

GEMA Statutes¹

This translation is provided for convenience only. In the event of conflict or ambiguity the original German version shall be authoritative.

(as amended on 18/19 May 2022)

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¹ This document uses gender neutral language wherever possible. Where no gender neutral form exists, the masculine form should be interpreted as referring to all genders, and is used merely for ease of reading.

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Chapter 1: Organisational structure and purpose

§ 1 Name and seat

[1] The name of the association is “GEMA Society for Musical Performing and Mechanical Reproduction Rights [*Gesellschaft für musikalische Aufführungs- und mechanische Vervielfältigungsrechte*]” (hereinafter referred to as “GEMA”).

[2] GEMA is a commercial association [*wirtschaftlicher Verein*] under German law and its legal personality is based on grant from the state according to Sec. 22 of the German Civil Code [*Bürgerliches Gesetzbuch – BGB*].

[3] GEMA has its seat in Berlin.

§ 2 Purpose

[1] The purpose of GEMA is to protect and support authors, to safeguard and promote their interests and to administer their rights within the scope and as defined in these Statutes. It has been established as a non-profit organisation that does not seek to further any interests of its own.

[2] GEMA’s task is to administer in a fiduciary capacity the rights GEMA members and third parties transfer to it under unilateral or bilateral contracts for exploitation on their behalf. It may do all things necessary or conducive to protecting and managing the rights transferred to it. This includes, for example, acquiring interests in companies that manage rights of use granted by copyright centrally for multiple countries. GEMA may also acquire interests in other companies or businesses if deemed conducive to a more effective management of the rights transferred to it. Within the limits permitted by law, GEMA may also manage the rights in the works of external right holders.

[3] GEMA also has the right to take on mandates from other collective management organisations (CMOs) and other rights holders if this is beneficial to its members. Furthermore, GEMA may collaborate with others if the object of their activity comprises not only copyrights but also related rights within the meaning of the German Act on Copyrights and Related Rights [*Gesetz über Urheberrecht und verwandte Schutzrechte – UrhG*].

§ 3 Transfer of rights to GEMA

[1] Entitled persons transfer the rights to be managed by GEMA to it by way of a special agreement (Deed of Assignment), which also defines the scope of the rights to be managed. In the case referred to in § 2 para. 3 sentence 1, the rights are transferred by way of a Mandate Agreement.

[2] The Deed of Assignment must state the following:

- a) that all rights the entitled person is entitled to at present or may become entitled to in the future are transferred subject to the proviso that the Deed of Assignment may be terminated in writing on six months' notice to expire at the end of a calendar year; the Deed of Assignment may specify a shorter notice period for online uses,
- b) that the GEMA Statutes and the GEMA Distribution Plan are acknowledged,
- c) that the admission fees and membership fees to be set by the Supervisory Board will be paid,
- d) that in the event of the death of the entitled person, the successors to his or her copyrights shall appoint an attorney to manage the rights under the Deed of Assignment on their behalf,
- e) that the entitled person will not give users a direct or indirect share of the royalties he or she receives in order to obtain an unfair advantage as to whether and how his or her works are used. This prohibition is violated, for example, if an author or publisher gives a broadcasting organisation a direct or indirect share in the royalties he or she receives to cause that broadcasting organisation to give preference to his or her works in its playlisting process. In the event of contravention of this prohibition, the entitled person shall pay an amount equal to the share he or she gave the user in its royalties to the GEMA Welfare Fund [*Sozialkasse*]. If the amount paid to the user exceeds the royalties the entitled person receives for the work concerned, only the royalties shall be paid to the GEMA Welfare Fund. This shall be without prejudice to all other provisions of the GEMA Statutes relating to actions in breach of the Statutes.

[3] A Deed of Assignment may be entered into or terminated with respect to the transfer of rights for only certain types of use and/or certain countries. However, such limitations may be applied only to the transfer of rights in all and not just some of the works of an entitled person. The membership rights of an entitled person shall remain unaffected by any such limitations to the transfer of rights. However, the provisions of § 14 and § 20 on the requirement for a minimum amount of royalties remain authoritative in terms of attainment or maintenance of full membership status.

§ 4 Grant of rights to users

[1] GEMA has the right to give parties who are interested in exploiting the rights transferred to GEMA permission to do so.

[2] Rights are granted bearing in mind always the implications of cultural context.

§ 5 Distribution of rights revenue

The royalty revenue generated from the rights transferred to GEMA by entitled persons under a Deed of Assignment or by another CMO under a representation agreement, including the amounts made available for social and cultural purposes, shall be distributed according to a Distribution Plan.

§ 6 Constituent bodies of the Association

The constituent bodies of GEMA are

- a) the General Assembly,
- b) the Supervisory Board [*Aufsichtsrat*] and
- c) the Managing Committee.

§ 7 Financial year

GEMA's financial year is the calendar year.

Chapter 2: Membership

§ 8 General provisions

GEMA distinguishes between full membership and associate membership. Only full members are members within the meaning of German association law [*Vereinsrecht*] and as defined by the German Collecting Societies Act [*Verwertungsgesellschaftengesetz – VGG*].

§ 9 Associate membership

[1] “Associate membership” is the term used to describe the status of an entitled person who does not qualify for full membership from the date the Deed of Assignment (§ 3) is signed until it terminates. Admission to associate membership is conditional on the payment of the admission fee determined by the Supervisory Board.

[2] An additional condition for the admission of a music publisher as associate member is that it must submit a valid publishing contract [*Verlagsvertrag*] which stipulates that the publisher may participate in distributions made by GEMA under the GEMA Distribution Plan as well as a trade registration [*Gewerbeanmeldung*] and an extract from the German commercial register [*Handelsregister*] or a similar register of another country.

§ 10 Denial of admission to associate membership

If GEMA rejects or postpones the admission of an applicant as associate member, the applicant shall be informed of this decision in writing, giving reasons for the decision. The applicant may turn to the GEMA Complaints Committee to appeal the rejection within six weeks of receipt. The decision of the Complaints Committee on the membership application shall be final.

§ 11 Full membership

[1] In order to be admitted to full membership, entitled persons must

- a) have been an associate member of GEMA for at least five years,
- b) meet the special admission criteria applicable to his or her professional category (§§ 12, 13),
- c) have generated the minimum amount of royalties applicable to his or her professional category (§ 14) and
- d) complete the admission procedure laid down for full membership (§ 16).

[2] Full membership can be attained only in one of the three professional categories of composers, lyricists or publishers. An entitled person may transfer to another professional category if he or she meets the requirements applicable to that category pursuant to para. 1 above.

[3] Previous years of membership of another CMO in the European Union and the royalties received as part thereof shall be counted towards the minimum period referred to in para. 1 lit. a) above and the required minimum amount of royalties specified in § 14 below. In exceptional cases, and subject to the approval of the Supervisory Board, previous years of membership of another CMO outside the European Union and the royalties received as part thereof may be counted towards the minimum period referred to in para. 1 lit. a) above and the required minimum amount of royalties specified in § 14 below. Previous membership of other CMOs can only be counted as described in sentences 1 and 2 of this paragraph if the other CMO concerned operates in the same creative sector as GEMA.

§ 12 Special admission criteria applicable to authors

Full GEMA membership in the professional categories of composers or lyricists is only available to applicants who qualify as authors [*Urheber*] within the meaning

of the *UrhG*. To qualify as author for the purposes of this provision, applicants must produce evidence to show their authorship as follows²:

- a) Composers must submit 5 self-authored works of music.
- b) Lyricists must submit 5 self-authored sets of lyrics set to music.

§ 13 Special admission criteria applicable to publishers

[1] Full GEMA membership in the professional category of publishers is only available to applicants who themselves operate a music publishing organisation and are registered in the German commercial register [*Handelsregister*] or a similar register of another country.

[2] Apart from that, music publishers must provide publishing services within the meaning of the GEMA rules. The term “publishing service” means reproduction and distribution [*Vervielfältigung und Verbreitung*] of works of music (with or without lyrics) within the meaning of the German Publishing Act [*Verlagsgesetz – VerlG*]. Irrespective of that, such a publishing service may also be provided in the form of promotion and marketing activities for the work concerned, financing and production services or support and administrative services. Support and administrative services include, but are not limited to, handling all necessary communication with GEMA regarding the work and its use, including in the interest of the author (e.g. by notifying the work to GEMA, verifying accounting records and processing complaints). Through the services they provide as described above, music publishers bring financial benefit to GEMA by contributing to the royalty income GEMA receives and thus indirectly increasing the amount of distributions composers and lyricists receive. These provisions are without prejudice to § 47 of these Statutes and § 7 paras. 1 to 3 in conjunction with § 10 of the Distribution Plan.

[3] In order to be admitted to full membership, music publishers must provide evidence of their provision of publishing services with respect to 5 works they published.³

² The requirement to produce evidence does not apply to members who attained associate membership under the Statutes as in force until 31 December 2020.

³ The requirement to produce evidence does not apply to members who attained associate membership under the Statutes as in force until 31 December 2020.

§ 14 Minimum amount of royalties required for eligibility for full membership

[1] In order to become eligible for full membership, entitled persons must have generated a specified minimum amount of royalties from GEMA as follows:

- a) for composers, a total of EUR 30,000.00 in five successive years, of which at least EUR 1,800.00 per year must have been generated in four successive years,
- b) for lyricists, a total of EUR 30,000.00 in five successive years, of which at least EUR 1,800.00 per year must have been generated in four successive years, and
- c) for publishers, a total of EUR 75,000.00 in five successive years, of which at least EUR 4,500.00 per year must have been generated in four successive years.⁴

[2] The question of whether the required minimum amount of royalties has been reached is determined on the basis of the net royalty amounts credited to the membership account of an entitled person in the relevant professional category in the calendar year concerned. Amounts credited which are to be allocated to special accounts are not taken into account for this purpose.

[3] The minimum amount of royalties specified in para. 1 lit. a) to c) above must have been generated within the ten years prior to the year in which the application for full membership is made.

[4] The minimum amounts stated in para. 1 lit. a) to c) above are reduced by 1/3 for authors and music publishers who receive most of their domestic royalty income from distribution category E. Upon application, sentence 1 shall apply *mutatis mutandis* to authors and publishers who receive most of their domestic income from works according to distribution keys I or III in distribution category R.

⁴ In view of the loss of royalty income due to the COVID-19 pandemic, the following special provision shall apply to applications to be considered on the basis of the minimum royalty amounts specified at lit. a) to c) above if the period under consideration includes calendar year 2021 or 2022:

1. The required minimum total amount of royalties is reduced one time only to EUR 24,000.00 for composers and lyricists and EUR 60,000.00 for publishers.
2. The required minimum amount of EUR 1,800.00 or EUR 4,500.00 respectively per year must be generated in three years within the period under consideration.

The following special provision shall apply to applications to be considered on the basis of the minimum royalty amounts specified at lit. a) to c) above if the period under consideration includes calendar years 2021 and 2022:

1. The required minimum total amount of royalties is reduced one time only to EUR 21,000.00 for composers and lyricists whose total amount of royalties was less than EUR 1,800.00 in at least one of the calendar years 2021 or 2022, and to EUR 52,500.00 for publishers whose total amount of royalties was less than EUR 4,500.00 in at least one of the calendar years 2021 or 2022.
2. The required minimum amount of EUR 1,800.00 or EUR 4,500.00 respectively per year must be generated in three years within the period under consideration. These three years must generally be consecutive. However, an interruption by the years 2021 and/or 2022 shall not be of detriment for the purposes of this provision.

§ 15 Re-admission to full membership

If a member who has had full membership status before applies for re-admission to full membership, the periods specified in § 14 para. 1 lit. a) to c) do not apply but a period of three years shall apply instead. The required total amount shall be EUR 12,000.00 for composers and lyricists and EUR 30,000.00 for publishers. The previous years of membership shall be counted in full towards the minimum duration of associate membership specified in § 11.

§ 16 Procedure for admission to full membership

[1] In order to be admitted to full membership, entitled persons must submit the complete application form provided for this purpose, together with the requisite supporting documents referred to in § 12 or § 13 para. 3, respectively, to GEMA.

[2] In his or her application form, the entitled person must state

- a) that he or she acknowledges the GEMA Statutes and the GEMA Distribution Plan,
- b) that he or she will do all things necessary or expedient to achieve the object of GEMA as defined in the GEMA Statutes, and will refrain from all acts that would be detrimental to the achievement of this object, and
- c) if the entitled person qualifies for more than one professional category, the professional category in which he or she wishes to attain full membership and exercise his or her membership rights.

[3] The membership application and the supporting documents to be submitted pursuant to § 12 or § 13 para. 3, respectively shall first be submitted to an admission committee which will then make a recommendation to this effect to the Managing Committee and the Supervisory Board. Further details of the composition and the procedures of the admission committee shall be set out in a set of Internal Rules [*Geschäftsordnung*], which shall be adopted by the Supervisory Board.

[4] The decision on membership applications [*Aufnahmeanträge*] is made by the Managing Committee by mutual agreement with the Supervisory Board. If a membership application is accepted, full membership shall commence on 1 January of the year following receipt of the complete application documents to be submitted by the entitled person.

§ 17 Co-optation to full membership

[1] Composers, lyricists and music publishers who have transferred their rights to GEMA and in whose case it appears desirable for cultural reasons to have them as

full members may be co-opted for full membership by the Supervisory Board. The Supervisory Board members of the three professional categories shall decide separately on co-optations to membership in their respective professional category.

[2] The number of co-opted members must not exceed the number of members who attained full membership status in their respective professional category in accordance with §§ 11-14.

§ 18 Denial of admission to full membership

[1] If GEMA rejects an application for admission to full membership, the applicant shall be notified in writing by a letter sent by registered post and giving reasons for the decision. In response to the rejection, the applicant may request, by registered letter within one month of receipt, that the final decision on his or her membership application be made by the Complaints Committee.

[2] An application for admission to full membership may also be denied despite the conditions of §§ 11 – 14 and § 16 being met if there are objective reasons relating to the member personally which justify this. This shall be deemed to be the case in particular if the applicant

- a) has repeatedly and severely breached the Deed of Assignment, the GEMA Distribution Plan or the GEMA Statutes, or acted against the interests of the Association,
- b) provided false information and thereby gained an unlawful pecuniary advantage for him or herself, or for another member, at the expense of GEMA, or had another person procure such unlawful pecuniary advantage, or made an attempt at doing so.

This does not apply if the applicant is not responsible for the breach. § 21 para. 2 shall apply *mutatis mutandis*.

[3] Once an application for full membership according to para. 2 has been rejected, a new application for full membership can be made at the earliest five years after the end of the year in which the last application was made. §§ 11 – 14 and § 16 shall apply *mutatis mutandis* to the new application. Royalties from years preceding the year of the last application for full membership shall not be taken into account for the purposes of the new application.

§ 19 Termination of full membership

[1] Full membership shall be terminated

- a) by the death of the member,

- b) in the case of a music publisher, if insolvency proceedings are instituted over its assets or a petition to this effect is rejected for insufficiency of assets, or after the completion of liquidation,
- c) by resignation in accordance with para. 2,
- d) if the average level of royalties received is lower than specified in § 20,
- e) by expulsion for cause in accordance with § 21,
- f) by termination of the Deed of Assignment.

[2] In order to resign from the Association, the member must give written notice to the Managing Committee of his or her resignation from the Association. If the notice of resignation [*Austrittserklärung*] is received by the Managing Committee at least six months before the end of a calendar year, the resignation takes effect at the end of that calendar year, otherwise it will take effect at the end of the following calendar year.

[3] If full membership is terminated in accordance with para. 1 lit. a) to e) above, this shall be without prejudice to the validity and duration of the Deed of Assignment entered into with the entitled person. In this case, a full member will be transferred to associate membership status.

§ 20 Failure to achieve required average level of royalties

[1] The Managing Committee may, subject to the consent of the Supervisory Board, terminate the full membership of members who attained this status in accordance with § 14 to expire at the end of the financial year in which it is established that

- a) the average level of royalties a composer received from GEMA was less than EUR 1,200.00 per year in three successive years, or less than EUR 1,000.00 per year in six successive years;
- b) the average level of royalties a lyricist received from GEMA was less than EUR 1,200.00 per year in three successive years, or less than EUR 1,000.00 per year in six successive years;
- c) the average level of royalties a music publisher received from GEMA was less than EUR 3,000.00 per year in three successive years, or less than EUR 2,000.00 per year in six successive years.

§ 14 para. 2 shall apply *mutatis mutandis* to the method of determining the average level of royalties.

[2] Termination in accordance with para. 1 is excluded after ten years of full membership according to § 14.

[3] The Managing Committee may, subject to the consent of the Supervisory Board, terminate the full membership of members who attained this status in accordance with § 17 to expire at the end of a calendar year.

§ 21 Expulsion for good cause

[1] Full membership shall be terminated by expulsion, which may be applied to a member for good cause. Good cause shall be deemed to exist in particular if the member concerned

- a) has repeatedly and severely breached the Deed of Assignment, the GEMA Distribution Plan or the GEMA Statutes, or acted against the interests of the Association,
- b) provided false information and thereby gained an unlawful pecuniary advantage for him or herself, or for another member, at the expense of GEMA, or had another person procure such unlawful pecuniary advantage, or made an attempt at doing so.

This does not apply if the member is not responsible for the breach.

[2] If the member is a legal entity or commercial company, expulsion may also be applied if an executive body [*Organ*] or member of an executive body or a general partner [*persönlich haftender Gesellschafter*] or other member or shareholder who has significant influence over the company severely violates the GEMA Statutes, the interests of the Association or copyright law.

[3] If in exploiting copyrights a member abuses his or her legal position as user in relation to other members, this will constitute grounds for expulsion of that member, unless a contractual penalty is deemed sufficient.

[4] Expulsion shall be by resolution of the Supervisory Board after giving the member the opportunity to state his or her objections to the proposed expulsion, either orally or in writing. In response to the resolution of the Supervisory Board, the member may request within three weeks of receipt of the resolution that a decision be made by the Complaints Committee.

[5] Once a member has been expelled, he or she can make a new application for full membership at the earliest after ten years. This shall be without prejudice to § 17.

Chapter 3: Meetings of the General Assembly

§ 22 Functions and powers

The functions of the General Assembly include, but are not limited to, the following:

- a) to accept the annual report and the annual financial statements and adopt the transparency report,
- b) to elect or remove members of the Supervisory Board and to elect and remove members of the committees and commissions which fall within the responsibility of the General Assembly. GEMA is committed to improving the representation of women in all of its bodies.
- c) to formally approve of the actions of the Managing Committee and of the Supervisory Board,
- d) to decide on the attendance fees to be paid to members of the Supervisory Board and of the committees and commissions on the basis of a proposal from the Attendance Allowance Committee,
- e) to appoint Honorary Presidents and award Honorary Memberships at the proposal of the Supervisory Board,
- f) to pass resolutions amending the GEMA Statutes,
- g) to pass resolutions amending the Deed of Assignment,
- h) to pass resolutions amending the GEMA Distribution Plan, including the general principles governing deductions from revenues and the use of non-distributable royalty revenue,
- i) to pass resolutions in relation to the general investment policy applicable to the royalty revenue generated from the rights,
- j) to pass resolutions on the terms on which entitled persons may grant anybody the right to use their works free of royalty for non-commercial purposes,
- k) to pass resolutions on the dissolution of GEMA.

This shall be without prejudice to § 36 para. 3.

§ 23 Convening the General Assembly

[1] An ordinary meeting of the General Assembly shall be held within eight months of the end of each financial year.

[2] An extraordinary meeting of the General Assembly shall be convened in the cases provided by law and, in addition, whenever deemed necessary by the Supervisory Board or at the request of at least 10% of the full members and delegates of the associate members (§ 32) combined.

[3] Members shall be notified of the date of the ordinary meeting and of the elections to be held in the General Assembly at least four months in advance. If this notice period is not adhered to, this shall be without prejudice to the validity of and shall not invalidate any resolutions passed by the General Assembly at that meeting, which shall nevertheless have full force and effect.

[4] The notice convening the meeting of the General Assembly shall be issued by the Managing Committee by mutual agreement with the Supervisory Board. It shall be sent in writing five weeks in advance of the date of the General Assembly meeting. If the notice is sent by post, the notice period shall be deemed adhered to by putting the notice in the mail.

§ 24 Agenda

[1] The agenda shall be published on the GEMA website five weeks before the date of the General Assembly meeting, in the case of an ordinary meeting together with an extract from the financial report.

[2] Members may request in writing to be sent the agenda and the extract from the financial report also by post until further notice. Copies sent by post shall be sent three weeks before the date of each General Assembly, for the first time before the ordinary meeting of the General Assembly held in the year following the year in which the request was received by GEMA. The three-week time limit shall be deemed adhered to by putting the copies in the mail.

[3] No resolutions can be made on items that did not form part of the agenda.

§ 25 Proposals for resolution

[1] Proposals for inclusion on the agenda must be signed by at least ten full members and/or delegates (§ 32 para. 4) and must be received by GEMA at least eight weeks before the date of the General Assembly meeting concerned. This does not apply to proposals by the Supervisory Board or the Managing Committee. However, the Supervisory Board must be informed of any proposals of the Managing Committee in advance.

[2] Draft proposals for inclusion on the agenda of an ordinary meeting of the General Assembly may be submitted to GEMA for review. A necessary condition for this is that at least 20 members and/or delegates entitled to submit proposals request a review of their draft proposal (with reasons) in writing, specifying a contact with details, at least 16 weeks before the beginning of the ordinary meeting of the General Assembly.

[3] GEMA shall inform the members and/or delegates of the outcome of its review within six weeks. This time limit shall begin to run when a sufficient number of members and/or delegates jointly asks GEMA for its comments on a draft.

[4] In its comments, GEMA shall address in particular the following points:

- a) whether there are any objections to the form or language of the draft proposal, and if so, what these are;
- b) whether and how the presumed objectives of the draft proposal conflict with other provisions of the GEMA rules;
- c) whether there are any concerns regarding the compatibility of the presumed objectives of the draft proposal with applicable law, and if so, what these are.

GEMA has no obligation to provide worded amendment proposals to applicants.

§ 26 Voting and election rights

[1] In the General Assembly, each full member shall have one vote. If a publisher runs two or more music publishing companies as a sole trader, he or she shall have only one vote. The total number of votes held by publishers belonging to a group [*Konzern*] within the meaning of Sec. 18 of the German Stock Corporation Act [*Aktiengesetz – AktG*] does not exceed twenty.

[2] Full members have the right to vote and stand for election to an elected office.

§ 27 Representation at meetings

[1] Full members may be represented at meetings of the General Assembly by an authorised or legal representative in accordance with the following provisions.

[2] If a music publishing firm organised in the form of a company is only allowed to be represented jointly, its voting right shall be exercised by one of its joint representatives while its other representative(s) only has or have the right to attend.

[3] If a member falling within the professional category of composers or lyricists acts, at the same time, as the representative appointed under the statutes or under the articles of association of a music publisher, this member shall also be entitled to exercise membership rights only in one professional category.

[4] Their representation must not give rise to concern in terms of a conflict of interest. A conflict of interest is typically to be expected in cases where any of the following categories of persons is authorised to represent full members:

- a) members of other professional categories,
- b) associate members,
- c) users or parties that have close economic ties with users,
- d) persons who represent the interests of users or of members of other professional categories.

A conflict of interest is, as a rule, not to be expected if another full member of the same professional category or a close relative of the member concerned is authorised to represent him or her.

[5] The maximum number of members who may be represented by one person is limited to ten.

[6] The representative is bound by instructions from the member(s) he or she represents. A representation arrangement is valid for one meeting of the General Assembly only and is irrevocable.

[7] GEMA must be notified of a representation arrangement in writing, using the form provided for this purpose, at least two weeks before the beginning of the General Assembly meeting concerned. If a member is unable to attend due to illness, notice of a representation arrangement (accompanied by a medical certificate) may still be given until three business days before the beginning of the General Assembly meeting. This also applies to music publishing organisations who exercise their voting right through their owner.

§ 28 Participation by digital means

[1] Instead of attending in person, full members may attend meetings of the General Assembly and exercise their participation rights, without having to be present themselves and without having to appoint a representative, using electronic means of communication. To be able to attend and exercise participation rights using electronic means of communication, members must comply with the applicable deadlines and authentication requirements. Further details of this shall be laid down by the Supervisory Board in a set of Internal Rules [*Geschäftsordnung*] which must be made public.

[2] Members who breach the provisions of the Internal Rules regarding the non-transferability of votes, the confidentiality of authentication data and the non-public nature of the meeting may be excluded from attendance and participation by means of electronic communication for a period of five years by resolution of the Supervisory Board.

§ 29 Chairing of meetings, meeting and voting procedure, voting

[1] Meetings of the General Assembly shall be chaired by the Chair of the Supervisory Board or one of his or her Deputies.

[2] Meetings of the General Assembly are held according to a Meeting Procedure adopted by the General Assembly that forms part of these GEMA Statutes.

[3] A vote on amendments to the GEMA Statutes, the Deed of Assignment and the GEMA Distribution Plan as well as on resolutions on the dissolution of GEMA shall be taken by each professional category separately. Resolutions voted in accordance

with sentence 1 come into force only if they have been accepted by all three professional categories. Acceptance by a professional category requires the support of a two-third majority within that category. For resolutions on the dissolution of GEMA, this two-third majority must make up at least half of the total number of members in the professional category concerned. This shall be without prejudice to § 36 para. 3. Amendments to the GEMA Statutes must be approved by the competent Senate Committee according to Sec. 33 Para. 2 *BGB* in order to be valid.

§ 30 Challenges to the validity of resolutions

[1] The validity of resolutions passed by the General Assembly can only be challenged in court. A claim of invalidity cannot be based on

- a) a violation of rights exercised by electronic means that was caused by a technical problem, unless GEMA is guilty of gross negligence or intent,
- b) a violation of procedures that has not had any effect on the passing of resolutions.

[2] A violation of procedures may be claimed by any member attending a meeting of the General Assembly, provided that he or she has declared his or her objection to the resolution concerned for the record, and by any member not attending who claims that he or she was wrongly denied the opportunity to attend a meeting of the General Assembly, or that the meeting was not duly convened, or that an item for resolution was not duly made known as part of the agenda.

[3] A court action on this ground must be started within six weeks of the resolution being passed.

[4] This shall be without prejudice to any mandatory provisions of applicable law.

Chapter 4: Meeting of associate members

§ 31 Convening and chairing of meetings, financial report

[1] A meeting of associate members shall be held in conjunction with each ordinary and extraordinary meeting of the General Assembly of full members. The notice convening this meeting shall be issued by the Managing Committee by mutual agreement with the Supervisory Board.

[2] It shall be chaired by the Chair of the Supervisory Board or one of his or her Deputies.

[3] During this meeting, the Managing Committee shall present the financial report and be available to answer questions of the associate members. If the

meeting is held in conjunction with an extraordinary meeting of the General Assembly of full members, no financial report shall be presented.

§ 32 Election of delegates

[1] Every three years, the Assembly elects up to 64 persons from among its members present in separate meetings of the three professional categories to sit as delegates on the General Assembly of the full members, namely

- a) up to 32 from the professional category of composers, at least twelve of which should be successors in title;
- b) up to 12 from the professional category of lyricists, at least four of which should be successors in title;
- c) up to 20 from the professional category of publishers.

[2] Up to five alternates shall be elected for each professional category. In the event that not all delegates are present at a meeting, the alternates elected for the professional category concerned shall take their place. The order in which they succeed to the absent delegates shall be determined by the number of votes cast for each alternate when he or she was elected.

[3] Only GEMA entitled persons of two years standing or more can be elected as delegates or alternates. Moreover, members can be elected as delegates or alternates only if they have received a minimum amount of royalties totalling EUR 50.00 in the two calendar years preceding the year of the election. § 14 para. 2 shall apply *mutatis mutandis* to the method of determining the required minimum amount of royalties. Persons authorised to represent a full member from the professional category of publishers cannot be elected as delegate or alternate at the same time. Associate members whose application for full membership has been rejected according to § 18 para. 2 and members who have been expelled according to § 21 are not eligible to stand for election for a period of 5 years from the date of the decision to reject or expel them.

[4] Each member has one vote in the election of delegates and in the election of alternates. Music publishing organisations owned by a sole trader exercise their voting right through their owner. Music publishing organisations which are companies exercise their voting right through a representative appointed under their statutes or under their articles of association. A representative cannot exercise the voting right for more than five publishers. If the owner of a music publishing organisation or the representative appointed under its statutes or under its articles of association is unable in law or in fact to exercise its voting right, the voting right can be exercised by a representative entered in the commercial register or by an agent [*Handlungsbevollmächtigter*] within the meaning of Sec. 54 of the German Commercial Code [*Handelsgesetzbuch – HGB*]. Such a representative or agent must have a permanent role in the music

publishing organisation concerned, working in a publishing or commercial capacity. § 26 para. 1 sentence 2 and § 27 paras. 2, 3, 6 sentence 2 and para. 7 shall apply *mutatis mutandis*.

[5] Each meeting of a professional category shall be chaired by the Chair of the Supervisory Board if he or she is a member of the professional category concerned, or by the Deputy Chair who is a member of that professional category. If the Chair of the Supervisory Board or his or her Deputy is unable to attend, the meeting shall be chaired by the oldest Supervisory Board member of the professional category concerned who is present at the meeting.

[6] Within each professional category, the election of the various delegates and alternates shall be combined into a single election process. To this end, all candidates are placed on one list and put up for election. The number of votes each voter has must not exceed the number of vacancies for delegates or alternates in his or her professional category. Each voter may cast only one vote per candidate. Those candidates who receive the most votes (relative majority) will be elected. If there is no clear election result because there is a tie of votes, a run-off ballot shall be held. If there is a tie of votes in the run-off ballot, the decision between the candidates with the same number of votes shall be made by lot to be drawn by the Chair of the meeting. If, in the election of delegates, the number of members running for election does not exceed the number of vacancies for delegates, the meeting of the professional category concerned may decide by simple majority to hold an *en bloc* election.

[7] In the professional categories of composers and lyricists, the election of the successors in title shall be held first, followed by the election of the other delegates. If the intended number of successors in title is not reached, the number of other delegates up for election increases accordingly.

§ 33 Delegates' rights

Delegates have the same rights as full members, except that they cannot run for an elected office and cannot be represented by others pursuant to § 27. They have the right to submit proposals for resolutions to be passed at a meeting of the General Assembly on the same conditions as full members.

§ 34 Delegates' term of office

[1] The term of office of the delegates and of their alternates shall run from the end of the meeting of the General Assembly following their election to the end of the fourth ordinary meeting of the General Assembly following their election. Re-election is permitted.

[2] If a delegate or an elected alternate attains full membership, his or her term of office shall end on the day on which the Managing Committee decides by mutual agreement with the Supervisory Board to admit him or her as a full member.

[3] If, for this or any other reason, a delegate vacates his or her office before the expiration of his or her term of office, the alternate elected with the highest number of votes for the professional category concerned shall fill his or her place for the remainder of that term. If a delegate who vacates office cannot be replaced by an elected alternate, the professional category concerned shall elect a new delegate at the next following meeting of associate members to fill his or her place for the remainder of his or her term. Apart from that, no by-elections will be held.

§ 35 Representation of severely disabled members

Severely disabled members with an officially established degree of disability of 50 or over who are unable, due to mobility restrictions associated with their disability, to attend the meeting of associate members in person may be represented by another member of their professional category. § 27 shall apply analogously. Each member can represent only one severely disabled member.

Chapter 5: Supervisory Board

§ 36 Functions and powers

[1] The Supervisory Board has the duties and powers conferred on a supervisory body by the VGG.

[2] It shall decide on the following matters:

- a) the appointment, employment and removal of members of the Managing Committee and on the amount of their compensation and any other benefits they may receive,
- b) the appointment and removal of the auditor(s) of the accounts,
- c) the accession to or exit from other societies, associations or other organisations, the setting-up of subsidiaries and the acquisition of interests in other entities,
- d) the risk management policy,
- e) the acquisition, the sale and hypothecation of immovable property,
- f) the taking and granting of loans and the provision of security for loans,
- g) the conclusion and the termination of representation agreements with other CMOs,

- h) the conditions of rights management, unless these GEMA Statutes provide for a different allocation of responsibilities,
- i) the establishment and adjustment of tariffs and the entry into general agreements.

[3] The Supervisory Board has the right to make editorial changes to the GEMA Statutes, the GEMA Distribution Plan and the Internal Rules adopted by the General Assembly by mutual agreement with the Managing Committee as long as such changes concern only the form in which those documents are written but not the content of their provisions. This includes only corrections to the spelling, grammar or punctuation, updates to cross references and numbering within the GEMA rules, updates to references to provisions of statutes and names of organisations as well as corrections to make the use of acronyms consistent. All editorial changes made will be published. Members will be informed about them through the “virtuos” magazine, which is circulated to all members, in the issue following the adoption of the Supervisory Board resolutions concerned, for which purpose the cover of that issue shall prominently highlight this information.

[4] The Supervisory Board has a right to give instructions to the Managing Committee.

[5] Further details about how certain transactions are handled by the Supervisory Board and the Managing Committee shall be laid down by the Supervisory Board in a set of Internal Rules [*Geschäftsordnung*].

[6] The Supervisory Board has the right to appoint Supervisory Board members to attend meetings of the various committees and commissions formed not from amongst its members. It may abrogate resolutions of committees and commissions and has the last say on them. However, this does not apply to resolutions of the Complaints Committee and of the Author/Publisher Arbitration Committee.

[7] The Supervisory Board shall adopt standing orders within which it will operate [*Geschäftsordnung*].

§ 37 Composition and election

[1] The Supervisory Board consists of 15 members, six of which must be composers, five publishers and four lyricists.

[2] The members of the Supervisory Board are elected by the General Assembly in accordance with § 22 para. 1 lit. b). Composers, lyricists and publishers elect Supervisory Board members to represent their respective professional category by separate elections. Each professional category elects its candidates by relative majority. If three quarters of the votes present in each of the other two professional categories do not agree with the election of a member elected in another professional category, the professional category concerned has to hold a

re-election, unless it elects the candidate elected in the first round once more by three quarters of its votes. Each professional category may resolve by a two-thirds majority to remove a Supervisory Board member it elected. Further details on the election of the Supervisory Board are set out in a Voting Procedure that forms part of the Meeting Procedure.

[3] Two alternates may be elected for each professional category who shall have the right to attend meetings of the Supervisory Board with full voting rights if and to the extent that full members of their respective professional category are unable to attend a meeting of the Supervisory Board. Para. 2 shall apply *mutatis mutandis* to the election procedure for these alternates.

[4] Composers and lyricists are eligible for election as Supervisory Board members or alternates if they have been full members of GEMA for at least five years and are German citizens or citizens of another Member State of the European Union or Member State of the European Economic Area or have their residence for tax purposes in any of those countries.

[5] Publishers are eligible for election as Supervisory Board members or alternates if they have owned a music publishing organisation run as a sole trader or been the General Partner [*persönlich haftender Gesellschafter*] of a general partnership [*offene Handelsgesellschaft – oHG*] or limited partnership [*Kommanditgesellschaft – KG*], the Managing Director [*Geschäftsführer*] of a company with limited liability [*Gesellschaft mit beschränkter Haftung – GmbH*], a member of the Executive Board [*Vorstandsmitglied*] of a joint-stock company [*Aktiengesellschaft – AG*] or held a managerial role in a music publishing organisation for at least five years. In addition, a publishing organisation must have been a full member of GEMA for at least five years and must have its registered office in Germany or another Member State of the European Union or Member State of the European Economic Area.

[6] Only one person from a publisher or publishing group may be a member of the Supervisory Board.

[7] Any member is ineligible to stand for election to the Supervisory Board if there is cause for concern in terms of a structural conflict of interest. Such a conflict of interest is, as a rule, deemed to exist if the author or the publisher concerned or the publishing organisation he or she represents

- a) entered into licensing agreements with GEMA, a company in which GEMA holds an interest or any other CMO on a regular basis, or on a larger scale, in the three years preceding his or her election, or
- b) has economic or personal ties with any such licensees, or
- c) has economic or personal ties with an organisation that competes with GEMA.

[8] However, one candidate from among the publishers who themselves or whose publishing organisations meet the criteria laid down on para. 7 may nevertheless

be elected to the Supervisory Board and another one may be elected as alternate for that Supervisory Board member. Their voting right shall be suspended with respect to the passing of resolutions on the establishment and adjustment of tariffs and the entry into general agreements, and with respect to all other items for resolutions on which a conflict of interest may materialise.

§ 38 Chair person

The Supervisory Board shall elect from amongst its members the Chair of the Supervisory Board and two Deputies.

§ 39 Term of office

[1] The term of office of members of the Supervisory Board and of alternates shall run from the end of the meeting of the General Assembly at which they were elected to the end of the third ordinary meeting of the General Assembly following their election.

[2] Re-election is permitted. The Supervisory Board will remain in office until new elections are held.

[3] If a Supervisory Board member or alternate of the professional category of publishers moves to another publisher during his or her term of office, he or she shall remain in office if the new publisher meets the conditions for eligibility to the Supervisory Board. Otherwise, he or she shall vacate office.

[4] If a member of the Supervisory Board or alternate vacates his or her office before the expiration of his or her term of office, the Supervisory Board members of his or her professional category shall elect a substitute member to fill his or her place. If the term of office continues until after the next meeting of the General Assembly, the approval of the General Assembly with respect to the election of the substitute member must be obtained at that meeting.

§ 40 Passing of resolutions

[1] The Supervisory Board shall have a quorum if at least half of its members, including at least two members of each professional category, are present.

[2] Within the Supervisory Board, the vote shall be passed by simple majority of the members present. If the composers present at a meeting of the Supervisory Board have a unanimous view on a matter, they cannot be outvoted by the other Supervisory Board members present.

[3] Proxy voting is not permitted.

Chapter 6: Honorary service

§ 41 Attendance fees

[1] The members of the Supervisory Board and of committees and commissions hold their office in an honorary capacity. Unless otherwise stipulated in these Statutes, they are only reimbursed for travel expenses and out of pocket expenses and are paid a reasonable flat rate attendance fee for meetings.

[2] The General Assembly decides on the amount of the attendance fees to be paid in accordance with § 22 para. 1 lit. d) on the basis of a proposal from the Attendance Allowance Committee. The amount of the attendance fees shall be determined bearing in mind the nature of the work, the responsibility and the tasks the office concerned typically involves, as well as the financial position GEMA is in. The roles of Chair and Deputy Chair of the Supervisory Board and of committees and commissions shall be given special consideration in this regard.

[3] The GEMA members shall be informed by the financial report about the applicable rates of flat-rate attendance fees for meetings and about the total amount of payments made in a financial year to the members of the Supervisory Board and of commissions and committees.

§ 42 Attendance Allowance Committee

[1] The Attendance Allowance Committee consists of one representative of each of the three professional categories and one alternate for each of them, plus one Chair and one Deputy Chair. The Chair of the Complaints Committee (§ 46) is at the same time the Chair of the Attendance Allowance Committee. The Deputy Chair of the Complaints Committee shall also act as Deputy Chair of the Attendance Allowance Committee.

[2] The representatives of the professional categories or the publishers they work for, respectively, must have been full members of GEMA for at least five years. The alternates or the publishers they work for, respectively, must have been full members of GEMA for at least three years. Supervisory Board members and members of other committees or commissions are not eligible for election as representative of a professional category or alternate. As far as Supervisory Board members from the professional category of publishers are concerned, this applies for all representatives and other employees of the publisher.

[3] The representatives of the professional categories and their alternates are elected by the General Assembly for a term of office of three years. Re-election is permitted. Full members and delegates may submit nominations to the Election Committee in the run-up to the meeting of the General Assembly at which the election will be held. The provisions of § 37 para. 2 and section B.I. of the Meeting

and Voting Procedure shall apply *mutatis mutandis* to the submission of nominations and the election.

[4] If the representative of the professional category of publishers or his or her alternate moves to another publisher during his or her term of office, he or she shall remain in office if the new publisher meets the conditions for eligibility to the Attendance Allowance Committee. Otherwise, he or she shall vacate office.

[5] If a representative of a professional category or his or her alternate vacates his or her office before the expiration of his or her term of office, the professional category concerned shall elect a substitute member at the next following meeting of the General Assembly to fill his or her place if his or her term of office continues until after that meeting.

[6] Meetings of the Attendance Allowance Committee shall be convened by the Supervisory Board or the General Assembly. The Commission meets in private. The Chair of the Supervisory Board and his or her Deputies and the Managing Committee shall be given the opportunity to state their views. If the deliberations relate to the attendance fees for committees or commissions composed of members other than Supervisory Board members, the Chair of the body concerned, or a representative appointed by that body, shall also have this right. The Chair of the Attendance Allowance Committee shall decide whether experts are to be consulted.

[7] The Attendance Allowance Committee shall decide by simple majority; the Chair shall have the casting vote in the case of a tie.

[8] The members of the Attendance Allowance Committee are only reimbursed for travel expenses and out of pocket expenses incurred in their duties.

[9] Until the adoption of the first resolution by the General Assembly, attendance fees for meetings will be paid in the amount applicable until then.

Chapter 7: Managing Committee

§ 43 Functions and powers

[1] The Managing Committee shall represent GEMA in court and out of court. If the Managing Committee consists of two or more persons, GEMA shall be represented by two of them, acting jointly. The power of representation of the Managing Committee is evidenced by a certificate to be issued by the Senate Committee in charge of the supervision of associations. For this purpose, the document of appointment of each member of the Managing Committee shall be submitted to the Senate Committee. The right of the Supervisory Board to issue instructions shall be governed by § 36 para. 4. For details about how certain

transactions are handled by the Supervisory Board and the Managing Committee, reference is made to § 36 para. 5.

[2] In January of each year, the Managing Committee shall submit to the competent Senate Committee the list of members of the Managing Committee and of the members of the Supervisory Board stating their name, first name, status and place of residence. If the persons forming the Managing Committee and/or the Supervisory Board have not changed since submission of the last list, submission of a declaration to this effect shall be sufficient.

[3] The Managing Committee shall submit a financial report to the Supervisory Board on a quarterly basis and, in addition, a financial report for the financial year just ended and a forecast for the following year at least one month before the ordinary meeting of the General Assembly.

§ 44 Appointment and removal

The members of the Managing Committee are appointed and removed by the Supervisory Board.

§ 45 Remuneration

The members of the Managing Committee receive compensation for their work, the amount of which is determined by the Supervisory Board.

Chapter 8: Arbitration and complaints process

§ 46 Complaints Committee

[1] The Complaints Committee is responsible for the tasks assigned to it under these Statutes and for hearing disputes between GEMA and its members that arise from their membership. Any member can contact the Complaints Committee if his or her legitimate interests as a member of the Association are violated. The Complaints Committee does not have jurisdiction to hear matters for which the GEMA Statutes or other provisions provide a different internal GEMA procedure.

[2] The Complaints Committee consists of one representative of each of the three professional categories and one alternate for each of them, plus one Chair and one Deputy Chair.

[3] The Chair and his or her Deputy must be qualified to exercise the office of judge. They shall be chosen by the representatives of the professional categories from a list of nominations to be prepared by the Supervisory Board.

[4] The representatives of the professional categories or the publishers they work for, respectively, must have been full members of GEMA for at least five years. The alternates or the publishers they work for, respectively, must have been full members of GEMA for at least three years. Supervisory Board members are not eligible for election to the Committee. As far as Supervisory Board members from the professional category of publishers are concerned, this applies for all representatives and other employees of the publisher.

[5] The representatives of the three professional categories are elected by the General Assembly from nominations made by the Supervisory Board. They are elected for a term of 3 years. In making its nominations, the Supervisory Board will have regard to the objective of improving the representation of women in all bodies of GEMA. Full members and delegates may submit alternative nominations to the Election Committee in the run-up to the meeting of the General Assembly at which the election will be held. The provisions of § 37 para. 2 and section B.I. of the Meeting and Voting Procedure shall apply *mutatis mutandis* to the submission of nominations and the election.

[6] The representatives of the three professional categories shall remain in office until the end of the third ordinary meeting of the General Assembly following their election. Re-election is permitted.

[7] If the representative of the professional category of publishers or his or her alternate moves to another publisher during his or her term of office, he or she shall remain in office if the new publisher meets the conditions for eligibility to the Complaints Committee. Otherwise, he or she shall vacate office.

[8] If a representative of a professional category or his or her alternate vacates his or her office before the expiration of his or her term of office, the Supervisory Board members of his or her professional category shall elect a substitute member to fill his or her place. If the term of office continues until after the next meeting of the General Assembly, the approval of the General Assembly with respect to the election of the substitute member must be obtained at that meeting.

[9] Subject to the consent of the Supervisory Board and the Managing Committee, the Complaints Committee may consult third-party experts as the need arises or co-opt them to its permanent membership with an advisory status. The term of office of experts co-opted for permanent membership ends when the term of office of the Committee members entitled to vote expires, or when they are removed by the Committee members entitled to vote.

[10] Complaints should be addressed to the Managing Committee. A complaint may be remedied by the Managing Committee or – if it falls within the remit of the Supervisory Board – by the Supervisory Board. If the Managing Committee or the Supervisory Board are unable to remedy a complaint, the Complaints Committee shall make a decision without undue delay.

[11] The Complaints Committee shall decide on a complaint within six months of its receipt by the Managing Committee. Recourse to the ordinary courts of law is excluded as long as a decision by the Complaints Committee has not been made.

[12] Except for the own costs of the party raising the complaint, the costs of the complaints process shall be borne by GEMA. The members of the Complaints Committee are only reimbursed for travel expenses and out of pocket expenses incurred in their duties. In addition, a case fee of EUR 2,400.00 is paid for each complaints process conducted. EUR 1,200.00 of this sum goes to the Chair or the Deputy Chair, respectively, and EUR 400,00 to each of the representatives of the three professional categories.

[13] The Complaints Committee shall adopt a set of Internal Rules [*Geschäftsordnung*] within which it will operate and which must be made public.

§ 47 Author/Publisher Arbitration Committee

[1] The Author/Publisher Arbitration Committee (APAC) [*Urheber-Verleger-Schlichtungsstelle – UVS*] is responsible for resolving disputes between authors and publishers about the provision of the publishing service in accordance with § 7 paras. 2 and 3 of the GEMA Distribution Plan.

[2] Any author of a published work who claims that the publisher should no longer be paid a share of the royalty revenue from the work concerned because the publisher did not provide publishing services as defined in § 7 para. 2 of the GEMA Distribution Plan to him or her can apply to the Author/Publisher Arbitration Committee. Publishers, also, can apply to the Author/Publisher Arbitration Committee about disputes relating to the provision of publishing services. If two or more authors complain about the non-performance of a publishing service under one particular publishing contract, the legal relationship between each author and the publisher shall be considered and decided upon separately.

[3] The Author/Publisher Arbitration Committee consists of one representative of each of the three professional categories and one alternate for each of them, plus one Chair and one Deputy Chair. The representatives of the three professional categories shall be appointed by the Supervisory Board members of their respective professional category for a term of three years. They must not be members of the Supervisory Board or of any other body to be elected by the General Assembly in their capacity as individuals. The Chair and his or her Deputy shall be chosen by unanimous decision of the representatives of the three professional categories from lists of nominations to be prepared by the Supervisory Board. The Chair and his or her Deputy must be qualified to exercise the office of judge.

[4] The Author/Publisher Arbitration Committee shall make an arbitration award in writing, which is to be rendered within six months. The award must be made with reasons. In its award, the Author/Publisher Arbitration Committee

determines whether or not the publisher provided a publishing service as defined in § 7 para. 2 of the GEMA Distribution Plan and should therefore continue to be paid a share of the royalty revenue from the work concerned. In determining whether a publishing service has been provided, the Author/Publisher Arbitration Committee shall carefully weigh up the interests involved, considering the economic circumstances in which the work concerned was created and exploited, the provisions of the publishing contract and the time transpired since the creation of the work. The arbitration award shall be without prejudice to any claims in contract or law that may exist in the internal relationship between the author and the publisher, e.g. rights of termination, withdrawal or revocation.

[5] The Author/Publisher Arbitration Committee shall decide by simple majority. The Chair shall have the casting vote in the case of a tie. The representatives of the professional categories of composers and lyricists shall participate only in decisions about disputes to which members of their respective professional category are a party.

[6] Recourse to the ordinary courts of law is excluded until the arbitration award is rendered. Once the arbitration award has been rendered, the defeated party can assert its claims by way of proceedings in the ordinary courts of law within another period of six months. If no evidence is provided within this time limit to demonstrate that the claims are being asserted in court, or if the arbitration award is accepted by both parties by way of a joint statement to be submitted to GEMA, GEMA shall distribute the royalties received as determined by the arbitration award.

[7] The members of the Author/Publisher Arbitration Committee are reimbursed for travel expenses and out of pocket expenses incurred in their duties. In addition, a case fee of EUR 600.00 is payable for each arbitration conducted before the Arbitration Committee, one half of which shall go to the Chair or Deputy Chair, respectively, while the other half shall go in equal shares to the representatives of the three professional categories involved in the decision as allowance for expenses. The Arbitration Committee shall determine on the basis of the decision of the arbitration award who shall bear these costs and the own costs incurred by each party.

[8] Further details shall be laid down in a set of Internal Rules [*Geschäftsordnung*] to be adopted by the Supervisory Board.

[9] The Supervisory Board and the Managing Committee shall closely monitor the functioning and the workload of the Author/Publisher Arbitration Committee.

§ 47a Collective examination procedure on regular non-performance of publishing services (“compulsory publishing”)

[1] In addition to its area of responsibility defined under § 47 above, the Author/Publisher Arbitration Committee is also responsible for the collective

examination procedure on regular non-performance of publishing services (“compulsory publishing”).

[2] If a publisher does not provide the publishing service in accordance with § 7 paras. 2 and 3 of the GEMA Distribution Plan in relation to a significant portion of for-hire works from its repertoire that were created either for own or commissioned productions of a TV channel (for-hire television works) or for audio dramas (for-hire audio drama works), this is deemed regular non-performance of publishing services (“compulsory publishing”).

[3] The non-performance of publishing services may be reported to the Author/Publisher Arbitration Committee either by affected authors or by representative professional associations of the members acting on behalf of affected authors. The report must refer to specific for-hire works notified to GEMA on or after 1 January 2007 and must include substantiated information about the non-performance of publishing services in respect of the works concerned.

[4] The Author/Publisher Arbitration Committee initiates a collective examination procedure on regular non-performance of publishing services (“compulsory publishing”) against a publisher if it has received reports with respect to a sufficient number of for-hire television or audio drama works from the repertoire of that publisher that it has not provided any publishing services for them (threshold for action).

[5] In the context of the collective examination procedure, the Author/Publisher Arbitration Committee examines not only the cases from the repertoire of the publisher that authors and professional associations reported to it but also a reasonable number of other for-hire works from other authors selected on a random basis as to whether publishing services are provided in respect of them. Throughout the collective examination procedure, the Author/Publisher Arbitration Committee shall make sure that the publisher does not know which for-hire works were reported to it by authors or professional associations and which ones were selected as random samples. The examination will only consider for-hire works that were notified to GEMA on or after 1 January 2007 and earned royalties in the last five years before the collective examination procedure was initiated.

[6] During the collective examination procedure, the publisher shall state within a reasonable period of time which publishing services it has provided for the for-hire works in respect of which the collective examination proceeding is conducted.

[7] If the Author/Publisher Arbitration Committee finds that the publisher did not provide any publishing services for a significant portion of the for-hire works examined, the participation of the publisher in the royalty distributions for those works and for all other for-hire television or audio drama works from its repertoire that were not examined as part of the collective examination procedure will be suspended. If the publisher does not, within six months, furnish proof that it

asserted its claims in court, GEMA will distribute the publisher's share for the works included in the suspension to the authors. This shall not apply, however, to for-hire works in respect of which the Author/Publisher Arbitration Committee established in the collective examination procedure that the publisher provided publishing services. § 47 para. 5 shall apply *mutatis mutandis* to the passing of resolutions of the Author/Publisher Arbitration Committee.

[8] If the publisher can prove with respect to specific for-hire works that were not examined as part of the collective examination procedure that it provided sufficient publishing services for them, the Author/Publisher Arbitration Committee shall confirm the participation of the publisher in respect of those works. In this case, the publisher will again participate in the royalty distributions for the works concerned for the period from confirmation of the Author/Publisher Arbitration Board.

[9] Further details of this shall be laid down in a set of Internal Rules [*Geschäftsordnung*], in particular

- a) more specific information regarding the significant portion referred to in para. 2,
- b) the specific professional associations authorised to file reports pursuant to para. 3,
- c) more specific information about the threshold for action referred to in para. 4,
- d) criteria for determining the scope and composition of the random sample referred to in para. 5,
- e) criteria for quantifying the significant portion referred to in para. 7,
- f) provisions regarding the costs of the collective examination procedure.

[10] The set of Internal Rules [*Geschäftsordnung*] shall be adopted by the General Assembly by a simple majority in all three professional categories. Resolutions concerning changes to the Internal Rules [*Geschäftsordnung*] shall be passed by the Supervisory Board. The Internal Rules [*Geschäftsordnung*] must be made public.

§ 48 Arbitration tribunal

[1] Unless otherwise stipulated in these Statutes, any disputes between GEMA members shall be determined by an arbitration tribunal without recourse to the ordinary courts of law. In particular in cases of dispute, the arbitration tribunal shall determine the proper interpretation of the GEMA Statutes, the GEMA Distribution Plan, the Deed of Assignment, the Internal Rules [*Geschäftsordnungen*] and the Meeting Procedure, and the validity of resolutions and other actions of GEMA.

[2] The arbitration tribunal consists of an umpire and four assessors, two of which shall be appointed by each party. Members of the GEMA Managing Committee and members of the GEMA Supervisory Board as well as persons employed with or otherwise permanently engaged to work for GEMA are not eligible to be appointed umpire or assessor. As far as Supervisory Board members from the professional category of publishers are concerned, this applies for all representatives and other employees of the publisher. The umpire must be qualified to exercise the office of judge. He or she shall be chosen by the assessors from a list of nominations to be prepared by the Supervisory Board, unless the parties to the dispute agreed on an umpire in advance. The rejection of the umpire or of an assessor shall be governed by Secs. 1036, 1037 of the German Code of Civil Procedure [*Zivilprozessordnung – ZPO*]. If the majority of assessors does not agree on an umpire, the umpire shall be appointed, at the request of a party, by the President of the panel of the German Federal High Court of Justice [*Bundesgerichtshof – BGH*] competent for Copyright Law from the list of nominations.

[3] Instead of applying to the arbitration tribunal, the claimant can also bring an action before an ordinary court of law having jurisdiction. This right to choose shall cease to apply once the claim has been lodged. Before lodging the claim with the arbitration tribunal, the claimant shall obtain the consent of the respondent to the dispute being resolved by the arbitration tribunal. If the respondent denies its consent, or if consent is not given within 14 days of receipt of the request, only an ordinary court of law can be applied to.

[4] The costs of the arbitration shall be shared between the parties to the arbitration by analogous application of the provisions of the *ZPO* on costs and in accordance with the decision of the arbitration tribunal.

[5] Further details shall be laid down in a set of Internal Rules [*Geschäftsordnung*] to be adopted by the Supervisory Board.

Chapter 9: Miscellaneous

§ 49 Dissolution of GEMA

[1] The dissolution of GEMA must be approved by the competent Senate Committee in order to be valid.

[2] Dissolution by resolution of the General Assembly shall be governed by § 29 para. 3.

[3] Upon dissolution of GEMA, any residual assets shall be contributed to associations which are acknowledged non-profit cultural organisations.

§ 50 Entry into force

Subject to approval by the competent Senate Committee, these Statutes shall come into force on 1 January 2022.