



SUPPLEMENT

TO THE

NEW ZEALAND GAZETTE

OF

THURSDAY, DECEMBER 22, 1927.

Published by Authority.

WELLINGTON, THURSDAY, DECEMBER 22, 1927.

REGULATIONS

UNDER THE

RURAL INTERMEDIATE CREDIT ACT, 1927.



Regulations under the Rural Intermediate Credit Act, 1927.

CHARLES FERGUSSON, Governor-General.

ORDER IN COUNCIL.

At the Government House at Wellington, this 21st day of December, 1927.

Present :

HIS EXCELLENCY THE GOVERNOR-GENERAL IN COUNCIL.

IN pursuance and in exercise of the powers and authorities conferred on him by the Rural Intermediate Credit Act, 1927, and of all other powers and authorities in anywise enabling him in this behalf, His Excellency the Governor-General of the Dominion of New Zealand, acting by and with the advice and consent of the Executive Council of the said Dominion, doth hereby make the regulations set forth hereunder; and with the like advice and consent doth prescribe that this Order shall come into force on the first day of January, one thousand nine hundred and twenty-eight.

REGULATIONS.

INTERPRETATION.

1. (1) THESE regulations may be cited as "The Rural Intermediate Credit Regulations."
- (2) For the purposes of these regulations, unless the context otherwise requires,—
 - "The Act" means the Rural Intermediate Credit Act, 1927, and any amendment thereof:
 - "Approved" means approved by the Commissioner in writing:
 - "Association" means an association incorporated under Part II of the Act:
 - "Board" means the Rural Intermediate Credit Board:
 - "Chairman" means the Chairman of the Board:
 - "Commissioner" means the Commissioner of Rural Intermediate Credit:
 - "Co-operative society" means any co-operative society to which Part IV of the Act applies:
 - "District" means a district defined by the Board under section 14 (1) of the Act:
 - "District Board" means a District Rural Intermediate Credit Board appointed by the Board under section 14 (1) of the Act:
 - "Minister" means the Minister of Finance:
 - "Person" includes a registered company, corporation, firm, or partnership:
 - "Supervisor" means a District Intermediate Credit Supervisor appointed by the Board under section 14 (3) of the Act.

PART I.—THE BOARD AND DISTRICT BOARDS.

The Board.

2. (1) The Board shall hold ordinary meetings for the despatch of business at such times and places as the Board may from time to time appoint.

(2) The Chairman, or the Commissioner, or any three members of the Board may at any time call a special meeting of the Board.

3. The office of the Board shall be situated at the Public Trust Office in the City of Wellington, and, except when otherwise ordered by competent authority, shall be open to the public on business days from 9.30 a.m. to 12.30 p.m., and from 1.30 p.m. to 3.30 p.m., except on Saturdays, when it shall close at 11.30 a.m.

4. (1) The common seal of the Board shall be in such form as the Board may determine, and shall be kept at the office of the Board, under lock, in the custody of the Commissioner.

(2) The seal shall not be affixed to any deed or other document except in the presence of the Commissioner and one other member of the Board, who shall attest the affixing of the seal on every such deed or document.

(3) Nothing in this paragraph shall render it necessary for debentures to be executed otherwise than in accordance with section 23 of the Act.

5. Every officer of the Board and every member of a District Board shall upon appointment be required to make a declaration of fidelity and secrecy in the form numbered 1 in the First Schedule hereto before the Commissioner, the Deputy Commissioner, a Justice of the Peace, or a solicitor of the Supreme Court.

6. (1) The Board may from time to time appoint a committee, consisting of three of its members permanently resident in Wellington (of whom the Commissioner shall be one), who shall examine such applications for loans as the Board shall direct, and grant or approve the same on behalf of the Board.

(2) The Board may also from time to time appoint other committees of its members (of whom the Commissioner shall in every case be one), and may delegate to such committees such of its functions as it shall think fit.

(3) The Board at its pleasure may revoke the appointment of any such committee.

7. (1) Subject to the provisions of subsection (2) of section 36 of the Act, every member of the Board shall be paid the sum of £3 3s. for every meeting of the Board or any committee thereof at which he shall be present, and in addition a travelling-allowance of £1 10s. per day while he shall be absent from his usual place of residence for the purpose of attending any such meeting, or when otherwise authorized by the Board to be so absent upon its business, and also all rail, steamer, or other fares in the opinion of the Board reasonably incurred by him for the purpose of attending any such meeting or transacting any of the Board's business.

(2) The said travelling-allowance shall be for each day of twenty-four hours, commencing at the hour of the member's departure from his place of residence; and for any portion of a day the rate shall be 1s. 3d. for every hour or part of an hour of absence.

(3) Travelling-allowances to officers and servants of the Board shall be in accordance with the scale of travelling-allowances fixed by the Public Service Regulations for the time being in force; and in determining the amount of travelling-allowances payable to any officer the salary (if any) paid to him as an officer of the Public Service shall be taken into account, as well as his salary from the Board.

(4) In addition to the payments and allowances mentioned in subparagraphs (1) and (3) of this paragraph, the Board may at its discretion authorize the payment of any other expenses actually incurred by any of its members, officers, or servants in transacting or forwarding the business of the Board.

District Boards.

8. (1) Every District Board shall hold ordinary meetings for the despatch of business at such times and places as the Board may from time to time approve.

(2) The Supervisor or any three members of a District Board may at any time call a special meeting of such District Board at the place appointed for ordinary meetings.

9. Three members of a District Board, of whom the Chairman shall be one, shall form a quorum.

10. The Board shall appoint a member of each District Board to be Chairman thereof, and at its pleasure may remove such Chairman and appoint a new Chairman in his place.

11. If any member of a District Board shall, by reason of illness, absence, or other disability, be temporarily unable to act, the Board may appoint any other person to act in his stead while he shall be so unable to act.

12. (1) With the consent of the Public Service Commissioner or other proper authority, the Board may appoint any officer in the Government service to be a member of a District Board, and shall pay to the appropriate fund or account, on demand, such remuneration as shall be agreed upon for the services of such officer.

(2) Subject to the provisions of paragraph 11 hereof, if any officer of the Government service is a member of a District Board and is temporarily absent from duty, any officer of his Department having authority to act in his place during his absence from duty may attend meetings of such Board in his stead, and while attending such meetings shall be deemed to be a member of such Board.

13. The Board may at any time in its discretion revoke the appointment of any person as a member of a District Board.

14. (1) Subject to the provisions of subsection (2) of section 36 of the Act, every member of a District Board shall be paid the sum of £1 1s. for every meeting of such Board at which he shall be present, and in addition a travelling-allowance of £1 10s. per day while he shall be absent from his usual place of residence for the purpose of attending any such meeting, and also all rail, steamer, or other fares in the opinion of the Commissioner reasonably incurred by him for the purpose of attending any such meeting.

(2) The said travelling-allowance shall be for each day of twenty-four hours, commencing at the hour of the member's departure from his place of residence; and for any portion of a day the rate shall be 1s. 3d. for every hour or part of an hour of absence.

(3) Notwithstanding anything previously contained in this paragraph, the travelling-allowance payable to any member of a District Board who is an officer of the Government service shall be in accordance with the Public Service or other regulations for the time being in force governing the scale of travelling-allowances payable to such officer.

15. (1) Except as otherwise provided by subparagraph (2) of this paragraph, the decision of the majority of the members present at any meeting of a District Board shall be the decision of such Board. The Chairman shall have a deliberative vote, and in the event of an equality of votes shall also have a casting-vote.

(2) No resolution of a District Board to grant or recommend a loan shall be effective unless carried unanimously by all members present at the meeting; but the District Board may, by a majority vote, refer any such matter to the Board for its decision.

16. The Supervisor shall keep proper minute-books, in which shall be entered a full and faithful record of all the proceedings at each meeting of the District Board, with proper details of the business transacted thereat, and proper files and records of its business and transactions; and shall conduct all correspondence relating thereto.

17. The Supervisor shall give due notice to all members of the District Board of the meetings thereof, and shall prepare agenda papers setting out the business to be despatched at every such meeting.

18. The Board may from time to time prescribe and limit the duties and functions of any District Board.

19. Every District Board shall submit to the Board such reports as the Board may from time to time prescribe with reference to all applications or other matters dealt with by the District Board.

20. No expenses of management or otherwise shall be incurred by District Boards without the approval of the Commissioner.

District Intermediate Credit Supervisors.

21. (1) The Board may from time to time appoint a suitable person to be Deputy District Intermediate Credit Supervisor for any district.

(2) Subject to any directions of the Board or the Commissioner, on the occurrence from any cause of a vacancy in the office of Supervisor for any district (whether by reason of death, resignation, or otherwise), or in the case of the absence of such Supervisor (from whatever cause arising), and so long as such vacancy or absence continues, the Deputy Supervisor shall have and may exercise and perform all the powers, duties, and functions of such Supervisor, including his right (if any) to sit as a member of the District Board.

(3) If the Board has not appointed a Deputy Supervisor for any district, and the Supervisor for that district (being an officer of the Government service) vacates his office or is absent as aforesaid, then any officer of his Department having authority to act in his place on his vacating office or being absent may exercise and perform all the rights, powers, duties, and functions of such Supervisor, including his right (if any) to sit as a member of the District Board.

(4) The fact of a Deputy Supervisor or any other authorized officer as aforesaid exercising or performing any right, power, duty, or function as aforesaid shall be conclusive evidence of his authority to do so, and no person shall be concerned to inquire whether the occasion has arisen authorizing him to do so.

PART II.—THE GRANTING OF LOANS.

Loans to Co-operative Rural Intermediate Credit Associations.

22. Every application for the consent of the Board to the registration of any association shall be delivered to the Supervisor for the district in which the association is to be formed, together with—(a) two copies complete in every respect of its proposed memorandum of association; (b) such information as to the financial standing and farming experience of the proposed members of the association as the Supervisor may require.

23. The Supervisor shall investigate the particulars furnished to him by the proposed association, and shall forward the application, together with a full report thereon, to the Board.

24. The consent of the Board to the registration of any association shall be set forth in the declaration of the Supervisor under subsection (2) of section 42 of the Act.

25. Every association shall forthwith after its statutory meeting deliver to the Board, through the Supervisor, a list (in duplicate) of the names, addresses, and occupations of the directors of the association, and of the secretary and treasurer or secretary-treasurer thereof, together with a statement of the proposed remuneration of any such officer; and shall forthwith upon the appointment of any new director or officer of the association notify the Board thereof in the like manner.

26. The Board may require an association to find sureties to the satisfaction of the Board for the fidelity of the treasurer, the secretary-treasurer, or any other officer of the association.

27. Every association shall forthwith after the preparation and audit of its annual accounts and balance-sheet forward two copies thereof to the Board, through the Supervisor.

28. (1) If it appears to the Commissioner that any association, or any director thereof, has committed a breach of, or failed or neglected to comply with, any provisions contained in the Act or these or any other regulations thereunder, or in its own regulations, he may by notice in writing call upon such association or director to make good such breach, failure, or neglect.

(2) Every director who refuses or neglects to comply with the terms of such notice within fourteen days, or such longer period as the Board may approve, commits an offence, and shall be liable upon conviction to a fine of £5.

29. The Supervisor may from time to time appoint in writing any person to exercise his rights as director of an association, and the production of any such appointment signed by the Supervisor shall be conclusive evidence of the right of the appointee to exercise such rights.

30. Subsection (1) of section 24, section 37, subsections (1) and (3) of section 57, and sections 74, 75, 76, 77, 78, 79, 80, 81, 95, 96, 99, 130, 131, 148, and 186 of the Companies Act, 1908, and the regulations contained in Table A of the Second Schedule to that Act, are hereby excluded and shall not apply to any association.

31. Until the Board shall promulgate model regulations and by-laws under section 47 of the Act, the regulations set out in the Sixth Schedule hereto shall be deemed to have been so promulgated.

32. (1) If the directors of an association shall desire to grant an application by a member for a loan, a copy of the application, and of any valuation or report relating thereto, shall forthwith be forwarded by the secretary of such association to the Supervisor, with a request, in the form required by the Board, either generally or specifically, for an advance from the Board to the association of a sum sufficient to enable the association to grant the advance to its member.

(2) The Supervisor shall scrutinize every such application and supporting documents, and shall with all reasonable speed forward them to the Board, together with his report thereon.

(3) The Board shall consider every such application, and may either approve or disapprove the same, or approve the same subject to modifications or conditions; and shall notify the association of its decision, through the Supervisor.

(4) In the event of any modification or condition being required or imposed by the Board, and the same being accepted by the applicant, it shall be the duty of the Supervisor to see that the Board's requirements are duly carried into effect.

(5) Every association shall from time to time be supplied by the Commissioner with a list of valuers who may be employed for valuing securities submitted by its members.

(6) Upon the Board lending any moneys to an association under section 52 of the Act the association shall, if and as required by the Board, assign or mortgage to the Board the securities given to the association by its member in respect of the said loan, and shall also execute to the Board such security as the Board may require over any other assets of the association.

(7) The Board may retain out of any loan the costs or expenses of and in connection with any assignment, mortgage, or other security given by the association to the Board as aforesaid.

(8) Applications by associations for the approval of the Board of loans from banks or other financial institutions shall be made in such manner as the Board may from time to time require.

Loans under Part III of the Act.

33. (1) Every application shall be in such form as the Board may from time to time require, and shall be lodged with the Supervisor for the district in which the applicant resides; the applicant shall also from time to time furnish such further information as the Board or the District Board shall require.

(2) The applicant on lodging his application shall deposit with the Supervisor such amount as in the opinion of the Supervisor will be sufficient to cover the cost of valuation of the proffered security, but if the actual cost of valuation shall exceed the Supervisor's estimate the applicant shall pay the balance upon demand.

34. (1) Upon receipt of the valuer's report the application shall forthwith be submitted by the Supervisor to the District Board for consideration, and the District Board may (subject to any general or special instructions of the Board) either reject or approve such application, or postpone it for further consideration, or refer it to the Board for decision.

(2) The Board may from time to time direct that every application of a specified description or class shall be submitted to it for consideration before a loan is granted; and the District Board shall, after consideration, forward to the Board every such application, together with its recommendation thereon and all valuations, reports, and other information with reference thereto.

(3) The Board shall notify the District Board and the applicant, through the Supervisor, of its decision with regard to such application.

(4) All valuations shall be made by competent valuers approved by the Commissioner to value the particular class of property comprised in any application.

35. It shall be the duty of every person who applies for a loan under Part III of the Act, and of every proposed guarantor of such loan, to disclose to the Board, the Commissioner, the District Board, or the Supervisor, when so required, the nature of the consideration (if any) for the guarantee of such loan.

Loans to Co-operative Societies.

36. Every application by a co-operative society to be entered on the Board's register of co-operative societies, and every application for a loan by a co-operative society so registered, shall be in such form as the Board may require.

General as to Loans.

37. (1) It shall not be lawful for any person acting as solicitor or agent for any applicant for a loan from the Board or a District Board to charge any procuration fee in respect thereof.

(2) If any such fee is paid the applicant may recover the same in any Court of competent jurisdiction.

38. (1) All mortgages, instruments, and other deeds or documents securing repayment of loans made by the Board, or any District Board, or by any association

out of the moneys advanced to it by the Board, or discharging, renewing, or varying securities granted or assigned to the Board or any association, and also all deeds and other documents required for any of the purposes of the Board or District Boards, shall be prepared by such solicitors as the Commissioner may from time to time appoint.

(2) The scale of charges set out in the Fourth Schedule to these regulations shall constitute the scale of maximum charges to be paid to solicitors for the preparation, perusal, and completion of the mortgages, instruments, deeds, and other documents referred to in subparagraph (1) of this paragraph, or incidental to the transaction to which they relate, or in connection with the incorporation or registration of any association; and the Commissioner may from time to time reduce such charges, either generally or in a particular case.

(3) Such scale, with such modifications as the Commissioner directs, shall apply where the aforesaid legal work is done by the Office Solicitor or any other legal officer of the Public Trust Office, and in that case the costs received shall be paid into the Public Trustee's account.

39. Every Supervisor shall (subject to the direction of the Board) have power to sue in the name of the Board in any Court for any moneys owing to the Board, and to levy execution in respect of any judgment obtained by the Board; and the fact of any Supervisor so suing or levying execution shall be conclusive evidence of his authority to do so, and that he has received no direction of the Board to the contrary.

40. The Board or any District Board may, for the purpose of ensuring that loans are applied for the purpose for which the same are granted, itself pay out moneys for and on behalf of any borrower, or take such steps as it may think advisable to protect the interests of the Board in that behalf.

41. Except with the consent of the Board, no loan shall be granted to an applicant (not being a co-operative society) who is not the legal or equitable owner, or the lessee, of the land whereon the farming operations in respect of which he applies for a loan are carried on.

42. All securities for the time being held by a District Board or a Supervisor on behalf of the Board shall be properly safeguarded to the satisfaction of the Commissioner.

43. Every security for a loan on stock or chattels granted by the Board, or a District Board, or an association shall be in the form numbered 19 in the Fifth Schedule hereto, with such alterations as the Board may require.

44. Every guarantee of a loan granted by the Board, or a District Board, or an association shall be in the form numbered 20 in the Fifth Schedule hereto, with such alterations as the Board may require.

45. No advance shall be made against produce in a warehouse unless—

- (1) The warehouse is inspected and approved by or on behalf of the Board;
- (2) The storage contract between the warehouseman and the owner of the produce is in a form approved by the Board;
- (3) The warehouseman agrees with the Board that while any moneys are owing to the Board on the security of the said produce the Board may at any time and from time to time during business hours, by its officers or agents, inspect the warehouse and the said produce;
- (4) The owner endorses in favour of the Board and delivers to the Board any warrant or other receipt for the said produce, and in addition executes in favour of the Board an instrument by way of security under the Chattels Transfer Acts, 1924-25 (Reprint), over the said produce.

PART III.—DISCOUNTING PROMISSORY NOTES AND BILLS OF EXCHANGE.

46. To enable banks and approved financial institutions to afford financial assistance to farmers the Board may discount promissory notes and bills of exchange within and subject to the following limits and conditions:—

- (1) Such promissory notes or bills of exchange may be discounted at such rate as the Board may from time to time, either generally or in respect of any specific transaction, determine:

- (2) The holder of the promissory note or bill of exchange shall be a bank or financial institution approved by the Board :
- (3) The maker of the promissory note or acceptor of the bill of exchange shall be a farmer engaged in farming operations on his own account :
- (4) The promissory note or bill of exchange shall be endorsed to the satisfaction of the Board :
- (5) The Board shall not discount any promissory note or bill of exchange for the assistance of any individual farmer or partnership firm of farmers if the amount of such promissory note or bill of exchange, added to the amount of the indebtedness of that farmer or firm of farmers directly or indirectly to the Board in respect of advances made or assistance granted to that farmer or firm of farmers under the Act or these regulations, would (exclusive of interest) exceed the sum of £1,000.

PART IV.—FINANCE AND ACCOUNTS.

Accounts of the Board and District Boards.

47. The custody of moneys in the Rural Intermediate Credit Account or in the account of any District Board shall be entrusted to the Bank of New Zealand (hereinafter referred to as "the bank").

48. The withdrawal of moneys from the Rural Intermediate Credit Account in Wellington shall be effected only by cheques signed by the Commissioner or his deputy, and countersigned by the Chief Accountant or such other officer of the Board in Wellington as the Board may from time to time authorize, either generally or specifically.

49. The bank shall make up daily, at the close of business, the pass-book of the Rural Intermediate Credit Account in Wellington, and send it to the Commissioner.

50. In exercise of its powers under section 14 of the Act the Board may cause a branch bank account to be kept in the name of the District Board at any branch of the bank where a District Board is established, and all moneys paid to such District Board under section 62 of the Act shall be paid into such branch bank account.

51. Each such account in the name of a District Board shall be operated on only by cheques signed by the Supervisor, or by his deputy, or by any officer having authority to act in his absence, as the case may be, and countersigned by the District Accountant, or by such other officer as the Board may from time to time authorize, either generally or specifically.

52. The bank at which a District Board's account is kept shall make up daily, at the close of business, the pass-book of such account and send it to the Supervisor.

53. Any moneys payable to the Board, or to any District Board, may be paid at the office of the Board in Wellington, or at the office of any District Board, or at the Public Trust Office in any town where there is not a District Board's office, or may be lodged for credit of the Rural Intermediate Credit Account with such Postmasters as the Postmaster-General authorizes, and the amount of such lodgments shall be transferred to credit of the appropriate account in due course.

54. Amounts payable within the Dominion out of the Rural Intermediate Credit Account or any District Board's account may be forwarded to the office of the Board in Wellington, or to the office of any District Board, or to the Public Trust Office in any town where there is not a District Board's office, for payment, or may be sent to the Postmaster-General or to the Postmaster for the district in which any District Board is established, for payment at such towns or places as the Commissioner or the Supervisor requests and the Postmaster-General directs.

55. No claim on the Rural Intermediate Credit Board or on any District Board shall be paid until it has been, to the satisfaction of the Commissioner, or the Supervisor, or paying agent, proved and certified to be correct, as may be required by the Commissioner, and received by the claimant, or by the claimant's duly authorized agent; and until the signature of the payee has been attested, where such attestation is required by the Commissioner.

56. It shall not be necessary that any claims which, in the opinion of the Commissioner or Supervisor, are correct and payable out of the Rural Intermediate Credit Account, or the account of any District Board, shall be audited before they are paid, otherwise than by such officers of the Board as may be appointed to examine such accounts.

57. (1) Where a Native gives a special or general order it shall purport to be attested by a licensed Native interpreter, who shall certify in attesting that he has explained the order to the Native, and that the Native understood it: Provided that the Commissioner may dispense with any such attestation.

(2) It shall not be necessary for the Board or the Commissioner to ascertain whether the person so attesting is a licensed Native interpreter or not; and notwithstanding that it may afterwards be discovered that the person attesting was not a licensed interpreter, the order, and all acts and things done thereunder, shall be valid and effectual.

58. The Board and every District Board shall keep—

- (1) A cash-book, which shall be made up daily, and in which shall be entered all amounts received and all payments made by the Board, or by the District Board, as the case may be, except receipts and payments lodged or made at any post-office:
- (2) A journal (or a journal and sub-journals), in which shall be entered or recorded all transactions of the Board or District Board which are not entered in the cash-book.

59. In addition to the accounts required by the Act, the Board or the District Board concerned, as the case may be, shall keep—

(1) Accounts to record—

- (a) All advances to the Board out of the Consolidated Fund under sections 16, 18, and 19 of the Act;
- (b) All loans raised by the Board, whether loans secured by issue of debentures under section 20 of the Act or temporary loans raised under section 22 of the Act, distinguishing between the various loans as may be required by the Board;
- (c) All investments of the Board, distinguishing the different classes of investments as may be required by the Board;
- (d) All other expenditure, distinguishing the different classes of expenditure as may be required by the Board;
- (e) The income from investments, distinguishing the income from different classes of investments as may be required by the Board; and

(2) Such other accounts as the Minister directs or the Board requires.

Accounts of Rural Intermediate Credit Associations.

60. All moneys received by an association shall be paid into a bank account in the name of the association, to be kept at the branch of the Bank of New Zealand in the town where the registered office of the association is situated.

61. Such bank account shall be operated on only by cheques signed by at least one director and countersigned by the treasurer or secretary-treasurer.

62. Every association shall keep true and complete accounts in such a manner as to provide a full and faithful record of all its transactions, and of all the assets, credits, and liabilities of the association.

63. Such accounts shall be in the form required by the Board, and shall include—

- (1) A cash-book, in which shall be entered all amounts received and all payments made by the association:
- (2) A journal (or a journal and sub-journals), in which shall be entered or recorded all transactions of the association which are not entered in the cash-book:
- (3) Accounts to record—
 - (a) The share capital of the association, distinguishing between the subscribed capital, the uncalled capital, the capital called up but not paid, and the paid-up capital:

- (b) The liability of the association in respect of—
 - (i) Advances by the Board towards preliminary expenses, under section 18 of the Act ;
 - (ii) Advances by the Board to such association ; and
 - (iii) Advances by banks or other approved financial institutions to such association :
- (c) All investments of the association, distinguishing between—
 - (i) Investments representing the association's paid-up capital ;
 - (ii) Investments of the association's reserve fund ; and
 - (iii) Advances to its members :
- (d) All income received from—
 - (i) Investments of the association's paid-up capital ;
 - (ii) Investments of the association's reserve fund ; and
 - (iii) Advances to its members :
- (e) All expenses of the association, distinguishing between preliminary expenses of establishment and general working-expenses ; and furnishing such detail in relation to the expenses as may be required by the Board.

64. In addition to the books and accounts required by paragraphs 62 and 63 of these regulations, every association shall keep—

- (1) A minute book or books, in which shall be entered minutes of all resolutions and proceedings of general meetings of the association and of the directors, as required by section 154 of the Companies Act, 1908 ;
- (2) An application and allotment book, in the form numbered 2 in the Second Schedule hereto, in which shall be entered particulars of all applications for shares received by the association and of all shares allotted ;
- (3) A register of members and share register, in the form numbered 3 in the Second Schedule hereto, in which shall be entered the particulars required by section 100 of the Companies Act, 1908 ;
- (4) A register of transfers, in the form numbered 4 in the Second Schedule hereto, in which shall be entered particulars of every transfer of shares passed by the directors ;
- (5) A register of mortgages, in the form numbered 5 in the Second Schedule hereto, in which shall be entered particulars of all mortgages and charges specifically affecting property of the association, as required by section 129 of the Companies Act, 1908 ; and
- (6) If debentures are issued, a debenture register, in the form numbered 6 in the Second Schedule hereto, in which shall be recorded particulars of the debentures held by each debenture-holder, and of the interest due and paid thereon.

65. At the ordinary general meeting in every year, except the statutory meeting, the directors shall lay before the association a statement of the income and expenditure, and a balance-sheet (in the form prescribed by the Board, or as near thereto as circumstances will admit), containing a summary of the property and liabilities of the association, made up to a date not more than three months before the meeting, from the time when the last preceding statement and balance-sheet were made, and, in the case of the first statement and balance-sheet, from the incorporation of the association.

Debentures and Inscribed Stock.

66. In this part of these regulations "debenture" includes bonds or other like securities.

67. Every debenture for the sum of £100 or upwards shall be in the form numbered 7 in the Third Schedule hereto, or to the like effect ; but a debenture for the sum of £10, or any multiple thereof less than £100, may, if the Board thinks fit, be in the form numbered 8 in the said Third Schedule, or to the like effect.

68. Every series of debentures shall have a distinguishing letter, and every debenture of a series shall have a separate consecutive number.

69. Every debenture and every coupon attached thereto shall be transferable by delivery without assignment or endorsement, and shall entitle the bearer thereof to be paid according to the tenor thereof; but the delivery of a debenture shall not confer any title to any interest other than that represented by the coupons for the time being attached to that debenture, and the Board shall accordingly be entitled to pay direct to the original applicant for a debenture the interest for the broken period from the date of sale of that debenture to the first half-yearly date for payment of interest following the date of sale, if no coupon therefor has been issued.

70. The Board may provide that interest and principal of any series of debentures issued in New Zealand or in London shall be payable free of exchange within New Zealand or in London, as the case may be.

71. Interest on the debentures of any series may, at the option of the Board, be made payable on presentation of coupons attached thereto, or by any other method; and the Board may also direct that the interest on any debenture of a denomination of less than £100 shall be paid only on the expiration of the term of the debenture, with or without capitalization of such interest, and that any such debenture shall be repayable after a specified period computed from the actual date of sale.

72. An interest coupon will be sufficiently executed if it bears the lithographed signature of the member of the Board who has signed the debenture to which such coupon is attached.

73. If any interest coupon is lost, the Board may pay the interest to which the same relates upon such proof of loss, and subject to such terms as it may think fit.

74. If a debenture is not presented to the Board for payment on the date of maturity thereof, no interest shall accrue thereon after that date.

75. The Board may issue or sell debentures at a discount, provided that the lender does not thereby receive a return of more than £6 per centum per annum upon the money invested by him.

76. The Board may pay brokerage or commission on the sale of its debentures.

77. The expenses of issue of a series of debentures, including brokerage or commission on sale, may, in the discretion of the Board, be charged in full to the working-expenses of the Board for the year of issue, or be spread over the period of currency of the series.

78. The Board may consolidate or subdivide any debentures issued but not taken up.

79. Upon payment by the Board to the bearer of any debenture of all principal and interest owing thereunder the debenture shall be surrendered to the Board, and no formal discharge by the holder shall be necessary.

80. Every debenture surrendered to the Board, or otherwise requiring cancellation, shall be destroyed in the presence of an officer of the Board and a representative of the Controller and Auditor-General.

81. (1) Applications for debentures issued in the form numbered 7 in the Third Schedule hereto shall be delivered to the Commissioner, or to such other persons as the Board may from time to time direct, and shall be in writing in such form as the Board may prescribe.

(2) Applications for debentures issued in the form numbered 8 in the Third Schedule hereto may be made at any office of the Board, or at such other places as the Board may from time to time direct, without written application being necessary.

82. The Board shall keep registers of debentures as follows:—

(1) A register, in the form numbered 9 in the Third Schedule hereto, of all bonds issued in the form numbered 7 in the said Third Schedule; and

(2) A register, in the form numbered 10 in the Third Schedule hereto, of all debenture-certificates issued in the form numbered 8 in the said Third Schedule.

83. (1) The Board may, on application in the form numbered 12 in the Third Schedule hereto by the bearer of any debenture, accompanied by the debenture and a fee of 5s., cancel such debenture, and issue in exchange therefor inscribed stock of an equal nominal value, for the unexpired portion of the term of such debenture, and at the same rate of interest.

(2) For the purposes of these regulations "inscribed stock" or "stock" means the claim which any person has against the Board by virtue of an entry made pursuant to these regulations on the Board's register of inscribed stock in respect of any moneys borrowed by the Board from that person.

84. (1) There shall be constituted and kept by the Board a register of inscribed stock in the form numbered 11 in the Third Schedule hereto.

(2) The Board shall cause to be entered in the register a true and correct statement showing, with respect to every holder of inscribed stock under these regulations, all the particulars required by such form.

85. No notice of any trust in respect of any inscribed stock shall be entered in the register or be receivable by the Board; and no liability shall attach to the Board by reason of any express, implied, or constructive notice of any trust affecting any such stock.

86. (1) Any extract from the register, certified as correct by the Commissioner, shall for all purposes and in all Courts be conclusive evidence of the entry in the register to which such extract relates, as on the date when the extract was so certified.

(2) A fee of 2s. 6d. shall be paid to the Board for every such extract.

87. (1) It shall not be incumbent upon the Board to issue any stock-certificate in respect of any inscribed stock, but on inscription thereof the Board shall send to the registered holder an inscription certificate in the form numbered 13 in the Third Schedule hereto.

(2) Such certificate shall be neither negotiable nor transferable, and shall have no significance except as evidence of the original deposit for purposes of inscription.

88. (1) The Board shall, on application in the form numbered 14 in the Third Schedule hereto by the registered holder of any inscribed stock, accompanied by a fee of 2s. 6d., issue to him a certificate of title in the form numbered 15 in the Third Schedule hereto, signed by the Commissioner, certifying that the applicant is the registered holder of the inscribed stock mentioned therein (being the whole or any portion of the amount of stock of which he is the registered holder, and being an amount of £10 or multiple of £10).

(2) Any such certificate of title to inscribed stock shall be conclusive evidence of the ownership of the stock to which it relates by the person named therein as the holder.

(3) The transfer, whether by delivery, endorsement, or otherwise, of any such certificate of title to inscribed stock shall not operate as a transfer of the legal or equitable interest of the holder in the stock to which it relates. No dealings with any inscribed stock to which any such certificate of title relates shall be recorded by the Board until such certificate of title has been produced to the Board and cancelled by it: Provided that where any such certificate of title has been lost, destroyed, or mutilated, the Board, on evidence to its satisfaction by a statutory declaration of such loss, destruction, or mutilation, may, on such terms and subject to such conditions as it may require, issue a duplicate certificate, with the word "Duplicate" stamped or written thereon, and shall record such issue in the register accordingly.

(4) Every such duplicate shall have the same effect to all intents and purposes as the original certificate of title of which it is a duplicate.

(5) The Board shall enter in the register such particulars as it shall deem necessary with respect to the issue and cancellation of certificates of title under this regulation.

89. (1) The Board shall from time to time issue warrants for the payment of interest on stock inscribed under these regulations, and such warrants shall be signed and countersigned in the same manner as cheques drawn on the Rural Intermediate Credit Account.

(2) Every such warrant shall be in the name of the registered holder of the stock to which it relates, and shall be transferable as if it were a cheque payable to order within the meaning of the Bills of Exchange Act, 1908.

90. (1) The registered holder of any inscribed stock may, by memorandum of transfer in the form numbered 16 in the Third Schedule hereto, transfer to any other person the whole of such stock, or any portion thereof being an amount of £10 or multiple of £10.

(2) On application in that behalf to the Board, either by the registered holder or by the transferee, and on production to it of a duly executed memorandum of transfer, together with a transfer fee of 5s., the Board shall enter on the register the name of the transferee as the registered holder of the stock to which the memorandum of transfer relates.

(3) Every such entry shall operate as a transfer of the stock to which it relates, and shall vest in the transferee that stock and all interest accrued thereon from the last date of payment of interest.

(4) No transfer of stock shall be made if and so long as any certificate of title is outstanding in respect of such stock, unless the amount of stock proposed to be transferred is not more than the amount standing in the register and unaffected by the outstanding certificate or certificates.

(5) On registration of any transfer the Board shall send to the transferee an inscription certificate in the form numbered 17 in the Third Schedule hereto.

(6) Such certificate shall be neither negotiable nor transferable, and shall have no significance except as an acknowledgment of the registration of the transfer.

91. When the right to any stock is acquired by any person on the death or bankruptcy of the registered holder, or under a writ of execution, or in any manner other than by way of transfer under the last preceding regulation, the Board, on application by or on behalf of the person entitled, together with a fee of 5s., and on being satisfied that he is legally entitled to be registered as the holder of the stock, shall enter his name in the register as the holder of such stock accordingly.

92. (1) The Board may, on application in the form numbered 18 in the Third Schedule by the registered holder of any inscribed stock, issue in exchange therefor debentures of an equal nominal value, having the same currency and bearing the same rate of interest as such stock.

(2) The applicant shall lodge with his application a fee of 5s., and also the cost of printing such debentures.

(3) Upon the issue of such debentures the Board shall cancel the entry in the register of inscribed stock relating to the stock in exchange for which such debentures shall have been issued.

PART V.—MISCELLANEOUS.

93. The Board may in its absolute discretion remit interest or grant extensions of time for payment of interest on, or other indulgences in respect of, any loan; and may compound with any person indebted to the Board for the whole or any part of his indebtedness.

94. If any matter shall arise for which no provision is made in these regulations the Board may deal with the same in such manner as it shall think fit, but so as not to conflict with any express provision of the Act.

95. Every person guilty of an offence against these regulations shall be liable on conviction to a fine not exceeding £5.

SCHEDULES.

FIRST SCHEDULE.

FORM No. 1.

DECLARATION OF FIDELITY AND SECRECY.

I, [*Full name*], of _____, do hereby solemnly and sincerely declare that I will truly and faithfully, according to the best of my skill and ability, perform the duties imposed upon me in my capacity as (1) a member of the _____ District Rural Intermediate Credit Board, or (2) an officer of the Rural Intermediate Credit Board, and that in the performance of my said duties I will hold myself bound to maintain and aid in maintaining the secrecy of all matters coming to my knowledge appertaining

FORM NO. 5.

REGISTER OF MORTGAGES.

Folio No.

Date of Instrument creating Charge.	Nature of Instrument and Particulars.	Amount of Charge created.	Short Particulars of Property charged.	Particulars of Persons entitled to charge.		
				Names.	Occupations.	Addresses.
		£ s. d.				

FORM NO. 6.

DEBENTURE REGISTER.

Name : Occupation : Address : Folio No.
 Debentures repayable : Interest payable at per cent.

Date.	Particulars.	Board Minute Folio.	Transfer No.	Issue.	Distinctive Nos.		Number of Debentures held.	Folio.	Debenture Account.		Value of Debentures held.	Interest Account.							
					From	To			Dr.	Cr.		Interest paid.			Interest due.				
												Date.	C.B. Folio.	Amount.	Date.	Folio.	Amount.		

FORM NO. 7.

THIRD SCHEDULE.

Bond No. £

THE RURAL INTERMEDIATE CREDIT BOARD.

BOND for £ out of an issue of £ of Series issued by the Rural Intermediate Credit Board (hereinafter referred to as "the Board") pursuant to authority conferred by an Act of the General Assembly of New Zealand intituled the Rural Intermediate Credit Act, 1927 (hereinafter referred to as "the said Act").

ON PRESENTATION of this bond at the office of the Board at Wellington, or at any branch of the Bank of New Zealand in New Zealand, on the day of , 19 , the bearer hereof will be entitled to receive the sum of pounds.

On presentation at any of the aforesaid places of the respective coupons hereto attached, on the dates mentioned thereon, the bearer thereof will be entitled to receive interest on the amount of this bond at the rate of per centum per annum, payable half-yearly on the day of and the day of in every year during the currency of this bond.

This bond is issued subject to and with the benefit of the conditions endorsed hereon, which are to be deemed part hereof.

Dated and issued at Wellington under the seal of the Board, and signed by one member of the Board acting on behalf of and by direction of the Board, this day of , 19 .

[L.S.]

.....
 A Member of the Board.

Countersigned—

.....
 An officer of the Public Trust Office authorized in that behalf by the Public Trustee.

N.B.—The holder of this bond has no claim in respect thereof upon the Government or public funds or revenues of New Zealand; nor upon the Public Trustee, who acts only as checking officer under section 23 (2) of the said Act.

THE CONDITIONS WITHIN REFERRED TO.

1. All debentures, bonds, and other like securities issued by the Board constitute a floating charge on all the assets of the Board, and the security created by such charge shall be available, *pari passu*, for all holders of such debentures, bonds, and other like securities without priority or preference amongst themselves, and without regard to the respective

dates on which they may be issued; and, in the event of the appointment of a receiver under section 32 of the said Act, shall have priority over all claims by the Crown in respect of moneys advanced to the Board from the Consolidated Fund. (*Vide* section 20 (2) of the said Act.)

2. This bond will on tender hereof by the holder be accepted by the Board in repayment, to the extent of the nominal value hereof, of any loan granted by the Board. This bond, and all current and future interest coupons must in such case be surrendered to the Board, and interest will be paid by the Board to the date of the surrender only.

3. The surrender of this bond and of each interest coupon to the Board shall be a good discharge to the Board for the principal moneys and interest therein respectively specified.

4. If this bond is not presented to the Board for payment on the date of maturity, interest will cease to be payable hereon after that date.

5. This bond and all interest coupons attached are respectively transferable by delivery, without assignment or endorsement; and the Board accordingly will, on presentation in the manner prescribed on the face hereof, pay the principal and interest thereby secured to the bearer thereof respectively.

6. In any of the contingencies mentioned in section 32 of the said Act (including default in payment of principal or interest) the holder of this bond may petition the Supreme Court for the appointment of a receiver of the assets of the Board.

RURAL INTERMEDIATE CREDIT BOARD.

Interest coupon No.

Bond No.

ON PRESENTATION of this coupon on or after the _____ day of _____, 19____, at the office of the Board at Wellington, or at any branch of the Bank of New Zealand in New Zealand, the bearer will be entitled to receive the sum of _____, being six months' interest at _____ per centum per annum on the bond of which the number is mentioned hereon.

£

.....
A Member of the Rural Intermediate Credit Board.

FORM No. 8.

Debenture-certificate No.

Amount : £

Amount payable on maturity, including interest : £

THE RURAL INTERMEDIATE CREDIT BOARD.

DEBENTURE-CERTIFICATE for £ _____ out of an issue of £ _____ of Series _____ issued by the Rural Intermediate Credit Board (hereinafter referred to as "the Board") under the Rural Intermediate Credit Act, 1927 (hereinafter referred to as "the said Act").

ON PRESENTATION at any office of the Board in New Zealand, or at any branch of the Bank of New Zealand in New Zealand, _____ years after the date of purchase mentioned at the foot hereof, the bearer hereof will receive from the Board the sum of _____ pounds, together with the sum of _____ for interest at the rate of _____ per centum per annum (compounded with [yearly] rests) making a total amount of _____

This debenture-certificate is issued subject to and with the benefit of the conditions endorsed hereon, which are to be deemed part hereof.

Issued at Wellington under the seal of the Board, and signed by one member of the Board acting on behalf of and by direction of the Board.

[L.S.]

.....
A Member of the Board.

Countersigned—

.....
An officer of the Public Trust Office authorized in that behalf by the Public Trustee.

N.B.—The holder of this debenture-certificate has no claim in respect thereof upon the Government or public funds or revenues of New Zealand; nor upon the Public Trustee, who acts only as checking officer under section 23 (2) of the said Act.

Date of purchase :

Selling Officer :

THE CONDITIONS WITHIN REFERRED TO.

1. All debentures, bonds, debenture-certificates, and other like securities issued by the Board constitute a floating charge on all the assets of the Board, and the security created by such charge shall be available, *pari passu*, for all holders of such debentures, bonds, debenture-certificates, and other like securities without priority or preference amongst themselves, and without regard to the respective dates on which they may be issued; and, in the event of the appointment of a receiver under section 32 of the said Act, shall have priority over all claims by the Crown in respect of moneys advanced to the Board from the Consolidated Fund. (*Vide* section 20 (2) of the said Act.)

2. This debenture-certificate will on tender hereof by the holder be accepted by the Board in or towards repayment of any loan granted by the Board, and in such case upon the surrender hereof the Board will credit the holder with the amount of principal mentioned on the face hereof, together with interest thereon from the date of purchase to the date of surrender, compounded (yearly) at the rate mentioned on the face hereof.

3. The surrender of this debenture-certificate to the Board shall be a good discharge to the Board for the principal moneys and interest herein specified.

4. If this debenture-certificate is not presented to the Board for payment on the date of maturity, interest will cease to be payable hereon after that date.

5. This debenture-certificate is transferable by delivery, without assignment or endorsement, and the Board accordingly will, on presentation in the manner prescribed on the face hereof, pay the principal and interest hereby secured to the bearer hereof.

6. In any of the contingencies mentioned in section 32 of the said Act (including default in payment of principal or interest) the holder of this debenture-certificate may petition the Supreme Court for the appointment of a receiver of the assets of the Board.

FORM No. 10.

REGISTER OF DEBENTURE-CERTIFICATES ISSUED.

Series Certificates of £ Currency : Interest at £ per cent.

Certificate No.	Date of Issue.	Where issued.	Principal Amount of Certificates.	Amount of Interest to Maturity Date.	Total Amount payable on Maturity.	Accrued Interest to First Half-yearly Balance.		Date of Maturity.	Repayments.			Remarks.
						Date : : 19 .			Nos. of Certificates.	Date.	Amount.	
						Date.	Amount.					
			£ s. d.	£ s. d.	£ s. d.		£ s. d.				£ s. d.	

FORM No. 11.

REGISTER OF INSCRIBED STOCK.

Name of loan : Date of maturity : Rate of interest : Dates interest payable : Inscription No.
 Registered holder : Surname : Christian name : Address :

Date.	Transfer No.	Particulars.	Inscription No.	Amount Transferred.	Balance.	Date.	Transfer No.	Particulars.	Inscription No.	Amount Incribed.
				£ s. d.	£ s. d.					£ s. d.

FORM No. 12.

APPLICATION FOR CONVERSION OF BONDS INTO INSCRIBED STOCK.

19 .

To the Commissioner of Rural Intermediate Credit, Wellington.
 IN accordance with the Rural Intermediate Credit Regulations, I [We] of [Address], [Occupation], being the holder of per-cent. bonds as under, to the amount of pounds, do hereby make application for the conversion of such bonds into per-cent. inscribed stock as from in accordance with and subject to the provisions of the said regulations.
 The prescribed fee of 5s. is enclosed herewith.

Date of Maturity of Bonds.	Numbers.	Denomination.	Amount.
		£100	£
		£250	£
		£500	£
		£1,000	£
		£	£
			£

[Signature.]

NOTE.—Separate forms should be used where the bonds do not bear interest at the same rate, or do not mature on the same date.

CONVERSION OF RURAL INTERMEDIATE PER-CENT. BONDS.

RECEIVED from , per-cent. bonds issued under the Rural Intermediate Credit Act, 1927, dates of maturity, numbers, and amounts being as follows :—

Date of Maturity of Bonds.	Numbers.	Denomination.	Amount.
		£100	£
		£250	£
		£500	£
		£1,000	£
		£	£
			£

To be converted into inscribed stock in the name of

For the Commissioner of Rural Intermediate Credit :

[DATE-STAMP.]

N.B.—This receipt must be carefully preserved, as in the meantime it constitutes evidence of ownership; but it is not negotiable or transferable.

FORM No. 13.

RURAL INTERMEDIATE CREDIT INSCRIBED STOCK.

Inscription No. :

Office of the Rural Intermediate Credit Board,
Wellington, 19 .

RECEIPT is hereby acknowledged of Bonds Nos. , of a total nominal value of £ , for conversion into per-cent. Rural Intermediate Credit Inscribed Stock maturing , which amount has this day been duly recorded in the Inscription Register in the name of , of [Address], [Occupation].

Interest is payable half-yearly on .

This document is neither negotiable nor transferable, and has no significance except as evidence of the deposit of the bonds for purposes of inscription.

.....
Commissioner of Rural Intermediate Credit.

FORM No. 14.

APPLICATION FOR CERTIFICATE OF TITLE.

To the Commissioner of Rural Intermediate Credit, Wellington. 19 .

IN accordance with the provisions of the Rural Intermediate Credit Regulations, I [we] hereby make application for a certificate of title relating to the inscribed stock of which I am [we are] the holder.

The fee of 2s. 6d. payable for the certificate is enclosed herewith.

Inscription No. :

Signature :

Date of maturity :

Postal address .

FORM No. 15.

RURAL INTERMEDIATE CREDIT INSCRIBED STOCK
(under the Rural Intermediate Credit Regulations).**CERTIFICATE OF TITLE.**

Inscription No. :

C/T. No.

Office of the Rural Intermediate Credit Board,
Wellington, 19 .

£

THIS IS TO CERTIFY that of is the registered owner of pounds (£) of per cent. Rural Intermediate Credit Inscribed Stock, maturing , which amount has been duly inscribed in the Inscription Register of the Rural Intermediate Credit Board under the name and address mentioned above.

This certificate is conclusive evidence of the ownership of the stock to which it relates, but the transfer of this certificate, whether by delivery, endorsement, or otherwise, shall not operate as a transfer of the legal or equitable interest of the registered owner in the stock to which it relates.

The Board will not transfer or allow any dealings in the stock to which this certificate relates without the production and surrender of this certificate.

Entered Register folio :

.....
Commissioner of Rural Intermediate Credit.

FORM No. 16.

Transfer No.

MEMORANDUM OF TRANSFER OF RURAL INTERMEDIATE CREDIT INSCRIBED STOCK.

(To be stamped at the Stamp Office before being sent to the Board.)

I [We], [Names in full], of [Address], [Occupation], do hereby assign and transfer as from this date, by way of sale [or gift] the sum of pounds,* Rural Intermediate Credit Stock inscribed in my [our] name under the Rural Intermediate Credit Regulations, and all my [our] property, right,

and interest in and to the said stock and dividends thereon unto [Names in full], of [Address], [Occupation], his [their] executors, administrators, or assigns; and the Rural Intermediate Credit Board is hereby requested to transfer the same.

Inscription No : Date of maturity :
The prescribed transfer fee of 5s. is enclosed herewith.
As witness my [our] hand, this day of 19 .

† Witnessed by
Occupation :
Address :

For Use of the Board.

Notice to transferor :
Reg. folio :
Cert. of title cancelled :
Passed :
Entd. by : Date :

* Must be a multiple of £10.

† The signature of the transferor must be witnessed either by a solicitor, Magistrate, Justice of the Peace, District Public Trustee, District Manager or District Accountant of any branch of the Public Trust Office, public or registered accountant, Postmaster, bank inspector, bank accountant, bank manager, or member of any Stock Exchange registered in New Zealand.

The affixing of the common seal of a company must be witnessed by not less than two directors or by one director and the secretary to the company.

I [WE], [Names in full], of [Address], [Occupation], do hereby agree to accept the said Rural Intermediate Credit Inscribed Stock, and the Board is hereby requested to transfer the same to my [our] name as from the date specified above.

Dated this day of 19 .

[Signature of transferee.]

For use of the Board.

Reg. folio :
Entd. by : Date :
Inscr. cert. posted :
Cert. of title posted :

NOTES.—(1) All alterations, interlineations, or erasures must be initialled by both transferor and transferee.

(2) This transfer vests in the transferee all interest in the stock transferred, from the last half-yearly date for payment of interest; and accordingly such interest should be apportioned, if necessary.

FORM No. 17.

RURAL INTERMEDIATE CREDIT INSCRIBED STOCK.

Inscription No :

Office of the Rural Intermediate Credit Board,
Wellington, 19

PURSUANT to application made in that behalf, I have this day recorded in the Inscription Register the transfer of pounds (£) of per cent. Rural Intermediate Credit Inscribed Stock, maturing , from the name of of [Address], [Occupation], to the name of of [Address], [Occupation].

Interest is payable half-yearly on .

This document is neither negotiable nor transferable, and has no significance except as evidence of the registration of the above-mentioned transfer.

Commissioner of Rural Intermediate Credit.

To .

FORM No. 18.

APPLICATION FOR CONVERSION OF INSCRIBED STOCK INTO DEBENTURES.

19 .

To the Commissioner of Rural Intermediate Credit, Wellington.

In accordance with the Rural Intermediate Credit Regulations, I [we] of [Address], [Occupation], being the holder of per cent. Rural Intermediate Credit Inscribed Stock to the amount of pounds (£) maturing , hereby make application for the conversion of such inscribed stock into per cent. bonds maturing on the same date as such stock, as from , in accordance with and subject to the provisions of the said regulations.

The prescribed application fee of 5s., and the sum of £ , being the cost of printing the bonds, are enclosed herewith.

Inscription No. :

[Signature.]

FOURTH SCHEDULE.

SCALE OF MAXIMUM LEGAL CHARGES.

(A) LOANS UNDER PARTS II AND III OF THE ACT.

1. Instruments by Way of Security.

	£	s.	d.
(1) Searching chattels register-book and preparing, completing, and registering instrument (including affidavit of execution), and incidental searches of titles to land—			
For an advance not exceeding £250	2	2	0
For an advance exceeding £250 but not exceeding £500	2	12	6
For an advance exceeding £500 but not exceeding £1,000	3	3	0
(2) Preparing and completing any memorandum of satisfaction (including affidavit of execution)	1	1	0
(3) Preparing, completing, and registering transfer of any instrument (including affidavit of execution)	1	1	0

2. Mortgages.

(1) Searching title and preparing, completing, and registering mortgage—			
(a) Deed of mortgage of freehold or leasehold or of personal property (including all necessary notices)—			
For an advance not exceeding £250	2	2	0
For an advance exceeding £250 but not exceeding £500	2	12	6
For an advance exceeding £500 but not exceeding £1,000	3	3	0
(b) Memorandum of mortgage of freehold or leasehold—			
For an advance not exceeding £250	1	11	6
For an advance exceeding £250 but not exceeding £500	2	2	0
For an advance exceeding £500 but not exceeding £1,000	2	12	6
(2) Preparing and completing release or discharge of any mortgage	1	1	0

3. Guarantees.

Preparing, completing, and stamping guarantee	0	10	6
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4. Formation of Associations.

Preparing memorandum and articles of association, and all documents required by Registrar of Companies in connection with registration, and stamping and registering same	6	6	0
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5. Debentures from an Association to the Board.

Preparing, completing, and stamping debenture	2	2	0
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(B) LOANS UNDER PART IV OF THE ACT.

1. Instruments by Way of Security.

For the matters set out in (A) I (1) of this scale—			
For an advance not exceeding £1,000	3	3	0
Where the advance exceeds £1,000, for every additional £1,000 or part of £1,000	0	10	6
For matters set out in (A) I (2) of this scale	1	1	0

2. Guarantees.

Preparing, completing, and stamping guarantee or guarantees—			
For an advance not exceeding £1,000	1	1	0
For an advance over £1,000	2	2	0

(C) GENERAL.

With reference to all matters mentioned under the above headings (A) and (B)—

1. The usual cash disbursements may be charged in addition.
2. No additional charge may be made on account of any deed being expressed to secure further advances.
3. When collateral securities are taken, the instrument by way of security shall be considered the principal security; and fees on every other security shall be charged at half the rates above mentioned. In any other case the principal deed shall be the one which includes the property of the greatest value, and other securities shall be charged for at half-rates.
4. When collateral securities are released full fees may be charged on one release and half fees on every other release.
5. Agency charges incurred according to the scale approved by the New Zealand Law Society on the 19th July, 1920, may be charged in addition to the above.

FIFTH SCHEDULE.

FORM No. 19.

A.

[This is the paperwriting marked "A" referred to in the affidavit of _____ annexed hereto and sworn at _____ the day of _____, 19____, before me _____ a Solicitor of the Supreme Court of New Zealand, or a Justice of the Peace for the Dominion of New Zealand.]

THIS DEED made the _____ day of _____ 19____ between [Full name and address and occupation of each grantor] (hereinafter called "the grantor" which expression shall where not inconsistent with the context include* each of the parties aforesaid and _____ executors administrators and assigns) of the one part and the Rural Intermediate Credit Board a body corporate established by "The Rural Intermediate Credit Act, 1927" (hereinafter called "the Board" which expression shall where not inconsistent with the context include its successors agents and assigns) of the other part.

Whereas the grantor is [are] the true owner and in possession of the stock and chattels described in the First Schedule hereto and has applied to the Board for a loan thereon :

Now this deed witnesseth that in consideration of the sum of £ _____ lent to the grantor by the Board (the receipt of which sum is hereby acknowledged) and of such "further advances" as the Board in its absolute discretion may make to the grantor the grantor do hereby assign transfer and set over unto the Board all and singular the stock and chattels mentioned and described in the First Schedule hereto the said stock being branded earmarked and/or marked as follows† :—

Brand or Mark.	Earmark.	
	Males.	Females.

And also all and singular the stock which shall at any time hereafter during the continuance of this security be in upon or about or belonging to the lands and premises mentioned in the First Schedule hereto or any other lands which may now or hereafter during the continuance of this security belong to or be used or occupied by the grantor whether worked in conjunction with the lands mentioned in the First Schedule hereto or otherwise And also any other stock which may now or shall at any time hereafter during the continuance of this security belong to the grantor wherever the same may be depasturing And all the natural increase of any of the said stock And all the wool which shall during the continuance of this security grow upon any sheep comprised in or for the time being bound by this security and that both before and after such wool is shorn And all the milk which shall be produced during the continuance of this security from any cows comprised in or for the time being bound by this security (excluding however the milk used or required by the grantor for personal or household consumption) And also the said brands earmarks and marks shown above being the registered brands earmarks and marks of the grantor and the exclusive right to use the same for branding or marking stock as well as all instruments for the time being and from time to time used by the grantor for branding earmarking or marking stock And also the crops now sown or grown or to be sown in or upon the lands and premises of the grantor mentioned in the First Schedule hereto And also all stock and chattels whatsoever which shall hereafter be acquired by the grantor whether in addition to or in substitution for the stock and chattels described in the First Schedule hereto or any of them and shall be used in or about the business for the time being carried on or to be carried on by the grantor upon the lands mentioned in the said First Schedule or any other lands as aforesaid To hold unto the Board by way of mortgage for securing the payment by the grantor to the Board of the said principal sum of _____ and all "further advances" from time to time made by the Board to the grantor upon demand together with interest thereon at the rate of _____ per centum per annum computed as to the said principal sum from the _____ day of _____ 19____ and as to any such "further advances" from the time or times of making the same respectively Provided always that nothing herein contained shall render it obligatory upon the Board to make any "further advance."

And this deed also witnesseth that it is hereby covenanted agreed and declared by and between the parties hereto as follows :—

1. The grantor will "upon demand pay the balance due upon the account current between them" the grantor and the Board.

2. Until the Board shall make demand for payment of the principal moneys hereby secured the grantor shall pay the interest hereinbefore mentioned by equal half-yearly payments on the day of the months of _____ and _____ in every year upon which dates the said interest if unpaid shall become chargeable with interest as upon further advances.

3. Until the Board shall make demand for payment of the principal moneys hereby secured the grantor will pay to the Board in and towards payment of the said principal moneys the following sums upon the following dates that is to say :—

Provided that nothing in this covenant contained shall be construed to prejudice or limit the right of the Board at its pleasure to demand at any time the payment of all moneys for the time being secured by this instrument.

* When there is only one grantor the words "each of the parties aforesaid and" are to be struck out.
 † No instrument must be executed until both the proper brand and earmark have been inserted.

4. The grantor "will insure" all chattels plant and implements (excepting live-stock) and also "will insure" within the meaning given by statute to that expression as modified hereby all wool from sheep's back to its sale destination and all meat from its killing to its sale destination and the meaning given by statute to the said expression is extended accordingly so far as relates to such wool and meat.

5. The grantor will brand earmark and mark with the brands earmarks and marks of the grantor mentioned in this instrument such of the stock mentioned and described in the First Schedule hereto as are not already so branded earmarked or marked and also all stock which during the continuance of this security shall be brought by the grantor upon the lands mentioned in the First Schedule hereto or upon any other lands that are now or at any time hereafter shall be the property of or occupied or used by the grantor and any other stock which shall at any time hereafter belong to the grantor wherever the same may be depasturing and also the natural increase of any of the said stock. The words "will brand earmark and mark" herein used shall have the meaning assigned to them by statute with such extension as is hereby given to them.

6. The grantor will not (whether in the ordinary course of business or not) sell or dispose of or mortgage charge or otherwise encumber the stock and chattels for the time being comprised in this security or any of them or the produce of any such stock or remove any of the same from the lands and premises mentioned in the First Schedule hereto without the previous consent in writing of the Board and the proceeds of every sale shall unless the Board otherwise directs be paid by the purchaser to the Board.

7. All moneys which may be received by the Board on behalf of the grantor by reason of the sale of stock produce crops or other chattels shall be credited in reduction of the indebtedness for the time being of the grantor to the Board notwithstanding the fact that the Board may not have demanded payment of the said indebtedness.

8. This security shall be deemed to be a running and continuing security irrespective of any sums which may from time to time be paid to the credit of the account current of the grantor with the Board and notwithstanding that such account may appear at any time to be in credit and notwithstanding any settlement of account or the release or discharge of any security or mortgage collateral herewith or any other matter or thing whatsoever this security shall remain in full force and effect and shall not be deemed to have been released or discharged or in any way vacated until a memorandum of satisfaction thereof shall have been executed by the Board.

9. The books of the Board shall be *prima facie* evidence of the amount for the time being owing on the security of these presents and of all other particulars entered in such books and shall be admissible as evidence accordingly in all Courts of justice and before all persons acting judicially.

10. If any of the stock for the time being subject to this security shall die or be lost the grantor will forthwith replace the same with other stock of like nature and equal value.

11. The grantor will yearly and every year or otherwise from time to time when required so to do by the Board execute and give to the Board a proper lien or other security in such form as the Board shall require over the wool growing or to grow upon the sheep hereby assigned or for the time being subject to this security and/or over the crops grain or grass-seed or other produce or chattels grown or raised upon the lands mentioned in the First Schedule hereto or any other lands and premises now or hereafter owned occupied or used by the grantor whether worked in conjunction with the lands mentioned in the First Schedule hereto or otherwise with a view to collaterally securing the moneys intended to be hereby secured such lien or other security to be prepared by the solicitor for the Board at the expense of the grantor and to contain such covenants provisoes and conditions for the protection of the Board as the Board's solicitor shall think fit.

12. The grantor will maintain the dairy stock for the time being subject to this security at the highest standard of efficiency and for that purpose will retain annually at least twenty per centum of the best of the heifer calves (progeny of such stock) and rear them in accordance with the best practice of dairy-farming.

13. The grantor if and so often as the Board shall in writing so require will muster the stock for the time being subject to this instrument and whenever required will render and deliver to the Board such returns in writing as the Board may require relative to the said stock and the chattels for the time being subject to this instrument.

14. The grantor if and whenever so required by the Board will deliver all milk and cream the produce of the cows for the time being subject to this security (excluding the milk and cream required by the grantor for personal or household consumption) to such company or firm as the Board shall appoint and will assign to the Board the moneys from time to time payable by such company or firm therefor and will from time to time if the Board shall so desire sign and deliver to the Board an irrevocable order or orders on such company or firm for the payment of the said moneys to the Board.

15. If the grantor shall fail or neglect to pay any rent rates land-tax interest or other moneys in respect of any land upon which any stock or chattels for the time being subject to this instrument may be it shall be lawful for the Board to pay the same or any part thereof and any moneys which shall be expended by the Board for that purpose shall be deemed to be a further advance to the grantor hereunder and shall be secured accordingly.

16. If and whenever the Board shall become entitled to exercise the power of sale herein implied the Board may at any time and from time to time at its discretion at the expense in all things of the grantor remove the stock and chattels for the time being subject to this security or any of them to such place or places as the Board may deem most convenient for the purpose of any sale or resale in exercise of the said power of sale.

17. The powers directed by "The Chattels Transfer Acts 1924-25 (Reprint)" to be implied in every instrument by way of security over crops to ship and export the same for sale beyond New Zealand and incidental and subsidiary powers shall be deemed to extend and apply to all meat butter cheese crops and farm produce of every kind (other than wool) which may be subject to this instrument. Provided that nothing in this paragraph contained shall be deemed to prejudice or limit the powers implied herein by virtue of the said Act with reference to any wool which may be subject to this instrument.

18. No delay or omission on the part of the Board to enforce any covenant or exercise any power hereby conferred shall imply a waiver thereof nor shall the Board be responsible for any loss which may happen by reason of the non-exercise of any such power or by reason of the premature exercise thereof if the Board or its agent at the time of the exercise of such power shall believe that the Board is entitled to exercise the said power.

19. The securities mentioned in the Second Schedule hereto are held by the Board to collaterally secure the moneys owing hereunder or such part thereof as is shown in the said schedule.

20. All costs charges and expenses incurred by the Board in or about the preparation execution registration or renewal of registration of these presents or of any security collateral herewith or in or about the exercise or attempted exercise of any right power or remedy conferred upon the Board by law or by these presents shall be paid by the grantor to the Board upon demand and until payment shall be secured as a further advance by these presents and shall bear interest accordingly computed from the time or times when the same shall be incurred.

21. All covenants provisoes agreements powers and provisions directed by "The Chattels Transfer Acts 1924-25 (Reprint)" to be implied in instruments or in instruments by way of security or in instruments by way of security over stock crops or wool shall be implied herein so far as the same are applicable with such variations and modifications only as are required by the express provisions of these presents.

22. All rights powers remedies and discretions conferred by these presents or by statute upon the Board in relation to the stock and chattels subject to this instrument may be exercised on behalf of the Board by the Commissioner of Rural Intermediate Credit or by the District Intermediate Credit Supervisor for the district in which the said lands and premises are situate.

23. The words "upon demand" whenever used herein shall not have the meaning given to them by statute but shall mean upon demand being made by notice in writing signed by the Board or the said Commissioner or the said District Intermediate Credit Supervisor or any solicitor agent clerk or servant of the Board and served upon the grantor either personally or by posting the same either as an ordinary or as a registered letter in an envelope addressed to [him] at [his] usual or last known place of abode in New Zealand. Any such notice if posted shall be deemed to have been served on the day on which it would in the ordinary course of post be delivered at its address or at the post-office nearest thereto. Service of any such notice upon any one of the persons by whom any money shall be payable hereunder shall be deemed to be service of the same upon the other or others of them.

24. The Board may simultaneously with the making of a demand as aforesaid enter upon any lands and premises upon which the stock and chattels for the time being subject to this security or any of them may be or may be supposed to be and take possession of the same and exercise all or any of the powers hereby expressly or impliedly conferred upon the Board without waiting any period of time whatsoever any rule of law or equity to the contrary notwithstanding.

25. And this deed further witnesseth that for the consideration aforesaid the grantor do hereby irrevocably while any moneys shall remain owing on the security of these presents nominate constitute and appoint the said Commissioner and the said District Intermediate Credit Supervisor to be the joint and several attorneys of the grantor for and in the name or otherwise on behalf of the grantor to do execute and perform all and every act matter deed and thing which the said attorneys or attorney may deem necessary or expedient for more fully and perfectly assigning to the Board or to any purchaser from the Board the stock and chattels for the time being subject to this security or intended so to be including any stock or chattels which may be reduced into possession by the Board pursuant to the powers in that behalf herein contained expressed or implied or for performing or carrying into effect any covenant by the grantor herein contained expressed or implied.

In witness whereof the said parties hereto have executed these presents the day and year first before written.

THE FIRST SCHEDULE HEREINBEFORE REFERRED TO.

All the stock and chattels the property of the grantor now in upon or used by the grantor in connection with or intended to be depastured or kept on th parcel of land situate at or near [Locality] being [Insert precise description of land, mentioning section numbers (and reference to certificate of title, if under Land Transfer Act)] and including by way of further description only and not by way of limitation the following [Describe as fully as possible, giving name of maker, horse-power, &c., of implements, &c., and number, age, sex, breed, colour and name of and any other means of identifying stock].

THE SECOND SCHEDULE HEREINBEFORE REFERRED TO.

Date.	Names of Parties.	Nature of Security.	Amount secured.

Signed by the above-named in the presence of—

.....Grantor.

[Witness's name, occupation, and address.]

FORM NO. 20.

GUARANTEE FORM.

(To be used when the guarantee is to be signed by one person only as guarantor.)

To the Rural Intermediate Credit Board.

IN CONSIDERATION of your accepting and acting on this guarantee and of all or any advances or advance made either at the time of your receiving this guarantee or at any time afterwards to [*Name and description of individual or company guaranteed*] of (hereinafter called "the principal debtor(s)") (or any or either of them) and in consideration of your forbearing for one day to press for payment of past advances (if any) by you to the principal debtor(s) (or any or either of them) or of any one or more of the aforesaid considerations (without prejudice to your proving any consideration not hereinbefore stated) I the undersigned [*Name, address, and occupation of guarantor*] of hereby agree with you as follows:—

1. I guarantee payment to you on demand of all sums of money whatsoever in which the principal debtor(s) (or any or either of them) either alone or jointly with any other person now is (are) or may at any time become indebted or liable to you with interest and all costs and expenses which you may incur in enforcing any security for or obtaining payment of all or any part of the moneys hereby guaranteed or in perfecting or protecting any security held by you in respect of the moneys hereby guaranteed or any part thereof And I understand and agree that interest shall be chargeable at the rate agreed on between you and the principal debtor(s) and shall continue to be chargeable until all moneys hereby guaranteed are fully paid and until then shall be capitalized half-yearly in accordance with your agreement with the principal debtor(s) and that all such interest is covered by this guarantee.

2. This guarantee is and shall be a continuing guarantee irrespective of what moneys may from time to time be received by you to the credit of the principal debtor(s) and notwithstanding any statement or settlement of account, and notwithstanding the fact that payments by or on behalf of the principal debtor(s) may temporarily have extinguished the indebtedness of the principal debtor(s).

3. This guarantee shall be without prejudice to and shall not be affected nor shall I be exonerated by any of the matters following:—

- (a) Any securities negotiable or otherwise which you may now or hereafter hold from the principal debtor(s) or any other person in respect of any money hereby guaranteed;
- (b) Any arrangement made by you at your discretion for the variation exchange renewal release or modification of or refusal to complete or enforce or assign any judgments specialties or other securities or instruments negotiable or otherwise whether satisfied by payment or not;
- (c) Any time given or extended to the principal debtor(s) or any other persons (including drawers acceptors or endorsers of negotiable or other instruments or securities) or other indulgence granted to or composition compromise or arrangement made with the principal debtor(s) or any other persons whether with or without notice to me.

4. All money received by you from the principal debtor(s) (or any or either of them) or from any other persons or estates and capable of being applied by you in reduction of the money hereby guaranteed or any part thereof shall be regarded for all purposes as payments in gross and should the principal debtor(s) (or any or either of them) become bankrupt or insolvent you may at your discretion prove in the bankruptcy or insolvency for the whole indebtedness or liability and no money so received by you shall be considered as received in respect of this guarantee but the full amount hereby guaranteed shall be payable until you shall have received from all sources twenty shillings in the pound and I undertake not to prove for accept or take the benefit of any dividend or composition in competition with you under any bankruptcy winding up or administration or any assignment arrangement or composition for the benefit of creditors and I authorize you by any of your officers to prove or at your request I undertake to prove for your benefit against the estate of the principal debtor(s) (or any or either of them) for any sum or sums of money paid to you under this guarantee and for which you may not have proved.

5. So far as I am concerned you are to be under no obligation whatever to take any security or to register any mortgage agreement to mortgage letter of lien transfer of shares or any other instrument of security which you now hold or may hereafter take in respect of the moneys hereby guaranteed or part thereof or to lodge any caveat or to give any notice in respect thereof or to keep alive any policy of insurance or the subject matter of any security or to require any mortgage or other document to be executed pursuant to any agreement or instrument or otherwise to perfect or to give effect to any security further or otherwise than as and when you may in your own discretion for your own protection think fit and no delay or omission on your part so to do or any loss arising from such delay or omission is to prejudice or affect my liability under this guarantee.

6. This guarantee is to be binding although the amount guaranteed does or shall exceed the limit of my liability hereunder hereinafter specified.

7. This guarantee shall at all times be enforceable notwithstanding that any bills or other instruments may be then in circulation or outstanding.

8. This guarantee shall not be discharged or affected by my death but shall continue to be operative until determined as to future transactions by one week's notice in writing given to you by me or on my behalf and it shall bind my heirs executors and administrators You shall not be concerned to inquire whether my personal representatives are authorized to allow this guarantee to continue or be affected by notice to the contrary.

9. Any account settled or stated by or between you and the principal debtor(s) or admitted by the principal debtor(s) may be adduced by you and shall be received as conclusive evidence of the balance or amount shown thereby to be due to you.

10. Your acceptance of this guarantee or anything contained in this instrument is not to bind you to make any further advances whatever.

11. Without limiting the modes in which a demand for payment hereunder may be lawfully made it is agreed that any such demand shall be sufficient if in writing signed by the Commissioner of Rural Intermediate Credit or by any District Intermediate Credit Supervisor or by your solicitor agent officer clerk or servant and given to me or my representatives personally or put into any post-office in a prepaid envelope addressed to me or to my representatives without the necessity of naming them at my last known place of abode or business in New Zealand.

12. Provided always and I declare that notwithstanding anything hereinbefore contained I shall not be liable by reason of this guarantee to pay to you more than the total sum of pounds plus the costs and expenses incurred by you in enforcing and obtaining payment hereunder and plus interest on the amount demanded from the day of such demand until actual payment of such amount at the rate of seven pounds (£7) per centum per annum. Provided however that upon payment by me to you of the said sum of pounds and the said costs expenses and interest I shall not be entitled to have assigned to me any share or interest in any security held by you or in the proceeds of realization thereof until you shall have received all moneys owing to you by the principal debtor(s) nor shall you be bound to demand payment of any of the last-mentioned moneys from the principal debtor(s) until you shall in your absolute discretion think fit.

13. I admit that no person has any authority from you to make any representations with a view to inducing me to give this guarantee and I undertake not to defend any action on this guarantee nor to seek to set aside this guarantee upon the ground of any misrepresentation or nondisclosure fraudulent or innocent except a material misrepresentation in writing under your common seal.

14. This guarantee is not subject to your taking any other guarantee nor to any other condition precedent whatever.

15. In this guarantee where the context admits references to the singular number shall include the plural and *vice versa* personal pronouns and other references to persons shall include corporations references to bankruptcy or insolvency shall include the winding up of an insolvent corporation references to death shall include the winding up of a corporation and references to personal representatives shall include the liquidator of a corporation.

Dated at this day of , 19 .

[Signature (or if a company the common seal) of the guarantor.]

Signed by the above-named [Name of guarantor] in the presence of—

[Witness's name, occupation, and address.]

SIXTH SCHEDULE.

REGULATIONS FOR MANAGEMENT OF THE CO-OPERATIVE RURAL INTERMEDIATE CREDIT ASSOCIATION, LIMITED.

INTERPRETATION.

In these regulations, unless there be something in the subject or context inconsistent therewith,—

“ Board ” means the Rural Intermediate Credit Board established by the Rural Intermediate Credit Act, 1927 :

“ Commissioner ” means the Commissioner of Rural Intermediate Credit for the time being under the Rural Intermediate Credit Act, 1927 :

“ District Intermediate Credit Supervisor ” means the District Intermediate Credit Supervisor for the time being appointed by the Board for the district in which the office of the association is situated :

“ District Board ” means the District Rural Intermediate Credit Board for the time being appointed by the Board for the district in which the office of the association is situated :

“ The office ” means the registered office for the time being of the association :

“ The register ” means the register of members to be kept pursuant to the Companies Act, 1908 :

“ Month ” means calendar month :

“ Written ” and “ in writing ” include any mode of reproducing words in visible form :

“ The seal ” means the common seal of the association :

“ Capital ” means the capital for the time being of the association :

“ The directors ” means the directors for the time being of the association :

“ Members ” or “ shareholders ” means the holders of shares for the time being :

Words importing the singular number only include the plural number, and *vice versa* :

Words importing the masculine gender only include the feminine gender :

Words importing persons include firms and corporations, and “ firm ” includes “ partnership.”

SHARES.

1. Each member shall pay to the association immediately upon the allotment of his shares the sum of one shilling for every share allotted to him. Subject as aforesaid the shares shall be under the control of the directors, who may allot the same to such persons on such terms and conditions and at such times as the directors think fit.

2. If by the conditions of allotment of any share the whole or part of the amount thereof shall be payable by instalments, every such instalment shall when due be paid to the association by the person who for the time being shall be the registered holder of the share.

3. The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

4. The association shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not be bound to recognize any partial, equitable, or other claim to, or interest, or any interest in the nature of a trust or otherwise in any shares, or any other right in respect of any shares, save as herein provided.

CALLS.

5. The directors may from time to time make such calls as they think fit upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the directors. A call may be made payable by instalments.

6. A call shall be deemed to have been made at the time when the resolution of the directors authorizing such call was passed.

7. Fourteen days' notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

8. If the sum payable in respect of any call or instalment be not paid on or before the day appointed for payment thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of six pounds per centum per annum from the day appointed for the payment thereof to the time of the actual payment.

9. On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the member sued is entered in the register of members of the association as the holder, or one of the holders of the shares in respect of which such debt accrued; that the resolution making the call is duly recorded in the minute-book, and that notice of such call was duly given to the member sued in pursuance of these regulations; and it shall not be necessary to prove the appointment or qualification of the directors who made such call, nor any other matter whatsoever; and the proof of the matters aforesaid shall be conclusive evidence of the debt.

10. The directors may, if they think fit, receive from any member willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for; and upon the money so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the association may, if the directors think fit, pay interest at such rate as the member paying such sum in advance and the directors agree upon; but no shareholder shall be entitled as of right to any interest on any money so paid in advance, and the directors may decline to pay any interest.

FORFEITURE AND LIEN.

11. If any member fails to pay any call or instalment on or before the day appointed for the payment of the same the directors may at any time thereafter during such time as the call or instalment remains unpaid serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the association by reason of such non-payment.

12. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

13. If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest, and expenses due in respect thereof, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

14. No share shall be forfeited without the consent of the Board.

15. When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture; and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

16. Any share so forfeited shall be deemed to be the property of the association, and the directors may sell, reallocate, and otherwise dispose of the same in such manner as they think fit.

17. The directors may by resolution, at any time before any share so forfeited shall have been sold, reallocated, or otherwise disposed of, annul the forfeiture thereof upon such conditions as they think fit.

18. Any member whose shares have been forfeited shall notwithstanding be liable to pay, and shall forthwith pay, to the association all calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon, from the time of forfeiture until payment, at six per centum per annum; and the directors may enforce the payment thereof if they think fit.

19. The association shall have a first and paramount lien upon all the shares registered in the name of each member (whether solely or jointly with others) for his debts, liabilities, and engagements solely or jointly with any other person to or with the association, whether the period for the repayment, fulfilment, or discharge thereof shall have actually arrived or not; and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the association's lien, if any, on such shares.

20. For the purpose of enforcing such lien the directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until notice in writing of the intention to sell shall have been served on such member, his executors or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice.

21. The net proceeds of any such sale shall be applied in or towards satisfaction of such debts, liabilities, or engagements, and the residue, if any, paid to such member, his executors, administrators, successors, or assigns.

22. A certificate under the hands of two of the directors and countersigned by the secretary that the power of sale hereinbefore mentioned has arisen and is exercisable by the association under these articles shall be conclusive evidence thereof.

23. Upon any sale after forfeiture, or for enforcing a lien in purported exercise of the powers hereinbefore given, the directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money; and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the association exclusively.

TRANSFER OF SHARES.

24. The instrument of transfer of any share shall be signed both by the transferor and transferee, and the transferor shall be deemed the holder of such share until the name of the transferee is entered in the register in respect thereof.

25. The instrument of transfer of any share shall be in writing in the usual form, or in the following form, or as near thereto as circumstances will admit:—

I, _____, of _____, in consideration of the sum of _____ pounds paid to me by _____ of _____ (hereinafter called "the said transferee"), do hereby transfer to the said transferee _____ shares numbered _____ in the _____ Co-operative Rural Intermediate Credit Association, Limited, to hold unto the said transferee, his executors, administrators, and assigns, subject to the several conditions on which I held the same immediately before the execution hereof; and I, the said transferee, do hereby agree to take the said shares, subject to the conditions aforesaid.

As witness our hands the _____ day of _____

Witness to the signature of, &c.

26. No transfer shall be made to an infant or person of unsound mind.

27. Every instrument of transfer shall be left at the office for registration, accompanied by such evidence as the association may require to prove the title of the transferor or his right to transfer the shares.

28. All instruments of transfer which shall be registered shall be retained by the association, but any instrument of transfer which the directors may decline to register shall be returned to the person depositing the same.

29. A fee not exceeding two shillings and sixpence may be charged for each transfer, and shall, if required by the directors, be paid before the registration thereof.

30. The transfer-books and register of members may be closed during such time as the directors think fit, not exceeding in the whole thirty days in each year.

31. The directors may refuse to register any transfer of a share or shares—

(a) Where the association has a lien on the share or shares;

(b) Where it is not proved to their satisfaction that the proposed transferee is a responsible person and a farmer.

32. No share shall be assigned or transferred except with the precedent approval of the Board.

TRANSMISSION OF SHARES.

33. The executors or administrators of a deceased member (not being one of several joint holders) shall be the only persons recognized by the association as having any title to the shares registered in the name of such member, and in case of the death of any one or more of the joint holders of any registered shares the survivor or survivors shall be the only persons recognized by the association as having any title to or interest in such shares.

34. Any committee of a lunatic member or any person becoming entitled to shares in consequence of the death or bankruptcy of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the directors think sufficient, may, with the consent of the directors, be registered as a member in respect of such shares, or may transfer such shares.

35. The directors may from time to time increase the capital of the association by the allotment of any shares for which application may be made under section 51 (1) of the Rural Intermediate Credit Act, 1927.

36. Any capital raised by the creation of new shares shall be considered part of the ordinary capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, and otherwise.

GENERAL MEETINGS.

37. The statutory general meeting shall be held at such time and at such place as the Commissioner or District Intermediate Credit Supervisor may determine.

38. Subsequent general meetings shall be held once in every subsequent year, at such time and place as may be determined by the directors.

39. The above-mentioned general meetings shall be called ordinary general meetings. All other meetings of the association shall be called extraordinary general meetings.

40. The directors may whenever they think fit, and they shall upon a requisition in writing by a member or members holding not less than one-tenth of the issued capital, convene an extraordinary general meeting.

41. Any such requisition shall specify the object of the meeting required, and shall be signed by the members making the same, and shall be deposited at the office. It may consist of several documents in like form, each signed by one or more of the requisitionists. The meeting must be convened for the purposes specified in the requisition, and, if convened otherwise than by the directors, for those purposes only.

42. In case the directors for fourteen days after such deposit fail to convene an extraordinary general meeting to be held within twenty-one days from the time of such deposit, the requisitionists, or a majority in value of them, may themselves convene a meeting to be held not later than three calendar months after the date of such deposit.

43. Seven clear days' notice, specifying the place, day, and hour of any meeting, and the purpose for which it is to be held, shall be given either by advertisement or by notice sent by post, or otherwise served as hereinafter provided. Whenever any meeting is adjourned for twenty-one days or more, at least four days' notice of the place and hour of holding such adjourned meeting shall be given in like manner.

44. The accidental omission to give or non-receipt of any such notice to or by any of the members shall not invalidate any resolution passed at the meeting to which such notice related.

PROCEEDINGS AT GENERAL MEETINGS.

45. The business of an ordinary general meeting (other than the statutory meeting) shall be to receive and consider the statement of income and expenditure, and the balance-sheet, the reports of the directors and of the auditor, and any matters incident thereto, to elect directors and other officers in the place of those retiring by rotation, and to decide on the recommendation of the directors as regards dividends, and to transact any other business which, by statute, ought to be transacted at an ordinary meeting. All other business transacted at an ordinary general meeting, and all business transacted at an extraordinary general meeting, shall be deemed special.

46. Five members personally present shall be a quorum for a general meeting for the choice of a chairman, the declaration of a dividend, and the adjournment of the meeting. For all other purposes the quorum for a general meeting shall be members personally present not being less than seven in number and holding or representing by proxy, as by these regulations provided, not less than one-fifth part of the issued capital of the association. No business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.

47. The chairman of directors shall be entitled to take the chair at every general meeting, or if there be no such chairman, or if at any meeting he or his deputy shall not be present within fifteen minutes after the time appointed for holding such meeting, the members present shall choose another director as chairman, and if no director be present, or if all the directors present decline to take the chair, then the members present shall choose one of their number to be chairman.

48. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week at the same time and place, and if at such adjourned meeting a quorum be not present those members who are present shall be a quorum, and may transact the business for which the meeting was called.

49. Every question submitted to a meeting shall be decided in the first instance by a show of hands; and in the case of an equality of votes the chairman shall, both on show of hands and at the poll, have a casting-vote in addition to the votes or vote to which he may be entitled as a member.

50. At any general meeting, unless a poll is demanded by the chairman, or by at least five members holding or representing by proxy or entitled to vote in respect of at least one-fifth of the capital represented at the meeting, a declaration by the chairman that a resolution has been carried, or carried by a particular majority, or lost, or not carried by a particular majority, and an entry to that effect in the book of proceedings of the association, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. The provision that the five members demanding a poll shall hold at least one-fifth of the capital shall not apply to a poll demanded in respect of a special resolution.

51. If a poll be demanded as aforesaid, it shall be taken in such manner and at such time and place as the chairman of the meeting may direct, and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

52. The chairman of a general meeting may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

53. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting, and without adjournment.

54. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS.

55. On a show of hands every member present in person shall have one vote, and upon a poll every member present in person or by proxy shall have one vote for every share held by him in respect of which there is no payment in arrear.

56. Any person who is entitled to transfer any share, though not the registered holder thereof, may vote at any general meeting in respect of such share as if he were the registered holder if not less than forty-eight hours before the time of holding the meeting at which he proposes to vote he has satisfied the directors of his right to transfer such share, or if the directors have previously admitted his right to vote at such meeting in respect thereof.

57. Where there are joint registered holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share stands shall, for the purposes of this clause, be deemed joint holders thereof.

58. Votes may be given either personally or by proxy.

59. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney, or, if such appointor is a corporation, under the hand of the chairman of directors, or managing director, or manager or attorney of such corporation.

60. No person shall be appointed a proxy who is not a member of the association and qualified to vote, but a corporation being a member of the association may appoint any one of its officers to be its proxy.

61. The instrument appointing a proxy and the power of attorney, if any, under which it is signed shall be deposited at the registered office of the association not less than forty-eight hours before the time for holding the meeting or adjourned meeting, as the case may be, at which the person named in such instrument proposes to vote.

62. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the registered office of the association before the meeting.

63. A proxy may be appointed generally, or for a specified period or specified meeting; and every instrument of proxy shall, as far as the circumstances will admit, be in the form or to the effect following:—

I, _____, of _____, being a member of the _____ Co-operative Rural Intermediate Credit Association, Limited, hereby appoint _____, of _____, or, failing him, _____, of _____, or, failing him, _____, of _____, as my proxy to vote for me and on my behalf at the ordinary (or extraordinary, as the case may be) general meeting of the association to be held on the _____ day of _____, and at any adjournment thereof.
As witness my hand, this _____ day of _____, 19 _____.

64. No member shall be entitled to be present, or to vote on any question either personally or by proxy, or as proxy for another member, at any general meeting, or upon a poll, or be reckoned in a quorum whilst any call or other sum shall be due and payable to the association in respect of any of the shares of such member.

DIRECTORS.

65. The following shall be the directors of the association until the statutory meeting, when the four first named go out of office:—

- 1.
- 2.
- 3.
- 4.
- 5.

_____, the District Intermediate Credit Supervisor.

66. The statutory meeting shall elect four directors in lieu of those retiring as aforesaid.

67. The District Intermediate Credit Supervisor shall by virtue of his office be and continue to be a director of the association.

68. In addition to the directors provided for under paragraph 65 hereof the Board may from time to time appoint a member of the association as a director to hold office as such during its pleasure.

69. A director may retire from his office upon giving one month's notice in writing to the association of his intention so to do; and such resignation, if not previously accepted by the other directors or director, as the case may be, shall take effect upon the expiration of such notice.

70. The office of a director shall be vacated—

- (a) If he becomes bankrupt or suspends payment or compounds with his creditors;
- (b) If he be found lunatic or becomes of unsound mind;
- (c) If he absents himself from the meetings of the directors during a period of three calendar months without special leave of absence from the directors;
- (d) If by notice in writing he resigns his office;
- (e) If he is concerned in or participates in the profits of any contract with the association, or in the profits of any works done for the association: Provided that no director shall be disqualified by reason of his obtaining a loan of money from the association or by reason of his being a member of an incorporated company which enters into contracts with or does any work for the association, but in no case shall he vote on any matter relating to such loan.

71. The continuing directors may act notwithstanding any vacancy in their body, but so that if the number falls below the minimum fixed by the Rural Intermediate Credit Act, 1927, the directors shall not, except for the purpose of filling vacancies, act so long as the number is below the minimum.

72. The District Intermediate Credit Supervisor may from time to time appoint in writing any person to exercise his rights and functions as a director (including attending and voting at any meeting as his proxy, notwithstanding that the other directors may have no power to be represented at meetings by proxy); and the production of any such appointment, signed by the Supervisor, shall be conclusive evidence of the authority of the appointee to exercise such rights and functions.

ROTATION OF DIRECTORS.

73. At the first ordinary general meeting to be held other than the statutory meeting, and at every succeeding ordinary general meeting, one of the elected directors shall retire from office. A retiring director shall retain office until the dissolution or adjournment of the meeting at which his successor is appointed.

74. The director first to retire shall, unless the directors agree among themselves, be determined by lot; in every subsequent year the one who has been longest in office shall retire. As between two or more who have been in office an equal length of time, the director to retire shall, in default of agreement between them, be determined by lot. The length of time a director has been in office shall be computed from his last election or appointment where he has previously vacated office.

75. A retiring director shall be eligible for re-election.

76. The association at any general meeting at which any director retires in manner aforesaid shall fill up the vacated office by electing another director, and without notice in that behalf may fill up any other vacancies.

77. If at any general meeting at which the election of a director ought to take place the place of the retiring director is not filled up, the retiring director shall, if willing, continue in office until the ordinary meeting in the next year, and so on from year to year until his place is filled up, unless it shall be determined at such meeting to reduce the number of directors.

78. Subject to the provisions of the Rural Intermediate Credit Act, 1927, the association in general meeting may from time to time increase or reduce the number of elected directors, and may also determine in what rotation such increased or reduced number is to go out of office.

79. The association may by extraordinary resolution remove any elected director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time only as the director in whose place he is appointed would have held the same if he had not been removed. Any casual vacancy occurring among the directors may be filled up by the directors, but any person so chosen shall retain his office so long only as the vacating director would have retained the same if no vacancy had occurred.

80. No resolution to remove a director or to increase or reduce the number of elected directors shall be effective without the approval of the Board.

81. No person not being a retiring director shall, unless recommended by the directors for election, be eligible for election to the office of director at any general meeting unless he or some other member, or firm, or corporation intending to propose or nominate him has, at least seven clear days before the meeting, left at the office a notice in writing under his hand signifying his candidature for the office, or the intention of such member, or firm, or corporation to propose or nominate him.

COMMENCEMENT OF BUSINESS.

82. The association shall not commence any business or exercise any borrowing-powers unless (a) Shares subject to the payment of the whole amount thereof in cash have been allotted to not less than twenty members; (b) each member has taken not less than twenty-five shares; (c) each member has paid to the association the sum of 1s. on account of each of his shares.

PROCEEDINGS OF DIRECTORS.

83. The directors may meet together for the despatch of business, adjourn, or otherwise regulate their meetings and proceedings as they may think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined, three directors shall be a quorum.

84. A director may at any time, and the secretary upon the request of a director shall, summon a meeting of the directors: Provided that three clear days' notice of every meeting of directors, and of all business to be transacted thereat, shall be given to the District Intermediate Credit Supervisor; and that in the absence of the Supervisor or his proxy, any decision on any matter of which notice shall not have been given shall be deemed to be *ultra vires* of the directors.

85. Questions arising at any meeting of the directors shall be determined by a majority of votes, and in case of an equality of votes the chairman shall have a second or casting vote.

86. A resolution in writing signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted.

87. (a) The directors shall as soon as practicable elect one of their number to be chairman of directors and another director to be the deputy of the chairman.

(b) The directors may appoint a suitable person whether a director or not to be the secretary and treasurer of the association, or may appoint one such person as secretary and another such person as treasurer, provided that not more than one person shall be paid any salary or other remuneration in respect of the duties of the secretary and the treasurer.

(c) The secretary of the association shall forthwith send written notice to the Commissioner of all appointments which may be made under these regulations.

(d) Except as provided in subclause (b) hereof, no director shall be entitled to receive any payment from the association other than a refund of travelling-expenses actually and reasonably incurred by him in attending meetings of the directors or otherwise in attending to the business of the association.

88. The directors shall determine the period for which the chairman of directors shall hold office, but if no chairman is elected, or if at any meeting the chairman or the deputy chairman is not present at the time appointed for holding the same, the directors present shall choose some one of their number to be the chairman of such meeting.

89. A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions by or under the memorandum or articles of association of the association for the time being vested in or exercisable by the directors generally.

90. All acts done at any meeting of the directors, or by any person acting as a director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them or he were disqualified, be as valid as if every person had been duly appointed and was qualified to be a director.

MINUTES.

91. The directors shall cause minutes to be duly entered in the books provided for the purpose—

(a) Of all appointments of permanent officers:

(b) Of the names of the directors present at each meeting of the directors:

(c) Of all resolutions and proceedings of general meetings and of meetings of the directors:

And any such minutes of any meeting of the directors or of the association, if purporting to be signed by the chairman of such meeting or by the chairman of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matters stated in such minutes.

POWERS OF DIRECTORS.

92. The management and control of the business of the association shall be vested in the directors, who, in addition to the powers and authorities by these regulations and the memorandum of association or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the association and are not hereby or by statute expressly directed or required to be exercised or done by the association in general meeting.

93. In furtherance and not in limitation of, and without prejudice to, the general powers conferred or implied by or in the last preceding regulation and of the other powers conferred by these regulations and the memorandum of association, it is hereby expressly declared that the directors shall be entrusted with and may exercise and perform the following powers and duties:—

(a) They may pay the costs, charges, and expenses preliminary and incidental to the promotion, formation, establishment, and registration of the association.

(b) They may purchase or otherwise acquire for the association any property, rights, or privileges which the association is authorized to acquire, at such price and generally on such terms and conditions as they think fit.

(c) They may from time to time take all steps and proceedings and do all acts and things they may consider advisable for carrying into effect the objects of the association.

(d) Subject to the provisions of regulation 87 hereof, they may appoint and, at their discretion, remove or suspend such secretaries, officers, clerks, and servants for permanent, temporary, or special services as they may from time to time think fit, and may determine their duties and powers and fix their salaries or emoluments, and may require security in such instances and to such amount as they shall think fit, and may delegate to such secretaries, officers, or servants such powers as they may from time to time deem advisable.

(e) They may, with the consent in writing of the Board, institute, conduct, defend, compound, or abandon any legal proceedings by and against the association or its officers, or otherwise concerning the affairs of the association, and also may, with the like consent, compound and allow time for payment or satisfaction of any debts due, and claims and demands by or against the association.

- (f) They may, with the consent in writing of the Board, refer any claims or demands by or against the association to arbitration, and observe and perform the awards.
- (g) They may make and give receipts, releases, and other discharges for money payable to the association, and for the claims and demands of the association.
- (h) They may out of the available cash capital or profits of the association set aside such sum or sums as they may think fit as a reserve fund : and they may invest the several sums so set aside upon such investments as are authorized by the Rural Intermediate Credit Act, 1927, and may from time to time deal with and vary such investments and dispose of all or any part thereof for the benefit of the association.
- (i) They may enter into all such negotiations, contracts, and agreements, and rescind and vary and execute and do all such acts, deeds, and things in the name and on behalf of the association, as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the association.
- (j) They may make regulations for the use and safe custody of the common seal, provided that every instrument to which the seal is affixed shall be signed by one director and the secretary.
- (k) They may make and execute all such assurances and instruments as may be necessary, provided that the same shall be signed by two directors, or by one director and the secretary, and provided that every promissory note or bill of exchange made, accepted, or endorsed on behalf of the association shall be sealed with the common seal of the association.
- (l) They may appoint a temporary substitute for the secretary, who shall for the purposes of these regulations be deemed to be the secretary.
- (m) They may manage and deal with or acquire the ownership of any real or personal property which may come into the possession of the association as security for any debt in such manner as they may think fit, with as full powers as an individual would have in like case.

BORROWING-POWERS.

94. The directors may from time to time, and without negating any implied power to borrow, at their discretion borrow for the purposes of the association from the Board or any bank carrying on business in New Zealand or any other financial institution approved in each case by the Board, any sum or sums of money on the security of all or any of the association's property (real or personal), assets, and effects, both present and future, inclusive or exclusive of its unpaid calls or unpaid capital, or any part thereof, either under legal mortgages or charges, with powers of sale and other usual powers, or by the issue of mortgage debentures, debentures, bonds, obligations, or any other securities of the association ; and any such mortgage debentures, debentures, bonds, obligations, or securities as aforesaid may be issued on the terms that the amount to be secured may be paid up by instalments, and that the debentures may be paid off by periodical and other drawings, and generally on such other terms and conditions as to rate of interest or otherwise as the directors think fit.

95. Every debenture or security for securing the payment of money issued by the association may be so framed that the moneys thereby secured shall be assignable free from any equities between the association and the person to whom the same may be issued.

96. Any mortgage debentures, debentures, bonds, obligations, or other securities may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, and otherwise.

97. The directors shall register in accordance with section 129 of the Companies Act, 1908, all mortgages and charges specifically affecting the property of the association.

LOANS TO MEMBERS.

98. (a) Applications for loans from the association shall be made in the prescribed form, and the applicant shall deposit with the secretary a sum of money (hereinafter referred to as "application money") sufficient to pay 1s. per share on such of the shares required to support the application as have not actually been allotted and such further sum as in the opinion of the secretary will be sufficient to cover the cost of such valuations as the directors may require.

(b) The secretary shall thereupon convene a meeting of the directors, who shall consider the application, and give such directions concerning the same, and concerning the valuations to be obtained, and generally in relation thereto, as they shall think fit.

(c) If the application is declined by the directors any unexpended valuation fees and any application-money deposited in connection with shares which have not actually been allotted to the applicant shall be returned to him. If the directors, after making such inquiries as they deem prudent, shall desire to grant the application, a copy of the application and of any valuation or report relating thereto, and of the decision or recommendation of the directors thereon, shall forthwith be forwarded by the secretary to the District Intermediate Credit Supervisor with a request in the proper form for an advance from the Board to the association of a sum of money sufficient to enable the association to grant the advance to its member.

(d) An advance from the association to a member shall not be granted by the association unless and until the association has arranged with the Board or with a bank or financial institution with the approval of the Board to provide the necessary funds by way of loan to the association.

(e) If any loan is granted by the association to a member, the mortgage or other instrument securing the same shall be prepared at the expense of the member by such solicitor as the Commissioner in each case shall direct. All legal costs incurred in connection with the said securities, including the cost of any security which the Board may require from the association, shall be paid by the member who obtains the advance and shall be deducted therefrom.

SEAL.

99. The directors shall forthwith provide a common seal for the association, and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

DIVIDENDS.

100. Any profits derived by the association in carrying out its objects shall be applied as follows :—

- (a) Firstly, in accumulating a reserve of such amount as the Board may approve or require which shall be invested in the same manner as the paid-up capital of the association.
- (b) Secondly, in payment of dividends to the members, not exceeding in any case £7 per cent. per annum of the paid-up capital: Provided that no such dividend shall be paid until any loan made by the Board to the association towards the preliminary expenses incidental to its incorporation has been repaid.

101. Subject as aforesaid the association may, in general meeting, declare a dividend, to be paid to the members in proportion to their share capital.

102. No dividend shall be payable except out of the net profits arising from the business of the association, and no dividend shall carry interest as against the association.

103. No larger dividend shall be declared than is recommended by the directors, but the association in general meeting may declare a smaller dividend.

104. The directors shall deduct from the dividend payable to any member all such sums of money as may be due and payable by him to the association on account of calls, instalments, or otherwise, or any debt, liability, or engagement.

105. In case several persons are registered as the joint holders of any shares, any one or more of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such shares: but the directors may, if they think fit, require the receipt of all the holders of such shares.

106. A transfer of any shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

107. Unless otherwise directed, dividends may be paid by cheques or warrants sent through the post to the registered address of the member or person to whom the dividend is payable, or in case of joint holders of any shares (subject to arrangement between such joint holders consented to by the directors) to that one whose name stands first in the register in respect of such shares, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent, but the association shall not be responsible for the loss in transmission of any cheque or warrant so sent, whether sent at the request of a member or otherwise.

ACCOUNTS.

108. The directors shall cause true accounts in such form as shall be approved by the Board to be kept of the sums of money received and expended by the association, and the matters in respect of which such receipts and expenditure take place, and of the assets, credits, and liabilities of the association.

109. The books of accounts shall be kept at the office of the association, or at such other place as the directors think fit.

110. The directors shall from time to time determine whether, and to what extent, and at what times and places, and under what conditions or regulations the accounts and books of the association, or any of them, shall be open to the inspection of members, and no member shall have any right of inspecting any book or document of the association except as conferred by statute or authorized by the directors, or by a resolution of the association in general meeting.

111. At the ordinary general meeting in every year, except the statutory meeting, the directors shall lay before the association a statement of the income and expenditure, and a balance-sheet (in the form prescribed by the Board, or as near thereto as circumstances will admit) containing a summary of the property and liabilities of the association, made up to a date not more than three months before the meeting, from the time when the last preceding statement and balance-sheet were made, and, in the case of the first statement and balance-sheet, from the incorporation of the association.

112. Every such statement shall be accompanied by a report of the directors as to the state and condition of the association, and as to the amount which they recommend to be paid out of the profits by way of dividend or bonus to the members, and the amount standing to the credit of the reserve fund, distinguishing the amount, if any, which they have added to such reserve fund out of profits; and the statement, report, and balance-sheet shall be signed by the chairman, or, in his absence, by at least one director, and countersigned by the secretary.

AUDIT.

113. Once at least in every year the accounts of the association shall be examined and the correctness of the statement and balance-sheet ascertained by one or more auditor or auditors, as required by the Companies Act, 1908. The association shall appoint as auditors such person as the Board shall from time to time direct.

NOTICES.

114. A notice may be served by the association on any member, either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such member at his registered place of address.

115. Each holder of registered shares whose registered place of address is not in New Zealand may from time to time notify in writing to the association some place in New Zealand which shall be deemed his registered place of address for the purpose of the past preceding regulation; but, in the absence of any such notification, he shall not be entitled to have any notice sent to him from the association, whose registered office shall be deemed the registered address of such member for all purposes whatever, and all proceedings taken without other notice to any such member shall be as valid as if he had due notice thereof.

116. All notices shall, with respect to any registered shares to which persons are jointly entitled, be given to whichever of such persons is named first in the register, and such notice so given shall be sufficient notice to all the holders of such shares.

117. Any notice sent by post shall be deemed to have been served on the day following the day on which the envelope or wrapper containing the same shall have been posted, and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and put into the post-office.

118. Every person who by operation of law, transfer, or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall have been duly given to the person from whom he derives his title to such share.

119. Any notice or document delivered or sent by post to or left at the registered address or address for service of any member in pursuance of these regulations shall, notwithstanding such member be then deceased or shall be in any way incapacitated, and whether the association have notice of his decease or incapacity or not, be deemed to have been duly served in respect of his shares, whether held solely or jointly with other persons, until some other person be registered in his stead as the holder or joint holder thereof; and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors, administrators, successors, assigns, or committees, and all persons (if any) jointly interested with him in any such shares.

120. The signature to any notice to be given by the association may be written, typewritten, or printed.

121. Where a given number of days' notice, or notice extending over any period, is required to be given, the day of service shall not be, but the day upon which such notice will expire shall be, included in such number of days or other period.

INDEMNITY OF DIRECTORS.

122. Every director of the association shall be indemnified by the association against all costs, losses, and expenses which he may incur or become liable to by reason of any contract entered into or act or thing done by him as such director in the discharge of and within the scope of his duties.

F. D. THOMSON,
Clerk of the Executive Council.

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