

I. R. PRIVILEGIATA COMPAGNIA  
 ASSICURAZIONE GENERALI  
 (Imperial Royal privileged General Insurance Company)  
 (Assicurazioni Generali)

STATUTES.

I Chapter.

*Name, object, residence and duration  
 of the Company.*

Art. 1. The Joint Stock Company called "Assicurazioni Generali" established by an Act of the 26th December 1811 recorded in the registry of Commerce, No. 100, 101, 102, 103, 104, with Central Board of Directors in Trieste and a Board of Directors in Venice, its object is the stipulation of insurances in all branches consented by the law.

Art. 2. The working of the Company is divided into two sections A and B (art. 5 head 4),

I. Section A includes:

a) Insurances against damages caused by fire, lightning, explosions or breakages.

b) Insurances of transports by land, sea or rivers.

c) Insurances against theft by burglary.

d) any other branch of insurance decided upon by the Board of Directors. Previous to undertaking further branches of insurance, the resolution of the General Meeting and the approbation of the State Authorities are necessary.

II. The section B includes human life Insurances.

In both the above Sections the Company, under the law, may also insure, as well as by re-insurance.

Art. 3. In any such contract by which Insurances are made



... stipulated, and shall equally be for single branches in any state or part whatsoever transferred to another Company, and likewise for any agreement by which Insurance already concluded by other Companies are taken up by the Company, be it totally, or for single branches, in whatever form, the approval of the State Authorities is always necessary.

The same rule applies for the transfer or the acceptance of all Insurances already stipulated, or of single branches of Insurances by total re-insurance.

Art. 4. The duration of the Company is unlimited.

Art. 5. The Company is at liberty to extend the sphere of action in any part or Country and to establish Branch Houses, representations and Agencies anywhere.

Art. 6. The Company is effectually bound by the decisions of two Directors or Vice-Directors and that of the Secretary general or of the two Secretaries, or of their substitutes, as also by the stipulations of any other Directors and Vice-Directors.

Art. 7. All public communications on the part of the Company are legally made through newspapers intended for the insertion of official notices published at Trieste, Vienna, Venice, Milan and Rome.

## II Chapter

Capital of the Company and the investment of the patrimony.

Art. 8. The capital of the Company of four millions florins, convention money, equal to flor. 4,200,000.- Austrian currency has been, by resolution of the General Assembly of 26th of June 1850 increased to florins 5,250,000.- Austrian currency equal to 10,500,000.- Gracis.

The capital of the Company is divided and credited one half to Section A and the other half to Section B.



Any further increase of the capital and all profits deriving from such increase shall be likewise allotted and credited one half to Section A and the other half to Section B.

The patrimony of either Section cannot be devoted to the purposes of the other, excepting in cases provided for by the law.

Art. 9. In the event of dissolution of Section A, the portion of the capital allotted to this Section, respectively any balance and all the reserves of the Section A, actually disposable, are transferred to increase the capital and reserves of Section B.

Art. 10. The capital of the Company is divided into five thousand shares to name (form A) of one thousand and fifty flor Austrian Currency equal to two thousand and one hundred Crowns each, against this amount each shareholder has paid three tenths and granted a bond in favor of the Company for the remaining seven tenths.

Art. 11. The shares so issued bear a running number from one to five thousand.

Art. 12. By the issue of further one thousand shares to name, value two thousand one hundred Crowns each, the Company capital may be increased up to the amount of 12,600,000.- Crowns.

The issue of such new shares, can take place in one or more instances, but only at such time, in such manner and at the price and conditions agreed upon by a General Meeting of the shareholders in pursuance of the proposals of the board of Directors approved by the Council of Administration.

Any further increase of the share capital deriving from the issue of shares over and above the said six thousand, might be decided upon by the General Meeting, may take place only after the entire amount representing six thousand shares had been paid up and is subject to the approval on the part

of the State Authorities

New shares, at a price under the nominal value, cannot be issued, the profit deriving therefrom not carried to increase the reserve funds of the Company.

Any increase of capital of the Company must be duly notified to the I.B. Tribunal of Commerce.

Art. 13. The shares are issued to a specified name and cannot be fractioned. They are transferable by transfer. The transfer is only valid for the Company when it has been recognised by the Board of Directors and duly entered in the Company's books.

The Company has the right, but is not bound, to examine the legitimacy of transfers.

In case of death of a shareholder, his heirs or assigns are granted a twelve month time, from the day of decease, to enable them to provide for the regular transfer of each single share to a specified name and for the removal of the bonds respectively of the guarantees provided for by Art. 15.

The Board of Directors can suspend payment of the dividends and super-dividends, until the above mentioned requirements are fully complied with.

Art. 14. Besides the three tenths already paid up on the shares, further calls may be made up to the full amount of the remaining seven tenths.

It is left with the Board of Directors to determine whether a call of a tenth is required and they arrange accordingly with the Council of Administration, about the time and the way such call to be paid. At same time the Board of Directors have to submit to the resolution of the next General Meeting of the shareholders the provisions to be adopted in the event that further instalments may become necessary.

After payment of one or more tenths, the bonds, respectively the guarantees of the shareholders, provided for by Art. 15



are required in proportion.

Art. 15. The Board of Directors see to that, for the shares bearing Nos. from 1. to 4000, convenient guarantee be given for the remaining tenths not yet paid in. They have the right to demand another guarantee in lieu of the one already tendered, without being bound to give reason of their doing so.

The guarantee can be furnished :

- a ) By bail approved by the Board of Directors,
- b ) By mortgage on real property,
- c ) By deposit of bonds of public debt, reckoned at the rate of Exchange ruling the day of the delivery,

The Board of Directors will ask for such guarantee by a registered letter with return receipt of acknowledgment, in the event of same turning void, they will repeat twice the demand in the same way at intervals of one week.

Should the shareholder fail to comply with the request, say to give or to substitute the guarantee within the peremptory term of four weeks from the date of his receiving the third letter of demand, the Board of Directors have the right to arrange for the sale of the shares in the way stated in art. 18 remaining, this notwithstanding unaltered the shareholder's responsibility according to art. 223 of the Commercial Code.

Up to the time the sale is actually effected, the shareholder may obtain its suspension by offering another guarantee to the satisfaction of the Board of Directors and paying, at the same time, all costs incurred in the matter.

For shareholders not residing in places where agents of the Company exist, a period of sixty days is granted in lieu of the term mentioned above.

Art. 16. The demand for payments referred to at Art. 14 is made by the Board of Directors by registered letter with return receipt of acknowledgement, and is repeated in like manner twice at intervals of one week between, and that within a convenient time, so that the last

at least four weeks before the definite term fixed for the payment.

Should the shareholder not have made such payment within the time fixed, the Board of Directors is at liberty to proceed to the sale of his shares in the manner mentioned in Art. 16, the shareholder's responsibility remaining still undiminished, according to art. 223 of the Commercial Code, this also after the sale be actually effected.

For shareholders not residing in places where Agents of the Company exist, a longer term may be fixed.

Art. 17. At no time and under no circumstances, be they extraordinary and unforeseen, are the shareholders bound to pay anything over and above the remaining capital due on the shares, nor to return the dividends and super-dividends already collected by the firm.

Art. 18. If a shareholder fails meeting payments becoming due the Board of Directors causes the shares to be sold on the Exchange through a sworn stock broker or a person considered reliable and in a position to give the necessary guarantee; the responsibility of the shareholder still remaining undiminished as per Art. 223 of the Commercial Code, this however unless the Board of Directors find preferable to enforce the payments due from the defaulting shareholder or from his bills.

After deducting the amount of capital, interests, costs and any other credit of the Company, the surplus of the shares sold, is kept at the disposal of shareholder.

Art. 19. Bankruptcy or insolvency of a shareholder legal process, authorizes the Board of Directors to dispose of his shares in the manner stated in the foregoing articles.

After deducting the expenses and eventual losses as well any credit of the Company, the proceeds of the sale shall be kept at the disposal of the bankrupt shareholder or of his assigns.

Art. 20. Transfer of shares in favor of third made by



shareholder indebted to the Company are void and ineffectual until the credit be liquidated and paid; up to then the Company has the right to hold back the dividends and the super-dividends due.

Art. 21. A ) . The reserve funds of premiums and for losses of section A and the whole capital of Section B are to be invested as follows :

1. Austro-hungarian public bonds approved for the investment of pupillary property.

2. Real estate profitable and situated in Austria-Hungary, not incumbered by mortgages or other burthens over one third of the purchase price.

3. Mortgage loans approved for pupillary investement on real estate situated in Austria-Hungary.

4. Deposits with saving Banks within the dominions of the Crown.

5. Discount of reliable Bills negotiable with the Austro-Hungarian Bank.

6. Loans or life Insurance policies issued by the Company, but in no case to exceed the amount of the value of redemption of said policies.

7. Loans or public bonds, mentioned at N. 1., not to exceed the 80 % of the current rate of exchange for same; such amount for amortizable bonds is not to exceed the minimum amount of the reimbursement clear of reductions for charges.

8. Deposits in account current or against banking warrant with reliable credit establishments of the country, within the working requirements of the Company.

B. For the reserve funds of premiums and losses on Insurances stipulated abroad, are valid all foreign investments, answering to the regulations ruling in the respective country, or, failing such regulations, all such foreign investments, which, with regard to their quality, correspond to the above described practise of investment.

C. The remaining capitals of section A can be also otherwise invested as the Board of Directors may find convenient and answering to safety.

### III Chapter.

#### Administration of the Company.

##### A. The General Meeting.

Art. 22. The General Meeting represents the universality of the shareholders; their resolutions, in conformity with the Statute, are binding, both, the shareholders and the Administration of the Company.

The General Meetings are ordinary and extraordinary and are held in Trieste.

The ordinary General Meeting, when the balance-sheet of the preceding year is submitted to the shareholders together with a report on the Company's business, is to be held the 1st day during the month of June of each year.

Art. 23. As a rule, all General Meetings are called by Board of Directors.

The Meeting may also be called to assemble by the Council of Administration, should the Board of Directors refuse to do so within the time appointed by the Council of Administration.

An extraordinary General Meeting may be convoked by the Board of Directors and in case of need by the Council of Administration, and it must, at all events, be convoked when requested by a number of shareholders representing cumulatively at least one sixth of the shares issued, and intending to bring forth such proposals, recognised by the Council of Administration, as relating to questions to be dealt with by a General Meeting according to Art. 25 & 29.

Any way, however, the proposals of the shareholders are to be brought before the next ordinary General Meeting, so as to establish the question of their own competency, and if



found well grounded, enable the Assembly to enter into discussion on the matter, and pronounce their resolutions thereupon.

Art. 24. The General Meeting is considered legally convoked when the invitation has been published according to the arrangements of Art. 7.

Independent of the said invitation, the Board of Directors sends a special invitation to each shareholder to the address furnished by him at the time of his name being entered in the share-register of the Company in Trieste.

The publication of the call is to be made at least ten days previous to the General Meeting taking place.

Both in the published, as well as in the special invitation, the matters to be dealt with at the General Meeting must be notified.

Proposals of one or more shareholders received by the Central Board of Directors in Trieste up to the end of February, are to be inserted in the order of the day of the General Meeting.

Proposals filed in after that date, or pending the Assembly, can be discussed only at the next General Meeting after due notice thereof being given in the corresponding invitation.

The proposals must, however, be limited to questions enumerated in Art. 28 and 29 as being of competency of the General Meeting, the Council of Administration has the right to decide about the admissibility of each proposal. Should the Council consider them as falling under the competency of the General Meeting, the proposals are nevertheless to be laid before them, in order that, at the request of the proponents, the General Meeting might express their views on the competency being theirs and decide in the matter.

No resolution can be taken respecting questions that have not been notified, either in the public or in the special invitation; this rule does not, however, find application with regard to the point of deliberating upon a proposal to convoke

an extraordinary General Meeting

Art. 25. Shareholders have the right to intervene at the General Meeting personally or to be represented by other shareholders, provided the intended presence of either of them is entered in the registers of the Company, at least 10 days before the Assembly takes place.

Persons under guardianship or under tutor, and juristic persons exercise the right of vote through their legal or statutory representatives, or even through their attorneys, which need not be shareholders.

Females can also exercise the right of voting only through their attorneys, without their being shareholders.

The list of shareholders entitled with the right to intervene at the General Meeting is available to shareholders at the Central Office of the Company and at the head office in Venice during six days preceding the General Meeting. The powers of attorney to represent shareholders at a General Meeting, must be filed in the office of the Central Board of Directors, at the latest on the midday of the day preceding the Meeting; after the lapse of the above term they cannot be accepted.

Art. 26. The one thousand shares numbered from 1 to 1000 entitle to the right of one vote, even when the shareholder owns less than five shares; the other shares grant the right to one vote if owned by a shareholder possessing at least five shares.

Shareholders in possession of six to ten shares are entitled to two votes; those having from eleven to fifteen shares to three votes, and for every ten shares beyond the fifteen the shareholder is entitled to one further vote.

No shareholder, however, can have more than twenty votes including those on behalf of the shareholder he represents, and cannot be represented by more than one proxy.

Art. 27. The General Meeting is presided by the Director or by appointment, and among several Directors simultane-



ously elected, by the Director senior by age. The seniority of the appointment is reckoned from the time of the first election as a member of the Board of Directors. The Director called to preside may delegate the charge to another Director.

Art. 28. To the action of the Ordinary General Meeting are reserved :

- a ) The approval of the annual balance-sheets with reference to the reports and proposals of the Administrative Council;
- b ) The deliberation about the investment of the net profits, in as much as it is not specially provided for by Art. 51 of the Statute.
- c ) The election of Directors, Vice-Directors, Councillors of Administration, Auditors and Vice-Auditors.

The members of the Board of Directors cannot partake, either with their own votes or those of others, to the votation on subjects mentioned *ad lit. a* of the present article.

Art. 29. To the action of the General Meeting are further reserved :

- a ) The decision about undertaking further branches of insurance;
- b ) The deliberation about the increase of the capital of the Company as per Art. 12 - 1. alinea;
- c ) The deliberation about the increase of the capital of the Company as per art. 12 - 3d alinea;
- d ) The deliberation concerning further payments on the nominal capital of the shares, with due regard to the power granted to the Board of Directors by the tenor of Art. 14 - 2d alinea;
- e ) The modification of the Statute;
- f ) The suppression of a Section and its amalgamation with another Company;
- g ) The suppression of a Section;
- h ) The deliberation about the winding up of the Company and its amalgamation with another Company;
- i ) The deliberation about the dissolution of the Company;

k ) The appointment of liquidators and resolutions as to their emoluments;

l ) The establishment of the rules to be followed for the liquidation.

The resolutions of the General Meeting concerning the matters mentioned at a b c f h i of the present article, become valid only after their being approved of by the Government. Art. 30. As a rule the General Meeting is considered legally constituted when one half, at least, of the shares are represented thereat, and the resolutions taken are binding for the Company if adopted by majority of votes, whilst proposals where votes are equal are considered as rejected.

The matters mentioned at a b c h i of the foregoing articles in order to be legally carried, require the presence of shareholders possessing at least three fourths of the shares issued and that the resolutions be adopted by two thirds of the voters.

When, at the Meeting, convoked to decide upon questions contemplated at lit. a b c h i of the foregoing article, the number of shares represented fails reaching the three fourths of the shares issued, a fresh Meeting is called at an interval of at least fifteen days from the first convocation in order to pass resolutions on said matters, and the deliberations agreed to are legal, even when the shares represented should reach only a moiety of the number of the shares issued, but in order to consider the proposals as adopted, a majority of at least two thirds of votes is required.

And should also this second call of shareholders prove ineffectual on account that the necessary number of shares had not been represented at the Meeting, a new Meeting is held after a lapse of at least ten days, and all the resolutions, then taken, are valid, whatever may be the number of votes, provided they be adopted by majority of votes of the shares represented at the Meeting.

The rule last referred to is also to be followed on every



second general Meeting called to deliberate upon some other subject mentioned in Art. 28 and 29, when the number of the shares, represented at the first meeting of the Assembly, had not attained at least one half of the shares issued.

In the invitation to be published as well as in the special invitation ( by letter ) the provisions of this article must be fully inserted.

Art. 31. The voting will take place by secret tickets; unless the General Meeting had otherwise arranged.

At the opening of the General Meeting two tellers, among the shareholders present, are appointed. The tellers verify the votes and after taking part in the drawing of the minutes they sign it together with the chairman, and, agreeably with him, draw an abridgement of same, which is afterwards sent to all the shareholders.

In such cases as are provided for by the Commercial Code, the minutes of the General Meeting, must be drawn by a Notary.

B. The Board of Directors.

Art. 32. The Board of Directors constitute the representative of the Company according to the direction of articles 227 - 241 of the Commercial Code; they represent the Company in Court and thereout.

The Board of Directors is divided in a Central Board of Directors and a Venice Board ( Direzione Veneta ) and is formed of four Directors, five Vice-Directors, a General-Secretary, a Secretary, a substitute General-Secretary and a substitute Secretary.

Three Directors, three Vice-Directors, the General-Secretary and his substitute reside in Trieste, and form the Central Board of Directors having seat in Trieste.

One Director, two Vice-Directors and the Secretary and his substitute reside in Venice and form the Venice Board of Directors, with seat in Venice.

Nevertheless two of the Members of the Central Board of

Directors and one of the Members of the Venice Board may reside away from Trieste, respectively from Venice.

Art. 12. Directors and Vice-Directors are elected every three years periodically and are re-eligible.

In case of complementary elections, the newly appointed Directors remain in charge only until the lapse of the running triennium.

Art. 33. Each Director and Vice-Director must, within ten days from the date in which his election has been communicated to him, deposit in the Company's safe deposit, respectively six shares of the Company. These shares are to be duly marked with their respective names and remain exclusively bound as security of their management of affairs. The neglect to hand the deposit of the shares, is considered as the office being vacated.

For the whole time of permanency in office and until the General-Meeting had approved the balance-sheet of the last period during which the Director of the shares held his office, they cannot be disposed to other purposes, nor otherwise disposed of, or retained.

Art. 34. All business of a general character are transacted at the Central Board of Directors; the Venice Board are invited to the sitting and intervening they join in the resolutions.

With regard to the relations between the Central Board of Directors and the Venice Board, the latter carries through all the business in Italy and its Colonies as also in the Italian Switzerland, where as the Central Board of Directors deals with all business occurring in any other country.

The closest relations between the two Boards, the precise designation of matters of a general character and the management of business relating to each of them are determined by special regulations.

The arrangements about the general conditions of remuneration and those concerning the new articles of Section 5, are



a competency of the General Board of Directors and subject to the Government's approval.

Art. 31. In order to have valid resolutions adopted by the Board of Directors, all their members shall be convened and the majority of them should take part in the vote, and the resolutions be taken by the majority of those present.

The Board shall have a Secretary General and the substitute Secretary, and shall vote only in absence of the General Secretary, respectively of the Secretary.

The Director senior by appointment is entitled to the chair; this is reckoned from the first appointment as a Member of the Board of Directors.

In the event of several of the Directors being elected simultaneously, the presidency is given to the Director senior by age.

Art. 35. The Boards of Directors, complying the provisions of Art. 23 of the Commercial Code, may in single instances delegate one of their members, or usually a third person, to perform the duties committed to them by virtue of the Statute; this however by instituting in their favor, from time to time, a special power of attorney.

For the purpose of carrying out the daily current business of the company regulated by the Board of Directors, they can grant to the respective Secretary or to the Board a general power of attorney in which the special duties entrusted must be enumerated.

The Boards of Directors may also bind, within their seat, procurators with power of signature in order to represent the Secretaries and their substitutes, in case of emergency.

The procurators of the procurators are to bear, before their acts, an inscription denoting their own capacity.

In order provided for by the first and second alinea of the present article, the signature of the procurators, respectively of the attorney, is sufficient to bind the company.



The Board of Directors is authorized, on having heard the opinion of the Council of Administration, to institute in such capital towns, as they may find convenient, special Committees of supervision to be formed of shareholders.

Art. 37. The emolument of the Board of Directors and Auditors is 10 % of the nett profits of the balance of Sections A and B, after deduction of the dividend of Crowns 58.80 for each share.

Said emolument is warranted by an annual minimal amount of Crowns 5,600.- to each Director and to the General Secretary; Crowns 4,000.- to each Vice-Director, and Crowns 600.- to each Auditor.

Art. 38. Of the emolument stipulated by the foregoing article 1.st alinea,  $1/50$  is due to each of the three Auditors, the remaining  $57/50$  are divided:  $7/12$  in equal proportions between the Directors and the Secretary general, and  $5/12$  also in equal proportions among the Vice-Directors.

The Board of Directors is authorized to devolve to the benefit of the Committees mentioned in art. 36, a quota not exceeding 2% of the resulting nett profits, after deducting the dividend of Crowns 58.80 per share.

#### C. The Auditors.

Art. 39. For the purpose of examining the annual balance-sheets, are appointed by the General-Meeting three Auditors and three substitute Auditors. They are chosen among the shareholders, say two Auditors and two substitute Auditors residing in Trieste and one Auditor and one substitute Auditor in the Kingdom of Italy. They remain in charge three years and cannot be the Company's Officials.

In the event of supplementary elections, the new Auditors or substitute Auditors remain in office until the expiration of the running triennium.

Should one or more Auditors fail to attend to their office, or if, by any reason, they be impeded to perform their

duty, the deputy Auditors in order of seniority of appointment take their place, but should it happen that several substitute Auditors have been appointed simultaneously, the said function to be discharged by the substitute Auditor in order of age.

To the reward determined by articles 37 and 38 are entitled those Auditors or substitute Auditors having actually discharged their office.

The Auditors are to forward the balance-sheets together with their reports to the Commission of Control.

#### D. Commission of Control.

Art. 40. The Commission of Control is elected yearly by the Council of Administration and is formed of three members, two of which domiciled in Trieste and one in the Kingdom of Italy.

The Commission examines the balance-sheets and the Auditors' reports and forwards them, through the Board of Directors with the modifications and additions they should find necessary, to the Council of Administration, so that, the latter, after examining of the explanations tendered by the Board of Directors be enabled to make up their conclusive proposals to be laid before the General Assembly for the approval of the balance-sheets and the fixing of the superdividend.

#### E. Council of Administration

Art. 41. The Council of Administration is composed of no less than twenty-five and no more than forty members, viz (a) of the Directors, Vice-Directors, Secretary general and of the Secretary (art. 32)  
b) of the Auditors and substitute Auditors (Art. 38)  
c) of the other Members elected by the General Meeting, of the latter four are to have their domicile in Trieste and three in Venice.

The majority of the members of the Council of Administration



tion hold their office for three years and are re-eligible.

In case of supplementary elections, the new Councillors remain in office only up to the lapse of the triennium current.

The Members of the Council of Administration not residing in Trieste can appoint substitutes among shareholders having domicile in Trieste, so as to be represented at the sittings of the Council, in the event of their absence.

The members of the Council of Administration domiciled in the province of Venice constitute a limited Council of Administration attached to the Venice Board of Directors, and those amongst them that are domiciled away from Venice, are at liberty to name substitutes among the shareholders resident in Venice.

The Council of Administration assemble together in Trieste, all their members indistinctly are convoked; in Venice the limited meetings are held, to which only the members, having their domicile in the province of Venice are convoked.

Art. 42. The sittings of the Council of Administration are convoked by the Central Board of Directors, when necessary but, at least, four times a year, and further at any time, at least six members of the Council of Administration require a meeting. Should the Central Board of Directors fail to comply with such duty, the Council of Administration is empowered to assemble of their own accord, by invitation signed by six of their members.

The presidency at the sittings of the Council of Administration is held by that member of the Board of Directors to whom, according to Art. 27, is due the presidency of the General Meeting.

The convocation of the Council of Administration precedes the sitting of, at least, six days, and is made by registered letter containing the order of the days, or, when pressed by urgency, by telegram two days, at least, before the sitting takes place.



The council can take deliberations, provided all their members had been duly invited to the sitting and when a number of inactive members, not belonging to the Board of Directors and three of the members of the latter, have attended the sitting.

The resolutions are taken by majority of votes; in case of the number of votes resulting a par, the proposal is considered as rejected.

Of every sitting of the Council of Administration the minutes are drawn and signed by the chairman and by the compiler entrusted to that effect, and by two other members, as well.

The minutes are read and approved at the next sitting of the Council of Administration.

The Venice Board of Directors convokes the United Council of Administration as often as they wish, at least once a year. They are, however, bound to convocate the Council at any time, if requested by three members of the United Council.

The United Council of Administration meets their representatives particularly about questions relating to the management of the real estates of the Company, situated in the Kingdom of Italy, and can take resolutions, provided the members of the Board of Directors and three Councilors of the Administration attend the sitting.

Art. 23. To the Council of Administration is incumbent a ) to appoint from year to year the Commission of Control ( Art. 60 )

b ) to discuss, after examination of the balance-sheets, the conclusions tendered to the Council by the Auditors and the Commission of Control and decide about any modifications considered necessary.

c ) to elaborate the proposals to be submitted to the General Meeting concerning the approval of the balance-sheets and fixing of the superdividend

- d ) to take cognisance of everything relating to the general management and particularly to that part, concerning the real estate of the Company,
- e ) to deliberate on the proposals of the Board of Directors concerning the purchase or the sale of real estate, should the price, in either case, exceed the sum of Crowns 40,000,- while in case of an inferior amount, the Board of Directors is empowered to deliberate thereupon.

It rests further with the Council of Administration :

- f ) to approve the proposal of the Board of Directors about the appointment or the discharge of the General Secretary, the approbations concerning the Secretary of the Venice Board of Directors are reserved to the Central Board of Directors on the proposal of the Venice Board,
- g ) to appoint, in case of need, substitute members of the Board of Directors and of the Council, until the next General Meeting,
- h ) to discuss and approve the organical regulations and the modifications of said regulations;
- i ) to approve the regulations concerning the pensions and the modifications proposed of said regulations;
- k ) to decide upon any proposals laid before the Board of Directors by a member of the Council, before the issue of the order of the day, and concerning which the Board of Directors have to draw an explanatory report;
- l ) to give their opinion as to whether the proposals to be brought before the General Meeting, have reference solely to questions reserved to the decision of the said General Meeting in pursuance to the tenor of Articles 28 and 29,
- m ) to express their views about the convenience of undertaking further branches of insurance, about the increase of the capital of the Company and about the dissolution of the Company;
- n ) to deliberate, upon proposal of the Board of Directors, to discontinue a branch of insurance;
- o ) to express their opinion about any modification to the

Statute of the Company which the Board of Directors may intend to propose to the General Meeting.

p ) to deliberate about the time and modalities of payments to be made as per Art. 14 ;

q ) to deliberate about the convocation of the General Meeting and make forthwith the necessary arrangements for the convocation, should the Board of Directors have omitted to do so within the time given by the Council of Administration ( Art. 23 )

Art. 24. The members of the Council of Administration, not residing in the town where the Council assemble, are refunded of their travelling expenses and receive in addition an indemnity of thirty francs per day.

The members of the Council not belonging to the Board of Directors and likewise the substitutes intervening to represent them at the meeting, are entitled to a bonus of twenty francs for every sitting, payable at any time of the disbursements. The same provisions apply, with application with regard to the travelling expenses and honoraria due to the Auditors, substitute Auditors and Commissioners of Control.

#### IV. Chapter,

#### BALANCE - SHEETS

Art. 25. The administrative year of the Company runs with the civil year.

The keeping of the books and accounts and the compilation of the balance-sheet and statement of accounts, are liable to the existing rules and regulations, more particularly to those contained in §§ 27 - 35 of the Ministerial ordinance issued the 5th March 1895, A. L. E. N. 31 for each of the two Sections A and B separately.

The report to the General Meeting can, nevertheless, be compiled conjointly for the two Sections.



Both, the balance sheet and the report, are to be presented in an autentical form to the competent Authorities, no later than by the end of June of each year, together with the enclosures, illustrations and the prescribed statistical statements.

The Company publishes in the newspapers, mentioned in Art. 7, the balance-sheet in accordance with the existing regulations.

From the profit and loss accounts and balance sheets of the two Sections, a general profit and loss account and a general balance-sheet are also made up.

Art. 46. The balance-sheets must be laid before the Council of Administration and the auditors fifteen days, at least, before the General Meeting.

Art. 47. The balance-sheets and the auditors reports and those of the Commissioners of Control together with the proposal of the Council of Administration are ostensible to the shareholders at the offices of Board of Directors three days previous to the General Meeting, and are afterwards, by a printed circular, imparted to them, together with the resolutions passed at the General Meeting.

Art. 48. For each of the two Sections A and B a reserve of profits is instituted, The purpose of this reserve is to increase the securities of the Company, and must be supplied with the assignments provided for by the Art. 51, until the fund reaches the amount of one half of the part of the capital of the Company apportioned to the corresponding Section. In case of any amount being drawn from the profit-reserve fund it must be restored by succeeding yearly assignments of no less than 15 % of the annual profits, until the former amount has been again attained.

Art. 49. Besides the profit reserve funds, established as per Art. 48, another reserve fund is instituted to cover the oscillations in the currency of public Bonds; this fund



is made up with the register profits (not realized) on the current rates of public bonds and is intended to cover the register losses arising from the current rates of said bonds.

Art. 50. There are, further instituted, or to be instituted, with the designations fixed at Art. 51, the following reserve funds:

- a) a supplementary reserve for the oscillation of public Bonds; the same is intended also to the purposes mentioned in the foregoing Article;
- b) an estate reserve intended to compensate the depreciation of the real estate of the Company;
- c) a reserve intended to compensate the depression of the rate of interests on the capitals constituting the reserve funds of Section B.

Art. 51. If from the profit and loss general account an active surplus is not obtained, it is to be distributed as follows:

Before all, the necessary amount in cash payments of the dividend of Crowns 50.50 per share, is to be deducted.

That remains is thus allotted:

- a) 10% to the profit reserve funds of each section, to be divided between the two sections in proportion to the profit deriving from the respective balance-sheet; such allocation can be, either, suspended or increased according to the provisions of Art. 48,
- b) 10% as emolument to the Board of Directors and Auditors according to the provisions of Art. 37 and 38,
- c) 1% as emolument to the Councillors of Administration, the members of the Board of Directors and the Secretaries elected, in proportion to the number of sittings held by the Council of Administration at the office of the Central Board of Directors, to which the Councillors have attended personally.

The remaining profits up to the amount of 1,500,000.00 Crowns, is to be divided as super dividends on the shares to hold.

II. The surplus, over and above the last mentioned amount is allotted as follows :

A. Two sixths are devolved to the supplementary reserve fund to meet the oscillations in the currency of public Bonds, up to that the reserves provided by Art. 49 and this supplementary reserve combined together, reach an amount corresponding to the percentual referred to hereafter of the exchange rate on 31 december of each year, of the public Bonds owned by the Company,

a ) 5 % for mortgage loans or bonds and railway debenture bonds

b ) 10 % for consolidated State bonds

c ) 15 % for industrial shares and other stocks other than those at a and b.

B. One sixth is devolved to the estate reserve fund,

C. One sixth is devolved to the reserve fund to compensate the depression of the rate of interests;

D. Two sixths will be assigned according to the deliberations taken from time to time by the General Meeting of shareholders

III. Once that, a reserve fund for the oscillations in the currency of public Bonds together with a supplementary reserve for such oscillations, represent an amount corresponding to the limits stipulated at II A of the present article, and said limits are accumulated and maintained untouched, all the surplus exceeding 1,400,000,- Crowns will be assigned :

a ) one third to the estate reserve fund,

b ) one third to the reserve fund to compensate the depression of the rate of interests,

c ) one third for scopes deliberated upon, from time to time, by the General Meeting of shareholders,

Art. 52. Should the aggregate balances of the two profit and loss accounts not be sufficient to make up the payment of the dividend of Crowns 58.80 per share, the deficiency is to be drawn from the profit reserve fund of Section A.

In the event of the aggregate balances showing a loss, the same will be covered from the profit reserve fund of the

respective Section, in so much as that Section had contributed to the loss. In such case the dividend is paid out, by drawing the necessary amount from the profit reserve fund of Section A.

In no case whatever can profit the reserve fund of Section B, be in any way reduced to pay the dividends.

#### V Chapter.

#### CONTROVERSIES. -

Art. 53. Controversies arising from social connections amongst the shareholders, or between them and the Company, are settled by a College of three Arbitrators.

The plaintiff notifies to the adversary his claim and the name of the arbitrator he had chosen.

If the adversary does not appoint an arbitrator and fails to notify his name to the plaintiff within a fortnight, it rests with the judicial Court competent to deal with the controversy to appoint the second Arbitrator.

The two first Arbitrators appoint the third. If they cannot agree on the choice, it rests with the judicial Court competent to deal with the controversy to appoint one.

The arbitrators are not bound to abide by the forms and terms ruling lawfully before judicial Courts, they give their judgement as amicable compromisers, and therefore their award has, for both concerns the efficiency of a judgement without the right of appeal.

In all other matters, not contemplated in this article, are applicable the corresponding rules of civil procedure.

#### VI Chapter.

#### GOVERNMENT SUPERVISION.

Art. 54. The Company stands under the control of the Government in pursuance of the existing laws and regulations, p-



Ministry of the Ministerial Ordinance dated the 5th March 1896  
B. L. E. N. 31.

If, in order to exercise such control, the State administrative Authorities delegate a Government Commissioner, he has authority to take cognisance of the management of the Company, to attend to the sittings of the Board of Directors, and of the Council of Administration and to the General Meeting of the shareholders; he has to be informed in due time of all convocations of the various bodies and is also authorized to protest against any resolution which, in his judgement, may prove in opposition of the Statute, of the laws and general regulations.

In case of such protest the execution of the resolution remains suspended until after the decision of the competent Authority.

Towards the reimbursements of the expenses for said control, the Company has to pay in to the State treasury the yearly amount as shall be fixed by the Government.

#### VII. Chapter.

#### DISSOLUTION OF THE COMPANY.

Art. 55. Independent of the circumstances provided for by the laws, the Company or one of its Sections, may be dissolved by resolution of the General Meeting of shareholders.

The resolution about the dissolution of the Company must come to pass, if at the end of a period of working it turns out that the Company has lost besides the reserve funds one fifth of the Capital of the Company.

The resolution to wind up the Company leads as a consequence, that from that date no fresh insurance can be undertaken.

As soon as the dissolution is resolved upon, the liquidation follows. The General Meeting determine the modalities and appoint the liquidators.

The liquidators are invested with all necessary powers



to that effect and the authority to transfer only up to  
10 or 15 per cent, all rights and obligations of the Company,  
within the limits and subject to the provisions of its charter  
recently established by the law.

With the appointment of the liquidators, both the Board  
of Directors and the Council of Administration were dissolved  
and the functions of the General Meeting of the Shareholders  
were thereby transferred and they are exercised by the liquidators.

IN WITNESS

Wherefore the present and existing of the Joint Share Company  
"I.R. de la Agricultura General" and the fact that the  
said General Meeting of the Shareholders on the 20th of June 1962  
and by the Company a Board of Directors, is now constituted by the  
virtue of the law of the 15th of June 1962, and the fact that  
said Board of Directors is now constituted by the law of the 15th of June 1962.

Witness my hand and seal this 20th day of June 1962.

For the I.R. General

Manuel M. P.



1902

