

TERMS OF TRADE AGREEMENT

Between

Aboriginal Peoples Television Network Incorporated

– and –

Alliance of Aboriginal Media Professionals

1. Terms of Reference

- a) This Terms of Trade Agreement ("this Agreement") has been negotiated on behalf of the Canadian Independent Aboriginal production community by the Alliance of Aboriginal Media Professionals ("AAMP") with the Aboriginal Peoples Television Network Incorporated ("APTN"). Except as expressly excluded in subsections 1(c) and 1(e) below, this Agreement is applicable to all independent productions produced by Canadian Aboriginal independent television producers ("Independent Producers" or "Independent Producer") subject to the following:
 - (i) "Aboriginal" is defined as a First Nations, Inuit or Metis Canadian person;
 - (ii) "Independent Producer" is defined as a Canadian production company that is owned no less than 51% by one or more Aboriginal persons.
- b) The terms of this Agreement will be applied in the ordinary course by APTN in their dealings with Independent Producers in the development, production and exhibition of Canadian audiovisual works intended for broadcast by APTN and intended for the Canadian market, across a variety of technological platforms, including conventional, specialty and pay television, as well as internet and mobile.
- c) This Agreement does not apply to "Second Window" or "Shared Window" agreements nor does it apply to programs acquired by APTN for which it does not have industry standard commissioning broadcaster creative and financial approval rights, or to broadcaster-affiliated/in-house productions and /or service productions, subject to the following:
 - (i) "broadcaster-affiliated production company" is one in which the shareholders and directors of the company are employers, managers or board members of APTN;
 - (ii) "broadcaster-affiliated productions" means projects produced by any affiliated company of APTN, as such term is used in Broadcasting Public Notice CRTC 2008-4, or any successor CRTC notice (i.e. productions where APTN directly or indirectly owns 30% or more of the equity in the production company).
- d) A production that satisfies the five indicators enumerated in section 4.10 – "Production Control" of the Canadian Audiovisual Certification Office's Canadian Film or Video Production Tax Credit Guidelines (March 31, 2010) is an independent production to which this Agreement applies. Notwithstanding the foregoing, and for greater certainty, an audiovisual work is a service production where, prior to the Independent Producer's involvement:
 - (i) the idea or concept originates from, and all or substantially all of the development in the project is undertaken by APTN or its affiliate; or
 - (ii) the format rights were exclusively acquired by APTN and were assigned to the Independent Producer.
- e) This Agreement also does not apply to digital production that is unrelated to a television program. (APTN and AAMP agree to form a "Digital Media" committee to address terms of trade issues, as applicable, to stand-alone digital productions).
- f) APTN agrees to stipulate before the Canadian Radio-television and Telecommunications Commission (CRTC) at their next license renewal hearing that projects produced by broadcaster-affiliated/in-house production and/or service productions (as defined in subsection 1(c) above) will not count as an independent production for the purposes of APTN's programming services.

- g) Independent Producers shall, in their dealings with APTN or any subscription-based non-linear on-demand service in Canada, be required to ensure that any development or license agreement entered into as between the Independent Producer and APTN or service shall conform with this Agreement.
- h) APTN will only enter into Development Agreements with Independent Producers as defined in 1a.
- i) The AAMP agrees and the Independent Producers agree that APTN shall be afforded most favored nation treatment in respect of this Agreement. Accordingly, if the AAMP enters into any separate terms of trade or similar agreement with any third-party or parties at any time after the date of execution of this Agreement, and such separate terms of trade or similar agreement contains terms that are more favourable to such third-party or parties than are accorded to APTN under this Agreement, then this Agreement will automatically be amended such that APTN will have the full benefit of such more favourable terms at the same time as those more favourable terms are accorded to the third-party or parties.
- j) Both APTN and the AAMP agree that APTN and Independent Producers will negotiate individual contracts in good faith, and in a spirit of mutual respect and collaboration, in accordance with this Agreement.

2. Editorial Control

- a) Subject to the following paragraphs in this section, editorial and creative control of a project rest with the Independent Producer.
- b) APTN's standard creative, financial and technical approvals (collectively, "Standard Approvals") shall apply on a project, except where this Agreement stipulates otherwise. APTN agrees to post copies of its current contracting documentation, evidencing its Standard Approvals, on its website.
- c) Any consultations and requests for approvals addressed to either APTN or the Independent Producer will be made in sufficient time to enable the recipient to reply within a reasonable period of time that does not cause unreasonable delay in the development and/or production process.
- d) APTN may request changes to, or additional creative elements for, the project which were not contemplated at the time of entering into the license agreement, in which case APTN shall provide an enhanced license fee, proportionate to the scope of the new work required, to the Independent Producer to cover any associated additional costs not contemplated in the approved budget. APTN shall communicate such requested changes or additional creative elements as soon as possible and will do so in writing.
- e) APTN shall be entitled to corporate recognition in the credits of the program. Credit placement and credit titles, including credits awarded to APTN's personnel, shall be in conformity with industry standards. For clarity, APTN's personnel may be entitled to traditional credits, such as an "Executive in Charge of Production" credit, but shall not be entitled to Producer or Executive Producer credits.

3. Development and Evaluation

- a) APTN will continue to welcome program development proposals from Independent Producers across Canada, making all reasonable efforts to effectively communicate with Independent Producers, on an ongoing and regular basis, as to the kind of projects it is interested in. APTN shall identify on its website all programming services and the personnel who are responsible for responding to written development proposals for such programming services, including telephone number and e-mail address for each

individual so identified, and agrees that it will not delegate this responsibility to other individuals not so identified. Development proposals are accepted year-round and are evaluated, based on APTN's programming mission and criteria as they are submitted.

- b) All rights and ownership in the development proposal rest with the Independent Producer unless and until otherwise negotiated by APTN and the Independent Producer in a signed development agreement.
- c) The development proposal shall be treated as confidential by APTN. Any information provided to the Independent Producer by APTN with respect to programming strategies shall be treated as confidential by the Independent Producer. The parties recognize that from time to time APTN receives, and may be developing, multiple pitches pertaining to the same subject matter. APTN will not request that the Independent Producer waive any existing rights in the Independent Producer's development proposal.
- d) Sufficient creative materials must be supplied to APTN (as set out in the development application form available on APTN's website) in order for APTN to determine whether it has an interest in the project. Development proposals must be responded to by APTN within ten (10) weeks of delivery. This timeline may be extended by mutual written consent for up to an additional six (6) weeks.
- e) In the event that the preceding timeline provided in subsection 3(d) above has elapsed without response from APTN, then the project is deemed to have been declined by APTN, and APTN shall have no rights or claims with respect to the written development proposal or any related elements. It is incumbent upon the Independent Producer to advise APTN in writing that the time period is about to elapse and notice must be provided to APTN 30 days before the lapse is to occur.
- f) Where APTN has expressed interest in developing the project, then subject to APTN's approval of the development proposal and any additional supporting documentation requested, APTN and the Independent Producer shall use best efforts to execute a development commitment within ninety (90) days, which commitment may be conditional on delivery by the Independent Producer of evidence of funding or other documentation supporting the project.
- g) Once the Independent Producer has satisfied any conditions of the development commitment regarding funding or supporting documentation, APTN and the Independent Producer shall use best efforts to execute a development agreement within ninety (90) days which will specify the creative and other materials to be developed by the Independent Producer, and other pertinent details of such development. The Independent Producer should not be expected by APTN to undertake development (including making development-related expenditures) without having an executed development agreement in place, nor should the Independent Producer seek reimbursement of development-related expenditures that have not been authorized by APTN.
- h) The development agreement will clearly specify each phase of development, with APTN having no more than thirty (30) days, following receipt of development materials from the Independent Producer, to inform the Independent Producer of whether it approves of the material submitted. This timeframe may be extended by mutual written agreement.
- i) The development agreement shall stipulate that the payment schedule of development fees be linked to identification of the nature and number of the deliverables required under such agreement

- j) In consideration of APTN's contribution to the development of the program, APTN (and any other broadcaster participating in the development of the program) will normally receive the first and exclusive right to:
 - (i) request changes to the delivered development materials;
 - (ii) participate in additional development of the program (subject to agreement with the Independent Producer as to the nature and length of additional development; and
 - (iii) negotiate a license agreement in accordance with this Agreement. For greater clarity, APTN and the Independent Producer shall not negotiate, or pre-negotiate, license terms in the development agreement (with the exception of an agreement that any development funds paid by APTN shall be applied towards any license fee negotiated), with other license terms only to be negotiated once the project has been fully developed, or upon a bona fide order of the project by APTN. Notwithstanding the foregoing, APTN may choose to provide the Independent Producer with either an outline or its usual expectations with respect to licensing and/or a template license agreement for informational purposes only.

- k) Once a project has been fully developed to polished script (where applicable) and final deliverables have been received, as set out by the development agreement, APTN shall have a twelve (12) month exclusive option to license the project. The Independent Producer may, at their discretion apply for a Broadcast License Agreement (on the terms set out below) through the process as described herein and on APTN's website for production proposals. At this point, APTN shall:
 - (i) ask the Independent Producer to submit the project for licencing consideration via an RFP as described in section 4(a) below;
 - (ii) order the project, subject to negotiation and agreement as to licence terms;
 - (iii) agree with the Independent Producer to continue to further develop the project; or
 - (iv) release its interest in the project in writing.

- l) Should APTN release its interest in the project at any stage in the development process, the rights in the project will immediately revert back to the Independent Producer, thereby permitting the Independent Producer to develop and produce the project with another broadcaster. APTN will only be entitled to reimbursement from the Independent Producer of its cash investment in the development of a project (as determined in the development agreement) if and when the project is greenlit by another broadcaster or otherwise is produced by Producer or by any other party with Producer's consent or involvement, with such reimbursement to be paid on the first day of principal photography. In those circumstances where an Independent Producer assigns, in any manner, a project to another Independent Producer, the Independent Producer acquiring the rights in respect of the project will be required to assume the obligations to reimburse APTN's development contribution on the first day of principal photography.

4. Production and Evaluation

- a) APTN will continue to welcome program production proposals from Independent Producers across Canada, making all reasonable efforts to effectively communicate with Independent Producers, on an ongoing and regular basis, as to the kind of projects it is interested in. APTN shall identify on its website all programming services and the personnel who are responsible for responding to written production proposals for such programming services, including telephone number and e-mail address for each

individual so identified, and agrees that it will not delegate this responsibility to other individuals not so identified. The submission for any project will begin with a Request for Proposal ("RFP") process (or such other process as APTN may have in place from time to time) and response by an Independent Producer must be made within the guidelines and dates set out for each particular RFP identified on APTN's website from time to time.

- b) All rights and ownership in the program proposal rest with the Independent Producer unless and until otherwise negotiated by APTN and the Independent Producer in a signed Broadcast License Agreement.
- c) The program proposal shall be treated as confidential by APTN. Any information provided to the Independent Producer by APTN with respect to programming strategies shall be treated as confidential by the Independent Producer. The parties recognize that from time to time APTN receives, and may be developing, multiple pitches pertaining to the same subject matter. APTN will not request that the Independent Producer waive any existing rights in the Independent Producer's program proposal.
- d) Sufficient creative materials must be supplied to APTN (as set out in the RFP) in order for APTN to determine whether it has an interest in the project. Written proposals must be submitted within the timeframes as set out in the RFP guidelines and will be responded to by APTN as set out therein as well. This timeline may be further extended by mutual written consent for up to an additional six (6) weeks.
- e) In the event that the preceding timeline provided in subsection 3(d) above has elapsed without response from APTN, then the project is deemed to have been declined by APTN, and APTN shall have no rights or claims with respect to the written program proposal or any related elements.
- f) Where APTN has expressed interest moving forward in production of the project, then subject to APTN's approval of the creative plan and business proposal, APTN and the Independent Producer shall use best efforts to execute a production commitment within **ninety (90) days**, which commitment may be conditional on delivery by the Independent Producer of evidence of funding or other documentation supporting the project.
- g) Once the Independent Producer has satisfied any conditions of the production commitment regarding funding or supporting documentation, APTN and the Independent Producer shall use best efforts to execute a Broadcast License Agreement within **ninety (90) days** which will specify the creative and other materials to be delivered by the Independent Producer, and other pertinent details of such production. The Independent Producer should not be expected by APTN to start production (including making production-related expenditures) without having an executed Broadcast License Agreement in place, nor should the Independent Producer seek reimbursement of production-related expenditures that have not been authorized by APTN.
- h) The Broadcast Licence Agreement will clearly specify each phase of production, with APTN having no more than thirty (30) days, following receipt of deliverables or materials from the Independent Producer [or, in the case of rough and fine cuts, ten (10) days as noted in section 5(g) herein], to inform the Independent Producer of whether it approves of the material submitted. This timeframe may be extended by mutual written agreement.
- i) The Broadcast License Agreement shall stipulate that the payment schedule of production fees be linked to identification of the nature and number of the deliverables required under such agreement. Each and every time the Independent Producer successfully completes a draw-down requirement, they shall be entitled to invoice APTN for the draw-down. All payments to the Independent Producer shall be due within sixty (60) days of APTN's receipt of the invoice.

- j) In consideration of APTN's contribution to the production of the program, APTN (and any other broadcaster participating in the production of the program) will normally have the first and exclusive right to request changes to the delivered materials.

5. Basic Licensing Conditions

- a) APTN will not enter into more than two (2) Broadcast License Agreements in which any Independent Producer and its affiliates are majority owners, during any APTN fiscal year period. If an Independent Producer serves as a mentoring executive producer on a voluntary basis or for a budgeted fee only (i.e. no shares, bonuses, profit participation or any other financial or in-kind consideration), or for a one-off documentary production directed by an emerging Aboriginal director, then the services provided by the Independent Producer will not form part of the calculation in determining whether the Independent Producer has reached the Broadcast License Agreement cap as set out above.
- b) In addition to the requirement that the production company must be an Eligible Production Company as set forth in subsection 1(a), any production licensed by APTN must have an aboriginal person in two of the following key positions:
 - (i) producer and/or executive producer;
 - (ii) writer (if series, on majority of episodes);
 - (iii) director (if series, on majority of episodes).

For French productions, the producer shall have two years from the signing of these Terms of Trade to fulfill this condition. However, it is understood that APTN will not issue a Broadcast Licence Agreement until such time as this condition is fulfilled.

- c) Once a project is greenlit by APTN, the Independent Producer will have up to ninety (90) days, or such other amount of time as may be reasonably and mutually be set so as to mesh with funding deadlines or exigencies of production, to confirm the other sources of financing for the project.
- d) APTN agrees that it will broadcast the program on a CRTC-licensed platform within eighteen (18) months of delivery of all masters of the program to APTN, unless otherwise agreed between the parties.
- e) APTN will make good faith efforts to notify the Independent Producer of the first television broadcast of the program thirty (30) days in advance of such broadcast.
- f) So as to enable the Independent Producer to secure the necessary financing for the program, APTN shall execute the long-form Broadcast License Agreement at least four (4) weeks prior to the scheduled commencement of principal photography or commencement of animation, provided that the Independent Producer has submitted reasonable agreed-upon deliverables to APTN. Where the Broadcast License Agreement has not been executed in accordance with the foregoing requirements, the parties shall mutually agree that principal photography shall not begin, or animation not commenced, unless the Independent Producer undertakes to proceed without the long-form Broadcast License Agreement with APTN and with no liability to APTN until such agreement is executed.
- g) If APTN elects to tie drawdown payments to "Rough Cuts" and/or "Fine Cuts", APTN shall have no more than ten (10) business days, following receipt of the Cut from the Independent Producer, to inform the Independent Producer of whether it approves of the materials submitted. Should APTN not meet this timeframe, APTN will be deemed to have accepted the Cut.

- h) Where a project comes in under budget, APTN will be entitled to pro rata share of savings proportional to its investment in the financing of the project.
- i) Where APTN has approved a project's financing plan, and the Independent Producer subsequently receives surplus funds (such as, for example, through a subsequent pre-sale or as a result of currency fluctuations), APTN and the Independent Producer will give good faith consideration to whether some or all of such surplus funds should form a part of the financing of the production budget, provided that in no event shall such surplus entitle APTN to require a reduction in its fair market value license fee. APTN will only be entitled to receive a share of such surplus funds in proportion to any equity investment it has made in the project.
- j) APTN's right to renew a program by ordering additional episodes for a new season of the program from the Independent Producer will not be subject to the Independent Producer submitting a proposal through the standard RFP process as previously described herein. APTN shall have twelve (12) months from the date of commencement of broadcast of the most recent season in which to consider ordering a new season. In the event APTN decides not to renew a program by ordering additional episodes for a new season of the program, the Independent Producer may enter into a license agreement for additional episodes of the program with another broadcaster, provided the parties shall in good faith consider negotiating a buy-out of the licensed rights to previous episodes held by APTN by any subsequent broadcaster.
- k) The Broadcast License Agreement shall stipulate that the payment schedule of fees be linked to identification of the nature and number of the deliverables required under such Agreement with no less than twenty (20%) percent of the amount contributed by APTN to be paid by APTN to the Independent Producer upon signature of the Broadcast License Agreement and approval of such supporting documents as APTN may require, and no more than fifteen (15%) percent of the amount tied to delivery of the final materials.
- l) The Independent Producer will only be required to obtain Errors and Omissions (E&O) Insurance for a period commencing as of the first day that the program is publicly announced and concluding no later than the conclusion of the license term (including subsequent extensions) of the program or five (5) years in total, whichever ends earlier, unless there is a material and substantial E&O insurance claim during the relevant above-noted period.
- m) Consistent with section 7 below, a Broadcast Licence Agreement should not unnecessarily restrict the ability of the Independent Producer to seek to exploit a project in other territories outside of Canada, subject to reasonable exclusive exhibition premiere rights, not to exceed six (6) months from delivery of the Program to APTN and approval by APTN of Program Master Tapes, except with respect to theatrical exhibition premiere rights, as provided in subsection 7(d) below. APTN's premiere rights shall not prevent the Independent Producer from showing the program at film festivals (or equivalent venues).

6. License Term

- a) The license term for the television broadcast will be for a maximum of five (5) years, with the term to commence no later than eighteen (18) months from delivery of the program (or the last episode of the program where it is a series), or as of the first telecast of the program (or of any episode of the program where it is a series), whichever is sooner.
- b) In no circumstances will the Broadcast License Agreement stipulate that in the event that APTN elects to renew a program for an additional season, the license term for the current season will be automatically extended to conclude co-terminus with the expiry of the license term of the additional season.

- c) APTN has a right of first negotiation and last refusal to acquire the broadcast rights beyond the original five (5) year term through the negotiation and payment of an additional fair market value license fee to the Independent Producer. Each subsequent license term shall be for a period of up to five (5) years, with subsequent renewals following the same timeline for renegotiation.

7. Rights Allocation

The parties acknowledge that APTN should be able to enjoy the full use of a program for the license term and for those Canadian broadcast exhibition windows or new digital platforms for which they have licensed the program. All parties further recognize the importance of appropriate and reasonable holdbacks on the exploitation of a program in Canada, so as to encourage maximum promotion and to secure the value of the rights acquired by APTN. At the same time, all parties recognize that there are certain exclusive rights that must be retained by the Independent Producer so as to ensure the maximum exploitation of the value of the program.

a) Rights Acquired by APTN

In return for the payment of a fair market value license fee, APTN acquires the following exclusive, Canadian rights, in all languages in which APTN is licensed to operate (in accordance with footnotes 6 and 7):

- (i) Linear broadcast rights on all CRTC licensed television services owned or affiliated with APTN;
- (ii) Linear streaming rights on all platforms (simultaneous or non-simultaneous with the broadcast channels);¹
- (iii) Free-to-consumer non-linear on-demand exhibition on all platforms;²
- (iv) Subscription-based non-linear on-demand exhibition on all platforms;³ and
- (v) Creation and operation of a program website⁴, including the creation of original free-to-consumer or subscription-based content for the website.⁵
- (vi) French-language (Canada)⁶
- (vii) Other languages (Canada)⁷
- (viii) In addition to APTN's exclusivity with respect to the foregoing rights and the consequent holdback in Canada regarding such platforms/exploitation, APTN shall have a holdback (commencing at the start of the license term) in Canada against the exploitation of the format for the duration of the license term together with a twelve (12) month holdback (commencing at the start of the license term) in Canada against exploitation of the rights set out in subsection 7 (b) below.

b) Rights Negotiated Between APTN and the Independent Producer

¹ Must be geoblocked to Canada.

² *Ibid.*

³ *Ibid.*

⁴ *Ibid.*

⁵ The Independent Producer will have the right of first negotiation to develop and produce the original, free-to-consumer content for the program website.

⁶ For its fair market value license fee as provided in subsection 7(a) above, APTN may acquire French-language rights for its own CRTC-licensed programming service(s), where it intends to broadcast the program on that (those) service(s). If APTN acquires "premiere" rights in all languages, APTN shall have, at most, twelve (12) months from commencement of license term to take its premiere.

⁷ For its fair market value license fee as provided in subsection 7(a) above, APTN may acquire rights for other languages for its own CRTC-licensed programming service(s), where it intends to broadcast the program in those languages on that (those) service(s). If APTN acquires "premiere" rights in all languages, APTN shall have, at most, twelve (12) months from commencement of license term to take its premiere.

At the Independent Producer's discretion, APTN may also acquire the following Canadian rights, subject to a 50/50 APTN/Independent Producer revenue share on APTN's or Independent Producer's gross revenues as the case may be. The foregoing revenue share arrangement may be modified where APTN contributes a super-license fee, as provided under section 9 below. In addition, Games (non-promotional) and Merchandising (as listed in subsection 7 (d) below) are added to the rights set out in this subsection 7 (b) where APTN pays a super-license fee. If APTN acquires any of the rights below, but does not exploit them within twelve (12) months of the start of the license term, the rights so acquired will automatically revert to the Independent Producer.

- (i) Transaction based (e.g. on a per episode or discrete program basis) non-linear on-demand exhibition on all platforms, where the consumer secures temporary or rental access to the content, as opposed to a permanent copy;
- (ii) Electronic sell through or download to own via all platforms, where consumer secures a permanent copy of the content;
- (iii) In-flight; and
- (iv) DVD – Home Video

In the event the foregoing rights are retained by the Independent Producer, they shall be subject to the holdbacks set out in subsection 7 (a) above.

c) Independent Producer-Created Original Digital Content (e.g. website, webisodes, mobisodes)

(i) Free to Consumer Digital Content

For an additional fair market value license fee, APTN may acquire Canadian rights to free-to-consumer original digital content produced by the Independent Producer. APTN and the AAMP agree to send a letter to the President of the Canada Media Fund (CMF) stating that the current CMF Guidelines in respect of the financing of "rich and substantial" original digital content are inadequate and require revision and review.

(ii) Revenue-Generating Digital Content

At the Independent Producer's discretion, APTN may also acquire Canadian rights to revenue-generating original digital content produced by the Independent Producer, subject to 50/50 APTN/Independent Producer revenue share on APTN's gross revenues. If APTN acquires these rights but does not exploit them within twelve (12) months of start of license term, the rights so acquired will automatically revert to the Independent Producer.

d) Rights Exclusively Retained by the Independent Producer

APTN may not acquire or have revenue share/profit participation in any other rights (except as provided in sections 8 and 9 below), which rights shall not be subject to any holdback except as noted below, including the following:

- (i) Format⁸
- (ii) Theatrical⁹
- (iii) Games (non-promotional) and Merchandising¹⁰

⁸ The Independent Producer will not exploit, or cause or authorize to be exploited, in Canada, any new program based on the format rights of the program during APTN's license term.

⁹ Subject to negotiated holdback for Canadian theatrical for no longer than license term.

- (iv) All other non-theatrical
 - (v) Canadian and International Retransmission
 - (vi) Canadian and International Sublicensing¹¹ and/or Distribution¹²
 - (vii) Publishing of any books or e-books or similar materials
 - (viii) Music Publishing
- e) Any other rights not enumerated in this Agreement, whether related to the program or to original digital content produced for the program, shall, where necessary, be the subject of discussions between the AAMP and APTN in order to determine the appropriate placement of these rights in respect of the above sections.

8. Equity

- a) On all programs, at the Independent Producer's discretion, APTN may make a recoupable equity investment over and above its fair market value license fee. On any such project, APTN will recoup its equity investment *pari passu* with the Independent Producer (with any investment of tax credits recognized as an equity investment by the Independent Producer), and on a most favoured nations basis with other equity investors, following recoupment of any distribution advance in the financial structure.
- b) Notwithstanding subsection 8 a) above, if, on any program that is a program of national interest (defined by the CRTC, but for certainty, for the purposes of this Agreement includes drama programs), in addition to the payment of a license fee that is in excess of the current (or subsequently increased) CMF threshold license fee for the applicable genre, APTN makes an equity investment in a program, then APTN's equity investment shall be recouped as is currently provided in the CMF Guidelines, being *pari passu* with all other equity investors including any investment by the Independent Producer of provincial tax credits, and with the Independent Producer's federal tax credit investment, if any, being recouped on a subsequent tier, following recoupment of any distribution advance in the financial structure.
- c) Notwithstanding subsection 8 a) above, if, on any program that is a program of national interest (as defined by the CRTC, but for certainty, for the purposes of this Agreement includes drama programs), in addition to the payment of a license fee that is in excess of the current (or subsequently increased) CMF threshold license fee for the applicable genre, or in the case of a made for television movie, a fair market value license fee, APTN makes an equity investment in a program that is thirty per cent (30%) or more of the program's production budget then the recoupment terms applicable to APTN's equity investment shall be subject to negotiation with the Independent Producer.
- d) In the case of feature films, the recoupment terms applicable to any equity investment made by APTN shall be subject to negotiation with the Independent Producer, and subsections 8 a), b), and c) above do not apply.

¹⁰ The Independent Producer will consult in good faith with APTN prior to exploitation.

¹¹ Except (a) within APTN's corporate broadcast group, (b) to sublicense to a distribution undertaking solely for the purposes of exploiting the rights granted under subsection 7(a) above, and, where applicable, subsection 7(b) above.

¹² Distribution on projects on which APTN is a first window broadcaster are subject to APTN's exclusivity as set forth in 7a) herein and to the 'world premiere right' allowed by the CMF Guidelines, for which APTN shall have, at most, six (6) months from commencement of the license term to take its world premiere in the case of a bona fide licence sale to a foreign entity, as set out in CMF 3.2TV.5e(ii).

9. Super License Fees

- a) At the Independent Producer's discretion, in return for the payment of a super-license fee (defined in subsection 9 (c) below), APTN will be eligible:
 - (i) in accordance with the requirements of subsection 7 (b) above, to enter into negotiations for a higher revenue share arrangement in respect to those rights enumerated in subsection 7 (b) above, as well as with respect to revenue-generating original digital content produced by the Independent Producer (as enumerated in subsection 7 (c) above) and Games (non-promotional) and Merchandising (as enumerated in subsection 7 (d) above), with APTN's revenue share to be not more than seventy-five (75%); and
 - (ii) to negotiate profit participation with respect to the rights enumerated in subsection 7 (d) above. Such profit participation will be no greater than one and one half (1.5) times the dollar investment, as expressed as a percentage of budget, by APTN that is over and above the amounts indicated in paragraphs 9 (c)(i) and (ii) below (or to such level that does not trigger additional financial entitlements to any applicable institutional financier of the project, as reflected in its published guidelines), up to a maximum of thirty per cent (30%).
- b) APTN's profit participation will be triggered once all equity investors in the project have recouped their investments, including any tax credit investment by an Independent Producer in the financing of the project.
- c) APTN's super-license fee is defined as the lesser of:
 - (i) the current (and subsequently increased) combined CMF threshold license fee for the applicable genre (if any) plus the maximum license fee top-up for that genre; or
 - (ii) a license fee representing at least sixty per cent (60%) of the project's production budget.

10. Producer Fees and Overhead

Producer fees and overhead will be industry standard, as accepted by Canada Revenue Agency.

11. Retention of Producer Tax Credits

At the Independent Producer's discretion, the Independent Producer may invest tax credits in a project to a maximum of ninety per cent (90%) of eligible tax credits for the project.

12. Audit Rights

Where either the Independent Producer or APTN is entitled to a revenue share under this Agreement, the applicable party will have standard industry audit rights, including the right to recoup reasonable audit fees and expenses in those circumstances where audit reveals a variance greater than five per cent (5%). Such audit rights and remedial provisions will only be triggered where the amount(s) in dispute is (are) greater than \$1,000 CDN.

13. Dispute Resolution


Disputes relating to breaches of this Agreement, and any agreement to which this Agreement is subject, shall be resolved through arbitration under *The Arbitration Act (Manitoba)*. [For greater clarity, disputes regarding individual matters of contract not relating to this Agreement are not subject to arbitration through this process.

14. Timeframe and Administration

- a) This Agreement is conditional upon the renewal of APTN's broadcasting licence by the CRTC on the terms and conditions set out in APTN's renewal application and, subject to such renewal, shall come into effect as of September 1, 2014 and expire on the expiration of APTN's next renewed licence term (other than an administrative renewal). Six (6) months prior to its expiry, APTN and the AAMP shall review this Agreement and determine whether it should be renewed or amended. The negotiations in respect of any subsequent Agreement will conclude in time for APTN's subsequently issued license renewal. Notwithstanding the foregoing, the parties may re-open this Agreement any time at any time, if mutually agreed to be both parties. If, however, no agreement is reached in respect of any modifications, then this Agreement in its current form will remain in force.
- b) Annually, APTN and the AAMP shall meet to discuss any new issues or any current provisions which are no longer effective. The parties agree to set up a working committee (the "Working Committee") for this purpose and each of the parties shall name a representative to this Working Committee.
- c) It is the intention of the parties that the Working Committee shall address issues arising under this Agreement, if any, and is not intended as the forum for resolution of concerns arising out of any specific contract or negotiation.
- d) This Agreement may be signed in one or more parts, each part of which shall constitute one part of the originally signed agreement.

Signed this *28th* day of *August*, 2014.

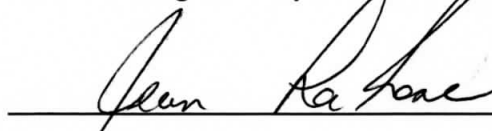
For the Alliance of Aboriginal Media Professionals:



Name: *Barbara Hagan*
Title: *Co-Chair, AAMP*

Name:
Title:

For the Aboriginal Peoples Television Network Incorporated:



Jean LaRose
Chief Executive Officer
