

security demanded, the purchase and sale of deeds—in fact, all kinds of investments. The Board of Management execute the decisions of the Board of Directors, and report quarterly to the Board of Directors on their doings. The Board of Management exercise direct control over the officials.

25. The Board of Management assemble as often as business requires, and as a rule arrive at decisions by vote, the President having the casting-vote, and sometimes two votes. The presence of three members is necessary to render a decision valid. The Board of Management is authorized, in cases where its own members are unavoidably absent, and in any case in which they may judge it advisable, to fill up or add to their numbers from the members of the Board of Directors. An addition of two members, taken from the Board of Directors, is compulsory in cases where loans of 200,000f. and over are demanded, and such loans can only be granted with the approval of five members of the enlarged Board. The members of the Board of Management receive as payment for their labours the share in profits specified in section 31.

#### 4. Board of Control.

26. The auditors mentioned as being chosen by the general meeting in section 16 form the Board of Control. They are appointed for a term of two years, after the termination of which they are again eligible. The auditors—their representative only acts in cases where one of the two auditors is unavoidably absent—are to audit the yearly account and balance, and to see that it tallies with the books. Moreover, they are to undertake a searching examination of the deeds and securities as far as they may judge it advisable. The auditors are empowered by the Management of the bank to demand all information which may appear to them necessary, as well as the exhibition of all books, vouchers, &c., and settle the amount of the cash on hand. The auditors are to deliver up a written report on the yearly account at the proper time, in order that the same may be exhibited for the inspection of shareholders at latest eight days before the general meeting. The remuneration of the auditors is fixed by the general meeting.

#### 5. The Officials.

27. A chief manager, chosen by the Board of Directors, is present at the sittings of the officials and those of the Board of Management, with a view to giving advice, and draws up reports thereon. He superintends the execution of the decisions of the Board of Directors and those of the Board of Management, and supervises generally the duties of all other officials. In cases of unavoidable absence or otherwise of the chief manager, the second manager occupies the position.

28. The chief manager signs the legal signature of the bank jointly with the second manager, or, in the case of the unavoidable absence or otherwise of one of the two managers, jointly with one of the other officials appointed for that purpose by the Board of Directors. The bonds issued by the bank are to be signed by one of the managers and by the cashier.

29. The Board of Directors have to specify in the contract of appointment the length of the appointment, dismissal, caution-money to be deposited, and the portion of the share in profits accruing to the officials, as mentioned in section 31.

#### D. Accounts and Reserve Fund.

30. The bank account will be closed for balance annually on the 31st December.

31. After deduction of all expenses, bad debts, and losses, the reserve fund first receives 10 per cent. of the surplus remaining; 90 per cent. of the balance will be distributed amongst the shareholders; the remaining 10 per cent., being regarded as share in profits, to be divided as follows: 6 per cent. to be divided amongst the Board of Management, the President receiving two shares; 4 per cent. is at the disposal of the Board of Directors, the officials in the first case receiving shares according to the terms of their contracts of appointments.

32. The reserve fund forms a constituent part of the working capital of the bank, and is especially intended to strengthen the guarantee which the establishment offers to its creditors. Losses are to be met also out of the reserve fund which cannot be met out of the year's profits; in which case the amounts are to be repaid to the reserve fund out of the profits of the following years. The endowment of the reserve fund with 10 per cent. of the profits, as mentioned in section 31, continues until such time as it has reached an amount equal to one-fifth of the paid-up share-capital. The amount payable on coupons not presented for payment within the specified time falls into the reserve fund.

#### E. Duration and Dissolution (Winding-up) of the Bank.

33. The duration of the bank is fixed for an indefinite period.

34. The dissolution (winding-up) of the bank can only be decided upon by two-thirds of the votes represented in a general meeting. If at a yearly balance of accounts there are shown losses which reach a quarter of the paid-up capital the Board of Directors must submit to the general meeting the question of the dissolution of the bank.

#### F. Publishing and Redemption Procedure.

35. All announcements are to be published in the following Swiss newspapers, and are then considered duly and legally announced: *Allgemeine Schweizer-Zeitung*, *Basler Nachrichten*, *Schweizer Greuzpost*, *Schweizerische Handelszeitung*, and *Schweizerischer Volksfreund*. Altera-