

TELUS INNOVATION FUND GUIDELINES 2009

APPLICATION DEADLINE FOR 2009:

MONDAY, FEBRUARY 23, 2009

TELUS INNOVATION FUND 2009

Funding the Future of Entertainment

OBJECTIVES

The TELUS Innovation Fund invests in film, television, and new media projects creating the next forms of entertainment.

The TELUS Innovation Fund, created by the Canadian Film Centre (CFC) with funding from the TELUS Foundation, invests in new forms of high-quality, original Canadian content that explore new ways of approaching entertainment and storytelling. This fund supports projects that contribute to a body of innovative Canadian work and successfully employ innovative strategies in breaking new ground to reach general public audiences.

The TELUS Innovation Fund provides funding in the form of a recoupable contribution towards the production of innovative film, television, new media, or cross-platform content projects. This fund is designed to assist projects which place Canadian ideas, talent, and media at the forefront of the future of entertainment.

The TELUS Innovation Fund supports up to 3 projects per year with funding up to \$100,000 per project.

ELIGIBLE PROJECTS

Support is provided to competitive original content projects that meet all the following eligibility requirements:

- Projects must be content-based with a narrative focus, including documentaries
- The project concept is innovative and breaks new ground in entertainment. The applicant must indicate precisely how this project is innovative and the degree to which potentially similar projects are not addressing these innovations.
- The budget is appropriate to the scale of the project.
- The project will be completed within 18-months from receiving funding.
- An excellent team is in place to complete the project as designed, on time, and on budget.

Successful projects must have:

- A minimum of 50% confirmed funding - excluding deferrals and non-arm's-length investment and commitment for the remaining 50% of the financing.

- A development plan already in place. This fund is for production only.
- A marketing/distribution plan that demonstrates how the team will ensure that the industry and general public will view or experience the project. Teams with a solid Recoupment plan will be given priority.
- No international co-production partnerships

ELIGIBLE APPLICANTS

All Canadian Controlled Private Companies (CCPC) that own 100% of copyright in a film, television, or interactive media project are eligible to apply.

Priority will be given to cultural Small-to-Medium Enterprises (SME) companies with an upper limit of 40 employees and total revenues of less than \$4 million.

FINANCIAL PARTICIPATION

RELEASE OF FUNDS

Funds will be released to each company in three stages;

- i. 20% - Confirmation of 50% of the project funding is in place (excluding deferrals and non-arm's-length investments), and a schedule of financing for the remaining 50% with appropriate letters of commitment
- ii. 50% upon commencement of production
- iii. 30% - Confirmation of completion of the project

REPAYMENT TERMS

In consideration of the CFC's assistance with the development of the project, the company agrees to repay the CFC pro rata and pari passu a share of the gross revenue less royalties and residuals required under applicable guild and union agreements. Beginning with the general commercial exploitation of the project, the CFC's share of the gross revenue will be payable until the contribution is repaid in full.

The company will notify the CFC in writing regarding the date of commencement of general commercial exploitation, along with all relevant details. Commercial exploitation is defined as the point at which the company begins to receive payment for the product through sale, licensing, distribution, etc.

The CFC reserves the right to request additional information relating to the project during production and to consult with other financial participants during the selection process.

The CFC recognizes that innovative products can take a lengthy time to secure commercial deals. A company that receives funding through the TELUS

Innovation Fund, but is unable to repay the recoupable contribution because the project is delayed in securing an exploitable market, will be considered in good standing so long as the appropriate reports are submitted.

REPORTING

All companies that receive funding through the TELUS Innovation Fund are required to submit a project report within 90 days of the end of each year until the CFC's contribution is repaid in full.

The company must also provide the CFC with audited financial statements or an affidavit from a public accountant on an annual basis, concerning the commercial exploitation of the project during that year, together with the payment of any amounts owing to the CFC, until the full amount is repaid.

SELECTION PROCESS

Projects will be selected based on the criteria outlined under "Eligible Projects" and "Eligible Applicants."

Application to the TELUS Innovation Fund is a two-stage process:

- Stage 1 is the submission of a Preliminary Application by an eligible CCPC. A select number of projects will be invited to continue to the second stage.
- Stage 2 is the submission of a Full Application.

Acceptance at the Preliminary Application (Stage 1) does not guarantee selection at the Full Application step (Stage 2).

STAGE 1: PRELIMINARY APPLICATION

All interested CCPC are invited to submit a Preliminary Application outlining the project for which they are seeking funding. This is a standard template form that is available for download at www.cfccreates.com.

Preliminary Applications will be screened by a committee comprised of independent industry representatives from across Canada. Up to 10 projects will be invited to submit a full application. The duration of STAGE ONE of the application process will be approximately five (5) weeks.

STAGE 2: FULL APPLICATION

Companies invited to Stage 2 are given five (5) weeks to complete the full application. A jury of industry representatives will review and adjudicate the full applications. Review of the full applications will take approximately five (5) weeks.

CREDITS

The CFC's TELUS Innovation Fund must be credited in the programming credits and related promotional and print materials to acknowledge its support. The credit shall be the same size and prominence as that given to other investors.

INFORMATION

To apply to the TELUS Innovation Fund, please complete the Preliminary Application form located at www.cfccreates.com.

For additional information, please e-mail.

E: telus@cfccreates.com

P: 416.445.1446 x555