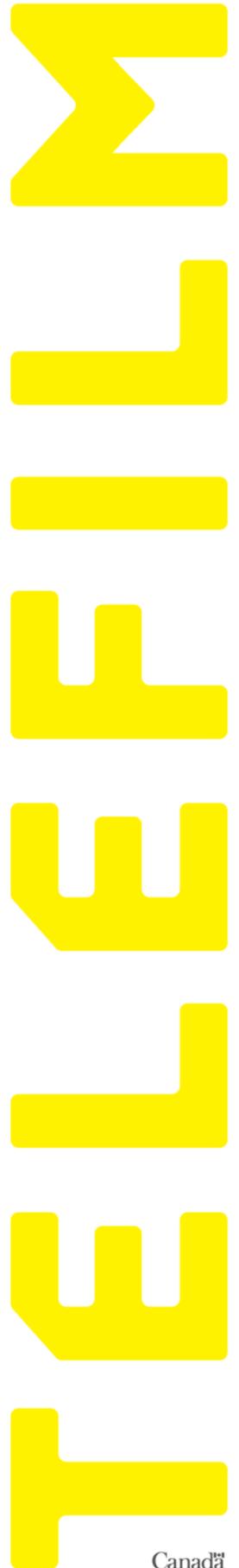


CANADA FEATURE FILM FUND

MARKETING PROGRAM

GUIDELINES

APPLICABLE AS OF APRIL 24th, 2014



1. CANADA FEATURE FILM FUND – MARKETING PROGRAM

1.1. Program intent and objectives

The Canada Feature Film Fund (CFFF) seeks to improve the long-term viability of the Canadian audiovisual industry. These guidelines are for the CFFF Marketing Program (the Program). The Program reflects Telefilm Canada's priority of supporting the Canadian media industry in the achievement of new levels of success by focusing on improving audience access and stimulating demand for Canadian content. The Program seeks to provide effective and efficient support for the marketing and promotion of Canadian content and talent. The Program funds innovative marketing activities that will lead to increased theatrical accessibility and enhanced opportunities for audience access via digital distribution and multiple viewing platforms, thus expanding the reach of Canadian productions and talent, both nationally and internationally.

Telefilm Canada (Telefilm) encourages a diversity of voices in its feature film portfolio. It seeks to do so by supporting promising Canadian content while ensuring the representation of a variety of genres, budget and company sizes, regions, and different viewpoints such as those of women and emerging talent, as well as projects showcasing the cultural diversity of the country through the presence of Aboriginal communities, linguistic minorities, etc.

Resources within the CFFF are allocated on a linguistic basis which maintains approximately one-third of funding for French-language projects.

This Program is designed to support the marketing of Canadian feature films with the strongest theatrical and multiple-viewing platform potential. In this effort, Telefilm promotes the development of partnerships among producers, distributors, exhibitors and international partners.

Financing priority for this Program is given to films that have been funded through the CFFF in Production.

2. ELIGIBLE APPLICANTS

2.1. Basic applicant¹ eligibility criteria

In order to be eligible, all applicants must be either a distributor or a producer that is a Canadian controlled corporation², as determined under sections 26 to 28 of the [Investment Canada Act](#) with its head office in Canada.

Furthermore, key personnel exercising financial, distribution and marketing control over the project submitted to Telefilm must be Canadian citizens, within the definition of the [Citizenship Act](#), or permanent residents within the definition of the [Immigration and Refugee Protection Act](#).

¹ The applicant must either be the production company that produced the film and that continues to hold the distribution rights (if there is no distributor attached to the film), or the distribution company that holds the distribution rights to the film.

² On a case by case basis Telefilm may consider financing the promotion or marketing of eligible films by other Canadian entities.

2.2. Distribution companies - additional eligibility criteria

In addition to the basic applicant eligibility criteria, when assessing distribution company eligibility, Telefilm will evaluate:

- whether the distributor's activities take place in Canada;
- the financial stability of the distributor; and
- whether the distributor operates principally as a feature film distribution entity.

Furthermore, such distribution companies must demonstrate to Telefilm's satisfaction a commitment to distributing Canadian feature films and must possess the experience and level of expertise necessary to distribute the production. Telefilm's specific requirements will vary depending on the nature and scope of the distributor's proposal in respect of the project.

Generally, to access marketing financing, such distribution companies should meet the following additional eligibility criteria:

- the company should have been active in theatrical distribution in Canada for the last two years, by demonstrating a sufficient volume of business;
- the company should demonstrate relevant expertise at all times and have one or more senior executives with five years experience in the distribution company or a distribution company of comparable size; and,
- if affiliated³ with a Canadian broadcaster, the company must be a separately incorporated entity, distinct from the operations of the broadcaster(s) with which it is affiliated.

On an exceptional basis, a new company that is unable to meet all of the above additional eligibility criteria may be allowed to apply for marketing financing. However such a new company would be required to submit additional supportive documentation to Telefilm (in order to establish the company's viability as a Canadian distribution entity) prior to the submission of the company's application.

In all cases Telefilm, in its sole discretion, will make the decision as to whether or not, or to what extent, a distribution company is qualified for the requested purpose of receiving any financing from this Program. Qualification may be revoked, suspended, or restricted at any time.

2.3. Production companies - additional eligibility criteria

In addition to the basic applicant eligibility criteria, when assessing a production company applicant's eligibility, Telefilm will evaluate whether the applicant:

- carries out its activities in Canada;
- operates as a feature film production company;
- has obtained adequate promotion and marketing expertise, and,

³ Telefilm will use the definition of affiliate set out in the [Canada Business Corporations Act](#).

- is financially stable (with appropriate considerations for new production companies without established parent companies).

3. ELIGIBLE PROJECTS⁴

3.1. Basic project eligibility criteria

To be eligible, a project must:

- be a feature length⁵ film that **either**:
 - is being or has been funded at the production stage under a CFFF production program; **or**
 - is or will upon completion be either:
 - certified by the Canadian Audio-visual Certification Office (CAVCO) as a “Canadian film or video production” with a minimum of 8 out of 10⁶ points under the provisions of the [Income Tax Act](#) (Canada); or
 - recognized as an official treaty coproduction by the Minister of Canadian Heritage (refer to Telefilm’s guidelines entitled [International Coproductions](#));
- be made available in French or English;
- be planned to be theatrically released; and,
- conform to the Canadian Association of Broadcasters (CAB) Code of Ethics and to all other programming standards endorsed by the CAB or the CRTC, and does not contain any element that is an offence under the [Criminal Code](#), is libellous or in any other way unlawful.

3.2. Additional project eligibility criteria for projects submitted by production companies

Projects submitted by an eligible production company without the support of a Canadian distributor must additionally have either:

- a commitment from an exhibitor for the theatrical release of the film; or
- been selected by a recognized Canadian festival (*Please see [Telefilm’s website](#) for the list of recognized national festivals*).

3.3. Additional project eligibility criteria for versioning assistance

Projects seeking versioning assistance must have met the basic project eligibility criteria, been completed in their original language, and be seeking to be versioned into English, French, or an Aboriginal language.

Further, a project is ineligible for versioning assistance if one, or more, production financiers contractually require that the project be versioned into a second language (i.e. it is a delivery requirement); in such cases, the cost of versioning that feature film must be included in the original language production budget.

⁴ The term **eligible project** is used interchangeably with **film**, **project**, and **production** throughout the guidelines.

⁵ Feature length means at least 75 minutes long.

⁶ Theatrical documentaries must obtain a minimum of 8 out of 10 points or the prorated equivalent (i.e. a minimum of 80% of available CAVCO points).

4. MARKETING ASSISTANCE

Telefilm seeks to improve Canadian content accessibility at the box office and on other ancillary platforms. The higher the request for assistance to Telefilm, the greater the expectation of box office and market performance Telefilm will have.

4.1. Selection process

The applicant must provide Telefilm with a comprehensive strategic marketing and distribution plan that it intends to implement in order to make its film available to its target audience and to maximize audience reach. This plan must include a theatrical release as well as the following elements:

- The positioning statement for the film on different platforms;
- The marketability of different elements of the film (e.g. renowned director, screenwriter, and/or performer(s), established movie franchise, potential for success in a particular niche market, etc.);
- The target audience for each potential distribution platform and the expected results for each platform;
- The main elements of the national and international marketing plan on traditional and other platforms, if applicable;
- The steps that will be taken towards selection in national and international festivals, if applicable; and,
- The breakdown of proposed costs to implement the plan.

This comprehensive strategic marketing and distribution plan will be evaluated on the following elements:

- The coherence of the proposed plan in relation to the movie and its target audience;
- The efforts shown to maximize the potential of the promotion and audience reach strategies;
- The innovative character of one or more elements of the marketing plan; and,
- The track record of the team in relation to the proposed scope of the marketing plan.

CFFF films for which distributors have made P&A commitments at the production stage will receive particular consideration.

5. ELIGIBLE COSTS

Financing is available for marketing and promotion costs, including, but not limited to, the creation of materials such as posters, teaser trailers and test screenings, test marketing and campaign creation, prints and advertising (P&A), audience research, versioning/ sub-titling and on-line marketing activities⁷ designed to reinforce the film's promotion and marketing.

⁷ Examples of online activities include, but are not limited to: online marketing, search engine optimization and web technology specialists; launch of a website with enriched content; the creation and addition of content on social media (e.g. blogs, Facebook, Twitter, YouTube); and personnel to maintain ongoing activity on social networks.

In addition, this Program supports costs incurred for the marketing and distribution of the feature film on multi-viewing platforms that include TV, VOD and other forms of digital distribution. Priority will be given to applications for these ancillary platform costs that demonstrate an innovative approach to maximizing audience reach for the project. The additional associated costs and strategy for these platforms should be integrated into their detailed comprehensive marketing plan, and should be discussed with a Telefilm decision-maker prior to submission.

Only exceptionally will Telefilm allow foreign costs associated with test screenings and the creation of theatrical trailers to be eligible for subsidy through this Program to the extent that there is a lack of the availability of expertise within Canada. The distributor's marketing plan must reflect the need for such and must obtain Telefilm's prior approval for these exceptional costs.

Telefilm, in its discretion, will determine the reasonableness of proposed costs. Costs incurred prior to written confirmation of funding from Telefilm may not be eligible for financial assistance.

6. TERMS OF FUNDING:

6.1. Method of financial participation

Telefilm's financing will be in the form of a repayable non-interest bearing advance up to 75% of the eligible Canadian marketing costs. All payments from Telefilm will be made by direct deposit.

6.2. Amount of Telefilm financing

The amount of financial support (subject to the 75% maximum and overall availability of funds) will depend on the amount of the request, the scope of the project, as well the applicant's track record. Notwithstanding the foregoing, production companies will be entitled to up to 75% of the eligible costs to a maximum of \$50,000.

6.3. Test screenings of CFFF funded projects

Distributor initiated test screening costs for CFFF projects will be subject to the normal rules of support (eg. up to 75% of eligible costs) and recoupment. However, Telefilm may require that the distributor professionally test screen a CFFF project. In such cases, Telefilm will subsidize 100% of the eligible test screening costs and recoup such costs as specified in section 7. Test screening costs paid by a party other than the applicant will not be eligible and all test screenings must be executed by an entity previously approved by Telefilm.

6.4. Special terms and requirements for early stage on-line marketing activities

Early stage on-line marketing applications should be submitted well in advance of the launch. Such applications must have a signed Telefilm production commitment letter.

6.5. Special terms and requirements for versioning assistance

6.5.1. Eligible versioning costs

Telefilm will accept:

- only the versioning costs and services carried out in Canada by qualified private-sector companies, using Canadian artists, actors, employees and technicians (as applicable) and;
- only costs related to the versioning of the eligible project that are not included in the original-language production budget.

In some cases, Telefilm may finance secondary activities (minimal re-editing, adaptation of songs, etc.) that are indirectly related to the versioning of a Canadian feature film but nonetheless essential to the making of the production. Telefilm will evaluate such requests on a case-by-case basis.

6.5.2. Maximum levels of participation for versioning

Telefilm's participation will not exceed 75% of the versioning costs (inclusive of administration fees) , up to the maximum levels of participation (i.e., caps) as set out below. All costs exceeding these caps will be the responsibility of the applicant.

Feature Film Theatrical Release	Feature Film Television/Digital Release
\$420/minute, to a maximum of \$48,000	\$380/minute, to a maximum of \$43,200

6.5.3. Availability of the dubbed or sub-titled version

In cases where an applicant does not have exclusive distribution rights in all markets for a production, the applicant must guarantee that the production versioned with the assistance of the Program be made available either to the Canadian producer, or to any distribution or foreign sales company appointed by the Canadian producer.

6.5.4. Distribution, partnership and sub-distribution

Any business association or sub-distribution agreement, involving the marketing of the versioned production, in any market sector and any media in Canada must be made only with companies under Canadian control (as defined in the [Investment Canada Act](#)) with recognized expertise in these markets.

Such agreement must be previously filed with Telefilm, and the terms of the agreement must be acceptable to Telefilm. For acceptable terms, please consult Telefilm's business policies with respect to [Distribution Terms and Contract Requirements](#).

6.5.5. Companies active in specialized markets

Telefilm may help finance the versioning of eligible projects to be distributed in specialized markets (i.e., other than commercial theatres or public or private commercial broadcasts). Companies applying for this assistance must have proven expertise in marketing in these areas and a sufficient volume of business in this sector.

7. REPAYMENT

Telefilm will recoup its financing according to the recoupment schedule outlined below:

7.1. Projects with production budgets less than \$2.5M

Telefilm will recoup its financing according to the following schedule:

Tier 1⁸	100% to the applicant until a maximum of \$30,000 of the MG has been recouped ⁹
Tier 2	50% to Telefilm and 50% to the applicant until full recoupment of the applicant's financial contribution of the approved costs
Tier 3	100% to Telefilm until full recoupment of 50% of its financial support
Tier 4¹⁰	100% to the applicant until full recoupment of the balance of the MG and any additional eligible and approved distribution expenses ¹¹
Tier 5	100% to Telefilm until full recoupment of the remaining 50% of its financial support
Tier 6	100% of Telefilm required test screening support (if any)
Tier 7	100% of Telefilm's online marketing and social media support (if any)

7.2. Projects with production budgets equal to or greater than \$2.5M

Telefilm will recoup its financing according to the following schedule:

Tier 1	50% to Telefilm and 50% to the applicant until full recoupment of the applicant's financial contribution of the approved costs
Tier 2	100% to Telefilm until full recoupment of 50% of its financial support
Tier 3¹²	100% to the applicant until full recoupment of the MG and any additional eligible and approved distribution expenses ¹³
Tier 4	100% to Telefilm until full recoupment of the remaining 50% of its financial support
Tier 5	100% of Telefilm required test screening support (if any)

⁸ This tier is not applicable when the applicant is a production company.

⁹ This is applicable retroactively for productions that received Telefilm marketing support in the fiscal years 2009-2010, 2010-2011, and 2011-2012 (the Telefilm marketing agreement must have been signed no earlier than April 1, 2009). This is implemented by Telefilm's department of Compliance and Collection, and may be subject to change in future guideline revisions.

¹⁰ This tier is not applicable when the applicant is a production company.

¹¹ Net of any fees or expense reimbursement paid or payable to the applicant from the production budget.

¹² This tier is not applicable when the applicant is a production company.

¹³ Net of any fees or expense reimbursement paid or payable to the applicant from the production budget.

Standard distribution terms and conditions

Telefilm may impose caps or limitations on deductible distribution fees and expenses. Please consult Telefilm's business policies with respect to [Distribution Terms and Contract Requirements](#).

8. APPLICATION PROCESS

8.1. How to apply

Applicants must **mail** the application form to their [regional office](#) (to the attention of the Project Coordinator¹⁴), together with the Telefilm standard budget and all required documentation. [Application forms](#) and the [Client Service Charter](#) are available on Telefilm's [website](#). Telefilm will advise when eTelefilm becomes available for this Program and at that point submissions through eTelefilm will become mandatory.

8.2. When to apply

Sufficient application lead time is required to ensure that there is a reasonable opportunity for meaningful consultation prior to any Telefilm decision to participate. In addition, sufficient application lead time will help ensure that there are appropriate lead times for marketing and promotion campaigns, and that strategic release dates can be established.

Telefilm will commit resources to successful applications in the year in which the film is to be released (or the year before, in the case of releases early in the next fiscal year), subject to the financial constraints within which Telefilm operates.

9. GENERAL INFORMATION

While compliance with the guidelines is a prerequisite to eligibility for funding, compliance does not guarantee entitlement to Telefilm funds. Telefilm may make adjustments to its guidelines and application forms from time to time as required. Telefilm has full discretion in the application and interpretation of these guidelines to ensure that its funding is provided to those projects that meet its spirit and intent. In all questions of interpretation of either these guidelines, or the spirit and intent of this Program, Telefilm's interpretation shall prevail.

Any information, in any form, provided, obtained, created, or communicated in connection with an application or project is subject to the [Access to Information Act](#) and the [Privacy Act](#).

¹⁴ Project Coordinators in each Telefilm office are available to answer any questions regarding the application or the documents required. Please consult the [contacts section](#) of Telefilm's website for the name of the appropriate contact person.