

3. Board of Management.

27. One member of the five members of which the Board of Management consists executes the special management of the business, and decides, after previous examination, the advisability of each individual demand for a loan.

28. The Board of Management consists of the President and Vice-President and three members of the Board of Directors, and is elected from amongst the latter after the renewal of the Board of Directors by the ordinary general meeting at the end of the term of office of the preceding Board.

29. The members of the Board of Management must all have their residence in Basle. They draw for their labour the share in the profits specified in section 14, and assemble once weekly, and, if necessary, oftener, for the conduct of business, under the chairmanship of the President or his representative. To render a decision of the Board of Management capable the presence of three members is requisite. The further duties of the Board of Management are fixed by the business regulations of the bank.

4. Officials.

30. A director, appointed by the Board of Directors attends the sittings of the officials and those of the Board of Management in order to give advice, draws up the minutes at these sittings, executes the decisions of the Board of Directors and those of the Board of Management, conducts the business correspondence, prepares the investigation of applications for advances to be submitted to the Board of Management, by ordering valuations, inquiries, &c., to be made. He has further to examine carefully any acknowledgments of debts, and supervise generally the duty of all other officials.

31. The director is appointed for a term of six years, the cashier and the book-keeper for a term of three years. All three can, in the interval, be immediately dismissed without a statement of the motives by a resolution of two-thirds of the Board of Directors, upon which they, except in the case of a gross dereliction of duty, are to be paid as compensation a full half-year's salary.

32. Further appointments take place according to the requirements of the Board of Management, under the imposition of all similar conditions. The method of distributing the share in profits falling to those officials other than the director is fixed by the business regulations.

33. The director, the cashier, and the book-keeper of the bank have each to find such a security as the Board of Management may deem acceptable, and which must be worth at least three times the amount of the salary fixed.

5. General Resolutions.

34. The director or his representative writes the signature of the bank. Contracts must be furnished with the signatures of the President and of the director, or their representatives. The bank's bonds are signed by the director and the cashier, the shares by two members of the Board of Directors.

35. The names of the President, of the Vice-President, and of the director, as well as those of their representatives, are to be entered in the record-book of the bank, and be notified through the newspaper of the canton.

36. The Board of Directors and the Board of Management accept no other responsibility as against shareholders and third persons than a strict observance of the statutes in force.

V. *Beginning, Duration, and Dissolution of the Bank.*

37. The bank will begin business after the first issue of shares has been completely taken up and the first payment has been rendered. The duration of the bank is for an indefinite period.

38. A dissolution of the bank can only be decided upon by two-thirds of the votes in a general meeting. If, at an annual settlement, the loss is found to amount to one-fourth or more of the share-capital, the Board of Directors must place officially before the general meeting the question whether they resolve upon a dissolution of the bank.

VI. *Redemption Procedure, Publishing, and Legal Proceedings.*

39. If dividend-coupons of shares or interest-coupons of bonds are not presented for payment within five years from the day of payment, they shall be declared invalid, and shall fall to the reserve fund of the bank. Likewise the proceeds of certificates of allotment which have been sold shall fall into the reserve fund in cases where they are not claimed within five years by the shareholder concerned.

40. The amortization (redemption) of any shares mislaid or otherwise lost, bonds, dividend warrants, &c., is regulated according to the laws in force in the City of Basle.

41. All announcements emanating from the Board of Directors will be published in at least three of the Swiss newspapers, one of which must appear at Basle. The announcements are then considered to have been duly notified, and are legally binding.

42. All legal proceedings of a civil nature resulting between the company, the Board of Directors, the Board of Management, and the officials, which concern the affairs of the company, are to be decided by an award by arbitration. For this purpose each of the litigants chooses two