CHAPTER lxx.

An Act to make provision with reference to the arrears of dividend on the guaranteed preference shares in the capital of the Northern Railway of Buenos Ayres Company Limited and for other purposes. [16th July 1885.] A.D. 1885.

WHEREAS in the year 1862 certain persons formed themselves into a company under the name of the Northern Railway of Buenos Ayres Company Limited (in this Act referred to as "the Company") for the purpose of making purchasing or otherwise acquiring and maintaining managing and working of railways and tramways and other roads and ways in the State of Buenos Ayres or in the States or Provinces of the Argentine Confederation and for other purposes connected therewith and such Company was duly registered under the Joint Stock Companies Act 1856 And whereas by the memorandum and articles of association of the Company the capital of the Company is fixed at two hundred and fifty thousand pounds divided into fifteen thousand guaranteed preference shares (herein-after called guaranteed shares) six thousand deferred preference shares (herein-after called deferred shares) and four thousand ordinary shares all of ten pounds each And whereas all of such shares have been issued with the exception of one thousand five hundred ordinary shares and under the provisions of the said articles certain of the said guaranteed and deferred shares have been exchanged for ordinary shares so that the number of guaranteed shares is now thirteen thousand six hundred and seventeen of deferred shares five thousand three hundred and eighty-three and of ordinary shares four thousand five hundred all fully paid up And whereas by articles 74 76 77 78 and 79 of the said articles the directors are to be at liberty in their discretion before declaring any dividend to reserve from time to time and carry to the credit of a reserve fund such proportion of the net profits of the Company not exceeding ten per cent. thereof as they may think fit and subject thereto the holders of the guaranteed shares

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are under the provisions of the said articles entitled to a first preferential dividend of seven pounds per cent. per annum and the holders of the deferred shares to a second preferential dividend to the extent of seven pounds per cent. per annum for the current year subject to the proviso that if in any year ending the 31st December there shall not be profits available for the payment of the full amount of such second preferential dividend for that year the deficiency shall not be made good out of the profits of any subsequent year and the remainder if any of the funds available for dividends in each year after payment of the said preferential dividends is to be divided and appropriated in payment of a dividend to the holders of ordinary shares to the extent of seven per cent. per annum for the current year and by the said articles it is provided that the further sum which may remain in any one year after the payment of seven per cent. to all the shareholders respectively shall be applied as follows:—At the end of each and every year the surplus profits remaining after the payment of the dividends as aforesaid shall be ascertained and shall be divided into portions of ten pounds each and so many guaranteed and deferred shares of both classes as shall be equal in number to such portions shall be drawn by lot and in respect of each share so drawn the holder shall receive one portion as a bonus until the whole surplus shall be distributed and the shares so drawn shall thenceforward cease to be guaranteed and deferred shares and shall thereafter rank as ordinary shares and as such only shall participate in all subsequent profits:

And whereas there are arrears of dividend upon the guaranteed shares accrued prior to the first day of January 1885 amounting to twenty-eight thousand five hundred and ninety-five pounds fourteen shillings:

And whereas the divisible net profits of the Company are now more than sufficient to pay the dividend at the rate of seven per cent. per annum upon the guaranteed shares but no part thereof can be applied in paying dividend upon the deferred or the ordinary shares until the whole of the arrears of dividend upon the guaranteed shares have been discharged:

And whereas the position and credit of the Company would be greatly improved if the said arrears were discharged and the Company were enabled to pay dividend upon all classes of their shares and were empowered to convert the ordinary shares into ordinary stock and with the consent of the respective holders thereof to convert the guaranteed shares into preference stock and to exchange the deferred shares for ordinary stock and it is expedient that provision be made for discharging the said arrears

in the manner herein-after expressed and that the articles of association of the Company should be amended as herein-after provided: A.D. 1885.

And whereas the objects of this Act cannot be effected 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 for all purposes as the Northern Railway of Buenos Ayres Company's Act 1885.

Power to agree for increase of dividend on guaranteed shares.

2. Any holder of guaranteed shares may at any time after the passing of this Act agree with the Company for the extinguishment of all arrears of dividend upon his said shares accrued due prior to the first day of January 1885 in consideration of the payment as from that date of the further dividend provided in section 6 subsection (*b*) of this Act on the preference stock into which any such shares may be converted.

Cancelling arrears of dividend on guaranteed shares.

3. Upon any agreement being made with the Company by any holder of guaranteed shares under the last preceding section all arrears of dividend accrued prior to the first day of January 1885 upon the shares comprised in such agreement shall be and they are hereby cancelled and extinguished Provided that in case any dividend shall have been paid subsequent to the passing of this Act on any of the said shares in respect of which the arrears of dividend are proposed to be extinguished in excess of seven pounds per centum per annum such excess shall be repaid by the holder of such shares to the Company together with interest thereon at the rate of five pounds per centum per annum from the date of payment of such dividend.

Conversion of guaranteed and ordinary shares into preference and ordinary stock.

4. All the guaranteed shares the holders of which shall enter into the agreement mentioned in section 2 hereof shall thereupon be converted into stock to be called preference stock and all the ordinary shares of the Company shall upon the passing of this Act be converted into stock to be called ordinary stock The several holders of such respective stocks may thenceforth transfer their respective interests therein or any part of such interests in the same manner and subject to the same regulations as and subject to which the shares in the capital of the Company are transferred or as near thereto as the circumstances admit and they shall be entitled to participate in the dividends profits and assets of the Company according to the amount of their respective interests in such stocks respectively Such preference and ordinary stocks shall in pro-

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portion to the amount thereof confer on the holders thereof respectively the same privileges and advantages for the purposes of voting at meetings of the Company and for all other purposes as would have been conferred by shares of equal amount in the capital of the Company but so that none of such privileges or advantages except the participation in the dividends and profits of the Company shall be conferred by any aliquot part of consolidated stock as would not if existing in shares have conferred such privileges or advantages.

Power to agree for exchange of deferred shares for ordinary stock.

5. Any holder of deferred shares may at any time after the passing of this Act agree with the Company for the exchange of the shares held by him for ordinary stock of the Company at the rate of thirteen pounds ordinary stock for every deferred share held by him.

Application of net profits of Company.

6. The net profits of the Company in each year available for dividend shall subject to article 74 of the articles of association of the Company be applied as follows:

(*a.*) The holders of preference stock and of guaranteed and deferred shares (the preference stock and guaranteed shares ranking pari passu) shall be paid the dividends to which they would have been respectively entitled under sections 76 and 77 of the articles of association of the Company if this Act had not been passed and the guaranteed shares had not been converted into preference stock:

(*b.*) The holders of preference stock shall then be paid a further dividend equal to one pound per cent. per annum on the nominal amount of their stock:

(*c.*) There shall then be distributed amongst the holders of ordinary stock by way of dividend such a sum as shall be equal to seven pounds per cent. per annum on the nominal amount of their stock less the amount paid to the preference stockholders under the last preceding subsection. The nominal amount of the ordinary stock for the purposes of this subsection shall be arrived at by deducting from the actual nominal amount thereof the difference between the nominal amount of any ordinary stock issued to holders of deferred shares under section 5 hereof and the nominal amount of such deferred shares which difference is herein-after referred to as the "excess capital:"

(*d.*) Any deficiency in any year in respect of the said dividends payable to the holders of the preference stock or guaranteed shares shall until paid be carried forward and charged upon the

net profits available for dividend of the succeeding year or years in priority as regards the dividend under subsection *a* hereof to the payment of any dividend upon the deferred shares or ordinary stock and as regards the dividend under subsection *b* hereof to the payment of any dividend upon the ordinary stock:

(*e.*) The surplus net profits of the Company remaining after payment of the said dividends shall be divided into two portions bearing the same ratio to each other as the nominal amount of the guaranteed and deferred shares together bears to the nominal amount of the preference stock added to the nominal amount of the deferred shares which have been exchanged for ordinary stock. The former portion shall be divided into sums of ten pounds each and so many of the guaranteed and deferred shares as shall be equal in number to such sums shall be drawn by lot and in respect of each share so drawn the holder shall receive one sum of ten pounds as a bonus until the whole of such portion shall be distributed and the shares so drawn shall thenceforward cease to be guaranteed or deferred shares and shall be exchanged for ordinary stock at such a rate that the amount of such ordinary stock shall bear the same proportion to the total capital of the Company as the nominal amount of the shares so drawn bears to such total capital less the amount of the excess capital. The latter portion shall subject to the vote of a general meeting be distributed amongst the holders of preference and ordinary stock in proportion to their respective holdings.

Application of purchase-money in case of sale.

7. In the event of a sale or transfer of the railway of the Company the purchase money to be received by the Company shall after payment of all debts and liabilities of the Company be applied as follows (that is to say):—

(*a.*) First there shall be paid to and divided amongst the respective holders of the guaranteed and deferred shares such proportion of the said purchase money as would have been payable to and divisible amongst them if this Act had not been passed:

(*b.*) Secondly there shall be paid to and divided amongst the respective holders of the preference stock the full nominal amount of such stock:

(*c.*) Thirdly there shall be paid to and divided amongst the respective holders of the ordinary stock the full nominal amount of such stock:

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(*d.*) The residue shall be paid to and divided amongst the holders of preference and ordinary stock in proportion to their respective holdings.

Preserving voting power.

8. The holders of the guaranteed or deferred shares shall be entitled to such additional voting power in respect of such shares as will give them the same proportion of votes relatively to the total capital of the Company as they would have been entitled to if such capital had not been increased by the excess capital.

Power to create new stock.

9. The directors may from time to time create and issue and allot to any persons who may be entitled thereto under the foregoing provisions of this Act such amounts of preference stock and ordinary stock as may be necessary for giving effect to those provisions.

Trustees &c. may agree.

10. Any trustee executor or administrator being a holder in that capacity of guaranteed shares is hereby empowered to extinguish the right to arrears of dividend on such shares under the provisions of this Act and any trustee executor or administrator being a holder in that capacity of deferred shares is hereby empowered to exchange the shares held by them for ordinary stock under the provisions of this Act and shall not be liable for a breach of trust in respect of any such extinguishment or exchange but this section shall not apply to the beneficial interest in any guaranteed or deferred shares in which two or more persons are successively entitled unless the tenant for life or other person for the time being entitled to the income of the shares consent to such extinguishment or exchange or the sanction of the Chancery Division of the High Court of Justice be given thereto.

Saving the rights of shareholders not agreeing under this Act.

11. Nothing in this Act contained shall lessen prejudice or interfere with the rights powers privileges or interests of the holders of guaranteed or deferred shares which are not comprised in any agreement under the provisions of this Act and in respect of which ordinary stock shall not have been issued in exchange under section 6 subsection *e* of this Act.

Change of name.

12. From and after the passing of this Act the name of the Company shall be "The Buenos Ayres Northern Railway Company Limited"; and Part IV. (relating to change of name) of the Companies Clauses Act 1863 is hereby incorporated with this Act and shall extend and apply as if the Company were an incorporated Company within the meaning of that part.

Reserving Company's powers

13. The provisions contained in this Act shall form part of the regulations of the Company which shall be read subject to and in

accordance with this Act but nothing herein contained shall be deemed to prevent the Company from modifying or altering their memorandum or articles of association and other regulations in accordance with the provisions of the Companies Acts 1862 to 1883 or any statutory modifications thereof.

under general Acts.

14. 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 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 the 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.

Act to be registered.

15. All costs charges and expenses of and incident to the preparing for obtaining and passing of this Act or otherwise in relation thereto shall be paid by the Company.

Costs of Act.

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