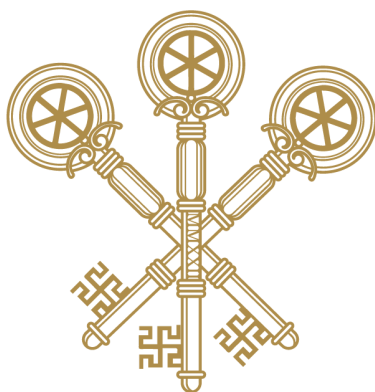


NÁRODNÁ BANKA
SLOVENSKÉ PODIELOVÉ DRUŽSTVO ROD



NÁRODNÁ BANKA
SLOVENSKÉ PODIELOVÉ DRUŽSTVO ROD

ARTICLES

of

Národná Banka

Slovenské Podielové Družstvo ROD

National Bank

Slovak Consumer Cooperative ROD

(NB SCCR)

Bratislava 2022

**Národná Banka
Slovenské Podielové Družstvo ROD
(NB SPDR)
Články Stanov
(Verzia 07.11.2022)**

**National Bank
Slovak Consumer Cooperative ROD
(NB SCCR)
Articles of Bank
(Version 11.07.2022)**

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Introductory

The **National Bank Slovak Consumer Cooperative ROD**, hereinafter referred to as the “Bank” or the “**NB SCCR**”, is established as a Sovereign Status Bank, with sovereignty. The **NB SCCR** is governed by the International Law on Banks, Saving Banks, Stock Exchange and related international regulations.

The full name of the Bank in English: the **National Bank Slovak Consumer Cooperative ROD**.

The short name of the Bank in English: the **NB SCCR**.

The **NB SCCR** is being a legal **Sovereign** entity acting in accordance with these Articles of Association and the applicable international laws.

The **NB SCCR** is established for an unlimited period of time.

The **NB SCCR** can not be under obligation to submit to the tax and other supervisory authorities its balance sheets, reports and other information as may be necessary for checking the accuracy of the assessment and payment of taxes and mandatory non-tax payments, and shall in due course pay taxes and make mandatory non-tax payments in the amount and according to the procedure stipulated by the laws of the country where the **NB SCCR is located**.

The **NB SCCR** has a round seal bearing its full name in language where the **NB SCCR is located** and an indication of its location. The **NB SCCR** has stamps and letterheads, its own logo and other visual identity means.

The **NB SCCR** complies with the obligations postulated in the granted bank license and security dealer license and operates according the requirements regarding:

- (a) equity and liquidity,
- (b) the annual financial statements and balance sheets,
- (c) the rights and duties of banks' external auditors
- (d) the organization, structure, rights and obligations of the banks' supervisory authority, namely the **International Treasury Monetary One ("ITM1")**,
- (e) the measures to be taken in the event there is a risk that a bank becomes insolvent,
- (f) the bank's bankruptcy proceedings,
- (g) the obligation for banks to secure certain deposits and
- (h) the civil and criminal liability of banks.

The **NB SCCR** respects and follows strictly the provisions of the Code of Conduct, pursuant to Article 3 of the Staff Regulations of the **NB SCCR**, which regulates the exercise of due diligence ("CDB 03").

Committed to these regulations, the **NB SCCR** ensures to verify the identity of their contracting partners, not to provide any active assistance in the flight of capital and not to provide any active assistance in case of tax evasion or similar acts.

Furthermore, the **NB SCCR** obeys the legal pleadings and duties for Anti Money Laundering (AML) as the identification of contracting parties and of the beneficial owners of the assets, the clarification of the financial background of unusual transactions, the documentation of the transactions and the setting up of a proper structuring of operation.

At least, the bank will ensure an effective supervision of the management, the direction and control by founding of separated and segregated own bodies.

The **NB SCCR** shall operate in accordance with the following provisions:

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PURPOSES

The **NB SCCR** is established to support, guide, monitor and audit the Members and Branches of the **SCCR** in their declared strategies and services to fund Humanitarian and Commercial Projects.

The Funding of projects is committed to the formulated objectives for sustainable development of the **SCCR** and its members and shall be guided in all its decisions by the purposes set forth below:

- **Support** and coordinate cooperation with **ITM1**;
- **Provide** funds and services for RD members and **ITM1**;
- **Act** as a depository for high value assets mainly, but not exclusively, for members of the **SPDR** to be accepted into the custody and under the management of the **NB SCCR**;
- **Issue** deposit receipts, deposit certificates and deposit statements confirming the reserve of values as a deposit for the Issuance of treasury instruments;
- **Mirror** all transaction data of all **ITM1s** in order to monitor, control and certify the accuracy and correctness of each transaction in real-time mode;
- **Represent** the interests and requirements of **SCCR** members in **ITM1** and through **ITM1** in member groups and organizations of leading global financial institutions and regulators;

Article 2

Membership in and Capital of the Bank

A. Membership

- 1) The original members of the **NB SCCR** are the International **Slovak Consumer Cooperative ROD and SVR** (hereinafter referred to as "**ICC**"), which accept membership in the **NB SCCR**, by registering in the list of its members, before its foundation. **NB SCCR** will thus legally decide, with an official document adopted by the NB SCCR COUNCIL, no later than 10 working days before the meeting of the NB SCCR Board of Governors.
- 2) Membership for other members is closed.
- 3) Members who directly or indirectly participate in the capital or voting rights of the bank or for any reason may have a significant influence on the bank (so-called "qualified participation") must ensure that their influence will not adversely affect the safe management of the bank.

A. Authorized Capital

- 1) The authorized capital stock of **NB SCCR** is 100,000,000,000 (one hundred billion euro) EURO XAU (XAU-Gold RATE).

- 2) Members are defined as shareholders of the **NB SCCR** or as an entity which has been accepted by the **NB SCCR Board of Governors** by ordinary majority vote.
- 3) The capital stock may be increased when the **NB SCCR** deems it advisable by a three-fourths majority of the total voting power.

B. Subscriptions of Shares

- 1) Each member of the **SCCR** shall subscribe shares of the capital stock of the **NB SCCR**. The minimum number of shares to be subscribed by the original or founding members shall be those set forth in **Appendix A**.
- 2) In case of capitalization, each member has the right to subscribe additional shares but is not obligated for such subscription.
- 3) The additional subscription of Shares is prescribed by the **NB SCCR** in the terms, conditions and rules for capitalization.

C. Price of Shares

- 1) In general, the Shares shall be issued at par value of gold equivalent converted to XAU.
- 2) An issuance on other terms can be only instructed based on a decision of majority of the total voting power of the **competent authorities of the bank**.

B. Splitting and Calling of Subscribed Capital

The subscription of each member shall be divided into two parts as follows:

- 1) As initial payment, twenty five percent (25%) shall be paid or subject to call as described under Section (G), to be used as working capital for the Operations of the **NB SCCR**.
- 2) The remaining seventy five percent (75%) are callable in order to meet obligations of the **NB SCCR**.
- 3) Such Calls on unpaid subscriptions shall be uniform across all shares.

A. Limitation on Liability

Liability on shares shall be limited to the unpaid portion of the issue price of the shares.

B. Method of Payment of Subscriptions for Shares

- 1) Payment of subscriptions for shares shall be made in gold and in the gold-backed currencies of the members which will be listed in an overview and will be continuously updated by the **Board of Governors** of the **NB SCCR**.
- 2) Minimum ten percent (10%) of the initial payment of each share shall be payable in gold, either physically, in gold-backed securities or in **XAU**.
- 3) The remaining ninety percent shall be payable in the accepted gold-backed currency of the member.
- 4) Each member can decide which of the options stated above is preferable.
- 5) All payments shall be made in the called amounts within the required period.

C. Time of Payment of Subscriptions

- 1) Initially, two percent payable on each share in Gold, either physically, in gold backed securities or in **XAU**, shall be paid within sixty days from the date on which the **NB SCCR** begins operations.
- 2) The remaining amount of the payment for each share, as given under Art. 2, Section e., shall be paid within 5 banking days after the **NB SCCR** has notified and called in the payment.
- 3) In its first year of operations, the **NB SCCR** shall take care to call in not less than seven percent (7%) of each share, in addition to the initial payment of two percent (2%) referred to in Art. 2, Section E., Clause (2).
- 4) With the first call, the **NB SCCR** will provide a compulsory payment schedule and list of tranches, in order to provide more secure planning and process quality to its members to satisfy the calls on time.
- 5) If any member is unable to conduct the payment within the given period, the board of governors may grant the right to postpone the payment/s dues on a legal binding schedule.

A. Management of the balance of paid and callable share value of the Members

- 1) Each banking day, the **NB SCCR** will the paid, called and remaining callable shares of its members.
- 2) The list shall correspond to values as follows:
 - a. deposits of gold, measured in _____, converted and credited in _____
 - b. deposits of treasure such as precious metals, diamonds and art etc., evaluated by independent, professional expert, then attested and credited in _____
 - c. Cash Funds in the current convertible currencies, during the transition period of the worldwide currency reset
 - d. Cash Funds in accepted gold-backed country currencies
- 3) In the case of significant fluctuation, the **NB SCCR** reserves the right to correct the value of the share capital and can either call in additional payments or release a bonus payout back to its members in equal ratio within three months (3) from the day of correction.
- 4) The provisions of the preceding paragraphs may be waived by the **NB SCCR** when a uniformly proportionate change in the par values of the currencies of all its members is made by the **International Monetary Fund**.

A. Disposal of Shares

Shares shall not be pledged or encumbered in any manner whatever and they shall be transferable only to the **NB SCCR**.

Article 3

General Provisions Relating to Loans and Guarantees

A. Policy for the use of the resources of the Bank

- 1) The resources and the facilities of the **NB SCCR** shall be used exclusively

for the benefit of members with equitable consideration to develop and implement Humanitarian Projects, following the sustainable development goals of the **SCCR** and its members. The research, development, production and implementation of sustainable and green solutions will be sponsored and funded, in order to face the problems caused by climate change.

- 2) The projects shall help to subdue extreme poverty, to refurbish damages from natural and man-made disaster, to minimize economic disadvantage to marginalized sectors, to reorganize rural and urban infrastructure, to support independent national economies and to invest in education and enlightenment in recipient communities.
- 3) The sponsoring and financing of such projects by the **NB SCCR** shall be purely humanitarian in nature and shall not in any way be political motivated.
- 4) The **NB SCCR** shall emphasize the sponsoring and financing of new technologies and business models that present solutions to the challenges caused by climate change, over-population, environmental pollution, extreme poverty and the uneven distribution of power and resources.

B. Transaction between the Members and the Bank

Each member shareholder shall transact with the **NB SCCR** only through its Treasury and the **NB SCCR** shall transact with its members only by or through the same Treasury.

C. Limitations for Sponsoring and Funding of Projects

The total outstanding amount of securities such as Treasury Bills, Notes or Bonds or other banking instruments, participations in loans and direct loans released by the **NB SCCR** shall not supersede One Hundred Percent (100%) of the subscribed capital, reserves and surplus of the **NB SCCR**.

D. Conditions for Sponsoring and Funding of Projects

The **NB SCCR** may guarantee, participate in, or award loans to any member or any associated partner thereof, or to any business, industrial, and agricultural enterprise in the ecological, economic or social environment of a participating member, subject to the following conditions:

- 1) The member with the fully or partial value of his share, transferred to **SCCR** and his related Treasury, and/or another entity, which is acceptable to the **NB SCCR**, will guarantee the repayment of the principal and the payment of

interest and other charges on the loan.

- 2) The **NB SCCR**'s risk management is satisfied with the process and result of identifying, assessing, controlling and excluding of threats for the implementation, operation and rentability of the project/s.
- 3) A competent assessment committee shall be in charge of submitting a written report that shall recommend deserving project after a careful evaluation of the business plan, its ownership structure and qualifications.
- 4) The **NB SCCR** attests that the rate of interest, including all other charges shall remain reasonable and such rate, charges and the schedule for repayment of principal are appropriate to the project.
- 5) The **NB SCCR** shall then classify the member and/or the third guarantor as creditworthy should they be in a position that meets the obligations of the loan.
- 6) In guaranteeing a loan made by other investors, the **NB SCCR** shall receive suitable compensation for its risk.

A. Principles for guaranteed, participated or granted loans

- 1) The **NB SCCR** shall impose no conditions with regards to the geographic regions in which the proceeds of a loan shall be used. This means the credit policy allows for trans-regionally investment.
- 2) The **NB SCCR** shall monitor and audit the usage of the project-related proceeds of any loan and shall be assured that such loan proceeds shall be used only for the purposes for which the loan was granted.
- 3) The **NB SCCR** shall provide account/s in the name of the borrower to which the amount of the loan shall be credited; either in a current convertible currency or in a future gold-backed currency, as accepted by the **NB SCCR**.
- 4) The borrower is permitted to draw expenses related to the project and stated in the business plan from the account/s.

B. Loans to the Treasuries

- 1) The **NB SCCR** may provide, participate in, or guarantee loans to one of the branches of the Treasury, for use in its lending operations.

- 2) The **NB SCCR**'s total outstanding amount of such loans, participations and guarantees shall not be increased, if the outstanding exceeds an amount equal to four times its unimpaired subscribed capital and surplus.
- 3) The loans can be paid in the currency of the investment region and/or in ____ and/or in the form of debt securities or payment guarantees.

Article 4

General Provisions for the Operations of Bank

A. Methods of granting or facilitating Loans

The **NB SCCR** may make or facilitate loans which satisfy the general conditions of Article 3 in any of the following ways:

- 1) By making or participating in loans out of its own funds corresponding to its unimpaired paid-up capital and surplus and, subject to Section F of this Article, to its reserves.
- 2) By making or participating in direct loans out of funds raised in the market of a member, or otherwise borrowed by the **NB SCCR**.
- 3) By guaranteeing in whole or in part loans made by private investors through the usual investment channels.

B. Availability and transfer of Currencies

- 1) Currencies paid into the **NB SCCR** as shares can be loaned only with the approval of the member whose currency is involved.
- 2) If the member will have approved, such currencies shall be used or exchanged for the currencies required to meet contractual payments of interest, other charges or amortization on the **NB SCCR**'s own borrowings, or to meet the **NB SCCR**'s liabilities with respect to such contractual payments on loans guaranteed by the **NB SCCR**.
- 3) Currencies transferred by borrowers or guarantors to the account of principal of the direct loan shall be exchanged for the currencies of other members or re-loaned only with the approval of the members whose currencies are involved.
- 4) All other currencies available to the **NB SCCR**, as

- a. raised in the market or are borrowed by members or partners,
 - b. obtained by the sale of gold,
 - c. received as payments of interest,
 - d. received as payments of commissions and other charges, shall be used or exchanged for other currencies or gold required in the operations of the **NB SCCR** without restriction by the members whose currencies are offered.
- 5) Currencies raised in the markets of members by borrowers on loans guaranteed by the **NB SCCR** shall also be used or exchanged for other currencies without restriction by such members.

B. Methods of granting or facilitating Loans

The following provisions shall apply to the payments of direct loans, relevant for the above given clauses of this Article:

- 1) The **NB SCCR** shall furnish the borrower with such currencies of members, other than the member in whose territories the project is located, as are needed by the borrower for expenditures to be made in the territories of such other members to carry out the purposes of the loan.
- 2) The **NB SCCR** may, in exceptional circumstances when local currency required for the purposes of the loan cannot be raised by the borrower on reasonable terms, provide the borrower as part of the loan with an appropriate amount of that currency.
- 3) The **NB SCCR**, if the project gives rise indirectly to an increased need for foreign exchange by the member in whose territories the project is located, may in exceptional circumstances provide the borrower as part of the loan with an appropriate amount of gold or foreign exchange or gold backed Treasury Instruments not in excess of the borrower's local expenditure in connection with the purposes of the loan.
- 4) The **NB SCCR** may, in exceptional circumstances, at the request of a member in whose territories a portion of the loan is spent, repurchase with gold or foreign exchange a part of that member's currency thus spent but in no case shall the part so repurchased exceed the amount by which the expenditure of the loan in those territories gives rise to an increased need for foreign exchange.

A. Payment Provisions for Direct Loans

Loan contracts, executed in accordance with the pleadings of the Articles of this document shall be executed by taking in account of following payment provisions:

- 1) The terms and conditions of interest and amortization payments, maturity and dates of payment of each loan shall be determined by the **NB SCCR**. The **NB SCCR** shall also determine the rate and any other terms and conditions of commission to be charged in connection with such loan.
- 2) In the case of loans made during the first ten years of the **NB SCCR**'s operations, this rate of commission shall be not less than one percent per annum and not greater than two and one-half percent per annum, and shall be charged on the outstanding portion of any such loan.
- 3) At the end of this period of ten years, the rate of commission may be reduced by the **NB SCCR** with respect both to the outstanding portions of loans already made and to future loans, if the reserves accumulated by the **NB SCCR** and out of other earnings are considered by it sufficient to justify a reduction.
- 4) In the case of future loan activities, the **NB SCCR** shall also have discretion to increase the rate of commission beyond the above limit, if experience indicates that an increase is advisable.
- 5) All loan contracts shall stipulate the currency or currencies in which payments under the contract shall be made to the **NB SCCR**. At the option of the borrowers however, such payments may be made in gold, or subject to the agreement of the **NB SCCR**, in the currency of a member other than that prescribed in the contract.
- 6) In general, the loan contracts shall provide that payments to the **NB SCCR** of interest, other charges and amortization shall be made in the currency loaned, unless the member whose currency is loaned agrees that such payments shall be made in some other specified currency or currencies.
- 7) These payments, subject to the provisions of Article 2, shall be equivalent to the value of such contractual payments at the time the loans were made, in terms of a currency specified for the purpose by the **NB SCCR** by a three-fourths majority of the total voting power of the **Board of Directors**.
- 8) Stated as standard praxis, the total amount outstanding and payable to the **NB SCCR** in any one currency shall at no time exceed the total amount of the outstanding borrowings made by the **NB SCCR** in the same currency.
- 9) If a member suffers from acute exchange stringency, so that the service of any loan contracted by that member or guaranteed by it or by one of its

affiliated partners cannot be provided in the stipulated manner, the member concerned may apply to the **NB SCCR** for a relaxation of the conditions of payment.

- 10) If the **NB SCCR** is satisfied that some relaxation is in the interests of the particular member and of the operations of the **NB SCCR** and of its members as a whole, it may take action under either, or both, of the following paragraphs with respect to the whole, or part, of the annual service:

(a) The **NB SCCR** may, in its discretion, make arrangements with the member concerned to accept service payments on the loan in the member's currency for periods not to exceed three years upon appropriate terms regarding the use of such currency and the maintenance of its foreign exchange value; and for the repurchase of such currency on appropriate terms.

(b) The **NB SCCR** may modify the terms of amortization or extend the life of the loan, or both.

E. Application and Granting of Guarantees

- 1) In guaranteeing a loan placed through the usual investment channels, the **NB SCCR** shall charge a guarantee commission payable periodically on the amount of the loan outstanding at a rate determined by the **NB SCCR**.
- 2) During the first ten years of the **NB SCCR**'s operations, this rate shall be not less than one percent per annum and not greater than one and one-half percent per annum. At the end of this period of ten years, the rate of commission may be reduced by the **NB SCCR** with respect both to the outstanding portions of loans already guaranteed and to future loans if the reserves accumulated by the **NB SCCR** and out of other earnings are considered by it sufficient to justify a reduction. In the case of future loans activities of the **NB SCCR** shall also have discretion to increase the rate of commission beyond the above limit, if experience indicates that an increase is advisable.
- 3) Guarantee commissions shall be paid directly to the **NB SCCR** by the borrower.
- 4) Guarantees by the **NB SCCR** shall provide that the **NB SCCR** may terminate its liability with respect to interest if, upon default by the borrower and by the guarantor, if any, the **NB SCCR** offers to purchase, at par and interest accrued to a date designated in the offer, the bonds or other obligations guaranteed.

- 5) The **NB SCCR** shall have power to determine any other terms and conditions of the guarantee.

C. Special Reserve

- 1) The amount of commissions, described above, received by the **NB SCCR** under shall be set aside as a special reserve, which shall be kept available for meeting liabilities of the **NB SCCR**.
- 2) The special reserve shall be held in such liquid form, permitted under this Agreement, as the **Executive Directors** may decide.

B. Methods of Meeting Liabilities of the Bank in Case of Defaults

In cases of default on loans made, participated in, or guaranteed by the **NB SCCR**:

- 1) The **NB SCCR** shall make such arrangements as may be feasible to adjust the obligations under the loans, including arrangements under or analogous to those provided in Section D (9) of this Article.
- 2) The payments in discharge of the **NB SCCR**'s liabilities on borrowings or guarantees shall be charged:
- 3) First, against the special reserve provided in Section F of this Article;
- 4) Then, to the extent necessary and at the discretion of the **NB SCCR**, against the other reserves, surplus and capital available to the **NB SCCR**.
- 5) Whenever necessary to meet contractual payments of interest, other charges or amortization on the **NB SCCR**'s own borrowings, or to meet the **NB SCCR**'s liabilities with respect to similar payments on loans guaranteed by it, the **NB SCCR** may call an appropriate amount of the unpaid subscriptions of members in accordance with Article 2, Sections 4.
- 6) Moreover, if it believes that a default may be of long duration, the **NB SCCR** may call an additional amount of such unpaid subscriptions not to exceed during any year one percent of the total subscriptions of the members for the following purposes:
 - a. To redeem prior to maturity, or otherwise discharge its liability on, all or part of the outstanding principal of any loan guaranteed by it in respect of which the debtor is in default.

- b. To repurchase, or otherwise discharge its liability on, all or part of its own outstanding borrowings.

B. Miscellaneous Operations

In addition to the operations specified elsewhere in this Articles of Bank, the **NB SCCR** shall have the licensed rights, power and obligations:

- 1) To underwrite securities, issued by third Parties, and to offer it on the private secondary market.
- 2) To trade securities in its in own account.
- 3) To act on a firm basis or against commission and offer securities to the public on the primary market.
- 4) To act on behalf of clients with a professional capacity.
- 5) To trade on account of clients and maintain accounts for these clients themselves or with third parties for the settlement of transactions.
- 6) To hold securities of these clients in safe custody themselves or with third parties in their own name.
- 7) To follow the provisions of the international banking acts on stock exchanges rules and securities trading rules and related regulations, which contains the general rules governing the following main topics as:
 - a) The obligation to obtain as securities dealer license prior to engaging in securities dealing operations;
 - b) The rules of conduct of securities dealers;
 - c) The risk diversification requirements;
 - d) The record and reporting requirements;
 - e) The auditing requirements.
- 8) To take under administration the debt securities such as Bill, Notes or Bonds, issued by the **International Treasury Monetary One**, and to act as depositor or closing bank for the blockage of the securities against payments out of monetization, investments or trading activities.

- 8) To guarantee securities in which it has invested for the purpose of facilitating their sale.
- 9) To borrow the currency of any member with the approval of that member.
- 10) To buy and sell such other securities provided that the total voting power of directors amounts to a three-fourths majority of the total voting power.
- 11) In exercising the powers conferred by this Section H., the **NB SCCR** may deal with any person, partnership, association, corporation or other legal entity in the territories of any member.
- 12) To provide Safe Keeping Receipts for deposited assets and treasures.

I. Warning to be Placed on Securities

Every security guaranteed or issued by the **NB SCCR** shall bear on its face a conspicuous statement to the effect that it is not an obligation of any beneficial entity unless expressly stated on the security.

J. Political Activity Prohibited

The **NB SCCR** and its officers shall not interfere in the political affairs of any member; nor shall they be influenced in their decisions by the political character of the member or members concerned.

Only economic considerations shall be relevant to their decisions, and these considerations shall be weighed impartially in order to achieve the purposes stated in Article 1.

K. Banking operations and other transactions

The **NB SCCR** may carry out the following banking operations:

- 1) opening and maintaining bank accounts for members of **ICC**, as natural persons and legal entities;
- 2) effecting settlements by order for members of **ICC**, as natural persons and legal entities, including correspondent banks, on their bank accounts;
- 3) collecting monetary funds, notes, payment and settlement documents, providing cash services to members of **ICC**, as natural persons and legal entities;

- 4) buying and selling foreign currency, in cash and non-cash form;
- 5) depositing and investing precious metals;
- 6) issuing bank guarantees;
- 7) transferring monetary funds by order of members of **ICC**, as natural persons without opening bank accounts (except for postal transfers);
- 8) issuing bank cards, including **NB SCCR** cards;
- 9) connecting for members of **ICC**, as natural persons and legal entities to acquiring services;
- 10) issuing digital currency, including cryptocurrency;
- 11) issue securities for third parties, providing for performance in monetary terms;
- 12) acquire claims for discharge of third-party obligations in monetary terms;
- 13) offer monetary funds and other assets trust management services under contracts/agreements with members of **ICC**, as natural persons and legal entities;
- 14) carry out transactions with precious metals and precious stones in accordance with the international laws;
- 15) rent to natural persons and legal entities special rooms or safe deposit boxes in such rooms for keeping documents and valuables;
- 16) carry out lease transactions;
- 17) provide advisory and information services.

Article 5

Organization and Management

A. Structure of the bank

- 1) The **NB SCCR** shall have a **Board of Governors, Executive Directors, a President** and such other officers and staff to perform such duties as the **NB SCCR**.
- 2) The persons entrusted with the management of the bank have their domicile in countries members of the **SCCR** and manage the bank from Headquarter of the **NB SCCR**.
- 3) The persons in charge of the administration and management of the bank have to enjoy a good reputation and hence assure a proper conduct of the business operations.

- 4) The bank operates in a local place in order to discharge their duties and be liable for the same.

B. Board of Governor

- 1) All the powers of the **NB SCCR** shall be vested in the **Board of Governors** consisting of one governor and one alternate appointed by each member in such manner as it may determine.
- 2) Each governor and each alternate shall serve for five years, subject to the pleasure of the member appointing him, and may be reappointed. No alternate may vote except in the absence of his principal. The **Board** shall select one of the **Governors** as chairman.
- 3) The **Board of Governors** may delegate to the **Executive Directors** authority to exercise any powers of the **Board**, except the power to
 - a. Admit new members and determine the conditions of their admission.
 - b. Suspend a member.
 - c. Decide appeals from interpretations of this agreement given by the **Executive Directors**.
 - d. Close arrangements cooperate with other international organizations (other than informal arrangements of a temporary and administrative character).
 - e. Decide to suspend permanently the operation.
 - f. Determine the distribution of the net income of the **NB SCCR**.
- 4) The **Board of Governors** shall hold an annual meeting and such other meetings as may be provided for by the **Board** or called by the **Executive Directors**.
- 5) Meetings of the **Board** shall be called whenever requested by five members or by members having one quarter of the total voting power.
- 6) A quorum for any meeting of the **Board of Governors** shall be majority of the **Governors**, exercising not less than two-thirds of the total voting power.
- 7) The **Board of Governors** may establish a procedure whereby the **Executive Directors**, when they deem such action to be in the best interests of the **NB SCCR**, may obtain a vote of the **Governors** on a specific question without calling a meeting of the **Board**.
- 8) The **Board of Governors**, and the **Executive Directors** to the extent

authorized, may adopt such rules and regulations as may be necessary or appropriate to conduct the business of the **NB SCCR**.

- 9) **Governors** and alternates shall serve as such without compensation from the **NB SCCR**, but the **NB SCCR** shall pay them reasonable expenses incurred in attending meetings.
- 10) The **Board of Governors** shall determine the remuneration to be paid to the **Executive Directors** and the salary and terms of the contract of service of the **President**.

C. Voting

- 1) Each member shall have two hundred fifty votes plus one additional vote for each share of stock held.
- 2) Except as otherwise specifically provided, all matters before the **NB SCCR** shall be decided by a majority of the votes cast.

D. Executive Directors

- 1) The **Executive Directors** shall be responsible for the conduct of the general operations of the **NB SCCR**, and for this purpose, shall exercise all the powers delegated to them by the **Board of Governors**.
- 2) There shall be twelve **Executive Directors**, who need not be governors, and of whom:
 - a. Five shall be appointed, one by each of the five members having the largest number of shares
 - b. Seven shall be elected according to Schedule B by all the **Governors** other than those appointed by the five members referred to in (a) above.
 - c. For the purpose of this paragraph, "members" means institutional entities as the local branches of the Treasury, official organizations, bodies of governments or countries and private entities as the Shareholders of the **ICC**, foundations, persons etc. whose names are set forth in **Appendix A**, whether they are original members or become members in accordance with Article 11, Section (c).

When new institutional or private entities will become

members, the **Board of Governors** may, by a four-fifths majority of the total voting power, increase the total number of directors by increasing the number of directors to be elected.

- 3) **Executive Directors** shall be appointed or elected every two years.
- 4) Each executive director shall appoint an alternate with full power to act for him when he is not present. When the executive directors appointing them are present, alternates may participate in meetings but shall not vote.
- 5) **Directors** shall continue in office until their successors are appointed or elected. If the office of an elected director becomes vacant more than ninety days before the end of his term, another director shall be elected for the remainder of the term by the governors who elected the former director.
- 6) The majority of the votes cast shall be required for election. While the office remains vacant, the alternate of the former director shall exercise his powers, except that of appointing an alternate.
- 7) The **Executive Directors** shall function in continuous session at the principal office of the **NB SCCR** and shall meet as often as the business of the **NB SCCR** may require.
- 8) A quorum for any meeting of the **Executive Directors** shall be a majority of the **Directors**, exercising not less than one-half of the total voting power.
- 9) Each appointed director shall be entitled to cast the number of votes allotted under Section 3 of this Article to the member appointing him.
- 10) Each elected **Director** shall be entitled to cast the number of votes which counted toward his election. All the votes which a director is entitled to cast shall be cast as a unit.
- 11) The **Board of Governors** shall adopt regulations under which a member not entitled to appoint and send a representative to attend any meeting of the **Executive Directors** when a request made by, or a matter particularly affecting, that member is under consideration.
- 12) The **Executive Directors** may appoint such committees as they deem advisable. Membership of such committees need not be limited to **Governors** or **Directors** or their alternates.

A. President and Staff

- 1) The **Executive Directors** shall select a **President** who shall not be a

governor nor an executive director or an alternate for either.

- 2) The **President** shall be **Chairman of the Executive Directors** without a vote, except as deciding vote in case of split decisions.
- 3) The **President** will be elected for a period of **5 years**
- 4) The **President** may participate in meetings of the **Board of Governors** as non- voting member to avoid the appearance of any conflicts of interest.
- 5) The **President** shall cease to hold office should the **Executive Directors** obtain a 70% vote of no confidence.
- 6) The **President** shall be chief of the operating staff of the **NB SCCR** and shall conduct, under the direction of the **Executive Directors**, the ordinary business of the **NB SCCR** Subject to the general control of the **Executive Directors**, he shall be responsible for the organization, appointment and dismissal of the officers and staff.
- 7) The **President**, officers and staff of the **NB SCCR**, in the discharge of their offices, owe their duty entirely to the **NB SCCR** and to no other authority.
- 8) Each member of the **NB SCCR** shall respect the international character of this duty and shall refrain from all attempts to influence any of them in the discharge of their duties.
- 9) In appointing the officers and staff the **President** shall, subject to the paramount importance of securing the highest standards of efficiency and of technical competence, pay due regard to the importance of recruiting personnel on as wide a geographical basis as possible.

B. Advisory Council

- 1) There shall be an **Advisory Council** of not less than seven persons selected by the **Board of Governors** including representatives of banking, commercial, industrial, labor, research, environmental, innovation and agricultural interests, and with as wide a national representation as possible.
- 2) In those fields where specialized international organizations exist, the members of the **Advisory Council** representative of those fields shall be selected in agreement with such organizations.
- 3) The **Advisory Council** shall advise the **NB SCCR** on matters of general policy.

- 4) The **Advisory Council** shall meet annually and on such other occasions as the **NB SCCR** may request. **Councilors** shall serve for two years and may be reappointed.
- 5) The **Advisory Council** members shall be paid their reasonable expenses incurred on behalf of the **NB SCCR**.

C. Loan Committees

- 1) The committees required to report on loans under Article 3, Section 4, shall be appointed by the **NB SCCR**.
- 2) Each such committee shall include an expert selected by the **Governor** representing the member of:
 - a. The Treasuries of the Continents,
 - b. The territories the project is located and
 - c. one or more members of the technical staff of the **NB SCCR**.

D. Relationship to Other International Organizations

- 1) The **NB SCCR**, within the terms of this Agreement, shall cooperate with any general international organization and with public international organizations having specialized responsibilities in related fields.
- 2) The **NB SCCR** registered and recognized by the **United Nations**, the special regulations and provision of the **United Nations** are contenting legal binding rights and obligations.
- 3) Any arrangements for such cooperation which would involve a modification of any provision of this Agreement may be become legal effective only after a written amendment to this Agreement under Article 8.
- 4) In making decisions on applications for loans or guarantees relating to matters directly within the competence of any international organization of the types specified in the preceding paragraph and participated in primarily by members of the **NB SCCR**, the **NB SCCR** shall give consideration to the views and recommendations of such organization.

A. Location of office/s

- 1) The principal office of the **NB SCCR** shall be located in the territory of the country member of **SCCR**.
- 2) The **NB SCCR** may establish agencies or branch offices in the territories of any member of the **NB SCCR** and /or in any country member of **SCCR** to be selected by the **Board of Governors**.

B. Regional offices and Stuff

- 1) The **NB SCCR** may establish regional offices and determine the location of, and the areas to be covered by, each regional office.
- 2) Each regional office shall be advised by a regional council representative of the entire area and selected in such manner as the **NB SCCR** may decide.

C. Depositories

- 1) Each member shall designate its regional office of the Treasury as a depository for all Funds or Assets, which he wants to provide as membership share or it shall designate such other institution as may be acceptable to the **NB SCCR**.
- 2) The **NB SCCR** may hold other assets, including gold, in depositories designated by the five members having the largest number of shares and in such other designated depositories as the **NB SCCR** may select.
- 3) Initially, at least one-half of the gold holdings of the **NB SCCR** shall be held in the depository of the **NB SCCR** Headquarter and at least forty percent shall be held in the depositories designated by the members referred to above, each of such depositories to hold, initially, not less than the amount of gold paid on the shares of the member designating it.
- 4) However, all transfers of gold/gold certificates/safekeeping receipts/blocked funds or Admin Holds by the **NB SCCR** shall be made with due regard to the costs of transport / transfer and anticipated requirements of the **NB SCCR**.
- 5) In an emergency case, the **Executive Directors** may transfer all or any part

of the **NB SCCR**'s gold holdings to any place where they can be adequately protected.

D. Form of Holdings of Currency

- 1) The **NB SCCR** shall accept from any member, in place of any part of the member's currency, paid in to the **NB SCCR** or to meet amortization payments on loans made with such currency, and not needed by the **NB SCCR** in its operations, notes or similar obligations issued by the Government of the member or the depository designated by such member, which shall be non-negotiable, non-interest-bearing and payable at their par value on demand by credit to the account of the **NB SCCR** in the designated depository.

E. Publication of Reports and Provision of Information

- 1) The **NB SCCR** shall publish an annual report containing an audited statement of its accounts and shall circulate to members at intervals of three months or less a summary statement of its financial position and a profit and loss statement showing the results of its operations.
- 2) The **NB SCCR** may publish such other reports as it deems desirable to carry out its purposes.
- 3) Copies of all reports, statements and publications made under this section shall be distributed to members.

F. Allocation of Net Income

- 1) The **Board of Governors** shall determine annually what part of the **NB SCCR**'s net income, after making provision for reserves, shall be allocated to surplus and what part, if any, shall be distributed.
- 2) If any part is distributed, up to two percent non-cumulative shall be paid, as a first charge against the distribution for any year, to each member on the basis of the average amount of the loans outstanding during the year made under Article 4, Section A, out of currency corresponding to its subscription.
- 3) If two percent is paid as a first charge, any balance remaining to be distributed shall be paid to all members in proportion to their shares. Payments to each member shall be made in its own currency, or if that

currency is not available in other currency acceptable to the member.

- 4) If such payments are made in currencies other than the member's own currency, the transfer of the currency and its use by the receiving member after payment shall be without restriction by the members.

Article 6

Withdrawal and Suspension of Membership: Suspension of Operations

A. Right of Members to Withdraw

Any member may withdraw from the **NB SCCR** at any time by transmitting a notice in writing to the **NB SCCR** at its principal office. Withdrawal shall become effective on the date such notice is received.

B. Suspension of Membership

- 1) If a member fails to fulfill any of its obligations to the **NB SCCR**, the **NB SCCR** may suspend its membership by decision of a majority of the **Governors**, exercising a majority of the total voting power. The member so suspended shall automatically cease to be a member one year from the date of its suspension unless a decision is taken by the same majority to restore the member to good standing.
- 2) While under suspension, a member shall not be entitled to exercise any rights under this Agreement, except the right of withdrawal, but shall remain subject to all other obligations.

C. Settlement of Accounts with Treasuries or Governments will cease the membership

- 1) When entity ceases to be a member, it shall remain liable for its direct obligations to the **NB SCCR** and for its contingent liabilities to the **NB SCCR** so long as any part of the loans or guarantees contracted before it ceased to be a member are outstanding; but it shall cease to incur liabilities with respect to loans and guarantees entered into thereafter by the **NB SCCR** and to share either in the income or the expenses of the **NB SCCR**.

- 2) At the time an entity ceases to be a member, the **NB SCCR** shall arrange for the repurchase of its shares as a part of the settlement of accounts with such government in accordance with the provisions of (3) below. For this purpose, the repurchase price of the shares shall be the value shown by the books of the **NB SCCR** on the day the government ceases to be a member.
- 3) The payment for shares repurchased by the **NB SCCR** under this section shall be governed by the following conditions:
 - a. Any amount due to the government for its shares shall be withheld so long as the government, its central bank or any of its agencies remains liable, as borrower or guarantor, to the **NB SCCR** and such amount may, at the option of the **NB SCCR**, be applied on any such liability as it matures. No amount shall be withheld on account of the liability of the government resulting from its subscription for shares under Article H, Section 5.
 - b. In any event, no amount due to a member for its shares shall be paid until six months after the date upon which the government ceases to be a member.
 - c. Payments for shares may be made from time to time, upon their surrender by the government, to the extent by which the amount due as the repurchase price above exceeds the aggregate of liabilities on loans and guarantees in (a) above until the former member has received the full repurchase price.
 - d. Payments shall be made in the currency of the country receiving payment or at the option of the **NB SCCR** in gold.
 - e. If losses are sustained by the **NB SCCR** on any guarantees, participations in loans, or loans which were outstanding on the date when the government ceased to be a member, and the amount of such losses exceeds the amount of the reserve provided against losses on the date when the government ceased to be a member, such government shall be obligated to repay upon demand the amount by which the repurchase price of its shares would have been reduced, if the losses had been taken into consideration when the repurchase price was determined.
 - f. In addition, any former member shall remain liable on any call for unpaid subscriptions under Article II Section H 2), to the extent that it would have been required to respond if the impairment of capital had occurred and the call had been made at the time the repurchase price of its shares was determined.
 - g. If the **NB SCCR** suspends permanently its operations under Section 5 (b) of this Article, within six months of the date upon which any

member ceases to be a member, all rights of such member shall be determined by the provisions of Section 5 of this Article.

A. Suspension of Operations and Settlement of Obligations

- 1) In an emergency the **Executive Directors** may suspend temporarily operations in respect of new loans and guarantees pending an opportunity for further consideration and action by the **Board of Governors**.
- 2) The **NB SCCR** may suspend permanently its operations in respect of new loans and guarantees by a vote of a majority of the **Governors**, exercising a majority of the total voting power. After such suspension of an operation the **NB SCCR** shall forthwith cease all activities, except those incidents to the orderly realization, conservation, and preservation of its assets and settlement of its obligations.
- 3) The liability of all members for uncalled subscriptions to the capital stock of the **NB SCCR** and in respect of the depreciation of their own currencies shall continue until all claims of creditors, including all contingent claims, shall have been discharged.
- 4) All creditors holding direct shall be paid out of the assets of the Bank, and then out of payments to the **NB SCCR** on calls on unpaid subscriptions. Before making any payments to creditors holding direct claims, the **Executive Directors** shall make such arrangements as are necessary, in their judgment, to ensure a distribution to holders of contingent claims ratably with creditors holding direct claims.
- 5) No distribution shall be made to members on account of their subscriptions to the capital stock of the **NB SCCR** until:
 - a. all liabilities to creditors have been discharged or provided for, and
 - b. a majority of the **Governors**, exercising a majority of the total voting power, have decided to make a distribution.
- 6) After a decision to make a distribution has been taken under (e) above, the **Executive Directors** may by a two-thirds majority vote make successive distributions of the assets of the **NB SCCR** to members until all of the assets have been distributed. This distribution shall be subject to the prior settlement of all outstanding claims of the **NB SCCR** against each member.
- 7) Before any distribution of assets is made, the **Executive Directors** shall fix the proportionate share of each member according to the ratio of its shareholding to the total outstanding shares of the **NB SCCR**.

- 8) The **Executive Directors** shall value the assets to be distributed as at the date of distribution and then proceed to distribute in the following manner:
- (a) There shall be paid to each member in its own obligations insofar as they are available for distribution, an amount equivalent in value to its proportionate share of the total amount to be distributed.
 - (b) Any balance due to a member after payment has been made under (a) above shall be paid, in its own currency, insofar as it is held by the **NB SCCR**, up to an amount equivalent in value to such balance.
 - (c) Any balance due to a member after payment has been made under (a) and (b) above shall be paid in gold or currency acceptable to the member, insofar as they are held by the **NB SCCR**, up to an amount equivalent in value to such balance.
 - (d) Any remaining assets held by the **NB SCCR** after payments have been made to members under (a), (b), and (c) above shall be distributed pro rata among the members.
 - (e) Any member receiving assets distributed by the **NB SCCR** in accordance with (7) above shall enjoy the same rights with respect to such assets as the **NB SCCR** enjoyed prior to their distribution.

Article 7

Status, Immunities and Privileges

A. Purposes of the Article

To enable the **NB SCCR** to fulfill the functions with which it is entrusted, the status, immunities and privileges set forth in this Article shall be accorded to the **NB SCCR** in the territories of each member.

B. Status of the Bank

The **NB SCCR** shall possess full juridical personality, and, in particular, the capacity:

- (a) to contract;
- (b) to acquire and dispose of immovable and movable property;

(c) to institute legal proceedings.

C. Position of the Bank with Regard to judicial Process

Actions may be brought against the **NB SCCR** only in a court of competent jurisdiction in the territories of a member in which the **NB SCCR** has an office, has appointed an agent for the purpose of accepting service or notice of process, or has issued or guaranteed securities. No actions shall, however, be brought by members or persons acting for or deriving claims from members. The property and assets of the **NB SCCR** shall, wheresoever's located and by whomsoever held, be immune from all forms of seizure, attachment or execution before the delivery of final judgment against the **NB SCCR**.

D. Immunity of Assets from Seizure

Property and assets of the **NB SCCR**, wherever located and by whomsoever held, shall be immune from search, requisition, confiscation, expropriation or any other form of seizure by executive or legislative action.

E. Immunity of Archives

The archives of the **NB SCCR** shall be inviolable.

F. Freedom of Assets from Restrictions

To the extent necessary to carry out the operations provided for in this Agreement and subject to the provisions of this Agreement, all property and assets of the **NB SCCR** shall be free from restrictions, regulations, controls and moratoria of any nature.

G. Privilege for Communications

The official communications of the **NB SCCR** shall be accorded by each member the same treatment that it accords to the official communications of other members.

H. Immunities and Privileges of Officers and Employees

All governors, executive directors, alternates, officers and employees of the **NB SCCR**

- 1) shall be immune from legal process with respect to acts performed by them in their official capacity except when the **NB SCCR** waives this immunity;
- 2) not being local nationals, shall be accorded the same immunities from immigration restrictions, alien registration requirements and national service obligations and the same facilities as regards exchange restrictions as are

accorded by members to the representatives, officials, and employees of comparable rank of other members;

- 3) shall be granted the same treatment in respect of travelling facilities as is accorded by members to representatives, officials and employees of comparable rank of other members.

I. Immunities from Taxation

- 1) The **NB SCCR**, its assets, property, income and its operations and transactions authorized by this Agreement, shall be immune from all taxation and from all customs duties. The **NB SCCR** shall also be immune from liability for the collection or payment of any tax or duty.
- 2) No tax shall be levied on or in respect of salaries and emoluments paid by the **NB SCCR** to executive directors, alternates, officials or employees of the **NB SCCR** who are not local citizens, local subjects, or other local nationals.
- 3) No taxation of any kind shall be levied on any obligation or security issued by the **NB SCCR** (including any dividend or interest thereon) by whomsoever held:
 - (a) discriminates against such obligation or security solely because it is issued by the **NB SCCR**; or
 - (b) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by the **NB SCCR**.
- 4) No taxation of any kind shall be levied on any obligation or security guaranteed by the **NB SCCR** (including any dividend or interest thereon) by whomsoever held:
 - (a) which discriminates against such obligation or security solely because it is guaranteed by the **NB SCCR**; or
 - (b) if the sole jurisdictional basis for such taxation is the location of any office or place of business maintained by the **NB SCCR**.

J. Application of Article

Each member shall take such action as is necessary in its own territories for the purpose of making effective in terms of its own law the principles set forth in this Article and shall inform the **NB SCCR** of the detailed action which it has taken.

Article 8

Amendments

- 1) Any proposal to introduce modifications in this Agreement, whether emanating from a member, a governor or the **Executive Directors**, shall be communicated to the **Chairman of the Board of Governors** who shall bring the proposal before the **Board**. If the proposed amendment is approved by the **Board** the **NB SCCR** shall, by circular letter or telegram, ask all members whether they accept the proposed amendment. When three-fifths of the members, having eighty-five percent (1) of the total voting power, have accepted the proposed amendments, the **NB SCCR** shall certify the fact by formal communication addressed to a member.
- 2) Notwithstanding (A) above, acceptance by a member is required in the case of any amendment modifying:
 - (a) the right to withdraw from the **NB SCCR** provided in Article VI, Section 1;
 - (b) the right secured by Article 3, Section C;
 - (c) the limitation on liability provided in Article II, Section 6.
- 3) Amendments shall enter into force for all members three months after the date of the formal communication unless a shorter period is specified in the circular letter or telegram.

Article 9

Interpretation

- 1) Any question of interpretation of the provisions of this Agreement arising between any member and the **NB SCCR** or between any members of the **NB SCCR** shall be submitted to the **Executive Directors** for their decision. If the question particularly affects any member not entitled to appoint an **Executive Director**, it shall be entitled to representation in accordance with Article V, Section 4
- 2) In any case where the **Executive Directors** have given a decision under (a) above, any member may require that the question be referred to the **Board of Governors**, whose decision shall be final. Pending the result of the reference to the **Board**, the **NB SCCR**

may, so far as it deems necessary, act on the basis of the decision of the **Executive Directors**.

- 3) Whenever a disagreement arises between the **NB SCCR** and a member which has ceased to be a member, or between the **NB SCCR** and any member during the permanent suspension of the **NB SCCR**, such disagreement shall be submitted to arbitration by a tribunal of three arbitrators, one appointed by the **NB SCCR**, another by the member involved and an umpire who, unless the parties otherwise agree, shall be appointed by the **President** of the Permanent Court of International Justice or such other authority as may have been prescribed by regulation adopted by the **NB SCCR**. The umpire shall have full power to settle any questions of procedure in any case where the parties are in disagreement with respect thereto.

Article 10

Approval Deemed Given

Whenever the approval of any member is required before any act may be done by the **NB SCCR**, except in Article 8, approval shall be deemed to have been given unless the member presents an objection within such reasonable period as the **NB SCCR** may fix in notifying the member of the proposed act.

Article 11

Final Provisions

A. Entry into Force

This Agreement shall enter into force when it has been signed on behalf of organizations whose minimum subscriptions comprise not less than sixty-five percent of the total subscriptions set forth in Schedule A and when the instruments referred to in Section 2 (a) of this Article have been deposited on their behalf, but in no event shall this Agreement enter into force before....., 2022.

B. Signature

- 1) Each member on whose behalf this Agreement is signed shall deposit an document with the Head Quarter of the Treasury or in one of its regional offices that confirm the acceptance of this Agreement in accordance with its law and has taken all steps necessary to enable it to carry out all of its obligations under this Agreement.
- 2) Each member shall become a member of the **NB SCCR** as from the date of

the deposit on its behalf of the instrument referred to in (A) above, except that no one shall become a member before this Agreement enters into force under Section A of this Article.

- 3) The Head Quarter of the Treasury shall inform the members which names are set forth in Schedule A of all signatures of this Agreement and of the deposit of all instruments referred to in (A.) above.
- 4) At the time this Agreement is signed on its behalf, each member shall transmit to the Treasury a one- hundredth of one percent of the price of each share in gold or in accepted currency in order to cover administrative expenses of the **NB SCCR**. This payment shall be credited on account of the payment to be made in accordance with Article 2 Section 8 (a).
- 5) The Treasury shall hold such funds in a special deposit account and shall transmit them to the **Board of Governors** of the **NB SCCR** when the initial meeting has been called under Section 3 of this Article.
- 6) If this Agreement has not come into force by _____, the Treasury shall return such funds to the members that transmitted them.
- 7) This Agreement shall remain open for signature on behalf of the members whose names are set forth in Schedule A until _____.
- 8) By their signature of this Agreement, all members accept it both on their own behalf and in respect of all their referred entities, partners and in case of governments all colonies, overseas territories, all territories under their protection, suzerainty, or authority and all territories in respect of which they exercise a mandate.

C. Inauguration of the Bank

- 1) As soon as this Agreement enters into force under Section 1 of this Article, each member shall appoint a governor and the member to whom the largest number of shares is allocated in Schedule A shall call the first meeting of the **Board of Governors**.
- 2) At the first meeting of the **Board of Governors**, arrangements shall be made for the selection of provisional **Executive Directors**. Seven provisional executive directors shall be elected in accordance with the provisions of Schedule B and shall remain in office until the date of the first regular election of executive directors which shall be held as soon as practicable after _____.
- 3) The **Board of Governors** may delegate to the provisional **Executive**

Directors any powers except those which may not be delegated to the **Executive Directors**.

- 4) The **NB SCCR** shall notify members when it is ready to commence operations.
- 5) DONE a single copy which shall remain deposited in the archives of the **International Treasury Bank of Settlement**, which shall transmit certified copies to all members whose names are set forth in Appendix A.

Signatures and Seals of Members:



 / **Emil Skirkanec**
Chairman of the managing authority
Národná Banka SPDR

Appendix A

Subscription List

A. Original Members

Institutional Entities

[illegible]

Schedule B

Election of Executive Directors

- 1) The election of the elective **Executive Directors** shall be by ballot of the **Governors** eligible to vote under Article V, Section 4 (b).
- 2) In balloting for the elective **Executive Directors**, each governor eligible to vote shall cast for one person all of the votes to which the member appointing him is entitled under Section 3 of Article V. The seven persons receiving the greatest number of votes shall be executive directors, except that no person who receives less than fourteen percent of the total of the votes which can be cast (eligible votes) shall be considered elected.
- 3) When seven persons are not elected on the first ballot, a second ballot shall be held in which the person who received the lowest number of votes shall be ineligible for election and in which there shall vote only
 - (a) those **Members** who voted in the first ballot for a person not elected and
 - (b) those **Members** whose votes for a person elected are deemed under 4 below to have raised the votes cast for that person above fifteen percent of the eligible votes determining whether the votes cast by a Members are to be deemed to have raised the total of any person above fifteen percent of the eligible votes, the fifteen percent shall be deemed to include, first, the votes of the Members casting the largest number of votes for such person, then the votes of the **Members** casting the next largest number, and so on until fifteen percent is reached.
 - (c) Any **Members**, part of whose votes must be counted in order to raise the total of any person above fourteen percent shall be considered as casting all of his votes for such person even if the total votes for such person thereby exceed fifteen percent.
 - (d) If, after the second ballot, seven persons have not been elected, further ballots shall be held on the same principles until seven persons have been elected, provided that after six persons are elected, the seventh may be elected by a simple majority of the remaining votes and shall be deemed to have been elected by all such votes.

Appendix C

List of general and relevant documents for the application of the NB SCCR License regarding

- (a) **NB SCCR's** purpose;
- (b) planned functional and geographical area of the business activities;
- (c) the group history and structure;
- (d) the **Board of Directors** (or any other body in charge of the administration and the control of the **NB SCCR**);
- (e) the management (composition and organization of such bodies, curriculum vitae and related information of the members of such bodies, etc.);
- (f) the business activity and internal organization as:
 - articles of incorporation;
 - articles of association;
 - internal regulations;
 - organization chart;
 - organization and activities of the internal auditors, etc.;
 - business plan and budget for the first three financial years;
- (g) the contractual structure with external auditors;
- (h) the evidence of the guarantee of reciprocity;
- (i) the **Regional Cooperative** _____

Signature of the founders



EMIL SKIRKANIČ

DAVID SKIRKANIČ

MARTINA NEMCOVÁ

MARTIN BEČAR

RADOSLAV KOPRDA

MIROSLAV HAREK

IVAN MATULA