

51. The Directors shall as soon as practicable set up a plan for repayment of member loans so that the loans as far as possible shall be held by those members most actively interested in the business of the Co-operative, and so that the Co-operative will not have a large amount of money in member loans falling due at one time.

52. Upon the death of a member the Directors shall pay to his estate within one year and after receipt of proper proof of the title of the person claiming payment, all moneys held by the Co-operative to the credit of the deceased member in loan units.

DISTRIBUTION OF SURPLUS

53. The net surplus arising from the business of the Co-operative shall be distributed annually as follows:-

(a) an amount not to exceed 20 per centum of such net surplus as a reserve fund;

(b) the remaining net surplus shall be divided or allocated among the members in proportion to the business done by each member with or through the Co-operative, either on the basis of the total volume thereof or on the basis of the volume or volumes in respect to the different kinds or classes of commodities purchased from or sold to the Co-operative by each member; provided that, on crediting such distributive amounts or any portion thereof to each member payment of the amounts so credited may be deferred by the Directors and the monies retained or used for the purposes of the Co-operative.

54. The distribution of the net surplus shall be determined by resolution of the members in annual meeting or at a special general meeting called for that purpose, upon the recommendation of the Board of Directors; and the members may approve such recommendation in whole or in part or alter or amend it without a further recommendation from the Board of Directors.

PATRONAGE RETURNS

55. If the net surplus allocated to the members is not paid out in cash or applied against previous commitments of the members to the Co-operative, the total of such net surplus for each year shall be shown on the Co-operative's balance sheet as "Deferred Patronage Returns" for the year in question; and the records of the Co-operative shall be kept in such a way as to show the deferred patronage returns for each year.

56. The Co-operative shall have authority to issue to members revolving-fund certificates or deferred patronage return certificates evidencing such patronage returns credited to each member at the end of each fiscal year. Such certificates shall be in such form and contain such terms and conditions not inconsistent with these by-laws as may be prescribed from time to time by the Board of Directors; they shall be issued in an annual series, and each certificate in each series shall be identified upon its face by the year in which it is issued.

57. Certificates evidencing deferred patronage returns shall be transferable only to members and with the consent of the Board of Directors.