

2,500,000f. The issue of the remaining shares takes place on the Board of Directors deciding that the purposes of the company require it.

4. Of the first issue of 2,500 shares the promoters will take 1,000 shares at par; the remainder will be issued for public subscription similarly at par. At each further issue the Board of Directors has the right to take up one-fourth of the shares issued. For the shares which the Board of Directors have not taken up the holders of the first-issued shares have the preference in proportion to their share-property.

5. The first payment on the first issue of 2,500 shares is to be made on application, with 20 per cent. or 200f. per share. Further calls will be arranged by the Board of Directors according to requirement, at intervals of at least three months. The calls shall not exceed 20 per cent. at a time, and shall be notified by public advertisement at least one month previous.

6. The shares will be issued to the shareholder, and are indivisible. Every shareholder answers only for the amount of his shares, and is interested in the property of the company in proportion to the amount of his shares. The possession of a share-warrant infers in itself the acknowledgment of the statutes.

7. Certificates of allotment will be drawn out for the amount of the first payment, and further payments will be certified on the same. Holders of such certificates of allotment who neglect within the appointed time to pay one of the notified calls will, after the expiration of four weeks, be publicly called upon to fulfil within a further four weeks the payment, together with a customary fine of 20f. If this demand is also disregarded, the said certificates of allotment shall be declared invalid, and replaced by new, the proceeds of which, after deduction of the rate due, of the usual fine, and other expenses, fall to the shareholder making default.

## II. *Line of Business of the Bank.*

8. The bank grants mortgage-loans, not only in those cantons of Switzerland which by their legislation relative to mortgages offer satisfactory guarantees, but also in the neighbouring parts of Germany and France, and, in fact, not only at suitable yearly interest, but also, in preference, when the debtor binds himself to the payment of small yearly annuities, by means of which he can free himself entirely from the debt after a certain number of years. In the Canton of Basle the bank will only grant loans in agreement with the mortgage-bank there.

9. The business regulations in course of publication contain the decisions relative to the fixing of the rates of interest, the provisions to be discharged, and the redemption-payments.

10. The mortgaged immovables must be worth at least one and a half times the sum advanced, and yield a proportional profit. The true value of the mortgage shall depend on a valuation whereof the business regulations determine the particulars. Second mortgages are, as a rule, entirely excluded: exceptions to this principle may only be allowed with the approval of all the members of the Board of Management. The bank is further authorized to buy immovables, and to grant advances on deposit of sound liens.

11. The bank procures the necessary moneys by the issue of bonds bearing interest; the sum total of which, however, shall not exceed fifteen times the amount of the paid-up share-capital.

12. A proportion of the capital may be invested in good and marketable bonds, such as railway or State bonds, or in trade bills, which, however, must bear the indorsement of at least two well-known and solvent firms, either for the purpose of better security of existing liabilities, or to better satisfy the real requirements of the concern, when the influx of outstandings should be rather irregular. The bank is prohibited to transact any business whatever without having full securities of the concerned in hand.

## III. *Balance of Accounts, Distribution of Profits, and the Reserve Fund.*

13. The bank account will be closed for settlement annually on the 31st December—for the first time on the 31st December, 1864; and thereat a balance will be drawn according to mercantile principles, and published.

14. After establishment of true balance, and deduction for salaries, bad debts, furniture, and building accounts, &c., the bank will have to divide amongst shareholders a dividend of 4 per cent. on the nominal amount of each share. After payment of interest, 20 per cent. is to be appropriated out of net profits to the formation of a reserve fund, which is to be continued until it has reached the amount of the paid-up share-capital; 15 per cent. will be distributed as share in profits amongst the members of the Board of Management, whereof the President shall receive two parts and the members each one part;  $7\frac{1}{2}$  per cent. falls to the director of the establishment,  $7\frac{1}{2}$  per cent. to the other officials; and 50 per cent. will be distributed equally amongst the shareholders.

15. 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. If at a yearly settlement there is not a sum sufficient to pay the interest of 4 per cent. on the shares, it will become necessary to borrow from the reserve fund. Under no circumstances may the reserve fund be disposed of except for this purpose.