

ANNEX

1. The competent authorities shall consult on procedures necessary to enable them to ensure that a project conforms with the provision of this Agreement.
2. A co-production shall be made within the terms of approval prescribed by the competent authorities. The competent authorities shall jointly establish the rules of procedure for co-productions in accordance with the legislation and regulations in force in Canada and New Zealand. They shall ensure that these rules of procedure are approved and in place at the time that this Agreement enters into force.
3. In order to qualify for the benefits of this Agreement, co-productions must be undertaken by producers who have good technical organization, sound financial backing and recognized professional standing.
 - 4.1 The proportion of the respective contributions of the co-producers of the two countries may vary from twenty to eighty percent for each co-production.
 - 4.2 Live action shooting and animation works, such as storybooks, layout, key animation, inbetween and voice recording, should be carried out either in Canada or in New Zealand. Location shooting, exterior or interior, in a country not participating in the co-production may be authorized, if the script or the action so requires and if technicians from Canada and New Zealand take part in the shooting.
 - 4.3 The minority co-producer shall be required to make an effective technical and creative contribution. In principle, the contribution of the minority co-producer in technicians and performers shall be in proportion to his, her or its investment. In all cases such contribution shall include the participation of not less than three technicians, one performer in a leading role and two performers in supporting roles. In exceptional circumstances, departures herefrom may be approved by the competent authorities of both countries.
5. The competent authorities of both countries will where possible be willing to consider recognition of co-productions undertaken by producers of Canada, New Zealand and countries to which both the Government of Canada and the Government of New Zealand or the New Zealand Film Commission are bound by co-production Agreements.
6. An overall balance should be achieved during the term of the present Agreement with respect to financial participation, as well as to the creative staff, technicians, performers and technical resources (studios and laboratories).