

Statutes of GEMA

as amended on [June 24/25, 2003](#)

Article 1 Name and Registered Office

The economic association

GEMA
Gesellschaft für musikalische Aufführungs-
und mechanische Vervielfältigungsrechte
(Society for musical performing and
mechanical reproduction rights)

shall have its registered office in Berlin.

Its legal status is based on governmental charter¹ pursuant to § 22 BGB (German Civil Code).

Article 2 Object

1. The objects of the Society shall be the protection of authors and the administration of their rights within the scope of these statutes. The Society has been established as a non-profit organization that does not seek to further any interests of its own.

2. The Society shall be in charge of the administration in trust of the rights assigned to it for exploitation by its members and third parties through unilateral or bilateral agreements². It may do anything necessary to safeguard the rights assigned to it.

The Society shall be entitled to grant to those interested in using the said rights the licence necessary for so doing. The Society shall be bound to do so by virtue of § 11 UrhWG³.

3. The Society shall also be entitled to accept collection mandates from authors' societies to whom permission under §§ 1, 2, 18 UrhWG has been granted, and to cooperate with others even if authors' rights are not the only objects of their activities, but also neighbouring rights as defined in the Copyright Act (UrhG).

4. In licensing the rights, the requirements for cultivating the art of music shall be respected⁴.

Article 3 Administration

1. The rights to be administered by the Society shall be assigned to it by entering into a separate agreement (deed of assignment or, in case of Art. 2 para. 3, collection mandate) which shall also establish the scope of the rights to be administered⁵.

The deed of assignment shall provide:

¹ The legal status of registered association was granted by charter on 28th September 1933 by the Prussian State Ministry to STAGMA, whose name was changed into GEMA by Control Council resolution No. 55 (c) dated 24th August 1947 (Annex 1 to GEMA News No. 2/1949 p. 35).

² [Unilateral and bilateral agreements, printed on page 206 ff.](#)

³ [German Copyright Administration Act, printed on page 163 ff.](#)

⁴ [see § 13 subpar. 3 clause 4 UrhWG.](#)

⁵ [Deed of Assignment, printed on page 197 ff.](#)

a) that all rights currently vested in the rightholder and those accruing in future shall be assigned for a minimum period of six years and this assignment shall be extended by an identical period unless notice of termination of the deed of assignment is given one year before its expiration,

b) that the statutes and the distribution plan are accepted,

c) that the fees to be established by the Board of Supervisors will be paid,

d) that on the death of the rightholder, the heirs shall appoint a duly authorized agent for safeguarding on their behalf the rights accruing to them under the deed of assignment,

e) that the rightholder will not directly or indirectly grant the contracting partners of GEMA or any other collecting society any share in its income so that they unjustifiedly give preference to certain works of the rightholder when using GEMA's repertoire. (Such "unjustified preference" is given, for instance, if the said rightholder makes an exploitation of works by the contracting partner directly or indirectly subject to granting publishing rights free of charge to the rightholder; the grant of advances to be credited against payments due shall not, however, be deemed to constitute a grant in return for payment within the meaning of this provision. The Executive Board and the Board of Supervisors shall decide on admitting any justified exceptions requested).

f) In case of violation, the rightholder shall be obliged to pay into the GEMA welfare fund an amount equal to that of the share granted to the contracting partner. If the amount granted to the contracting partner exceeds the royalty due to the rightholder for the work in question, only this royalty shall be paid into the GEMA welfare fund.

g) The other provisions of the statutes on conduct contrary to the statutes shall remain unaffected.

2. The following shall apply to deeds of assignment entered into with citizens and publishers of the member states of the European Economic Community:

The Board of Supervisors shall be obliged on conclusion of deeds of assignment with citizens and publishers of the member states of the European Economic Community to consent to the rightholder assigning his exploitation rights only in part to GEMA. However, the assignment of rights can relate only to forms of use of rights in and to all of the works of the rightholder and not to rights in and to any of his individual works.

The rights shall be assigned for a term of three years ending, however, no earlier than at the end of the year following expiration of the third year and shall be extended by successive periods of three years unless terminated giving six months' notice to the end of any period of three years. All deeds of assignment in effect on 8th June 1971 can be terminated no earlier than as of 31st December 1973.

The contractual relationship can also be terminated with respect to certain uses or certain countries only, in which event the membership rights of the rightholder shall not be affected. However, the provisions of Art. 7 and 9 section A of the statutes providing for a minimum income shall continue to apply to the acquisition of full membership or its continuation.

Article 4 Financial Year

The financial year shall be the calendar year.

Article 5 Governing Bodies of the Society

The governing bodies of the Society shall be:

- a) the General Meeting of full members,
- b) the Board of Supervisors,
- c) the Executive Board as defined by the German Civil Code (BGB).

Article 6 Membership

1. The Society differentiates between full members, extraordinary members and affiliated members.

Only authors as defined by the Copyright Act or persons operating a music publishing business can be full or extraordinary members of GEMA.

2. The designation "affiliated member" shall mean rightholders who fulfil neither the requirements for extraordinary nor those for full membership on signing the deed of assignment (Art. 3). Such members are not members as defined by the law governing associations. The legal relationship between them and the Society, including in particular its termination, shall be governed exclusively by the deed of assignment.

3. Acquisition of extraordinary membership requires an application to the Executive Board, in which the applicant shall submit to the admission procedure laid down in the rules of procedure for the admissions committee and to the terms of admission⁶. The rules of procedure for the admissions committee and the terms of admission will be adopted by the Board of Supervisors⁷. With the application, the applicant undertakes in particular to furnish the admissions committee with all the information it requires and to submit as author, where applicable, to the test provided in the rules for the admissions committee.

If the Executive Board rejects the application on the basis of a recommendation by the admissions committee, it shall notify the applicant of the position taken by the committee. Within six weeks of receipt of such notification, the applicant shall have the right to lodge an appeal against the rejection with the Board of Supervisors, which shall then reach a final decision on the application.

4. Otherwise, only the following can be admitted as extraordinary and full members of the Society:

- a) Composers and lyricists of German nationality or having the nationality of a member state of the European Community or their residence for tax purposes within the Society's territory

⁶ Application for admission as an author, printed on page 405 ff, application for admission as a music publisher, printed on page 409 ff.

⁷ Rules for the admission procedure, printed on page 277 ff.

of administration or in a member state of the European Community. Any exceptions shall be subject to consent by the Board of Supervisors.

b) Music publishers having their registered office in the Society's territory of administration or in a member state of the European Community and entered in the register of companies. Upon request by the Executive Board, the said companies shall be obliged to submit an up-to-date extract from the register of companies. Existing memberships shall not be affected by these provisions.

Admission as a music publishing member shall be limited to companies which reproduce and distribute musical works by virtue of publishing agreements concluded in writing within the scope of the current publishing law. This shall be deemed to comprise only the commercial production and commercial distribution of sheet music (also for hire).

Music publishers operating as companies shall be obliged to disclose the ownership structure. Where capital shares are held directly or indirectly by another company, the obligation to disclose such structure shall also extend to the latter.

The particular additional requirements for acquisition of full membership are stipulated in Articles 7 and 8.

5. Membership of former authors' societies shall be credited to the period of membership, provided that the member was a rightholder of STAGMA, co-operative member of the former GEMA, full member of GDT or co-operative member of the former AKM.

Membership of any other authors' society may be taken into account in exceptional cases with the consent of the Board of Supervisors.

Article 7

1. Full membership can be acquired only after five years of extraordinary membership by:

a) Composers who received from GEMA in five consecutive years not less than EUR 30 677.51, however in four consecutive years not less than EUR 1 840.65 per year, calculated from 1st January 1946.

b) Lyricists who received from GEMA in five consecutive years not less than EUR 30 677.51, however in four consecutive years not less than EUR 1 840.65 per year, calculated from 1st January 1946.

c) Music publishers who received from GEMA in five consecutive years not less than EUR 76 693.78, however in four consecutive years not less than EUR 4 601.63 per year, calculated from 1st January 1946.

For authors and music publishers of category E (serious music), the minimum amounts given under a) to c) shall be reduced by 1/3.

If a member has already once been a full member, the periods stipulated in a) to c) shall be three years in each case and the minimum income provided in a) and b) shall be EUR 12 271.01 and in c) EUR 30 677.51. Years of earlier membership shall then be counted in full.

The amounts accruing by virtue of the distribution plan for the performance and reproduction of dramatico-musical works permitting payment of 100 % to the rightholders shall only be credited to publishers at the rate of 33 1/3 %.

Earlier membership of another authors' society in the European Community and the income accruing there shall be credited to the respective minimum income and the minimum period of five years.

2. Where it is established upon acquisition of extraordinary membership that the pertinent requirements were already fulfilled at an earlier date, the earlier period shall be credited to the five-year period under para. 1.

3. The Board of Supervisors may also coopt such composers, lyricists and music publishers as full members who have assigned their rights to the Society and in whose case cultural considerations make their full membership appear desirable.

The same shall apply to right owners who are natural persons and direct heirs to a full member, particularly in cases where the income in the three years following the succession equals that of a full member and provided they are prepared to renounce their right to be elected to an office; the legal position with respect to proprietary rights shall not be changed as a result of their being coopted.

The question of whether these requirements have been satisfied shall be resolved by the Board of Supervisors separately for each of the three professional groups of composers, lyricists and music publishers.

The Board of Supervisors may coopt no more full members than the number of full members who have acquired their full membership by virtue of paragraph 1 of this provision of the statutes.

Article 8

1. Full membership is acquired by admission. Decisions on applications for admission shall be made by the Executive Board in concurrence with the Board of Supervisors.

2. With the application for admission as a full member the applicant shall expressly state:

- a) that he or she accepts and acknowledges the statutes and the distribution plan,
- b) that he or she will use his or her best endeavours to achieve the object of the Society as stipulated by the statutes and will refrain from doing anything likely to prejudice the achievement of this object,
- c) the professional group in which membership is to be acquired and in which the membership rights are to be exercised, if there are several professional groups in which he or she might be admitted,
- d) that the deed of assignment provided for in Art. 3 has been concluded.

Full membership shall commence on the 1st day of January of the year following receipt of the declaration of membership.

3. Admission as a full member can be denied, even though the requirements under Art. 7 para. 1 and Art. 8 para. 2 of the statutes have been satisfied, if the general circumstances make it appear unlikely that the future member would be able to honour the obligations assumed under subpara. 2 b).

Applicants, who in their capacity as users of music, maintain contractual relations with GEMA or any other authors' society can be admitted as full members if they agree that, as long as the contractual relations subsist, their membership rights cannot be exercised

a) in case of resolutions on the royalty-rate structure of agreements with users of music,

b) in respect of eligibility as a member of the Board of Supervisors subject to the provisions of Art. 13 subpara. 1 (2) of the statutes.

Such applicants shall be equated with those who depend economically on music users.

Where the said requirements are satisfied, they shall not as such constitute grounds for applying Art. 3 subpara. 1 e) of the statutes.

4. The present provisions shall apply mutatis mutandis to publishing firms that are associated, in business and personnel terms, with foreign publishers or music users outside the territory of the EEC.

5. Rejection of the application for admission shall be notified by registered letter. The applicant shall then be entitled to request by registered letter within one month that the application for admission be submitted for final decision to the annual General Meeting. The said decision shall be taken by the next annual General Meeting provided that such request was received eight weeks prior to the date of the General Meeting. The decision on requests received later than the said date shall rest with the next following General Meeting. The General Meeting shall decide by simple majority of those present without prior decision by the separate professional groups.

Article 9 Termination of Membership

A

Termination of full or extraordinary membership shall be effected:

1. by the member's resignation in writing submitted to the Executive Board.

The said letter of resignation shall be submitted to the Executive Board no later than six months before the end of a financial year. It shall take effect as of the end of the respective financial year. Termination of full or extraordinary membership shall have no impact on the duration of assignment of rights agreed in the deed of assignment. Upon termination of full or extraordinary membership, the rightholder shall have the status of an affiliated member for the term of the deed of assignment.

2. (1) In case of members who have acquired their full membership by virtue of Art. 7 para. 1, the Executive Board may with the consent of the Board of Supervisors declare the full membership to have terminated as of the end of the financial year in which it is established that

a) a composer has on average received from GEMA in three consecutive years less than EUR 1 227.10 per year or in six consecutive years an average of less than EUR 1 022.58 per year - calculated from 1.1.1946;

b) a lyricist has on average received from GEMA in three consecutive years less than EUR 1 227.10 per year or in six consecutive years an average of less than EUR 1 022.58 per year - calculated from 1.1.1946;

c) a music publisher has on average received from GEMA in three consecutive years less than EUR 3 067.75 per year or in six consecutive years an average of less than EUR 2 045.17 per year - calculated from 1.1.1946.

(2) After ten years of full membership as provided in Art. 7 para. 1 of the statutes, however, the provision of Art. 9 subpara. 2 (1) shall no longer apply.

(3) In case of members who have acquired their full membership by virtue of Art. 7 para. 3, the Executive Board may with the consent of the Board of Supervisors declare the full membership to have terminated as of the end of a financial year.

3. By death, in case of companies when bankruptcy proceedings have been instituted or the bankruptcy petition has been rejected for insufficiency of assets or when winding-up has been completed.

4. By exclusion which can be effected for cause. Such cause shall be deemed to exist whenever a member deliberately or by gross negligence violates or infringes the statutes, the distribution plan, the deed of assignment, the interests of the Society or copyright.

In the case of a legal entity or partnership, the exclusion can also be effected if a corporate body or a member of such body or a general partner or any other partner or shareholder who can exercise substantial control over the corporation or partnership grossly violates the statutes, the interests of the Society or copyright.

Abuse by a member of his or her legal position towards other members within the scope of the exploitation of copyrights shall constitute cause for exclusion of the member in question unless the imposition of a penalty can be considered as being sufficient.

The exclusion shall be effected by resolution of the Board of Supervisors, after the member concerned has been given opportunity to submit his or her objections to the proposed exclusion verbally or in writing to the Board of Supervisors.

An appeal can be filed against the resolution of the Board of Supervisors within three weeks of the said resolution being received, by requesting that the matter be referred to the General Meeting for decision.

B

Whenever in the case of a full member a change occurs in the circumstances specified as material in Art. 8 para. 3 (2), the Board of Supervisors may review the qualifications for admission. In such event the Board of Supervisors may require the member to acknowledge the limitations of the membership rights provided in Art. 8 para. 3 (2) as binding. If such

acknowledgment is refused, full membership shall terminate as of the end of the current financial year.

Before reaching a decision, the Board of Supervisors shall offer the member concerned the opportunity to submit his objections either verbally or in writing to the Board of Supervisors. An appeal can be filed against the decision of the Board of Supervisors within three weeks of receipt by requesting that the matter be referred to the General Meeting. If this is done and the decision of the Board of Supervisors is confirmed by the General Meeting, membership shall terminate no earlier than the end of the financial year following the General Meeting.

C

Termination of membership by exclusion shall not affect the deed of assignment. The excluded member shall retain the rights of an affiliated member for the term of the deed of assignment.

Article 10 General Meeting

1. The annual General Meeting of the members shall be held within eight months of the end of each financial year.

The date of the meeting shall be notified to the members no later than four months before the meeting. Non-compliance with this provision for notice shall not invalidate any of the resolutions passed by the General Meeting.

2. At the General Meeting, the full members shall be qualified to vote and to be elected.

3. An extraordinary General Meeting shall be convened in those cases provided for by law, but also whenever deemed necessary by the Board of Supervisors or demanded by not less than 10 % of the full members including the delegates.

4. Notice of the General Meeting shall be given by the Executive Board in concurrence with the Board of Supervisors. The meeting shall be presided over by the chairman of the Board of Supervisors or by one of his deputies.

5. Notice shall be given in writing three weeks before the date of the meeting stating the agenda and enclosing an extract from the annual report. This requirement of notice shall have been satisfied if the said notice has been mailed three weeks before the date of the meeting. No resolutions can be passed on any business not included in the agenda.

All motions to be submitted to the General Meeting shall be supported by no less than ten signatures of full members and/or delegates (Art. 12 para. 4), unless the motions are submitted by the Board of Supervisors or the Executive Board provided, however, that notice of all motions by the Executive Board shall be given to the Board of Supervisors.

Any and all motions to be submitted to the General Meeting must have been received no later than eight weeks before the meeting.

6. The General Meeting shall transact the following business in particular:

- a) receipt of the annual report and the annual accounts,

- b) 1. approval of the acts of the Executive Board,
2. approval of the acts of the Board of Supervisors,
- c) election and removal from office of the members of the Board of Supervisors and of the committees and commissions appointed by the General Meeting,
- d) appointment of honorary presidents and awarding of honorary memberships as proposed by the Board of Supervisors,
- e) resolutions on amendments to or modifications of the statutes,
- f) resolutions on amendments to or modifications of the deed of assignment,
- g) resolutions on amendments to or modifications of the distribution plan,
- h) resolutions on dissolution of the Society.

7. At the General Meeting each full member shall be entitled to one vote. Transfer of votes shall not be permitted.

Publishing firms which are sole proprietorships shall exercise their voting right through the owner. Corporate publishing firms shall exercise their voting right by proxy appointed under constitution or memorandum of association. One proxy may vote for no more than five publishing firms. If a publishing firm is de jure or de facto prevented from voting, the voting right can be exercised by an agent entered in the register of companies or by an authorized agent as defined by § 54 HGB (German Commercial Code). Such agents must exercise a permanent publishing or commercial activity in the publishing company.

If a member belonging to the professional group of composers or lyricists is simultaneously a proxy appointed under constitution or memorandum of association for a music publisher, such member shall also only be entitled to exercise membership rights in one professional group.

If only joint proxy rights are permitted in a company, the voting right shall be exercised by one of the joint proxies; any other proxy(ies) shall be vested only with the right of attendance.

The publishing firms shall advise the Executive Board as a rule four weeks prior to the General Meeting, in exceptional cases no later than at the opening of the meeting, of who is authorized to vote.

A publisher who owns several sole proprietorships shall be entitled to one vote only.

Employees or delegates of members whose membership rights are restricted by virtue of Art. 8 para. 3 (2) or Art. 9 B respectively shall, whenever they act as agents for a music publisher, exercise a true publishing activity and shall not simultaneously act on behalf of a music user.

If publishing firms that are associated, in business and personnel terms, with foreign publishers or music users outside the territory of the EEC, are admitted as full members by virtue of Art. 8 para. 4, any publishers belonging to a group as defined by § 18 AktG (German Companies Act) shall only be entitled to one vote.

8. The conduct of the General Meeting shall be governed by the rules for the meeting adopted by the General Meeting⁸.

Article 11

a) Each of the three professional groups (composers, lyricists, publishers) shall separately elect its members to the Board of Supervisors. Within each professional group, elections shall be carried with simple and removals from office with two-thirds majorities. If three quarters of the votes represented in each of the other two professional groups object to the election of a member elected by one of the other professional groups, the professional group concerned shall elect another member unless the first elected person is re-elected with three quarters of the votes.

b) Modifications of and amendments to the statutes, the deed of assignment and the distribution plan as well as resolutions relating to the dissolution of the Society shall be resolved separately by each professional group. Each professional group shall have one vote and no modifications of and amendments to the statutes, the deed of assignment and the distribution plan as well as resolutions relating to the dissolution of the Society shall be effective unless carried unanimously by the three professional groups.

Within the professional groups the voting procedure shall require a two-thirds majority for the adoption of each resolution and provided that, in the case of dissolution of the Society, the said two-thirds majority represents at least half of the aggregate number of members belonging to the respective professional group.

Article 12 Meeting of Extraordinary and Affiliated Members

1. A meeting of all extraordinary and affiliated members shall be held in conjunction with each regular annual General Meeting of full members. Notice hereof shall be given by the Executive Board in concurrence with the Board of Supervisors.

In the said meeting which shall be presided over by the chairman of the Board of Supervisors, the Executive Board shall present the annual report and provide the meeting with information.

2. The meeting shall elect every three years, from its midst and separately for each professional group, 34 members as delegates to the General Meeting of full members, i.e.:

sixteen from the composers' professional group, of whom at least six must be successors in title;

eight from the lyricists' professional group, of whom at least four must be successors in title.

Should the stipulated number of successors in title not be available or not stand for election, other members may also be elected;

ten from the publishers' professional group.

A deputy shall be elected for each professional group. Only such persons can be elected as delegates who have been GEMA members for at least two years.

⁸ Rules of Procedure, printed on page 265 ff.

The term of office of the delegates and their deputies shall run until a new election takes place; re-election shall be permissible.

In the event that not all of the delegates attend a meeting, each professional group shall substitute the missing delegates by electing deputies.

The authorized agent of a full publisher member cannot simultaneously be elected as delegate. Otherwise, the provisions in Art. 10 para. 7 shall apply mutatis mutandis to the election of delegates.

3. The delegates shall moreover be vested with all of the rights of full members with the exception of the eligibility for election to office.

4. The delegates shall be entitled to submit motions for the annual General Meeting on the same conditions as full members.

Article 13 Board of Supervisors

1. The Board of Supervisors shall consist of 15 members, of whom six shall be composers, five publishers and four lyricists. Two deputies may be elected for each professional group, who shall be entitled to attend the meetings of the Board of Supervisors with full voting powers whenever and to the extent that full members of their professional group are prevented from attending Supervisory Board meetings; deputies shall be elected by the same procedure as that applicable to the members of the Board of Supervisors.

From the body of full members of the professional group of publishers, whose membership rights are restricted under Art. 8 para. 3 (2) and (3) or para. 4 of the statutes by virtue of a corresponding declaration of agreement, o n e member can be elected to the Board of Supervisors. His or her voting rights shall be suspended in the case of resolutions relating to the rates structure of agreements with music users.

Eligible for office shall be full members of German nationality as well as nationals of a member state of the European Community and such members who prior to 1946 had been deprived of German nationality for political or racial reasons and who now have their residence for tax purposes in Germany or any other member state of the European Community. They must, moreover, have been a full member of the Society for at least five years.

Publishers are eligible provided they have for not less than five years been owners of a sole proprietorship, general partner of a general or limited partnership, managing director of a limited liability company (GmbH), director of a stock corporation or executive in a music publishing firm.

Only one person from any one publishing firm or publishing group can be elected to the Board of Supervisors.

2. The members of the Board of Supervisors shall hold office from the end of the General Meeting at which they were elected until the end of the third annual General Meeting following their election.

Re-election shall be permissible. The Board of Supervisors shall remain in office until successors have been elected. Whenever any of the members of the Board of Supervisors retires during his or her tenure of office, the other Board members of his or her professional group shall elect a substitute to take the place of the member who has resigned from office.

Such substitute shall be confirmed in office by the next General Meeting if the term of office extends beyond that General Meeting.

3. The Board of Supervisors shall be entitled to give directives to the Executive Board. It shall stipulate by means of standing rules what business transactions shall be subject to approval⁹.

The royalty-rate agreements to be entered into by the Society shall be subject to approval by the Board of Supervisors. The Executive Board shall, however, be entitled to grant exceptions in individual cases, particularly for charitable events.

The Board of Supervisors shall conclude employment contracts with the Executive Board.

4. The Board of Supervisors shall be entitled to delegate any of its members to the meetings of committees and commissions.

The Board of Supervisors may annul decisions of committees and commissions. Its decisions shall be final.

5. The Board of Supervisors shall elect from among its midst a chairman and two vice-chairmen.

6. All votes of the Board of Supervisors shall be carried by simple majority of the votes cast by the members present. Whenever the composers attending a meeting of the Board of Supervisors vote unanimously, they cannot be outvoted by the other members of the Board of Supervisors who are present.

Voting by proxy shall not be permitted.

The Board of Supervisors shall constitute a quorum if at least half of its members but not less than two members of each professional group are present.

7. The Board of Supervisors shall lay down rules for its proceedings¹⁰.

8. The offices of members of the Board of Supervisors and of commissions and committees shall be honorary.

Article 14 Executive Board

The Executive Board shall represent the Society in and out of court.

Whenever the Executive Board consists of several persons, two of its members shall be jointly authorized to represent the Society.

⁹ [Standing Rules for the Executive Board, printed on page 275 f.](#)

¹⁰ [Standing Rules for the Board of Supervisors, printed on page 271 ff.](#)

The Executive Board shall be appointed and removed from office by the Board of Supervisors.

A certificate issued by the Senate administration responsible for supervision of associations shall constitute proof of the Executive Board's authority to represent the Society. For this purpose, the respective record of the appointment shall be submitted to the responsible Senate administration.

The Executive Board shall in January file with the responsible Senate administration a list of the members of the Executive Board and of the members of the Board of Supervisors showing their name, first name, status and place of residence. If no changes have occurred to the personal data of the members of the Executive Board and the Board of Supervisors since the last such list was filed, it shall suffice to file a statement to that effect.

Article 15

The Executive Board shall submit to the Board of Supervisors a quarterly management report and in addition, no later than one month before the date of the annual General Meeting, an annual report for the expired financial year as well as a forecast for the following year.

Article 16

A. Conciliation Committee

Parties in dispute may apply to the Board of Supervisors for a conciliation committee to be established. The conciliation committee shall consist of a chairman and four associates. The chairman and the associates shall be appointed by the Board of Supervisors on a case-by-case basis. Each party shall be entitled to nominate two associates. The committee shall consult experts as required.

The conciliation committee can be called upon by the parties for settlement of disputes; it shall attempt to bring about an amicable settlement, but shall not be authorized to make an arbitration award.

B. Arbitration Tribunal

1. a) Disputes among GEMA members shall be resolved by arbitration to the exclusion of legal proceedings, unless stipulated otherwise hereinafter.

The arbitrators shall in particular settle any disputes relating to the interpretation of the statutes, the distribution plan, the deed of assignment, the rules of procedure, the rules governing meetings and the validity in law of resolutions and other actions by GEMA.

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- b) The rules of procedure of the arbitration tribunal shall be laid down by the Board of Supervisors¹¹.

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- c) The arbitration tribunal shall consist of a chairman and four associate arbitrators, two of whom shall be nominated by each party. Neither the chairman nor the associates shall be members of the Executive Board or of the Board of Supervisors of GEMA and shall moreover not have an employment contract or any other permanent contract relationship with GEMA. The chairman shall have the qualifications necessary for holding judicial office. He shall be elected by the associate arbitrators from a list of nominations to be

¹¹ [Rules of Procedure for the Arbitration Board, printed on page 285 f.](#)

prepared by the Board of Supervisors unless the parties in dispute have previously agreed upon a chairman. Objections to an arbitrator or chairman shall be governed by § 1032 ZPO (German Code of Civil Procedure). If the majority of the associate arbitrators cannot agree upon a chairman, he shall at the request of either party be appointed by the President of the Copyright Special Division of the German Federal Court of Justice from the list of nominations.

2. The costs of the arbitration proceedings shall be borne by appropriate application of the ZPO cost regulations by the respective parties to the dispute on the basis of the ruling made by the arbitration tribunal.

3. The petitioner may instead of referring the matter to the arbitration tribunal also bring action before the court of record having jurisdiction. The option shall cease once proceedings have been instituted. Before referring the case to arbitration, the petitioner shall obtain the respondent's agreement to settling the dispute by arbitration. If the respondent refuses to give his consent or if such consent is not given within 14 days of receiving such request, the matter can only be resolved through the regular court of law.

4. Disputes falling under the jurisdiction of the arbitration tribunal and which are pending before a court of record at the time this provision goes into effect can by mutual agreement of both parties be resolved by the arbitration tribunal. The party desiring a settlement by arbitration shall request the other party to agree to settlement by arbitration within two weeks. If the said period has expired without such consent having been given or if such consent has been refused, the matter shall be settled exclusively by the courts of record having jurisdiction. If the arbitration is invoked, a statement shall be filed to the effect that the litigation before the courts of record has been withdrawn. The arbitration tribunal shall also rule on the costs incurred in the course of the regular court proceedings.

C. Grievance Committee

1. The grievance committee shall settle disputes arising between GEMA and its members in connection with the membership.

Each member shall have the right to have recourse to the grievance committee in case of violation of his or her legitimate interests as member of the Society.

The grievance committee shall not be called upon in cases where any other internal procedure is provided for in the statutes or any other provisions of the Society.

2. The committee shall on application by a member issue a decision within six months. Recourse to the courts of record shall be excluded until the grievance committee has reached a decision.

3. The committee shall be composed of one representative from each of the three professional groups and a chairman as well as a deputy in each case. The representatives of the professional groups shall not be members of the Board of Supervisors.

The representatives of the professional groups shall elect the chairman who shall be qualified to hold judicial office from a list of nominations to be prepared by the Board of Supervisors.

4. The representatives of the professional groups shall be elected by the General Meeting for a term of 3 years after hearing the proposals of the Board of Supervisors according to the principles governing the election of the members of the Board of Supervisors. Other nominations can be proposed in the meetings of the professional groups.

The representatives of the professional groups shall hold office until the end of the third annual General Meeting following their election. Re-election shall be permissible.

5. Complaints shall be lodged with the Executive Board. The Executive Board or - in case the Board of Supervisors is competent - the Board of Supervisors can grant relief to a complaint. If the Executive Board or the Board of Supervisors do not grant relief, the grievance committee shall rule forthwith.

6. The grievance committee shall lay down rules for its proceedings¹² which shall be submitted to the General Meeting.

Article 17

The distribution of all monies collected, including the amounts allocated for social and cultural purposes, shall be governed by a distribution plan which can be changed only in the manner laid down in Art. 11 b) hereof. The general principles of the distribution plan shall be integral part of the statutes. This shall apply in particular to the principles complying with §§ 7 and 8 of the Copyright Administration Act.

Article 18

The Board of Supervisors shall fix the accounting dates (payment schedule)¹³ and dates for advance payments for the coming financial year. These dates shall be published.

Article 19

Any modifications of and amendments to these statutes shall be governed by the statutory provisions¹⁴.

In the event of dissolution of the Society any remaining assets shall be transferred to associations with recognized non-profit and cultural aims.

Pursuant to § 33 subpara. 2 BGB (German Civil Code) no modifications of and amendments to the statutes shall be effective unless approved by the responsible Senate administration; the same shall apply to dissolution of the Society.

¹² Rules of Procedure for the Grievance Committee, printed on page 281 f.

¹³ Accounting and payment dates for financial year 2003, printed on page 385.

¹⁴ cf. § 20 No. 1 Copyright Administration Act.