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May 30, 1990

To: Members of the Executive Board

From: The Secretary

Subject: Suspension of Voting and Related Rights - Report to the
Board of Governors on Proposed Resolution on Proposed
Third Amendment of the Articles

There is attached the Secretary's understanding of the decision taken at Executive Board Meeting 90/83, May 30, 1990, concerning the Report of the Executive Board and the proposed Resolution on the Proposed Third Amendment of the Articles of Agreement. As agreed, the Report and the proposed Resolution will be mailed to each member of the Fund tomorrow May 31, 1990.

Att: (1)

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Department Heads

INTERNATIONAL MONETARY FUND

Suspension of Voting and Related Rights -
Report to the Board of Governors
and Proposed Resolution on Proposed Third Amendment of the Articles

Executive Board Decision - May 30, 1990

1. Pursuant to the request of the Interim Committee that an amendment of the Articles of Agreement be proposed providing for suspension of voting and related rights of members that do not fulfill their obligations under the Articles, the Executive Board:

- (a) adopts the "Report of the Executive Board to the Board of Governors on the Proposed Third Amendment of the Articles of Agreement of the International Monetary Fund";
- (b) proposes the introduction in the Articles of Agreement of the modifications included in the Proposed Third Amendment attached to the Resolution in Part IV of the Report; and
- (c) recommends the adoption by the Board of Governors of the Resolution in Part IV of the Report.

2. The Executive Board notes that the Secretary has been authorized and directed by the Chairman of the Board of Governors of the Fund to bring before the Board of Governors on his behalf by rapid means of communication the proposal of the Executive Board introducing modifications in the Articles of Agreement pursuant to the request of the Interim Committee. The Executive Board authorizes and directs the Secretary to send to each member of the Fund this proposal of the Executive Board together with the Report, with a request for a vote by each Governor on the Resolution in Part IV of the Report.

3. The Board of Governors is requested, pursuant to Section 13 of the By-Laws, to vote without meeting on the Resolution in Part IV of the Report. To be valid, votes must be received at the seat of the Fund before 6:00 p.m., Washington time, on June 28, 1990. Votes received after that time will not be counted.

4. The effective date of the Resolution of the Board of Governors shall be the last day allowed for voting.

5. The Secretary is authorized to take such action as he shall deem necessary or appropriate to carry out the purposes of this decision.

Attachment

Report of the Executive Board to the Board of Governors
on the Proposed Third Amendment of the
Articles of Agreement of the International Monetary Fund

Part I. Introduction

1. Article XXVI, Section 2(a) of the Fund's Articles of Agreement empowers the Fund to declare a member ineligible to use the general resources of the Fund if the member fails to fulfill any of its obligations under the Articles. Such a declaration may be made by a decision of the Executive Board carried by a majority of the votes cast. Article XXVI, Section 2(b) provides that if the member persists in its failure to fulfill any of its obligations under the Articles, it may be required to withdraw from membership by a decision of the Board of Governors carried by a majority of the Governors having eighty-five percent of the total voting power.

2. The Interim Committee of the Board of Governors included the following sentence in its communiqué of May 8, 1990:

"In order to deal with the rare cases where it is evident that a member with arrears to the Fund is persistently not cooperating with the Fund, the Committee invited the Executive Board to propose to the Board of Governors, by end May 1990, the text of an amendment of the Articles providing for suspension of voting and related rights of members that do not fulfill their obligations under the Articles."

3. The Executive Board is hereby proposing the text of such an amendment. The proposed amendment would add new provisions to the Articles, in Article XXVI, Section 2 and in a new Schedule L, under which a member's voting rights and certain related rights may be suspended by the Fund if the member, having been declared ineligible to use the general resources of the Fund, persists in its failure to fulfill any of its obligations under the Articles. In addition, new provisions would be inserted in Article XII, Section 3(i) and Schedule D concerning the effects of a termination of suspension. The Commentary in Part II of this Report analyzes the proposed amendment and describes the main aspects of the new power that would be conferred upon the Fund. Part III describes the procedure for the adoption of the proposed amendment. Part IV proposes a Resolution for adoption by the Board of Governors. The text of the proposed amendment is attached to the proposed Resolution.

Part II. Commentary

This Commentary examines, first, the conditions for the imposition of suspension of voting and related rights of a member, then the consequences of suspension, and finally the conditions and effects of a termination of suspension.

A. Conditions of Suspension

1. The conditions applicable to a suspension of voting and related rights of a member are set out in a revised version of Article XXVI, Section 2. Suspension forms part of a required sequence: it can be imposed only after the expiration of a reasonable period of time following a declaration of ineligibility of the member to use the general resources of the Fund under Article XXVI, Section 2(a), and compulsory withdrawal of the member can be required by the Fund under Article XXVI, Section 2(c) only after the expiration of a further reasonable period of time following the decision of suspension of the voting rights of the member.

2. Under Article XXVI, Section 2(d), the member must be informed in reasonable time of the complaint against it, and must be given an adequate opportunity for stating its case, before the Fund can decide to suspend its voting rights. The provision means that the complaint preceding a decision of suspension is distinct from the complaints that must be made before the member is declared ineligible to use the general resources of the Fund and before the member is required to withdraw.

3. Suspension requires a decision of the Executive Board by a seventy percent majority of the total voting power. It can be imposed in case of breach of any obligation under the Articles, except, in accordance with Article XXIII, Section 2(f), for the breach of an obligation with respect to special drawing rights.

B. Consequences of Suspension

1. Article XXVI, Section 2(b) provides that "the Fund may ... suspend the voting rights of the member" and that "[d]uring the period of the suspension, the provisions of Schedule L shall apply." Therefore, while the decision of the Fund is to suspend the voting rights of the member, the precise consequences of that decision are set out in Schedule L, and they include not only the suspension of voting rights of the member (paragraph 1 of Schedule L), but other consequences as well (paragraphs 2 to 4 of the same Schedule).

2. The consequences of suspension listed in Schedule L are automatic, temporary, indivisible, and exhaustive. They are automatic in the sense that they take effect without the need for any further action on the part of the Fund. They are temporary because their effects cease upon termination of the suspension (see Section C below). They are indivisible, since all the consequences set out in Schedule L apply as a unit; the Fund cannot

decide that some of the consequences in the Schedule shall apply and some others shall not apply. Finally, they are exhaustive, because no consequence other than those listed in the Schedule can attach to the decision of suspension.

3. A decision to suspend the voting rights of a member results in the suspension of the right of the member to participate in the adoption of a proposed amendment of the Articles (paragraph 1(a) of Schedule L). Therefore, the member will not be asked whether it accepts a proposed amendment and will not be counted among the members that have accepted it, and the number of votes allotted to the member will not be included in the voting power of the members accepting the proposed amendment, for purposes of the last sentence of Article XXVIII(a). In addition, the member is excluded from the total number of members, and the number of votes allotted to the member are excluded from the total voting power, for purposes of the same sentence (paragraphs 1(a) and 2 of Schedule L, respectively). As a result of these provisions, the suspended member is to be disregarded for purposes of ascertaining whether a proposed amendment has been accepted by the required majorities. Such an amendment will nevertheless enter into effect for the suspended member, as for all other members, in accordance with Article XXVIII(c). The suspension of the voting rights of the member does not affect, however, the right of the member to participate in the adoption of, and otherwise be counted for purposes of, proposed amendments that require the acceptance of all members under Article XXVIII(b) or proposed amendments that pertain exclusively to the SDR Department. The member shall be treated like non-suspended members for the purposes of the adoption of such amendments, although, as a result of the suspension, pursuant to paragraph 3 of Schedule L, there will not be any Governor, Executive Director, or Councillor for the member to participate in the process of recommendation and approval of the amendment. The right to participate in the adoption of a proposed amendment must be distinguished from the right to propose an amendment; the suspension of the voting rights of the member does not preclude the member from proposing an amendment in accordance with the first sentence of Article XXVIII(a).

4. The other voting right of the member that is suspended (paragraph 1(b) of Schedule L) is the right to select or participate in the selection of officials of the Fund who are entitled to cast the number of votes allotted to members, namely a Governor and an Alternate Governor, as well as an Executive Director (Councillors and Alternate Councillors are also named in case the Council is established). The suspension affects the right of the member to select such an official either on its own or with other members of a group, and either by way of appointment or by way of election. Alternates to Executive Directors are not included because they are appointed by the Executive Directors and not by the members (Article XII, Section 3(e)), and Associates in the Council are omitted because they are not entitled to cast votes (Schedule D, paragraph 1).

5. The first sentence of paragraph 2 of Schedule L provides that the number of votes allotted to a suspended member shall not be cast in any organ of the Fund (i.e., the Board of Governors, the Council if it is established, and the Executive Board). This provision complements the provisions of paragraph 3 of Schedule L, under which the Governor, the Alternate Governor and the Executive Director (as well as the Councillor and the Alternate Councillor, if the Council is established) for the member cease to hold office, whereupon they are unable to cast the number of votes allotted to the suspended member. While paragraph 3 of Schedule L sets out the rule that these officials cease to hold office immediately upon effectiveness of the decision of suspension, it allows, in specified circumstances, an Executive Director (and a Councillor) to remain in office for a short period of time (see paragraph 7 below). Pursuant to paragraph 2 of Schedule L, the Executive Director (and the Councillor) for the suspended member shall not cast the number of votes allotted to the suspended member during that period of time.

6. The second sentence of paragraph 2 has the effect of excluding the number of votes allotted to the member from the calculation of the total voting power, not only for purposes of the acceptance of proposed amendments of the Articles (see paragraph 3 above), but also for purposes of the adoption of decisions by organs of the Fund. It is not necessary to exclude the Governor, Councillor, and Executive Director for the suspended member from the calculation of quorums under the Articles, since these officials cease to hold office, and therefore cease to be regarded as Governor, Councillor, and Executive Director for any purpose under the Articles, including the calculation of quorums, pursuant to paragraph 3 of Schedule L.

7. Under paragraph 3 of Schedule L, all the officials selected by the member who are entitled to cast the number of votes allotted to the member cease to hold office (the Alternate to the Executive Director for the member is not referred to in the provision, because he is not appointed by the member, but by the Executive Director who can replace him at any time). This means that these officials cease to be officials of the Fund for all purposes under the Articles.

(a) The principle is that these officials cease to hold office immediately upon effectiveness of the decision of suspension. This principle applies to the Governor and the Alternate Governor appointed by the member. It also applies to the Executive Director appointed by the member, if the member may appoint an Executive Director under Article XII, Section 3(b) or (c), except, as discussed below, in the case of an appointed Executive Director who is entitled to cast the number of votes allotted to members other than the member that appointed him, pursuant to an agreement under Article XII, Section 3(i)(ii). Finally, the principle that the official ceases to hold office immediately upon the effectiveness of the decision of suspension applies also to an Executive Director elected by one member that has later been suspended, or by several members, all of which

have later been suspended (the principle also applies to a Councillor and Alternate Councillor in similar circumstances).

(b) The principle that the officials chosen by the member shall cease to hold office immediately receives an exception in the case of an Executive Director who is entitled to cast the number of votes allotted to other, non-suspended members, in order to allow the number of votes allotted to these members to continue to be cast (the same exception applies to a Councillor and an Alternate Councillor who were appointed by a group of members that includes non-suspended members). This may apply either when the Executive Director was elected by more than one member, or when the Executive Director was appointed by a member and it was agreed that this Executive Director would cast the number of votes allotted to other members in accordance with Article XII, Section 3(i)(ii). Then, the Executive Director in office when the decision of suspension became effective is entitled to remain in office for a short period, the length of which will depend on whether or not a regular election of Executive Directors under Article XII, Section 3(d) is about to take place. On the one hand, if a regular election is scheduled to be conducted within ninety days after the date of effectiveness of the decision of suspension, the Executive Director in office when the decision of suspension became effective will remain in office for the remainder of the term. If, on the other hand, a regular election is not scheduled to be conducted within ninety days, a special election will be conducted to replace the Executive Director in office, as in the case contemplated in Article XII, Section 3(f). This new Executive Director, who may be the same person, will be elected by the non-suspended members by a majority of the votes cast. Once elected, he will be entitled to cast the number of votes allotted to all such non-suspended members and will serve for the remainder of the term of the Executive Director who ceased to hold office as a result of the suspension. The Executive Director in office when the decision of suspension became effective shall cease to hold office not later than thirty days after the date of effectiveness of the decision of suspension, even if another Executive Director has not yet been elected by that time. In such case, the Alternate Executive Director would still, however, hold office until another Executive Director is so elected, or until the next regular election, whichever comes first. It is expected that a period of thirty days will provide sufficient time for the other members of the constituency to hold an election.

8. The amendment does not contemplate that, if a member having one of the five largest quotas were suspended, the member with the sixth largest quota would be called upon to appoint an Executive Director so as to maintain at five the minimum number of Executive Directors appointed on account of the size of quotas. Instead, the number of Executive Directors appointed by members would be reduced during the period of the suspension.

9. Paragraph 4 of Schedule L confers an entitlement on suspended members to send representatives to meetings of the Board of Governors and the Executive Board (and the Council if it is established) whenever these organs

consider requests made by the member or matters that particularly affect the member. The provision does not create an entitlement for suspended members to send representatives to meetings of committees of these organs of the Fund when such matters are under consideration, because non-suspended members do not have such an entitlement under the Articles. In the cases where suspended members do not have an entitlement to send representatives to meetings of these organs or of their committees, the provision does not prohibit, however, such representatives from being invited to such meetings in accordance with the applicable rules of procedure.

C. Termination of Suspension

Conditions for Termination

1. The termination of suspension requires a decision of the Executive Board carried by the same majority required for the imposition of suspension, namely, seventy percent of the total voting power.
2. The amendment leaves it to the Fund to decide when to terminate suspension. In particular, the Fund is not compelled to terminate the suspension upon resumption by the suspended member of compliance with all of its obligations under the Articles, nor is it prohibited from terminating the suspension prior to the resumption by the member of compliance with all such obligations, if this were considered appropriate. The Fund has similar flexibility under the Articles with respect to termination of a member's ineligibility to use the general resources of the Fund.

Effects of Termination

3. Termination of suspension revives the voting and related rights of the member that had been suspended. Thus, the member may immediately participate in the adoption of a proposed amendment of the Articles. For instance, if a proposed amendment had been submitted to members for their acceptance under Article XXVIII(a), and the Fund had not yet certified to members that the required majorities had been obtained by the time the member's suspension was terminated, the member shall be asked whether it accepts the proposed amendment and both the member and the number of votes allotted to it shall be counted for purposes of calculating whether the majorities of three-fifths of the members and of eighty-five percent of the total voting power have been obtained.
4. Immediately upon termination of the suspension, the member is also able to appoint a Governor and an Alternate Governor, as well as a Councillor and an Executive Director if it is a member that appoints such officials, and the number of votes allotted to the member can again be cast in any organ of the Fund by such officials as soon as they are appointed by the member.

5. In the case of a member that may not appoint an Executive Director, different situations must be envisaged, depending on the timing of the termination:

(a) if no regular election of Executive Directors has been conducted under Article XII, Section 3(d) between the date of the suspension and the termination of the suspension, the member is automatically reintegrated in the constituency to which it belonged before the suspension (subject to paragraph (c) below). Accordingly, the number of votes allotted to the member will be cast by the Executive Director who has been elected under paragraph 3(c) of Schedule L as a result of the member's suspension (or by any successor of such an Executive Director, if in the meantime he has been replaced in accordance with Article XII, Section 3(f) or paragraph 3(c) of Schedule L);

(b) if a regular election of Executive Directors has taken place before termination of suspension, the possibility is offered instead to the member to join any constituency prior to the next regular election, provided that all the members of that constituency agree (a comparable provision appears in Article XII, Section 3(i)(ii)). In that case, the member becomes part of that constituency and is thereupon treated as if it had participated in the election of the Executive Director elected by the members of that constituency;

(c) if the member was the only member of the constituency, or if all the members of the constituency have been suspended, the member will also have to join a constituency by agreement, even if no regular election of Executive Directors has been conducted during the period of the suspension, because there is no Executive Director in office to whom the member could be automatically attached;

(d) if suspension is terminated before another Executive Director is elected in accordance with paragraph 3(c) of Schedule L, since the electoral process has already been initiated, the election required by Schedule L must take place notwithstanding the termination of the suspension and the member will participate in that election; in the meantime, in accordance with Article XII, Section 3(i)(v), the number of votes allotted to the member will again be cast by the same Executive Director who was casting this number of votes prior to the suspension.

6. When a member becomes part of a constituency in accordance with the procedure described in paragraph 5 above, it is deemed to be one of the members that participated in the election of the Executive Director elected by the members of that constituency. Accordingly, if the office of that Executive Director subsequently becomes vacant, the member will participate in the election of the successor of that Executive Director. Another effect is that the Executive Director is automatically entitled to vote and cast the number of votes allotted to the member, including for decisions under Article XXI(a)(ii) on matters that pertain exclusively to the SDR

Department, even in the case where the member has joined the constituency by agreement with the other members. Also, as a result of becoming part of a constituency for the casting of votes in the Executive Board, the member automatically becomes part of the corresponding group of members for purposes of the Council (paragraph 5(f) of Schedule D); accordingly, the Councillor appointed by the group will cast the number of votes allotted to the member and the member will participate in the appointment of any successor Councillor with the other members of the group.

Part III. Procedure

1. The procedure for the adoption of modifications in the Articles of Agreement is set forth in Article XXVIII. Under those provisions, a proposed amendment is to be communicated to the Chairman of the Board of Governors for consideration by the Board of Governors. If the proposed amendment is approved by the Board of Governors, the Fund is to ask all members whether they accept it. When three-fifths of the members, having eighty-five percent of the total voting power, have accepted the proposed amendment, the Fund is to certify that fact by a formal communication to all members. Under Article XXVIII(c), an amendment enters into force for every member, whether or not it has accepted the amendment, three months after the date of that communication unless a shorter period is specified. In the case of the amendment now being proposed, the Executive Board recommends that it should enter into force on the date of the formal communication.

2. Part IV of this Report contains the text of a Resolution, to which is attached the text of the proposed amendment discussed above. The Chairman of the Board of Governors has requested that on his behalf the Secretary of the Fund bring the Resolution and proposed amendment before the Board of Governors for its approval. It is pursuant to this request that the Secretary is transmitting this Report to the Board of Governors.

3. In the judgment of the Executive Board, and particularly in view of the desirability of an early completion of the amendment process, 1/ the action requested of the Board of Governors should not be postponed until the next regular meeting of the Board and does not warrant the calling of a special meeting of the Board. For this reason, the Executive Board, pursuant to Section 13 of the By-Laws, requests Governors to vote without meeting. To be valid, votes must be received at the seat of the Fund before 6:00 p.m., Washington time, on June 28, 1990. The Resolution will be

1/ In its May 8 communiqué, the Interim Committee noted: "After having carefully listened to the comments of all members, and the reservations of some members, the Committee came to a consensus that, as part of the overall quota increase package, no increase in quota shall become effective before the effective date of such an amendment, and that every effort should be made by members to ensure that both the quota increase and the amendment shall be effective before end 1991."

adopted if replies are received from a majority of the Governors exercising two-thirds of the total voting power and if a majority of the votes is cast in favor of the Resolution. The Resolution must be voted on as a whole.

Part IV. Resolution

WHEREAS the Interim Committee of the Board of Governors has invited the Executive Board to propose an amendment of the Articles of Agreement of the International Monetary Fund providing for suspension of voting and related rights of members that do not fulfill their obligations under the Articles; and

WHEREAS the Executive Board has proposed such an amendment and prepared a Report on the same; and

WHEREAS the Chairman of the Board of Governors has requested the Secretary of the Fund to bring the proposal of the Executive Board before the Board of Governors; and

WHEREAS the Report of the Executive Board setting forth its proposal has been submitted to the Board of Governors by the Secretary of the Fund; and

WHEREAS the Executive Board has requested the Board of Governors to vote on the following Resolution without meeting, pursuant to Section 13 of the By-Laws of the Fund;

NOW, THEREFORE, the Board of Governors, noting the said Report of the Executive Board, hereby RESOLVES that:

1. The proposals for modifications (Proposed Third Amendment) that are attached to this Resolution and are to be incorporated in the Articles of Agreement of the International Monetary Fund are approved.
2. The Secretary of the Fund is directed to ask, by circular letter, telegram, or other rapid means of communication, all members of the Fund whether they accept, in accordance with the provisions of Article XXVIII of the Articles, the Proposed Third Amendment.
3. The circular letter, telegram, or other communication to be sent to all members in accordance with 2 above shall specify that the Proposed Third Amendment shall enter into force for all members as of the date on which the Fund certifies, by formal communication addressed to all members, that three-fifths of the members, having eighty-five percent of the total voting power, have accepted the modifications.

Proposed Third Amendment
of the Articles of Agreement
of the International Monetary Fund

The Governments on whose behalf the present Agreement is signed agree as follows:

1. The text of Article XXVI, Section 2 shall be amended to read as follows:

"(a) If a member fails to fulfill any of its obligations under this Agreement, the Fund may declare the member ineligible to use the general resources of the Fund. Nothing in this Section shall be deemed to limit the provisions of Article V, Section 5 or Article VI, Section 1.

(b) If, after the expiration of a reasonable period following a declaration of ineligibility under (a) above, the member persists in its failure to fulfill any of its obligations under this Agreement, the Fund may, by a seventy percent majority of the total voting power, suspend the voting rights of the member. During the period of the suspension, the provisions of Schedule L shall apply. The Fund may, by a seventy percent majority of the total voting power, terminate the suspension at any time.

(c) If, after the expiration of a reasonable period following a decision of suspension under (b) above, the member persists in its failure to fulfill any of its obligations under this Agreement, that member may be required to withdraw from membership in the Fund by a decision of the Board of Governors carried by a majority of the Governors having eighty-five percent of the total voting power.

(d) Regulations shall be adopted to ensure that before action is taken against any member under (a), (b), or (c) above, the member shall be informed in reasonable time of the complaint against it and given an adequate opportunity for stating its case, both orally and in writing."

2. A new Schedule L shall be added to the Articles, to read as follows:

"Schedule L

Suspension of Voting Rights

In the case of a suspension of voting rights of a member under Article XXVI, Section 2(b), the following provisions shall apply:

1. The member shall not:
 - (a) participate in the adoption of a proposed amendment of this Agreement, or be counted in the total number of members for that purpose, except in the case of an amendment requiring acceptance by all members under Article XXVIII(b) or pertaining exclusively to the Special Drawing Rights Department;
 - (b) appoint a Governor or Alternate Governor, appoint or participate in the appointment of a Councillor or Alternate Councillor, or appoint, elect, or participate in the election of an Executive Director.
2. The number of votes allotted to the member shall not be cast in any organ of the Fund. They shall not be included in the calculation of the total voting power, except for purposes of the acceptance of a proposed amendment pertaining exclusively to the Special Drawing Rights Department.
3.
 - (a) The Governor and Alternate Governor appointed by the member shall cease to hold office.
 - (b) The Councillor and Alternate Councillor appointed by the member, or in whose appointment the member has participated, shall cease to hold office, provided that, if such Councillor was entitled to cast the number of votes allotted to other members whose voting rights have not been suspended, another Councillor and Alternate Councillor shall be appointed by such other members under Schedule D, and, pending such appointment, the Councillor and Alternate Councillor shall continue to hold office, but for a maximum of thirty days from the date of the suspension.
 - (c) The Executive Director appointed or elected by the member, or in whose election the member has participated, shall cease to hold office, unless such Executive Director was entitled to cast the number of votes allotted to other members whose voting rights have not been suspended. In the latter case:

- (i) if more than ninety days remain before the next regular election of Executive Directors, another Executive Director shall be elected for the remainder of the term by such other members by a majority of the votes cast; pending such election, the Executive Director shall continue to hold office, but for a maximum of thirty days from the date of suspension;
 - (ii) if not more than ninety days remain before the next regular election of Executive Directors, the Executive Director shall continue to hold office for the remainder of the term.
4. The member shall be entitled to send a representative to attend any meeting of the Board of Governors, the Council, or the Executive Board, but not any meeting of their committees, when a request made by, or a matter particularly affecting, the member is under consideration."

3. The following shall be added to Article XII, Section 3(i):

"(v) When the suspension of the voting rights of a member is terminated under Article XXVI, Section 2(b), and the member is not entitled to appoint an Executive Director, the member may agree with all the members that have elected an Executive Director that the number of votes allotted to that member shall be cast by such Executive Director, provided that, if no regular election of Executive Directors has been conducted during the period of the suspension, the Executive Director in whose election the member had participated prior to the suspension, or his successor elected in accordance with paragraph 3(c)(i) of Schedule L or with (f) above, shall be entitled to cast the number of votes allotted to the member. The member shall be deemed to have participated in the election of the Executive Director entitled to cast the number of votes allotted to the member."

4. The following shall be added to paragraph 5 of Schedule D:

"(f) When an Executive Director is entitled to cast the number of votes allotted to a member pursuant to Article XII, Section 3(i)(v), the Councillor appointed by the group whose members elected such Executive Director shall be entitled to vote and cast the number of votes allotted to such member. The member shall be deemed to have participated in the appointment of the Councillor entitled to vote and cast the number of votes allotted to the member."