezwykłych, Plenery „Film Spring Open”, Kino Dokumentu w Domu Sztuki na Ursynowie and Międzynarodowy Festiwal Filmów Młodego Widza „Ale Kino!”.

Supporting publications promoting Polish cinematography.

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 SPF provide a forum for the Polish filmmakers to express their views on the current developments in the film industry.

Moreover, the SFP provided support to several valuable film-related book publishers, including: "Film distribution. From cinema to streaming" edited by Anna Wróblewska and Sławomir Rogowski and "How I Loved Them" by Jerzy Antczak.

Supporting debuts of young filmmakers.

Film debuts are supported within the framework of "30 minutes", "First Documentary" "Young Animation", programs implemented by the Munk Film Studio (Studio Młodzi i Film im. Andrzeja Munka) operating within the SFP structures.

In the case of the two programs "60 minutes" and "Full-length debut", no films were made in 2020.

Funding scholarships and prizes for young Polish artists.

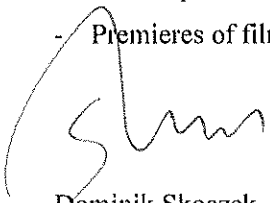
Without the support from the Polish Filmmakers Association, young artists, deprived of financial backing, would have little chance, for instance, to write a film script or raise their professional qualifications to be able to pursue a career in film professions such as a film director or operator. By securing the young artists' financial future, scholarships allow them to focus on their professional development and work under a professional mentorship scheme.

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 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, Ogólnopolskie Spotkania Filmowe Kameralne Lato w Radomiu, Festiwal Filmu i Sztuki Dwa Brzegi, Film Spring Open, Międzynarodowy Festiwal Filmów Młodego Widza „Ale Kino”, Międzynarodowy Festiwal Filmowy „Etiuda&Anima”, Międzynarodowy Festiwal Filmów Animowanych „Animator”, International Animated Film Workshop in Krakow / Lanckorona, Festival of Russian Films "Sputnik nad Polską", International Festival of Nature Films in Łódź, WAMA Film Festival in Olsztyn, “Script Pro” script competition.

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 Prizes
- 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 Kino Kultura;
- Premieres of films produced by Munk Film Studio and SFP;



Dominik Skoczek
Managing Director
SFP-ZAPA