

13. Any shareholder who is a British subject and normally resident in New Zealand shall be entitled to one vote at a general meeting of shareholders in respect of every share of which he has been the registered proprietor for not less than six months immediately preceding the date of the meeting, but no one shareholder may exercise more than 1,000 votes in his own name and 1,000 as proxy.

No voting-rights shall attach to any shares in the ownership of the Treasury.

14. Every shareholder is entitled to transfer his right of voting at a general meeting to some other shareholder by proxy, subject to the limitation of voting-power laid down in Article 13.

15. The general meeting shall deal with the following matters :—

- (a) Approval of the annual accounts and report of the directors ;
- (b) Appropriations to the reserve and other funds ;
- (c) Declaration of annual dividends ;
- (d) Election or removal of members of the Board of Directors (Articles 23 and 30) and auditors (Article 56), and the sanctioning of their fees and expenses ;
- (e) Proposals to amend these statutes : such proposals, except those for an increase of capital (Article 7), will require parliamentary sanction.

16. At general meetings the chair shall be taken by the Governor of the bank, or, in his absence, by his deputy.

The Chairman shall not vote unless equal votes have been cast, in which case he shall have the deciding vote.

17. Except where otherwise provided, resolutions shall be adopted by a simple majority of votes of the shareholders present or represented by proxy.

#### CHAPTER IV.—MANAGEMENT.

18. The general conduct of the business of the bank shall be entrusted to a Board of Directors responsible to the general meeting, and consisting of a Governor, Deputy Governor, and five other members.

##### (a) Governor and Deputy Governor.

19. The Governor and Deputy Governor shall be elected by the general meeting for a period of seven years, shall devote their whole time to the affairs of the bank, and shall receive such salaries and allowances respectively as may be determined by the Board of Directors, provided that the Governor and Deputy Governor shall not be remunerated by any form of commission or share in profits reckoned on the earnings of the bank. The election of the Governor and Deputy Governor must receive the approval of the Governor-General in Council.

The first Governor and Deputy Governor of the bank shall, however, be appointed for seven years by the Governor-General in Council.

Both the Governor and the Deputy Governor shall be eligible for re-election.

20. The Governor and the Deputy Governor shall be persons of banking experience ; they shall not act as directors of any business nor engage in any business on their own account ; nor shall they hold any interest in any other bank.

The provisions of Article 24 shall apply to the Governor and Deputy Governor equally with the other directors.

21. The Governor shall, on behalf of the Board of Directors, be in permanent control of the administration of the bank's assets and general business, taking decisions in all cases not specifically reserved to the Board or to the general meeting of shareholders or governed by regulations which either of these have issued.

22. The Governor may delegate such of his functions as he thinks fit to the Deputy Governor, who, in any case, shall take the place of the Governor during the latter's absence for any reason.

If the Governor and Deputy Governor are both prevented from carrying out their duties, the Board of Directors shall nominate one of its members to act *ad interim* as Governor.

##### (b) Board of Directors.

23. The members of the Board, other than the Governor and Deputy Governor, shall be elected for a period of five years by the shareholders at a general meeting. Two must be elected from persons who are, or have been, actively engaged in primary industries and two from persons who are, or have been, actively engaged in industrial or commercial pursuits. Not more than one of the Directors may also be a director of any other bank.

The first Board of Directors shall, however, be appointed by the Governor-General in Council. One member of the first Board of Directors, other than the Governor or Deputy Governor, shall retire at the end of each of the first five years, the order of retirement being decided by ballot. Thereafter the Directors shall retire annually in accordance with their length of service. Retiring Directors shall be eligible for re-election.

24. Only shareholders with voting-rights shall be eligible for election to the Board of Directors, but the following are disqualified from holding office as members of the Board :—

- (a) Members of Parliament ;
- (b) Officials or employees of the State ;
- (c) Directors, officers, or employees of other banks, except as provided in Article 23.

25. If a casual vacancy occurs on the Board of Directors, the remaining members of the Board shall appoint a substitute Director, who shall hold office until the next ordinary general meeting, which shall appoint him or some other person to serve for the unexpired period of office of his predecessor.