

- (ii) Then, to the extent necessary and at the discretion of the Bank, against the other reserves, surplus, and capital available to the Bank.
- (c) Whenever necessary to meet contractual payments of interest, other charges, or amortization on the Bank's own borrowings, or to meet the Bank's liabilities with respect to similar payments on loans guaranteed by it, the Bank may call an appropriate amount of the unpaid subscriptions of members in accordance with Article II, Sections 5 and 7. Moreover, if it believes that a default may be of long duration, the Bank may call an additional amount of such unpaid subscriptions not to exceed in any one year 1 per cent. of the total subscriptions of the members for the following purposes—
- (i) To redeem prior to maturity, or otherwise discharge its liability on, all or part of the outstanding principal of any loan guaranteed by it in respect of which the debtor is in default.
 - (ii) To repurchase, or otherwise discharge its liability on, all or part of its own outstanding borrowings.

SECTION 8.—MISCELLANEOUS OPERATIONS

In addition to the operations specified elsewhere in this Agreement, the Bank shall have the power:—

- (i) To buy and sell securities it has issued and to buy and sell securities which it has guaranteed or in which it has invested, provided that the Bank shall obtain the approval of the member in whose territories the securities are to be bought or sold;
- (ii) To guarantee securities in which it has invested for the purpose of facilitating their sale;
- (iii) To borrow the currency of any member with the approval of that member;
- (iv) To buy and sell such other securities as the Directors by a three-fourths majority of the total voting-power may deem proper for the investment of all or part of the special reserve under Section 6 of this Article.

In exercising the powers conferred by this Section, the Bank may deal with any person, partnership, association, corporation, or other legal entity in the territories of any member.

SECTION 9.—WARNING TO BE PLACED ON SECURITIES

Every security guaranteed or issued by the Bank shall bear on its face a conspicuous statement to the effect that it is not an obligation of any Government unless expressly stated on the security.

SECTION 10.—POLITICAL ACTIVITY PROHIBITED

The Bank and its officers shall not interfere in the political affairs of any member, nor shall they be influenced in their decisions by the political character of the member or members concerned. Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article I.

ARTICLE V.—ORGANIZATION AND MANAGEMENT

SECTION 1.—STRUCTURE OF THE BANK

The Bank shall have a Board of Governors, Executive Directors, a President, and such other officers and staff to perform such duties as the Bank may determine.

SECTION 2.—BOARD OF GOVERNORS

(a) All the powers of the Bank shall be vested in the Board of Governors consisting of one Governor and one alternate appointed by each member in such manner as it may determine. Each Governor and each alternate shall serve for five years, subject to the pleasure of the member appointing him, and may be reappointed. No alternate may vote except in the absence of his principal. The Board shall select one of the Governors as Chairman.

(b) The Board of Governors may delegate to the Executive Directors authority to exercise any powers of the Board, except the power to:—

- (i) Admit new members and determine the conditions of their admission;
- (ii) Increase or decrease the capital stock;
- (iii) Suspend a member;
- (iv) Decide appeals from interpretations of this Agreement given by the Executive Directors;
- (v) Make arrangements to co-operate with other international organizations (other than informal arrangements of a temporary and administrative character);
- (vi) Decide to suspend permanently the operations of the Bank and to distribute its assets;
- (vii) Determine the distribution of the net income of the Bank.