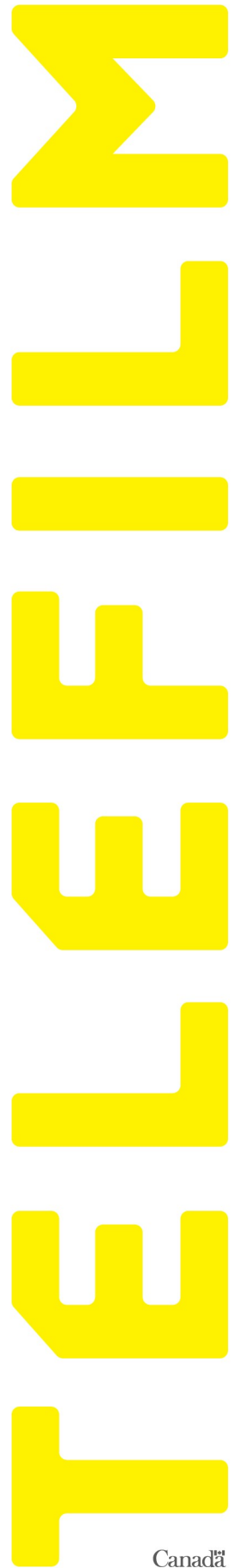


COVID-19 EMERGENCY RELIEF FUND – TELEFILM ALLOCATION

GUIDELINES

APPLICABLE AS OF MAY 15, 2020



1. COVID-19 EMERGENCY RELIEF FUND – TELEFILM ALLOCATION

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 of cultural, heritage and sport organizations facing significant losses due to the COVID-19 pandemic. Its objectives are to maintain jobs and support business continuity for organizations whose cash flow and operational viability have been negatively impacted by the COVID-19 pandemic and to stabilize a sector that is a major driver of the Canadian economy.

The Emergency Support Fund complements other Government of Canada measures to help Canadian workers and employers impacted by the COVID-19 pandemic, including the Canada Emergency Response Benefit (CERB), the Canada Emergency Wage Subsidy (CEWS), the Business Credit Availability Program (BCAP), and the Canada Emergency Commercial Rent Assistance for Small Businesses.

On May 8, 2020, the Government of Canada announced that Telefilm Canada (“**Telefilm**”) would distribute \$27 million of the \$500 million Emergency Support Funds (the “**Telefilm Relief Fund**”).

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

- support the business continuity of Canadian businesses and organizations in Canada’s audiovisual industry and help them be in a better position to recover once the pandemic subsides;
- address financial needs of these businesses and organizations so they can continue to support writers, directors, crew, cast and other employees in the audiovisual industry; and
- complement – and not duplicate – other measures announced by the Government of Canada, recognizing that many companies in Canada’s audiovisual industry may not be eligible for previously released support due to their structure and cyclical nature of their business.

In alignment with its objective to support the diversity of voices in the audiovisual industry, Telefilm is setting aside up to 15% of the funds available under the Telefilm Relief Fund to support its clients who are part of the underrepresented groups.

2. ELIGIBLE APPLICANTS¹

Funding under the Telefilm Relief Fund is allocated to the active parent corporation of each group of companies (the “**Applicant**”) in proportion to their participation in each project² funded by Telefilm

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

² If the project was funded in production, Telefilm will use the score sharing of the project as established at the time of contract to determine the proportions.

over the last three (3) fiscal years³ (the “**Reference Period**”). The Applicant and its Related Parties⁴ are hereinafter referred to as the “**Corporate Group**”.

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

- be Canadian controlled corporations, 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 not have 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 therefore are in need for funding to ensure continuity of operations and to safeguard 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, for the purposes for which they have received funding from Telefilm during the Reference Period and intend to remain so for the foreseeable future;
 - have not applied, and will not apply, for emergency relief funds from 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 according to these guidelines, and that where relevant, funds shall be used to support workers such as the self-employed and freelance workers, artists, and creators; and

³ Telefilm’s fiscal year is from April 1st to March 31st; fiscal years: 2019-2020, 2018-2019, 2018-2017. Financing agreements signed before April 1, 2017 and all related amendments are not considered for the purposes of calculating the total financing received by the Corporate Group, even if the amendment were signed during the Reference Period.

⁴ “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.

- will maintain their Canadian-controlled status for at least 12-months following receipt of any funding under the Telefilm Relief Fund.

Furthermore, to be eligible, the Applicant and/or its Related Parties must have received funding during the Reference Period under one of the following programs (the “**Eligible Programs**”):

- Production Program;
- Theatrical Documentary Program;
- Talent to Watch Program;
- Development Program;
- Marketing Program;
- Innovation Program;
- Promotion Program; and
- Theatrical Exhibition Program.

IMPORTANT: If the Corporate Group has also received funding from the Canada Media Fund, the Canada Council for the Arts or Canadian Heritage (the “**Entities**”) during the Reference Period, the Applicant is eligible for the Telefilm Relief Fund only if the total amount of funding received by the Corporate Group from Telefilm during the Reference Period is greater than the amount received by the Corporate Group from one of these Entities during that same period. Notwithstanding the above, if the funding received by the Corporate Group from Telefilm during the Reference Period was in mostly under the Promotion Program, the Applicant will be directly contacted by Telefilm to confirm its eligibility.

3. ELIGIBLE COSTS

The financing provided by Telefilm under the Telefilm Relief Fund shall be used to cover the following costs:

- costs necessary to business continuity;
- additional costs relating to obligations inherent to suspended, canceled or postponed projects related to COVID-19; and
- payments to support workers such as the self-employed and freelance workers, artists, and creators.

The costs financed by Telefilm under the Telefilm Relief Fund must not be borne by any other federal entity or program.

4. TERMS OF FUNDING

In general, funds will be allocated automatically to an eligible Applicant. Telefilm’s financial participation will take the form of a base participation, with the possibility of an additional participation for underrepresented groups, regional companies and affected projects. The total financial participation under the Telefilm Relief Fund shall not, however, exceed \$500,000 for the same Applicant.

4.1. Amount of Telefilm financing

4.1.1. Base Financial Participation

Telefilm's financial participation (the “**Base Financial Participation**”) will take the form of a non-repayable contribution equivalent to a percentage of half of the total funding granted to the Corporate Group by Telefilm under the Eligible Programs during the Reference Period, subject to the minimums and maximums indicated in the following table:

Total financing during the Reference Period divided by 2	Allocated percentage	Minimum Base Financial Participation	Maximum Base Financial Participation
Less than \$500,000	25%	\$5,000	\$125,000
\$500,000 to \$1M	20%	\$125,000	\$200,000
More than \$1M	15%	\$200,000	\$400,000

4.1.2 Additional Financing

The Applicants that receive a Base Financial Participation may also be eligible to receive an additional financial participation from Telefilm in the form of a non-repayable contribution.

4.1.2.1 Underrepresented Groups

Telefilm shall grant an additional financial participation to Applicants whose Corporate Group is composed of companies that are majority-owned and controlled by persons identifying as members of underrepresented groups⁵. Such financial participation shall be in addition to the Base Financial Participation and other categories of additional financing.

4.1.2.2 Regional Companies⁶

Telefilm shall also grant an additional financial participation to Applicants whose head office is in regional areas. Such financial participation shall be in addition to the Base Financial Participation and other categories of additional financing.

4.1.2.3 Affected Projects

The Applicants for which one or more members of the Corporate Group have projects in production or post-production already financed by Telefilm are also eligible to receive

⁵ “Underrepresented groups” are defined as the following groups in the audiovisual industry: indigenous, LGBTQ2+, official language minority communities, persons with disabilities, visible minorities and women.

⁶ “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.

additional financing to cover part of the excess eligible costs related to the pandemic’s impact on these projects.

Indeed, Telefilm shall grant an additional financial participation to Applicants in order to support projects that have already been financed by Telefilm under its Production program and Theatrical documentary program, and that have been negatively impacted by the COVID-19 pandemic (the “**Additional Financial Participation to Support Affected Projects**”). Such Additional Financial Participation to Support Affected Projects shall be calculated based on the production budget and phase during which the project was affected, more specifically:

Production Budget	Amount of the Additional Financial Participation to Support Affected Projects	
	Projects Affected in Production	Projects Affected in Post-Production
>\$5M	\$50,000	\$25,000
\$2.5M - \$4,999,999	\$40,000	\$20,000
\$1.5M - \$2,499,999	\$30,000	\$15,000
\$1M - \$1,499,999	\$20,000	\$10,000
<\$1M	\$10,000	\$5,000

The Additional Financial Participation to Support Affected Projects shall be paid to the active parent corporation of the main applicant in the production application file and shall not be shared between the various companies that share the score.

However, the sum of the amount of the Base Financial Participation and the Additional Financial Participation to Support Affected Projects cannot be greater than 25% of half of the total funding granted to the Corporate Group by Telefilm under the Eligible Programs during the Reference Period.

Note: The Additional Financial Participation to Support Affected Projects shall be limited to either the amount for a project affected in production or the amount for a project affected in post-production, as the case may be for the project; it is therefore not possible to obtain an Additional Financial Participation to Support Affected Projects in each of these phases for the same project.

5. APPLICATION PROCESS

5.1. How to apply

Under the Telefilm Relief Fund, only one application per Corporate Group will be processed.

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 must be

submitted online through Dialogue. If you have technical difficulties, please contact us at services@telefilm.ca.

Please consult the Essential Information Guide on the Telefilm Relief Fund webpage before applying.

IMPORTANT: Please note that no additional application must be submitted in order to obtain additional financing dedicated to underrepresented groups, to regional companies and to affected projects. Telefilm will contact eligible Applicants directly.

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. In all questions of interpretation of either these guidelines, or the spirit and intent of the Telefilm Relief Fund, 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 is subject to the availability of funding from government and other sources.