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PERFORMING RIGHT  
SOCIETY LIMITED

**The Role of a  
PRS Board Director**

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# The role of a PRS Board Director

We're keen to encourage more eligible members to stand for election to the PRS Board. In this document, we'll give you more information about the Board and the role of a PRS director.

## The role of the Board

Our Board is our primary decision-making body and all directors are required by the Companies Act 2006 to act in such a way that promotes the success of PRS for the benefit of our members as a whole. The Board is collectively responsible for managing our operations and for making sure that our obligations to our members and other stakeholders are met.

Good corporate governance helps to make sure we continue to perform well in the long-term as a company. The UK Corporate Governance Code sets out good practice in a number of areas, including the composition and effectiveness of the Board and its relationships with stakeholders and members. It states that a Board should:

- Provide leadership
- Set the company's mission, vision and values
- Set a long-term strategy
- Make sure the appropriate human and financial resources are available to achieve short, medium and long-term objectives
- Review the performance of senior management
- Make sure that the company's obligations to members/shareholders and other stakeholders are understood and met.

## The PRS Board

Our Board currently has 25 directors:

- 11 writer directors
- 11 publisher directors
- Two external directors
- One executive director (our CEO)

Our writer and publisher directors are appointed by eligible members at the AGM. The two external directors and our CEO are also appointed at the AGM, at the Board's recommendation. PRS directors appoint the Chairman and two Deputy Chairmen of the Board.

The Executive Board is the Board of PRS for Music Ltd and is separate to the PRS Board - it is an operational service company that is owned by us. The PRS Board delegates certain powers to the Executive Board (EB) who in turn, give certain authorities to management and a number of its committees.

The PRS Chairman has an automatic seat on the Executive Board and the directors on the PRS Board appoint the other writer and publisher members of the EB.

## Duties and responsibilities of a director

The Companies Act 2006 sets out seven statutory general duties of company directors, which are:

1. Duty to act within powers [in accordance with a company's constitution]
2. Duty to promote the success of the company [taking members and other stakeholders into account]
3. Duty to exercise independent judgement
4. Duty to exercise reasonable care, skill and diligence
5. Duty to avoid conflicts of interest
6. Duty not to accept benefits from third parties
7. Duty to declare an interest in a proposed transaction or arrangement

Directors have ultimate responsibility for PRS, are accountable to you, our members and must act in accordance with their statutory obligations.

A director should demonstrate:

- An ability to work collectively and build relationships
- A willingness to engage in constructive debate and dialogue
- An understanding of current developments in the music industry
- A willingness to learn skills relevant to the role
- The time and commitment needed to handle the responsibilities of the role, including preparation for meetings.

## Eligibility criteria

The Companies Act sets out the rules of who can be a company director in the UK. If any of the following applies to you, you will not be able to become a director:

- You're currently disqualified from acting as a director in any UK or overseas company
- You're going through the process of bankruptcy (also known as 'undischarged bankrupt')
- You've been convicted of an offence [criminal or civil] that's still active under the Rehabilitation of Offenders Act 1974 (or any relevant overseas offence)

If you're a Principal Voting member, you can stand for election to the Board as a writer or publisher director, as long as there are no other current Board members already representing or employed by the same limited company or group as you.

If you'd like to put yourself forward, you will need the support of ten other Principal Voting members.

To become a Principal Voting member, your royalties must reach a particular threshold in any two of our three previous financial years, including royalties collected by us and passed on to another collecting society for payment.

## Election process

The Annual General Meeting (AGM) takes place in May each year. The number of director vacancies is confirmed and the call for nominations is sent out as far in advance as possible.

We need to receive your nominations three months before the date of the AGM. Every candidate is asked to supply their acceptance of the nomination, a short biography and a list of any current and recent directorships.

If there are more nominated candidates than there are director vacancies six weeks before the AGM, candidate information and ballot papers are sent to all members who can vote in the ballot (all Principal Voting and Voting members). The results of the ballot decides who will be appointed as directors at the AGM.

## Time commitment

The Board currently meets five to six times a year at our Kings Cross office.

Directors are also expected to serve on at least one of the following committees (many sit on more than one):

- **Audit Committee:** looks after financial matters, internal controls and risk management, as well as external and internal audit responsibilities and auditors. Meets four times a year.
- **Nomination & Remuneration Committee:** looks after CEO and senior management appointments, terminations, succession planning and payments. Plus, succession planning for and appointment of external directors and non-executive director payments. Meets three to four times a year.
- **Licensing Committee:** Responsible for overall licensing strategy and policy, broadcast, online and recorded media schemes and licences covering both performing right and joint PRS-MCPS licensing. Meets five to six times a year.
- **Distribution Committee:** Approves changes to distribution policy, including any new policies covering individual and joint revenue streams, including licence revenues between performing and mechanical rights. Meets five to six times a year.

Committee members are appointed by the Executive Board and need to be in line with the composition requirements set out in the terms of reference for each committee.

These requirements make sure that we benefit from decisions made by a fair and balanced representation of the views of our writer, independent publisher and major publisher members.

## Term of office

As stated in our Constitution, directors' terms last for approximately three years. Usually, they can stand for re-appointment at the third AGM after they were appointed.

## Remuneration & expenses

Our directors are paid yearly to cover their attendance at the Board and Committee meetings, plus any work outside of these meetings. The basic fee is approved by other members and changed each year by reference to the Rating Percentage Index (RPI).

The current yearly payment is £16,991. Expenses can be paid back in reference to our expenses policy.

## Contact us

If you have any questions or are a Principal Voting member interested in standing for election at the next AGM, please contact the Head of Secretariat:

Email [companysecretary@prsformusic.com](mailto:companysecretary@prsformusic.com)  
Tel **020 7580 5544**

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