

26. The Governor, or, in his absence, the Deputy Governor, shall summon a meeting of the Board of Directors as often as may be required, but not less frequently than once a month, and shall take the chair at these meetings. The Governor shall also convene the Board of Directors when requested to do so by three of its members.

27. Decisions of the Board of Directors shall be valid only when, in addition to the chairman, at least three of the other Directors are present.

Decisions shall be taken by a simple majority of votes.

In the case of an equality of votes, the chairman shall have a second or casting vote.

28. The Directors shall receive such fees and expenses as may be determined by the Board and sanctioned at a general meeting.

29. The Board of Directors shall have power to deal with the following matters:—

- (a) Rates of discount and interest :
 - (b) The general conditions, and limits of the various categories of authorized business :
 - (c) The internal regulations of the bank :
 - (d) The opening and closing of branches and agencies :
 - (e) The organization of a clearing-house :
 - (f) The approval of balance-sheets and profit and loss accounts for presentation to general meetings :
 - (g) The purchase and sale of real property required for the business of the bank :
 - (h) The form, denomination, design, and material of bank-notes, which shall be submitted to the Treasury for approval ; also the manufacture, custody, issue, redemption, retirement, and cancellation of bank-notes.
30. The Governor, Deputy Governor, or a Director shall be deemed to have vacated his office if—
- (a) He becomes bankrupt or insolvent or applies to have the benefit of any Act for the relief of bankrupt or insolvent debtors, or compounds with his creditors, or makes an assignment of his remuneration for their benefit ; or
 - (b) He becomes permanently incapable of performing his duties.

(c) *Executive Committee.*

31. The Governor, the Deputy Governor, and one Director shall constitute an Executive Committee, whose decisions shall be recorded in minutes. This committee is competent to take any decision upon any question which falls within the competence of the Board of Directors, provided that the decisions of the committee are submitted to the Board for confirmation at its next session. In cases of urgency the committee is authorized to alter the rate of discount. The presence of all members of the committee is necessary at meetings at which a decision to alter the rate of discount is taken.

32. The Executive Committee shall act as a Discount Committee, and deal with discounts and credit limits within the general authority given by the Board, and such other matters as the Board of Directors may decide.

CHAPTER V.—POWERS OF THE BANK.

(a) *General Business.*

33. The bank may—

- (a) Make and issue bank-notes :
- (b) Buy and sell gold and silver coin or bullion :
- (c) Accept money on deposit or current account without interest, except as provided in Article 39 :
- (d) Discount, rediscount, buy, and sell bills of exchange, promissory notes, and other paper arising out of *bona fide* commercial transactions and bearing two or more good signatures and maturing within 120 days of the date of acquisition ; also agricultural bills maturing within six months of the date of acquisition, provided that the latter type of bills does not exceed 40 per cent. of the internal bills held :
- (e) Subject to the provision of Article 34 (i), discount, rediscount, buy, and sell Treasury bills or bills of any public body maturing within three months :
- (f) Grant advances for fixed periods not exceeding three months against—
 - (1) Gold coin and bullion, or the documents relating to the shipment thereof ;
 - (2) New Zealand Government and local-body securities and such marketable securities as have a ready sale on the New Zealand Stock Exchange as may be approved for that purpose from time to time by the Board ;
 - (3) Such notes and bills as are specified in sections (d) and (e) of this article ;
 - (4) One-name promissory notes of any bank carrying on business in New Zealand, with a maturity not exceeding fifteen days, and covered by any collateral security which the bank is empowered to discount or accept as security for a loan or advance :
- (g) Buy and sell New Zealand Government or British Government securities for its own account : Provided that the amount held of such securities of more than three months' currency shall not exceed the paid-up capital and reserves :
- (h) Buy and sell foreign currencies :
- (i) Issue and manage, but not underwrite, New Zealand Government loans and loans of other public bodies in New Zealand :
- (j) Organize a clearing system :
- (k) Act as correspondent or agent for any bank outside New Zealand :
- (l) Do any banking business consequential on and in keeping with the provisions of these statutes.