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A MESSAGE FROM SOCAN CEO ERIC BAPTISTE

It is my pleasure to serve our nearly 150,000 songwriter, composer and music publisher members as SOCAN’S Chief Executive Officer. I am delighted to report on a year that was our most significant and successful since the organization’s inception more than 90 years ago.

“Powered By SOCAN” is the theme for this year’s annual report. The challenges and opportunities created by the rapid transition to ‘global’ and ‘digital’ are unprecedented and require unprecedented solutions, and I am pleased that SOCAN is delivering.

We are putting together a powerful and flexible platform that is able to provide best-in-class, tailor-made services to anyone in the digital music ecosystem in Canada and worldwide.

SOCAN is obsessed with providing exceptional service to members and clients, exceeding expectations at every turn. Creators and music publishers today require a wider array of services from SOCAN, and we strive to anticipate and surpass their every need.

In 2016, SOCAN once again broke revenue records on almost every front. Three hundred and thirty million dollars in overall revenue, with a record $289-million distributed to our members. Our revenues and distribution via international sources also reached new highs, with $67-million in royalties collected and – because we continue to be one of very few music rights organizations not to take an administrative percentage on international royalties – 100 per cent of that is distributed back to those who earned them.

Our acquisition of Audiam diversified SOCAN’s offerings, with state-of-the-art identification, collection and distribution services for YouTube music performances. Last spring, our purchase of MediaNet and its now 65-million titles-rich database of sound recordings has already resulted in SOCAN having unsurpassed data matching capabilities – far exceeding the next-nearest organization. Superior data-matching
means better accuracy and tracking, which in turn means more money in our members’ pockets. These organizations are empowered by SOCAN, and vice versa.

SOCAN’s work to develop application programming interface (API) technology last year has resulted in the introduction of our first of many resources that enable software developers to create applications that integrate perfectly with our technology platforms. This is exciting and visionary progress that will pay more dividends for members as we make submitting and tracking music data more and more accurate and thorough.

Key to SOCAN’s successful approach is our confidence in technology, massive data and innovation, and the next 18 to 24 months are likely to define how rights management works for the next decade. SOCAN is and will continue to be a major part of the new landscape.

We are shaping that landscape worldwide as SOCAN leads the global transformation of music rights while at the same time really “taking care of business” here in Canada.

As a rightsholders-controlled organization, SOCAN is not only committed to providing solutions to today’s problems, we consider it our moral obligation.

Eric Baptiste
Chief Executive Officer
A MESSAGE FROM SOCAN PRESIDENT & CHAIR OF THE BOARD STAN MEISSNER

In the constantly evolving world of copyright in the digital environment, SOCAN has been doing its part to not only remain relevant, but to define and position itself as a global leader.

Every five years, SOCAN examines and articulates its vision and strategic plan. Looking forward in 2016, given the shifting sands of the music ecosystem, we ushered in a bold new strategic vision to lead the global transformation of music rights. Further, the board worked with SOCAN’s executive team to develop and implement a new plan as the framework under which we will strive to accomplish this ambitious goal.

It has been said that nothing big can be accomplished by thinking small, and this mind-set has been fueling our Board of Directors and management team as we re-imagine the future – and the future of SOCAN.

Guiding us forward are our new strategic objectives:

- Expansion of Rights
- Expansion of Territory
- Expansion of Business Lines
- Service Relevance: the provision of effective and efficient services
- Operational innovation

Two highlights of the year were SOCAN’s purchases of Audiam and MediaNet. These acquisitions of U.S.-based companies that operate internationally help us in supporting several of our strategic objectives.
We realized that it was better to buy rather than build, and this expansion has vastly improved SOCAN’s internal and external firepower. While we’re still integrating and developing the services and capabilities into SOCAN’s infrastructure, we’re already seeing immediate benefits in improvements to matching abilities, as well as being positioned to take on international projects that will generate revenue, to the benefit of all of our members.

We’ve already received much praise from within the industry, confirming that these bold moves have placed SOCAN in a unique space, as a leader in the changing environment.

In addition to these activities, as part of the ongoing annual work of the Board of Directors and its standing committees, Executive Governance; Risk Identification & Management; Tariff, Licensing and Distribution; and Membership, we engaged in a myriad of tasks, including monitoring and reviewing budgets and forecasts; managing SOCAN’s investments and other financial activities; evaluating CEO Eric Baptiste’s performance; overseeing our many member events, including our annual general meeting and awards ceremonies; and reviewing our communication strategies, policies and activities.

Throughout 2016, SOCAN continued completing the development and implementation of its BEST (Business Enterprise Solution for Tomorrow) computer system in order to deal with the explosive data requirements necessary to track the trillions of performances in the digital world. This process began in 2013 and currently the financial, membership profiles, licensing, invoicing, business development, and other functions have all been deployed. The final phase, distributions, will be completed in 2017.

And speaking of distributions, we distributed royalties from Apple Music for the first time in 2016 and we’ll be distributing significantly more revenue from Tariff 22a, for online music services, throughout 2017.

Also within 2016, the Canadian Songwriters Hall of Fame has been gearing up for a gala induction ceremony on September 23, 2017. After a five-year hiatus since SOCAN took over the Hall of Fame, we’re finally ready to re-launch, with an event at Massey Hall that will rival any prior Hall of Fame ceremony. Inductees will include Neil Young, Bruce Cockburn, Beau Dommage and Stephane Venne.

Head over to www.cshfinduction.ca for the latest on all the incredible performances and ticket availability.

Stan Meissner
President & Chair of the Board Songwriter
2016 KEY HIGHLIGHTS

Record Revenue:

$330-million, an increase of 7.2%

$289-million distributed to music creators & publishers — up 4.6% year-over-year

International royalties from Canadian-created music:
$67-million — up 31% since 2013

118% increase in Internet revenue since 2015

124,472 works registered to SOCAN in 2016 — up 29%

25,987,764,104 (about 26 BILLION) pieces of composition data tabulated
Two thousand and sixteen was another impressive year for SOCAN’s performance, again breaking records for revenue and distributions to our members. SOCAN’s total revenue was $330-million, an increase of seven per cent over the previous year. Gross Expenses were $44.5-million, an increase of $0.6-million. Royalty Distributions to Members were $289-million, an increase of $12.8-million from the previous year.

This achievement maintains SOCAN’s position as one of the top music rights organizations in the world. It demonstrates our strength at licensing the performing right, as well as our continued focus on efficient expense management to ensure that more royalties are provided to tens of thousands of Canadian songwriters, composers and music publishers and the millions of rightsholders we represent in Canada via agreements with 105 societies in 213 countries.
Financial Greatest Hits in 2016:

• A new record for total revenue of $330-million, an increase of 7.2% over the record $307.8-million in 2015.
• $67-million in foreign royalties identified, collected and distributed for members whose music is played internationally on radio, television, online, onstage and other public performance uses – a 31% increase over 2013.
• Internet revenue increased by an impressive 118% over the previous year.
• Total royalty distributions to members of $289-million – a 4.6% year-over-year increase.
Domestic Revenues from the performing right and private copying totaled $263.0-million in 2016 (2015: $244.9-million). Year-over-year variances are shown in Chart No.1

Performing Right Revenue
Performing rights collections from licensing the use of the world’s repertoire in Canada increased by $19.6-million to $262.5-million (2015: $243.0-million), representing a very impressive 8.1 per cent increase on 2015 revenue.

In 2016, revenue from traditional sources (TV, Cable & Radio) stabilized at $171.8-million an increase of $2.4-million over the previous year. (2015: $169.4-million).

Internet revenue more than doubled in 2016, reaching $33.8-million (2015: $15.5-million) due to very strong growth from existing licensees and new service providers entering Canada.

Satellite Radio has continued to show impressive growth, with 2016 revenue at $15.1-million (2015: $14.3-million).

General & Concert revenue decreased 2.9 per cent to $38.4-million (2015: $39.6-million), although a decline, this is compared to a record year in 2015 and the live music industry is still strong in Canada.
**CHART 1 - SOCAN DOMESTIC REVENUES**

TOTAL - 2016: $263,029 (2015: $244,909) IN THOUSANDS OF DOLLARS
International Royalties

The year 2016 was another record one for royalties from international affiliated music rights organizations (MROs), increasing by $4.3-million to $67.0-million (2015: $62.7-million). The increase arose from a combination of exceptional member activity abroad and an increasingly proactive approach in the management of our international relations.

CHART No. 2 shows a breakdown of the international revenue SOCAN received from the Top 10 MROs for the past two years, and a summary total for those outside the Top 10. The top two earning MROs in 2016 for SOCAN members were ASCAP and BMI in the United States, where approximately $28.0-million in total was collected (2015: $23.6-million), representing 44.5 per cent of total international royalties.

The next top-earning MRO was SACEM from France, where SOCAN collected royalty income of $9.8-million (2015: $7.9-million), representing 15.6 per cent of total international royalties. The top 10 MROs accounted for 84.2 per cent of SOCAN’s international royalties.
CHART 2 - INTERNATIONAL REVENUE BY COUNTRY
TOTAL - 2016: $67,013 (2015: $62,733) IN THOUSANDS OF DOLLARS

<table>
<thead>
<tr>
<th>Country</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Ten Societies</td>
<td>56,423</td>
<td>51,653</td>
</tr>
<tr>
<td>Non Top Ten</td>
<td>10,590</td>
<td>11,080</td>
</tr>
<tr>
<td>Total</td>
<td>67,013</td>
<td>62,733</td>
</tr>
</tbody>
</table>
TABLE No. 1 details the international revenue received from each MRO and the distributions paid by SOCAN to each MRO in 2016.

**TABLE 1 - ROYALTIES FROM AND TO INTERNATIONAL MRO'S**

(IN THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>MRO</th>
<th>REVENUE FROM MRO</th>
<th>DISTRIBUTIONS TO MRO</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2016</td>
<td>2015</td>
</tr>
<tr>
<td>Argentina</td>
<td>SADAIC</td>
<td>461</td>
<td>153</td>
</tr>
<tr>
<td>Australia</td>
<td>APRA</td>
<td>2,342</td>
<td>1,631</td>
</tr>
<tr>
<td>Austria</td>
<td>AKM</td>
<td>534</td>
<td>462</td>
</tr>
<tr>
<td>Belarus</td>
<td>NCIP</td>
<td>-</td>
<td>19</td>
</tr>
<tr>
<td>Belgium</td>
<td>SABAM</td>
<td>924</td>
<td>1,218</td>
</tr>
<tr>
<td>Brazil</td>
<td>Various</td>
<td>793</td>
<td>1,580</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>MUSICAUTOR</td>
<td>14</td>
<td>32</td>
</tr>
<tr>
<td>Chile</td>
<td>SCD</td>
<td>102</td>
<td>95</td>
</tr>
<tr>
<td>Colombia</td>
<td>SAYCO</td>
<td>2</td>
<td>13</td>
</tr>
<tr>
<td>Croatia</td>
<td>HDS</td>
<td>68</td>
<td>84</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>OSA</td>
<td>168</td>
<td>243</td>
</tr>
<tr>
<td>Denmark</td>
<td>KODA</td>
<td>1,311</td>
<td>1,390</td>
</tr>
<tr>
<td>Finland</td>
<td>TEOSTO</td>
<td>655</td>
<td>803</td>
</tr>
<tr>
<td>France</td>
<td>SACEM</td>
<td>9,822</td>
<td>7,947</td>
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<tr>
<td>Germany</td>
<td>GEMA</td>
<td>3,112</td>
<td>3,411</td>
</tr>
<tr>
<td>Greece</td>
<td>AEPI</td>
<td>188</td>
<td>2</td>
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<tr>
<td>Hong Kong</td>
<td>CASH</td>
<td>144</td>
<td>149</td>
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<td>Hungary</td>
<td>ARTISJUS</td>
<td>167</td>
<td>254</td>
</tr>
<tr>
<td>Ireland</td>
<td>IMRO</td>
<td>242</td>
<td>280</td>
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<tr>
<td>Israel</td>
<td>ACUM</td>
<td>351</td>
<td>358</td>
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<tr>
<td>Italy</td>
<td>SIAE</td>
<td>2,711</td>
<td>2,564</td>
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<tr>
<td>Japan</td>
<td>JASRAC</td>
<td>1,352</td>
<td>1,082</td>
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<tr>
<td>Korea</td>
<td>KOMCA</td>
<td>163</td>
<td>116</td>
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<tr>
<td>Latvia</td>
<td>AKKALKAA</td>
<td>24</td>
<td>5</td>
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<tr>
<td>Lithuania</td>
<td>LATGA-A</td>
<td>33</td>
<td>42</td>
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<tr>
<td>Malaysia</td>
<td>MACP</td>
<td>69</td>
<td>60</td>
</tr>
<tr>
<td>Mexico</td>
<td>SACM</td>
<td>132</td>
<td>103</td>
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<tr>
<td>Netherlands</td>
<td>BUMA</td>
<td>1,406</td>
<td>1,594</td>
</tr>
<tr>
<td>Norway</td>
<td>TONO</td>
<td>425</td>
<td>285</td>
</tr>
<tr>
<td>Peru</td>
<td>APDAYC</td>
<td>34</td>
<td>18</td>
</tr>
<tr>
<td>Philippines</td>
<td>FILSCAP</td>
<td>309</td>
<td>507</td>
</tr>
<tr>
<td>Poland</td>
<td>ZAIKS</td>
<td>137</td>
<td>99</td>
</tr>
<tr>
<td>Portugal</td>
<td>SPA</td>
<td>235</td>
<td>231</td>
</tr>
<tr>
<td>Romania</td>
<td>UCMR</td>
<td>1</td>
<td>165</td>
</tr>
<tr>
<td>Russia</td>
<td>RAO</td>
<td>5</td>
<td>45</td>
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<tr>
<td>Serbia</td>
<td>SOKOJ</td>
<td>4</td>
<td>43</td>
</tr>
<tr>
<td>Singapore</td>
<td>COMPASS</td>
<td>114</td>
<td>131</td>
</tr>
<tr>
<td>Slovakia</td>
<td>SOZA</td>
<td>35</td>
<td>29</td>
</tr>
<tr>
<td>Slovenia</td>
<td>SAZAS</td>
<td>54</td>
<td>43</td>
</tr>
<tr>
<td>South Africa</td>
<td>SAMRO</td>
<td>200</td>
<td>240</td>
</tr>
<tr>
<td>Spain</td>
<td>SGAE</td>
<td>652</td>
<td>570</td>
</tr>
<tr>
<td>Sweden</td>
<td>STIM</td>
<td>1,395</td>
<td>1,379</td>
</tr>
<tr>
<td>Switzerland</td>
<td>SUISA</td>
<td>1,020</td>
<td>1,064</td>
</tr>
<tr>
<td>Taiwan</td>
<td>MUST</td>
<td>34</td>
<td>41</td>
</tr>
<tr>
<td>Thailand</td>
<td>MCT</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>Turkey</td>
<td>MESAM</td>
<td>63</td>
<td>102</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>PRS</td>
<td>6,359</td>
<td>8,109</td>
</tr>
<tr>
<td>United States (See below)</td>
<td>28,516</td>
<td>23,889</td>
<td>69,863</td>
</tr>
<tr>
<td>Uruguay</td>
<td>AGADU</td>
<td>14</td>
<td>20</td>
</tr>
<tr>
<td>Vietnam</td>
<td>VCPMC</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Returns</td>
<td>FDR</td>
<td>64</td>
<td>64</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>67,013</td>
<td>62,733</td>
</tr>
<tr>
<td>United States AMRA</td>
<td>121</td>
<td>-</td>
<td>482</td>
</tr>
<tr>
<td>United States ASCAP</td>
<td>16,670</td>
<td>14,165</td>
<td>31,362</td>
</tr>
<tr>
<td>United States BMI</td>
<td>11,295</td>
<td>9,481</td>
<td>32,117</td>
</tr>
<tr>
<td>United States GMR</td>
<td>-</td>
<td>-</td>
<td>2,133</td>
</tr>
<tr>
<td>United States SESAC</td>
<td>430</td>
<td>243</td>
<td>3,749</td>
</tr>
<tr>
<td>Total United States 28,516</td>
<td>23,889</td>
<td>69,863</td>
<td>67,553</td>
</tr>
</tbody>
</table>

* Countries under $10k include Barbados, Cameroon, China, Cuba, Ecuador, Iceland, India, Jamaica, Macedonia, Mali, Mauritius, Panama, Senegal, Serbia, St Lucia, Trinidad & Tobago, Venezuela.
Expenses

SOCAN’s net expenses (gross expenses offset by other income, which mainly consists of investment income) increased to $38.2-million in 2016 from $28.1-million the previous year, this was mainly due to an impressive investment gain in 2015.

Gross expenses increased by $0.6-million and other income decreased by $9.5-million, which resulted in a net increase of $10.1-million. These changes, in combination with increased revenue, mean that net expenses in 2016 represented only 11.6 per cent of total revenues (2015: 9.2 per cent), excluding equity investment loss in subsidiaries.

SOCAN’s three main operational activities of collecting license fees (Licensing), registering works and analyzing performances (Distribution), and supporting members (Membership) account in total for $18.9-million (2015: $18.7-million), or a little less than half of our gross expenses.

Infrastructure-type costs, such as Information Technology and Facilities & Administration, which are critical support for the three activities above, accounted for $15.5-million (2015: $14.2-million), or a little less than a third of our gross expenses, and other key support services such as Finance, Legal, Communications & Marketing and Human Resources, accounted for most of the remainder. The SOCAN Foundation and Canadian Songwriters Hall of Fame were supported with $1.6-million in 2016.

As shown in TABLE No. 2, SOCAN’s 2016 gross expenses were $44.5-million or 1.4 per cent more than in 2015. Listed below are explanations for some of the variances by cost category.

**TABLE NO. 2 - GROSS EXPENSES BY EXPENSE TYPE 2016: $44,526 VS 2015 $43,912**

<table>
<thead>
<tr>
<th>IN THOUSANDS OF DOLLARS</th>
<th>Gross Expenses</th>
<th>Variance 2016-2015</th>
<th>Incr/(Decr) from 2015 to 2016</th>
<th>2016 Expense Type as a percentage of Total Gross Expense</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff</td>
<td>$27,948</td>
<td>$27,505</td>
<td>$(443)</td>
<td>-1.6%</td>
</tr>
<tr>
<td>Legal &amp; Professional</td>
<td>4,259</td>
<td>3,849</td>
<td>$(410)</td>
<td>-10.7%</td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,963</td>
<td>3,096</td>
<td>$(867)</td>
<td>-28.0%</td>
</tr>
<tr>
<td>Information Technology</td>
<td>2,116</td>
<td>2,106</td>
<td>$(10)</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Membership &amp; Communication</td>
<td>2,015</td>
<td>1,724</td>
<td>$(291)</td>
<td>-16.9%</td>
</tr>
<tr>
<td>SOCAN Foundation &amp; CSHF funding</td>
<td>1,599</td>
<td>1,551</td>
<td>$(48)</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Office</td>
<td>1,132</td>
<td>1,163</td>
<td>31</td>
<td>2.7%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>1,634</td>
<td>1,950</td>
<td>316</td>
<td>16.2%</td>
</tr>
<tr>
<td>Other</td>
<td>-140</td>
<td>968</td>
<td>1,108</td>
<td>114.5%</td>
</tr>
<tr>
<td>TOTAL GROSS EXPENSES</td>
<td>$44,526</td>
<td>$43,912</td>
<td>$(614)</td>
<td>-1.4%</td>
</tr>
</tbody>
</table>
Staff
SOCAN’s most significant expense lies in human resources. On average, there were 301 full-time and part-time employees in 6 offices across the country and the US in 2016. Staff costs increased by $0.4-million, primarily due to an increase in headcount and annual salary increase.

Legal & Professional
Legal & Professional costs increased by $0.4-million from 2015 due to increased legal costs associated with Copyright Board hearings.

Depreciation
This includes all depreciation relating to SOCAN’s fixed assets. This cost increased by $0.8-million in 2016 due to the second phase of SOCAN’s enterprise resource planning (ERP) system going live, as well as the first three phases of Operational Data store.

Membership & Communication
These costs include sponsorship, advertising, and awards, which were up $0.3-million from the previous year due mainly to an increased presence at major music events and improved SOCAN Award shows.

Other
Including in other costs is a $1.3-million foreign exchange adjustment in relation to the subsidiary acquisitions that occurred in 2016.

SOCAN Distributions
2016 was a record year for SOCAN’s total royalty distributions, which amounted to $289.0-million, a $12.8-million or 4.6 per cent increase from the previous year (2015: $276.2-million). The main reasons for this impressive increase are due to the record revenues over the last few years as well as a focused effort to improve the speed of Concert distributions.

Member advances are reflected in these numbers. Further details can be found in TABLE No. 3.
TABLE NO. 3 – DISTRIBUTION BY POOL, BY MEMBER TYPE AND INTERNATIONAL AFFILIATION

(IN THOUSANDS OF DOLLARS)

<table>
<thead>
<tr>
<th></th>
<th>SOCAN Writers</th>
<th>SOCAN Publishers</th>
<th>International Affiliation</th>
<th>TOTAL</th>
<th>SOCAN Writers</th>
<th>SOCAN Publishers</th>
<th>International Affiliation</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DISTRIBUTIONS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cable</td>
<td>11,332</td>
<td>23,758</td>
<td>23,708</td>
<td>58,798</td>
<td>10,648</td>
<td>22,942</td>
<td>23,032</td>
<td>56,622</td>
</tr>
<tr>
<td>Television</td>
<td>7,851</td>
<td>15,052</td>
<td>13,387</td>
<td>36,290</td>
<td>7,646</td>
<td>14,728</td>
<td>12,957</td>
<td>35,331</td>
</tr>
<tr>
<td>Radio - Census</td>
<td>6,979</td>
<td>18,104</td>
<td>16,897</td>
<td>41,980</td>
<td>6,862</td>
<td>17,421</td>
<td>16,917</td>
<td>41,200</td>
</tr>
<tr>
<td>Radio - Survey</td>
<td>2,488</td>
<td>5,664</td>
<td>5,891</td>
<td>14,043</td>
<td>2,402</td>
<td>5,423</td>
<td>5,916</td>
<td>13,741</td>
</tr>
<tr>
<td>Radio - CBC</td>
<td>2,529</td>
<td>2,578</td>
<td>2,529</td>
<td>7,636</td>
<td>2,455</td>
<td>2,469</td>
<td>2,568</td>
<td>7,492</td>
</tr>
<tr>
<td>Total Radio and General</td>
<td>11,996</td>
<td>26,346</td>
<td>25,317</td>
<td>63,659</td>
<td>11,719</td>
<td>25,313</td>
<td>25,401</td>
<td>62,433</td>
</tr>
<tr>
<td>Concerts</td>
<td>4,824</td>
<td>10,390</td>
<td>12,626</td>
<td>27,840</td>
<td>3,517</td>
<td>8,634</td>
<td>9,510</td>
<td>21,661</td>
</tr>
<tr>
<td>Cinema + Hotel, Motel Services</td>
<td>32</td>
<td>458</td>
<td>559</td>
<td>1,049</td>
<td>15</td>
<td>445</td>
<td>549</td>
<td>1,009</td>
</tr>
<tr>
<td>Pay Audio</td>
<td>259</td>
<td>963</td>
<td>1,381</td>
<td>2,603</td>
<td>304</td>
<td>1,049</td>
<td>1,455</td>
<td>2,808</td>
</tr>
<tr>
<td>Internet</td>
<td>433</td>
<td>3,148</td>
<td>4,106</td>
<td>7,687</td>
<td>246</td>
<td>1,860</td>
<td>2,423</td>
<td>4,529</td>
</tr>
<tr>
<td>AV Online</td>
<td>237</td>
<td>3,332</td>
<td>4,299</td>
<td>7,888</td>
<td>407</td>
<td>5,892</td>
<td>7,718</td>
<td>14,017</td>
</tr>
<tr>
<td>Satellite Radio</td>
<td>1,123</td>
<td>4,448</td>
<td>6,343</td>
<td>11,914</td>
<td>1,076</td>
<td>3,876</td>
<td>5,667</td>
<td>10,619</td>
</tr>
<tr>
<td></td>
<td>38,087</td>
<td>87,895</td>
<td>91,726</td>
<td>217,708</td>
<td>35,578</td>
<td>84,739</td>
<td>88,712</td>
<td>209,029</td>
</tr>
<tr>
<td>International Affiliated Societies</td>
<td>56,729</td>
<td>7,049</td>
<td>1,197</td>
<td>64,975</td>
<td>49,612</td>
<td>9,542</td>
<td>1,057</td>
<td>60,211</td>
</tr>
<tr>
<td></td>
<td>94,816</td>
<td>94,944</td>
<td>92,923</td>
<td>282,683</td>
<td>85,190</td>
<td>94,281</td>
<td>89,769</td>
<td>269,240</td>
</tr>
<tr>
<td>Distributions in Advance of Normal Payment Date</td>
<td>2,856</td>
<td>2,859</td>
<td>-</td>
<td>5,715</td>
<td>2,429</td>
<td>2,690</td>
<td>-</td>
<td>5,119</td>
</tr>
<tr>
<td></td>
<td>97,672</td>
<td>97,803</td>
<td>92,923</td>
<td>288,398</td>
<td>87,619</td>
<td>96,971</td>
<td>89,769</td>
<td>274,359</td>
</tr>
<tr>
<td>Private Copying</td>
<td>240</td>
<td>200</td>
<td>189</td>
<td>629</td>
<td>580</td>
<td>356</td>
<td>925</td>
<td>1,861</td>
</tr>
<tr>
<td>Total Distributions</td>
<td>97,912</td>
<td>98,003</td>
<td>93,112</td>
<td>289,027</td>
<td>88,199</td>
<td>97,327</td>
<td>90,694</td>
<td>276,220</td>
</tr>
</tbody>
</table>

**Equity Investment Loss on Investment**

In 2016 SOCAN through its wholly owned subsidiary MINT Services Corporation (“MINT”), acquired MediaNet and Audiam to enable SOCAN to fulfil its strategic plan’s vision to lead the global transformation of music rights. During 2016, the equity investment loss in subsidiary was $10.3-million (2015: $0.2-million). The loss comprises of the costs associated with the due-diligence and performance of the subsidiaries following acquisition. 2016 was the first year with these subsidiaries in the SOCAN group of companies and management is confident that future years will deliver the benefits that were envisioned in the business cases and ultimately will enable that initial loss to be compensated with future profits. In any event, the 2016 loss remains within MINT and does not impact SOCAN’s accounts and distributions.
INDEPENDENT AUDITORS' REPORT

To the Members of Society of Composers, Authors and Music Publishers of Canada

We have audited the accompanying non-consolidated financial statements of Society of Composers, Authors and Music Publishers of Canada, which comprise the non-consolidated statement of financial position as at December 31, 2016, the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the non-consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the non-consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the non-consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the non-consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of Society of Composers, Authors and Music Publishers of Canada as at December 31, 2016, and its non-consolidated results of operations and its non-consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

[Signature]

Chartered Professional Accountants, Licensed Public Accountants

May 25, 2017
Vaughan, Canada
SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

Non-Consolidated Statement of Financial Position
(In thousands of dollars)

December 31, 2016, with comparative information for 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>$ 22,565</td>
<td>$ 22,725</td>
</tr>
<tr>
<td>License fees receivable</td>
<td>15,050</td>
<td>9,047</td>
</tr>
<tr>
<td>Other receivables and assets (notes 8 and 9)</td>
<td>2,283</td>
<td>3,449</td>
</tr>
<tr>
<td>Advances to subsidiary (note 8)</td>
<td>14,469</td>
<td>-</td>
</tr>
<tr>
<td>Investments (note 2)</td>
<td>138,110</td>
<td>157,804</td>
</tr>
<tr>
<td></td>
<td>192,477</td>
<td>193,025</td>
</tr>
<tr>
<td>Capital assets (note 3)</td>
<td>30,973</td>
<td>26,658</td>
</tr>
<tr>
<td>Accrued employee future benefit asset (note 4)</td>
<td>19,055</td>
<td>20,255</td>
</tr>
<tr>
<td></td>
<td>$ 242,505</td>
<td>$ 239,938</td>
</tr>
<tr>
<td><strong>Liabilities and Net Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and other liabilities (note 5)</td>
<td>$ 8,585</td>
<td>$ 8,559</td>
</tr>
<tr>
<td>License fees received in advance</td>
<td>4,542</td>
<td>2,707</td>
</tr>
<tr>
<td>Equity investment loss in subsidiary (note 8)</td>
<td>10,533</td>
<td>195</td>
</tr>
<tr>
<td></td>
<td>23,660</td>
<td>11,461</td>
</tr>
<tr>
<td>Accrued employee future benefit liability (note 4)</td>
<td>6,437</td>
<td>6,551</td>
</tr>
<tr>
<td>Royalties owing to music copyright owners (members and affiliated societies):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>From distributions allocated</td>
<td>5,583</td>
<td>4,633</td>
</tr>
<tr>
<td>From distribution fund (note 6)</td>
<td>184,913</td>
<td>183,313</td>
</tr>
<tr>
<td></td>
<td>190,496</td>
<td>187,946</td>
</tr>
<tr>
<td><strong>Net assets:</strong></td>
<td>220,593</td>
<td>205,958</td>
</tr>
<tr>
<td>Internally restricted (note 7)</td>
<td>23,005</td>
<td>32,159</td>
</tr>
<tr>
<td>Remeasurements and other items (note 4)</td>
<td>(1,093)</td>
<td>1,821</td>
</tr>
<tr>
<td></td>
<td>21,912</td>
<td>33,980</td>
</tr>
<tr>
<td><strong>Commitments and contingencies (note 11)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guarantee (note 12)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 242,505</td>
<td>$ 239,938</td>
</tr>
</tbody>
</table>

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

[Signature] Director

[Signature] Director
### SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

Non-Consolidated Statement of Operations
(In thousands of dollars)

Year ended December 31, 2016, with comparative information for 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees from Canadian licensees</td>
<td>$262,549</td>
<td>$242,969</td>
</tr>
<tr>
<td>Royalties received from international affiliated societies</td>
<td>67,013</td>
<td>62,733</td>
</tr>
<tr>
<td>Private copying royalties</td>
<td>480</td>
<td>1,940</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>330,042</td>
<td>307,642</td>
</tr>
</tbody>
</table>

Expenses and other income:
- Administrative expenses (44,526) (43,912)
- Investment and other income (note 10) 6,295 15,823
- Equity investment profit (loss) in subsidiary (note 8) (10,338) 6

Total distributable income 281,473 279,559

Allocated to royalties owing to music copyright owners (note 6) 290,627 269,215

Unallocated income (loss) $ (9,154) $ 10,344

See accompanying notes to non-consolidated financial statements.
### Non-Consolidated Statement of Changes in Net Assets

(In thousands of dollars)

Year ended December 31, 2016, with comparative information for 2015

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Internally restricted</td>
<td>Remeasurements and other items</td>
</tr>
<tr>
<td>Net assets, beginning of year</td>
<td>$32,159 (note 7)</td>
<td>$1,821 (note 4)</td>
</tr>
<tr>
<td>Unallocated income (loss)</td>
<td>(9,154)</td>
<td>–</td>
</tr>
<tr>
<td>Remeasurements and other items (note 4)</td>
<td>–</td>
<td>(2,914)</td>
</tr>
<tr>
<td>Net assets, end of year</td>
<td>$23,005</td>
<td>$(1,093)</td>
</tr>
</tbody>
</table>

See accompanying notes to non-consolidated financial statements.
### Non-Consolidated Statement of Cash Flows
(In thousands of dollars)

**Year ended December 31, 2016, with comparative information for 2015**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash provided by (used in):</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operating activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unallocated income (loss)</td>
<td>$(9,154)</td>
<td>$10,344</td>
</tr>
<tr>
<td>Increase (decrease) in royalties owing to music copyright owners</td>
<td>2,550</td>
<td>(7,917)</td>
</tr>
<tr>
<td>Employer future benefit contributions</td>
<td>(2,390)</td>
<td>(14,169)</td>
</tr>
<tr>
<td>Items not involving cash:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amortization of capital assets</td>
<td>3,963</td>
<td>3,096</td>
</tr>
<tr>
<td>Net realized gain on sale of investments</td>
<td>(1,026)</td>
<td>(156)</td>
</tr>
<tr>
<td>Net unrealized gain on investments</td>
<td>(2,296)</td>
<td>(11,853)</td>
</tr>
<tr>
<td>Equity investment loss (profit) in subsidiary</td>
<td>10,338</td>
<td>(6)</td>
</tr>
<tr>
<td>Employee future benefits expense</td>
<td>562</td>
<td>1,316</td>
</tr>
<tr>
<td>Change in non-cash operating working capital</td>
<td>(2,976)</td>
<td>(1,344)</td>
</tr>
<tr>
<td></td>
<td>(429)</td>
<td>(20,689)</td>
</tr>
<tr>
<td><strong>Investing activities:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advances to subsidiary, net</td>
<td>(14,469)</td>
<td>–</td>
</tr>
<tr>
<td>Purchase of capital assets</td>
<td>(8,278)</td>
<td>(8,373)</td>
</tr>
<tr>
<td>Decrease in investments, net</td>
<td>23,016</td>
<td>6,939</td>
</tr>
<tr>
<td></td>
<td>269</td>
<td>(1,434)</td>
</tr>
<tr>
<td><strong>Decrease in cash</strong></td>
<td>(160)</td>
<td>(22,123)</td>
</tr>
<tr>
<td><strong>Cash, beginning of year</strong></td>
<td>22,725</td>
<td>44,848</td>
</tr>
<tr>
<td><strong>Cash, end of year</strong></td>
<td>$22,565</td>
<td>$22,725</td>
</tr>
</tbody>
</table>

See accompanying notes to non-consolidated financial statements.
SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

Notes to Non-Consolidated Financial Statements
(In thousands of dollars)

Year ended December 31, 2016

Society of Composers, Authors and Music Publishers of Canada ("SOCAN") is a not-for-profit organization, incorporated without share capital. SOCAN was previously incorporated under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act on July 2, 2014. SOCAN, which administers, for copyright-protected musical works, the right to perform in public and to communicate to the public by telecommunication in Canada. SOCAN collects license fees on behalf of music copyright owners pursuant to tariffs proposed by SOCAN, and approved by a quasi-judicial federal tribunal, the Copyright Board. Licensees can and do object to proposed tariffs, and public hearings can be, and are, held at which SOCAN acts to support the rights of its members and international affiliates. SOCAN also has reciprocal contracts of affiliation with similar societies throughout the world, which provide for the exchange of copyright royalties. Total revenue, net of operating expenses and internally restricted amounts (note 7), is distributed to members and to affiliated societies on account of their members pursuant to distribution rules approved by the Board of Directors. Amounts generally become distributable upon receipt of the related fees and royalties.

SOCAN is a not-for-profit organization under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

SOCAN Foundation - Fondation SOCAN (the "Foundation") is a not-for-profit organization under the Income Tax Act (Canada) and was continued under the Canada Not-for-profit Corporations Act on September 17, 2014. The Foundation is set up to promote and further the publication, recording, distribution and performance of music generally in Canada. SOCAN has the ability to control the Foundation by virtue of common membership in the Boards of Directors of the two organizations. The Foundation is not consolidated in these financial statements. Refer to note 9.

On December 21, 2011, 7978766 Canada Association was incorporated as a not-for-profit organization without share capital under the Canada Not-for-profit Corporations Act and commenced operations in February 2012. The business name was registered on February 28, 2013 as Canadian Songwriters Hall of Fame ("CSHF"). CSHF has one member, being SOCAN. CSHF’s mandate is to honour and celebrate Canadian songwriters and those who have dedicated their lives to the legacy of music, and to educate the public about these achievements. CSHF is not consolidated in these financial statements and is not significant to disclose.
1. Significant accounting policies:

These non-consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

(a) Subsidiaries:

SOCAN accounts for its wholly-owned subsidiary, MINT Services Corporation, using the equity method.

(b) Recognition of fees and royalties:

Fees from Canadian licensees, royalties from international affiliated societies and private copy royalties are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. SOCAN has elected to carry all its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.
1. **Significant accounting policies (continued):**

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, SOCAN determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount SOCAN expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) **Cash:**

Cash includes $22,220 (2015 - $10,707) of cash on hand that is used for day to day operations and $345 (2015 - $12,018) that is in a high interest bearing cash account that is used specifically for distribution purposes.

(e) **Investment income:**

Investment income, which is recorded on an accrual basis, includes interest income, dividends, net realized gain (loss) on sale of investments and net unrealized gain (loss) on investments.

(f) **Capital assets:**

Capital assets, other than land and artwork, are carried at cost less accumulated amortization. Land and artwork are carried at cost. Capital assets are amortized on a straight-line basis over their estimated useful lives. Annual amortization rates used are as follows:

<table>
<thead>
<tr>
<th>Capital Asset</th>
<th>Annual Amortization Rate(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building and building improvements</td>
<td>3.70%</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>20.0% - 33.3%</td>
</tr>
<tr>
<td>Computer software</td>
<td>10.0% - 20.0%</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>10.0%</td>
</tr>
</tbody>
</table>
1. Significant accounting policies (continued):

(g) Impairment of long-lived assets:

Long-lived assets, including capital assets and intangible assets subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

(h) Employee future benefits:

SOCAN offers a pension plan with a defined benefit provision and a defined contribution provision, which between them cover substantially all employees of SOCAN. Employees joining SOCAN after January 1, 2009 are not eligible to join the defined benefit provision plan.

The cost of pensions earned by employees is actuarially determined using the projected benefit method prorated on service and best estimates of expected plan investment performance, salary escalation and retirement ages with appropriate margins for adverse deviation. SOCAN accrues its obligations under the defined benefit plan as the employees render the services necessary to earn the pension and other retirement benefits. The actuarial determination of the accrued benefit obligation for the defined benefit plan is based on the January 1, 2016 funding valuation, extrapolated to December 31, 2016. The measurement date of the plan assets and accrued benefit obligation coincides with SOCAN’s fiscal year. The next required valuation will be no later than January 1, 2019.

Actuarial gains (losses) on plan assets arising from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period are immediately recognized in the non-consolidated statement of changes in net assets. Actuarial gains (losses) on the accrued benefit obligation arising from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation are immediately recognized in the non-consolidated statement of changes in net assets.

Past service costs arising from plan amendments are immediately recognized in the non-consolidated statement of changes in net assets.

The cost of the defined contribution provision is based on a percentage of the employee's pensionable earnings.
Notes to Non-Consolidated Financial Statements (continued)  
(In thousands of dollars)  

Year ended December 31, 2016  

1. Significant accounting policies (continued):  

Prior to January 1, 2015, SOCAN sponsored a supplementary non-registered plan ("SERP") for its executives that was actuarially determined using an accounting valuation. The SERP was not previously funded. Effective January 1, 2015, SOCAN elected to pre-fund the SERP benefits for its executives through a Registered Retirement Compensation Arrangement, as defined under the Income Tax Act. The cost of the SERP is actuarially determined using the January 1, 2015 funding valuation which incorporates best estimates of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors, including appropriate margins for adverse deviation. The measurement date of the plan assets and accrued benefit obligation of the SERP coincides with SOCAN's fiscal year. The next required valuation will be no later than January 1, 2018.

Actuarial gains (losses) on plan assets arising from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period are immediately recognized in the non-consolidated statement of changes in net assets. Actuarial gains (losses) on the accrued benefit obligation arising from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation are immediately recognized in the non-consolidated statement of changes in net assets.

SOCAN sponsors a retirement medical benefit plan, which provides certain benefits to retired employees and their dependants. The benefits include medical services and dental. The cost of these benefits is actuarially determined using an accounting valuation, prorated on service and management's best estimate of retirement ages of employees, expected health care costs and discount rate. The retirement medical benefit plan is not funded.

(i) Translation of foreign currencies:

SOCAN has investments denominated in foreign currencies which have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Gains and losses have been translated using exchange rates prevailing on transaction date.
1. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of non-consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the non-consolidated financial statements and the reported amounts of income and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and asset and obligation related to employee future benefits. Actual results could differ from those estimates.

2. Investments:

The fair values of investments are as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term investments</td>
<td>$ 516</td>
<td>$ 772</td>
</tr>
<tr>
<td>Pool funds:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed income</td>
<td>61,137</td>
<td>84,514</td>
</tr>
<tr>
<td>Foreign equities</td>
<td>53,733</td>
<td>52,351</td>
</tr>
<tr>
<td>Foreign floating rate bank loan</td>
<td>8,795</td>
<td>8,538</td>
</tr>
<tr>
<td>Global infrastructure securities</td>
<td>7,865</td>
<td>7,078</td>
</tr>
<tr>
<td>Segregated fund:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Domestic equities</td>
<td>6,064</td>
<td>4,551</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 138,110</strong></td>
<td><strong>$ 157,804</strong></td>
</tr>
</tbody>
</table>

Short-term investments consist of short-term bonds and guaranteed investment certificates bearing interest at 0.93% - 2.47% and maturing on January 18, 2017 to March 9, 2017 (2015 - 0.74% - 1.10% and maturing on February 3, 2016 to March 4, 2016).

Investments totalling $60,000 (2015 - nil) have been guaranteed to the bank as described in note 12.
3. Capital assets:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$ 3,073</td>
<td>–</td>
<td>$ 3,073</td>
<td>$ 3,073</td>
</tr>
<tr>
<td>Building and building improvements</td>
<td>14,822</td>
<td>9,771</td>
<td>5,051</td>
<td>5,560</td>
</tr>
<tr>
<td>Leasehold improvements</td>
<td>916</td>
<td>174</td>
<td>742</td>
<td>814</td>
</tr>
<tr>
<td>Furniture, fixtures and equipment</td>
<td>10,842</td>
<td>8,444</td>
<td>2,398</td>
<td>2,577</td>
</tr>
<tr>
<td>Computer software</td>
<td>19,978</td>
<td>5,618</td>
<td>14,360</td>
<td>6,964</td>
</tr>
<tr>
<td>Computer software under development</td>
<td>5,253</td>
<td>–</td>
<td>5,253</td>
<td>7,574</td>
</tr>
<tr>
<td>Artwork</td>
<td>96</td>
<td>–</td>
<td>96</td>
<td>96</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$ 54,980</td>
<td>$ 24,007</td>
</tr>
<tr>
<td></td>
<td>$ 30,973</td>
<td>$ 26,658</td>
</tr>
</tbody>
</table>

Amortization charges included in administrative expenses amounted to $3,963 (2015 - $3,096). Disposals include $36 (2015 - $301) of fully amortized assets.

4. Employee future benefits:

(a) Information about SOCAN's employee benefit plans (excluding the defined contribution portion of the pension plan), in aggregate, is as follows:

<table>
<thead>
<tr>
<th>Pension plan</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued benefit obligations</td>
<td>$ 50,064</td>
<td>$ 51,458</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>69,119</td>
<td>71,713</td>
</tr>
<tr>
<td>Funded surplus</td>
<td>$ 19,055</td>
<td>$ 20,255</td>
</tr>
</tbody>
</table>
Notes to Non-Consolidated Financial Statements (continued)
(In thousands of dollars)
Year ended December 31, 2016

4. Employee future benefits (continued):

<table>
<thead>
<tr>
<th>SERP</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued benefit obligations</td>
<td>$ 15,354</td>
<td>$ 15,113</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>13,231</td>
<td>12,860</td>
</tr>
<tr>
<td>Plan deficit</td>
<td>$ (2,123)</td>
<td>$ (2,253)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Retirement medical benefit plan</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrued benefit obligations</td>
<td>$ 4,314</td>
<td>$ 4,298</td>
</tr>
<tr>
<td>Fair value of plan assets</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Plan deficit</td>
<td>$ (4,314)</td>
<td>$ (4,298)</td>
</tr>
</tbody>
</table>

Continuity of the accrued benefit liability (asset) is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Pension plan</td>
<td>SERP</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$ (20,255)</td>
<td>$ 2,253</td>
</tr>
<tr>
<td>Benefit expenses</td>
<td>(51)</td>
<td>345</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>(1,118)</td>
<td>(1,078)</td>
</tr>
<tr>
<td>Remeasurements and other items</td>
<td>2,369</td>
<td>603</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$ (19,055)</td>
<td>$ 2,123</td>
</tr>
</tbody>
</table>

During the year, SOCAN settled a portion of its obligation to current pensioners of the pension plan by purchasing annuities in the amount of $6,579 (2015 - $5,010). SOCAN incurred a settlement loss of $2,101 (2015 - $1,410) which has been recognized in remeasurements and other items in the non-consolidated statement of changes in net assets.

(b) The contributions paid and expensed by SOCAN under the defined contribution portion of the pension plan for the year amounted to $292 (2015 - $243).
5. Accounts payable and other liabilities:

Included in accounts payable and other liabilities are government remittances payable of $1,547 (2015 - $2,311), which includes amounts payable for harmonized sales tax and payroll-related taxes.

6. Royalties owing to music copyright owners:

The availability of funds for distribution is dependent upon the realization of assets at not less than their carrying values in the financial statements.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Performing rights</td>
<td>Private copying</td>
</tr>
<tr>
<td>Balance, beginning of year</td>
<td>$182,805</td>
<td>$508</td>
</tr>
<tr>
<td>Distributable income</td>
<td>290,215</td>
<td>412</td>
</tr>
<tr>
<td>Distributions</td>
<td>(288,398)</td>
<td>(629)</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$184,622</td>
<td>$291</td>
</tr>
</tbody>
</table>
7. Internally restricted net assets:

SOCAN distributes all of its income to music copyright owners through an allocation (note 6), except for certain items which the Board of Directors has approved to remain unallocated. These items include investment income, net unrealized gain on investments, net realized gain on sale of investments, equity investment profit (loss) in subsidiary and certain other items related to pension accounting. The unallocated items described above comprise SOCAN’s non-consolidated internally restricted net asset balance.

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance, beginning of year</td>
<td>$32,159</td>
<td>$21,815</td>
</tr>
<tr>
<td>Net realized gain on sale of investments</td>
<td>1,026</td>
<td>156</td>
</tr>
<tr>
<td>Net unrealized gain on investments</td>
<td>2,296</td>
<td>11,853</td>
</tr>
<tr>
<td>Amortization of internally generated computer software</td>
<td>(1,138)</td>
<td>(671)</td>
</tr>
<tr>
<td>Investment gains allocated to distribution</td>
<td>(1,000)</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Equity investment profit (loss) in subsidiary</td>
<td>(10,338)</td>
<td>6</td>
</tr>
<tr>
<td>Balance, end of year</td>
<td>$23,005</td>
<td>$32,159</td>
</tr>
</tbody>
</table>

8. MINT Services Corporation (“MINT”):

MINT was incorporated under the Ontario Business Corporations Act and commenced operations on February 12, 2013. MINT provides back office services, specifically payments for third-party advertising revenues and operates music rights administration and fulfilment services through its subsidiary, MINT USA, Inc. (“MINT USA”). MINT USA was incorporated on April 11, 2016.

At December 31, 2016, assets, liabilities and shareholder’s deficiency of MINT were $72,537, $82,898 and ($10,361) (2015 - $210, $405 and ($195)), respectively.

Revenue for the year ended December 31, 2016 was $7,855 (2015 - $144) and expenditures for the year were $18,193 (2015 - $138).

Cash flows from (used in) operating, financing and investing activities were ($10,777), $51,614 and ($35,227) (2015 - $12, ($112) and nil), respectively.
8. **MINT Services Corporation ("MINT") (continued):**

Financial statements of the subsidiary are available upon request.

During the year, SOCAN executed a demand promissory note with MINT to provide principal funds up to $23,000. At year end, $14,469 was advanced. The funds are unsecured, non-interest bearing and due on demand. At December 31, 2016, SOCAN has agreed to provide continued financial support to the subsidiary to ensure third party obligations are met when due. SOCAN has agreed not to demand repayment of the outstanding advance until after December 31, 2017.

The equity investment loss in MINT of $10,533 (2015 - $195) represents the net cumulative loss (earnings) as at December 31, 2016.

SOCAN provides administrative, support services and facilities to MINT in return for a fee. Amounts charged to MINT by SOCAN during the year amounted to $244 (2015 - $85). Included in other receivables and assets is $ 947 (2015 - $383) that remains collectible at year end.

9. **SOCAN Foundation:**

Included in administrative expenses is $1,549 (2015 - $1,516) in funding provided to the Foundation. Included in other receivables and assets is $7 (2015 - nil) owing from the Foundation.

A summary of the financial information for the Foundation for the years ended December 31, 2016 and 2015 is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$5,688</td>
<td>$5,873</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>696</td>
<td>734</td>
</tr>
<tr>
<td>Net assets</td>
<td>$4,992</td>
<td>$5,139</td>
</tr>
<tr>
<td>Revenue</td>
<td>$1,737</td>
<td>$1,854</td>
</tr>
<tr>
<td>Expenses</td>
<td>(1,884)</td>
<td>(1,767)</td>
</tr>
<tr>
<td>Excess of revenue over expenses (expenses over revenue)</td>
<td>$ (147)</td>
<td>$ 87</td>
</tr>
</tbody>
</table>
10. Investment and other income:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest income</td>
<td>$1,249</td>
<td>$2,727</td>
</tr>
<tr>
<td>Dividend income</td>
<td>1,139</td>
<td>1,263</td>
</tr>
<tr>
<td>Miscellaneous income</td>
<td>804</td>
<td>126</td>
</tr>
<tr>
<td>Net realized gain on sale of investments</td>
<td>1,026</td>
<td>156</td>
</tr>
<tr>
<td>Net unrealized gain on investments</td>
<td>2,296</td>
<td>11,853</td>
</tr>
<tr>
<td>Brokerage and investment consulting fees</td>
<td>(219)</td>
<td>(302)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6,295</strong></td>
<td><strong>$15,823</strong></td>
</tr>
</tbody>
</table>

11. Commitments and contingencies:

(a) SOCAN has various operating lease commitments for branch office premises, vehicles and office equipment. The future minimum lease payments, inclusive of maintenance costs and realty taxes, for years subsequent to December 31, 2016, are as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$363</td>
</tr>
<tr>
<td>2018</td>
<td>311</td>
</tr>
<tr>
<td>2019</td>
<td>250</td>
</tr>
<tr>
<td>2020</td>
<td>242</td>
</tr>
<tr>
<td>2021</td>
<td>258</td>
</tr>
<tr>
<td>Thereafter</td>
<td>1,059</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$2,483</strong></td>
</tr>
</tbody>
</table>

(b) SOCAN is party to legal actions arising in the normal course of operations. While it is not feasible to predict the outcome of these actions, it is the opinion of management that the resolution of these matters will not have a material adverse effect on operations.

In addition, the Copyright Board does not always have certified tariffs for current years. If SOCAN files proposed tariffs in accordance with the Copyright Act, then the last certified tariff continues to operate on an interim basis and SOCAN may collect royalties in accordance with the previous tariff until the proposed tariff is approved. The certified tariff may be different from the interim tariffs and could cause an adjustment to fees from Canadian licensees. This adjustment, if any, will be recorded in the year in which the tariff decision is published.
11. Commitments and contingencies (continued):

(c) SOCAN has a Retirement Compensation Arrangement Trust Agreement with CIBC Mellon Trust Company to secure all or a portion of the payments required under the pension plan by letters of credit totalling $3,100.

12. Guarantee:

During the year, MINT USA, Inc., a subsidiary company of MINT, entered into a credit facility agreement. Under the terms of the credit facility agreement, SOCAN is required to provide an unlimited guarantee and postponement of claim supported by the following:

(a) a general security agreement constituting a security interest in all personal property of SOCAN;

(b) pledge agreements with respect to the investment portfolio of securities held in the accounts maintained with two financial institutions; and

(c) a portfolio monitoring and securities control agreement signed by the Bank, SOCAN and the custodian pursuant to which the custodian agrees, *inter alia*, that it will not permit the amounts to be removed from the investment accounts if the result of such removal would be to reduce the aggregate market value of the qualifying investments held in the investment accounts to less than $60,000. The amount will be reviewed annually by the Bank and adjusted downwards to reflect the principal payments made against the borrowings as of the date of each review.

13. Financial risk and concentration risk:

Financial risk relates to the understanding and active management of risks associated with all areas of the business and the associated operating environment. Investments are primarily exposed to interest rate, market price and foreign currency risks. SOCAN has formal policies and procedures that establish target asset mix. SOCAN's policies also require diversification of investments within categories, and set limits on exposure to individual investments. There has been no change in risk exposure from the prior year.
13. Financial risk and concentration risk (continued):

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. SOCAN is exposed to credit risk with respect to license fees receivable. SOCAN assess, on a continuous basis, license fees receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(b) Interest rate risk:

SOCAN is exposed to interest rate risk on its fixed interest rate financial instruments.

(c) Market price risk:

Market price risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose SOCAN to a risk of loss. SOCAN mitigates this risk through controls to monitor and limit concentration levels.

(d) Foreign currency risk:

SOCAN is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. Foreign currency risk arises from gains and losses due to fluctuations in foreign currency exchange rates on SOCAN’s foreign equity securities. SOCAN does not currently enter into forward contracts to mitigate this risk.

14. Comparative information:

Certain comparative information have been reclassified to conform with the financial statement presentation adopted in the current year.
In 2016, the Membership team built on the previous year’s momentum, introducing new technology and applications for our members to maximize their royalty payments. We played an even more integral role in our members’ careers, and renewed our commitment to recruit, retain, and deliver gold-level services to our members.

Led by our A&R team, we retained important globally successful members (that helped drive SOCAN’s record foreign revenue), and brought several back into the SOCAN fold. We’re also creating new connections between members, as well as career and business opportunities for them that would in all likelihood not happen without our efforts.

In 2016, we introduced a newly designed online writer application. Music creators are now able to join SOCAN in a few easy steps, thus saving them valuable time and effort, and allowing SOCAN to commit more money and resources elsewhere. The new process has saved us the cost of postage and much longer administrative time, ultimately allowing us to put that money back into our members’ pockets.

A key part of our A&R strategy is to nurture the creator and publisher ecosystem through creative development opportunities. Song camps played a major role in our 2016 success, and over the last two years we’ve produced three SOCAN Kenekt camps (two English in Nova Scotia and one French in Québec), “SOCAN on the Farm” in British Columbia and SOCAN Song Houses at the East Coast Music Awards and Breakout West (led by famed songwriter Ralph Murphy).

Additionally, SOCAN partnered to secure SOCAN member participation in three of the prestigious Black Rock Camps in Santorini, the High Coast Songwriting Camp in Sweden, and three Merge Camps in Toronto. Through these efforts, we’ve seen upwards of 100 songwriters benefit, creating more than 200 songs. Roughly 35 per cent of the participants are signed to domestic publishers.
Songwriting camps have generated multiple pitches, several “holds,” cuts, and singles, and SOCAN’s publisher members played a valuable role to help garner interest in these new songs. But on a different level, these camps offer unique experiences that bond the writers, not only to each other, but to SOCAN—which is a very powerful tool for retention. It’s become a common story by now for a songwriter to tell us how a camp actually changed their life, and their perspective on the craft. Five days of working, eating, and bonding with like-minded creative people provide a unique experience that’s hard to match in a different setting. Writers often feel like they’ve finally found their tribe, the place where they fit in—and SOCAN is a part of that place.

We continue to work for all our publisher members. In 2016, SOCAN launched our API suite, an application program interface (API) portal designed specifically for music publishers and software application developers who want to harness the power of SOCAN’s database technology. SOCAN’s initial APIs connect music publishers’ copyright management systems directly to SOCAN’s system, avoiding the duplication of efforts, and enabling faster and more efficient royalty payments to their clients. With millions of works streaming through SOCAN’s databases, publishers can now more efficiently get their clients paid for live performances, and register new musical works. While this is the first release in the API series, future APIs will allow developers to create software applications to upload music, register memberships, and identify songs and compositions.

As COO Jeff King mentions in his report, we introduced a leading-edge proprietary software, Royalty Guru, giving our members greater transparency, and access to high-quality, flexible analytics tools to assess and monitor their royalties. Now, SOCAN members can determine where and how their music is being performed globally, and make more intelligent and informed decisions about their business and music career.

SOCAN’s almost 150,000 members are counting on us to evolve ever more rapidly to continue our excellent track record of meeting, and exceeding, their needs and expectations. We continue to ensure that SOCAN remains globally competitive through our member recruitment and retention efforts.

In 2016, Membership continued its “Get Set. Get Paid!” campaign, launched in 2015, to simplify and increase set list submissions from members, so they get paid more. As a result, from 2014 to 2016, the number of Notice of Live Music Performance (NLMP) forms submitted to SOCAN online rose 11 per cent, to 24,567 submissions.
Membership Greatest Hits:

- Forty per cent increase in new member applications in 2016 over 2015.
- Our royalty tracking efforts resulted in an additional $1-million put into our members’ pockets.
- In 2016, SOCAN passed the 140,000-member milestone.
- Eleven per cent increase in Notice of Live Music Performance submitted online, to 24,567 submissions.
It was another year of record domestic revenue for SOCAN. Our Licensing team collected more than $263-million, an increase of almost $20-million and almost eight per cent over 2015.

These impressive increases are the result of many more Canadians paying for online content, as subscribers to online music services tripled over the course of the year in 2016. Powered by SOCAN, this is a promising sign for the music industry.

Our general licensing and concert revenue remained stable throughout the year.

In addition to our licensing fee collection efforts, and our efforts to sign new businesses, the Licensing team delivered its phase of the BEST information technology system project, a new, fully integrated, end-to-end Enterprise Resource Planning system. The new Licensing system allows us to create new licenses, or revise terms, easily, and is fit to operate in any territory, or currency.

Our new system also allows for easier tracking of outstanding accounts, and provides enhanced capability for analytics. We’re excited about new features that allow us to more accurately track, and improve upon, our licensing activities.

We’re also excited about SOCAN’s acquisition of Audiam. With Audiam bringing digital reproduction rights for their clients to Canada, we’re now able to provide bundled rights to online music services.
SOCAN and Licensing are actively looking to work with our partners in the industry to make it easier for businesses to obtain a license to use music fairly and ethically. We’ve started working with the neighbouring rights collective, Re:Sound, and we plan to launch new services with them in 2017. We’ve also enjoyed working with various cities to have them be Licensed To Play with SOCAN, and we’ll work with industry partners to provide them with even easier methods of reporting.

Licensing Greatest Hits:

- Cable revenue, which continued to grow at an increased rate over the last few years, came out six per cent higher than the previous year.
- Online music (Tariff 22A) revenue, which experienced runaway growth, increased more than 400%.
- Online audio-visual music (Tariff 22D) revenue increased by 60%.
SOCAN’s Distribution team enjoyed its most successful year ever, with $289-million in royalties issued in 2016, of which $67-million were foreign royalties—both new record highs.

These results were achieved by continually improving the accuracy and currency of the records of more than 25-million songs in SOCAN’s repertoire, by the more than four-million songwriters, composers and music publishers from Canada and around the world that we represent in Canada.

In addition to allocating royalties to members and affiliate performing rights organizations, the Distribution team implemented a number of key strategies in 2016:

- Initiated processes to clean up and distribute for older concerts.
- Streamlined our processes and adapted to changes in the music rights landscape.
- Enhanced our technology in order to manage:
  - Online volumes in the billions, which have doubled since 2015.
  - Changes in digital services, data and processes.
  - An explosion of data and the accompanying increased demand for granular detail.
Distribution Greatest Hits:

- $289-million total royalties paid in 2016.
- $67-million foreign royalties paid to SOCAN members.
- More than 25-million songs in SOCAN’s repertoire.
- Four-million songwriters, composers, publishers worldwide.
- Distributed in 2016
  - 4.6-million traditional audiovisual performances.
  - 43.8-million radio and satellite radio performances.
  - 19.3-billion online music services performances.
  - 4.2-billion audiovisual online services performances.
  - 55,109 live concerts.
INTERNATIONAL RELATIONS

For the third straight year, the International Relations department delivered record revenue in 2016, achieving $67-million. In addition, the International Relations team continued to improve service levels, having reduced response times to queries on our members’ behalf by 50 per cent, as a result of improving the foreign-claims tracking process. Further, by improving the foreign claims follow-up and tracking process in 2016, International Relations was able to resolve a record-breaking 553 queries on our members’ behalf—an impressive increase of almost 70 per cent over 2015.

The International Relations team continues to ensure that we remain top-of-mind with our sister societies around the world by calling on them in person. In 2016, we met face-to-face with ASCAP (U.S.), BMI (U.S.), SACEM (France), GEMA (Germany), BUMA/STEMRA (Netherlands), KODA (Denmark), TONO (Norway) and TEOSTO (Finland), and a few of these several times.

These face-to-face encounters generate business intelligence, and help to ensure that our members’ revenues flow back to SOCAN even faster and more efficiently.

In addition, we attended, as observers, CISAC’s Latin American and Asia/Pacific committees, and participated in the leadership of CISAC’s Business and Technical committee.
International Relations Greatest Hits:

- $67-million in revenue.
- $1.5-million collected from queries and unidentified performances.
- Reduced wait time on queries from 90 days to 30–45 days for Tier 1 Societies (75% of all foreign queries), and from 90 days to 60 days for Tier 2 societies (17% of all foreign queries).
- Resolved 553 foreign queries on behalf of our members.
- Mining foreign distribution files, not only for missing royalties, but also to gather business intelligence regarding how societies distribute.
- Continually improving service, while maintaining staffing levels.

Collected in international royalties for Canadian-created music. Up 31% since 2013!
CANADIAN SONGWRITERS HALL OF FAME

The Canadian Songwriters Hall of Fame is a national, bilingual, non-profit organization with a mandate to honour and celebrate Canadian songwriters. Since the Canadian Songwriters Hall of Fame was brought under the SOCAN umbrella in late 2011, we’ve been rebuilding it through a number of initiatives:

- Overhauling its content-rich website; inducting songs through a partnership with the CBC, under the “Covered Classics” banner.
- Creating and maintaining a physical Hall of Fame at the National Music Centre in Calgary.
- Founding an online education program.

These programs, and the overall support offered to the Canadian Songwriters Hall of Fame by SOCAN and other organizations, have enhanced SOCAN’s reputation in the Canadian music ecosystem as an industry leader, and enabled this important institution to survive, and thrive, well into the future.

In 2016, the Hall of Fame focused on building upon its core initiatives to reinvigorate and raise public awareness of the organization and its members:

- Seven iconic Anglophone and Francophone songs were inducted through the Hall of Fame’s “Covered Classics” series. A collaboration between the Canadian Songwriters Hall of Fame and CBC/Radio-Canada, the program invites some of our nation’s brightest musical talents to each perform their version of a classic song, highlighting its induction. This year’s performers included; Ingrid Saint-Pierre, VACAY, Zaki Ibrahim, Élidge Diouf, Alex Pangman, Jane Bunnett and Ron Korb, and 2016 SOCAN Songwriting Prize winners Fast Romantics. Click here to see the covers and the full list of inducted songs.
• The Canadian Songwriters Hall of Fame now has a permanent physical home at the National Music Centre in Calgary, within Studio Bell. The $190-million, state-of-the-art museum showcases our inductees’ contributions to music, and preserves their enduring legacy. Canadian Songwriters Hall of Fame exhibitions are located on the fifth floor, along with the collections of the Canadian Music Hall of Fame, and the Canadian Country Music Hall of Fame. Exhibitions include displays of the physical awards, inductee memorabilia, and interactive databases that allow visitors to read more about inductees, and view related multimedia content. The National Music Centre opened to the public on Canada Day 2016.

• The Canadian Songwriters Hall of Fame is moving ahead with its first induction ceremony under SOCAN leadership. The production team is in place, and we’ve confirmed this year’s inductees for the show on September 23, 2017, at Massey Hall in Toronto. The bilingual ceremony will be a celebration of Canadian music; honouring some of our nation’s most prolific and influential songwriters, and will feature intimate tribute performances through a culturally diverse bill of Canadian and international recording artists.

In December, Vanessa Thomas joined the Canadian Songwriters Hall of Fame team as Manager. The Canadian Songwriters Hall of Fame will continue to build upon its 2016 successes to ensure that legendary Canadian songwriters receive the public recognition they deserve.

**Canadian Songwriter Hall of Fame Greatest Hits:**

- Seven iconic songs inducted into the Hall of Fame through Covered Classics.
- Canadian Songwriters Hall of Fame gets a new, permanent physical home within the National Music Centre’s Studio Bell in Calgary.
- Return of the Canadian Songwriters Hall of Fame Induction Ceremony at Massey Hall in 2017.
The SOCAN Foundation was established in 1992, as a distinct legal entity separate from SOCAN, to support events and projects benefitting songwriters, composers and music publishers. Details on the SOCAN Foundation’s programs and activities are available on its [website](#).

In 2016, the SOCAN Foundation provided core funding to 10 national associations, each of which ran programs that benefitted Canadian music creators and publishers. These organizations foster musical creativity, and promote better understanding of the role that music creators play in today’s society.

The SOCAN Foundation’s Board of Directors approved grants in several categories, such as music festivals, international showcasing and educational initiatives, which benefited 651 recipients.

The Foundation’s revenue is derived, in part, through funding from SOCAN, which amounted to approximately $1.75-million for the year 2016. The Foundation also earned approximately $200,000 in investment revenue from its own endowment fund and other sources. After expenses, the Foundation distributed $1.6-million to music-supporting organizations and music creators through various grants and competitions.

The SOCAN Foundation management and Board of Directors created a new five-year strategic plan, which will enable the Foundation to focus on four directions:

- Programs: Challenge and assess the Foundation’s existing programs to ensure their alignment with, and relevance to, our mission and vision.
- Connections between SOCAN and the SOCAN Foundation: Capitalize on the relationship between the two by greater alignment, coherence, and harmonization.
- The image of SOCAN Foundation in the world: Increase the visibility of the SOCAN Foundation, and enhance its credibility.
• Assuring the Future of SOCAN Foundation: Strengthen the SOCAN Foundation’s relevance, now and for the future.
• As a result of the strategic plan, the SOCAN Foundation will undergo a transformation in 2017, as it celebrates its 25th anniversary.

Foundation Greatest Hits:

• In 2016, The SOCAN Foundation received 757 grant applications and approved 651 of them – almost 86 per cent of all applicants received grants.
• More than $1.6-million in grant payments went directly to Canadian songwriters and composers through two programs: Popular Music International Showcasing and Composer Outreach Residencies.
• New strategic plan that will guide the Foundation to have greater alignment with SOCAN’s corporate strategy, and to design new programs to better support music creators and music publishers.
Two thousand and sixteen was a year of remarkable transformation for SOCAN. As SOCAN’s Chief Operating Officer, I’m responsible for our domestic and international revenue, distributions, technology, strategy and planning.

Elsewhere in our report, you’ll read about some of our specific achievements in these areas.

In addition to these operational areas of responsibility, I’m also accountable for SOCAN’s Mergers & Acquisitions activities. Throughout 2016, we saw a number of transformative acquisitions.

In May, we concluded our acquisition of MediaNet, based in Seattle, Washington. MediaNet provides music content to a variety of digital services providers all over the world. As a result of this business activity, MediaNet has a continually growing database of 65-million sound recordings.

This treasure trove of data is not only fingerprinted, but also contains metadata about the songs (data about the data). In the digital world, this information is invaluable, not just in terms of facilitating identification, but for efficient licensing. That means better matching of data, which in turn means more money going to the SOCAN members and others who have rightfully earned it.

Also in May, we launched our Royalty Guru product, which we acquired in late 2015. Royalty Guru allows our SOCAN members to analyze their earnings and thereby manage their business more effectively. In 2017, we plan to launch powerful enhancements to Royalty Guru that will add tremendous new dimensions to help our members handle their careers even more effectively.
In August, we concluded our acquisition of Audiam, a company that provides services for the monetization of YouTube, and in fact is among the world leaders in that business space. In addition, Audiam provides reproduction rights agency work in Canada and the U.S. Its expertise in the rapidly growing digital landscape is of tremendous value for SOCAN’s members.

These acquisitions have dramatically strengthened SOCAN, not just for now, but extending well into the future. The SOCAN group of companies and products now boasts a collection of data and work processes that are unparallelled in the global music ecosystem.

SOCAN is working diligently and continuously to leverage the value of these new relationships as we fulfill our vision to lead the global transformation of music rights.
Two thousand and sixteen was a very successful year for SOCAN’s Québec Affairs initiatives. As both the provincial and federal governments were reviewing their cultural policy, SOCAN submitted a brief to the Québec government that re-stated our belief in the economic importance of culture, and the need for government to embrace this reality as the underlying premise of its actions. SOCAN also invited the Québec government to keep being a player in cultural diversity forums, even more so in this era of digital dissemination. In a global market, SOCAN feels that government needs to help global players’ promotion to mainstream culture.

In 2016, SOCAN put together our first Kenekt Québec song camp. The idea of song camps hasn’t been explored much on the Francophone side, and SOCAN is now filling that gap. The camp brought together 15 SOCAN members in the remote Rabaska Lodge resort four hours north of Montréal, where for five days songwriters created new works. Each morning, four writing teams were created by the camp organizer, SOCAN A&R Executive Guillaume Moffet. For 12 hours each day the teams were tasked with creating one song each that followed certain criteria, including potential for radio play. A total of 20 songs were written and produced, one of which, “Comme les autres,” was released in April 2017 by “campers” Laurence Nerbonne and Jason Bajada.

In 2016, SOCAN presented our No. 1 Song Awards in a more public and timely fashion, with a total of 12 No. 1 awards going to our members in Québec, three presented on TV shows (Belle et Bum, La Voix and Sucré Salé), three presented to songwriter members at one of their shows, and two presented at radio shows (on CHOM and on Ici Musique). We handed out one award to Bobby Bazini only seven days after his song reached No. 1, as a surprise, live on-air presentation during CHOM-FM’s morning show. In addition to our members, we now also have even stronger connections with agents, managers and publicists, who we work with to make the presentations extra-special.
In 2016, SOCAN’s presence was stronger than ever at Québec music events. At Les Francouvertes, we created a new series, presenting quick “J’aime mes ex” sets at each of the 2016 evenings by artists who had already participated in earlier Francouvertes, and curated jointly by Francouvertes and SOCAN. At M for Montréal, we sponsored our first “M/SOCAN Official Selection Artist” at the export-ready showcasing event, in addition to presenting, once again, networking dinners for all gold-badge delegates. SOCAN Montréal office representatives also attended the Gala de l’ADISQ, Bourse Rideau, FrancoFête, Contact Ontarois, Festival en chanson de Petite-Vallée, FEQ, Ma première Place-des-arts, Dégelis, FME, Pop Montréal, the Polaris Prize Gala, FrancoFolies de Montréal, Osheaga, Canadian Music Week, South By Southwest, the JUNO Awards and many more events.

For international music events, our Québec Affairs efforts are focused on those tailored to the best “export” markets for Francophone music. In 2016, we attended Bis de Nantes (France), Chantiers des Francos (LaRochelle), Printemps de Bourges (France), Pully-Lavaux à l’heure du Québec (Switzerland), MaMA (Paris), Trans-musicales (Rennes) and Aurores Montréal (Paris). When attending, the SOCAN team works to build relationships, and create projects that help promote our members in export markets. For example, with Aurores Montréal, we announced a new program that will put together a SOCAN writer member with a writer based in France, for co-writing sessions while staying at the SOCAN House in Paris. The hope is that at least one song can be created there, and played at the December 2017 Aurores Montréal concert offered by the SOCAN member.

Québec Affairs Greatest Hits:

- Input on Quebec’s and Ottawa’s cultural policy revision processes.
- First Kenekt Québec Song Camp.
- More visible and timely No. 1 Awards presentations.
- Ongoing Québec presence at trade events, both locally and internationally.

Input on Québec and Ottawa’s cultural policy revision processes

First Kenekt Québec Song Camp

Ongoing Québec presence at trade events, both locally and internationally

More visible and timely No. 1 Awards presentations
THE 2016 SOCAN AWARDS

TORONTO

A who’s who of the Canadian music industry gathered in Toronto on June 20th to honour Canada’s most talented songwriters, composers, lyricists and music publishers at the 2016 SOCAN Awards. Sponsored by Gowling WLG, KPMG, HMV, Long & McQuade, Music Canada, Ontario Media Development Corporation and RBC, and hosted by bestselling author Dave Bidini of the Rheostatics, the SOCAN Awards recognized the lifetime and more recent achievements of Canada’s music creators and publishers.

SOCAN presented major achievement accolades to *Hockey Night in Canada* theme composer Dolores Claman (Cultural Impact Award); Canadian music industry driving force Gary Slaight (Special Achievement Award); global phenomenon The Weeknd (International Achievement Award) and his frequent co-writer Ahmad “Belly” Balshe (Songwriters of the Year); chart-topping teen Alessia Cara (Breakout Award); and multi-platinum singer-songwriter Johnny Reid (National Achievement Award). Claman, Slaight and Reid accepted their honours in-person, as did Urban Music Award winners Ebony “WondaGurl” Oshunrinde and Paul “Nineteen85” Jefferies, Pop/Rock Music Award winners Jocelyn Alice and Scott Helman, country stars Deric Ruttan and Jason Blaine, and film and TV #ComposersWhoScore Keith Power and Andrew Lockington, among many others.

SOCAN presented the Licensed To Play Award to Canadian Music Week, the first major music conference-festival to receive the Licensed To Play designation from SOCAN, confirming that its live music venues are licensed by SOCAN and firmly stand for fair music rights. CMW and its partner venues have since consistently demonstrated their dedication to music creators and sustaining the music ecosystem, and have inspired other conference-festivals to do the same.
Performers included Shawn Hook, who sang his smash hit single “Sound of Your Heart”; young sensations Lennon and Maisy Stella of the hit TV show Nashville, who sang a medley of The Weeknd songs; and Johnny Reid, who sang a passionate version of his song, “What Love Is All About.” Throughout the evening, attendees were greatly entertained by a live orchestra that highlighted the outstanding work of our film and television.

#ComposersWhoScore.

MONTRÉAL

For the second year in a row, Montréal’s iconic Métropolis venue set the stage for the annual SOCAN Awards Gala, on September 12th.

SOCAN offered major achievement honours to Stéphane Venne (Cultural Impact Award) for his legendary anthem “Le début d’un temps nouveau,” which singer-songwriters Klô Pelgag, Pierre Kwenders and Loud Lary Ajust performed together; Ariane Moffatt (Songwriter of the Year); young pop stars Cœur de Pirate and Grimes (International Award); one of Québec’s most legendary artists, Richard Séguin (Lifetime Achievement Award), a medley of whose most famous songs was performed by Patrice Michaud, Elisapie Isaac, Luce Dufault, Coral Egan and Pierre Flynn; founder of the Coup de cœur francophone music festival, Alain Chartrand (Special Achievement Award); and Ho-Tune (the very first-ever Publisher of the Year Award).

Other highlights of the Gala included a tribute to Dédé Fortin and his Colocs by Guy Bélanger and Stéphane Archambault, Jonathan Painchaud, Philippe Brach, 2Frères and Alexe Gaudreault. These last two also received SOCAN Popular Song Awards for “Nous autres” and “Placebo,” respectively. Their songs “Dédé,” “La rue Principale,” “Juste une p’tite nuit,” “Passe-moé la puck” and “Julie,” each an official SOCAN Classic, touched everyone who attended the celebration, which was hosted by SOCAN member Stéphane Archambault.

SOCAN presented The Licensed To Play Award to The City of Gatineau, for ensuring that its venues are licensed by SOCAN, showing a commitment to fair compensation for the songwriters, composers and music publishers whose music enhances the business of those venues.
The evening also recognized the exceptional contribution of #ComposersWhoScore and publishers of music for film and television, including Eduardo Noya Schreus, Rudy Toussaint, and Toussaint’s publishers, Éditions Marie Claire, ole, and Intermède Music.

**SOCAN NO. 1 SONG AWARDS IN 2016**

Throughout the year, SOCAN honours our creator and publisher members who achieve the No. 1 position on various renowned Canadian and international charts. We work to present each member, in-person, with a beautiful medallion-plaque inspired by “The SOCAN,” the trophy that we present to achievement winners at our annual awards in Toronto and Montréal. The following is the list of SOCAN members whom we honoured over 2016 with a SOCAN No. 1 Song Award. Only the songwriters and SOCAN member publishers with shares in the song at the time it was honoured are included on the list.

“Here”
“Outlaws”
“Wild Things”
“Scars to Your Beautiful”
Performer: Alessia Cara

For “Here” and “Outlaws”
Writers: Alessia Cara, Bobby Gerongco, Sammy Gerongco (and Terence Lam and Isaac Hayes on “Here” only), Warren Felder, Coleridge Tillman, Andrew Wansel

For “Wild Things”
Writers: Alessia Cara, Coleridge Tillman, James “Malay” Ho, Thabiso “Tab” Nkjereanye
Publishers: Sony/ATV Music Publishing Canada
Reached No. 1 on the MuchMusic Countdown on June 10, 2016.
For “Scars to Your Beautiful”
Writers: Alessia Cara; Warren Felder, Coleridge Tillman, Andrew Wansel
Publishers: Sony/ATV Music Publishing Canada
Reached No. 1 on the MuchMusic Countdown, on Oct. 14, 2016.

“Polaroid”
Performer: Alex Nevsky
Writers: Alex Nevsky, Gabriel Gratton and Mathieu Laliberté
Publisher: Editorial Avenue
Reached No. 1 on Québec’s BDS Top 100 and Correspondants charts in August 2016.

“Placebo”
Performer: Alexe Gaudreault
Writers: Alexe Gaudreault, John Nathaniel, Mariane Cossette-Bacon
Publisher: Productions John Nathaniel
Reached No. 1 on Québec’s BDS Top 100 chart on Oct. 6, 2015.

“Juniper”
Performer: Begonia
Writers: Alexa “Begonia” Dirks, Matthew Schellenberg
Publisher: Unpublished

“Might Not”
Performer: Belly feat. The Weeknd
Writers: Ahmad “Belly” Balshe, Abel “The Weeknd” Tesfaye, Benjamin Diehl
Publishers: SAL&CO LP, Warner Chappell Music Canada, Songs of SMP
Reached No. 1 on the MuchMusic Countdown on April 29, 2016.

“Starboy”
Performer: The Weeknd feat. Daft Punk
Reached No. 1 on the MuchMusic Countdown on Oct. 28, 2016, and the Nielsen BDS Top 100 All-Format Chart on Nov. 14, 2016.
“C’est la Vie”
Performer: Bobby Bazini
Writers: Bobby Bazini, Martin Terefe
Reached No. 1 on Québec’s BDS Correspondants Anglophone Radio chart on Dec. 20, 2016.

“Clothes Off”
Performer: Ria Mae
Writers: Ria Mae, Luke “Classified” Boyd, James Mullan
Publishers: Nettwerk One Music Canada Ltd., Ria Mae Media Ltd.
Reached No. 1 on the CBC Radio 2 Top 20 on May 26, 2015.

“What Kind of Love is That?”
Performer: Donovan Woods
Writers: Donovan Woods, Thomas Douglas
Publisher: Songtrust
Reached No. 1 on the CBC Radio 2 top 20 on March 21, 2016.

“Kenya”
Performer: Dylan Menzie
Writers: Dylan Menzie
Publishers: Unpublished
Reached No. 1 on the CBC Radio 2 top 20 chart on June 13, 2016.

“Qu’est-ce que tu dirais?”
Performer: 2Frères
Writers: Steve Marin
Publishers: Éditions du Baume, Éditions Marcha
Reached No. 1 on Québec’s BDS Top 100 chart on Dec. 1, 2015, and BDS Correspondants chart on Jan. 12, 2016.

“Together We Are One”
Performer: Serena Ryder
Writers: Jasmine Denham, Murray Daigle, Bobby John
Publishers: Bloc Notes Music Publishing, Cymba Music
Reached No. 1 on the CBC Radio 2 Top 20 on July 10, 2015.
“Talk to Me”
Performer: **Kevin Bazinet**
Writers: Massimo Izzo, Tino Izzo
Publishers: Éditions Bloc-Notes, Éditions J II Inc.
Reached No. 1 on Québec’s BDS Correspondants Anglophone Radio chart on Feb. 9, 2016.

“Karim & le Loup”
Performer: **Karim Ouellet**
Writers: Karim Ouellet, Claude Bégin
Publisher: Coyote Records
Reached No. 1 on Québec’s BDS Top 100 chart on Feb. 16, 2016.

“Celle qui chante”
Performer: **Claude Bégin**
Writers: Claude Bégin
Publisher: Coyote Records
Reached No. 1 on Québec’s BDS Correspondants chart on Nov. 10, 2015.

“Turn Your Love”
Performer: **Half Moon Run**
Writers: Isaac Symonds, Dylan Phillips, Conner Molander, Devon Portielje
Publisher: Indica Records
Reached No. 1 on the CBC Radio 2 chart the week of Oct. 30, 2015.

“Don’t Go”
Performer: **Hannah Georgas**
Writers: Hannah Georgas, Ryan Guldemond
Publishers: peermusic Canada, Universal Music Publishing Canada
Reached No. 1 on the CBC Radio 2 Top 20 on May 20, 2016.

“Credits Roll”
Performer: **Joel Plaskett**
Writers: Joel Plaskett
Publisher: Unpublished
Reached No. 1 on the CBC Radio 2 Top 20 Chart on March 18, 2015.

“Ne me laisse pas tomber”
Performer: **King Melrose**
Writers: Sébastien “King Melrose” Côté, Sylvain Michel
Publishers: Éditions Cent Noms, Éditions Deux Roues
Reached No. 1 on Québec’s BDS Correspondants chart on Feb. 28, 2016.
“Locked Away”
Performer: **Rock City feat. Adam Levine**
Publishers: (Canadian Sub-Publisher added later) Kobalt Music Publishing Ltd. Canada
Reached No. 1 on the Billboard Mainstream Top 40 on Oct. 10, 2015.

“Dark Horse”
Performer: **Katy Perry**
Writers: Henry “Cirkut” Walter, Katy Perry, Lukas “Dr. Luke” Gottwald, Max Martin, Juicy J, Sarah Hudson
Publishers: (Canadian Sub-Publisher added later) BMG Rights Management Canada
Reached No. 1 on the Billboard Hot 100 on Jan. 30, 2014.

“La moitié de tes secrets”
Performer: **Marc Dupré**
Writers: Marc Dupré, Nelson Minville
Publishers: Éditions Dama, Éditions Chansons du Suisse
Reached No. 1 on Québec’s BDS Correspondants chart on March 22, 2016.

“Shade”
“Lie Lie Lie”
Performer: **Metric**
Writers: Emily Haines, Jimmy Shaw
Publisher: BMG Rights Management Canada
Reached No. 1 on the CBC Radio 2 Top 20 Chart on June 5, 2015 (for “Shade”) and Oct. 9, 2015 (for “Lie Lie Lie”).

“La dérive”
Performer: **Raffy**
Writers: Carolyne Leblanc, Martin Gauthier, Marc-André Binette, François Mathieu
Publisher: Éditions Romast
Reached No. 1 on Québec’s BDS Correspondants chart on Oct. 20, 2015.

“Lost Boy”
Performer: **Ruth B**
Writer: Ruth B (Berhe)
Publisher: Sony/ATV Music Publishing Canada
Reached No. 1 on MuchMusic Countdown Chart on Aug. 19, 2016.
“Closer”
Performer: The Chainsmokers feat. Halsey
Writers: Shaun Frank, Ashley Frangipane, Andrew Taggart, Frederic Kennett, Joseph King, Isaac Slade
Publishers: Warner Chappell Music Canada, Regicide Entertainment Inc.
Reached No. 1 on The Billboard Hot 100 Chart, starting on Sep. 3, 2016 (and five other charts).

“Spirits”
Performer: The Strumbellas
Writers: Simon Ward, Jeremy Drury, Jonathan Hembrey, Darryl James, Isabel Ritchie, David Ritter, Joanne Setterington
Reached No. 1 on the CBC Radio 2 Top 20 on Oct. 16, 2015.

“Say It”
Performer: Tory Lanez
Writers: Tory Lanez, Andrew Wansel, Arturo Whitfield, Nicole Gilbert, Gordon Chambers, David Hall
Publisher: Universal Music Publishing Canada
Reached No. 1 on the Billboard Mainstream Hip Hop/R&B chart on Dec. 26, 2015.

“A Little Too Much”
Performer: Shawn Mendes
Writer: Shawn Mendes
Publisher: Mendes Music, Universal Music Publishing Canada
Reached No. 1 on the MuchMusic Countdown Chart on June 12, 2015.

“I Know What You Did Last Summer”
Performer: Shawn Mendes & Camila Cabello
Writers: Shawn Mendes, William Withers, Noel Zancanella, Camila Cabello, Lion of Ido
Publishers: Mendes Music, Universal Music Publishing Canada
Reached No. 1 on the MuchMusic Countdown Chart on March 18, 2016.

“Hello”
“Lose Control”
Performer: Hedley
Writers: Jacob Hoggard, Brian Howes, Jason Van Poederooyen, Jarett Holmes (for “Lose Control” only)
Reached No. 1 on the MuchMusic Countdown Chart on March 11, 2016 (“Hello”) and July 22, 2016 (“Lose Control”).
“I Really Like You” 
Performer: **Carly Rae Jepsen**
Writers: Carly Rae Jepsen, Jacob Hindlin, Peter Svensson
Publishers: Jepsen Music, Universal Music Publishing Canada
Reached No. 1 on the MuchMusic Countdown Chart on June 19, 2015.

“Amerika” 
Performer: **Wintersleep**
Writers: Loel Campbell, Tim D’Eon, Paul Murphy
Publishers: D Bones Music, Gosh Yes Music, Silly Old Songs Productions

“Saturday Night” 
Performer: **Yukon Blonde**
Writers: James Bull, Graham Jones, Jeffrey Innes, Brandon Scott
Publisher: Nettwerk One Music Canada Ltd.
Reached No. 1 on the CBC Radio 2 Top 20 chart on May 1, 2015.

“Jumpman” 
Performer: **Drake & Future**
Writers: Drake, Future, Metro Boomin
Publishers: EMI April Music Canada Ltd.

“Hotline Bling” 
Performer: **Drake**
Writers: Paul “Nineteen85” Jefferies, Timmy Thomas
Publishers: EMI April Music Canada Ltd., Nyan King Music Ltd.,

“Blame” 
Performer: **Autumn Hill**
Writers: Dave “Dwave” Thomson, Stephanie Chapman, Christian Rada
Reached No. 1 on the CMT Canada Countdown Chart on July 24, 2015.

“Raised by a Good Time” 
Performer: **Steven Lee Olsen**
Writers: Steven Lee Olsen, Cary Barlowe, Chris Stevens
Publishers: Cornman Music Publishing
Reached No. 1 on the CMT Canada Countdown Chart on Mar. 4, 2015.
“Her”  
Performer: Majid Jordan  
Writers: Majid Al Maskati, Jordan Ullman  
Publishers: Warner Chappell Music Canada Ltd., Otek South  
Reached No. 1 on the MuchMusic Countdown Chart on July 10, 2015.

“Angel”  
Performer: Theory of a Deadman  
Writers: Tyler Connolly, Dave Brenner, Dean Back, Joey Dandeneau, Jennifer Decilveo  
Publishers: Canadiana Music  
Reached No. 1 on July 6, 2015.

“Only”  
Performer: Nicki Minaj feat. Drake  
Publishers: EMI April Music  
Reached No. 1 on the Billboard R&B/Hip-Hop Songs Chart on Jan 1, 2015, and the MuchMusic Countdown Chart on Apr 17, 2015.

“Where Ya At”  
Performer: Future feat. Drake  
Writers: Drake, Future, Metro Boomin, Lil Wayne  
Publishers: EMI Music Canada  
Reached No. 1 on the MuchMusic Countdown Chart on Oct 30, 2015.

“Come On Down”  
Performer: High Valley  
Writers: Brad Rempel, Jared Crump, Frederick Wilhelm  
Publishers: Big Brave Bendito Songs, Centricity Music Publishing, Float Music  
Reached No. 1 on the CMT Canada Countdown Chart on Jan. 23, 2016.

“Came Here to Forget”  
Performer: Blake Shelton  
Writers: Deric Ruttan, Craig Wiseman  
Publishers: Warner Chappell Music Canada Ltd., Doc and Maggie Music, Thankful for This Music  
Reached No. 1 on the Billboard Country Airplay Chart on June 11, 2016.
“Be Easy”
“Real Love”
Performer: Massari
Writers: Sari “Massari” Abboud, Ahmad “Belly” Balshe, Wassim “SAL” Slaiby
Publisher: SAL&CO LP
Reached No. 1 on the MuchMoreMusic Countdown Chart on Sept. 2, 2005 (for “Be Easy”) and same chart on Jan. 27, 2006 (for “Real Love”).

“Push + Pull”
Performer: July Talk
Writers: Peter Dreimanis, Leah Fay, Josh Warburton, Daniel Miles, Ian Docherty, Thomas D’arcy
Publishers: July Talk Music Inc., Gallery AC Music
Reached No. 1 on the Nielsen BDS Modern Rock Chart on July 4, 2016.

“33 Tours”
Performer: 2Frères
Writer: Alexandre Poulin
Publisher: Les Éditions Gémeaux
Reached No. 1 on Québec’s BDS Top 100 and Correspondants charts on April 26, 2016.
THE 2016 SOCAN SONGWRITING PRIZE

The Songwriting Prize celebrated the best Canadian music written by emerging English and French songwriters over the past year. Since its original inception as the “ECHO Songwriting Prize,” the stature of the award has gone from strength to strength, and is considered throughout the Canadian music ecosystem, and beyond, as the pre-eminent prize for emerging songwriters.

For two weeks, votes were cast online for the English and French nominees’ songs. Fans voted for one of 10 songs nominated by a panel of music industry experts in each of the English- and French-language contests.

Toronto-based indie rock band Fast Romantics won the 2016 English prize for their song “Julia,” written by founding band member, group songwriter, and lead vocalist Matthew Angus. Montréalér Laurence Nerbonne achieved the equivalent Francophone prize for her song “Rêves d’été.”

Fast Romantics and Laurence Nerbonne each took home a $10,000 cash prize, along with a choice between a Seagull Artist Studio CW guitar or a Godin 5th Avenue Jazz guitar from Godin Guitars; a Yamaha PSR-S970 keyboard from Yamaha Canada; and a $500 gift card from Long & McQuade.

Fast Romantics visited the SOCAN Toronto office to be presented with their prizes, play an acoustic “SOCAN Session” for our staff, and answer some friendly questions. “We work with a lot of organizations, but SOCAN is the only one where the money flows the other way [to us]! Thank you so much. This really means a lot,” said Angus.

He added, in a SOCAN news release, “I’m surprised and thrilled to hear we’ve won this prize, and beyond honoured to have been included alongside so many spectacular Canadian songwriters. Really, everybody on the list deserved this prize. Big thanks to our fans for voting, to the folks on the panel for selecting us, and to SOCAN for continuing to do stuff like this to help inspire, promote, and protect Canadian music creators. We love ya something fierce!”
Laurence Nerbonne received her cheque and prizes during the Festival d’été de Québec. She said, “I'm really proud to receive the SOCAN Song Award for the song ‘Rêves d’été,’ but mostly really touched that people took the trouble to vote for me.” Laurence added, “I am also very pleased to receive this award from an organization that encourages music creators here and makes sure that our song rights are respected.”

The other nine nominated English songs were:

- “Black Body” – written by Benjamin Addy, Renee Wisdom; performed by Spek Won, featuring Shi Wisdom.
- “Dead or Alive” – written by Jahmarie Adams, Michael Lantz; performed by Jazz Cartier.
- “Desire” – written by Kathleen Monks, Benjamin Reinhartz, James Rowlinson, Elizabeth Ball; performed by Dilly Dally.
- “No Hurry” – written by Terra Lightfoot; performed by Terra Lightfoot; published by CCS Rights Management Corp.
- “Pen to Paper” – written by Sean Graham, Thomas “Tawgs” Salter; performed by Modern Space; published by Sony/ATV.
- “Spirits” – written by Simon Ward, Jeremy Drury, Jonathan Hembrey, Darryl G.J. James, Brian Leigh Pickett, David Ritter, Joanne Setterington, Isabel Cunningham Ritchie; performed by The Strumbellas; published by Domino Double Nine.
- “Wendell Walker” – written by Andy Shauf; performed by Andy Shauf; published by Peer International Ltd. (Canada), Music of the Mothership.
The other nine nominated French songs were:

- “Avalanches” – written and performed by Félix Dyotte; published by Coyote Records.
- “Avant de disparaître” – written and performed by Claude Bégin; published by Coyote Records.
- “Crystel” – written and performed by Philippe Brach; published by Les Éditions Equispec.
- “Igloo” – written and performed by Safia Nolin.
- “Les coûteaux à beurre” – written by Mélanie Boulay. Jean-Sébastien Houle; performed by Les soeurs Boulay; published by Les Éditions Dare to Care.
- “Les échardes” – written and performed Charlotte Cardin; published by Corico Arts Inc.
- “Olympe” – written and performed by Rosie Valland; published by Ambiances Ambiguës and David Murphy et Cie.
- “Placebo” – written by Alexe Gaudreault, John Nathaniel, Marian Cossette-Bacon; performed by Alexe Gaudreault; published by John Nathaniel Prod Inc.
- “Saratoga” – written by Chantal Archambault, Michel-Olivier Gasse; performed by Saratoga; published by Ambiances Ambiguës.

The SOCAN Songwriting Prize continues to build its reputation in both French and English as the most prestigious award for emerging Canadian songwriters, and we look forward to showcasing more of Canada’s amazing talent going forward.
WHO WE ARE

SOCAN connects more than four-million music creators worldwide and more than a quarter-million businesses and individuals in Canada. Nearly 150,000 songwriters, composers and music publishers are its direct members, and more than 130,000 organizations are Licensed To Play music across Canada. With a concerted use of progressive technology and a commitment to lead the global transformation of music rights, with wholly-owned companies Audiam and MediaNet, SOCAN is dedicated to upholding the fundamental truths that music has value and music creators and publishers deserve fair compensation for their work.

STRATEGY
SOCAN's activities are prepared and deployed within the framework of a five-year Strategic Plan, which is refreshed and renewed annually. We welcome you to read our plan.

VISION
To lead the global transformation of music rights.

BUSINESS PURPOSE
SOCAN serves and champions music creators and publishers. We advocate for them and protect their rights, license access to the world’s music, and collect and distribute royalties in Canada and around the world.

STRATEGIC OBJECTIVES

• Expansion of Rights
• Expansion of Territory
• Expansion of Business Lines
• Service Relevance: the provision of effective and efficient services
• Operational innovation
GOVERNANCE

The core to SOCAN’s operational success is a robust governance structure that helps us to maintain the trust and respect of members, licensees, employees, media and the government, and allows us to operate in an open and transparent way.

We pride ourselves on a sound governance structure that supports us in achieving our Vision and Strategic Objectives. This structure includes a Code of Conduct for Directors and a Policy on Committees of the Board. There is a regular evaluation of the CEO’s performance process by the Board and a self-assessment questionnaire completed by the directors to measure the Board’s own performance.

SOCAN provides an orientation program on Governance Policies and Procedures for new directors, and a refresher for returning directors. Directors are provided with a Resource Guide at the start of their three-year term and there are structured education and orientation sessions. While the formal interface between the Board and Management is through the CEO, there are numerous opportunities, both formal and informal, for Board members to interact with management.

For full Governance information, please visit socan.ca.
BOARD OF DIRECTORS

Back Row: Craig Horton, Nettwerk Music Publishing; Rosaire Archambault, Éditorial Avenue; Jean-Robert Bisaillon, Songwriter; Victor Davies, Composer; Glenn Morley, Composer; Robert Ott, ole; Ed Henderson, Composer; Safwan Javed, Songwriter; Denis Wolff, Ho-Tune Musique

Front Row: Patrick Curley, Third Side Music; Vivian Barclay, Warner Chappel Music Canada Ltd; Jennifer Mitchell, Casablanca Media Publishing Inc; Stan Meissner, Board President, Songwriter; Gilles Valiquette, Songwriter; Earl Rosen, de Sade Songs; Gary Furniss, Sony/ATV Music Canada Publishing

Not pictured: Marc Ouellette, Composer; Ben Mink, Songwriter
EXECUTIVE TEAM

Left to Right: Onix Belleus, Chief Financial Officer; Geneviève Côté, Chief Québec Affairs Officer; Jeff King, Chief Operating Officer; Gilles Daigle, General Counsel – Legal Services; Jennifer Brown, Vice President – Licensing; Michael McCarty, Chief Membership & Business Development Officer; Eric Baptiste, Chief Executive Officer; Andrew Berthoff, Chief Communications & Marketing Officer; Janice Scott, Vice President – Information Technology; Mike King, Vice President – Human Capital; Kit Wheeler, Vice President – Distribution; Catharine Saxberg, Vice President – International Relations
CULTURE, COMMUNITY, AND CHARITY

A common thread weaves through SOCAN: every employee loves music and believes in the rights and fair compensation of music creators and publishers. This attitude is prevalent in everything we do and heavily influences SOCAN’s company culture. Whether listening to music in the offices, playing our in-house piano (in Toronto, kindly loaned to us my member Stephan Moccio), or attending our members’ live performances, SOCAN employees’ love of music can be heard and seen everywhere.

But there’s more to SOCAN’s culture than just loving music. We also take great pride in supporting and giving back to the community in which we operate, and promoting the cultural diversity, and health and well-being of our 300-plus employees. Here are a few of the ways that SOCAN gave back to our community, charities and the environment, while fostering our workplace culture, in 2016:

Aevitas Light Bulb and Lamps Recycling
Upon completion of renovations at our head office, 233 light bulbs and lamps were diverted from landfill and donated to Aevitas, an industry leader in providing environmentally responsible, cost-effective solutions for unique waste streams.

Canadian Music Therapy Trust Fund
From our talented employees, SOCAN assembled our own “Unlicensed To Play” band to perform classic songs by our members at the annual Re:Cital Benefit Concert to raise funds for the Canadian Music Therapy Trust Fund. Almost $10,000 was raised that evening, and many SOCAN employees attended the downtown Toronto event to support their musically-talented colleagues.

Dress for Success
SOCAN employees from all offices donated new and lightly-used professional apparel to Dress for Success, a global not-for-profit organization that promotes the economic independence of disadvantaged people by providing professional attire.

Earth Day – Community Clean-Up
During SOCAN’s Earth Week activities, employees took to the surrounding community to pick up garbage and waste. Eleven large bags of waste were collected by employees from around our Toronto building alone.
Eva’s Place
During the holidays, employees who work in SOCAN’s Distribution department donated bags-full of gently-used clothing to Eva’s Place, a Toronto-based youth shelter.

Employee Health & Wellness
SOCAN’s leaders embarked on a mission to learn more about mental health issues in the workplace by completing the Queen’s Mental Health Leadership Certification. These employees have now taken their learning to a new level and act as Well-Being Ambassadors throughout the organization, promoting a mandate to reduce the stigma associated with these issues in the workplace. Additionally, our efforts were guided by a new Well-Being in the Workplace Policy, which expanded on SOCAN’s wellness programming. This policy served (and currently serves) as the foundation for SOCAN’s new Wellness Strategy (2017) and focuses on fostering good physical, financial, and mental health.

E-waste Recycling
In 2016, SOCAN’s IT department diverted waste from landfills by disposing of worn-out monitors, laptops, phones, and servers, giving them to Hi-Tech Recycling, an Ontario-based e-waste recycler. During Earth Week, we collected laptops, cellphones, phone chargers, and calculators from staff which were given to Terracycle, a company that specializes in effective waste solutions.

Muldoon’s Coffee
During Earth Week, Toronto office employees were introduced to Muldoon’s single-serve coffee machines that have eliminated wasted pots of coffee and grinds. Muldoon’s coffee pods are 100 per cent compostable and packaging is 100 per cent recyclable.

North York Harvest Food Bank
North York Harvest Food Bank, a non-profit organization that helps to feed families who are struggling, challenged Toronto employees to a fundraising goal of $500. Since SOCAN employees never back down from a challenge, we accepted and exceeded our fundraising goal, collecting a total of $1,200 and 1,500 pounds of food, through fall activities that included our annual bake sale and candygrams, and a pumpkin auction.

Paper Recycling
According to a report by Shred-It, SOCAN’s partnership with them and dedication to recycling helped save no fewer than 158 trees in 2016.

Shoe Box Project
The Shoe Box project is a charitable program that collects and distributes holiday gifts in the form of shoeboxes to women who are homeless. SOCAN staff in our Vancouver office participated in this initiative, filling a box with essential items such as socks, gloves, scarves, and hats.
Sick Kids Corporate IceWave Challenge
SOCAN colleagues, relatives and friends participated again in the annual Corporate IceWave Challenge, Toronto’s largest indoor beach volleyball tournament, in support of children receiving treatment for cancer at the Hospital for Sick Children in Toronto.

SOCAN Sessions
SOCAN Sessions help to connect employees with the songwriters, composers and music publishers we represent, who, just like them, are working towards excellence in their careers. In 2016, employees were treated to a record-breaking number of exclusive and interactive live performances by SOCAN members Kevin Parent, The Heartbroken, Andy Kim, Fast Romantics, Rosie Valland, Amylie and André Papanicolaou to name a few.

Socially Conscious
Each year, the SOCAN Social Committee organizes events to bring employees together to help build camaraderie and showcase what makes SOCAN such a great place to work. Events such as Ice Cream Day, Donut Day, Diversity Day, People.Connected.Day (an annual full day of activities), the Holiday Party, Halloween and Valentine’s Day festivities, were just some of the ways the Social Committee helped foster corporate culture in 2016 and rewarded employees for all their hard work and dedication to the company.

Take Our Kids to Work Day
Once again, SOCAN participated in The Learning Partnership’s annual Take Our Kids to Work Day, a national program with a mission to offer Grade 9 students a direct view into the workforce. Students visiting SOCAN on Nov. 9th were treated to a day filled with interactive, career-themed workshops and activities, along with an exclusive live performance by Lion Bear Fox.
Unison Benevolent Fund
In 2016, SOCAN launched its first merchandise store, with all profits going to the Unison Benevolent Fund, the non-profit, registered charity that provides counselling and emergency relief services to the Canadian music community. The SOCAN merch store unveiled a fun “Music ♥’s Everybody” campaign that has been resonating with our members and music fans.

Employees also committed personal time and fielded a team at Unison’s “Canada Rocks” curling bonspiel, where SOCAN’s “Unlicensed To Curl” team competed against the rest of the music industry over a fun-filled day. At this event, close to $12,000 was raised for the cause. SOCAN was once again a sponsor of the annual Golf4Good golf tournament to raise funds for the Unison Benevolent Fund.

SOCAN employees celebrate Diversity Day learning to Greek dance.

SOCAN member Dia performs during Diversity Day.