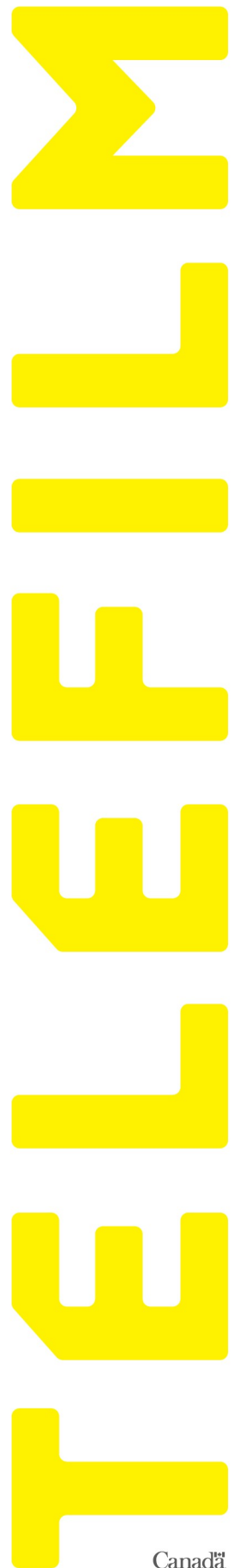


COVID-19 EMERGENCY RELIEF FUND – TELEFILM ALLOCATION

PHASE 2 – MOVIE THEATRE PROGRAM

GUIDELINES

APPLICABLE AS OF JULY 29, 2020



1. COVID-19 EMERGENCY RELIEF FUND – TELEFILM ALLOCATION: PHASE 2 – MOVIE THEATRE PROGRAM

1.1. Program Intent and Objectives

The [COVID-19 Emergency Support Fund for Cultural, Heritage and Sport Organizations](#) announced by the Prime Minister on April 17, 2020 (the “**Emergency Support Fund**”) is an additional temporary relief measure created to help alleviate the financial pressures faced by cultural, heritage and sport organizations due to the COVID-19 pandemic. The objectives of the Emergency Support Fund are to maintain jobs and support business continuity for organizations that have been negatively impacted by the COVID-19 pandemic. The Emergency Support Fund complements other measures by the Government of Canada to help Canadian workers and employers impacted by the COVID-19 pandemic.

On May 8, 2020, the Government of Canada announced that a two-phase approach would be used for the Emergency Support Fund and that Telefilm Canada (“**Telefilm**”) would distribute, during the first phase, \$27 million of the \$500 million Emergency Support Fund (the “**Telefilm Relief Fund**”). These funds have since been allocated and disbursed to eligible Telefilm clients, the whole in accordance with the terms set forth in the Telefilm Relief Fund [guidelines](#).

On July 7, 2020, the Government of Canada unveiled the final components of the second and last phase of the Emergency Support Fund, including namely an additional investment of \$1,755,000 to be distributed by Telefilm for movie theatres that show Canadian films and that have not already received funding under the Emergency Support Fund (the “**Telefilm Relief Fund for Movie Theatres**”).

The success of Canada’s screen-based industries and its stakeholders is at the heart of Telefilm’s operations. The objectives of the Telefilm Relief Fund for Movie Theatres are to:

- support the business continuity of companies that operate movie theatres and help them be in a better position to recover once the pandemic subsides;
- address the financial needs of these companies so that they can retain their employees;
- complement – and not duplicate – other existing measures by the Government of Canada, recognizing that companies operating movie theatres may not be eligible to the different relief funds previously offered; and
- foster public access to Canadian audiovisual works through movie theatres across the country.

2. ELIGIBLE APPLICANTS¹

Funding under the Telefilm Relief Fund for Movie Theatres is allocated to the parent corporation (the “**Applicant**”) of a Corporate Group, such that a single application must be submitted to Telefilm for all movie theatre establishments operated by the same Corporate Group. For the purposes of these guidelines, a Corporate Group is defined as the Applicant and its Related Parties².

The Applicant and its Related Parties benefiting from funding under the Telefilm Relief Fund for Movie Theatres must meet all of the following eligibility criteria:

- have not received funding under the Emergency Support Fund, including the Telefilm Relief Fund, subject to the exception set forth below;
- be Canadian controlled entities, as determined under sections 26 to 28 of the [Investment Canada Act](#);
- have their head offices in Canada and carry out their activities in Canada;
- not be insolvent or bankrupt, or in the course of the reorganization of their businesses within the meaning of the [Bankruptcy and Insolvency Act \(Canada\)](#), and have not taken steps and no steps are taken against them for their winding-up or dissolution, and no receiver or trustee has been appointed for their property;
- be able to **affirm and attest** that they:
 - have been negatively impacted by the COVID-19 pandemic, which has resulted in financial hardship to their operations, and are therefore in need of funding to ensure the continuity of their operations and to protect jobs;
 - can demonstrate a projected negative financial impact of at least 25% as a result of the COVID-19 pandemic;
 - are active in the audiovisual sector as commercial movie theatre exhibitors and intend to remain so for the foreseeable future;
 - have one or more movie theatre establishments in Canada having showed one or more Canadian Feature Films³ during any of Telefilm’s last three (3) fiscal years⁴ (each, an “**Eligible Establishment**”);
 - submitted to Telefilm a single application for their Corporate Group under the Telefilm Relief Fund for Movie Theatres;

¹ Public bodies, government organization or crown agencies are not eligible applicants.

² “Related Parties” are defined as parties that are related within the meaning of the CPA Canada Handbook, as that definition may be amended, completed or replaced from time to time, and as that definition may be adapted by Telefilm to the context of the film and television industry.

³ “Canadian Feature Film” is defined as a fictional or documentary film of 75 minutes or more that has : (i) obtained a minimum of 6 out of 10 points (or 60% of the points) from the Canadian Audio-Visual Certification Office (CAVCO), or (ii) received a preliminary or final recommendation by Telefilm as an audiovisual coproduction governed by a Canadian treaty.

⁴ Telefilm’s fiscal year is from April 1st to March 31st; the fiscal years covered are 2019-2020, 2018-2019 and 2017-2018.

- have not received funding under the Emergency Support Fund, including the Telefilm Relief Fund, and will not submit an application for emergency support funds to either the Canada Media Fund, the Canada Arts Council and/or Canadian Heritage;
- are not receiving funding from other federal sources to cover the same costs (e.g., Canada Emergency Wage Subsidy, Temporary Wage Subsidy, Business Credit Availability Program, Canada Emergency Business Account and Canada Emergency Commercial Rent Assistance for Small Businesses);
- will use the funds received under the Telefilm Relief Fund for Movie Theatres according to these guidelines and that where relevant, funds shall be used to support workers; and
- will maintain their Canadian-controlled status for at least 12-months following receipt of any funding under the Telefilm Relief Fund for Movie Theatres.

An Applicant’s Corporate Group that has already received funding under the Telefilm Relief Fund and that operates more than one Eligible Establishment could receive a certain financing under this Telefilm Relief Fund for Movie Theatres, solely in order to remedy a shortfall between the financing offered by these two funds. These Applicants are invited to contact Telefilm directly in order to confirm their eligibility and the specifics of the financing conditions.

3. ELIGIBLE COSTS

The financing provided by Telefilm under the Telefilm Relief Fund for Movie Theatres must be used to cover the following costs:

- costs necessary to ensure business continuity;
- additional costs relating to the suspension of operations due to the COVID-19 pandemic; and
- payments to support workers.

The costs financed by Telefilm under the Telefilm Relief Fund for Movie Theatres must not be covered by the financing received from any other governmental entity or program.

4. TERMS OF FUNDING

In general, the financing provided by Telefilm under the Telefilm Relief Fund for Movie Theatres will be granted on a first come, first served basis, until the available funding is exhausted. Telefilm’s financial participation will take the form of a base participation, with the possibility of an additional participation for Regional Companies⁵ and Underrepresented Groups⁶.

⁵ “Regional Company” is defined as a company whose head office is in any part of Canada that is more than 150 km by the shortest reasonable roadway route from Toronto or Montreal.

⁶ “Underrepresented Groups” are defined as the following groups in the audiovisual industry: indigenous, LGBTQ2+, official language minority communities, persons with disabilities, racialized persons and women.

4.1. Amount of Telefilm Financing

4.1.1. Base Financial Participation

The base financial participation will take the form of a non-repayable contribution of \$5,000 for each Eligible Establishment held by the Corporate Group, up to a total financial participation of \$50,000 for a maximum of 10 Eligible Establishments.

4.1.2 Additional Financial Participation

Telefilm shall grant an additional financial participation of \$11,000 to eligible Applicants who are Regional Companies or whose Corporate Group is composed of companies that are majority-owned and controlled by persons identifying as members of Underrepresented Groups. This additional participation is provided on top of the base participation and will also take the form of a non-repayable contribution.

5. APPLICATION PROCESS

5.1. How to Apply

Under the Telefilm Relief Fund for Movie Theatres, only one application per Corporate Group will be processed, regardless of the number of Eligible Establishments held by a Corporate Group.

All Applicants must apply online using [Dialogue](#) and as such, must have a Dialogue account. Applicants must submit the appropriate application form, together with the attestation (available on Telefilm's website) duly completed and signed, via Dialogue. All subsequent documentation, if any, must be submitted online through Dialogue. If you have technical difficulties, please contact us at services@telefilm.ca.

Before submitting an application, please consult the Essential Information Guide with respect to the Telefilm Relief Fund for Movie Theatres on the Telefilm Relief Fund [webpage](#).

6. GENERAL INFORMATION

While compliance with the guidelines is a prerequisite to eligibility for funding, compliance does not guarantee entitlement to Telefilm funds. Telefilm may adjust its guidelines and application forms from time to time as required. Telefilm has full discretion in the application and interpretation of these guidelines and the exceptions thereto. In all questions of interpretation of either these guidelines, or the spirit and intent of the Telefilm Relief Fund for Movie Theatres, Telefilm's interpretation shall prevail.

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

The Telefilm Relief Fund for Movie Theatres is subject to the availability of funding from government and other sources.