CHAPTER cci.

An Act to enable the Realisation and Debenture Corporation of Scotland Limited to create Debenture and Preference Stock and for other purposes. A.D. 1896.

[7th August 1896.]

WHEREAS on the sixteenth day of May one thousand eight hundred and eighty-eight the Realisation and Debenture Corporation of Scotland Limited (in this Act called "the Corporation") was incorporated under the Companies Acts 1862 to 1886 as a company limited by shares:

And whereas the capital of the Corporation is one million pounds divided into one hundred and ninety-nine thousand ordinary shares of five pounds each and ten thousand founders shares of ten shillings each:

And whereas one hundred thousand of the said ordinary shares have been issued and two pounds per share has been paid up thereon and ninety-nine thousand of the said ordinary shares are unissued:

And whereas all the said founders shares have been issued and are fully paid up:

And whereas it is expedient that the Corporation should be authorised to create and issue preference shares and stock as in this Act provided:

And whereas the Corporation has issued two hundred thousand pounds four and a half per cent. debenture stock secured by a transfer to trustees of certain specific investments of the Corporation but doubts exist as to the power of the Corporation to issue debenture stock or permanent debentures and it is expedient to confirm the issue of such debenture stock and to confer express powers upon the Corporation to create and issue debenture stock and permanent debentures:

And whereas it is expedient that the other provisions of this Act should be enacted in reference to the Corporation and its undertaking:

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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:—

Short title.

1. This Act may be cited as the Realisation and Debenture Corporation of Scotland Limited Act 1896.

Addition to Memorandum of Association.

2. The Memorandum of Association of the Corporation shall be read and have effect as if the following addition were made thereto (viz.):—

As if immediately after sub-section (H) of paragraph 3 thereof the following sub-section were inserted:—

Power to create debenture stock.

(H 1) To create and issue debenture stock and perpetual debentures with a charge upon all or an adequate part of the assets of the Corporation for the time being and with or without a charge upon the undertaking.

Debentures may be issued to bearer.

3. The Corporation may exercise the powers of creating and issuing debentures whether terminable or perpetual conferred by its Memorandum of Association as amended by this Act by issuing such debentures either in favour of a specified person or specified persons or in favour of the bearers of such debentures respectively.

Power to divide existing ordinary shares with preference as to a portion thereof.

4.—(1) At any time when the directors of the Corporation in exercise of the powers vested in them by the Articles of Association of the Corporation make a call on the members in respect of the one hundred thousand ordinary shares already issued the directors by resolution may determine that each of the said ordinary shares shall be divided into two shares that is to say one preference share equal to the amount of the call and one ordinary share of a nominal value equal to the nominal value of the share so divided less the amount of the call and that the call so made shall be treated as payable in respect of such preference share and that the amount at the time of division paid up on the ordinary share so divided shali be credited as paid up on the ordinary share of reduced amount resulting from such division and the directors shall by such resolution fix the rate per centum per annum of the dividend on such preference shares the date from which the same shall run and the conditions if any on which such preference shares are to be held.

(2) A memorandum in writing under the common seal of the Corporation containing the particulars of such preference shares

and the conditions to which the same are subject shall be filed with the Registrar of Joint Stock Companies and the register of members of the Corporation shall thereupon be altered accordingly and as and when any of such preference shares are fully paid up they shall ipso facto be converted into stock to be called "preference stock" subject always to the conditions on which the respective preference shares were held.

(3) The certificates of the ordinary shares so divided and of the preference shares (if then issued) upon their conversion into preference stock shall be delivered up to the Corporation to be cancelled or the loss or destruction thereof proved to the satisfaction of the directors and new certificates shall be issued in respect of the ordinary shares and preference shares or stock as the case may be.

Payments in advance of calls convertible into preference stock.

5. The directors of the Corporation may at any time and from time to time by resolution determine to offer to the holders of the said one hundred thousand ordinary shares already issued or their nominees the option of paying up an aggregate specified amount in advance of calls on such shares and may accept the amount so paid in pursuance of such option and the same shall be converted into preference stock to be issued rateably to the said holders or their nominees paying up such amount according to the amounts paid by them respectively and carrying a preferential dividend at the rate and from the date specified in such resolution and to be held subject to such conditions (if any) as shall be also specified in the same resolution and the nominal amount of each such ordinary share shall be reduced by a sum equal to the amount so paid thereon and in the event of such determination the following provisions shall have effect (that is to say):—

(1) The sums to be paid on each ordinary share under this section shall not together exceed such a sum as will leave at least two pounds per share unpaid:

(2) Notice of the passing of such resolution shall be given to each of the holders of ordinary shares by letter posted at the General Post Office at Edinburgh to the registered address of such holder and shall state the rate per centum per annum of the preferential dividend to be attached to the preference stock and the place at which and the time or times when such payment may be made and the date from which such dividend is to run and the conditions if any upon which the stock is to be held:

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(3) Each holder of any of the said one hundred thousand ordinary shares already issued shall be at liberty to intimate his intention to exercise the option as to all or any of such shares at any time within thirty days from the time when such notice shall have been posted to him and that by a writing under his hand delivered at the Edinburgh office of the Corporation or sent by post to that office:

(4) If the aggregate of the sums which may be intimated by such holders as intended to be paid in exercise of the option offered by any resolution as aforesaid exceeds the amount specified in such resolution so much of such aggregate sum shall be declined as shall bring the amount to be accepted by the Corporation within the limit fixed by the said resolution and the sums so declined shall so far as possible be declined rateably in proportion to the sums so intimated by the said holders respectively:

(5) When and so soon as the directors shall have ascertained the amount of the payments made in exercise of the said option a memorandum in writing under the common seal of the Corporation containing particulars of the preference stock to be issued in respect of the amount so paid and the rate of preferential dividend attaching to the preference stock and the date from which the same shall run and the conditions (if any) on which the same is to be held shall be filed with the Registrar of Joint Stock Companies and the register of members of the Corporation shall be altered accordingly:

(6) The certificates of the ordinary shares in respect of which such payments shall be made shall be delivered up to the Corporation to be cancelled or the loss or destruction thereof shall be proved to the satisfaction of the directors and new certificates shall be issued of the preference stock and of the ordinary shares of reduced nominal amount.

Ranking of preference shares or stock.

6. The preference shares or stock created under the two last preceding sections shall rank both as regards capital and dividend in priority to the ordinary shares and be entitled to have the surplus assets in a winding-up available for distribution among the members including uncalled capital applied accordingly but shall not be entitled to any further participation in the profits or surplus assets of the Corporation And unless any such resolution shall otherwise provide all such preference shares and stock shall rank pari passu inter se without any preference or priority by reason of the date of creation or issue thereof or otherwise.

Votes of shareholders.

7. The members of the Corporation shall have the following votes in respect of the ordinary shares and preference shares and stock held by them respectively (namely) :—

(1) One vote for each of the said one hundred thousand ordinary shares already issued whether before or after any part thereof shall have been converted into preference shares or stock under the provisions herein-before contained :

(2) One vote for every five pounds of nominal amount of preference shares or stock of the Corporation.

Existing debenture stock confirmed.

8. The creation and issue of the two hundred thousand pounds four and a half per cent. debenture stock already created and issued by the Corporation is hereby sanctioned and confirmed and such debenture stock shall be deemed to have been duly created and issued within the powers of the Corporation.

Divided shares subject to the same trusts &c. as original shares.

9. For the purpose of giving effect to any deed will or other instrument the preference and ordinary shares or stock into which any ordinary shares of the Corporation may be divided by virtue of this Act shall be in substitution for such ordinary shares and shall be liable to the same trusts powers provisions declarations agreements charges liens and incumbrances as affected the ordinary shares for which the same are substituted immediately before the division thereof and in any instrument executed before or after the passing of this Act references to the ordinary shares of the Corporation existing before the passing of this Act shall be construed as references to the preference and ordinary shares or stock into which any ordinary shares may be divided under this Act and so as to give effect to and not to revoke any deed will or other instrument disposing of or affecting or purporting to dispose of or affect such ordinary shares and every such deed will or other instrument made before the passing of this Act and disposing of or affecting or purporting to dispose of or affect such ordinary shares shall take effect with reference to the preference and ordinary shares or stock into which such ordinary shares may be divided under the provisions of this Act.

Act to be annexed to the Articles.

10. To every copy of the Memorandum and Articles of Association of the Corporation supplied after the passing of this Act to any member under the provisions of section 19 of the Companies Act 1862 there shall be annexed a copy of this Act which for the purposes of that section shall be treated as part of the Memorandum and Articles of Association of the Corporation.

Act &c. to be lodged with Registrar.

11. The Corporation shall forward to the Registrar of Joint Stock Companies a copy of this Act which shall be filed by him and if

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such copy be not forwarded within three months of the passing of this Act or if any memorandum sealed pursuant to the provisions of this Act be not filed with the registrar aforesaid within fourteen days after it is so sealed the Corporation shall incur a penalty not exceeding two pounds for every day after the expiration of such three months or fourteen days as the case may be during which the copy or memorandum is omitted to be forwarded and every director and officer of the Corporation who knowingly and wilfully authorises or permits such default shall incur a like penalty and every penalty under this Act shall be recoverable summarily in the Sheriff Court of the Lothians and Peebles at Edinburgh.

Costs of Act.

12. The 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 Corporation.

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