

ANNEX 01 – LIST OF ELIGIBLE EXPENSES

Expenses related to personnel and the acquisition of goods and services in the City of São Paulo/SP are considered eligible under the following terms:

1) Fixed and permanent expenses, as well as personnel remuneration of the BRAZILIAN PRODUCTION COMPANY.

2) Fees or payments of any kind attributed to service providers, individuals or legal entities, who are domiciled or headquartered in the City of São Paulo.

3) In the case of goods and services provided by local entities, in order to be eligible, expenditures must comply with the following:

a) The legal entity must have a taxable establishment (headquarters or branch) in the City of São Paulo/SP and must be duly registered with the Commercial Registry of the State of São Paulo (JUCESP).

b) SP Invoice must be issued by the legal entity contracted with all accessory tax obligations and other legal formalities.

c) All invoiced services must have been provided in the City of São Paulo/SP.

d) All the technical equipment necessary for the service provision must be used in the City of São Paulo/SP.

a) In the case of equipment, namely cameras, lighting, sound equipment, among others, they must be purchased or rented in the City of São Paulo/SP.

b) In the event of leasing of assets or remuneration of copyrights in any capacity, proof through receipts will be accepted, preferably accompanied by the respective lease or assignment agreement, acquisition, licensing, or remuneration of rights.

c) In exceptional cases, duly justified and at the sole discretion of the SPECIAL EVALUATION COMMISSION, expenses incurred outside the city of São Paulo/SP may be admitted, provided that the inexistence of suppliers or providers in this city is demonstrated.

4) Expenditures carried out in the City of São Paulo/SP before the contracting of a PROPOSAL that may eventually benefit from the SÃO PAULO CITY'S FILM ATTRACTION PROGRAM, under the terms of item 14.3 of the NOTICE, may be eligible, provided they are duly incorporated in the budget and accounting and that they observe the other rules hereof.

4.1) Expenses related to copyright are included in the expenses referred to in this paragraph, as long as they are indispensable for the production of the PROJECT,

and provided the other conditions of this annex, including the **PROPOSAL** registration fee, are respected.

5) Up to the limit of thirty-five percent (35%) of the total expenditures made in the City of São Paulo/SP, the expenses related to the following remunerations are eligible, observing a sublimit of ten percent (10%) per item:

- a) Producers and producing companies, including executive producers.
- b) Directors.
- c) Screenwriters.
- d) Other authors, such as authors of pre-existing works and music composers.
- e) Main characters

7) For Modules 1 (**INTERNATIONAL PRODUCTIONS**), 2 (**NATIONAL PRODUCTIONS**) and 3 (**INTERNATIONAL ADVERTISING PRODUCTIONS**) the following are considered eligible expenses, provided that the requirements already mentioned are observed:

- a) Production crews responsible for:
 - a.1) Artistic, development, and script direction.
 - a.2) Administrative, technical, financial, and legal direction, and coordination.
 - a.3) Direction.
 - a.4) Preparation and assistance, including locations.
 - a.5) Execution of artistic and technical filming services.
 - a.6) Execution of artistic and technical services for soundtrack recordings.
 - a.7) Set design and set preparation.
 - a.8) Accessories for the set.
 - a.9) Costume, hair, makeup, and clothing accessories.
 - a.10) Special effects, including stuntmen.
- b) Production crews responsible for:
 - b.1) Machinery.

b.2) Lighting.

b.3) Set preparation.

c) Crew members responsible for:

c.1) Animation montage.

c.2) Storyboards.

c.3) Character design and modelling.

c.4) Conception and modelling of the set.

c.5) Display sheets.

c.6) Preview.

c.7) Rotoscoping.

c.8) Tracking.

c.9) Motion capture.

c.10) Layout.

c.11) Animation.

c.12) Set construction.

c.13) Tracing opaquing.

c.14) Colourisation.

c.15) Lighting and rendering.

c.16) Composition.

c.17) Visual effects.

c.18) Sound and image editing, and mixing.

d) Expenses incurred with individuals or legal entities specialized in technical products and services of:

d.1) Studio rental.

- d.2) Production base rental.
 - d.3) Payment for locations specifically when rented for filming.
 - d.4) Set preparation at the filming locations.
 - d.5) Rental of scenography and scenographic objects.
 - d.6) Special effects, including stuntmen.
 - d.7) Costume, hair, makeup, and clothing accessories.
 - d.8) Any equipment required for filming, machinery, lighting, and sound capture.
 - d.9) Animation (preparation and creation), as well as equipment, supplies, computer hardware, and software used directly for the animation process. The software must be paid for during the production of the project for which it was designed.
 - d.10) Post-production: image laboratory, image editing, voice recording, sound effects and sound design, mixing, sound editing, credits and trailers.
 - d.11) Digital visual effects.
 - d.12) Negative image film, magnetic sound film, and, in general, all digital or non-digital images and sound media.
 - d.13) Filming, finishing, video, and subtitling studios.
- e) Transport, travel, and catering expenses:
- e.1) Local transport (restricted to the City of São Paulo/SP) of materials, personnel, and artistic and technical supplies (if strictly necessary for production).
 - e.2) Local transport (restricted to the City of São Paulo/SP) and local accommodation for the artistic and technical crews (only if strictly necessary for production, limited to four hundred and fifty reais [R\$450.00] per day).
- 7.1)** In the case of expenses and remuneration of personnel and technical and artistic staff, the minimum prices for the provision of services promulgated by the Union of Workers in the Film and Audiovisual Industry (SINDCINE) must be considered.
- 7.2)** The union payments and contributions of the **BRAZILIAN PRODUCTION COMPANY's** registered employees can be considered, in proportion to the period

during which they work for the execution of the **PROPOSAL**.

7.3) Exceptionally, if duly justified and at the sole discretion of the **SPECIAL EVALUATION COMMISSION**, expenses that do not fit this exhaustive list may be admitted.

8) For Module 5 (**PROSPECTION**), subject to the requirements already mentioned, the following are considered eligible expenses:

a) Airfare.

a.1) Airfare expenses are exempt from compliance with item 3 of the annex.

b) Insurance.

c) Accommodation limited to four hundred and fifty reais (R\$450.00) per day.

d) *Per diem* (food and transportation).

e) Contracting of production services in the City of São Paulo/SP.

f) Contracting of local production in the City of São Paulo/SP.