

**NOTICE OF COMMENCEMENT OF THE GROUP III 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 Group III Medium and High-Value Items in the Unpaid Mechanical and Video Royalties and Copyright Infringement Class Action.

Group III Products refers to Audio and Video Products Released between January 1, 2010 and December 31, 2012, inclusive. Medium Value Items are those items for which the quantifiable aggregate value is between \$1,000 and \$2,500. High-Value Items are those items for which the quantifiable aggregate value is \$2,500 and above.

II. ABOUT THE ACTION AND THE SETTLEMENT

In 2008, a proposed class action was initiated in Ontario against Sony BMG Music (Canada) Inc., now Sony Music Entertainment Canada Inc., (“Sony”), EMI Group Canada Inc. (“EMI”), Universal Music Canada Inc. (“Universal”), Warner Music Canada Co. (“Warner”), the Canadian Musical Reproduction Rights Agency Ltd. (“CMRRA”) and the Society for Reproduction Rights of Authors, Composers and Publishers (SODRAC) Inc. (“SODRAC”), in which it was alleged that the record companies were liable for reproducing certain musical works in sound recordings released in physical formats in Canada, without securing the necessary mechanical licenses and/or without payment of the necessary royalties.

Settlement agreements were reached with the defendant record companies in 2010, which involved the payment of defined amounts of unpaid royalties into a settlement trust to be administered by CMRRA/SODRAC Inc. (“CSI”), with the proceeds of the settlement to be paid to or for the benefit of rightsholders of musical works. Subsequently, CMRRA and SODRAC entered into an agreement with the plaintiffs to pay certain royalties held by them into the settlement trust, to be administered on the same basis. The settlement agreements were approved by the Court by Order dated May 31, 2011.

Pursuant to the court-approved settlement agreements, an initial claims period was held for Group I Products which relate to Products Released at any time up to and including June 30, 2007 and Group II Products which are Products Released between July 1, 2007 and December 31, 2009, inclusive. The Group I and II Products claims period concluded in February of 2013.

The settlement agreements required a further payment of additional amounts on account of Group III Products which are Products Released between January 1, 2010 and December 31, 2012, inclusive. The claims period for the Group III Items will commence on April 3, 2017. Details regarding how to make a claim for Group III Items is set out in the next section under the heading “The Individual Claims Process and the Claims Website for Group III Products”

III. THE INDIVIDUAL CLAIMS PROCESS AND THE CLAIMS WEBSITE FOR GROUP III PRODUCTS

The settlement administrator, CMRRA-SODRAC INC (“CSI”), has been able to match and distribute approximately 80% or \$2,000,000.00 of medium- and high-value Group III items through their significant efforts to date. In order to facilitate the individual class process for class members for the remaining medium- and high-value Group III items, CSI will make the medium- and high-value Group III information available on their searchable web-based system (the “Claims Website”).

The Claims Website can be accessed from CSI’s website at www.cmrrasodrac.ca, under the section “Pending List Class Action Settlement”. Under the “Pending List Class Action Settlement” drop-down menu, click on “Claims Website: Group III Products.”

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 can be accessed and submitted online through the Claims Website. Should you require assistance in submitting your claim form in an alternative form, please contact CSI.

The individual claims process will commence on April 3, 2017. Claims respecting Group III Medium-Value Items, for which the quantifiable aggregate value is between \$1,000 and \$2,500, must be submitted on or before October 3, 2017 while claims respecting High-Value Items, for which the quantifiable aggregate value is \$2,500 and above, must be submitted by April 3, 2018.

IV. DISTRIBUTION OF INDIVIDUAL CLAIMS

Once an ownership claim has been established and verified, CSI will facilitate payment to the class member. Claims will be reviewed and processed in a timely manner following the conclusion of the claims period. 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 III Products, calculated according to an objective Canadian market share analysis for the applicable periods.

VI. 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 may be directed to Class Counsel at 1-800-263-0489, ext. 608 or 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.pendinglistsettlement.com.

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

VII. 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