

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS GIVEN that the Twenty-ninth Annual General Meeting of Members of Audio-Visual Copyright Society Limited (ABN 76 003 912 310) (**the Company**) trading as Screenrights will be held on:

Thursday, 1 November 2018
at Screenrights' Boardroom
1st Floor
140 Myrtle Street
Chippendale, NSW 2008
at 5.00 pm

ORDINARY BUSINESS

1. To receive and consider the Annual Report of the Company for the financial year ended 30 June 2018, which comprises the Annual Financial Report, the Directors' Report and the Auditor's Report.
2. To announce the result of the election of five Directors of the Company by online vote.
3. To consider any other business properly brought before the Meeting.

SPECIAL BUSINESS

4. **Resolution 1: Modification of Articles of Association**

To consider, and if thought fit, pass the following resolution as a special resolution:

That in accordance with s 136(2) of the Corporations Act 2001, the Articles of Association of the Company are modified as set out in Appendix A which accompanies this Notice of Meeting, such amendment to take effect from the conclusion of the meeting.

For further information, please refer to the attached Appendix A and the Explanatory Notes.

IMPORTANT INFORMATION

VOTING

In accordance with Article 4.11, a special resolution or a resolution put to the vote at a Members' meeting must be decided on a show of hands unless a poll is demanded in accordance with the Articles of Association.

In accordance with Article 4.12, a special resolution must be passed by a majority of at least 75% of the votes cast by Members entitled to vote on the special resolution.

APPOINTMENT OF PROXIES

Please note that:

(a) a Member who is entitled to attend or cast a vote at the Meeting has the right to appoint a person as proxy to attend and vote in the Member's place at the Meeting ("a **Proxy**");

(b) the Proxy does need not be a Member or the representative of a Member; and

(c) a Member who is entitled to cast two or more votes may appoint two Proxies and may specify the proportion or number of votes each Proxy is appointed to exercise.

A form for this purpose is enclosed with this Notice ("the Appointment of Proxy Form"). To be valid, the Appointment of Proxy Form (and if applicable, the authority under which the appointment is signed, or a certified copy of the authority), must be received by the Company, by no later than 5.00pm on 30 October 2018 (48 hours prior to the Meeting).

The Appointment of Proxy Form can be sent to the Company by post: PO Box 853, Broadway, NSW 2007; by facsimile +61 2 9904 0498; or by e-mail info@screenrights.org

Dated: 4 October 2018

By Order of the Board
Company Secretary

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Explanatory Notes on Items of Business.

Item 4 – Modification of Articles

BACKGROUND

A competing claim happens when two or more members submit registrations to Screenrights for exactly the same title and the claims overlap in some way. This means that the members are asserting the same rights and claiming the same royalties. More information about the ways that claims can overlap is available on the Screenrights Resolution website - see <https://resolution.screenrights.org/understanding-competing-claims/>

Where a competing claim has not been resolved during the open distribution period (currently 6 years), the royalties expire. This means they are forfeited by the members to the competing claim and are rolled into the next pool of royalties made available for distribution and then reallocated.

As members are able to submit registrations to Screenrights towards the end of the relevant open distribution period, it is possible for a new competing claim to arise close to the royalty expiration date. This may leave limited time for resolution of the competing claim.

PROPOSED AMENDMENTS

Establishment of a Competing Claims Fund would result in competing claims being open for at least 12-months before royalties expire, allowing sufficient time for members to seek to resolve the competing claim between themselves or to access the competing claims resolution procedures if needed. More information on the ways that competing claims can be resolved is available on the Screenrights Resolution website - see <https://resolution.screenrights.org/resolution-roadmap/>

With the Competing Claims Fund in effect, where a competing claim remains unresolved at the end of the open distribution period, the royalties will be rolled into the Competing Claims Fund, rather than expiring.

The royalties are then held in the Completing Claims Fund for a maximum of one year. If the competing claim remains unresolved after that period they will expire and be rolled into the next pool of royalties made available for distribution.

The establishment of a Competing Claims Fund requires amendment of the Articles of Association. The proposed amendments are set out in Appendix A.

BOARD RECOMMENDATION

The Board unanimously support the resolution and recommends that the members vote in favour of it. Those members of the Board with voting entitlements will be voting in favour of the resolution.

APPENDIX A

Proposed amendments to Screenrights' Articles of Association for Competing Claim Fund

1. The following definitions are added to Article 1:

Distribution Period means the period during which the Society holds a Potential Share on trust in the Statutory Trust Fund or the Voluntary Trust Fund in accordance with Article 16.6.

Society Competing Claims Fund means the fund operated by the Society for the purposes of Articles 16.8 - 16.11.

2. Article 16.3 is amended by the deletion of words indicated below:

16.3 If the Society is unable, at the time of allocation, to distribute a Potential Share (accruing under Article 16.2(d)) because the Qualified Person is not a Member or for any other reason, the Society must hold that Potential Share on trust ~~in the Statutory Trust Fund~~ and pay it to the Qualified Person (or their Agent), as soon as reasonably possible, or otherwise in accordance with Article 16.6.

3. Articles 16.8 -16.11 are added to Article 16 as follows:

Competing Claims

16.8 Where there is a dispute between two or more Members with respect to entitlement to a Potential Share, and that dispute has not been resolved by the end of the Distribution Period, the disputed Potential Share must be paid into the Competing Claims Fund at the end of the Distribution Period.

16.9 Monies placed in the Competing Claims Fund must remain in the Competing Claims Fund until the dispute between the relevant Members has been resolved, or for a period of no longer than one year, whichever is the shorter.

16.10 If the dispute has not been resolved at the end of one year from the date of payment into the Competing Claims Fund, the monies must be distributed in accordance with Articles 16.2 and 16.4.

16.11 Distributions made from the Competing Claims Fund, either on resolution of the relevant dispute or on the expiry of one year, are final and binding.

4. Article 17.5 is amended to include a reference to Article 16.8 and remove a reference to Article 17.8 as follows:

17.5 Except as provided in Articles 16.8 and 17.7 ~~and 17.8~~ the allocation of Potential Shares by the Directors is final and binding.

5. Article 17.8 is deleted, Articles 17.9 and 17.10 are renumbered and Article 17.10 is amended by the addition of the words "the Society's Competing Claims Fund" as follows:

~~*17.8 Where there is a dispute as to the amount of the Potential Share to which a Qualified Person is entitled, the Directors must retain the amount of the Potential Share in the Statutory Trust Fund or the Voluntary Trust Fund as applicable.*~~

~~*17.9*~~ *17.8 Where the accumulated total of monies allocated to a Qualified Person is less than \$200.00, or such other sum that is determined by the Directors, the Directors may retain the amount of the relevant Potential Share in the Statutory Trust Fund or the Voluntary Trust Fund as applicable.*

~~*17.10*~~ *17.9 The Directors may from time to time make and publish rules regulating the use of funds from time to time accounted for in the Society's IBNR Fund, the Society's Competing Claims Fund and the Society's Reserve Fund, including without limitation the amalgamation of those two Funds, in accordance with which the determination and distribution of entitlements will be made. The power in this Article ~~17.10~~ 17.9 may only be exercised if the Directors form the view that it will enhance the purposes referred to in Articles 16.2, 16.4 and 16.6 and not cause any detriment to the persons referred to in Articles 16.2, 16.4 and 16.6.*