

NOMAD FILMS

Building Successful International Co-Productions – An Overview

This document outlines the basic principles of how to undertake a co-production project with Nomad Films and to establish the standards and procedures for developing a successful partnership with potential international co-producers.

About Nomad Films

President Mark Johnston is one of Canada's leading documentary filmmakers and a veteran of film and television production. For over thirteen years, Nomad Films has successfully produced international projects with partners world-wide.

Johnston's partner in Nomad Films is Amanda Handy, **Handy** joined Nomad Films in 2007 as a Partner and Producer. Since joining Nomad Amanda has worked as a producer on the critically acclaimed documentaries *When We Were Boys* (**Official Hot Docs Selection**) and *The Al Qaeda Code*, as well as the ambitious 4 part documentary series *Empire of the Word* and Nomad's first dramatic feature film, the Afghan based *Act of Dishonour*, directed by Nelofer Pazira and Coproduced with Dan Iron of **Foundry Films** (*Away from Her*).

Other major upcoming projects include *The Jungle Prescription* a documentary about an ancient Amazonian medicine called ayahuasca, which is being used to cure western drug addicts at an astonishing rate. *In The Shadow of a Saint*, which tells the story of Nigerian writer and martyr, Ken Saro-Wiwa, played by Oscar-nominated actor Djimon Hounsou. **Triptych Media** (*Emotional Arithmetic, The Hanging Garden*) will co-produce.

The Spirit of Co-Productions

Co-productions are a means by which producers from countries with coproduction treaties can share resources, funding, and talent. International coproduction treaties have been established by various governments so that a balanced and equitable contribution of financial, creative and technical resources can be brought to qualifying projects. Government funding agencies from the respective countries also expect that the cultural mandate of each country involved in the co-production will be met. This allows for partners in a coproduction to enjoy meaningful participation while taking on larger, more ambitious projects.

Under Canadian international co-production treaties, our Canadian funding agencies and broadcasters require that a minimum of twenty percent of the total production budget will be spent in Canada on Canadian goods and/or services and that the Canadian producer will maintain a minimum of twenty percent of copyright ownership in the finished product. If the Canadian side is more than twenty percent of the budget, the first twenty percent must be spent in Canada and the remaining funds can be spent in third countries. We have mature film production communities throughout the country offering talented and experienced crew and excellent vendors as well as top post production houses and accomplished musical composers and performers.

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Benefits of International Co-Productions

As production costs rise and license fees shrink, it is becoming imperative that filmmakers look to international co-productions as vehicles for bringing in additional funds and accessing a larger viewing audience.

Co-productions offer the opportunity to maximize investments in production, reach a wider area of distribution and meet national guidelines for products that fulfill content requirements in each country.

At Nomad, we have found that while international co-production funding does require assembling a fair amount of information about the production, going through the process encourages greater organization and a structure within which to build fiscally viable projects with successful outcomes, both creatively and financially.

Documentation

It is understood that in the case of an international co-production, each partner will provide the other partner(s) with documentation as required by government funding agencies and broadcasters and that each partner will be responsible for undertaking and completing submissions to their respective government agencies to secure government funding and co-production approval. We expect to create a back and forth flow of documents and information that will allow all involved parties to meet the requirements of their respective agencies and broadcasters.

A sample list of items typically required by Canada's funding agencies is located in Appendix I. This will give you an idea of the documentation that we will be expected to submit as we begin the process of financing for the co-production. You should check with your respective agencies for the list of documents they will require from your foreign co-production partner so that we can be prepared to supply you with the appropriate paperwork.

We at Nomad Films will make our best efforts to provide our co-production partners with documentation and support materials they may require for their government agencies in a timely manner. We will also be responsible for providing templates, samples, draft documents and completed documents for your use and your own applications.

A key component to accessing Canadian Government financing is the granting of a co-production Advance Ruling from Telefilm Canada. At least thirty days prior to the start of principal photography, the Canadian producer must complete and submit an application form and supporting documentation to receive an advance ruling stating that the project is considered eligible for government funding. Foreign companies must also submit for certification in their own countries before this deadline.

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After the Advanced Ruling has been accepted, the co-production can proceed into production. A final approval of the co-production is then applied for at the end of production, including a final accounting, a copy of the completed film, etc.

In the case of minority Canadian co-productions where the Canadian production entity holds a minority position, it is even more imperative that the international partner complete and submit the application to their respective co-production approval agency very early on in the process as Telefilm will not issue a coproduction Advanced Ruling without receiving confirmation that the corresponding international agency of the majority partner has first approved the international co-production. Typically, co-production approval and funding applications must be submitted prior to the start of principal photography.

Ramifications

There are many important relationships and reputations at stake with every coproduction. Therefore, it is important for each co-production partner to understand the terms of their participation in the process.

Conclusion

This is not meant to be a complete list of all many requirements for undertaking a co-production. Every application is different and will require flexibility. It is however, a preliminary introduction to give our co-production partners an idea of what will be necessary to access funding and approval from our Canadian agencies and broadcasters.

Contact Us

If you are interested in exploring the benefits of partnering in an international coproduction with Nomad Films, please contact us at 416-533-9658 and speak to Mark Johnston or Amanda Handy. We are also on the web at www.nomadfilms.ca.

Signatures

By signing below you acknowledge that you have read this document and interested in pursuing an international co-production in partnership with Nomad Films Inc.

Signature: _____

Name: _____

Company: _____

Date: _____

Please fax back to Nomad Films Inc. at (1-866-746-7011).

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Appendix I

Preliminary Listing of Required Items for Canadian Agencies*

- * co-production agreement between the co-production partners (see Appendix II for a sample short form agreement)
- * detailed production budget signed by all parties
- * production & post production schedule
- * chain of title for underlying rights including copies of any or all rights agreements
- * crew lists including nationalities of crew members
- * copies of passports establishing citizenship for key creatives (producers, directors, writers, editors, directors of photography)
- * synopsis and treatment of the project
- * if the project is based on an underlying work - a copy of the original underlying work
- * corporate profile including company mandate for each partner
- * biographies/curriculum vitae of key creatives
- * VHS or DVD of director's previous work
- * incorporation documents
- * contracts with writer, director, performers, music composers as applicable
- * agreements with foreign distributors

*This list is not necessarily a complete outline of all requirements but is merely a sampling of the kind of documentation we can be expected to provide.

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CO-PRODUCTION SHORT FORM AGREEMENT

THIS AGREEMENT made as of the ___ day of _____(month) , _____ (year)

BETWEEN: **NOMAD FILMS INC.**, a corporation incorporated under the laws of Canada, having its head office at 2 Matilda Street, Toronto, Ontario, M4M 1L9, Canada, represented by duly authorised;

referred to herein as the "**Canadian Producer** "

AND **COPRODUCTION PARTNER COMPANY NAME**, a corporation incorporated under the laws of _____ (country) having its head office at _____ (address) represented by duly authorised;

referred to herein as the "**Foreign Producer**"

AND superseding all earlier agreements either verbal or written

WHEREAS the above mentioned Canadian Producer and Foreign Producer intend to co-produce within the framework of the Agreement between the Government of Canada and the Government of _____(country) (hereinafter called the "Treaty") a film tentatively entitled "**FILM TITLE**" (hereinafter called the "Production").

1.0 INTERNATIONAL COPRODUCTION AGREEMENT

1.01 In consideration of the premises and the mutual covenants and agreements herein contained and according to the guidelines of the Treaty, the Canadian Producer and the Foreign Producer hereto agree:

(a) to co-produce in accordance with the terms of this Agreement and within the framework of the Treaty, the Production, *FILM TITLE*, to be directed by _____(name of director) (Nationality: _____);

(b) both parties hereby agree to undertake all necessary applications for co-production approvals in their respective territories.

2.00 PRODUCTION FINANCING

2.01 The Canadian Producer and the Foreign Producer shall each respectively contribute to the financing of the total budget of the following proportions presently estimated at:

Canadian Producer(s) NOMAD FILMS INC.: 0 % \$ 0 Canadian

Foreign Producer(s) COPRODUCTION COMPANY NAME: 0 % \$ 0 Canadian

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and with Nomad Films Inc. contributing no less than 20% as required by the Treaty. The conversion rate used is _____ (agreed exchange rate).

3.00 INTELLECTUAL PROPERTY RIGHTS AND OWNERSHIP OF THE PRODUCTION

3.01 The ownership and copyright in the Production shall be owned by the Canadian Producer and the Foreign Producer in the relevant versions shall be determined by the finance brought by each party to the project presently estimated to be in the following proportions:

Canadian Producer: 0 %

Foreign Producer: 0 %

and with minimum ownership and copyright in the relevant versions to be no less than 20% for the Canadian Producer according to the minimum terms of the Treaty.

3.02 Neither the Canadian Producer nor the Foreign Producer may without the written consent of the other, transfer, assign, sell to a third party or encumber the rights as described in paragraph 2.03 in whole or in part.

3.03 Should the co-production fail to qualify under the terms of the Treaty, the Canadian Producer shall make best efforts to finance the film to the extent of its equity position that would allow for a fair return on investment. Under such circumstances, ownership and copyright in the relevant versions of the Production would be subject to good faith negotiations between the Canadian Producer and the Foreign Producer.

4.00 TERRITORIES AND REVENUES

4.01 The Canadian Producer will have exclusive distribution and exploitation rights, at its own cost, in the Canadian Territories defined as follows:

"Canadian Territories" shall mean all provinces and territories within Canada.

Also, the Canadian Producer will have exclusive distribution and exploitation rights, at its own cost, in the Other Territories which are defined as follows: _____ (name territories sold by Canadian producer outside of Canada).

"Other Territories" shall mean all countries excluding _____ (list of countries excluded that remain territories sold or to be sold by foreign coproducer).

4.02 All revenues earned from any source from exploitation and distribution of the Production for the relevant versions of said Production and in the said Territories as defined in Section 4.01 above shall be determined by the finance brought by each party to the project which is presently estimated at ____% for the Canadian Producer and ____% for the Foreign

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Producer but shall be no less than 20% for the Canadian Producer in accordance with the terms of the Treaty.

5.00 CONDITIONS

Due date for financing is estimated to be _____ (month) _____ (date), _____ (year).

This Short Form Agreement shall be considered the binding agreement until such time, and prior to _____ (month) _____ (date), _____ (year), that the parties have concluded a long form coproduction agreement.

AGREED AND SIGNED in _____ this ____ day of _____, 20__.

THE CANADIAN PRODUCER(S)

Per: _____

Mark Johnston

Title: President

THE FOREIGN PRODUCER(S)

Per: _____

Title: