

4. An overall balance must be maintained between each country's contributions toward selective assistance for co-productions, as provided in this Agreement.

5. The amount of assistance allocated to the cinematographic co-production under this Agreement is fixed as follows:

—for each co-production, a maximum of 2,500,000FF by France in the case of a majority French co-production, and Cdn \$500,000 by Canada in the case of a majority Canadian co-production. The selective assistance given by the minority country, assessed as a percentage of its contribution to the co-production, shall represent an identical percentage to the selective assistance given by the majority country, assessed on the same basis.

—for all co-produced projects a maximum of 5,000,000FF by France and Cdn \$1,000,000 by Canada.

These amounts may be revised by the competent authorities in terms of the rates of exchange in effect at the time of each project's acceptance.

6. The maximum number of cinematographic productions which may benefit from the assistance outlined in this Agreement is therefore limited to four.

7. The expression "a national of the minority co-producing country" used in paragraph 3 above, refers to nationals or residents of France and to nationals or permanent residents of Canada as defined in the Canada Income Tax Regulations with respect to certified productions, as may be amended from time to time.

ARTICLE II

1. A France-Canada Commission shall be set up to consider all projects eligible for assistance under Article I above. The commission shall be composed of representatives appointed as follows:

—from France: three representatives appointed by the Minister of Culture,

—from Canada: three representatives appointed by the Minister of Communications, or if he so authorizes, the Canadian Film Development Corporation.

The Commission shall make recommendations relating to the financial assistance to be provided to projects and shall forward these recommendations to the designated authorities in each country.

2. The Project Examination Commission may meet alternately in France and Canada in cases where such a meeting is deemed necessary by the majority of its members. Generally, both the French section and the Canadian section will communicate to each other their respective proposals regarding the projects they feel are eligible for assistance under the preceding article. The final agreement on these proposals is made by exchange of correspondence.