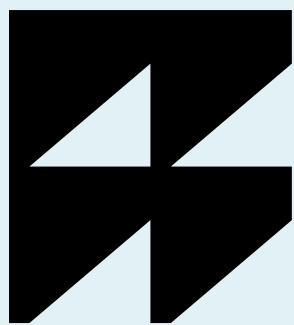


A Guide to being a Director of ALCS



**Authors'
Licensing and
Collecting
Society**

ALCS

Our purpose

ALCS exists to support, champion and fight for authors.

Our vision

We support our Members' ability to write by increasing their income. By educating as many people as possible we promote the respect of copyright. We celebrate the value writers bring to our world, fighting for their rights and giving them a powerful collective voice. We want all writers to thrive in our society. We make the complex easy.

Our values

Be bold

We always constructively challenge the status quo, seeking new opportunities to support and champion authors, and embracing and acting on change for the benefit of our Members.

Take pride

We strive to be the best we can be in all our activities, celebrating success and owning our actions.

Have an impact

We want to make a positive difference for authors, improving their lives as we strive for excellence in all we do.

WELCOME TO THE AUTHORS' LICENSING AND COLLECTING SOCIETY (ALCS)

A collecting society is a body created by private agreements or by copyright law which collects royalty payments from various individuals and groups on behalf of copyright holders. It may have the authority to license works and collect royalties as part of a statutory scheme or, by entering into an agreement with the copyright owner, to represent the owner's interests when dealing with licensees and potential licensees.

Background

The prime role of any collecting society is to license the use of the repertoire of its members where it is difficult to license individually, and to pay royalties to the members on the basis of the fees collected. The first society to deal with the collective administration of authors' rights, the Société des Auteurs et Compositeurs Dramatiques, was originally founded by the playwright Beaumarchais, author of *The Marriage of Figaro* and *The Barber of Seville*, in 1777.

Collecting societies in the UK are regulated in accordance with the Collective Management of Copyright (EU Directive) Regulations (2016). The rules applying to the works managed by ALCS are primarily set out in the Copyright Designs and Patents Act (1988) as amended (see Appendix 1).

ALCS is a private company limited by guarantee and as such it is subject to company law. It was founded in 1977 as a result of a long-running campaign in the UK by the Writers' Action Group (WAG) for writers to receive remuneration for the lending of their works by libraries. ALCS was incorporated on 23 March 1977 with its first Council of Management consisting of Brigid Brophy, Maureen Duffy, Ted Willis, Colin Spencer, Michael Levey, Elizabeth Jane Howard and Joyce Marlow. Its purpose at that time was to deal with:

- payments from VG Wort for German PLR
- British PLR*
- Belgian cable TV
- the issue of reprography, that is, royalties from photocopying.

** Administered by the PLR office under the auspices of the British Library*

Since its foundation ALCS has paid writers over £570 million in fees. ALCS is wholly owned and controlled by writers, who grant it the right to administer on their behalf those rights that they cannot exercise as individuals, that are most appropriately dealt with on a collective basis or which the law stipulates must be administered collectively. In 2021 ALCS' core business continues to be licensing, collection and distribution. Our main aims are to:

- ensure hard-to-collect revenues due to writers are efficiently collected and speedily distributed
- identify and develop new sources of income for writers
- campaign for the establishment of appropriate licensing schemes
- foster an awareness of intellectual property issues among the UK writing community and beyond
- protect and promote authors' rights.

Gross income derives mainly from licence fee payments from the Copyright Licensing Agency (CLA), from the Educational Recording Agency (ERA), the BBC and from international agreements. The Company's operating costs are met from commission which is at a rate of 9.5% for Members.

ALCS is internationally recognised as a leading authority on authors' rights. As part of our campaigning role we maintain a watching brief on issues affecting writers both in the UK and overseas, making representations to UK government authorities, the European Commission and the World Intellectual Property Organization when appropriate.

How ALCS operates – the ALCS mandate

ALCS operates by administering certain rights on behalf of its Members. It can do this because its Members grant it a mandate to do so.

This mandate covers those rights that:

- cannot be exercised on an individual basis, or
- are most appropriately dealt with on a collective basis, or
- the law stipulates must be administered collectively.

See Appendix 2 for Article 7 (c), (d) and (e) covering the mandate.

Further information about the current Board of Directors, Senior Management Team or the work of ALCS can be obtained from our website alcs.co.uk.

THE ALCS BOARD

Board meetings

The Board meets five times a year and includes one Board strategy day. The Supervisory Committee meetings, which involve only the Non-Executive Directors, take place a minimum of once a year. Directors may from time to time be asked to vote on specific issues by email, which will be circulated by the Chair or the CEO.

As in any company, Directors' duties include a fiduciary duty to the Company and a duty of care to its employees. These, and other mandatory duties, are explained in the Code of Practice for Directors. Substantive agenda items may be requested by individual Directors in advance of Board meetings by contacting the Chair. It is at the discretion of the Chair as to whether these are included on the agenda. Other ad-hoc issues may be raised under 'any other business'.

Directors' remuneration

The current fee structure operates as follows:

- For carrying out all duties of a Board Director, including any committee work and attending Board development sessions, a fee of £10,088 will be paid gross per annum.
- All retainer payments are made monthly in arrears via PAYE.
- ALCS also pays travel expenses and accommodation where overnight stay is necessary. Receipts must be retained for all claims over £5.00.

ALCS Board Committees

The achievement of the strategic objectives set by the Board is assisted by a number of standing committees which report to the Board. Board Committee Members and Chairs are recommended annually by the Nominations Committee, usually for approval at the January Board meeting, and Members are invited to serve on the basis of their interest, availability and suitability. In the interest of transparency and of broadening the group knowledge of the Company and its procedures, 'floating' Directors attend committee meetings on a rotating basis. All new Directors are invited to attend as an observer at one each of the committee meetings as part of their induction programme.

Questions about committee times and procedures should be addressed to Jacqui Dalton.

Questions or comments about the work of a committee should, in the first instance, be addressed to its Chair.

The Board's work may also be supplemented, when necessary, by Working Parties with agreed remits, appointed by the Board and, in exceptional circumstances, by the Chair.

CODE OF PRACTICE FOR ALCS DIRECTORS

1. Introduction

This sets out the Code of Practice for Members of the Board of Directors ('Directors') of the Authors' Licensing & Collecting Society Limited ('ALCS') and is based on Guidance on Codes of Practice for Board Directors of the Arts Council of Great Britain.

2. Values and principles

2.1 ALCS and its Board aims to:

- (i) observe the highest standards of propriety involving impartiality, integrity and objectivity in relation to stewardship of Members' funds and the management of the Company
- (ii) maximise value for money through ensuring that services are delivered in the most economical way, within available resources
- (iii) be accountable to Members and the wider writing community for the activities of the Company, the stewardship of funds and the extent to which key performance targets and objectives are met
- (iv) set the strategic aims of the Company, ensure that the necessary financial and human resources are in place for ALCS to meet its objectives and review management performance.

3. Role of the Chair

3.1 The Chair has particular responsibility for providing effective strategic leadership on matters such as:

- (i) formulating the ALCS Board's strategy for discharging its statutory duties
- (ii) encouraging high standards of propriety, and promoting efficient and effective use of staff and other resources throughout the company
- (iii) ensuring that the ALCS Board, in reaching decisions, takes proper guidance
- (iv) representing the views of ALCS to other organisations and the general public
- (v) promoting, with the Chief Executive Officer (CEO), the welfare of staff
- (vi) ensuring quality in service delivery and work
- (vii) ensuring equality in employment opportunities

- (viii) providing an assessment of performance of individual Directors. This process should be formal, rigorous and transparent.

3.2 Communication between the Board and the Executive (the CEO, ALCS senior managers and all staff) will normally be through the Chair except where the Board or Chair has agreed that an individual Director should act on its behalf. Communication between a Committee and the Executive will normally be through the Chair of that Committee or, in exceptional circumstances, through the Chair of the Board.

3.3 The point of contact between the ALCS Board and the Executive on day-to-day matters will be the CEO (who is the accounting officer), assisted by senior colleagues as appropriate.

3.4 The Chair (together with the CEO and the senior staff) ensures that all Directors, when taking up office, are fully briefed on the terms of their appointment, and on their rights, duties and responsibilities. As well as the Code of Practice, they will be given copies of other relevant background material including:

- the ALCS Memorandum and Articles of Association
- the latest strategic and business plans
- the latest annual report and accounts
- other relevant corporate policy documents.

3.5 New Directors will be required to attend an induction by the Company related to their new responsibility.

3.6 The Chair will ensure that the Board meets at regular intervals throughout the year, and that minutes of the meetings accurately record decisions taken and, where appropriate, the view of individual Directors.

4. Corporate Responsibilities of Directors

4.1 Directors have corporate responsibility for ensuring that the Company complies with any statutory or administrative requirements for use of funds. Other responsibilities include:

- (i) ensuring that high standards of corporate governance are observed at all times
- (ii) establishing the overall strategic direction of the Company within the policy and resources framework agreed with the Executive

- (iii) overseeing the delivery of planned results by monitoring performance against strategic objectives and targets
- (iv) ensuring that ALCS operates within the limits of its Articles of Association and in accordance with any other conditions relating to the use of Members' funds
- (v) proactively tackling issues of equality of opportunity and promoting cultural diversity in ALCS' work
- (vi) implementing the Code of Practice for ALCS Directors
- (vii) ensuring the Company adheres to the standards set by its Code of Conduct.

5. Strategic planning and control

One of the main tasks of the Board is the approval of the ALCS strategic and business plans. These plans set out the policy and resources for the Board and define its key strategic objectives and targets. They should normally cover areas such as the Company's financial performance, the efficiency and effectiveness of its operations, and the quality of the services it provides. The Board also approves, and thereafter monitors, the annual budget.

6. Delegation

- 6.1 The Board has a non-executive role in the running of the company. This includes issues of corporate strategy, key strategic objectives and targets.
- 6.2 Responsibility for day-to-day management matters rests with the CEO and the senior management team.

7. Responsibilities of Directors

- 7.1 Individual Directors should be aware of their wider responsibilities. Directors must:
 - (i) undertake on appointment to comply at all times with the Code of Practice for ALCS Directors that has been adopted by ALCS and with the rules relating to the use of Members' funds
 - (ii) act in good faith and in the best interests of the Company
 - (iii) not bring the Company, its Board, its Executive or its sister organisations into disrepute or jeopardise sensitive negotiations
 - (iv) not discuss Company business except in fora agreed by the Board
 - (v) declare to the Board any potential conflict of interest

- (vi) in the event of a conflict of interest arising or being identified, at the request of the Board, absent themselves from any meeting
- (vii) not misuse information gained in the course of their service for personal gain or for political purposes, nor seek to use the opportunity of service to promote their private interests or those of connected persons, firms, businesses or other companies
- (viii) not use or disclose to any person any confidential information other than for the proper performance of their duties or as directed by the Board or, in exceptional circumstances, the Chair or CEO
- (ix) be aware that all communications relating to the business of the Company, including email, may be subject to formal scrutiny. If Directors fail to perform the required duties to the standards expected, they may be removed from office under the powers granted by Article 43 of the Company's Articles of Association or through the processes described by ss. 168 and 169 of the Companies Act (2006).

8. Personal liability of Board Directors

- 8.1 Legal proceedings initiated by a third party against ALCS would be likely to be brought against the Board as a whole. However, in exceptional circumstances, proceedings (civil, or in certain cases, criminal) might be brought against individual Directors. For example, Directors might be personally liable if they made a fraudulent or negligent statement, which resulted in a loss to a third party. Directors who misuse information gained by virtue of their position could be liable for breach of confidence under common law or be held to have committed a criminal offence under insider dealing legislation.
- 8.2 Directors who need further advice should consult with the ALCS legal advisers.

9. Accountability for Members' funds

Directors have a duty to ensure the safeguarding of funds – which for this purpose should be taken to include all forms of receipts from fees, charges and other sources – and the proper custody of assets. They must take appropriate measures to ensure that the Board at all times conducts its operations as economically, efficiently and effectively as possible.

10. Annual Report and Accounts

- 10.1 As part of its responsibilities for the stewardship of Members' funds, the Board must ensure that it includes a full statement of the use of such resources in its Annual Report and Accounts.
- 10.2 Subject to any existing statutory requirements, the Board must produce an Annual Report and Accounts as a single document and should give it appropriate publicity. It should normally contain a detailed summary of the annual accounts. A statement by the auditors should be included in the summary to confirm that it is consistent with the annual accounts. It should also state whether the report on the annual accounts was qualified and provide details if this was the case.
- 10.3 The Annual Report should provide a full description of the Board's activities, state the extent to which key strategic objectives and agreed financial and other performance targets have been met, list the names of the serving Directors, the CEO and Company Secretary.

11. Role of the CEO

- 11.1 The CEO has responsibility, delegated by the Board, for the overall organisation, management and staffing of ALCS and for its procedures in financial and other matters, including conduct and discipline. Directors should support the CEO in undertaking this responsibility.
- 11.2 The CEO is designated as the accounting officer for the Board and acts as a Company Secretary.
- 11.3 The accounting officer is personally responsible for the propriety and regularity of the finances for which he/she is answerable, for the keeping of proper accounts, for prudent and economical administration, for the avoidance of waste and extravagance, and for the efficient and effective use of all of the resources in his/her charge. The accounting officer has a responsibility to see that appropriate advice is tendered to the Board on all these matters. Satisfactory performance of these responsibilities is a fundamental role of the CEO.

12. Finance and Audit Committee

- 12.1 The Board will maintain a Finance and Audit Committee as a committee of the Board. The committee will consist of Directors and others and will be chaired by a Director (other than the Chair) or an Independent who will normally have experience of financial matters. The responsibilities of the Finance and Audit Committee will overlap with those of the accounting officer. As accounting officer, the CEO will normally attend all meetings of the Finance and Audit Committee.

13. ALCS as an employer

- 13.1 The Board will ensure:
- (i) that the Company complies with all relevant legislation and that it employs suitably qualified staff who will discharge their responsibilities in accordance with the high standards expected of staff employed by such bodies. All staff should be familiar with the Company's aims and objectives
 - (ii) that the Company adopts management practices that use resources in the most economical, efficient and effective manner
 - (iii) that its rules for the recruitment and management of staff provide for appointment and advancement on merit on the basis of equal opportunity for all applicants and staff. In filling Board and senior staff appointments, the Board should satisfy itself that an adequate field of qualified candidates is considered
 - (iv) that its staff, and Directors have appropriate access to expert advice and training opportunities in order to enable them to exercise their responsibilities effectively.
- 13.2 The Board is responsible for monitoring the performance of the CEO. Where and when appropriate, performance-related pay for the CEO will be considered by the Board's Remuneration Committee which will ensure it has access to the information and advice required to make the necessary judgements.

ALCS PERSONAL DATA AND PRIVACY POLICY FOR DIRECTORS

ALCS use of personal data

ALCS collects and processes the personal data of its Directors and is committed to maintaining the appropriate confidentiality, integrity and security of such personal data by complying with both its legal and ethical obligations in respect of data protection and privacy. Personal data is any information relating to an identifiable living individual. Data protection law requires that any personal data that ALCS holds about you is:

- used fairly, lawfully, and transparently
- collected for specified, legitimate purposes and not used further in ways that are incompatible with those purposes
- relevant and limited to what is necessary for the above purposes;
- accurate and kept up to date
- not kept for longer than is necessary for the above purposes
- held securely.

The use of your personal data, as described in this policy, is necessary for the following reasons and in the following situations:

- To enable ALCS to enter into and perform its obligations under your contract of service such as contacting you and administering your pay.
- To enable ALCS to adhere to relevant legal obligations: such as accounting and auditing, reporting to HMRC; dealing with health and safety matters, legal disputes and requests from law enforcement entities and regulators; ensuring compliance with accessibility requirements.
- To enable ALCS to pursue its legitimate interests (or those of third parties) where your interests and rights do not override those legitimate interests.
- In limited circumstances to protect your or someone else's vital interests or in the public interest: such as using contact information supplied by you in case of emergencies or for equal opportunities monitoring and reporting.

Some of the above reasons will overlap and there may be several reasons for using your personal data in the situations described.

ALCS is required by law to apply higher safeguards if using special categories of personal data about you. ALCS only uses such information in

the following circumstances:

- If it is necessary in the public interest.
- In very limited cases with your explicit written consent (which you are free to withhold or withdraw and will not be a required condition of your employment); or when needed in relation to legal claims; or where it is needed to protect your or someone else's vital interests when you are not capable of giving your consent; or where you have already made the information public.

When commencing your term as an ALCS Director, you are required to provide the following information: name, age, gender, address, contact details, National Insurance number, tax code and banking details.

If you do not provide certain information when asked, ALCS may be prevented from performing its contract with you or adhering to its legal obligations. ALCS will use your information for the above purposes or for purposes that ALCS reasonably considers are compatible with them. ALCS will notify you and explain its reasons if it uses your information for any unrelated purposes except as otherwise required or permitted by law. For more information as to the situations and reasons for use and how each category of your personal data applies to the above, please contact the HR Department. You have the right to request access to any of your personal data held by ALCS that is not directly accessible by you – see the section on your data protection rights below.

ALCS databases and the network they are hosted on are subject to levels of security that adhere to relevant industry standards. Further operational details and policies concerning the processing of personal data within these databases will be made available to you on submitting a request to the HR Department.

In the event of any changes to your personal data, it is your responsibility to keep these records up to date by reporting this to the HR Department. ALCS may share your information with third parties when this is required by law or regulation or ALCS has other legitimate reasons for doing so. ALCS will provide your information to our nominated payroll providers and HMRC, with regard to your fees as director.

In the unlikely event of a breach of any database in which your personal data is being stored, ALCS will inform you of the details as soon as possible and explain the steps being taken to remedy the situation.

Other than in pursuance of a statutory or other legal requirement including audit and reporting requirements, ALCS will only store your personal data for so long as is necessary for the purposes ALCS have collected it for, which in many cases will be for the term of your directorship.

Your rights

You have certain rights in respect of your personal data, including:

- (1) *Right to information and access*
You have the right to request further information about the use of and access to the personal data that ALCS holds about you.
Where technically feasible, ALCS will also meet your request to transfer certain data you provided to a new employer or other party.
- (2) *Rectification, erasure and restriction*
You have the right to ask ALCS to limit or cease using or erase information that ALCS holds about you in certain circumstances.
In responding to such requests, ALCS will explain to you the impact of such restrictions or deletions.

If you have any queries or issues regarding the processing of your personal data by ALCS, the Data Protection Contact is the ALCS Chief Executive, Owen Atkinson, who can be contacted by post at ALCS Ltd, Shackleton House, 4 Battle Bridge Lane, London, SE1 2HX, or via email at Data@alcs.co.uk.

You have the right to lodge a complaint against ALCS regarding data processing with the Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire, SK9 5AF; Tel: 0303 123 1113 (local rate) or 01625 545745; ico.org.uk/global/contact-us/.

APPENDIX 1

Statutory Regulation of Collecting Societies (UK)

As a private company, ALCS is bound by the rules applicable to such entities found in company law. Otherwise the main legislative provisions dealing with collecting societies are found in Chapter VII of the Copyright Designs and Patents Act (1988) and The Collective Management of Copyright (EU Directive) Regulations (2016), the terms of which have been incorporated into the ALCS governance and operating protocols.

APPENDIX 2

The following is taken from the Articles of Association of ALCS and sets out the extent of the mandate granted by Members of ALCS.

ARTICLE 7 (c), (d) and (e):

- (c) Subject to paragraph (d) of this Article 7 the categories of rights in each work of a Member to be administered by the Company on behalf of that Member are, in respect of the United Kingdom and the Republic of Ireland and also in respect of countries outside the United Kingdom or the Republic of Ireland (hereinafter referred to as 'overseas countries') to the extent such rights subsist under the laws of the overseas countries and which correspond to the rights administered for the United Kingdom and the Republic of Ireland, howsoever such rights may be described in those laws, the following categories:
 - (i) the lending right;
 - (ii) the reproduction right in each work;
 - (iii) the private copying right;
 - (iv) the right to communicate the work to the public by any means of re-transmission or rebroadcasting of the work as a simultaneous and unaltered relay of the original transmission.
 - (v) the off-air recording right;
 - (vi) the right to perform the work in public by means of apparatus for receiving visual images or sounds conveyed by electronic means;
 - (vii) the right to communicate the work to the public by means of the satellite broadcasts of the programme services of the BBC Worldwide and others including the terrestrial retransmission thereof;
 - (viii) the right to communicate the work to the public by electronic transmission, capable of or amenable to collective administration;

- (ix) the rental right;
 - (x) the performing right; and
 - (xi) caching, hosting or storing the work in electronic form in support of the above.
- (d) The Members in General Meeting may by special resolution decide that the Company shall administer other categories of rights in addition to those mentioned in paragraph (c) of this Article 7: provided that, subject to paragraph (e) of this Article 7, such a resolution shall not have effect in relation to a person who is a Member when the resolution is passed if, within thirty days from the date of the resolution, the Member serves on the Secretary written notice that he/she does not wish the resolution to apply to the rights in his/her works.
- (e) Pending the assignment of rights to the Company pursuant to paragraph (a) of this Article 7 and in so far as such assignment may not extend to each of the categories of rights administered on his/her behalf by the Company pursuant to this Article 7, every Member by virtue of his/her admission to membership of the Company grants to the Company for and during the period of his/her membership, subject to the provisions of Articles 9 and 10, in his/her name or in that of the Company the power and authority:
- (i) to authorise or permit or forbid the exercise of the rights to be administered by the Company on behalf of that Member;
 - (ii) to grant licences on his/her behalf for the exercise of such rights;
 - (iii) to collect fees, subscriptions or monies whether for the authorised use of any of the Member's works, or by way of damages or compensation for the unauthorised use of such works;
 - (iv) to institute and prosecute proceedings against all persons infringing the said rights and if the Company in its discretion thinks fit to defend or oppose any proceedings taken against any Member in respect of such rights and to compound, compromise, refer to arbitration or submit to judgement in any such proceedings, and generally to represent the Member in all matters concerning the said rights;
 - (v) to protect generally the said rights in the Member's works.



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