

NOTICE OF COMMENCEMENT OF THE CLAIMS PROCESS IN THE CANADIAN CLASS ACTION SETTLEMENT RE: UNPAID MECHANICAL AND VIDEO ROYALTIES AND COPYRIGHT INFRINGEMENT

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS.

I. THE PURPOSE OF THIS NOTICE

The purpose of this notice is to announce the commencement of the individual claims process for Medium and High-Value Items and the launch of the claims website.

II. THE INDIVIDUAL CLAIMS PROCESS AND THE CLAIMS WEBSITE

The settlement administrator, CMRRA-SODRAC INC ("CSI"), has established a searchable web-based system in order to facilitate the individual claims process for class members (the "Claims Website"). The Claims Website will be accessible as of February 3, 2012.

The Claims Website can be accessed from CSI's website at www.cmrrasodrac.ca, under the section "Pending List Class Action Settlement".

Pursuant to the settlement agreement, the Claims Website will contain identifying information, based on data received from the Record Labels, respecting Sound Recordings for which there are Pending Royalties.

To be eligible for compensation, Class Members must create a user account with CSI, which will require them to disclose to CSI certain identifying information as well as payment instructions, where applicable. Class Members must also submit, for each claim, a claim form requiring the claimant to attest to the validity of the claim and confirm that the claimant, or any other party acting on behalf of the claimant, has not already received payment for the claimant's ownership share of the musical work in relation to the sound recording(s) in question. In addition, Class Members will be required to submit additional supporting documentation, as outlined in the claim form, or as may be required by CSI to validate the claim.

Class members who fail to submit a claim form will not be eligible for compensation. The claim form must be accessed and submitted online through the Claims Website.

The individual claims process will commence on February 3, 2012. Claims respecting Medium-Value Items, for which the quantifiable aggregate value is between \$1,000 and \$2,500, must be filed on or before August 2, 2012 while claims respecting High-Value Items, for which the quantifiable aggregate value is \$2,500 and above, must be filed by February 1, 2013.

III. DISTRIBUTION OF INDIVIDUAL CLAIMS

Once an ownership claim has been established and verified, CSI will facilitate payment to the class member. Payment of claims respecting Medium-Value Items will occur on September 15, 2012. Payment of claims respecting High-Value Items will occur on March 15, 2013. While the settlement protocol aims to pay class members with a verified claim based on the full amount accrued by the Defendant record Labels in the pending lists for the items in question, the rate of payment will ultimately depend on the number of class members who make claims to the settlement funds.

In the event that any portion of the settlement funds is not claimed by the applicable claims deadlines, such amount will be distributed to those Class Members who have a market share of Group I and II Products, calculated according to an objective Canadian market share analysis for the applicable periods.

IV. QUESTIONS ABOUT THE CLAIMS PROCESS

If you have questions about the claims process, please visit the Claims Website at www.cmrrasodrac.ca, under the section "Pending List Class Action Settlement", or contact CSI by e-mail at pendingsettlementinquiries@cmrrasodrac.ca.

Any questions pertaining to the litigation maybe be directed to Class Counsel at 1-866-924-5859, by e-mail at pendinglists@harrisonpensa.com or by mail at: Harrison Pensa^{LLP} 450 Talbot Street, London, ON N6A 4K3 Attention: Jonathan Foreman. Further information regarding the litigation may be found at www.pendinglistssettlement.com.

Any questions about this action or matters conveyed in this Notice should **not** be directed to the Court.

V. INTERPRETATION

Any capitalized terms not defined in the Notice are defined in the Key Terms of Settlement between the Plaintiff, CMRRA, SODRAC, EMI, Sony, Universal and Warner ("CSI Term Sheet"). If there is a conflict between the provisions of this notice and the settlement agreements, including the appendices to the settlement agreements, the terms of the settlement agreements shall prevail.

THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO SUPERIOR COURT OF JUSTICE