

SOCAN



**POWERED BY**  
**SOCAN 2016**  
ANNUAL REPORT

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Eric Baptiste  
*Chief Executive Officer*

## 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



**“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.” — ERIC BAPTISTE**

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



Stan Meissner  
*President & Chair of the Board,  
Songwriter*

## 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.



**“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.” – STAN MEISSNER**

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](http://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%**

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**25,987,764,104**  
(about 26 BILLION) pieces of composition data tabulated



# REWIND



Onix Belleus  
*Chief Financial Officer*

## FINANCIAL



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.



Record Revenue:  
**\$330-million**,  
an increase  
of **7.2%**



International Revenue:  
**\$67-million**  
up **31%** since 2013



Internet streaming revenue:  
**\$33.8-million**  
**118%** increase since 2015



**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.

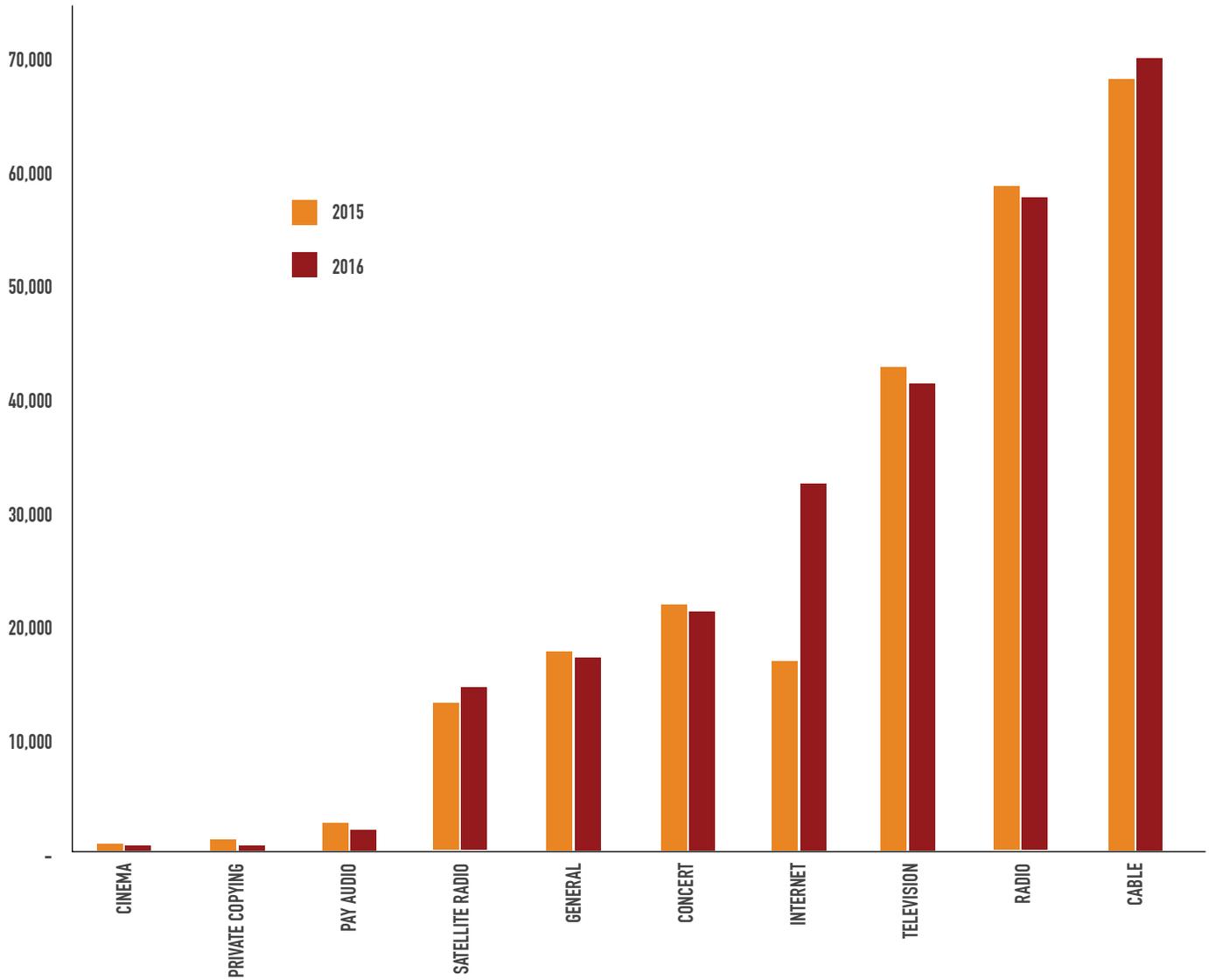
Satellite Radio has continued to show impressive growth, with 2016 revenue at \$15.1-million (2015: \$14.3-million).

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.

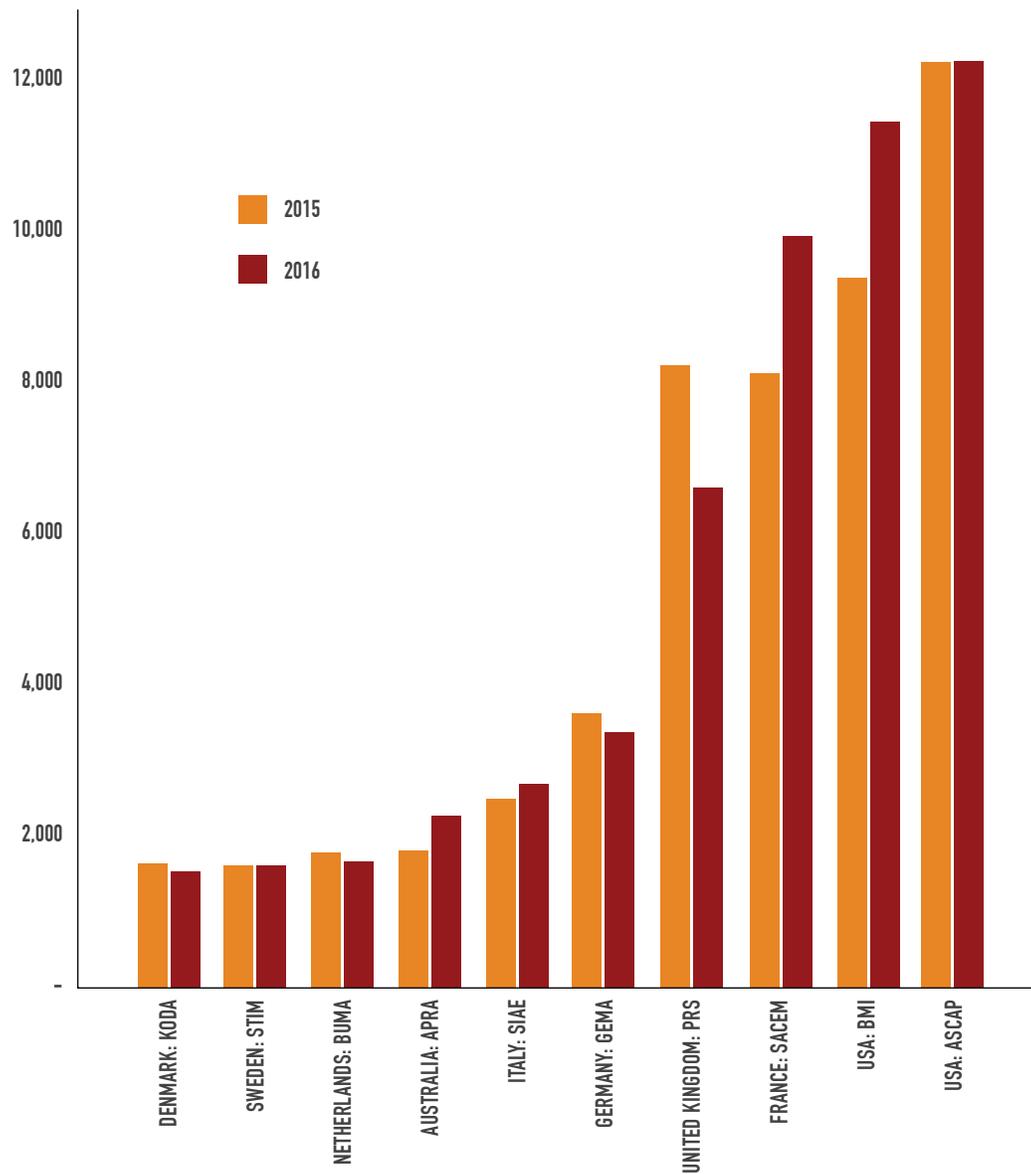
CHART No. 2 shows a breakdown of the international revenue SOCAN received from the Top 10 MROs for the past two years, and a summary total for those outside the Top 10. The top two earning MROs in 2016 for SOCAN members were ASCAP and BMI in the United States, where approximately \$28.0-million in total 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



	2016	2015
Top Ten Societies	56,423	51,653
Non Top Ten	10,590	11,080
<b>Total</b>	<b>67,013</b>	<b>62,733</b>



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)

COUNTRY	MRO	REVENUE FROM MRO		DISTRIBUTIONS TO MRO	
		2016	2015	2016	2015
Argentina	SADAIC	461	153	33	40
Australia	APRA	2,342	1,631	2,187	1,656
Austria	AKM	534	462	76	66
Belarus	NCIP	-	19	-	-
Belgium	SABAM	924	1,218	188	164
Brazil	Various	793	1,580	135	198
Bulgaria	MUSICAUTOR	14	32	3	1
Chile	SCD	102	95	10	12
Colombia	SAYCO	2	13	29	21
Croatia	HDS	68	84	3	-
Czech Republic	OSA	168	243	28	10
Denmark	KODA	1,311	1,390	181	252
Finland	TEOSTO	655	803	137	118
France	SACEM	9,822	7,947	3,178	3,048
Germany	GEMA	3,112	3,411	891	961
Greece	AEPI	188	2	12	21
Hong Kong	CASH	144	149	17	32
Hungary	ARTISJUS	167	254	19	37
Ireland	IMRO	242	280	213	156
Israel	ACUM	351	358	20	17
Italy	SIAE	2,711	2,546	406	380
Japan	JASRAC	1,352	1,082	119	82
Korea	KOMCA	163	116	68	46
Latvia	AKKA/LAA	24	5	3	-
Lithuania	LATGA-A	33	42	-	-
Malaysia	MACP	69	60	6	2
Mexico	SACM	132	103	50	39
Netherlands	BUMA	1,406	1,594	360	338
Norway	TONO	425	285	74	73
Peru	APDAYC	34	18	3	2
Philippines	FILSCAP	4	18	32	11
Poland	ZAIKS	309	507	15	11
Portugal	SPA	137	99	21	16
Romania	UCMR	235	231	22	21
Russia	RAO	1	165	6	14
Serbia	SOKOJ	18	15	2	1
Singapore	COMPASS	114	131	9	5
Slovakia	SOZA	35	29	3	1
Slovenia	SAZAS	54	43	2	3
South Africa	SAMRO	200	240	62	60
Spain	SGAE	652	570	317	355
Sweden	STIM	1,395	1,379	1,569	1,273
Switzerland	SUISA	1,020	1,064	157	120
Taiwan	MUST	34	41	6	2
Thailand	MCT	12	13	1	-
Turkey	MESAM	63	102	5	4
United Kingdom	PRS	6,359	8,109	12,719	13,650
United States	(See below)	28,516	23,889	69,863	67,553
Uruguay	AGADU	14	20	5	3
Vietnam	VCPMC	28	29	-	-
Returns	FDR	-	-	(203)	(212)
Countries under \$10k *		64	64	50	31
<b>TOTAL</b>		<b>67,013</b>	<b>62,733</b>	<b>93,112</b>	<b>90,694</b>
United States	AMRA	121	-	482	186
United States	ASCAP	16,670	14,165	31,382	32,684
United States	BMI	11,295	9,481	32,117	31,415
United States	GMR	-	-	2,133	-
United States	SESAC	430	243	3,749	3,268
<b>Total United States</b>		<b>28,516</b>	<b>23,889</b>	<b>69,863</b>	<b>67,553</b>

\* 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**

IN THOUSANDS OF DOLLARS

	Gross Expenses		Variance 2016-2015	Incr/(Decr) from 2015 to 2016	2016 Expense Type as a percentage of Total Gross Expense
	2016	2015			
	\$	\$	\$	%	%
Staff	27,948	27,505	(443)	-1.6%	62.9%
Legal & Professional	4,259	3,849	(410)	-10.7%	9.6%
Depreciation	3,963	3,096	(867)	-28.0%	8.9%
Information Technology	2,116	2,106	(10)	-0.5%	4.8%
Membership & Communication	2,015	1,724	(291)	-16.9%	4.5%
SOCAN Foundation & CSHF funding	1,599	1,551	(48)	-3.1%	3.6%
Office	1,132	1,163	31	2.7%	2.5%
Accommodation	1,634	1,950	316	16.2%	3.7%
Other	-140	968	1,108	114.5%	-0.3%
<b>TOTAL GROSS EXPENSES</b>	<b>44,526</b>	<b>43,912</b>	<b>(614)</b>	<b>-1.4%</b>	<b>100.2%</b>



### **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.



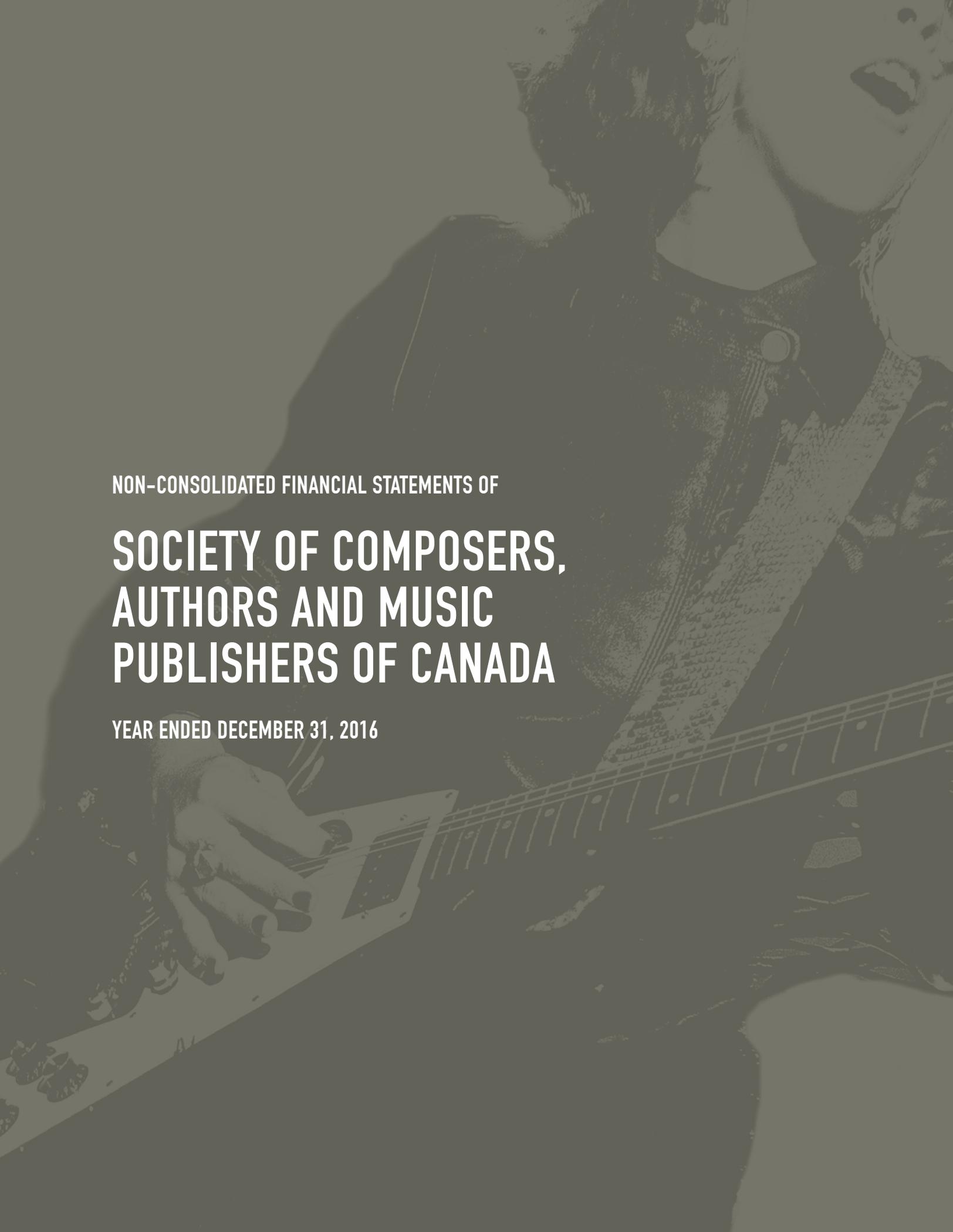
**TABLE NO. 3 - DISTRIBUTION BY POOL, BY MEMBER TYPE AND INTERNATIONAL AFFILIATION**

(IN THOUSANDS OF DOLLARS)

	2016				2015			
	SOCAN WRITERS	SOCAN PUBLISHERS	INTERNATIONAL AFFILIATION	TOTAL	SOCAN WRITERS	SOCAN PUBLISHERS	INTERNATIONAL AFFILIATION	TOTAL
<b>DISTRIBUTIONS</b>								
CABLE	11,332	23,758	23,708	58,798	10,648	22,942	23,032	56,622
TELEVISION	7,851	15,052	13,387	36,290	7,646	14,728	12,957	35,331
RADIO - CENSUS	6,979	18,104	16,897	41,980	6,862	17,421	16,917	41,200
RADIO - SURVEY	2,488	5,664	5,891	14,043	2,402	5,423	5,916	13,741
RADIO - CBC	2,529	2,578	2,529	7,636	2,455	2,469	2,568	7,492
<b>TOTAL RADIO AND GENERAL</b>	<b>11,996</b>	<b>26,346</b>	<b>25,317</b>	<b>63,659</b>	<b>11,719</b>	<b>25,313</b>	<b>25,401</b>	<b>62,433</b>
CONCERTS	4,824	10,390	12,626	27,840	3,517	8,634	9,510	21,661
CINEMA + HOTEL, MOTEL SERVICES	32	458	559	1,049	15	445	549	1,009
PAY AUDIO	259	963	1,381	2,603	304	1,049	1,455	2,808
INTERNET	433	3,148	4,106	7,687	246	1,860	2,423	4,529
AV ONLINE	237	3,332	4,299	7,868	407	5,892	7,718	14,017
SATELLITE RADIO	1,123	4,448	6,343	11,914	1,076	3,876	5,667	10,619
	38,087	87,895	91,726	217,708	35,578	84,739	88,712	209,029
INTERNATIONAL AFFILIATED SOCIETIES	56,729	7,049	1,197	64,975	49,612	9,542	1,057	60,211
	94,816	94,944	92,923	282,683	85,190	94,281	89,769	269,240
DISTRIBUTIONS IN ADVANCE OF NORMAL PAYMENT DATE	2,856	2,859	-	5,715	2,429	2,690	-	5,119
	97,672	97,803	92,923	288,398	87,619	96,971	89,769	274,359
PRIVATE COPYING	240	200	189	629	580	356	925	1,861
<b>TOTAL DISTRIBUTIONS</b>	<b>97,912</b>	<b>98,003</b>	<b>93,112</b>	<b>289,027</b>	<b>88,199</b>	<b>97,327</b>	<b>90,694</b>	<b>276,220</b>

### 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.



NON-CONSOLIDATED FINANCIAL STATEMENTS OF

**SOCIETY OF COMPOSERS,  
AUTHORS AND MUSIC  
PUBLISHERS OF CANADA**

YEAR ENDED DECEMBER 31, 2016



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Tel 905-265-5900  
Fax 905-265-6390

## 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.

KPMG LLP, is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.



*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.

*KPMG LLP*

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

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

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

Director

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

	2016	2015
Fees from Canadian licensees	\$ 262,549	\$ 242,969
Royalties received from international affiliated societies	67,013	62,733
Private copying royalties	480	1,940
	<u>330,042</u>	<u>307,642</u>
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
	<u>(48,569)</u>	<u>(28,083)</u>
Total distributable income	281,473	279,559
Allocated to royalties owing to music copyright owners (note 6)	290,627	269,215
<u>Unallocated income (loss)</u>	<u>\$ (9,154)</u>	<u>\$ 10,344</u>

See accompanying notes to non-consolidated financial statements.



## SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

Non-Consolidated Statement of Changes in Net Assets  
(In thousands of dollars)

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

	2016			2015		
	Internally restricted (note 7)	Remeasure- ments and other items (note 4)	Total	Internally restricted	Remeasure- ments and other items	Total
Net assets, beginning of year	\$ 32,159	\$ 1,821	\$ 33,980	\$ 21,815	\$ (3,535)	\$ 18,280
Unallocated income (loss)	(9,154)	–	(9,154)	10,344	–	10,344
Remeasurements and other items (note 4)	–	(2,914)	(2,914)	–	5,356	5,356
<b>Net assets, end of year</b>	<b>\$ 23,005</b>	<b>\$ (1,093)</b>	<b>\$ 21,912</b>	<b>\$ 32,159</b>	<b>\$ 1,821</b>	<b>\$ 33,980</b>

See accompanying notes to non-consolidated financial statements.



## SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

Non-Consolidated Statement of Cash Flows  
(In thousands of dollars)

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

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

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

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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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

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## 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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

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## 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:

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Building and building improvements	3.70%
Furniture, fixtures and equipment	20.0% - 33.3%
Computer software	10.0% - 20.0%
Leasehold improvements	10.0%

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# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

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## 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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

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## 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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

## 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:

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

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.



## SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

### 3. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 3,073	\$ –	\$ 3,073	\$ 3,073
Building and building improvements	14,822	9,771	5,051	5,560
Leasehold improvements	916	174	742	814
Furniture, fixtures and equipment	10,842	8,444	2,398	2,577
Computer software	19,978	5,618	14,360	6,964
Computer software under development	5,253	–	5,253	7,574
Artwork	96	–	96	96
	\$ 54,980	\$ 24,007	\$ 30,973	\$ 26,658

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:

Pension plan	2016	2015
Accrued benefit obligations	\$ 50,064	\$ 51,458
Fair value of plan assets	69,119	71,713
Funded surplus	\$ 19,055	\$ 20,255



## SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

#### 4. Employee future benefits (continued):

SERP	2016	2015
Accrued benefit obligations	\$ 15,354	\$ 15,113
Fair value of plan assets	13,231	12,860
<b>Plan deficit</b>	<b>\$ (2,123)</b>	<b>\$ (2,253)</b>

Retirement medical benefit plan	2016	2015
Accrued benefit obligations	\$ 4,314	\$ 4,298
Fair value of plan assets	–	–
<b>Plan deficit</b>	<b>\$ (4,314)</b>	<b>\$ (4,298)</b>

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

	2016			2015	
	Pension plan	SERP	Retirement medical benefit plan	Total	Total
Balance, beginning of year	\$ (20,255)	\$ 2,253	\$ 4,298	\$ (13,704)	\$ 4,505
Benefit expenses	(51)	345	268	562	1,316
Employer contributions	(1,118)	(1,078)	(194)	(2,390)	(14,169)
Remeasurements and other items	2,369	603	(58)	2,914	(5,356)
<b>Balance, end of year</b>	<b>\$ (19,055)</b>	<b>\$ 2,123</b>	<b>\$ 4,314</b>	<b>\$ (12,618)</b>	<b>\$ (13,704)</b>

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).



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

## 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.

			2016	2015
	Performing rights	Private copying	Total	Total
Balance, beginning of year	\$ 182,805	\$ 508	\$ 183,313	\$ 190,318
Distributable income	290,215	412	290,627	269,215
Distributions	(288,398)	(629)	(289,027)	(276,220)
<b>Balance, end of year</b>	<b>\$ 184,622</b>	<b>\$ 291</b>	<b>\$ 184,913</b>	<b>\$ 183,313</b>



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

## 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.

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

## 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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

## 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:

	2016	2015
Total assets	\$ 5,688	\$ 5,873
Total liabilities	696	734
Net assets	\$ 4,992	\$ 5,139
Revenue	\$ 1,737	\$ 1,854
Expenses	(1,884)	(1,767)
Excess of revenue over expenses (expenses over revenue)	\$ (147)	\$ 87



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

## 10. Investment and other income:

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

## 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:

2017	\$ 363
2018	311
2019	250
2020	242
2021	258
Thereafter	1,059
	<b>\$ 2,483</b>

- (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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

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## 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.



# SOCIETY OF COMPOSERS, AUTHORS AND MUSIC PUBLISHERS OF CANADA

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

Year ended December 31, 2016

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## 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.



Michael McCarty  
*Chief Membership &  
Business Development Officer*

## MEMBERSHIP



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.



**6,572**  
New SOCAN  
members  
in 2016

**140,000+**  
SOCAN members



**124,472** works registered by  
SOCAN members in 2016 – up 29%

**24,567** concert notifications by  
SOCAN members submitted online  
in 2016 – up 11% from 2014



Jennifer Brown  
*Vice President – Licensing*

## LICENSING



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%.

 **8%**

**Collected  
\$263-million  
in license fees –  
up 8%, \$20 million  
more than 2015**

**4,496**  **LICENSED TO  
PLAY**  
SOCAN  
**New businesses in 2016**



**\$20.8-million** in concert  
licensing revenue

**135,000+** total licensed  
business overall



Kit Wheeler  
*Vice President – Distribution*

## DISTRIBUTION



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.



**\$289-million**  
distributed to music  
creators & publishers  
Up 4.6% year-over-year

Distributed royalties on  
**19.3-billion**  
online music  
services performances

Distributed royalties  
on **4.2-billion** audio  
visual online services  
performances



Catharine Saxberg  
*Vice President –  
International Relations*

## 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.

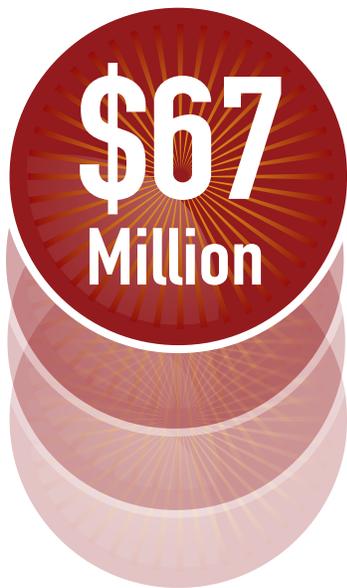
These face-to-face encounters generate business intelligence, and help to ensure that our members' revenues flow back to SOCAN even faster and more efficiently.

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!**



Vanessa Thomas  
*Manager – Canadian Songwriters  
Hall of Fame*

## 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, Élage 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.



**Seven** iconic songs inducted into the Hall of Fame through Covered Classics



CANADIAN  
SONGWRITERS  
HALL OF FAME

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



Victor Davies  
*Vice President –  
SOCAN Foundation*

## SOCAN FOUNDATION



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.

# 651



## Approved

# \$1.6-million distributed through various grants and competitions

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# 651 grants approved



Jeff King  
Chief Operating Officer

## OPERATIONS



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 unparalleled 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.



Geneviève Côté  
*Chief Québec Affairs Officer*

## QUÉBEC AFFAIRS



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 Sucre 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 Ontariois, 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

# CAUSE FOR APPLAUSE

## 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.



Stars of the Nashville TV series, Lennon and Maisy Stella; one of SOCAN's 2016 Urban Music Award winners, Brian "Eestbound" Van Mierlo; SOCAN CEO Eric Baptiste; and iconic, Toronto-based hip-hop pioneer Kardinal Offishall.



Shawn Hook



Simon Wilcox, Scott Helman, Thomas "Tawgs" Salter, and Ron Lopata. They won a 2016 SOCAN Pop/Rock Award for co-writing Scott's No. 1 hit song, "Bungalow."



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.



Éric Lapointe



Klô Pelgag, Loud Lary Ajust and Pierre Kwenders



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

Publishers: Sony/ATV Music Publishing Canada, Warner Chappell Music Canada, Alcara Songs

"Here" reached No. 1 on the CBC Radio 2 Top 20 on Aug. 28, 2015, and the MuchMusic Countdown on Sept. 25, 2015; "Outlaws" reached No. 1 on the CBC Radio 2 Top 20 on Jan. 11, 2016.

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.



SOCAN presents Ruth B with No. 1 Song Award for "Lost Boy." Left to right: Ruth B's manager at Red Light Management, Marc Offenbach; SOCAN CEO Eric Baptiste; Ruth B; and SOCAN A&R Director Rodney Murphy.



Alessia Cara receives four SOCAN No. 1 Song Awards, for "Here," "Outlaws," "Wild Things," and "Scars to Your Beautiful." Left to Right: SOCAN's Andreas Rizek and Michael McCarty; Alessia Cara; SOCAN's Rodney Murphy; and Cara's manager Chris Smith.



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

Reached No. 1 on the CBC Radio 2 Top 20 on Oct. 7, 2016.

### “Might Not”

Performer: **Belly feat. The Weeknd**

Writers: Ahmad “Belly” Balshe, Abel “The Weeknd” Tesfaye, Benjmain 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**

Writers: Abel “The Weeknd” Tesfaye, Henry “Cirkut” Walter, Martin “Doc” McKinney, Jason “Daheala” Quenneville, Guy-Manuel de Homem-Christo and Thomas Bangalter

Publishers: Kobalt Music Publishing Ltd. Canada, Songs of SMP, Universal Music Publishing Canada, SAL&CO LP, Éditorial Avenue, Because Publishing

Reached No. 1 on the MuchMusic Countdown on Oct. 28, 2016, and the Nielsen BDS Top 100 All-Format Chart on Nov. 14, 2016.



SOCAN presents Alex Nevsky and publisher Éditorial Avenue with a No. 1 Song Award Prize for “Polaroid.” Left to right: SOCAN’s Geneviève Côté; Alex Nevsky, co-writer of “Polaroid”; publisher Guillaume Lafrance of Éditorial Avenue; as well as his daughter, and front row, Nevsky’s nephew.



Alexe Gaudreault, surprised with a SOCAN No. 1 Song Award for her song “Placebo,” presented during her appearance on the Québec music variety show Belle et Bum.



Belly receives a SOCAN No. 1 Song Award for co-writing “Might Not” with frequent collaborator The Weeknd.



### “C’est la Vie”

Performer: **Bobby Bazini**

Writers: Bobby Bazini, Martin Terefe

Publishers: Bobby Bazini Publishing, Songs of Universal,  
West Eight Music Publishing

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.



Bobby Bazini receives his SOCAN No. 1 Song Award for “C’est la vie” from SOCAN’s chief of Québec affairs, Geneviève Côté.



Classified receives a SOCAN No. 1 Song Award for co-writing Ria Mae’s “Clothes Off” with her and James Mullan. (Photo: Kayla MacLellan).



### “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 Guldmond

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.



SOCAN members Claude Bégin (left) and his publisher Rafaël Perez of Coyote Records (second from right) were honoured with a SOCAN No. 1 Song Award for their hit “Celle qui chante” by SOCAN’s Chief of Québec Affairs, Geneviève Côté (second from left), CEO Eric Baptiste (centre) and President Stan Meissner (right).



SOCAN presents a No. 1 Song Award to Hannah Georgas and publisher peermusic Canada Inc. for Georgas’ hit, “Don’t Go.” Left to right: Cheryl Link of peermusic, Georgas.



Joel Plaskett at his New Scotland Yard studio, enjoying the SOCAN No. 1 Song Award he earned for “Credits Roll.”



### “Locked Away”

Performer: **Rock City feat. Adam Levine**

Writers: Henry “Cirkut” Walter, Cathryn Tenille, Lukas “Dr. Luke” Gottwald, Theron “Uptown AP” Thomas, Timothy “A.I.” Thomas

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

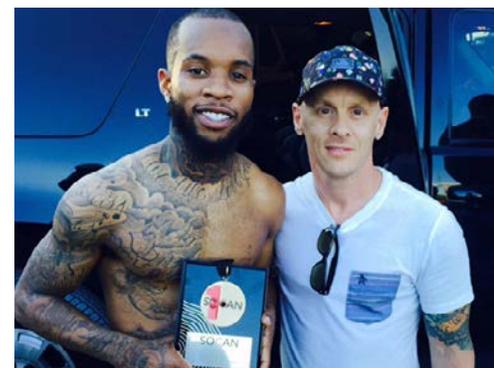
Reached No. 1 on MuchMusic Countdown Chart on Aug. 19, 2016.



Members of the band Raffy were surprised onstage by SOCAN’s Guillaume Moffet, who brought them a SOCAN No. 1 Song Award for “La dérive” right in the middle of a show they were playing in the Claude-Léveill  Hall at Place des Arts.



Shaun Frank (centre) receives a SOCAN No. 1 Song Award for co-writing “Closer,” one of the biggest hit songs of 2016, performed by The Chainsmokers. Frank is flanked by The Chainsmokers: Alex Paul (left) and Andrew Taggart (right).



Tory Lanez (left) receives his SOCAN No. 1 Song Award from SOCAN A&R Director Rodney Murphy before a performance at the 2016 WayHome Festival.



### “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 Settingington

Publishers: Domino Publishing Company of America, Inc.

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 Poederoyen, Jarett Holmes (for “Lose Control” only)

Publishers: Universal Music Publishing Canada, Music of Atlas Holdings, 8 Pack of Lucky Publishing, Cake and Eat It 2 Publishing

Reached No. 1 on the MuchMusic Countdown Chart on March 11, 2016 (“Hello”) and July 22, 2016 (“Lose Control”).



The Weeknd with his SOCAN No. 1 Song Award for “Starboy,” flanked by SOCAN’s Michael McCarty (left) and Rodney Murphy (right).



### **“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

Reached No. 1 on the CBC Radio 2 Top 20 Chart, on Feb. 8, 2016, and the Nielsen BDS Album Rock Chart, on Mar. 14, 2016.

### **“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.

Reached No. 1 on the Billboard Mainstream R&B/Hip-Hop Chart on Jan. 16, 2016.

### **“Hotline Bling”**

Performer: **Drake**

Writers: Paul “Nineteen85” Jefferies, Timmy Thomas

Publishers: EMI April Music Canada Ltd., Nyan King Music Ltd.,

Reached No. 1 on the Billboard Mainstream R&B/Hip-Hop Chart on Oct. 31, 2015.

### **“Blame”**

Performer: **Autumn Hill**

Writers: Dave “Dwave” Thomson, Stephanie Chapman, Christian Rada

Publishers: Sony/ATV Music Publishing Canada, Dutchess Bakery Music, Songs Write Me

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**

Writers: Nicki Minaj, Drake, Lil Wayne, Lukas “Dr. Luke” Gottwald, Henry “Cirkut” Walter, Jeremy “JMIKE” Coleman

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. Montréaler 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!”



SOCAN Songwriting Prize 2016 winners Fast Romantics receive their \$10,000 cheque for their song, “Julia.”



Laurence Nerbonne wins the Francophone SOCAN Songwriting Prize with her song, “Rêves d’été”.



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.
- "How Could You Babe" – written by Tobias Jesso Jr.; performed by Tobias Jesso Jr.; published by Universal Music Publishing.
- "No Hurry" – written by Terra Lightfoot; performed by Terra Lightfoot; published by CCS Rights Management Corp.
- "Paradise" – written by Ashton Simmonds, Matthew Burnett, Jordan Evans, Alexander Sowinski, Matthew Tavares, Leland Whitty, Chester Hansen, Keaven Yazdani; performed by Daniel Ceasar, featuring BADBADNOTGOOD, Sean Leon; published by Reclusive Music Inc., Kobalt Music Publishing Ltd. Canada, Robinson Heart Publishing, Third Side Music.
- "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 Settingington, 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.
- “Crystal” – 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.

# BACKSTAGE PASS

## 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](http://socan.ca).



## BOARD OF DIRECTORS



**Back Row:** Craig Horton, Nettwerk Music Publishing; Rosaire Archambault, Éditorial Avenue; Jean-Robert Bisailon, 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 by 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.



SOCAN employee band Unlicensed to Play performing at the Re:Cital Benefit Concert.



### **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.



Singer-songwriter Rosie Valland performed at a SOCAN Session for our Montréal staff on Apr. 29, 2016.



Award-winning country singer-songwriter and SOCAN member Dean Brody performed at a SOCAN Session for our staff on Oct. 19, 2016, at SOCAN's head office in Toronto.

### **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.

