

**Statutes
of
Prüfgemeinschaft Mauerbohrer e. V.
(Inspection Association for Hammer Drill Bits)
Document 100 (English)
Issue 28th April 2009**

Article 1: Name, Registered Office and Financial Year

1. The name of the Association is "Prüfgemeinschaft Mauerbohrer, eingetragener Verein" (Inspection Association for Hammer Drill Bits, a registered association - "PGM" hereinafter), entered under VR-No. 734 in the Register of Associations maintained by the Remscheid/- Germany Local Court.
2. The registered office of the "PGM" is located in Remscheid/Germany.
3. The financial year is the calendar year.

Article 2: Objectives of the "PGM"

1. The objective of the "PGM" is the testing and monitoring of masonry drill bits, as are used for the preparation of boreholes for anchor joints, for conformity with the characteristic values set forth by the European certification authorities for anchor elements, as well as the verification testing and monitoring of quality potential and compliance with international and national social and environmental standards in the production of masonry drill bits.
2. The "PGM" grants manufacturers of masonry drill bits the right to use a "PGM" Test Mark for/on their verification-tested products, towards which end said masonry drill bits must conform to the characteristic values set forth (see 2.1 above); the manufacturers must, furthermore, meet the criteria set forth in respect of their quality potential and social and environmental standards.
3. The "PGM" is a non-profit organization without any market and/or price controlling functions. It is not permitted to deal with any issues not consistent with cartel law. The activities of the "PGM" are strictly in the public interest in that they are concentrated on compliance with statutory rules and regulations set forth for building and construction engineering and the prevention of risks and dangers otherwise involved.
4. "PGM" membership is not a prerequisite for the award of the right to use the "PGM" Test Mark.

Article 3: "PGM" Membership

1. Membership is open to any company which:
 - a) produces masonry drill bits,
 - b) is entitled to use the "PGM" Test Mark,
 - c) participates in the "PGM" control procedures scheme.
2. Application for membership (Document 604) must be submitted to the "PGM" Head Office in Remscheid/Germany.

Applicants are required to accept and comply with the rules and regulations set forth in:

 - these "PGM" Statutes and
 - the Articles covering the use of the "PGM" Test Mark (Document 101).

Applications are subject to acceptance on the part of the "PGM" Board.
3. If and when an application is rejected, the applicant shall be entitled to file an objection within a period of thirty (30) calendar days and request the constitution of an Arbitration Committee as provided for in Article 11 hereof.

4. Membership terminates:

- a) upon resignation of a member after having given due notice of termination;
- b) upon loss of the right to use the "PGM" Test Mark;
- c) if the creditors' meeting decides against the continuation of the business following the opening of insolvency proceedings, or if it declines to open insolvency proceedings or to suspend such proceedings due to inadequate assets,
- d) upon liquidation of a member company;
- e) upon expulsion of a member.

Notice of termination shall be given three (3) months ahead of the end of any financial year in the form of a registered letter, delivered by certified mail and addressed to the "PGM" Head Office in Remscheid/Germany.

Termination of membership as per Article 4. b. (above) becomes effective at the end of the financial year during which the right to use the "PGM" Test Mark was revoked.

5. The "PGM" Board may order the expulsion of a member in any of the following cases:

- a) failure to comply with the rules and regulations set forth in these Statutes and/or set forth by any of the official "PGM" Bodies;
- b) wrongful use of the "PGM" Test Mark;
- c) failure to comply with the characteristic values set forth;
- d) if and when the "PGM" Steering Committee establishes that the prerequisites for using the "PGM" Test Mark no longer exist;
- e) failure to pay the membership dues despite a 1st and 2nd reminder.

The member concerned shall be given a formal warning by the "PGM" prior to ordering the expulsion on the basis of the provisions hereof. If and when such formal warning remains without any response, the "PGM" Board is held to advise the member concerned immediately of the pending expulsion, upon which such member shall be given the opportunity to file an objection within thirty (30) calendar days.

6. Demands and claims on the part of the "PGM" against a leaving member shall remain unaffected and legally binding. Members resigning from the "PGM" shall have no claims whatever towards any assets, property or services of/or to be rendered by the "PGM".
7. Means and assets of the "PGM" shall not be used for any purpose other than set forth in these Statutes. Members shall not receive any grants whatever originating from the means and assets of the "PGM".
8. Grants, originating from the means and assets of the "PGM", to persons in return for costs incurred for reasons not directly serving the objectives of the "PGM" and/or privileges granted in the form of disproportionately high remuneration shall be inadmissible.
9. The admission of new members and/or termination of memberships shall be brought to the attention of all "PGM" members in an appropriate manner and form.

Article 4: Structural Makeup of the "PGM"

1. The Official Bodies of the "PGM" are:

- the Members' Meeting,
- the Board,
- the Comptrollers,
- the Steering Committee
- the Arbitration Committee.

The formal management of the "PGM" is the responsibility of the Members' Meeting and the Board. Decisions regarding the performance of certification and control procedures are taken by the Board at the recommendation of the Steering Committee.

2. The members of all official "PGM" Bodies shall perform their duties impartially and without prejudice and shall treat any and all commercial and industrial secrets coming to their knowledge during their term of office strictly confidentially, nor shall they use these as a basis for their own business decisions.
3. Any and all activities and/or participation in the official "PGM" Bodies - except on the part of office personnel - shall be on a purely honorary basis.
4. The rights and duties of the official "PGM" Bodies shall be exclusive and not transferable. The Board may grant authorisations to the management for specific purposes.

Article 5: "PGM" Members' Meeting

1. All matters concerning the "PGM" are dealt with by way of resolutions passed by the Members' Meeting unless they are to be handled by the Board or another official "PGM" Body in accordance with these Statutes.
2. The Members' Meeting will resolve by resolution such matters as are, especially:
 - a) which products are covered by the "PGM";
 - b) the formal approval of the actions taken by the Board and Management;
 - c) the Membership Dues Regulations;
 - d) the amendment of these Statutes;
 - e) the dissolution of the "PGM";
 - f) approval, together with the Steering Committee, of the Directives covering the Certification and Control Procedures.

The Members' Meeting elects:

- a) the President, the Vice-President and up to two further Board Members;
 - b) the Chairman of the Steering Committee as well as two further Steering Committee Members being members of the "PGM";
 - c) two Comptrollers.
3. The Members' Meeting will be called at least once a year by the Director of the "PGM" on behalf of the President. The invitation to meet shall be in writing and include the agenda, and shall be forwarded at least thirty (30) calendar days ahead of the meeting date. The use of email to send the invitation and accompanying documents is expressly permitted.
A Members' Meeting shall also be called if and when the Board or the Steering Committee or at least one third of the members request such meeting in writing, giving details of the objective and the reasons.
 4. The agenda will be set forth by the President.
Proposals and candidate nominations for elected offices must be submitted to and received by the "PGM" Head Office in writing fifteen (15) calendar days ahead of the official meeting date.
Proposals for amendment of these Statutes and/or appendices hereof and for dissolution of the "PGM" will only be dealt with if and when they are duly included in the agenda forwarded to the members along with the invitation to attend the Members' Meeting.
Proposals and nominations submitted after the deadlines duly set forth will only be dealt with by the Members' Meeting if and when the majority of the members present agrees.

5. Any Members' Meeting duly convened constitutes a quorum.
Resolutions to amend these "PGM" Statutes shall require the presence of at least half the total number of members.
6. Every regular member has a seat and vote at the Members' Meeting.
Authorized representatives shall not represent more than three members in addition. All authorisations shall be granted in writing.
Resolutions are passed with a simple majority of the votes cast. The President's vote decides a vote in the event of a tie.
Resolutions to amend these Statutes and to dissolve the "PGM" shall require a two thirds majority of the votes cast.
7. Members of the Steering Committee who are not members of the "PGM" shall be invited to attend the Members' Meeting as guests without voting rights. The President may invite further guests if necessary.
8. The Members' Meeting is chaired by the President or his deputy. All resolutions passed at the Members' Meeting shall be recorded in the minutes by a member of the "PGM" Head Office and approved by the President.
9. The President may initiate a written vote with a set deadline outside the context of the Members' Meeting.

Article 6: The "PGM" Board

1. The "PGM" Board is made up of:
 - the President,
 - the Vice-President,
 - and at least one further member.
2. The President and the Vice-President shall act respectively as sole representatives of the "PGM" in and out of court. They may transfer certain tasks to the Director via written authorisation.
3. The duties of the "PGM" Board include:
 - the implementation of the resolutions passed at the Members' Meeting,
 - the appointment of a Director and, if need be, a Deputy Director,
 - the preparation of Members' Meetings,
 - the institution and monitoring of the "PGM" Quality Management System - in close coordination with the Steering Committee,
 - decisions regarding the re-award and/or revocation of the right to use the "PGM" Test Mark - in close coordination with the Steering Committee,
 - decisions regarding the admission of new members and/or the termination of a membership - in close coordination with the Steering Committee,
 - the preparation of draft directives covering the certification and control procedures for submission to the Members' Meeting and the Steering Committee.
4. The "PGM" Board is called by the President as necessary and constitutes a quorum if and when two Members are present. Voting rights are exclusive and not transferable.
The President may, in addition to a regular Board Meeting, decide to ask for a written vote to be in at a given date.
5. The Board passes its resolutions with a simple majority of the votes cast.
6. The term of office of the Board Members is three (3) financial years. Re-election is permissible.

7. If and when a Board Member resigns before the end of the term of office, the remaining Members will represent the Board until such time as a successor is elected.
8. The Board Members remain in office upon completion of the regular term until such time as a new Board is elected.

Article 7: The "PGM" Steering Committee

1. The Steering Committee is made up of up to six members. Members of the Steering Committee shall not be members of the Board at one and the same time.
2. The Chairman of the Steering Committee and two additional members being members of the "PGM" are elected by the Members' Meeting.
3. Further Members of the Steering Committee will be appointed by the "PGM" Board.
The appointment of Steering Committee Members should also include experts who are not members of the "PGM".

The Steering Committee should, as a rule, be made up of:

- three representatives of masonry drill bit manufacturers being members of the "PGM",
 - representatives of the bodies responsible for the approval of anchors; anchor manufacturers; and masonry drill users,
 - one Manager of the "PGM" Certification Department.
4. The Members of the Steering Committee select a Vice-Chairman from their midst.
 5. The term of office of the Steering Committee members is three (3) financial years. Re-election is permissible.
 6. The members of the Steering Committee remain in office upon completion of their regular term until such time as a new Steering Committee is elected.
 7. The duties of the "PGM" Steering Committee include:
 - the approval of the Directives covering the Certification and Control Procedures - together with the Members' Meeting,
 - the updating of the Directives covering the Certification and Control Procedures,
 - the supervision of the "PGM" certification and control activities,
 - the approval and updating of the Directives covering the designation of testing agencies and examining experts,
 - the designation of testing agencies and examining experts,
 - recommendations to the Board as to whether and under what prerequisites a certification may be granted and maintained,
 - the institution and supervision of a "PGM" Quality Management System together with the Board.
 8. In order to ensure the performance of day-to-day business, the Steering Committee will confirm the Director of the "PGM" as the acting Manager of the Certification Department.
 9. The Director of the "PGM" shall, on behalf of the President, call a meeting of the Steering Committee. The invitation to meet shall be in writing and include the agenda, and shall be forwarded at least thirty (30) calendar days ahead of the meeting date. Invitation by email is expressly permitted.
The Steering Committee shall also be called to meet if and when this is requested, with reasons given, by at least three members of the Committee and/or by the Board.
 10. The Steering Committee constitutes as quorum if and when at least three members of the Committee are present. Resolutions are passed with a simple majority of the votes cast.

Article 8: "PGM" Management

1. In order to ensure the performance of day-to-day business, the Board will appoint a Director and, if need be, a Deputy Director.
2. The Director of the "PGM" also serves at the same time as Manager of the Certification Department.
3. The Director of the "PGM" / Manager of the Certification Department shall handle all business and matters in accordance with these Statutes and the resolutions passed by the official "PGM" Bodies.

The Director of the "PGM" shall perform his duties impartially and without prejudice and shall be responsible to the Board and the Steering Committee.

Article 9: Official Business Languages

1. All "PGM" documents are available in German.
English translations of at least the following documents are also available:
 - "PGM" Statutes (Document 100)
 - Articles covering the use of the "PGM" Test Mark (Document 101)
 - "PGM" Directive covering the Performance of Certification and Control Procedures (Document 200)
 - Inspection regulations for masonry drill bits given by the Construction Supervision Authorities.
The original German versions of the above documents shall prevail in any and all cases of doubt and conflict.
2. All meetings of the official "PGM" bodies will be held in German only, whereas the Members' Meetings will be held in German with English language support.
3. The correspondence of the "PGM" shall be in German or English only.

Article 10: "PGM" Membership Dues and Comptrollers

1. Membership dues are subject to the "PGM Membership Dues Regulations" as set forth by the Members' Meeting.
2. The Members' Meeting elects two Comptrollers who shall not be members of the Board at one and the same time.
The term of office of the Comptrollers is two (2) financial years. Re-election is permissible.

Article 11: "PGM" Arbitration Committee

1. All disputes likely to arise from the activities of the "PGM" shall be decided by an Arbitration Committee.
2. The Arbitration Committee will be nominated by the Board.
3. The Arbitration Committee will be made up of one member of the Board to act as Chairman, one representative of the Steering Committee and one representative each of the parties involved.
4. A request for institution of an Arbitration Committee shall be filed within thirty (30) calendar days from the date the relevant facts are discovered.
5. The arbitration proceedings have a suspensive effect.
6. The parties involved are free to take their case to court if and when the arbitration proceedings are unsuccessful.
Applicable law shall be the laws of the Federal Republic of Germany.
Place of jurisdiction is Remscheid/Germany.

Article 12: Dissolution of the "PGM"

1. The dissolution of the "PGM" may be resolved by the Members' Meeting with a two thirds majority of the votes cast by the members entitled to vote and present, and if and when the relevant proposal was on the agenda and at least one half of the members is duly represented.
2. The liquidation proceedings will be performed by the Board unless the Members' Meeting decides to appoint other liquidators.
3. Once all liabilities have been duly discharged, the remaining assets of the "PGM" shall be transferred to the "Fachverband Werkzeugindustrie e. V. (FWI)" of Elberfelder Strasse 77, D-42853 Remscheid/Germany, which organization shall use such assets directly and exclusively for purposes strictly in the public interest.
Members of the "PGM" shall under no circumstances receive any grants originating from the means and assets of the "PGM" in total or in part.