

**British Columbia Independent Production Incentive Program
 (“BC Indie Program”)**

The modifications set out in this Appendix cover Performers engaged on eligible low budget projects.

Q101 Purpose

- (a) The purpose of the BC Indie Program is to encourage low budget Canadian independent film and television projects engaging professional Performers represented by UBCP.
- (b) To this end, Performers’ minimum fees under the British Columbia Master Production Agreement (“the BCMPA”) may be discounted in accordance with the Schedule of Discounts found below.
- (c) Productions fulfilling the conditions of Q102 and Q103 below are eligible to benefit from the provisions of the BC Indie Program.
- (d) The BC Indie Program is not intended for and is not available to foreign service production directly or indirectly through a Canadian line production company or another Canadian agent.

Q102 Filing Procedure

- (a) Producers wishing to access the BC Indie Program must first be signatory to the BCMPA.
- (b) In all instances in which the BC Indie Program is silent, the terms and conditions of the BCMPA apply.
- (c) At least three (3) weeks in advance of principal photography, the Producer will provide to UBCP filing documents including (i) a copy of the shooting script; (ii) detailed and certified Production and cast budgets; (iii) outlines of distribution arrangements (both extant and under negotiation) ; (iv) full disclosure of all sources of financing for the project; (v) where distribution rights have been pre-sold to finance production, a sales plan for the project, including estimates for relevant open territories, and; (vi) confirmation of the Producer’s intent to access the BC Indie Program agreement (collectively, “Filing Documents”). Productions which do not provide a minimum of three (3) weeks advance notice to the Union shall only be permitted to access the BC Indie Program with the approval of the Union.
- (d) Upon receipt of the above Filing Documents, the Union shall have five (5) business days to notify the Producer of any reasonable issues with the Filing Documents (including but not limited to, incomplete information, or information which may impact the qualification of the project per the terms of Q103), and the Producer shall have five (5) business days to cure any such issues. If the Producer fails to cure such issues with the Filing Documents within the five (5) business days of notice from the Union, the Union shall have the right to deny the Production’s access to the BC Indie Program, or to agree to modified terms with the Producer.
- (e) A standard executed Security Agreement as per Appendix “J” of the BCMPA is required prior to principal photography.

Q103 Qualified Projects

Those projects that qualify for the BC Indie Program shall be of the following nature and type:

- (a) **New Projects Only:** No projects that are in production or that have previously been in production under the BCMPA may access the terms contained herein.
- (b) **Canadian Content:** Projects must be able to qualify as Canadian content under the requirements of the Canadian Audio-Visual Certification Office (CAVCO) and/or the CRTC or as an official co-production as administered by Telefilm Canada. UBCP will consider in good faith a request from an official treaty co-production as administered by Telefilm Canada to access the BC Indie Program provided that the total production budget meets the BC Indie Program budgetary thresholds, and that the Canadian partner holds majority ownership of the Production, with the majority of principal photography taking place in Canada.
- (c) **Certified Budgets:** Budgets of qualifying projects must be certified by a bonding company or a public agency such as Telefilm Canada or Creative BC. Where it is not possible to provide a certified budget, the Producer agrees to sign a statutory declaration that the budget submitted is the true and final budget.
- (d) **Open Market:** Any project seeking qualification under the BC Indie Program which has pre-sold significant distribution rights to finance production, must demonstrate that there are meaningful open markets for its distribution. Producers at the time of production shall make full disclosure to UBCP in respect of any and all proposed licensing agreements or the like (including territory, term, and the amount of license fees, etc.). Allocation of revenue issues, if any, shall be determined pursuant to the provisions of Article C407.
- (e) **Qualified Producer:** To access the BC Indie Program, the Producer(s) of a project must be a member in good standing of the CMPA. For clarity, Article A413 of the BCMPA applies to productions being produced under the BC Indie Program.
- (f) **Television productions** which obtain a majority of their production financing from a U.S. entity, person or related entity (via license fees, distribution advances, goods and services, and/or equity investment) shall not be eligible.
- (g) **Canadian Exhibition:** Television productions must have a confirmed commitment for a Canadian exhibition at the time of production. For clarity, the Canadian exhibition may follow the initial exhibition in a foreign territory.

Q104 Excluded Projects

The BC Indie Program does not apply to the following types of projects:

- (a) industrial/corporate videos
- (b) all Productions of any type that are fifteen (15) minutes or less in length
- (c) Dubbing
- (d) Pilot Productions for which the Producer is utilizing Article B205 of the BCMPA unless the projected Budget for the series would qualify the Production for the benefits of the BC Indie Program.
- (e) Made for Television Movies (MOW's), created primarily for sale to U.S. markets.

Q105 Series

Producers seeking to avail themselves of the BC Indie Program for Television Series must resubmit for each production cycle or season of such Series. Producers wishing to engage

Performers on Series Option contracts must conform to the requirements of Article A801 of the BCMPA for Performers.

Q106 Schedule of Discounts of Minimum Fees

Budget	All Canadian Cast Discount	Other Percentage Discount See Q109
Features, Movies of the Week (MOWs), and Each 2 Hours of Mini-Series		
Tier A: Up to \$2,066,156	35%	25%
Tier B: \$2,066,157- \$2,754,471	25%	15%
Tier C: \$2,754,472 - \$3,167,644	15%	5%
Super-Low Budget Features and MOWs [see Q107]		
Tier A: Up to \$344,359	50%	40%
Tier B: \$344,360 - \$791,250	40%	30%
TV Series on Film / HD (per ½ hour) [see Q108]		
Tier A: Up to \$206,738	30%	20%
Tier B: \$206,739 - \$451,398	20%	10%
Tier C: \$451,399 - \$642,232	15%	5%
Tier D: \$642,233 - \$802,792	10%	5%
TV Series on Tape (per ½ hour) [see Q108]		
Tier A: Up to \$41,317	40%	30%
Tier B: \$41,318 – \$97,863	30%	20%
Tier C: \$97,864 - \$185,927	20%	10%
Tier D: \$185,928 - \$289,220	15%	5%
TV Drama Specials and One-off Productions (per ½ hour and less than 2 hours)		
Tier A: Up to \$470,971	5%	25%
Tier B: \$470,972 - \$581,069	25%	15%
Tier C: \$581,070 - \$672,815	15%	5%

Q107 Limitation on Super-Low Budget Features and MOWs

- (a) A minimum of ten percent (10%) of the total Production budget must be apportioned to the cast for Tier A and five percent (5%) of the total Production Budget for Tier B.

- (b) The following statement must appear directly under the UBCP logo in the credit roll in all prints of the Production: “This Production was made with the generous support of the UBCP membership.”

Q108 Series

BC Indie Program discounts will not apply to dramatic Series beyond the production of the initial sixty-five (65) Episodes.

Q109

- (a) Minimum fees payable to Performers in Qualified Background Performer categories may not be discounted. However, the minimum daily requirement for Qualified Background Performers is ten (10) For Productions that qualify as Super-Low Budget, the requirement to engage UBCP members as Background Performers (Article D501) will be waived.
- (b) Discounts noted above are to be calculated solely on the minimum daily, hourly, overtime, and weekly fees under the BCMPPA. No other rates or fees (including residual, prepayment, or Use payments, if exercised) in the BCMPPA may be discounted.
- (c) The Schedule of Discounts under the “other” category (above) represents the discounts to minimum fees applicable in the event that a Producer wishes to engage up to two (2) non-Canadian Performers in a BC Indie Program project. UBCP will consider in good faith a request that a non-Canadian Performer be the highest paid when such Performer is essential to financing.

Q110 Credits

- (a) Lead Actors will receive either:
 - (i) up-front credits if the Producer receives such credits; or
 - (ii) single-card billing in tail credits; or
 - (iii) credit at the end of the Production that is no less prominent than for any other key personnel.
- (b) Lead Actors will receive equivalent credit in all print campaigns under the control of the Producer when any other key personnel receive credit.
- (c) The Producer shall include the UBCP logo on the credit or cast roll. UBCP will provide logos in electronic format.

Q111 Prior Notice and Right to Negotiate

Producers must give notice to Performers at the time of casting (through casting notices) that the Producer is seeking qualification of the project as a BC Indie Program project. Such notices shall not contain any statement that attempts to restrict the right of any Performer to negotiate terms (including rates and fees) and conditions in excess of the minimum fees, rates, and conditions.

Q112 Use Payments

At the time of production, the Producer shall choose either (a) or (b) below with respect to additional Use of the Production beyond the applicable declared use period set forth in C101 (Distribution Rights).

- (a) **Prepayment Option**

(i) **Theatrical Motion Pictures**

When the Program's Declared Use is Theatrical, the Producer may pay one hundred thirty-five percent (135%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights) (or one hundred thirty percent (130%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding New Media) for a period of four (4) years from the date of first use in a residual market. After the expiration of such four (4) year period, the Producer will pay five percent (5.0%) of “Distributors' Gross Revenue” (“DGR”), as that term is defined in C407, with respect to all media other than Theatrical, for which the Producer retains unrestricted worldwide Theatrical use for the period of the copyright of the Program.

(ii) **Free Television Series**

When a Program's Declared Use is Free Television, the Producer may pay one hundred ten percent (110%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding Theatrical (or one hundred five percent (105%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding Theatrical and New Media) for a period of five (5) years from the date of first exhibition in a residual market. Before the expiration of any five (5) year period, the Use Fees may be renewed for an additional five (5) year period upon payment of an additional one hundred ten percent (110%) (or one hundred five percent (105%)) of the Performers' Net Fees. In lieu of renewing a five (5) year period, the Producer will pay five percent (5.0%) of DGR with respect to all subsequent exploitation of the Program.

(iii) **Free Television Long-Form Programs**

When a Long-Form Program's Declared Use is Free Television, the Producer may pay one hundred ten percent (110%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding Theatrical (or one hundred five percent (105%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding Theatrical and New Media) for a period of four (4) years from the date of first exhibition in a residual market. Before the expiration of any four (4) year period, the Use Fees may be renewed for an additional four (4) year period upon payment of an additional one hundred ten percent (110%) (or one hundred five percent (105%)) of the Performers' Net Fees. In lieu of renewing a four (4) year period, the Producer shall pay five percent (5.0%) of DGR with respect to all subsequent exploitation of the Program.

(iv) **Cable TV**

When a Program is made primarily for Cable Television, the Producer may pay one hundred ten percent (110%) of the Performers' Net Fees for unrestricted worldwide Use in all media enumerated in C101 (Distribution Rights), excluding Theatrical (or one hundred five percent (105%) of the Performers' Net Fees for unrestricted worldwide Use in all media enumerated in C101 (Distribution Rights) above, excluding Theatrical and New Media) for a period of five (5) years from the date of first exhibition in a residual market. Before the expiration

of any five (5) year period, the Use Fees may be renewed for an additional five (5) year period upon payment of an additional one hundred ten percent (110%) (or one hundred five percent (105%)) of the Performers' Net Fees. In lieu of extending a five (5) year period, the Producer shall pay 5.0% of DGR with respect to all subsequent exploitation of the Program.

(v) **All Other Media Enumerated in C101 (Distribution Rights)**

When the Declared Use is other than Theatrical, Free Television, Cable TV or New Media, the Producer may pay one hundred ten percent (110%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding Theatrical (or one hundred five percent (105%) of the Performers' Net Fees for unrestricted worldwide use in all media enumerated in C101 (Distribution Rights), excluding Theatrical and New Media) for a period of four (4) years from the date of first exhibition in a residual market. After the expiration of such four (4) year period, the Producer will pay five percent (5.0%) of DGR with respect to all subsequent exploitation of the Program.

(vi) **Conversion to Theatrical**

When a Program has a Declared Use other than Theatrical, and is distributed for Theatrical Use, the Producer shall pay to the Performers the following percentages of the Performer's Net Fees for unlimited Theatrical Use:

- (A) Programs sixty (60) minutes or less in length: 15%
- (B) Programs exceeding sixty (60) minutes in length: 30%

(vii) In the event the Producer elects to pay the one hundred thirty percent (130%) prepayment in subparagraph (i) above or the one hundred five percent (105%) prepayment in subparagraphs (ii), (iii), (iv) or (v) above, and the Producer exploits the Program in New Media, the Performers shall be paid New Media Use Fees in the aggregate in the amount of five percent (5.0%) of DGR.

(b) **Advance Option**

A Producer who chooses the Advance Option shall choose one (1) of the following options at the time of production that requires payment of a corresponding percentage of Performers' Net Fees as a non-refundable Advance against the Performers' participation in Distributor's Gross Revenue:

Option Number	Non-refundable Advance (% of Net Fees)	Participation in Distributor's Gross Revenue
1	100.0%	5%
2	75.0%	6%
3	50.0%	7%
4	25.0%	8%
5	0.0%	9%
6	0.0%	10%

(super-low budget features and MOWs)

Q113 Joint Administration

The CMPA-BC agrees to administer the BC Indie Program in all facets jointly with UBCP on a principle of equality between UBCP and the CMPA-BC. UBCP and the CMPA-BC will monitor the progress of any BC Indie Program project and will intervene should there be any default in a BC Indie Program-produced project.

Q114 Term

To monitor the application and effectiveness of the BC Indie Program, representatives of UBCP and the CMPA-BC shall meet periodically, but no less frequently than every six (6) months, during the term of the BC Indie Program.

Q115 Performance Bond

The Parties understand that BC Indie Productions are produced with small budgets. Producers can request additional administrative arrangements with UBCP to manage bonds and payroll security, and UBCP agrees to give good faith consideration to such requests. UBCP will notify the CMPA of its decisions with respect to any modified security arrangements requested by Producers.