

PAYMENTS AND RETURNS

144. All dairy-produce supplied to the Company shall be handled, manufactured, or rendered marketable by the Company, and shall be disposed of by the Company in such manner and on such terms and in such places or markets, either local, British, or foreign, as the Directors shall in their uncontrolled discretion consider advisable or as may be required by law.

145. The net annual returns arising from or in relation to such dairy-produce shall, as at the last day of each financial year, be arrived at by deducting from the gross returns, including therein any penalties or charges of the character specified in Articles 156 to 158 inclusive hereof, the whole or so much thereof as the Directors may consider equitable of the following:—

- (a) The costs, charges, and expenses incurred in or about the carrying-out of any of the objects, powers, or authorities of the Company:
- (b) All premiums and allowances of the character specified in Articles 155 to 157 inclusive hereof:
- (c) Depreciation of any of the Company's assets:
- (d) Such sums as the Directors may consider necessary or desirable to set aside as a reserve fund or for meeting contingencies of any description or for stabilizing or making more uniform progress, final, or other payments to persons supplying dairy-produce to the Company or for any capital expenditure incurred or to be incurred in that or in any other year or for such other purposes as the Directors in their absolute discretion may think fit, and the Directors may from time to time use all or any part of the moneys so set aside for all or any of the purposes referred to in this Article.

PROGRESS PAYMENTS

146. The Directors may in respect of the dairy-produce received by the Company during the preceding month make to each person supplying such dairy-produce such progress payments of such amounts and calculated in accordance with the provisions of the immediately preceding Article as they may consider advisable having regard to their estimate of the net returns of that dairy-produce, and such progress payments shall be due and payable upon the 20th day of the month following the month in which such dairy-produce was supplied or on such other monthly date as the Directors from time to time may determine and subject to the payment of any premiums or the deduction of any penalties in terms of Articles 155, 157, and 158 hereof, and they may, if they think fit, make any further progress payments in respect of the dairy-produce so supplied during any previous month or months of the thel financial year: Provided, however, the Directors in their discretion may refrain from making any such progress payments in any month or months if they deem it advisable so to do.

DISTRIBUTION OF NET RETURNS

147. (a) If the net annual returns for dairy-produce are in excess of the total amount paid out by the Company as progress payments in accordance with the immediately preceding Article hereof, the Directors shall make in the month of, or in such other month as they may from time to time determine, a final payment, whether by instalments or otherwise, to each *bona fide* member and to each person treated by the Directors as a *bona fide* member of his due proportion of the net annual returns in proportion to the quantity of butterfat supplied or, where a gallonage or weight of milk basis be fixed by the Directors in respect of his supply, then in proportion to the quantity of milk supplied, if they think fit, firstly by making a payment at a rate as they may fix from time to time per pound of butterfat and/or of gallons or weight of milk on the quantity of dairy-produce supplied by each *bona fide* member and by each person treated by the Directors as a *bona fide* member in respect of which they hold shares in the Company in accordance with these Articles: Provided, however, the Directors may make a similar payment on each portion of the dairy-produce of those persons not so covered by shares as aforesaid so long as payments therefor are utilized on behalf of those persons for the purpose of meeting the cost of further fully paid shares in the manner set out in Article 143 hereof. And secondly by making payment of the balance, whether by instalments or otherwise and at the times hereinbefore fixed, to each *bona fide* member and to each person treated by the Directors as being a *bona fide* member of his due proportion thereof in proportion to the quantity of butterfat supplied by him or, where a gallonage or weight of milk basis be fixed by the Directors, then in proportion to the quantity of milk supplied by him.

(b) If the net annual returns for such dairy-produce as aforesaid are less than the total amount so paid out by the Company on the foregoing progress payments and purchase payments, the Directors may require each such *bona fide* member or person treated as such to refund his proportion of the amount so as aforesaid paid in excess of the net annual returns; and upon every such request being made in writing, the amount found to be so owing by each *bona fide* member or other person so treated as such shall constitute a debt owing by such *bona fide* member or other person so treated to the Company and be recoverable by the Company from such *bona fide* member or other person so treated by action at law, or may be retained by the Company out of any future payments for dairy-produce made by the Company to such *bona fide* member or other person treated as such.