

vity, honesty and ability of the borrower, for such are the chief warranties exacted by the association.

The borrower shall be bound to state, in his application for credit, the use he intends to make of the moneys asked for.

Article 52.—The salaried employees who handle the funds must give security in the discretion of the council of administration.

Such security shall be in the form of a guarantee policy from an insurance company, and the premium shall be paid by the association.

Article 53.—The liability of the shareholder towards the association with regard to endorsement or security is limited for each one to the amount fixed upon for the loan.

Nevertheless, the council of administration may, as an exception and in cases where the security offered by the shareholder is first-class, accept endorsements or security beyond such limit from the same shareholder.

Article 54.—The manager of the association and the salaried employees are prohibited from endorsing or becoming security.

Article 55.—The amount of the yearly dividend shall not exceed seven per cent on the paid-up shares, subject to the prescriptions relating to the reserve fund, the provident and other funds.

Article 56.—The members of the council of administration, of the committee on credit and of the committee of supervision are elected at the annual general meeting. They are elected by the majority of votes and may, at any time, be removed by the general meeting. The election may be had by ballot if the meeting so decide.

The term of office of members of the council of administration and of the committee on credit is two years. One-half are replaced every year, with the addition of one in the first year, if the total number be uneven.

The term of office of members of the committee of supervision is one year.

All members are re-eligible.

Article 57.—To be eligible for office the shareholder must be in good standing with the association and moreover have been a member for six months.

Article 58.—A shareholder cannot vote or be represented by proxy. Exception, however, is made in favour of corporate bodies who may be represented and may vote by proxy.

Article 59.—The services of the officers and of the various members composing the council of administration, the committee of credit and the committee of supervision who are charged with the administration of the association's affairs, are gratuitous. They are, however, entitled to travelling expenses, when necessary, as well as to those necessitated by the performance of special duties entrusted to them.

Article 60.—The affairs of the association are administered and supervised by :

1. A council of administration;
2. A committee of credit;
3. A committee of supervision;
4. The general meetings of the shareholders.

Article 61.—The council of administration consists of nine members chosen from amongst the shareholders by the general meeting. This number may be altered when necessary.

Article 62.—The directors are elected for two years. Five are replaced at the expiration of the first year, and four at that of the second year.

The directors who go out of office at the end of the first year are designated by lot, and afterwards they go by seniority.

Article 63.—In the event of one or more vacancies, the council of administration shall fill the same definitively.

The members so appointed remain in office only until the expiration of their predecessors' term of office.