

RECOUPMENT SCHEDULE EXAMPLE with drafting notes

Note: this is based on the \$10 million example finance plan for the fictional feature *An Ambitious Adventure*

[Each recoupment schedule is subject to the prior approval of Screen Australia and may vary depending on the agreed deal terms for each project. Relevant percentages will be taken from the final approved excel finance plan]

WATERFALL/RECOUPMENT SCHEDULE	
PART A: AUSTRALIA AND NEW ZEALAND (ANZ)	
<p>PRODUCER OFFSET (PO)</p> <p>Payment of the PO from the Australian Tax Office (PO Proceeds)</p> <ol style="list-style-type: none">1. Is used to repay the PO loan and <i>Good Rate Offset Lender Ltd's</i> approved fees and charges (Amounts Owing) and2. The balance of any PO Proceeds (that is the margin) goes to the	<p>Producers can use their margin to pay down other debts or offer incentives to other investors</p> <p>Or if there is a lender for the balance of the DG and a notice of direction to pay they can step in here</p> <p>Generally a producer can allocate its producer equity to third parties</p> <p>If there's a Disbursement or Collection Agent for the project otherwise not applicable</p> <p>The position of this can be negotiable if no producer incurred marketing expenses and/or if the distributor</p> <p>Shortfall position is only offered to arms' length, third party lenders. This is not offered where the Producer or a related entity cashflows the Offset</p>

Producer.

ANZ DISTRIBUTION GUARANTEE (DG)

1. The *Biggest Aussie Distributor Pty Ltd* receives its approved commissions from every sale.
2. The *Biggest Aussie Distributor Pty Ltd* recoups its approved expenses.
3. The *Biggest Aussie Distributor Pty Ltd* recoups its Distribution Guarantee.

ANZ GROSS RECEIPTS

- ITEM I** To the collection agent or disbursement administrator for its agreed fees and expenses;
- ITEM II** Then to the Producer to meet the Producer’s approved Marketing Expenses (including Residuals) if any;
- ITEM III** Then, in the case where there is a Shortfall Sum (defined as when the PO Proceeds are less than *Good Rate Offset Lender Ltd’s* Amounts Owing), to *Good Rate Offset Lender Ltd* until it has received the Shortfall Sum;

ITEM IV	Then to the Private Investors (Private Investor 1 and Private Investor 2) to recoup 100% of the Private Investment and a 10% premium;																		
ITEM V	Where <i>Good Rate Offset Lender Ltd</i> receives a Shortfall Sum, the equity investors will receive the following at the same time and in the same proportions until the parties below have received in aggregate an amount equal to the Shortfall Sum. (The equity investment that flows from the PO and is deemed to be Producer’s equity is excluded.)																		
	<table border="0"> <tr> <td>Screen Australia (Equity)</td> <td style="text-align: right;">40.16%</td> </tr> <tr> <td>Producer (Film Vic RLAf)</td> <td style="text-align: right;">4.02%</td> </tr> <tr> <td>Producer (Film Vic API)</td> <td style="text-align: right;">14.34%</td> </tr> <tr> <td>Producer (Investment (Equity))</td> <td style="text-align: right;">8.32%</td> </tr> <tr> <td>Post House (Investment (Equity))</td> <td style="text-align: right;">8.06%</td> </tr> <tr> <td>Director (Investment (Equity))</td> <td style="text-align: right;">2.15%</td> </tr> <tr> <td>Private Investor (Equity) 1</td> <td style="text-align: right;">11.47%</td> </tr> <tr> <td>Private Investor (Equity) 2</td> <td style="text-align: right;">7.17%</td> </tr> <tr> <td>MIFF (Equity)</td> <td style="text-align: right;">2.87%</td> </tr> </table>	Screen Australia (Equity)	40.16%	Producer (Film Vic RLAf)	4.02%	Producer (Film Vic API)	14.34%	Producer (Investment (Equity))	8.32%	Post House (Investment (Equity))	8.06%	Director (Investment (Equity))	2.15%	Private Investor (Equity) 1	11.47%	Private Investor (Equity) 2	7.17%	MIFF (Equity)	2.87%
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Generally Screen Australia will consider an accelerated recoupment position and possible premium worldwide for genuine private equity investors (not generally extended to parties reinvesting fees or services as equity) subject to all stakeholders’ approval. For this to go ahead of any offset lender shortfall position, would need agreement with all stakeholders including the offset lender

Note these would be excluded if the private investors’ equity has been accelerated as they will have already recouped in item IV above

Producer (Crowd Funding) (Equity) 1.43%

ITEM VI Then to the following parties at the same time and in the following proportions

Screen Australia (equity)	23.53%
Producer (Film Vic RLAF)	2.35%
Producer (Film Vic API)	8.40%
Producer (Offset)	52.34%
Producer (Investment -Equity)	4.88%
Post House (Investment -Equity)	4.72%
Director (Investment -Equity)	1.26%
MIFF (Equity)	1.68%
Producer (Crowd Funding-Equity)	0.84%

until such time as the Investors have recouped their respective Investments in the Film and the Producer has received an amount equivalent to the Producer Offset less the Shortfall Sum, if any;

ITEM VII Then in payment, with Screen Australia's prior consent, to the Producer of a sum equal to any Overages met by the Producer;

ITEM VIII Then in payment of any sum due to the Completion Guarantor according to the Completion Guarantee; and

ITEM IX Then to the following parties at the same time and in the following proportions to be allocated 50% to the Investors (pro rata) and 50% to the Producer. (The film is now in profit.)

Screen Australia (Equity)	10.61%
Producer (Film Vic RLAF)	1.06%
Producer (Film Vic API)	3.79%
Producer (Offset)	23.59%
Producer (Investment Equity)	2.20%
Post House (Investment Equity)	2.13%
Director (Investment Equity)	0.57%
Private Investor (Equity) 1	3.03%
Private Investor (Equity) 2	1.89%
MIFF (Equity)	0.76%

Producer (Crowd Funding) (Equity)	0.38%
Producer	50%

PART B: REST OF WORLD (ROW) TERRITORIES

ROW DISTRIBUTION/MINIMUM GUARANTEE/ADVANCE

1. The *Standout Film Sales Agent Ltd* receives its un-deferred commission from each sale.
2. The *Standout Film Sales Agent Ltd* recoups its approved expenses.
3. The *Standout Film Sales Agent Ltd* recoups its ROW Distribution Guarantee.

There can be negotiation about where commissions and expenses come from between the sales agent & gap lender. Sometimes they can be split into upfront and deferred

If there is a Disbursement or Collection Agent for the project otherwise not applicable

ROW GROSS RECEIPTS

- ITEM I** To the collection agent for its agreed fees and expenses;
- ITEM II** Then to the Gap Lender *We'll Fill The Gap Ltd* to repay the gap loan and any approved fees, interest and expenses (Amounts Owing);
- ITEM III** Then to *Standout Film Sales Agent* for its deferred commissions and expenses;
- ITEM IV** Then, subject to Screen Australia's approval, in payment to the Producer to meet the Producer's Marketing Expenses (including Residuals) if any;
- ITEM V** Then to the Private Investors to recoup 100% of the Private Investment and a 10% premium (to the extent not recouped out of ANZ Gross Receipts);
- ITEM VI** Then to the following parties at the same time and in the following proportions
- | | |
|----------------------------------|--------|
| Screen Australia (Equity) | 23.53% |
| Producer (Film Vic RLAF) | 2.35% |
| Producer (Film Vic API) | 8.40% |
| Producer (Offset) | 52.34% |
| Producer (Investment (Equity) | 4.88% |
| Post House (Investment (Equity) | 4.72% |
| Director (Investment (Equity) | 1.24% |
| MIFF (Equity) | 1.68% |
| Producer (Crowd Funding (Equity) | 0.84% |

Delete this item if no gap lender.

The Gap loan can only be recouped from the territories it is being put for (so not from ANZ). The USA and other territories can of course also be split out depending on the deal

Noting again there can be some movement on these

Noting again that genuine private equity can be accelerated on terms approved by all stakeholders

	Until such time as the Investors have recouped their respective Investments in the Film and the Producer has received an amount equivalent to the Producer Offset less the Shortfall Sum if any from ANZ Gross Receipts;																								
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Delete if no shortfall position

Delete this Item if there is no Completion Guarantee

UNDERAGE, REMAKE, SEQUEL & SPIN OFF:

Screen Australia (Equity) 23.53%, Producer (Film Vic API) 8.40%, Producer (Film Vic RLAF) 2.35%, Producer (Offset) 52.34%, Producer Investment (Equity) 4.88%, Post House Investment (Equity) 4.72%, Director Investment (Equity) 1.26%, MIFF Investment (Equity) 1.68%, Producer (Crowd Funding) 0.84%

[Note: Producer has 50% of profit allocated with the remaining 50% of profit divided pro rata between the equity investors]