CHAPTER xii.

An Act for the conversion of the existing Preference Stock of the Eastern Telegraph Company Limited and for other purposes. A.D. 1898.

[23rd May 1898.]

WHEREAS the Eastern Telegraph Company Limited (in this Act called "the Company") was incorporated in the year 1872 under the Companies Acts 1862 and 1867 as a company limited by shares for the purpose (among other things) of acquiring maintaining and working the undertakings of the four telegraph companies mentioned in the memorandum of association of the Company:

And whereas the Company has successfully carried on a large and increasing business:

And whereas the total share capital of the Company is now £4,700,000 consisting of—

400,000 ordinary shares of £10 each - -	£4,000,000
70,000 preference shares of £10 each bearing a cumulative preferential dividend of £6 per centum per annum which were created by a special resolution of the Company passed in the month of December 1875 - -	700,000
	£4,700,000

And whereas the whole of the said ordinary shares and of the said preference shares have been issued and fully paid up:

And whereas the Company have also borrowed and are now indebted as follows:—

By 5 per centum debentures redeemable in the year 1899 - - - - -	£89,600
By 4 per centum debenture stock created by a special resolution of the Company passed in the month of August 1882 - - -	1,432,268
	£1,521,868

A.D. 1898.

And whereas the existence of so large an amount of preference capital bearing so high a rate of dividend is found to be prejudicial to the interests of the Company especially in view of the necessity of raising further capital for the development of the business and general purposes of the Company:

And whereas a scheme has been prepared for the conversion of the existing £6 per centum preference shares into a £3 10s. per centum preference stock which as the directors are advised will be beneficial to all classes of shareholders in the Company:

And whereas it is expedient to give effect to the provisions of such scheme in manner provided by this Act:

And whereas more than three-fourths in value of the holders of the existing preference shares have signified their assent in writing to the Bill for this Act:

And whereas by a special resolution passed at an extraordinary general meeting of the members of the Company on the thirteenth day of July one thousand eight hundred and eighty-two and duly confirmed at a subsequent extraordinary general meeting of the members of the Company on the third day of August one thousand eight hundred and eighty-two the directors of the Company were authorised from time to time to create and issue debenture stock bearing interest at the rate of four pounds per centum per annum and to rank pari passu but to an amount not exceeding one-third of the share capital of the Company for the time being issued and paid up:

And whereas the objects aforesaid cannot be attained 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 (that is to say):—

Short title.

1. This Act may be cited as the Eastern Telegraph Company's Act 1898.

Creation and issue of new preference stock.

2.—(1) For the purpose of conversion into preference stock of the existing preference shares of the Company and for raising further capital for the purposes of the Company the directors of the Company may without further or other authority than this Act create and issue preference stock to the amount of two million pounds (in this Act termed "new preference stock").

(2) The holders of the new preference stock shall be entitled to a cumulative preferential dividend of three pounds ten shillings

per centum per annum but not to any further share of the profits in any year and any deficiency in respect of the said preferential dividend on the said new preference stock in any year shall be carried forward and charged on the divisible net profits of the succeeding year or years until paid.

Conversion of existing preference shares into new preference stock.

3.—(1) Every holder of existing preference shares of the Company shall for every fully paid ten pounds share receive eighteen pounds ten shillings of the new preference stock.

(2) New preference stock issued in pursuance of this section to any holder of existing preference shares shall be registered in his name in the books of the Company and shall be (subject to the provisions of this Act) entitled to the like privileges and be held in the same rights on the same trusts and subject to the same powers provisions charges and liabilities as the existing preference shares for which it is substituted and be dealt with disposed of and applied accordingly and so as to give effect to and not to revoke any deed will or other instrument disposing of or affecting the existing preference shares for which it is substituted and every such deed will or instrument disposing of or affecting or purporting to dispose of or affect any existing preference shares shall take effect with reference to the whole or a proportionate part as the case may be of the substituted new preference stock.

(3) Trustees executors administrators and other incapacitated persons may accept such new preference stock in substitution for existing preference shares and may retain dispose of or otherwise deal with the same as fully and freely in all respects as they might have retained disposed of or otherwise dealt with existing preference shares and they are hereby indemnified for all acts done by them in the bonâ fide exercise of the powers given by this section.

(4) The certificates for any existing preference shares for which new preference stock is substituted shall before the issue of such last-mentioned stock to the holder of such shares be delivered up to the Company to be and shall be cancelled and certificates for new preference stock shall be issued gratis in exchange therefor by the Company to the holder of such shares If any certificate for any existing preference shares be lost or destroyed then upon proof thereof to the reasonable satisfaction of the Company a certificate for new preference stock shall be given to the person entitled to the certificate so lost or destroyed.

(5) On registration in the books of the Company of the holder of any of the existing preference shares of the Company as proprietor of the amount of new preference stock to which he is entitled under the provisions of this Act the existing preference

A.D. 1898.

shares of the Company for which such new stock is substituted shall be by virtue of this Act cancelled and extinguished.

(6) New preference stock shall be transferable and transmissible and generally shall have mutatis mutandis the like incidents as fully paid shares of the Company.

(7) In and for the purposes of this Act the term "existing" means existing immediately before the passing of this Act.

As to balance of new preference stock.

4. The balance of new preference stock which is not required for the purpose of conversion of the existing preference shares may be created and issued as and when the directors see fit and applied to any purposes of the Company to which capital is properly applicable.

Power to create additional preference stock or shares.

5. The directors of the Company with the sanction of the members in general meeting may from time to time create and issue new additional preference stock or shares which shall rank pari passu with the new preference stock by this Act authorised to be created and issued Provided that the total amount of preference capital for the time being created and issued shall not exceed one-half of the total amount of ordinary capital for the time being created and issued.

Power to create debenture capital.

6. The directors of the Company with the sanction of the members in general meeting may from time to time create and issue debentures or debenture stock charged on the revenue and undertaking of the Company so however that the total amount of debentures or debenture stock for the time being created and issued shall not exceed one-third of the total amount of the capital in ordinary and preference stock and shares for the time being created and issued and paid up and so that all debentures or debenture stock created and issued by virtue of this section shall rank pari passu with the existing four per centum debenture stock of the Company.

Depoait of copy of Act with registrar.

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

Copy of Act to be supplied to members on request.

8. To every copy of the memorandum and articles of association of the Company supplied after the passing of this Act to any member under the provisions of section nineteen of the Companies Act 1862 there shall be annexed a copy of this Act which for the purposes of that section shall be treated as part of the memorandum and articles of association of the Company.

Costs of Act.

9. All costs charges and expenses preliminary to and of and incidental to preparing and obtaining this Act shall be paid by the Company.

Printed by Eyre and Spottiswoode.

FOR

T. Digby Pigott, Esq., C.B., the Queen's Printer of Acts of Parliament.

And to be purchased, either directly or through any Bookseller, from
EYRE AND SPOTTISWOODE, East Harding Street, Fleet Street, E.C.; or
JOHN MENZIES & Co., 12, Hanover Street, Edinburgh, and
90, West Nile Street, Glasgow; or
HODGES, FIGGIS, & Co., Limited, 104, Grafton Street, Dublin.