

## MINIMUM REQUIREMENTS FOR LEGAL OPINIONS ON THE CHAIN OF TITLE

In the context of its funding programs, Telefilm Canada may require a legal opinion from the applicant on the project's chain of title before setting up the funding agreement. It may be the case where the project is a film adaptation of a work that has already been published or produced, where the project is a film adaptation of a work based on the life of a real person or where the project is an international coproduction.

However, Telefilm reserves the rights to request an opinion for any reason not listed above and that it considers relevant and to request any additional information beyond the present requirements. For example, if the project is based on true events or on the life of a real person, Telefilm may require a legal opinion on the clearance of image and life rights, privacy rights and/or the risk of defamation.

The present requirements are set out herein solely for the specific verification purposes of Telefilm alone.

The opinion, when required, must:

- i. Have been prepared by a lawyer who is independent of the applicant, i.e., who is not an employee or a related party<sup>1</sup> of the applicant.
- ii. Be addressed to Telefilm.
- iii. Establish that the applicant (and the co-applicant, if applicable), holds (or hold) and controls (or control) all the rights necessary to produce, distribute, market and promote the project and derive the revenues therefrom throughout the world, in all manners and in all languages, and via all media of communication for the entire duration of the copyrights relating to the project (the "**Exploitation Rights**"). Without limiting the generality of the foregoing, the Exploitation Rights allow the encoding, the subtitling in English or French and the availability of the project in video description.

If Exploitation Rights have been granted to one or more distributors, broadcasters or other licensee (e.g., streaming platform), the lawyer must specify in the opinion the existence of such license(s), and list the applicable agreement(s), including their title, the parties and the date of signature.

If the parameters of the exploitation of the project do not meet those required by Telefilm, the lawyer shall specify the territories, duration (term) and other applicable parameters (Note: in which case, it is possible the project will not, or will no longer, be eligible).

In the case of a film adaptation of a work that has already been published or produced, it shall be acknowledged that the project is based on a pre-existing work, and it shall be represented that the applicant (and the co-applicant, if applicable) holds (or hold) all of the Exploitation Rights. Without limiting the generality of the foregoing, it is represented that no rights or interests of rights holders in the pre-existing work or elements thereof, including (without limitation) publishers, authors and producers, is in conflict or contrary in whole or in part to the Exploitation Rights held by the applicant (and the co-applicant's, if any). If any such rights or interests exist, the lawyer must specify the parameters of their exercise in the opinion.

- iv. Include the following représentations :
  - The lawyer understands and accepts that Telefilm is relying on the opinion in its evaluation of the project;

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<sup>1</sup> Within the meaning of the CPA Canada Handbook, as this definition may be amended, completed or replaced from time to time by Telefilm in the context of the audiovisual industry.

- The chain of title is free of any defects causing one or more breaks in the chain, i.e. all of the Exploitation Rights are transferred in a complete and chronologically continuous manner;
  - The lawyer has obtained representations and warranties from the applicant that all relevant documents (the “**Documents**”) and facts in connection with the Exploitation Rights have been communicated to the lawyer;
  - The lawyer’s analysis is based on the Documents and the applicant’s representations and warranties.
- v. List all of the Documents, including the title of each Document, the parties and the date of signature.
- vi. Include only reservations in line with current legal practices; for example, reservations relating to the following :
- The authenticity of the signatures;
  - The conformity of the Documents with their originals;
  - The legal existence and capacity of the individuals and/or legal entities who are parties and/or interveners in the Documents;
  - The possession by the individuals and/or legal persons who are parties and/or interveners in the Documents of the rights required for the execution and conclusion of these Documents;
  - Compliance with the obligations contained in the Documents, in particular with regard to the payment and allocation of sums, services, rights, securities or interest; and
  - The fact that the Documents constitute the entire agreement between the parties with respect to their subject matter in accordance with the representations and warranties of the applicant.