

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

September 12, 1946.

DRAFT OF PROPOSED AMENDMENTS TO THE BY-LAWS OF THE BANK

In accordance with Paragraph 5 of the minutes of the Twenty-seventh Regular Meeting of the Executive Directors of the Bank, held on August 13, 1946:

"It was suggested that the advisability of amending the By-laws of the Bank to eliminate uncertainties in regard to procedure and organization of future meetings of the Board of Governors be studied by the General Counsel's office."

the attached draft of proposed amendments to the By-laws has accordingly been prepared by the General Counsel and will be presented to the Executive Directors for consideration at their meeting scheduled for Tuesday, September 17, at 11:00 a.m.

  
M. M. Mendels  
Secretary

Distribution:

Executive Directors and Alternates  
Eugene Meyer, President (4)  
Harold D. Smith, Vice President  
Chester A. McLain, General Counsel  
Leonard B. Rist, Director of Research  
M. M. Mendels, Secretary (2)  
Henry W. Riley

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
Washington D. C.

September 11, 1946.

MEMORANDUM FOR MR. MEYER

Re: Amendment of By-laws of the Bank

At its meeting at Savannah, Georgia, in March, 1946, the Board of Governors of the Bank adopted a set of by-laws of the Bank. Those by-laws do not contain any provision for amendments. They would appear to have been adopted in accordance with the provisions of Article V, Section 2 (f), which provides that 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 Bank.

Section 15 of the by-laws authorizes the Executive Directors to exercise all the powers of the Bank, except those powers which are reserved to the Board of Governors by the Articles of Agreement, and subject to the proviso that the Executive Directors shall not take any action pursuant to powers delegated by the Board of Governors which is inconsistent with any action taken by the Board.

Section 16 of the by-laws further authorizes the Executive Directors to adopt such rules and regulations, including financial

regulations, as may be necessary or appropriate to conduct the business of the Bank, any rules and regulations so adopted to be subject to review by the Board of Governors at its next annual meeting.

The Executive Directors at their meeting on August 13, 1946, requested that we review the by-laws and suggest amendments thereto in order to clarify and make more certain the provisions thereof relating to meetings of the Board of Governors. I present herewith for your consideration a draft of proposed amendments to the by-laws for that purpose.

In this instance it seems to me that the proper procedure would be for the Executive Directors to recommend the proposed amendments for adoption by the Board of Governors at its meeting in September. I have, however, included in the attached draft of amendments a new Section 23 which would permit the Executive Directors in the future to amend the by-laws. It seems to me that it is desirable that the Executive Directors have that power in order to meet any contingencies which may arise.

(Signed)

C. A. McLain

Attachment



9/9/46

Draft of Proposed Amendments to the By-laws of the Bank

RESOLVED that the Executive Directors hereby recommend to the Board of Governors that the By-laws of the Bank be amended as hereinafter set forth:

A. That Sections 3, 4, 5 and 6 of the By-laws of the Bank be amended to read as follows:

Section 3. Meetings of the Board of Governors.

(a) The annual meeting of the Board of Governors shall be held at such time and place as the Board of Governors shall determine; provided, however, that, if the Executive Directors shall, because of special circumstances, deem it necessary to do so, the Executive Directors may change the time and place of such annual meeting.

(b) Special meetings of the Board of Governors may be called at any time by the Board of Governors or the Executive Directors and shall be called upon the request of five members of the Bank or of members of the Bank having in the aggregate one-fourth of the total voting power. Whenever any member of the Bank shall request the Executive Directors to call a special meeting of the Board of Governors, the President shall notify all members of the Bank of such request and of the reasons which shall have been given therefor.

(c) A quorum for any meeting of the Board of Governors shall be a majority of the Governors, exercising not less than two-thirds of

the voting power. Any meeting of the Board of Governors at which a quorum shall not be present may be adjourned from time to time by a majority of the Governors present and notice of the adjourned meeting need not be given.

Section 4. Notice of Meetings of the Board of Governors.

The President shall cause notice of the time and place of each meeting of the Board of Governors to be given to each member of the Bank by telegram or cable which shall be dispatched not less than 42 days prior to the date set for such meeting, except that in urgent cases such notice shall be sufficient if dispatched by telegram or cable not less than 10 days prior to the date set for such meeting.

Section 5. Agenda of Meetings of the Board of Governors

(a) Under the direction of the Executive Directors, the President shall prepare a brief agenda for each meeting of the Board of Governors and shall cause such agenda to be transmitted to each member of the Bank with the notice of such meeting.

(b) Additional subjects may be placed on the agenda for any meeting of the Board of Governors by any Governor provided that he shall give notice thereof to the President not less than seven days prior to the date set for such meeting. In special circumstances the President by direction of the Executive Directors may at any time place additional subjects on the agenda for any meeting of the Board of Governors. The President shall cause notice of the addition of any subjects



to the agenda for any meeting of the Board of Governors to be given as promptly as possible to each member of the Bank.

(c) The Board of Governors may at any time authorize any subject to be placed on the agenda for any meeting of such Board even though the notice required by this Section shall not have been given.

(d) Except as otherwise specifically directed by the Board of Governors, the President, under the general direction of the Executive Directors, shall have charge of all arrangements for the holding of meetings of the Board of Governors.

Section 6. Attendance of Executive Directors at Meetings of the Board of Governors.

The Executive Directors may attend all meetings of the Board of Governors and may participate in such meetings, but an Executive Director shall not be entitled to vote at any such meeting unless he shall be entitled to vote as a Governor or an Alternate or a Temporary Alternate.

B. That the second sentence of Section 15 of the By-laws of the Bank be amended to read as follows:

Except as otherwise provided in these By-laws, the Executive Directors shall not take any action pursuant to powers delegated by the Board of Governors which is inconsistent with any action taken by the Board.

C. That there be added to the By-laws of the Bank a new Section 23 to read as follows:

Section 23. Amendment of By-laws.

These By-laws may be amended by the Board of Governors at any meeting thereof or by vote without a meeting as provided in Section 13. If the Executive Directors shall find it essential to the proper operation of the Bank, the Executive Directors may amend these By-laws at any time. Any amendment of these By-laws which shall be adopted by the Executive Directors shall be subject to review by the Board of Governors at its meeting next following the adoption of such amendment.