

REPLACEMENT OF ELEMENTS AGREEMENT

DATED: 10 June 2012

BETWEEN:

1. **ALLIANCE FILMS (UK) LIMITED** (trading as **MOMENTUM PICTURES**) (Company Number: 03408170), a company limited by shares incorporated under the laws of England and Wales whose registered office is at 20 Soho Square, London, W1D 3QW (attention: Spyro Markesinis) ("**the UK Distributor**");
2. **ALLIANCE FILMS INC.** a company incorporated under the laws of Canada of 455 St. Antoine Street West, Suite 300, Montreal, Quebec H2Z 1J1, Canada (Facsimile number: +1 514-878-2419, attention: Managing Director and Head of Business and Legal Affairs)(the "**Canadian Distributor**")
3. **TF1 DROITS AUDIOVISUELS** a company formed under the laws of France of 1 Quai du Point du Jour, 92656 Boulogne, France (attention: Thierry Decourcelle/Emmanuelle Valade) (the "**French Distributor**"); and
4. **THE BRITISH FILM INSTITUTE**, a charity incorporated by Royal Charter dated 18 July 1983 (as amended by order of Privy Council dated 19 April 2000) and registered in England under number 287780 of 21 Stephen Street, London W1T 1LN (attention: Will Evans) ("**BFI**"); and
5. **FILM4**, a division of Channel Four Television Corporation, of 124 Horseferry Road, London SW1P 2TX (attention: Head of Film4 Business Affairs) ("**Film4**"); and
6. **AVER MEDIA LP**, a limited liability partnership organised and existing under the laws of Canada of 275 MacPherson Avenue, Suite 101, Toronto, Ontario M4V 1A4 (attention: Bradley Sherman/Jenna Seguin) ("**Aver**"); and
7. **HILN LTD** (Company Number: 08030759), a company limited by shares incorporated under the laws of England and Wales whose registered office is at 273 Kensal Road, London W10 5DB (attention: Charles Steel) ("**Commissioning Company**"); and
8. **HOW I LIVE NOW LTD** (Company Number: 08052634), a company limited by shares incorporated under the laws of England and Wales whose registered office is at 273 Kensal Road, London W10 5DB (attention: Charles Steel) ("**Film Production Company**"); and
9. **PROTAGONIST PICTURES LIMITED** (Company Number: 06425904), a company incorporated under the laws of England and Wales whose principal office is at Waverley House, Fourth Floor, 7-12 Noel Street, London W1F 8GQ (attention: Simon Osborn) ("**Sales Agent**"); and
10. **FILM FINANCES, INC.**, a company incorporated under the laws of California care of Film Finances Limited, 15 Conduit Street, London W1S 2XJ (facsimile number: +44 20 7491 7530, attention: James Shirras) ("**the Guarantor**").

WHEREAS:

Reference is made to the feature film provisionally entitled "How I Live Now" (the "**Film**") and the rights of the Funders and the Distributors to approve a replacement for any of the Elements.

DEFINITIONS:

For the purposes of this Agreement, capitalised terms shall have the following meanings or as otherwise specified herein:

"**British Film**" has the meaning ascribed to the term in the Interparty Agreement.

"**Budget**" means the final budget for the Film dated 15 June 2012.

"**Director**" means Kevin Macdonald.

"**Distribution Agreements**" means the distribution agreements concluded between the Commissioning Company and each of the Distributors in relation to the Film.

"**Distributors**" means, collectively, the UK Distributor, the Canadian Distributor and the French Distributor.

“**Element**” means the Director.

“**Estimates**” has the meaning ascribed to the term in the Interparty Agreement.

“**Funders**” means, collectively, Aver, BFI, Film4 and the Sales Agent.

“**Interparty Agreement**” means the interparty agreement for the Film between, inter alia, the parties hereto (except the Distributors) dated on or about the date hereof.

“**Production Schedule**” means the production schedule for the Film dated on or about 21 June 2012.

“**Relevant Agreements**” has the meaning ascribed to the term in the Interparty Agreement.

“**Replacement Criteria**” with respect to any proposed replacement of an Element means that such proposed replacement: (a) is of similar stature and appropriateness to the role of the originally approved party to be replaced and does not cause the Sales Agent (acting reasonably and in good faith) to revise the Estimates (as notified to Distributors at the material time by Commissioning Company or the Sales Agent) downwards; (b) may be engaged at a salary consistent with the allocation of funds in the Budget; (c) is available consistent with the requirements of the Production Schedule and is consistent with the Screenplay; (d) in the Guarantor's judgment does not have a history of causing delays or cost overruns; (e) will not adversely affect the ability of the Film to qualify as a British Film and a “European cinematographic work” under the European Convention on Cinematographic Co-Production or reduce the amount of UK Qualifying Expenditure (as notified to Distributors at the material time by Aver or the Commissioning Company); and (f) is insurable under the production insurance for the Film without restriction and is capable of being bonded.

“**Replacement Designees**” means the UK Distributor, the Canadian Distributor, the French Distributor, Aver, BFI, Film4, the Sales Agent and the Commissioning Company (each a “**Replacement Designee**”).

“**Screenplay**” means the screenplay on which the Film is to be based and written by Tony Grisoni, Jeremy Brock, Jack Thorne and Penny Skinner which has been approved in writing by the Guarantor and, to the extent required, the Distributors and the Funders.

“**UK Qualifying Expenditure**” has the meaning ascribed to the term in the Interparty Agreement.

AGREEMENT:

In consideration of (i) the payment of £1 by each of the parties hereto to each of the other parties hereto; (ii) the mutual agreements contained in this Agreement; and (iii) for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties to this Agreement agree the terms set out below.

1. Procedure for Replacing an Element

Notwithstanding anything to the contrary contained in any other agreements between any of the parties hereto, if it becomes necessary to replace an Element as a result of the death, disability, default or other reason rendering an Element unable to fulfil his obligations under the relevant contract between the applicable Element and the Film Production Company, such replacement shall be determined in accordance with the provisions of Clauses 2 to 5 of this Agreement.

2. List of Proposed Replacements by the Film Production Company or the Guarantor

The Film Production Company or (if it has then taken over the production of the Film) the Guarantor undertakes to submit to the Replacement Designees to the email addresses set out in the Exhibit attached hereto, a list of at least two (2) proposed replacements, each of which shall meet the Replacement Criteria. Each Replacement Designee shall have the right to approve any one (1) or more of such proposed replacements, such approval not to be unreasonably withheld or delayed or to disapprove any or all of the two (2) proposed replacements.

3. Approval or Disapproval

Each Replacement Designee shall notify the other Replacement Designees, the Guarantor and the Film Production Company in writing of its approval or disapproval of such replacement within 48 hours, in each case from the date that Replacement Designee receives the list referred to in Clause 2 (*List of Proposed Replacements by the Film Production Company or the Guarantor*) if such replacement becomes necessary during principal photography of the Film, or otherwise within five (5) business days. If the relevant Replacement Designee has not notified the other Replacement Designees, the Guarantor and the Film Production Company of its approval or disapproval of such replacement within the time allowed, any such replacement shall be deemed approved by that Replacement Designee (without affecting the rights of the others). Subject to Clause 4 below, any replacement approved by all or a majority of the Replacement Designees will be engaged. In the event that the number of Replacement Designees who approve the

replacement is the same as the number of Replacement Designees who disapprove of the replacement, the Guarantor shall determine whether that replacement is approved.

4. **List of Proposed Replacements by the Replacement Designees**

If a Replacement Designee (for the purposes of this Agreement, the "**Objecting Party**") disapproves all proposed replacements of an Element, then within 48 hours after such disapproval, or, where such disapproval occurs during principal photography, within 48 hours from the date the Objecting Party receives the list referred to in Clause 2, the Objecting Party shall submit to the other Replacement Designees, the Guarantor and the Film Production Company a proposed replacement, provided that such replacement meets the Replacement Criteria. Each of the Replacement Designees (other than the Objecting Party) shall have a right to approve such replacement within 24 hours of receipt of such submission from the Objecting Party. The replacement will be engaged (ahead of the replacement approved in accordance with Clause 3) if approved by all or a greater majority of the Replacement Designees than that which approved a replacement pursuant to Clause 3. If the Objecting Party fails to designate such a replacement within the 48 hour time period and parameters set forth above or the other Replacement Designees do not approve such replacement (and a replacement has not otherwise been approved under and in accordance with this Agreement), the Film Production Company or (if it has then taken over the production of the Film) the Guarantor shall have the right to designate a replacement subject to such replacement meeting the Replacement Criteria.

5. **Amendment to Agreements**

If the originally approved Element is replaced pursuant to the provisions of this Agreement, the Distribution Agreements and the Relevant Agreements shall be deemed amended to include the name of such approved replacement as an approved element of the Film.

6. **Miscellaneous**

6.1 A person who is not a party to this Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to rely upon or enforce any term of this Agreement.

6.2 This Agreement may be executed in counterparts. A counterpart signature page of this Agreement executed by a party and sent by facsimile or transmitted electronically in either Tagged Image Format Files (TIFF) or Portable Document Format (PDF) shall be treated as originals, fully binding and with full force and effect, and the parties waive any right they may have to object to such treatment.

7. **Governing Law and Jurisdiction**

This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the English Courts as regards any claim or matter arising in relation to this Agreement. Notwithstanding anything to the contrary, any matters relating to the French Distribution Agreement shall be subject to French law and to the sole jurisdictions of French courts.

IN WITNESS of which the parties hereto have signed this Agreement on the date appearing at the head of this Agreement.

Agreed and accepted

Alliance Films (UK) Limited (t/a Momentum Pictures)

Alliance Films Inc.

TF1 Droits Audiovisuels

Aver Media LP

The British Film Institute

Film4
(A division of Channel Four Television Corporation)

Film Finances, Inc.

How I Live Now Ltd

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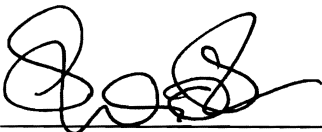
The British Film Institute

Film4
(A division of Channel Four Television Corporation)

Film Finances, Inc.

How I Live Now Ltd

HILN Ltd



Protagonist Pictures Limited

EXHIBIT

Aver: Jenna Seguin, e-mail address: jseguin@averlp.com

BFI: Will Evans, e-mail address: Will.Evans@bfi.org.uk

Canadian Distributor: Charles Layton, email: Charles.Layton@alliancefilms.com, Xavier Marchand, email: Xavier.Marchand@alliancefilms.com and Amy Paquette, email: Amy.Paquette@alliancefilms.com

CC: Charles Steel, e-mail address: charles@cowboyfilms.co.uk

Film4: Head of Film4 Business Affairs, e-mail address: hdixon@channel4.co.uk

FPC: Charles Steel, e-mail address: charles@cowboyfilms.co.uk

French Distributor: Emmanuelle Valade, e-mail address: evalade@tf1.fr

Guarantor: James Shirras, email: jshirras@filmfinances.co.uk

Sales Agent: Simon Osborn, e-mail: simon@protagonistpictures.com

UK Distributor: Spyro Markesinis, e-mail address: Spyro.Markesinis@MomentumPictures.co.uk and Xavier Marchand (email: Xavier.Marchand@alliancefilms.com)