CHAPTER xliv.

An Act to re-arrange the Capital of the Bank of Bolton Limited and for other purposes. [20th June 1895.] A.D. 1895.

WHEREAS the Bank of Bolton Limited (herein-after called "the Company") was incorporated on the 11th day of February 1879 under the Companies Acts 1862 and 1867 for the objects amongst others of acquiring the assets (other than uncalled capital) and business of the then existing company called "the Bank of Bolton" subject to the liabilities thereof and to enter into and carry out any agreement for that purpose to carry on the business of the said last-mentioned bank when acquired and to commence or purchase or otherwise acquire and carry on any other banking business:

And whereas by clause 5 of the memorandum of association of the Company it was provided that the capital of the Company was one million pounds divided into fifty thousand shares of twenty pounds each of which fifteen thousand shares should be ordinary shares and thirty-five thousand shares should be preference shares entitling the holders to a preferential dividend at the rate of five pounds per cent. per annum on the amount for the time being paid up thereon and to share rateably with the ordinary shares any further dividend which the profits might be sufficient to pay after making such contribution to a reserve fund as the directors of the Company might think fit provided that in case the profits of the Company in any one year available for dividend should not be sufficient to pay the preferential dividend of five pounds per cent. the preference shares should be entitled to have any deficiency recouped out of the surplus profits of any succeeding year:

And whereas by the articles of association of the Company it is amongst other things provided as follows:—

(3.) "The Company shall forthwith on its incorporation enter into and execute the agreement a draft of which is set forth in the schedule hereto with or without any modifications which

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may be agreed upon and shall duly carry the said agreement out on its part and do all things necessary for that purpose.

(6.) "The preferred shares mentioned in the memorandum of association shall carry such preferential dividend as is mentioned in the said memorandum but in the distribution of assets on a winding up of the Company they shall rank on an equal footing with the ordinary shares mentioned in the memorandum of association and every provision in these articles relating to shares shall apply equally to both the said classes of shares unless it be otherwise expressed.

(22.) "The preference shares shall be issued with five pounds paid up thereon payable one pound on application two pounds on allotment and two pounds at the expiration of six calendar months from the date of the allotment The holders of preference shares shall be entitled at their option at any time though no call may have been made to pay up on such shares any sums not exceeding in the whole eight pounds ten shillings per share and to receive their preferential dividend on the amount for the time being paid up thereon.

(23.) "Subject to the provisions of the other clauses of these articles the directors may from time to time make such calls upon the members in respect of all moneys unpaid on their shares as they may think fit provided that no one call exceeds two pounds per share and that twenty-one days' notice at least is given of each call.

(24.) "The holders of the ordinary shares issued as partly paid up in pursuance of the agreement referred to in the schedule hereto shall not be entitled to require calls to be made upon the holders of other shares in order to equalise the amounts paid up but no call shall be made upon the aforesaid holders of partly paid up ordinary shares until the other shares are paid up to the same extent.

(105.) "No dividend shall be paid except out of the profits of the Company arising from the business of the Company as shown upon the balance sheet which shall from time to time have been examined and passed by the auditors and available for the purpose of paying dividend and the directors shall alone have the power of deciding what net profits in any one year are available for the purpose of paying dividend.

(106.) "In the first place out of such profits the preferential dividend of five pounds per cent. payable for that year on the preference shares and any arrears of past preferential dividends shall be paid.

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(107.) "In the second place the directors may after satisfying the preferential dividends payable on the preferential shares in priority to any further dividend set aside out of the surplus profits of the Company such sum as they think proper as a reserve fund for meeting any contingencies or purposes of the Company and the directors may invest the sum so set aside in or on such securities as they may select other than the shares of the Company The directors may from time to time with the sanction of the Company given in general meeting apply any part of the reserve fund by adding it to the profits of the Company available for the purpose of paying dividends in any year for the purpose of increasing the dividends for that year or as a bonus in addition to the ordinary dividend.

(108.) "Subject to Articles 106 and 107 the entire profits of each year available for the purpose of paying dividend shall belong to the holders of preferred and ordinary shares and the directors may thereout with the sanction of the Company in general meeting declare a dividend to be payable on those shares in proportion to the amounts paid up thereon.

(109.) "The directors may also of their own authority once in each year pay to the holders of the preferred shares a sum on account and at the rate of the preferred dividend and further to the members of both classes a sum on account of such dividend as mentioned in Article 107 not exceeding the rate of ten pounds per centum per annum on their respective paid up share capital whether preferred or ordinary."

And whereas the agreement set forth in the schedule to the said articles of association was duly entered into by the Company and by such agreement which bears date the eighth day of February one thousand eight hundred and seventy-nine the said Bank of Bolton agreed to transfer to the Company the business property and liabilities of the said Bank of Bolton in consideration of among other things fifteen thousand ordinary shares in the Company with eight pounds ten shillings per share credited as paid up thereon:

And whereas in consideration of the said transfer by the Bank of Bolton there have been issued and allotted to every shareholder in the Bank of Bolton in respect of each share therein held by him one ordinary twenty pound share in the Company with the sum of eight pounds ten shillings credited as having been paid up thereon:

And whereas the amount so credited as paid up on the said ordinary shares was not represented by available assets but only by the goodwill of the business of the Bank of Bolton:

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And whereas the capital of the Company now consists of thirty-five thousand preference shares of twenty pounds each upon each of which shares the sum of five pounds has been called up and paid and upon twenty-nine thousand five hundred and fifty-eight of such preference shares further sums amounting in all to one hundred and three thousand two hundred and sixty-eight pounds have been paid in advance of calls and of fifteen thousand ordinary shares of twenty pounds each upon each of which the sum of eight pounds ten shillings has been credited as paid up:

And whereas in the years one thousand eight hundred and eighty-five to one thousand eight hundred and eighty-nine inclusive a dividend of two pounds ten shillings per cent. per annum was paid to the holders of ordinary shares in the Company and since the year one thousand eight hundred and eighty-nine the holders of ordinary shares have not received any dividend on such shares but since the year one thousand eight hundred and eighty-nine the Company has accumulated out of moneys divisible as profits a reserve fund amounting at the present time to fifty-four thousand pounds:

And whereas the conflict of interest between the preference and ordinary shareholders and the nonpayment of dividends on the ordinary capital is injurious to the interests of the Company:

And whereas at the annual general meeting held on the seventeenth day of January one thousand eight hundred and ninety-four the shareholders of the Company unanimously appointed a committee of four shareholders who should together with the directors of the Company consider a scheme for the equitable amalgamation of the two classes of shares:

And whereas it has on the recommendation of the said committee been agreed between the holders of the preference and ordinary shares that the capital of the Company shall remain at the same amount as at present but shall be rearranged so as to consist of only one class of fifty thousand ordinary shares to be called new shares which shall be of the nominal value of twenty pounds each and that such new shares shall be issued to the holders of both preference and ordinary shares in the Company in manner following (that is to say) That one new share shall be given in exchange for each of the thirty-five thousand preference shares and each such new share shall be credited with the sum of five pounds as paid up thereon and also with any further sum actually paid in advance of calls on the preference share for which the same shall be given in exchange and that seven new shares credited with the sum of three pounds ten shillings as paid up on each share shall be given in exchange for every ten of the fifteen thousand ordinary shares in the Company and that four thousand five hundred new shares (being the residue

of the fifty thousand new shares) shall be offered at such time or times and on such terms as the directors shall think fit to the holders of the forty-five thousand five hundred new shares to be given in exchange for preference and ordinary shares in proportion to their several holdings and that if such four thousand five hundred shares or any of them shall not be accepted by the holders of the new shares then that the shares not accepted by them shall be disposed of by the directors as they shall think most for the benefit of the Company and that five pounds per share shall be called up in respect of the said four thousand five hundred new shares to be so offered as aforesaid on the issue thereof and that the present preference and ordinary shares in the Company shall be cancelled or surrendered to the Company:

And whereas it is expedient that a sum of thirty-six thousand seven hundred and fifty pounds being equivalent to the aggregate of the three pounds ten shillings per share to be credited as paid up on the ten thousand five hundred new shares to be given in exchange for the existing fifteen thousand ordinary shares in the Company should be accumulated out of profits and carried to capital account as by this Act provided:

And whereas notice of the intended application to Parliament for this Act was sent to all the preference and ordinary shareholders and the holders of thirty-two thousand nine hundred and four preference shares out of the total number of thirty-five thousand preference shares and the holders of fourteen thousand and sixty-five ordinary shares out of the total number of fifteen thousand ordinary shares have assented in writing to the promotion of the Bill for this Act and one shareholder holding eighty preference and eighty ordinary shares has dissented in writing to such application:

And whereas the Company has no power to rearrange the share capital in the manner agreed upon and the objects intended to be hereby effected cannot be obtained without the authority of Parliament:

May it therefore please Your Majesty that it may be enacted and be it enacted by the Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and Commons in this present Parliament assembled and by the authority of the same as follows:—

Short title.

1. This Act may be cited as the Bank of Bolton Limited Act 1895.

Interpretation.

2. In this Act—

(1.) "The Company" means the Bank of Bolton Limited:

(2.) The expression "the directors" means the directors of the Company and includes any managing director or directors or

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committee to whom any powers by this Act conferred on the directors may be delegated by the directors:

(3.) The expression "share" or "shares" means share or shares in the Company:

(4.) The word "existing" means existing immediately before the passing of this Act.

Cancellation of 5th clause of Memorandum of Association and provision in lieu thereof.

Capital of Company.

3. The said recited 5th clause of the memorandum of association shall as from the date of the passing of this Act be cancelled and there shall be substituted in lieu thereof—

(5.) The capital of the Company is one million pounds divided into fifty thousand shares of twenty pounds each.

Cancellation of 6th article of association.

4. The said recited 6th article of association shall be cancelled as from the date of the passing of this Act.

Cancellation of 22nd 23rd 24th 106th 107th 108th and 109th articles of association and provisions in lieu thereof.
As to sums paid on shares.

5. The 22nd 23rd 24th 106th 107th 108th and 109th articles of association shall as from the date of the passing of this Act be cancelled and there shall be substituted in lieu thereof respectively—

(22.) The capital of the Company shall be fifty thousand new shares of twenty pounds each Thirty-five thousand of such new shares shall be issued with five pounds credited as paid up on each such new share or such other amount as shall have been actually paid up in advance on the preference share which each such new share represents ten thousand five hundred of such new shares shall be issued with three pounds ten shillings credited as paid up on each of such shares and four thousand five hundred of such new shares shall be issued without anything credited as paid thereon but on the issue of the last-mentioned shares a call of five pounds shall be made on each of such shares The holders of the new shares shall be entitled at their option at any time though no call may have been made to pay up such shares to the amount of eight pounds ten shillings or any less amount per share and to receive dividend on the amount for the time being paid up thereon.

(23.) Subject to the provisions of the other clauses of these articles the directors may from time to time make such calls upon the members in respect of all moneys unpaid on their shares as they may think fit provided that except as provided by Article 22 no one call exceeds two pounds per share and that twenty-one days notice at least is given of each call.

Provisions as to calls on shares.

(24.) The holders of the new shares issued with five pounds or larger sums credited thereon or having five pounds or larger sums paid up shall not be entitled to require calls to be made upon the holders of other shares in order to equalise the

amounts paid up but no call shall be made upon the aforesaid holders of shares with five pounds or any larger sum paid up until the shares issued with three pounds ten shillings paid up are paid up to the extent of five pounds.

Provisions as to reserve fund.

(106.) The directors may before any dividend be paid set aside out of the net profits of the Company such sum as they think proper as a reserve fund for meeting any contingencies or equalising dividends and for such other purposes as the directors shall in their absolute discretion think conducive to the interests of the Company and the directors may invest the several sums so set aside upon such investments (other than shares of the Company) as they may think fit And the directors may from time to time with the sanction of the Company given in general meeting apply any part of the reserve fund by adding it to the profits of the Company available for the purpose of paying dividends in any year for the purpose of increasing the dividends for that year or as a bonus in addition to the ordinary dividend.

Division of profits.

(107.) Subject to Article 106 the profits of each year shall be divisible among the members in proportion to the amount paid up on the shares held by them respectively.

Declaration of dividend.

(108.) The Company in general meeting may declare a dividend to be paid to the members according to their rights and interests in the profits but no larger dividend shall be declared than is recommended by the directors.

Payment on account of dividend.

(109.) The directors may also of their own authority once in each year pay to the members a sum on account of such dividend as mentioned in Article 106 on their respective paid-up share capital.

Division of profits made prior to 31st December 1894.

6. The net profits of the Company made prior to the thirty-first day of December one thousand eight hundred and ninety-four shall be divided in accordance with the existing articles of association of the Company.

Conversion of existing shares into new shares.

7. Every existing preference share is hereby converted into one twenty pound new share with such sum paid up thereon as shall have actually been paid up on such preference share and every ten existing ordinary shares are hereby converted into seven twenty pound new shares with three pounds ten shillings paid up on each of such shares The four thousand five hundred new shares which shall not be exchanged for the existing preference and ordinary shares in the Company shall be offered at such time or times and on such terms as the directors shall think fit to the holders of the new shares in the Company after the exchange as nearly as may be in

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proportion to their respective holdings of new shares but if such four thousand five hundred shares or any of them shall not be accepted by the holders of new shares in the Company within thirty days after the same shall be offered to them such shares shall be disposed of by the directors in such way as they shall think best in the interest of the Company.

Provisions as to requisite alterations in register &c.

8. The directors shall cause to be made such alteration in the register and other books and documents of the Company as may be required to carry into effect the above enactment.

Company to call in and cancel existing share certificates and issue new certificates in lieu thereof.

9. The Company shall call in and cancel the existing certificates of shares issued to members and subject to the provisions of the section of this Act of which the marginal note is "Provision as to shares distributable in fractions" issue in lieu thereof certificates of the new shares by this Act substituted for preference and ordinary shares but the holders of such existing certificates of shares shall not be entitled to any certificates of new shares issued under this Act until they shall have delivered up to the Company to be cancelled the existing certificates of shares issued to them before the passing of this Act or shall prove to the reasonable satisfaction of the Company the loss or destruction thereof.

New shares to be held on same trusts &c. as existing shares.

10. The new shares substituted for preference and ordinary shares by this Act shall to all intents and purposes represent the shares for which they are respectively substituted and shall be subject and liable to the same trusts powers provisions declarations agreements charges liens and incumbrances as immediately before the passing of this Act affected the shares for which they are respectively substituted And every deed or other instrument or any will or other disposition of or affecting the existing shares made before the passing of this Act shall take effect with reference to the whole or a proportionate part as the case may be of the new shares substituted therefor under the provisions of this Act.

Provision as to shares distributable in fractions.

11. Any of the new shares substituted by this Act for existing ordinary shares which would but for this section be distributable in fractions among holders of existing ordinary shares shall be sold in such manner as the directors think fit and the net proceeds of sale of such new shares shall be distributed among the holders of existing ordinary shares in the same proportions in which they would have been entitled to such new shares if they had not been sold.

Sum credited on new shares issued to holders of

12. The Company shall within five years from the passing of this Act accumulate out of the profits of the Company available for the purpose of paying dividends and carry to capital account a sum of thirty-six thousand seven hundred and fifty pounds being equivalent

in amount to the aggregate of three pounds ten shillings per share credited as paid up on the ten thousand five hundred new shares issued to the holders of existing ordinary shares and such sum shall be accumulated by such annual amounts as the directors shall think fit but so that the whole thereof shall be accumulated and carried to capital account within five years from the passing of this Act.

existing ordinary shares to be accumulated out of profits and carried to capital account.

13. Notwithstanding anything contained in this Act or in the memorandum and articles of association of the Company as amended by this Act it shall not be lawful for the Company at any time to apply the reserve fund or any part thereof for the purpose of paying dividends or increasing dividends or as a bonus in addition to the ordinary dividend to such an extent as would reduce the reserve fund below the sum of fifty-four thousand pounds until the said sum of thirty-six thousand seven hundred and fifty pounds has been accumulated out of the profits of the Company and carried to capital account as herein-before provided.

Provisions as to reserve fund.

14. If within one month after the passing of this Act Jonathan Dearden shall give notice in writing to the Company requiring the Company to purchase from him the eighty preference shares and the eighty ordinary shares held by him in the Company then the Company shall within one month after the giving of such notice purchase of the said Jonathan Dearden and he shall sell and transfer to the Company the eighty preference shares and the eighty ordinary shares held by him in the Company and the price to be paid by the Company to the said Jonathan Dearden for the said shares shall be the market price of such shares on the date of the passing of this Act and if any difference shall arise between the Company and Jonathan Dearden as to what such market price is on the said date of the passing of this Act such difference shall be referred to and determined by an arbitrator to be appointed on the application of the said Jonathan Dearden or the Company by the President for the time being of the Institute of Chartered Accountants of England and Wales.

For the protection of Jonathan Dearden.

15. The Company shall forward to the Registrar of Joint Stock Companies a printed copy of this Act and it shall be recorded by him and if such copy is not forwarded within three months from the passing of this Act the Company shall incur a penalty of not exceeding ten pounds for every day after the expiration of those three months during which the copy is omitted to be forwarded and every director and manager of the Company who knowingly or wilfully authorises or permits such default shall incur the like penalty and every penalty shall be recoverable summarily.

Copy of Act to be sent to Registrar of Joint Stock Companies.

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Copies of memorandum and articles of association issued after passing of Act to contain alterations and notice of Act.

16. Every copy of the memorandum and articles of association issued by the Company after the passing of this Act shall contain the alterations made by this Act and shall have printed or written thereon notice of this Act.

Saving for existing memorandum and articles of association.

17. Subject to the provisions of this Act the existing memorandum and articles of association of the Company as amended by this Act and without prejudice to the powers of alteration given by the Companies Acts 1862 to 1890 shall continue in full force and effect.

Costs of Act.

18. The costs charges and expenses preliminary to and of and incidental to the preparing obtaining and passing of this Act shall be paid by the Company.

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