

(7) Recommend to the aforesaid Board of Foreign Scholarships such qualifications for the selection of participants in the programme as it may deem necessary for achieving the purpose and objectives of the Foundation.

(8) Provide for periodic audits of the accounts of the Foundation as directed by auditors selected by the Secretary of State of the United States of America.

(9) Engage administrative and clerical staff and fix the salaries and wages thereof.

ARTICLE 3

All expenditures by the Foundation shall be made pursuant to an annual budget to be approved by the Secretary of State of the United States of America pursuant to such regulations as he may prescribe.

ARTICLE 4

The Foundation shall not enter into any commitment or create any obligation which shall bind the Foundation in excess of the funds actually on hand nor acquire, hold, or dispose of property except for the purposes authorized in the present agreement.

ARTICLE 5

The management and direction of the affairs of the Foundation shall be vested in a Board of Directors consisting of eight Directors (hereinafter designated the "Board").

The principal officer in charge of the Diplomatic Mission of the United States of America to New Zealand (hereinafter designated "Chief of Mission") shall be Honorary Chairman of the Board. The members of the Board shall be as follows : (a) three officers of the United States Foreign Service Establishment in New Zealand, one of whom shall serve as Chairman and one of whom shall serve as Treasurer ; (b) two citizens of the United States of America, preferably one representative of American business interests in New Zealand and preferably one representative of American educational interests in New Zealand ; and (c) three nationals of New Zealand, one of whom shall be prominent in the field of education. The United States members shall be appointed and removed by the Chief of Mission ; the New Zealand members by Chief of Mission after consultation and agreement with the Government of New Zealand. Vacancies by reason of resignations, transfers