

**Confederation of European Music Industries
(CAFIM)**

Standing Rules

**§ 1
Preamble**

European musical instrument manufacturers have hitherto formed an amalgamation as members of the Confederation of European Music Industries (CAFIM). This association has previously existed in the form of an unregistered society founded by

Asociacion de Fabricantes de Instrumentos Musicales y Accesorios (AFIMA), Spain

Association of Music Industries (AMI)
Great Britain

Bundesverband der Deutschen Musikinstrumenten-Hersteller e. V.
(BDMH), Federal Republic of Germany

Chambre Syndicale de la Factice Instrumentale
Fédération Nationale de la Musique
(CSFI) France

Federazione Italiana Strumenti Musicali ed Accessori
(FISMA) Italy

Fachverband Deutsche Klavierindustrie e. V.
(FDK) Federal Republic of Germany

Pianoforte Manufacturers' and Distributors' Association
(PMDA) Great Britain

The general objectives pursued by CAFIM have always been and still are to promote and safeguard the interests of the European Musical Instrument Industry as well as those of practising musicians in every conceivable way.

**§ 2
Name, Registered Office, Financial Year, Registration**

The newly founded society due to be registered in the German Register of Associations is to be interpreted as a continuation of the previous unregistered society CAFIM. Hence the objectives of that previous society are being adopted and additionally extended for the purpose of creating seals of quality designed to promote the quality standards upheld by European musical instruments. Accordingly, the society is to bear the following name:

Confederation of European Music Industries

Following entry in the Register of Associations, this name will carry the suffix "e.V." standing for "eingetragener Verein" (registered society).

The registered office corresponds to that of the previous Confederation of European Music Industries and is located in Wiesbaden, Germany.

The financial year is deemed to be the calendar year.

§ 3 Objectives

The objectives of the Confederation are identical to those pursued by the previous unregistered society, viz.:

- To promote cooperation and coordination among its members concerning issues of general interest;
- To guard and protect the interests of its members in general through official representation in relations with institutions of the European Community as well as in dealings with national authorities and institutions including the implementation of suitable measures or expedients;
- To stimulate general interest in the Musical Instrument Industry and the pursuance of musical activities as well as to further the development of music schools and musical education at all levels of instruction.

Running parallel with these general objectives, the Confederation aims at promoting and enhancing the interests of European musical instrument manufacturers and distributors as well as those of practising musicians by laying down a set of quality standards applicable to the countries of Europe, this involving the implementation of measures and expedients designed to introduce a symbol of superiority or certification of European excellence (seal of quality). The mission focused on implementing these measures is abbreviated to read "EEX Project" (European Excellence Project).

Concrete details of the project, including the definition of the quality criteria stipulated by the Confederation, are to be laid down in a specific set of rules and regulations which are then required to be adopted by the general assembly and, if necessary, appended to these Standing Rules.

§ 4 Membership

Full membership in the Confederation may extend to all national and supranational associations in Europe representing the interests of manufacturers as well as to distributors of European musical instruments and appurtenant accessories. To that extent, the Confederation is addressed to all professional associations whose members are engaged within Europe in the manufacture, exportation, wholesale and retail distribution or repair of musical instruments. The said associations must be domiciled in the geographical area covered by the European Union or in another European country.

It is not necessary for such associations to be recognised as legal entities in their respective countries as long as they are able to subsist without recognition as a legal entity according to their own relevant national laws or future European laws.

Commercial enterprises or individuals actively involved in the manufacture and distribution of musical instruments and appurtenant accessories may be admitted to the Confederation as

private members as long as there is no association in existence in the countries concerned that is already a member of the Confederation and that is capable of representing such enterprises or individuals at the corresponding manufacturing or distribution level. This applies in particular during the founding phase. As soon as a corresponding association has been admitted as a full member, private members may decide whether they wish to relinquish their membership, due to representation through the said association, or whether they wish to continue to belong to the Confederation as guest members. Such guest members may attend meetings of the General Assembly in an advisory capacity but are not entitled to any voting powers.

Admittance of any member to the Confederation proceeds in the form of a written application addressed to the Executive Board which effects its decision on provisional admittance and submits the application together with its vote to the next General Assembly for final resolution. The resolution on admittance of a member must be carried by a $\frac{2}{3}$ -majority.

§ 5 General Assembly

The General Assembly is responsible for all courses of action to be adopted by the Confederation where these are not otherwise delegated to the Executive Board. In particular, it is required to decide on the admittance or expulsion of members as well as on the principles governing courses of action and activities within the scope of the Confederation.

Meetings of the General Assembly take place at least once a year in response to invitations sent out by the Executive Board. Preferably, meetings of the General Assembly should be held in conjunction with some international event of general interest to members of the Confederation. A meeting of the General Assembly is also deemed to be convened upon written motion submitted by $\frac{1}{4}$ of the members of the Confederation.

Invitations to attend any meeting of the General Assembly must be sent to the addresses last communicated by members to the Executive Board. Each invitation must be extended in writing observing a period of notice of 14 days, such period to commence on the date of posting the invitation. The invitation must be accompanied by the agenda of the relevant meeting.

Every member is entitled to submit motions for extending the agenda, which, if signed and justified, must be taken into account if received by the Executive Board 5 days prior to the meeting taking place.

Such motions or other motions that are not on the agenda may only be introduced if the General Assembly decides on the urgency of any such motion and this is adopted by the majority of the companies represented.

If an invitation is extended to attend any meeting of the General Assembly, this is deemed to constitute a quorum if at least 3 members are present. Any member can arrange to be represented by another member acting as proxy.

Entitled to vote in each case are delegates sent by full members or private members. If necessary, these delegates may be called upon to identify themselves by producing a power of attorney issued by the association or enterprise concerned.

Each member attending a meeting of the General Assembly is entitled to consult experts for advice, who may speak on behalf of that member at the meeting. However, consultants brought along to the meeting by members have no voting powers.

The Executive Board is required to keep a record of each meeting held by the General Assembly in the form of minutes, which must be submitted to members within two months after the meeting has taken place. Members may raise objections to the minutes within a further period of two months. If such objections are raised, a vote on regularity and the wording of the minutes must be taken at the next meeting of the General Assembly.

§ 6 Executive Board

The Executive Board runs the normal business of the Confederation on management principles. The Executive Board is bound by the resolutions carried by the General Assembly.

The Executive Board consists of a president, a vice-president and, if necessary, a secretary general. The president and vice-president must be members of the Executive Board or otherwise official representatives of members of the Confederation and must come from different countries or must represent members located in different countries. The president and the vice-president are elected by the General Assembly to serve in office for a period of two years. Each may represent the Confederation in external affairs. Internally the president may be represented by the vice-president only in the event of the former being incapacitated. The Executive Board may divide up the duties and functions between the two offices. The Executive Board reports to the General Assembly.

To facilitate continuity in the administration of office, the acting vice-president automatically becomes president of the Confederation after serving a term of two years unless the General Assembly speaks against this through a motion carried by a majority vote. If the vice-president assumes the office of president as provided for, election is restricted to that of a new vice-president. Generally speaking, all members of the Executive Board remain in office provided that the offices concerned are not newly filled due to promotion or election.

For the purpose of implementing normal business, a secretary general may be appointed, who is to be proposed by the Executive Board and confirmed by the General Assembly. If a secretary general is appointed, that officer is responsible for transacting all normal business of the Confederation under supervision of the president and vice-president. The office of secretary general is deemed to form part of the Executive Board.

In the event of a secretary general not being appointed, the vice-president is responsible, in particular, for exercising the duties of secretary and treasurer.

Subject to the approval of the General Assembly, the Executive Board is allowed to appoint commissions to act on certain issues and problems, such commissions then being under obligation to report to the General Assembly concerning their respective activities.

§ 7 Membership Fees, Contributions

The Confederation finances its day-to-day business operations from membership fees, these being fixed by the General Assembly. In that respect, different membership fees are permissible and provided for in respect of full members, private members and guest members. For the purpose of preparing the General Assembly's resolution in that respect, the Executive Board is required to work out a budget for the coming year on the basis of the current year, recording changes over and against the previous year in each case. In the

event of the membership fee necessary to meet the budget not being resolved by the General Assembly, the Executive Board must adapt its budget to the membership fee actually resolved, taking into consideration the General Assembly's representations that have led to fixing of the modified membership fee over against the original budget.

Projects and specific measures not allocable to the Confederation's normal course of business may be financed by levying non-recurrent contributions, i.e. extending beyond the normal budget. A $\frac{2}{3}$ majority vote of the General Assembly is required for passing a resolution on any such levied contribution.

Members who have failed to pay membership fees or levied contributions in due time, after having been reminded by the Executive Board, automatically lose their voting powers in the General Assembly.

§ 8

Notice of Termination, Expulsion

Membership is terminated by voluntary withdrawal, the winding up of any business and initiation of insolvency proceedings, rejection of insolvency for insufficiency of assets or by expulsion.

Voluntary withdrawal from the Confederation is only possible by a written declaration sent by registered mail to the Executive Board, observing a period of notice of 6 months up to the end of the financial year.

Expulsion of a member is only possible by a resolution passed by the Executive Board with a two-third majority. Governing reasons for such expulsion include failure on the part of the member concerned to display a comradely attitude within the Confederation, in particular by violating European fundamental objectives or by giving rise to any other important cause for expulsion. Other reasons for expulsion may include failure on the part of the member concerned to effect payment of the membership fee or any levied contributions, despite having been reminded.

Expulsion may also apply if a member of the Confederation or affiliate of any member association fails to observe the directives governing quality, quality assurance and the seal of quality on which the Confederation's performance standards are based, despite having been cautioned. Such cautioning is to be effected by the Executive Board. As regards expulsion of a member association, this will suffice if such member association fails to take action against the misconduct of any of its offending members applying all suitable measures and expedients, despite having been cautioned by the Executive Board.

Extinction of membership is deemed to terminate all rights and claims against the Confederation and its assets. Termination of membership does not affect the obligation to pay fees and contributions for the current financial year.

Subject to written notice being sent by registered mail within a deadline period of one month following announcement of their expulsion, members thus expelled may demand that their expulsion be negotiated at the next meeting of the General Assembly. The General Assembly may then be entitled to amend the Executive Board's resolution by a two-third majority vote.

§ 9 Concluding Provisions

Owing to the Confederation continuing to pursue the activities of the previous unregistered society “Confederation of European Music Industries”, all members of that organisation are invited to join the new registered society. In that respect, reference is made to the minutes taken during the meeting of the unregistered society on 01.04.2006.

It is assumed that the previous unregistered society will pass a dissolution order in which, among others, transfer of that society’s assets to the newly founded registered society will be resolved.

All languages of the EU member states are deemed to be the official languages of the Confederation.

Amendments to these Standing Rules are possible after receipt of a motion stating grounds therefor in the agenda together with corresponding representations as well as express naming of the specific amendment in the invitation sent out to attend the meeting of the General Assembly, such amendments being subject to a $\frac{3}{4}$ majority vote.

For dissolution of the Confederation, the same rulings apply as those governing amendments to the Standing Rules. Unless any resolution is passed to the contrary, the assets of the Confederation will – following liquidation and the settlement of all liabilities – pass in equal parts to members of the Confederation existing at the time of its dissolution.

The resolution on these Standing Rules was passed at the meeting of the founder members first held on 08.06.2006 and resumed on 30.08.2006.