

ANNEX

(1) The competent authorities shall consult on procedures necessary to enable them to ensure that a project conforms with the provisions of this Agreement. When approving a project for a co-production film, they may stipulate conditions of approval framed in order to achieve the general aims and objects of the Agreement.

(2) A co-production film shall be made within the terms of approval prescribed by the competent authorities. If the completed film conforms in all respects with these terms, the Contracting Parties shall ensure that the film receives in Canada and Great Britain respectively the benefits set out in Article 2 of this Agreement. These benefits shall be the sole property of the Canadian and United Kingdom co-producers respectively and the contract or contracts governing the making of the co-production film shall provide that such benefits shall not be assigned in whole or in part by the co-producer from one country to the co-producer from the other.

(3) The competent authorities shall satisfy themselves that conditions of work in the making of co-production films under this Agreement in each of the two countries are in broad terms comparable. Conditions of work in the making of co-production films, including location shooting in a third country, shall be not less favourable than those prevailing in Canada or the United Kingdom.

- (4) (a) The United Kingdom co-producer shall fulfil all the conditions relating to his status which he would be required to fulfil, if he were the only maker, in order to be entitled to payments from the British Film Fund Agency.
- (b) The Canadian co-producer shall be a Canadian citizen or an eligible corporation as defined in the directives of the Canadian Radio-Television Commission.
- (c) The Canadian co-producer and the United Kingdom co-producer shall not be linked by common management or control, save to the extent that is inherent in the making of the co-production film itself.

(5) The total production costs of a co-production film shall not be less than \$ (Cdn) 350,000 or £150,000 whichever is the greater at the prevailing rate of exchange, and the share of such costs borne by the co-producer from one country shall not be less than 30 per cent.

(6) Co-production films shall be made, processed, and dubbed in Canada and/or the United Kingdom. The competent authorities shall have the power to approve location filming in a third country. Dubbing into languages other than English and French may be carried out in third countries. These versions may contain passages of dialogue in other languages if this is required by the script. The majority of the work of making, processing and dubbing shall normally be carried out in the country which has the major financial participation.

(7) Individuals taking part in the making of a co-production film shall be nationals or residents of Canada or of the United Kingdom. As an exception, nationals or residents of third countries may take part as leading performers in leading roles in a co-production film, subject to the approval of the competent authorities. Where, under the provisions of paragraph (6) of this Annex approval has been given to location filming in a third country, nationals or residents of that country may be employed as crowd artists or as additional employees whose services are necessary for the location work to be undertaken.