CHAPTER vii.

An Act to make provision for dealing with the trustees' preference shares of the New Zealand Loan and Mercantile Agency Company Limited and the trustees' certificates issued in respect thereof and for other purposes. [24th June 1904.]

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WHEREAS the New Zealand Loan and Mercantile Agency Company Limited (hereinafter called "the Company") was incorporated on the tenth day of May one thousand eight hundred and ninety-four under the Companies Acts 1862 to 1890 for the purpose of acquiring taking over and carrying on the undertaking property and assets of a former company of the same name (hereinafter called "the old company") then being wound up by the court and assuming and providing for the liabilities of the old company in manner provided by a scheme of arrangement of the old company sanctioned by an order of the Chancery Division of the High Court of Justice of the thirteenth day of April one thousand eight hundred and ninety-four (which said scheme of arrangement is hereinafter referred to as "the scheme of 1894"):

And whereas the original capital of the Company as stated in its memorandum of association was £3,900,000 divided into 200,000 preference shares of £3 10*s.* each and 320,000 ordinary shares of £10 each with such respective rights as were defined by the Company's memorandum of association and by the articles of association registered therewith:

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And whereas pursuant to the scheme of 1894 the following shares of the Company were issued to the shareholders of the old company with the following amounts credited as paid up thereon and on the following conditions as to payment up of the whole or part of the amounts unpaid on such shares (namely):—

Shares.	Nominal Amount.	Amount credited as paid up.	Conditions as to payment of the Amounts unpaid on such Shares.
		ORDINARY SHARES.	
40,000 -	£10	£1 10*s.* credited as paid. £8 10*s.* credited as paid in advance of calls.	
220,562 -	£10	10*s.* credited as paid -	A further £1 per share to be paid up by the instalments mentioned in the scheme of 1894.
		PREFERENCE SHARES.	
20,000 -	£3 10*s.*	Credited as fully paid.	
112,237 -	£3 10*s.*	Nothing credited as paid -	The full amount to be paid up by the instalments mentioned in the scheme of 1894.

And whereas 4,320 of the said ordinary shares issued with 10*s.* credited as paid up thereon and 1,980 of the said preference shares issued with nothing credited as paid up thereon had at the date of the scheme of 1897 hereinafter mentioned been forfeited for non-payment of the instalments payable thereon under the scheme of 1894 leaving 216,242 partly paid ordinary shares and 130,257 preference shares of the Company still issued:

And whereas pursuant to the scheme of 1894 the Company created and issued to certain of the creditors of the old company prior lien debenture stock carrying interest at the rate of £4 per centum per annum and secured by a first charge on all the assets of the Company present and future including its uncalled capital for the time being and by the trust deed securing the said prior lien debenture stock dated the eighteenth day of December one thousand eight hundred and ninety-four and made between the Company of the one part and Sir John Henry William Schröder Baronet and Walpole Greenwell of the other part it was provided that save as regards the payments to be made on the shares of the Company as provided by the scheme of 1894

none of the uncalled capital of the Company should during the continuance of the security thereby created be called up or received in advance of calls without the consent of the trustees for the time being of the said trust deed:

And whereas pursuant to the scheme of 1894 the Company also created and issued to creditors of the old company "A" and "B" debenture stocks carrying interest at the rate of four per centum per annum (the interest on the "B" debenture stock being payable out of profits only and non-cumulative) secured by a second and third charge respectively on all the assets of the Company present and future including its uncalled capital for the time being by two several trust deeds respectively dated the eighteenth day of December one thousand eight hundred and ninety-four and made between the Company of the one part and Vesey George Mackenzie Holt and Nathaniel Cork of the other part:

And whereas at the date of the scheme of 1897 hereinafter mentioned there had been issued and were outstanding the following amounts of the said debenture stocks (namely):—

Prior lien debenture stock £2,365,420 of which £2,234 7*s.* 11*d.* was subsequently cancelled;

"A" debenture stock £1,351,218;

"B" debenture stock £1,043,007:

And whereas at the date of the scheme of 1894 no sufficient materials existed for making any estimate of the value of the properties and assets taken over by the Company from the old company but shortly after the incorporation of the Company the directors of the Company proceeded to collect such materials and it was then ascertained that the price at which such properties and assets had been taken over was at least £2,500,000 in excess of their real value:

And whereas it accordingly became necessary to reduce the capital of the Company and readjust its capital account and in the year one thousand eight hundred and ninety-seven a scheme for so doing (hereinafter referred to as "the scheme of 1897") was prepared which provided as follows That the "A" and "B" debenture stocks of the Company and all arrears of interest thereon should be cancelled That the capital of the Company should be reduced by (A) cancelling the 130,257 issued preference shares of the Company of £3 10*s.* each altogether (B) writing off £9 10*s.* per share of the £10 paid up on each of the 40,000 fully paid

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ordinary shares of the Company and (c) writing off £1 per share of the £1 10s. paid up on each of the remaining 216,242 issued ordinary shares of the Company That new second debenture stock should be created carrying interest at the rate of £4 per centum per annum and secured by a second charge on all the assets and uncalled capital of the Company to an amount equal to 40 per centum of the existing "A" debenture stock of the Company (subject to possible increase) and that such new second debenture stock should be issued to the holders of the said existing "A" debenture stock in substitution for 40 per centum of their holdings of the said "A" debenture stock That new third debenture stock should be created carrying interest at the rate of £4 per centum per annum contingent upon the profits of the Company in each year being sufficient to pay the same and secured by a third charge on all the assets and uncalled capital of the Company to an amount equal to 30 per centum of the existing "A" debenture stock of the Company (subject to possible increase) and that such new third debenture stock should be issued to the holders of the said existing "A" debenture stock in substitution for 30 per centum of their holdings of the said "A" debenture stock That 1,000 of the unissued shares of the Company of £10 each should each be divided into 10 shares of £1 each and that the shares resulting from such division should be called "trustees' preference shares" and should confer upon the holders thereof the following rights (namely) (A) The right (subject to the provisions of the articles of association of the Company as regards reserve fund) to a non-cumulative preferential dividend at the rate of £4 per share per annum after payment of the current interest on the third debenture stock of the Company (B) the right to 60 per centum of the surplus profits available for dividend remaining after payment of such preferential dividend and (c) the right in a winding-up to receive a preferential payment of the amount paid or credited as paid thereon together with a bonus of £9 per share and also four fifths of any surplus assets of the Company remaining after payment of such amount and bonus including in such surplus assets the proceeds of any capital uncalled at the date of such winding up That the said 10,000 trustees' preference shares should be issued to trustees credited as fully paid up and that as against the said trustees' preference shares the trustees should issue 1,000,000 trustees' certificates (hereinafter referred to as "the trustees' certificates") each representing a fractional interest of the said 10,000 trustees

preference shares and that such certificates should be distributed as follows :—

	Number of Certificates.
(A) To the "A" debenture stockholders in exchange for £405,400 being the remaining 30 per centum of their "A" debenture stock one certificate for each £1 of that remaining percentage of "A" debenture stock - - - -	405,400
(B) To the holders of the "B" debenture stock so cancelled as aforesaid three certificates for each £10 of such stock - -	312,903
(C) To the holders of the said fully paid preference shares so cancelled as aforesaid one certificate for every two shares of their holding - - - - -	65,129
(D) To the holders of the fully paid ordinary shares in substitution for £8 10s. per share paid up in advance of calls and written off as aforesaid one certificate for every share - - - -	40,000
(E) Balance available to meet contingent liabilities under the scheme of 1894 - -	176,568
	1,000,000

And whereas the necessary special resolutions of the Company and resolutions of the "A" and "B" debenture stock holders respectively for carrying the scheme of 1897 into effect were duly passed at general meetings of the Company held on the sixteenth day of June and the first day of July one thousand eight hundred and ninety-seven respectively and at general meetings of the "A" and "B" debenture stock holders respectively held on the sixteenth day of June one thousand eight hundred and ninety-seven and the reduction of the capital of the Company effected by the scheme of 1897 was duly sanctioned by an order of the Chancery Division of the High Court of Justice of the tenth day of August one thousand eight hundred and ninety-seven :

And whereas by the minute approved by the said order of the Chancery Division of the tenth day of August one thousand eight hundred and ninety-seven and duly registered with the Registrar of Joint Stock Companies it was provided that the capital of the

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Company should thenceforth be £2,000,008 divided into 10,000 trustees' preference shares of £1 each 2,383 ordinary shares of £10 each 216,242 ordinary shares of £9 each and 40,000 ordinary shares of 10*s.* each instead of £3,900,000 divided into 10,000 trustees' preference shares of £1 each 200,000 preference shares of £3 10*s.* each and 319,000 ordinary shares of £10 each and that at the time of the registration of the said minute the said 216,242 ordinary shares of £9 each and the said 40,000 ordinary shares of 10*s.* each had been issued and the sum of 10*s.* had been and was to be deemed to have been paid up on each of the said shares except as in the said minute was provided (being provisions for preserving the liability of the holders of 7,642 of the said ordinary shares of £9 each in respect of calls in arrear on the said shares on the tenth day of August one thousand eight hundred and ninety-seven and otherwise):

And whereas 4,928 of the said 216,242 ordinary shares have since been forfeited for non-payment of the calls due under the scheme of 1894 and cancelled leaving 211,314 of such shares still issued:

And whereas pursuant to the scheme of 1897 the Company has created and issued to the holders of the former "A" debenture stock of the Company new second and third debenture stocks to the amounts of £540,770 and £405,577 respectively such new second and third debenture stocks being respectively secured by two trust deeds respectively dated the twenty-first day of October one thousand eight hundred and ninety-seven and made between the Company of the one part and the said Vesey George Mackenzie Holt and Nathaniel Cork of the other part:

And whereas pursuant to the scheme of 1897 the Company issued to the said Vesey George Mackenzie Holt and Nathaniel Cork the said 10,000 trustees' preference shares of £1 each credited as fully paid up and by an indenture dated the twenty-first day of October one thousand eight hundred and ninety-seven and made between the said Vesey George Mackenzie Holt and Nathaniel Cork of the one part and the Company of the other part (a copy whereof is set forth in the First Schedule hereto) the trusts upon which the said Vesey George Mackenzie Holt and Nathaniel Cork were to hold the said trustees' preference shares were declared:

And whereas pursuant to the scheme of 1897 there have been issued and are now outstanding 823,432 trustees' certificates in respect of the said 10,000 trustees' preference shares:

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And whereas as the result of the scheme of 1897 the issued debenture and share capital of the Company is now as follows subject to a possible increase in the amount of the various debenture stocks for the purpose of providing for certain contingent claims under the scheme of 1894 still outstanding and subject also to certain calls being in arrear on some of the partly paid ordinary shares and after crediting certain sums paid in advance of calls:—

Debenture capital—	£
Prior lien debenture stock - - -	2,363,186
Second debenture stock - - -	540,770
Third debenture stock - - -	405,577
	£3,309,533

Share capital—	Nominal. £	Paid up. £
10,000 trustees' preference shares of £1 each - - -	10,000	10,000
40,000 ordinary shares of 10*s.* each - - - - -	20,000	20,000
211,314 ordinary shares of £9 each - - - -	1,901,826	105,022
	£1,931,826	£135,022

And whereas by the Company's articles of association as amended by the said special resolutions of the Company of the sixteenth day of June and the first day of July one thousand eight hundred and ninety-seven and by a further special resolution duly passed and confirmed at general meetings of the Company held on the third day of December and the twenty-third day of December one thousand eight hundred and ninety-seven respectively it is provided as follows:—

(Article 53) . . . . Every bearer for the time being of at least one hundred of the certificates issued against the trustees' preference shares (hereinafter called "the trustees' certificates") shall subject to the provisions hereinafter contained be entitled to attend and vote at general meetings of the Company but shall not be taken into account for the purpose of ascertaining whether or not a quorum for the transaction of business at any such meeting is present:

(Article 62) On a show of hands every member shall have one vote only In the case of a poll every holder of

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ordinary shares shall be entitled to one vote for each ordinary share held by him and every holder of trustees' preference shares other than the original allottees of such shares shall be entitled to twenty votes for every trustees' preference share held by him but no shareholder shall be entitled to vote at any meeting unless all calls due from him have been paid:

(Article 64A) Every holder of trustees' certificates entitled to attend a general meeting of the Company shall have twenty votes for every one hundred of the said certificates held by him provided that no person shall as bearer of such certificates be entitled to attend or vote at any general meeting of the Company unless three days at least before the day appointed for the meeting he shall have deposited the certificates in respect of which he claims to vote at the office or at such other place as the directors appoint together with a statement in writing of his name and address and unless the said certificates shall remain so deposited until after the general meeting or any adjournment thereof shall have been held The names of more than one as joint bearers of a trustees' certificate shall not be received:

(Article 105) So long as any part of the prior lien or second debenture stock remains outstanding the net profits of the Company shall in each year subject to the payment of the interest on the said "prior lien debenture stock" and "second debenture stock" be applied in the following order of priority:—

Firstly In payment of the interest for that year upon the third debenture stock of the Company for the time being outstanding;

Secondly In the payment so far as the same will extend (but subject to the provisions of Article 98 (15) as regards reserve fund) of the preferential dividend of £4 per share upon the trustees' preference shares for that year; and

Thirdly In distributing 60 per centum of the ultimate residue as a further dividend upon the trustees' preference shares for that year and the remaining 40 per centum thereof by way of dividend among the holders of the ordinary shares of the Company rateably and in proportion to the number of such shares held by them respectively:

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(Article 141) All capital uncalled at the commencement of the winding up on any ordinary share of the Company shall be liable to be fully called up in the winding up notwithstanding that the same may not either wholly or to any extent be required for the discharge of any liability of the Company or of the costs charges and expenses of the winding up and the proceeds of such uncalled capital shall be included amongst the surplus assets referred to in the next succeeding Article :

(Article 141A) The surplus assets upon the winding up of the Company shall subject to the rights attached to any shares hereafter to be issued on special conditions be applied in the following order of priority :—

(1) In distributing amongst the holders of the trustees' preference shares of the Company the amount paid or credited as paid on the said shares held by them respectively together with a bonus of £9 per share on each of the said shares ;

(2) In distributing amongst the holders of the said trustees' preference shares rateably and in proportion to the number of such shares held by them four fifths of the balance of such surplus assets and in distributing the remaining one fifth of such balance amongst all the holders of the ordinary shares of the Company rateably and in proportion to the number of such shares held by them respectively :

And whereas the total amount of the uncalled capital on the 211,314 partly paid ordinary shares of the Company of £9 each is £1,796,169 less a sum of £724 paid up thereon in advance of calls :

And whereas the present trustees of the trust deeds securing the second and third debenture stocks of the Company respectively and of the said declaration of trust of the trustees' preference shares of the Company are the said Vesey George Mackenzie Holt and Francis William Buxton the said Francis William Buxton having been appointed a trustee in the place of the said Nathaniel Cork deceased :

And whereas except for the year ending thirtieth June one thousand nine hundred the profits of the Company have not been sufficient to provide for the payment in full of the interest on the third debenture stock of the Company and no dividend has ever been paid on the trustees' preference shares or on the ordinary shares of the Company :

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And whereas having regard to the rights of the trustees' preference shares there is little (if any) prospect of the holders of the ordinary shares of the Company ever participating in the profits of the Company or in any distribution of its capital assets on a winding up and it is therefore found impossible in the great majority of cases to induce substantial or responsible persons to become transferees of the ordinary shares of the Company of £9 each in respect of which there is an uncalled liability of £8 10*s.* per share:

And whereas in consequence of the impossibility of obtaining responsible transferees of the said ordinary shares of £9 each and of the decease of the holders thereof and the distribution of their estates without any provision being made for the uncalled liability on the said shares (even where the estates of such deceased holders are sufficient to make such provision) and of the holders of such shares disposing of all their property inter vivos and dying leaving no estates to meet such uncalled liability the value of such uncalled liability is rapidly diminishing and it is apprehended that if the present state of things continues the uncalled liability on the said ordinary shares will in course of time become of little or no value:

And whereas it is of importance to the general credit of the Company and to the security of the prior lien and the second and third debenture stocks of the Company that the value of the uncalled liability on the partly paid ordinary shares of the Company should be preserved and that it should be rendered possible to induce substantial and responsible persons to become transferees of such shares:

And whereas the directors of the Company are of opinion that it would be highly injurious to the credit and reputation of the Company in the Colonies and to the interests of the debenture stock holders to make any call at the present time on the holders of the partly paid ordinary shares of the Company in respect of the amounts remaining uncalled on the said shares and the trustees of the prior lien debenture stock of the Company (without whose consent no such call can be made) are of the same opinion and have always refused and still refuse to allow any such call to be made:

And whereas at a conference between the directors of the Company and second and third debenture stock holders of the Company whose respective holdings exceeded one thousand pounds held on the twenty-third day of January one thousand nine hundred a resolution of the said stockholders was passed appointing a

committee of eight persons holding or representing the holders of large amounts of second and third debenture stock and of trustees' certificates (of which committee the trustees for the second and third debenture stock holders and of the trustees' preference shares and two of the directors of the Company were to be ex officio members) to confer with the directors of the Company and make such recommendations in regard to dealing with the trustees' preference shares and the trustees' certificates as might seem to the committee to be desirable : A.D. 1904.

And whereas as the result of the deliberations of the said committee in conjunction with the directors of the Company a scheme for dealing with the trustees' preference shares and the trustees' certificates was in the early part of the year one thousand nine hundred and three prepared and put forward by the Company with the unanimous approval of the said committee and of the trustees for the second and third debenture stock holders and of the trustees' preference shares the principal proposals of which were as follows :—

First That provision should be made for the payment of the sum of two shillings per certificate to each certificate holder who should within one year after the scheme had become effective deliver up his certificate in accordance therewith ;

Second That the rate of interest on the third debenture stock of the Company should as from the thirtieth day of June one thousand nine hundred and three be increased from four to four and a half per centum per annum and should as regards the first two per centum per annum be payable not only out of the profits of the preceding year but also out of the profits of any of the next succeeding five years next after payment of the full interest for such year on the third debenture stock ;

Third That subject to the above provisions and also to the provisions of the Company's articles of association as regards reserves all surplus profits of the Company in any year subsequent to the thirtieth day of June one thousand nine hundred and three should be applied firstly in payment of a non-cumulative dividend of five per centum upon the amount paid up on the ordinary shares of the Company and any balance then remaining should be distributed by way of additional interest and dividend respectively upon

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the third debenture stock and the ordinary shares of the Company pro rata in proportion to the amounts paid up thereon respectively;

Fourth That each of the trustees' preference shares should be converted into two fully paid ordinary shares of ten shillings each ranking pari passu in all respects with the existing fully paid ordinary shares of the Company of ten shillings each:

And whereas the said scheme (hereinafter referred to as "the scheme of 1903") was embodied in two agreements respectively dated the twentieth day of June one thousand nine hundred and three which are set out in the Second Schedule hereto:

And whereas the sum of two shillings is considerably in excess of the market value of a trustees' certificate:

And whereas the New Zealand Land Association Limited (hereinafter called "the land association") is a company which was incorporated in the year one thousand eight hundred and seventy-nine under the Companies Acts 1862 to 1877 under the name of the Waikato Land Association Limited for the purpose primarily of taking over and managing certain estates previously belonging to the old company and by clause (3) sub-clause (M) of the memorandum of association of the land association it is provided that one of the objects of the land association is to accept purchase hold and sell shares and stock in any company or undertaking any of whose objects are similar to any of the objects of the land association:

And whereas the Company has from time to time acquired and is now the holder by itself or its nominees of the whole of the share capital and debenture stock issued by the land association:

And whereas pursuant to the scheme of 1903 the land association has deposited with its bankers Messrs. Barclay and Company Limited of 54 Lombard Street in the city of London in the joint names of Henry Joseph Bristow and Arthur Maw Mitchison two of its directors exchequer bonds to the amount of eighty-two thousand five hundred pounds being a sufficient sum to purchase all the said 823,432 trustees' certificates now outstanding at the price of two shillings for each single certificate:

And whereas at a general meeting of the holders of the trustees' certificates held pursuant to the scheme of 1903 on the fourteenth day of July one thousand nine hundred and three a resolution was passed approving the scheme of 1903 as embodied in

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the said two agreements of the twentieth day of June one thousand nine hundred and three set out in the Second Schedule hereto and authorising the trustees of the said declaration of trust of the trustees' preference shares to give all necessary consents and do all necessary acts for the purpose of carrying out the said scheme the holders of 343,219 of the trustees' certificates represented at such meeting voting in favour of such resolution and the holders of 22,949 of such certificates voting against the same:

And whereas by an order of the Chancery Division of the High Court of Justice dated the twenty-fourth day of July one thousand nine hundred and three and made in an action of Dickinson *v.* Holt and others 1903 D. No. 1243 (being an action instituted by one of the holders of trustees' certificates who dissented from the scheme approved by the said resolution of the fourteenth day of July one thousand nine hundred and three) which said order was confirmed on appeal by an order of the Court of Appeal dated the first day of August one thousand nine hundred and three the said Vesey George Mackenzie Holt and Francis William Buxton as trustees of the said declaration of trust of the trustees' preference shares were restrained from consenting to the passing by the Company of any resolutions for the purpose of carrying the scheme of 1903 into effect the grounds on which such order was made being that the provisions of clause 14 of the said declaration of trust of the trustees' preference shares of the twenty-first day of October one thousand eight hundred and ninety-seven upon which reliance was placed as authorising the trustees to give such consent could not be so relied upon without first obtaining the consent of every holder of trustees' certificates because that declaration of trust was executed subsequent to the passing of the scheme of 1897 and no such provision was contained in the scheme of 1897 itself as submitted to the debenture stock holders and shareholders of the Company and approved by the court:

And whereas even if the opposition of the small minority of the holders of trustees' certificates who voted against the said resolution of the fourteenth day of July one thousand nine hundred and three could be overcome it would be impossible for the trustees of the said declaration of trust to obtain the consent of all the holders of the trustees' certificates to the scheme of 1903 as the trustees' certificates are certificates to bearer and a large number of such certificates are in the hands of people who cannot be traced or will not respond to any inquiries:

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And whereas if the scheme of 1903 were carried into effect the position and credit of the Company and the security of the prior lien and the second and third debenture stocks of the Company would be greatly improved and the holders of the trustees' certificates would receive more than the market value of their certificates and it is expedient that the said scheme should be carried into effect as hereinafter provided:

And whereas the objects above mentioned 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 King'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 New Zealand Loan and Mercantile Agency Company's Act 1904.

Interpretation.

2. In this Act the following expressions shall have the following meanings (namely):—

(1) "The Company" means the New Zealand Loan and Mercantile Agency Company Limited;

(2) "The land association" means the New Zealand Land Association Limited;

(3) "The trustees' preference shares" means the 10,000 existing trustees' preference shares of the Company;

(4) "The said declaration of trust" means the declaration of trust of the trustees' preference shares of the twenty-first day of October one thousand eight hundred and ninety-seven set out in the First Schedule hereto;

(5) "The trustees' certificates" means the 1,000,000 certificates authorised by the said declaration of trust to be issued in respect of the trustees' preference shares;

(6) "The said trustees" means the said Vesey George Mackenzie Holt and Francis William Buxton or other the trustees or trustee for the time being of the said declaration of trust.

Purchase of trustees' certificates by land association.

3. The land association shall purchase from all the holders of the trustees' certificates who shall desire to sell the same upon the terms of this Act and shall signify such desire to the land association in writing within one year from the date of the passing

of this Act the trustees' certificates held by them respectively at the price of two shillings for each single certificate and the said exchequer bonds for the sum of eighty-two thousand five hundred pounds deposited with the said Messrs. Barclay and Company Limited by the land association as hereinbefore recited and the proceeds thereof shall during the said period of one year be appropriated as a fund for paying for all trustees' certificates so purchased by the land association as aforesaid and shall not be applicable for any other purpose whatever.

Provision where trustees' certificates have been exchanged for trustees' preference shares.

4. In the event of any holder of trustees' certificates having exercised the right reserved to him by clause 12 of the said declaration of trust and having obtained from the said trustees a transfer of any trustees' preference share or shares in exchange for his trustees' certificates as therein mentioned then and in any such case the obligation of the land association to purchase under this Act and the other provisions of this Act shall apply to such trustees' preference share or shares as nearly as may be as if each such share were still represented by one hundred trustees' certificates.

As to certificates held in Australia &c.

5. As regards any of the trustees' certificates which may be held in Australia Tasmania or New Zealand the land association may with the consent of the said trustees and of the said Henry Joseph Bristow and Arthur Maw Mitchison make any arrangements which it may think convenient for enabling the purchase of and payment for such certificates to be completed in any place or places in Australia Tasmania or New Zealand respectively.

Application of balance of sum deposited by land association.

6. If at the expiration of the said period of one year from the passing of this Act the whole of the said sum of eighty-two thousand five hundred pounds so deposited by the land association as aforesaid has not been applied in the purchase of trustees' certificates any balance then remaining unapplied shall be released and paid over to the land association.

Notice to be given to holders of trustees' certificates.

7. The Company shall within thirty days after the date of the passing of this Act cause notice in writing in such form as shall be approved by the said trustees to be sent by post to all persons to whom any of the trustees' certificates were originally issued (except those who have informed the Company that they no longer hold any of such certificates) at their last known places of address informing them of the passing of this Act and of the extinguishment of the rights of the trustees' preference shares

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hereby effected and of the right of the holders of the trustees' certificates hereunder to require the land association to purchase all the trustees' certificates held by them at the price of two shillings for each single certificate The Company shall also during a period of one year from the date of the passing of this Act cause a similar notice to be inserted on the first Monday in each month in the Times and two other leading morning papers and one leading financial paper in London and in one leading morning paper to be approved by the said trustees in each of the following places (namely) Edinburgh and Glasgow (in Scotland) Dublin and Belfast (in Ireland) Melbourne (in Victoria) Sydney (in New South Wales) and Wellington (in New Zealand) and such other places (if any) as the said trustees shall require.

Confirming agreement in second part of Second Schedule.

8. The agreement of the twentieth day of June one thousand nine hundred and three as set forth in the second part of the Second Schedule hereto is hereby confirmed and made binding upon the Company and shall take effect as if the same had been made conditional on this Act being passed instead of on the scheme therein referred to becoming effective as provided by an agreement of even date therewith therein recited (being the agreement set forth in the first part of the Second Schedule hereto).

Conversion of trustees' preference shares into ordinary shares.

9. Each of the trustees' preference shares is hereby converted into two fully paid ordinary shares of ten shillings each forming one series with and ranking in all respects pari passu with the existing forty thousand fully paid ordinary shares of the Company of ten shillings each and ranking for dividend as from the thirtieth day of June one thousand nine hundred and three and all preferential rights whether in respect of dividend or capital at present attaching to the trustees' preference shares are hereby cancelled and the same shall be deemed to have been cancelled as from the thirtieth day of June one thousand nine hundred and three The said recited minute approved by the said order of the Chancery Division of the High Court of Justice of the tenth day of August one thousand eight hundred and ninety-seven shall be varied accordingly and shall as from the thirtieth day of June one thousand nine hundred and three be read as though no mention had been made therein of the said 10,000 trustees' preference shares of £1 each and as though throughout the said minute "60,000" had been substituted for "40,000" as the number of the fully paid ordinary shares of the Company of ten shillings each.

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Alterations of articles of association.

10. The following alterations shall as from the date of the passing of this Act be made in the articles of association of the Company (namely):—

(1) Article 53 (so far as hereinbefore recited) and Article 64A shall be cancelled:

(2) In Article 62 the words "and every holder of trustees' "preference shares other than the original allottees "of such shares shall be entitled to twenty votes for "every trustees' preference share held by him" shall be cancelled:

(3) Article 105 shall be cancelled and the following article shall be substituted therefor:—

105. The net profits of the Company in each year shall subject to the payment of the interest on the prior lien and second debenture stocks so long as any part thereof respectively remains outstanding be applied in the following order of priority:—

(1) In payment of interest for that year at the rate of four and a half per centum per annum upon the third debenture stock of the Company for the time being outstanding;

(2) In payment in accordance with the provisions of the agreement set forth in the second part of the Second Schedule to the New Zealand Loan and Mercantile Agency Company's Act 1904 of any arrears of interest on the third debenture stock which under the provisions of the said agreement are payable out of the profits of such year;

(3) In payment so far as the same will extend (but subject to the provisions of Article 98 (15) as regards reserve fund) of a non-cumulative dividend at the rate of five per centum per annum for such year upon the amount for the time being paid up or credited as paid up on the ordinary shares of the Company;

(4) Any balance then remaining shall be distributed by way of additional interest and dividend upon the third debenture stock and the ordinary shares pro rata in proportion to the amount paid or credited as paid up thereon respectively:

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(4) Article 141A shall be cancelled and the following article shall be substituted therefor:—

141A. The surplus assets upon the winding up of the Company shall subject to the rights attached to any shares hereafter to be issued on special conditions be distributed amongst all the holders of the ordinary shares of the Company rateably in proportion to the number of such shares held by them respectively.

Application of profits prior to 30th June 1903.

11. The profits of the Company made prior to the thirtieth day of June one thousand nine hundred and three shall be applied in accordance with the existing articles of association of the Company.

Amendment of declaration of trust.

12. Clause 14 of the said declaration of trust shall as from the date of the passing of this Act be cancelled.

Trustees' certificates not to confer rights of voting.

13. Notwithstanding anything in the said declaration of trust or in the trustees' certificates contained the trustees' certificates shall not as from the date of the passing of this Act confer any right upon the holders thereof to attend or vote at general meetings of the Company.

Cancellation of certificates of trustees' preference shares.

14. The Company shall forthwith after the passing of this Act call in and cancel the existing certificates of the trustees' preference shares and shall issue to the holders in lieu thereof certificates for fully paid ordinary shares of the Company of ten shillings each of the same nominal amount.

Trustees to hold substituted ordinary shares on same trusts as trustees' preference shares.

15. The said trustees shall hold the fully paid ordinary shares of the Company of ten shillings each into which the trustees' preference shares now held by them are hereby converted upon the same trusts (so far as the same are applicable) as those declared by the said declaration of trust concerning the trustees' preference shares except in so far as the said trusts are hereby expressly or by implication varied.

Copy of Act to be registered.

16. The Company shall deliver to the Registrar of Joint Stock Companies a printed copy of this Act and he shall retain and register the same and if such copy is not so delivered 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 the default continues and any director and manager of the Company who knowingly

and wilfully authorises such default shall incur the like penalty Every penalty under this Act shall be recoverable summarily.

There shall be paid to the Registrar by the Company on such copy being registered the like fee as is for the time being payable under the Companies Act 1862 on registration of any document other than a memorandum of association.

Notice of Act on memorandum and articles of association.

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

Provisions of Act to form part of regulations of Company.

18. The provisions of this Act shall form part of the regulations of the Company but nothing herein contained shall be deemed to prevent the Company from modifying or altering its memorandum and articles of association as hereby varied in accordance with the provisions of the Companies Acts 1862 to 1900.

Costs of Act.

19. The costs charges and expenses preliminary to and of and incidental to the preparing obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Company.

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The SCHEDULES referred to in the foregoing Act.

THE FIRST SCHEDULE.

THIS INDENTURE made the 21st day of October 1897 between VESEY GEORGE MACKENZIE HOLT of 17 Whitehall Place in the county of London Esquire and NATHANIEL CORK of 18 Birchin Lane in the city of London Esquire (hereinafter called "the trustees") of the one part and the NEW ZEALAND LOAN AND MERCANTILE AGENCY COMPANY LIMITED (hereinafter called "the Company") of the other part.

WHEREAS this indenture is supplemental to an agreement (hereinafter called "the principal agreement") dated the 15th day of June 1897 and made between the Company of the one part and the trustees of the other part:

And whereas the principal agreement has been approved by extraordinary resolutions passed at meetings of the holders of the "A" and "B" debenture stocks of the Company referred to in the principal agreement:

And whereas special resolutions were on the 16th day of June 1897 and the 1st day of July 1897 passed and confirmed reducing the capital of the Company and making certain alterations in and additions to the articles of association of the Company with a view to the creation of the 10,000 fully-paid preference shares referred to in the principal agreement (hereinafter called "the trust shares"):

And whereas the said special resolutions so far as relates to the said reduction of capital have been duly confirmed by an order of the Chancery Division of the High Court of Justice:

And whereas the Company has created and issued to the trustees the trust shares:

Now this indenture witnesseth as follows:—

1. The trustees shall hold the trust shares upon trust for the purposes hereinafter mentioned.

2. The trustees shall issue certificates each representing a fractional interest in the trust shares as shall be required to give effect to the said scheme not exceeding 1,000,000 certificates in all the certificates so issued to be distributed as follows:—

(*a*) To "A" debenture stock holders in exchange for £405,400 part of their present stock being at the rate of one certificate for each £1 of "A" stock -	405,400
(*b*) To "B" debenture stock holders in exchange for their present stock three certificates for each £10 of "B" stock - - - - -	312,903
(*c*) To preference share holders in respect of 130,257 shares one certificate for every two shares -	65,129
(*d*) To fully-paid ordinary share holders in respect of 40,000 ordinary shares one certificate for every share - - - - - -	40,000
(*e*) Balance available to meet contingent liabilities under scheme of arrangement of 1894 - - -	176,568
	1,000,000

3. The said certificates may be issued in single certificates or in multiple certificates comprising 5 10 20 or 100 single certificates and may be in the forms set forth in the Schedule hereto with such modifications (if any) as the trustees may from time to time approve.

4. The trustees may make such arrangements as they think fit for procuring their signatures and the counter signature of a director of the Company to be affixed to or engraved or impressed upon the said certificates or for otherwise authenticating and facilitating the identification of the same.

5. Each single certificate shall entitle the bearer to such an amount of any dividends bonuses or other moneys which may at any time become payable in respect of the trust shares as shall be ascertained by dividing the amount of such dividends bonuses or other moneys by the total number of certificates which at the date when such dividends bonuses or other moneys shall be payable shall have been issued.

6. If the amount of any dividends bonuses or other moneys which may at any time become payable in respect of the trust shares or any part thereof cannot in the opinion of the directors of the Company be conveniently distributed among the bearers of the certificates such amount or so much thereof as the directors think fit may be from time to time carried to a suspense account and added to and distributed with any dividends bonuses or other moneys which may thereafter become payable in respect of the trust shares and so that any sum carried to suspense shall be divided by the number of certificates which shall have been issued at the date when such dividends bonuses or other moneys shall be actually distributed Provided that for the purposes of this and the last preceding clause every multiple certificate shall be treated as equivalent to the number of single certificates represented thereby.

7. The Company will at its own expense cause the said certificates to be prepared in such forms as the trustees shall approve and will distribute

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the same among the persons entitled thereto under the said scheme and the trustees shall incur no liability in reference to the preparation or distribution of such certificates.

8. The Company will whenever any dividends bonuses or other moneys shall be divisible among the bearers of the certificates give notice by advertisement in the Times and in some newspaper published in each of the following cities viz. Melbourne in the colony of Victoria Sydney in the colony of New South Wales and Wellington in the colony of New Zealand of the amount payable in respect of each single certificate and the date when and the place where the same will be paid and will pay to the bearer of each certificate his proportion of such dividends bonuses and sums of money accordingly.

9. No sum payable to the bearer of a certificate shall under any circumstances carry interest against the Company.

10. The Company will perform and observe all the provisions of the certificates and the conditions endorsed thereon.

11. The trustees shall not be required to see to the payment of any sum which shall become payable to the bearers of the certificates or be bound to enforce any of the obligations of the Company under these presents or incur any liability for omitting so to do.

12. Any person who shall deliver to the trustees 100 single certificates or any multiple of 100 single certificates shall be entitled to have transferred to him or as he may direct one trust share for every 100 single certificates delivered to the trustees Any certificates delivered to the trustees under this clause shall forthwith be cancelled.

13. Before the trustees shall be required to transfer any of the trust shares under the last preceding clause the certificates in respect of which the transfer is claimed shall be deposited at the registered office of the Company for not less than seven days for verification and a memorandum signed by a director or the secretary of the Company to the effect that the certificates in question have been verified shall be sufficient authority to the trustees to execute a transfer of one trust share for every one hundred of such certificates.

14. The Company shall not without the previous consent in writing of the trustees give notice of any meeting to pass and shall not without such consent as aforesaid pass any resolutions for altering or adding to its memorandum or any of its articles of association or the said specia resolutions of the 16th day of June and the 1st day of July 1897 or any of the regulations of the Company for the time being (otherwise than for the purpose of carrying into effect the alteration in the said articles of association specified in an agreement dated the 31st day of August 1897 and made between the Company of the one part and the trustees of the other part) in such a way as to alter or affect the rights and privileges of the holders for the time being of the trust shares and the trustees shall

be entitled to give such consent if in their opinion it is reasonable that they should do so. A.D. 1904.

In witness whereof the trustees have hereunto set their hands and seals and the said Company hath hereunto caused its common seal to be affixed the day and year first above written.

The SCHEDULE hereinbefore referred to.

FORM I.—SINGLE CERTIFICATE.

NEW ZEALAND LOAN AND MERCANTILE AGENCY COMPANY LIMITED.

Incorporated 10th May 1894.

Capital £2,000,008 divided into—

10,000 trustees' preference shares of £1 each No^{d} 1 to 10,000 (fully paid):

216,242 ordinary shares of £9 each No^{d} 1 to 216,242 (£8 10*s.* per share uncalled):

40,000 ordinary shares of 10*s.* each No^{d} 1 to 40,000 (fully paid):

2,383 ordinary shares of £10 each No^{d} 1 to 2,383 (unissued).

Issue by the trustees of the trust deed mentioned below of certificates not exceeding 1,000,000 in number in respect of an issue of 10,000 preference shares of £1 each entitled to the following rights:—

(*a*) The right (subject to the provisions of the articles of association of the Company as regards reserve funds) to a non-cumulative preferential dividend at the rate of £4 per share:

(*b*) The right to three fifths of the surplus profits available for dividend remaining after payment of the preferential dividend:

(*c*) In a winding-up—

(1) The right to a preferential payment of the amount paid or credited as paid thereon with a bonus of £9 per share;

(2) The right to four fifths of any surplus assets of the Company then remaining including the proceeds of any capital uncalled at the date of such winding-up.

TRUSTEES' SINGLE CERTIFICATE.

No.

Issued pursuant to the trust deed dated the 21st day of October 1897 and made between Vesey George Mackenzie Holt and Nathaniel Cork of the one part and the Company of the other part.

The bearer of this single certificate will be entitled to such an amount of all dividends and sums of money payable in respect of the above-mentioned trustees' preference shares of the Company held by the trustees

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of the said trust deed as shall be ascertained by dividing such dividends and sums of money by the total number of single certificates which at the date when such dividends bonuses or other moneys shall be payable shall have been issued either separately or in multiple certificates.

The bearer of not less than 100 single certificates whether separate or comprised in a multiple certificate is entitled to attend the meetings of the Company and every bearer of not less than that number of such certificates is entitled to 20 votes for every 100 such certificates subject to the provisions of the articles of association of the Company.

The bearer is subject to the provisions in the said trust deed contained and also to the conditions endorsed hereon.

_____
_____ } Trustees.

Countersigned _____
Director.

_____

FORM II.—MULTIPLE CERTIFICATE.

NEW ZEALAND LOAN AND MERCANTILE AGENCY COMPANY LIMITED.

Incorporated 10th May 1894.

Capital £2,000,008 divided into—

10,000 trustees' preference shares of £1 each No^{d} 1 to 10,000 (fully paid):

216,242 ordinary shares of £9 each No^{d} 1 to 216,242 (£8 10s. per share uncalled):

40,000 ordinary shares of £10 each No^{d} 1 to 40,000 (fully paid):

2,383 ordinary shares of £10 each No^{d} 1 to 2,383 (unissued).

Issue by the trustees of the trust deed mentioned below of certificates not exceeding 1,000,000 in number in respect of an issue of 10,000 preference shares of £1 each entitled to the following rights:—

(*a*) The right (subject to the provisions of the articles of association of the Company as regards reserve funds) to a non-cumulative preferential dividend at the rate of £4 per share:

(*b*) The right to three fifths of the surplus profits available for dividend remaining after payment of the preferential dividend:

(*c*) In a winding up—

(1) The right to a preferential payment of the amount paid or credited as paid thereon with a bonus of £9 per share;

(2) The right to four fifths of any surplus assets of the Company then remaining including the proceeds of any capital uncalled at the date of such winding up.

TRUSTEES' MULTIPLE CERTIFICATE. A.D. 1904.

No.

Issued pursuant to the trust deed dated the 21st day of October 1897 and made between Vesey George Mackenzie Holt and Nathaniel Cork of the one part and the Company of the other part.

The bearer of this multiple certificate comprising single certificates will be entitled in respect of each such single certificate to such an amount of all dividends and sums of money payable in respect of the above-mentioned trustees' preference shares of the Company held by the trustees of the said trust deed as shall be ascertained by dividing such dividends and sums of money by the total number of single certificates which at the date when such dividends bonuses or other moneys shall be payable shall have been issued either separately or in multiple certificates.

The bearer of not less than 100 single certificates whether separate or comprised in a multiple certificate is entitled to attend the meetings of the Company and every bearer of not less than that number of such certificates is entitled to 20 votes for every 100 such certificates subject to the provisions of the articles of association of the Company.

The bearer is subject to the provisions in the said trust deed contained and also to the conditions endorsed hereon.

_____ } Trustees.

_____

Countersigned _____

Director.

FORM OF CONDITIONS TO BE ENDORSED ON BOTH SINGLE AND MULTIPLE CERTIFICATES.

The Conditions within referred to.

1. This certificate is to be treated as negotiable and the bearer for the time being thereof is to be deemed the absolute owner thereof and of all moneys payable in respect thereof and the Company and the bearer for the time being thereof shall not be required to inquire into the title of the original or any intermediate bearer nor shall the Company be bound to take notice of any trust affecting this certificate or any moneys payable in respect thereof.

2. The Company will when and as often as any money shall be payable in respect of this certificate give notice by advertisement in the Times and in some newspaper published in each of the following cities viz. Melbourne in the colony of Victoria Sydney in the colony of New South Wales and Wellington in the colony of New Zealand of the amount payable in

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respect of each certificate and the time when and place where the same will be paid.

3. Before any payment is made in respect of this certificate the same must from time to time be deposited with the Company for not less than three days for verification.

4. Sums payable in respect of this certificate shall not in any case carry interest as against the Company.

5. If this certificate be worn out or defaced then upon the same being left at the registered office of the Company the Company may cancel the same and issue a new certificate in lieu thereof and if any certificate be lost or destroyed then upon proof thereof to the satisfaction of the Company and on such indemnity as the Company may deem adequate being given a new certificate in lieu thereof may be given to the party entitled to such lost or destroyed certificate.

6. For every certificate issued under the last preceding condition there shall be paid to the Company the sum of one shilling and such further sum (if any) as shall be necessary to reimburse the Company any expenses reasonably incurred by them in satisfying themselves as to the loss or destruction of the certificate.

Signed sealed and delivered by the above-named Vesey George Mackenzie Holt in the presence of } VESEY G. M. HOLT. L.S.

JAMES M. TOLLEY
2 Bond Court Walbrook
London E.C.
Clerk to Messrs. Linklater & Co.

Signed sealed and delivered by the above-named Nathaniel Cork in the presence of } NATHANIEL CORK. L.S.

JAMES M. TOLLEY.

The common seal of the New Zealand Loan and Mercantile Agency Company Limited was hereunto affixed by order of the board in the presence of }

The Seal of the New Zealand Loan and Mercantile Agency Company Limited.

J. BEAUMONT } Directors.
H. J. GIBBS }
J. BRANDER Secretary.

THE SECOND SCHEDULE.

PART I.

AN AGREEMENT dated the 20th day of June 1903 made between the NEW ZEALAND LAND ASSOCIATION LIMITED whose registered office is situate at No. 20 Bucklersbury in the city of London (hereinafter called "the association") of the first part the NEW ZEALAND LOAN AND MERCANTILE AGENCY COMPANY LIMITED whose registered office is situate at Portland House Basinghall Street in the said city (hereinafter called "the Company)" of the second part and VESEY GEORGE MACKENZIE HOLT of No. 3 Whitehall Place in the county of London banker and FRANCIS WILLIAM BUXTON of 50 Cornhill in the said city banker (who and except where the context may otherwise require the survivor of whom or other the trustees or trustee of the declaration of trust hereinafter mentioned are hereinafter referred to as "the trustees") of the third part.

WHEREAS under a scheme dated the 5th day of June 1897 for the re-adjustment of the capital and income account of the Company and under special resolutions of the Company passed on the 16th day of June 1897 and confirmed on the 1st day of July 1897 the Company issued to the said Vesey George Mackenzie Holt and to the late Nathaniel Cork 10,000 preference shares of £1 each conferring upon the holders thereof rateably and in proportion to the number of such shares held by them respectively the following rights (namely):—

(*a*) The right after making due provision out of the profits of the Company in each year for payment of current interest on the third debenture stock of the Company and for reserve to receive preferentially out of the remaining profits for that year the sum of £4 per share;

(*b*) The right to have applied rateably in payment of a further dividend on the said shares 60 per cent. of the residue of the said profits for that year;

(*c*) The right to receive rateably out of the surplus assets of the Company in the event of a winding up and as a first charge thereon the amount paid or credited as paid on the said shares held by them respectively together with a bonus of £9 per share; and

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(*d*) The right in the same event to receive rateably four fifths of the then remaining surplus assets including therein the proceeds of any capital uncalled at the commencement of the winding up and not required for the discharge of any liability of the Company or of the costs charges and expenses of the liquidation thereof:

And whereas by an indenture dated the 21st day of October 1897 and made between the said Vesey George Mackenzie Holt and Nathaniel Cork of the one part and the Company of the other part (hereinafter called "the declaration of trust") reciting the said scheme and also reciting the said special resolutions and reciting that the said trustees' preference shares had been created and issued to the trustees it was provided that the trustees should hold the said shares upon trust for the purposes thereinafter mentioned and should issue certificates each representing a fractional interest in the said shares as should be required to give effect to the said scheme not exceeding 1,000,000 certificates in all the certificates so issued to be distributed in the manner therein provided and that each certificate should entitle the bearer thereof to such an amount of any dividends bonuses or other moneys which might at any time become payable in respect of the said trustees' preference shares as should be ascertained by dividing the amount of such dividends bonuses or other moneys by the total number of certificates which at the date when such dividends bonuses or other moneys should be payable should have been issued And it was also provided that the Company should not without the previous consent in writing of the trustees give notice of any meeting to pass and should not without such consent as aforesaid pass any resolutions for altering its memorandum or any of its articles of association or the said special resolutions or any of the regulations of the Company for the time being (otherwise than as therein mentioned) in such a way as to alter or affect the rights and privileges of the holders for the time being of the said trustees' preference shares and that the trustees should be entitled to give their consent if in their opinion it should be reasonable that they should do so:

And whereas in accordance with the declaration of trust 823,822 certificates have been issued and are now outstanding:

And whereas the said Nathaniel Cork died on the 12th day of August 1902 and on the 4th day of December 1902 the said Francis William Buxton was appointed a trustee of the declaration of trust in his place along with the said Vesey George Mackenzie Holt:

And whereas a scheme has been prepared for dealing with the said certificates issued in respect of the said trustees' preference shares and it is proposed that such scheme shall be carried into effect in the manner and subject to the conditions hereinafter contained and subject also to the provisions and conditions contained in an agreement intended to bear even date herewith a draft of which has already been prepared and is expressed to be made between the Company of the one part and the said Vesey George

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Mackenzie Holt and Francis William Buxton of the other part acting as trustees for the third debenture stockholders of the Company under a deed of trust dated the 21st day of October 1897 and made between the Company of the one part and the said Vesey George Mackenzie Holt and Nathaniel Cork of the other part:

Now it is hereby agreed and declared as follows:—

1. The association shall purchase from all the holders of the said certificates who shall desire to sell the same upon the terms of the said scheme and shall signify such desire to the association in writing within 12 months after the said scheme shall have become effective in accordance with the provisions hereinafter contained at the price of 2*s.* for each single certificate.

2. For that purpose the association shall deposit in the joint names of two of its directors a sufficient sum of money to provide for the purchase of all the said certificates outstanding with the exception of any such certificates which are held or may be acquired before the date of such deposit by the association itself.

3. The trustees shall proceed to convene a meeting of the holders of the said certificates which meeting shall be held on the 14th day of July 1903 or such other date as may be agreed upon for the purpose of considering and if thought fit approving the said scheme.

4. In the event of such meeting of certificate holders passing such resolutions approving of the said scheme the trustees shall apply to the High Court of Justice for directions as to whether under the provisions of clause 14 of the declaration of trust they are entitled to consent to the Company passing such resolutions as in the next following paragraph mentioned.

5. If an order or declaration of the said court shall be obtained that the trustees are entitled to give such consent whether absolutely or subject to any conditions and if the trustees shall in their discretion think fit to give such consent accordingly the association shall thereupon deposit the said sum of money as provided by clause 2 hereof and as soon as conveniently may be thereafter the Company shall proceed to convene meetings of its shareholders for the purpose of passing and confirming special resolutions to the following effect (namely):—

"That each of the said 10,000 trustees' preference shares of the " Company of £1 each shall as from the 30th day of June 1903 " be subdivided into two fully-paid shares of 10*s.* each and that all " preferential rights whether in respect of dividend or capital at present " attaching to the said trustees' preference shares shall as from the said " 30th day of June 1903 be cancelled so that as from that date each of " the said shares of 10*s.* each shall become and be fully paid ordinary " shares and form one series with and rank in all respects pari passu " with the existing 40,000 fully-paid ordinary shares of the Company of " 10*s.* each":

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And for the purpose of passing and if necessary confirming such further resolutions as the Company may be advised are necessary or proper for carrying the said scheme into effect.

6. If and so soon as the following events shall have happened (that is to say):—

(*a*) Such order or declaration of the court as aforesaid shall have been made;

(*b*) The trustees shall have given their consent;

(*c*) The association shall have made such deposit as provided by clause 2 hereof;

(*d*) The resolutions mentioned or referred to in the last preceding clause shall have been passed and confirmed;

the said scheme shall become effective and thereupon the association or the Company shall cause notice to be given by advertisement in such manner as the Company and the association may jointly agree that such scheme has become effective and that the association is prepared to purchase their certificates from all holders who may desire to sell the same and who may signify such desire in writing to the association within 12 months from the date of the scheme becoming effective at the price of 2*s.* for each single certificate And thereupon the sum deposited under clause 2 hereof shall be applied in the purchase of certificates at the price aforesaid.

7. In the event of any certificate holder having exercised the right reserved by clause 12 of the declaration of trust and having obtained from the trustees a transfer of any trustees' preference share or shares in exchange for his certificates as therein mentioned then and in any such case the obligation of the association to purchase under clause 2 hereof and the other provisions of this agreement shall apply to such preference share or shares as nearly as may be as if each such share were still represented by 100 certificates.

8. If at the expiration of one year from the date of the scheme becoming effective or of such extended period as may be agreed upon between the trustees and the association the whole sum so to be deposited as aforesaid has not been applied in the purchase of certificates or of trustees' preference shares any balance then remaining shall be released and paid to the association.

9. As regards any certificates which may be held in Australia Tasmania or New Zealand such arrangements shall be made as may be agreed upon with a view to facilitating the purchase of and payment for the same being completed at any place or places in Australia Tasmania or New Zealand which may be decided upon as convenient for the purpose.

10. If the said scheme shall not become effective under clause 6 hereof within twelve calendar months from the date of this agreement or within such further period if any as the association the Company and the trustees

may agree this agreement shall become void except as regards the next succeeding clause.

11. The costs charges and expenses of the trustees of and in connection with the said scheme and this agreement shall be borne by the association.

12. This agreement is conditional upon its being ratified and confirmed within one month from its date by a general meeting of the shareholders of the association.

In witness whereof the Company and the association have hereunto caused their respective common seals to be affixed and the trustees have hereunto set their hands and seals the day and year first above written.

The common seal of the New Zealand Land Association Limited was affixed hereto pursuant to an order of the board of directors in the presence of

Common Seal.

H. J. BRISTOW
A. M. MITCHISON } Directors.
WILLIAM S. HOGG Secretary.

The common seal of the New Zealand Loan and Mercantile Agency Company Limited was affixed hereto pursuant to an order of the board of directors in the presence of

Common Seal.

WILLIAM C. DAWES
ALFRED C. GARRICK } Directors.
J. BRANDER Secretary.

Signed sealed and delivered by the above-named Vesey George Mackenzie Holt in the presence of } VESEY G. M. HOLT. L.S.

JAMES M. TOLLEY
2 Bond Court Walbrook
London E.C.
Clerk to Messrs. Linklater & Co.

Signed sealed and delivered by the above-named Francis William Buxton in the presence of } F. W. BUXTON. L.S.

JAMES M. TOLLEY.

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Part II.

An Agreement made the 20th day of June 1903 between the New Zealand Loan and Mercantile Agency Company Limited whose Registered Office is situate at Portland House Basinghall Street in the city of London (hereinafter called "the Company") of the one part and Vesey George Mackenzie Holt of No. 3 Whitehall Place in the county of London banker and Francis William Buxton of 50 Cornhill in the said city banker (hereinafter called "the trustees") of the other part.

Whereas the trustees are the present trustees of an indenture dated the 21st day of October 1897 and made between the Company of the one part and the said Vesey George Mackenzie Holt and the late Nathaniel Cork of the other part for securing an issue of £405,400 third debenture stock of the Company (hereinafter called "the trust deed"):

And whereas a scheme has been prepared for dealing with the outstanding certificates of the Company issued in respect of 10,000 trustees' preference shares of the Company held by the trustees as trustees of another indenture dated the 21st day of October 1897 and made between the said Vesey George Mackenzie Holt and Nathaniel Cork of the one part and the Company of the other part declaring the trusts of the said trustees' preference shares:

And whereas such scheme provides firstly for the payment of the sum of 2*s.* per certificate to each certificate holder who shall within one year after the scheme has become effective deliver his certificate up in accordance therewith and also provides that the holders of the said third debenture stock of the Company (the great bulk of whom are also believed to be holders of the said certificates) shall receive certain benefits as regards the amount and the mode of payment of the interest on their stock and also as regards further participation in the profits of the Company which benefits are set forth in the 2nd 3rd and 4th clauses of the said scheme and are hereinafter specified:

And whereas the said scheme so far as the payment of the said sum of 2*s.* per certificate in cash is concerned and in regard to the alterations contemplated by the said scheme in the rights of the trustees' preference shares in respect of which such certificates were issued is intended to be carried out under and in accordance with the provisions of an agreement intended to bear even date herewith a draft of which has already been prepared and is expressed to be made between the New Zealand Land Association Limited of the first part the Company of the second part and the trustees of the third part:

Now it is hereby agreed and declared by and between the parties hereto as follows:—

1. In the event of the said scheme becoming effective as provided by the said agreement of even date herewith the rate of interest payable on

the third debenture stock of the Company shall as from the close of the financial year of the Company ending on the 30th day of June 1903 be increased from 4 to 4½ per cent. per annum and shall as regards the first 2 per cent. per annum be payable not only out of the profits of the preceding year but also as next hereinafter provided out of the profits of the next succeeding five years.

2. Accordingly in the event aforesaid if and so far as in the financial year of the Company ending on the 30th day of June 1904 or in any subsequent financial year of the Company the net profits of the Company shall be insufficient to pay interest on the third debenture stock at the rate of 2 per cent. the deficiency below that rate shall be payable out of the net profits of any of the next succeeding five financial years of the Company after payment of the full interest for such year on the third debenture stock but before any provision for reserve or dividend on any of the shares in the Company Provided always that for the payment of the amount of any such deficiency the directors of the Company may if they think expedient but shall not be bound to have recourse to any reserve available for that purpose which may have been accumulated since the 30th day of June 1903 but shall not intrench on any reserves accumulated prior to that date Provided also that as between the deficiencies below 2 per cent. of any two or more of the five preceding years which shall hereunder become contingently payable out of the profits of a succeeding year the deficiency of every earlier year shall be payable in priority to that of every later year Provided also that no payment shall be made in respect of any deficiency unless the sum available shall be sufficient to make a payment of at least one half per cent. on the third debenture stock or which shall involve a smaller fractional percentage thereon than one quarter per cent. Provided lastly that if and so far as the deficiency of any year shall not be paid out of the net profits of the five next succeeding financial years or out of the reserve as aforesaid the same shall ipso facto cease to be payable.

3. Subject to the foregoing provisions and also subject to the provisions of Article 98 of the Company's articles of association (subsection 15) as regards the accumulation of reserves all surplus profits of the Company in any year subsequent to that ending on the 30th June 1903 shall be applied firstly in payment of a non-cumulative dividend at the rate of 5 per cent. per annum for such year upon the amount for the time being paid up or credited as paid up on the ordinary shares of the Company and any balance then remaining shall be distributed by way of additional interest and dividend respectively upon the said third debenture stock and upon the said ordinary shares of the Company pro rata in proportion to the amount paid up or credited as paid up thereon respectively.

4. The Company shall convene all meetings for passing and (if necessary) confirming all resolutions whether ordinary or special necessary for carrying the foregoing provisions into effect.

5. If and when the said scheme shall become effective in accordance with the provisions of the said recited agreement of even date herewith the

A.D. 1904.

Company shall cause a notice to be issued to the holders of the said third debenture stock in the manner provided for serving notices by the said trust deed of the 21st day of October 1897 for securing the same inviting them to lodge their stock certificates for the purpose of having stamped thereon a memorandum showing that the stock comprised therein is entitled to the benefit of this agreement and shall endorse upon all the certificates so lodged a memorandum to that effect in such form as may be approved by the trustees.

6. This agreement is conditional upon the said scheme becoming effective in accordance with the provisions of the said recited agreement of even date herewith within twelve calendar months of the date thereof or within such further period if any as may be agreed under clause 10 thereof.

7. Upon the said scheme becoming effective as aforesaid this agreement shall be read as supplemental to and as varying the provisions of the trust deed from the date and in the manner hereinbefore specified.

In witness whereof the Company have hereunto caused their common seal to be affixed and the trustees have hereunto set their hands and seals the day and year first above written.

The common seal of the New Zealand Loan and Mercantile Agency Company Limited was affixed hereto pursuant to an order of the board in the presence of

Common Seal.

WILLIAM C. DAWES
ALFRED C. GARRICK } Directors.
J. BRANDER Secretary.

Signed sealed and delivered by the above-named Vesey George Mackenzie Holt in the presence of } VESEY G. M. HOLT. L.S.

JAMES M. TOLLEY
2 Bond Court Walbrook
London E.C.
Clerk to Messrs. Linklater & Co.

Signed sealed and delivered by the above-named Francis William Buxton in the presence of } F. W. BUXTON. L.S.

JAMES M. TOLLEY.

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T. DIGBY PIGOTT, Esq., C.B., the King's Printer of Acts of Parliament.

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