

also vendors of milk, the Governor-General may on the recommendation of the Minister appoint the person or persons so named as additional director or directors for such term as the Governor-General thinks fit not exceeding three years.

(4) The Corporation shall be a body corporate with perpetual succession and a common seal, and shall be capable of holding real and personal property, and of suing and being sued, and of doing all such acts and things as bodies corporate may lawfully do and suffer.

4. (1) The directors shall at their first meeting, and thereafter at a meeting held in the month of September in every subsequent year, elect one of their number to be Chairman. For the purposes of the election of Chairman the Secretary of the Corporation shall preside, and in the case of equality of votes shall determine the election by lot in such manner as he thinks fit.

(2) The Chairman shall come into office on his election, and shall hold office until the election of his successor.

(3) The Chairman may resign his office by writing addressed to the Secretary of the Corporation; and in such case, or in the case of his ceasing from any cause to be a director, his office shall become vacant, and the Secretary shall forthwith convene a meeting of the directors for the appointment of another Chairman.

5. (1) Except as otherwise provided in these regulations every director shall be appointed for a term of three years, but may from time to time be reappointed.

(2) Notwithstanding anything to the contrary in these regulations, every director appointed pursuant to subclause (2) of Regulation 3 hereof unless his office is sooner vacated as hereinafter provided shall continue to hold office until his successor comes into office.

6. (1) Any director may at any time be removed from office by the Governor-General for inefficiency, disability, insolvency, neglect of duty, or misconduct proved to the satisfaction of the Governor-General, or may at any time resign his office by writing addressed to the Secretary of the Corporation, who shall forthwith give notice of the resignation to the Minister.

(2) If any director dies, or resigns, or is removed from office, or if he is concerned or interested (otherwise than as a member of a corporate body in which there are more than twenty members and of which he is not the general manager) in any contract with the corporation other than a contract relating to the sale, purchase, collection, delivery, or treatment of milk, his office shall become vacant and the vacancy shall be deemed to be an extraordinary vacancy.

(3) In case of any extraordinary vacancy the Governor-General may appoint some fit person to be a director for the residue of the term for which the vacating director was appointed. Any such appointment shall be made in the same manner as the appointment of the vacating director.

(4) The powers of the Corporation shall not be affected by the fact that at any time there may be less than the full number of directors in office.

7. (1) In any case in which the Corporation is satisfied that any director is incapacitated by illness, absence, or other sufficient cause from performing the duties of his office, the Corporation, with the consent of the body which nominated the director so incapacitated, may appoint a deputy to act for that director during his incapacity, and any such deputy shall, while he acts as such, be deemed to be a director:

Provided that in the case of the incapacity of the director appointed as representative of the Government, the deputy shall be appointed by the Minister.

(2) No such appointment of a deputy and no acts done by him as such shall in any proceedings be questioned on the ground that the occasion for his appointment had not arisen or had ceased.

8. (1) If, pursuant to any guarantee given by the Minister of Finance in respect of the liabilities of the Corporation, any moneys are paid on behalf of the Crown to any creditor of the Corporation, or if the Corporation makes default in the repayment of any moneys lent to the Corporation by the Minister of Finance, the Minister of Marketing may on behalf of the Government refer to the Central Milk Council for inquiry and for its recommendation the question of the manner in which the business of the Corporation has been or should be conducted or managed.

(2) In any case where a matter has been referred to the Central Milk Council for inquiry pursuant to subclause (1) of this regulation, the Central Milk Council shall conduct a local inquiry under section 103 of the Milk Act, 1944.

(3) If after an inquiry as aforesaid the Central Milk Council reports that the business of the Corporation has been inefficiently conducted and recommends that any of the directors should be removed from office, the Governor-General may in his discretion remove those directors from office accordingly and thereafter, if the persons so removed from office were appointed pursuant to paragraph (b) or paragraph (c) of subclause (2) of Regulation 3 hereof, the persons to be appointed from time to time as directors in their place shall not be nominated as provided in those paragraphs, but shall be selected from a panel containing not less than five names submitted for the purpose by the body that would otherwise make the nomination, and the provisions of the said Regulation 3 shall be deemed to be modified accordingly.

9. (1) The first meeting of the directors shall be held on a day to be appointed in that behalf by the Minister.

(2) Subsequent meetings of the directors shall be held at such times and places as the directors from time to time appoint.

(3) The Chairman or any three directors may at any time call a special meeting of the directors.

(4) At all meetings of the directors three directors shall form a quorum.

(5) The Chairman shall preside at all meetings at which he is present. In the absence of the Chairman, the directors present shall appoint one of their number to act as Chairman of that meeting.

(6) All questions before the directors shall be decided by a majority of the directors present and voting at a meeting held in pursuance of these regulations:

Provided that the Chairman of the meeting shall have a deliberative vote and, in the case of an equality of votes, shall also have a casting vote.

(7) Subject to the provisions of these regulations, the directors may regulate their procedure in such manner as they think fit.

10. No director shall be personally liable for any liability of the Corporation, or for any act done or omitted by the Corporation or by any director or officer thereof in good faith in pursuance or intended pursuance of the powers and authority of the Corporation.

11. (1) The Corporation may out of its funds pay to the Chairman of directors an allowance at the rate of £100 a year, or at such higher rate as may be approved by the Minister of Finance, and to each of the other directors an allowance at the rate of £50 a year.

(2) There may be paid to the directors out of the funds of the Corporation all amounts actually and reasonably expended by them in attending meetings of the directors, or of any committee of the directors, or in transacting any business of the Corporation pursuant to any resolution of the directors or of any committee of the directors.

12. (1) Any contract which, if made between private persons, must be by deed shall, if made by the Corporation, be in writing under the seal of the Corporation.

(2) Any contract which, if made between private persons, must be in writing signed by the parties to be charged therewith shall, if made by the Corporation, be either under the seal of the Corporation or signed by two directors on behalf of and by direction of the Corporation.

(3) Any contract which, if made between private persons, may be made orally may be similarly made by or on behalf of the Corporation by any two directors acting by direction of the Corporation, but no oral contract shall be made for any sum exceeding £20.

13. The functions of the Corporation shall be to acquire, treat, and sell milk for consumption and use in the Napier and Hastings Milk Districts constituted under the Milk Act, 1944, and in neighbouring areas.

14. (1) The Corporation shall have all the powers and authorities reasonably necessary for the effective performance of its functions.

(2) Without limiting the general provisions hereinbefore contained, it is hereby declared that the Corporation may—

(a) Appoint such officers and servants as it deems necessary for the efficient carrying out of its functions under this Act:

(b) Manufacture and sell any mixture or compound containing milk for use in the manufacture of ice cream:

(c) Provide for the cool storage of milk and milk products, and other articles of human food of whatsoever kind or nature:

(d) Acquire by purchase, lease, or otherwise howsoever, any land, buildings, plant, machinery, appliances, or other property whatsoever (whether real or personal), rights or privileges which it thinks necessary for the purpose of these regulations:

(e) Maintain and work any buildings, plant, machinery, or appliances required for the treatment, transport, and delivery of milk, and otherwise for the carrying out of the functions of the Corporation:

(f) Exchange, lease, dispose of, turn to account, or otherwise deal with any property, rights, or privileges of the Corporation:

(g) Contract for the execution by any person of any work or service authorized to be executed by the Corporation in such manner and upon and subject to such terms and conditions as the Corporation thinks fit.

15. Nothing in these regulations shall derogate from the provisions of the Milk Act, 1944, or of any other Act relating to the acquisition, treatment, handling, or sale of milk, or relieve the Corporation from compliance with the provisions of any such Act or any by-laws made thereunder.

16. (1) The Corporation may from time to time borrow from the Minister of Finance, upon and subject to such terms and conditions as the Minister of Finance thinks fit, such amounts as are, in the opinion of the Minister of Finance, required by the Corporation for working-capital, wages, administration, or for any other purpose incidental to the effective performance of the Corporation's functions.

(2) In addition to the power conferred by subclause (1) of this regulation, the Corporation may from time to time with the consent of the Minister of Finance borrow moneys from the Bank of New Zealand.

(3) For the purpose of securing the repayment of any moneys borrowed by it as aforesaid the Corporation may mortgage or charge any of its real or personal property.

17. (1) The Corporation shall cause books to be provided and kept, and true and regular accounts to be entered therein of all sums of money received and paid, and of the several purposes for which such sums of money have been received and paid.

(2) The Corporation shall keep its accounts in such form as may be required or approved by the Minister of Finance.

18. (1) The Corporation may, with the approval of the Minister of Finance, set aside out of its revenue such sums as it thinks proper as reserves for depreciation of assets, insurance, superannuation or retiring allowances for the staff of the Corporation, and other purposes.

(2) The Corporation may invest any of the moneys to the credit of any reserve account either as provided in Regulation 19 hereof or, except in the case of moneys set aside as reserves for superannuation or retiring allowances for the staff of the Corporation, in the business of the Corporation.