

manner by an expert or experts appointed by the directors of the association or a majority of them. The capacity so fixed may in any special case or cases, with the consent of the members of the association in general meeting, but not otherwise, differ from the actual working-capacity.

3. "Proportionate quantity of flour" shall mean a quantity which bears the same proportion to the total quantity supplied during any one month to the association by all the associated mills as the fixed capacity of the said mill bears to the total fixed capacity of all the associated mills.

4. The said mill-owners shall sell to the association, and the association shall purchase from the said mill-owners at the current rate fixed as hereinafter defined, less five pounds per centum, a proportionate quantity of flour in every month during a period of two years commencing at the date at which the association shall commence operations.

5. Except with the authority of a resolution of the members of the association in general meeting assembled, the association will not at any time sell or be concerned or interested directly or indirectly in the sale of any flour save such as shall have been made in an associated mill.

6. The association will as soon as possible commence and will at all times thereafter during the said period of two years and of any extension thereof carry on the business of purchasing and selling flour in New Zealand on as extensive a scale as is reasonably possible consistently with the provisions of the articles and with the objects of the association.

7. The directors shall from time to time fix the prices at which flour shall be supplied to and purchased by the association in manner aforesaid in each of the towns or districts in which any associated mill or mills shall be situated, and in fixing the price in each such town or district the directors shall take into consideration the cost of wheat and the value of its by-products and other matters that ought reasonably to be taken into consideration, so that as nearly as possible the price payable to each mill-owner shall be fixed on an equitable basis as between the mill-owners who are members of the association. The decision of the directors or a majority of them on the questions aforesaid shall be final.

8. The term "current rate" as herein used shall mean the price for the time being fixed for the town or district in which the said mill is situated: Provided always that in respect of all flour purchased for shipment the current rate shall be the price for the time being so fixed for the port of shipment nearest to the said mill.

9. The time for payment of all flour so supplied to the association shall be thirty days or such other time as shall be mutually agreed upon between the directors and the mill-owners who supply the flour, and no mill-owner shall be obliged to furnish further supplies until paid for those previously furnished.

10. The said flour shall be delivered by the said mill-owner from time to time in such quantities, at such times and places, on such terms, and generally in such manner in every respect as shall by the directors be reasonably required, or in case of difference shall be determined by the directors or a majority of them, and their decision shall be final.

11. All flour shall be marked with the names and distinctive brand or trade-mark of the mill-owners by whom it is supplied, and such name and brand or trade-mark shall not be defaced or altered.

12. If during any one year during the said period of two years any flour manufactured in the said mill (whether the same shall have been manufactured before or after the incorporation of the association, and whether or not the same shall be sold, manufactured, or supplied in pursuance of contracts existing at the date of the incorporation of the association) shall be sold, supplied, or delivered by the said mill-owners to any person or company for consumption within the Colony of New Zealand other than the said association, or shall be gristed by the said mill-owners for or to the order of any such person or company for consumption within the said colony, all flour so sold or supplied or delivered or gristed shall be deemed and taken to have been supplied by the said mill-owners in reduction of the amount to be supplied or required in accordance with this agreement. All questions arising under this section shall be determined by the directors or a majority of them, and their decision shall be final.

13. All flour sold or supplied by the said mill-owners under the provisions of the last preceding section shall be deemed to have been sold or supplied by them as the agents of the association, and they shall be paid for the same by the association at the price at which they sold, less five pounds per centum, and shall account for and pay to the association all moneys received by them from the purchasers in respect of such sale; and in default thereof may, subject to any provisions herein contained for the determination of differences, be sued therefor, and the amount recovered from them by the association in any Court of competent jurisdiction: Provided that nothing contained herein or in the last preceding section shall be construed as in any way lessening the liability of the mill-owners under section 15 hereof.

14. The said mill-owners will pay to the association the sum of five pounds per centum on all moneys received by them in respect of flour gristed in the said mill under the provisions of section 12 hereof; and in default of payment of the same to the association on demand may, subject to any provision herein contained for the determination of differences, be sued therefor, and the amount thereof recovered from them by the association in any Court of competent jurisdiction: Provided that, notwithstanding anything contained in this or the last preceding section, the sum of five pounds per centum shall not be charged by the association on flour *bond fide* sold, manufactured, or supplied in pursuance of contracts entered into before the incorporation of the association. All questions arising under this proviso shall be determined by the directors or a majority of them, and their decision shall be final.

15. If the amount of flour so sold or gristed under the provisions of section 12 in any one year shall, together with the amount of flour supplied by the said mill-owners to the association during the same year, exceed the quantity which the said mill-owners are to supply to the association according to this agreement, then and in such case the said mill-owners shall pay to the asso-