CHAPTER xviii.

An Act for conferring further Powers on the Shotts Iron Company. [17th May 1877.]

A.D. 1877.

WHEREAS by "The Shotts Iron Company's Act, 1871," hereinafter referred to as the Act of 1871, the Shotts Iron Company (in this Act referred to as the Company) were incorporated, and were empowered, among other things, by agreement to purchase, acquire in feu, and take on lease lands and mineral fields in addition to those by that Act vested in them for the purposes of their undertaking, and also to work and manufacture iron ore, ironstone, shale, coal, coke, limestone, fireclay, and other minerals, and trade in the same, manufactured or unmanufactured, and for the purposes of working, manufacturing, and transporting the same to erect new works and conveniences, and alter and enlarge the works and conveniences by that Act vested in them, and maintain and use such several works and conveniences: 34 & 35 Vict. c. xvii.

And whereas the Company have expended large sums of money in re-modelling their furnaces at Shotts and Castlehill, and otherwise improving the same, and the relative works in connexion therewith, so as to insure of a greatly increased production; and whereas the Company are in the course of increasing the output of minerals so as to meet the increased consumption, and particularly are expending large sums in the development of their leasehold property at Penicuik; and whereas it is expedient that the Company should be empowered to divide their paid-up capital into preferred stock and deferred stock in manner herein-after provided:

And whereas the capital of the Company at present consists of ordinary stock amounting to two hundred and ninety-nine thousand one hundred and sixty pounds, and preference shares amounting to eight hundred and forty pounds, in all three hundred thousand pounds, and the Company have for the purposes of their business expended the whole of the said capital, and have also raised and expended for these purposes the sum of seventy-four

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thousand pounds, the amount authorised to be raised on mortgage under the Act of 1871, and have in addition incurred liabilities to bankers and others, and it is expedient that their capital should be increased and their borrowing powers enlarged:

And whereas it is expedient to enlarge in other respects the powers of the Company, and to provide for the administration of their affairs in the manner prescribed by the Companies Clauses Acts, subject to certain modifications:

And whereas the objects aforesaid 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 Shotts Iron Company's Act, 1877," and the Act of 1871 and this Act (except in so far as the former is altered or amended by this Act) shall be taken and construed as one Act, and may be cited together as "The Shotts Iron Company's Acts, 1871 and 1877."

Incorporation of general Acts.

2. The following Acts and parts of Acts are (save where expressly varied or excepted by or inconsistent with this Act) incorporated with and form part of this Act; (that is to say,)

The provisions of "The Companies Clauses Consolidation (Scotland) Act, 1845," with respect to—

The distribution of the capital of the Company into shares;

The transfer or transmission of shares;

The payment of subscriptions and the means of enforcing the payment of calls;

The forfeiture of shares for nonpayment of calls;

The borrowing of money by the Company on mortgage or bond;

The conversion of the borrowed money into capital;

The remedies of creditors of the Company against the shareholders;

The consolidation of the shares into stock;

The making of dividends;

And the provisions to be made for affording access to the special Act by all parties interested;

And Part I. (relating to the cancellation and surrender of shares), and Part II. (relating to additional capital), and Part III. (relating to debenture stock) of "The Companies Clauses Act, 1863," and "The Companies Clauses Act, 1869."

Interpretation.

3. In this Act the several words and expressions to which meanings are assigned by the Acts wholly or partially incorporated with this Act have the same respective meanings, unless there be something in the subject or context repugnant to such construction, and the word "lands" shall extend to houses, lands, tenements, and heritages of any description or tenure, and lands and subjects held on lease.

Power to Company to raise additional capital.

4. The Company may from time to time raise any further sum not exceeding in the whole two hundred thousand pounds by the creation and issue, at their option, of new ordinary shares or stock or new preference shares or stock in their capital, or wholly or partially by any one or more of those modes respectively, but no such share shall be of less amount than ten pounds.

Shares not to issue until one-fifth part paid up.

5. The Company shall not issue any share created under the authority of this Act of less nominal value than ten pounds, nor shall any share vest in the person accepting the same unless and until a sum not less than one fifth of the amount of such share shall have been paid in respect thereof.

Calls.

6. One-fourth of the amount of a share shall be the greatest amount of a call, and two months at least shall be the interval between successive calls.

Power to divide shares.

7. Subject to the provisions of this Act, the Company, with the authority of three fourths of the votes of the shareholders present in person or by proxy at a general meeting of the Company specially convened for the purpose, may from time to time divide any share in the additional capital by this Act authorised into half shares, of which one shall be called "preferred half share," and the other shall be called "deferred half share," but the Company shall not so divide any share under the authority of this Act unless and until not less than sixty per centum upon such share has been paid up, and upon every such division fifty per centum upon the entire share shall be carried to the credit of the deferred half share (being the whole amount payable thereon), and the residue to the credit of the preferred half share.

Dividends on half shares.

8. The dividend which would from time to time be payable on any divided share if the same had continued an entire share shall be applied in payment of dividends on the two half shares in manner following; (that is to say,) first, in payment of dividend, after such rate, not exceeding six per centum per annum, as shall be determined once for all at a general meeting of the Company specially convened for the purpose, on the amount for the time being paid up on the preferred half share, and the remainder (if any) in

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payment of dividend on the deferred half share, and the Company shall not pay any greater amount of dividend on the two half shares than would have from time to time been payable on the entire share if the same had not been divided.

Dividends on preferred shares to be paid out of the profits of the year only.

9. Each preferred half share shall be entitled out of the profits of each year to the dividend which may have been attached to it by the Company as aforesaid, in priority to the deferred half share bearing the same number, but if in any year ending the thirtieth day of June there shall not be profits available for the payment of the full amount of dividend on any preferred half share for that year, no part of the deficiency shall be made good out of the profits of any subsequent year, or out of any other funds of the Company.

Half shares to be registered and certificates issued.

10. Forthwith after the creation of any half shares the same shall be registered by the directors, and each half share shall bear the same number as the number of the entire share certificate in respect of which it was issued, and the directors shall issue certificates of the half shares accordingly, and shall cause an entry to be made in the register of the entire shares of the conversion thereof, but the directors shall not be bound to issue a certificate of any half share until the certificate of the existing share be delivered to them to be cancelled, unless it be shown to their satisfaction that such certificate is destroyed or lost, and on any certificate being so delivered up the directors shall cancel it.

Terms of issue to be stated on certificate.

11. The terms and conditions on which any preferred half share or deferred half share created under this Act is issued shall be stated on the certificate of each such half share.

Forfeiture of preferred shares.

12. The provisions of "The Companies Clauses Consolidation (Scotland) Act, 1845," with respect to the forfeiture of shares for nonpayment of calls shall apply to all preferred half shares to be created under the authority of this Act, and every such preferred half share shall for that purpose be considered a whole share, distinct from the corresponding deferred half share, and until any forfeited preferred half share shall be sold by the directors all dividends which would be payable thereon if the same had not been forfeited shall be applied in or towards payment of any expenses attending the declaration of forfeiture thereof, and of the arrears of calls for the time being due thereon, with interest.

Preferred shares not to be cancelled or surrendered.

13. No preferred half share created under the authority of this Act shall be cancelled or be surrendered to the Company.

Half shares to be half shares in capital.

14. The several half shares under this Act shall be half shares in the capital of the Company, and every two half shares (whether preferred or deferred, or one of each) held by the same person shall

confer such right of voting at meetings of the Company, and (subject to the provisions herein-before contained) shall confer and have all such other rights, qualifications, privileges, liabilities, and incidents as attach and are incident to an entire share.

Power to divide stock into preferred and deferred.

15. Section thirteen of "The Regulation of Railways Act, 1868," is hereby incorporated with and forms part of this Act, and, subject to the provisions of that section, the Company may divide their paid-up ordinary stock into two classes in the manner provided by such section.

Debenture stock.

16. The Company may create and issue debenture stock, subject to the provisions of Part III. of "The Companies Clauses Act, 1863;" but, notwithstanding anything therein contained, the interest of all debenture stock at any time after the passing of this Act created and issued by the Company shall rank pari passu with the interest of all mortgages at any time after the passing of this Act granted by the Company, and shall have priority over all principal moneys secured by such mortgages.

Receipts for persons under disability.

17. The receipt of the guardian of the estate of any shareholder being a minor, or of the curator of the estate of any shareholder being an idiot, lunatic, or person non compos mentis, shall be a sufficient discharge to the Company for any money payable to such shareholder.

Power to borrow.

18. The Company may, in respect of the additional capital of two hundred thousand pounds which they are by this Act authorised to raise, from time to time borrow on mortgage as follows; (that is to say,) in respect of each twenty thousand pounds of such additional capital they may borrow on mortgage any sums not exceeding in the whole five thousand pounds, but no part of any such sum of five thousand pounds shall be borrowed until in each case shares for the respective additional capital of twenty thousand pounds in respect of which the money is to be borrowed, or for so much thereof as is to be raised by means of shares, are issued and accepted, and one half of such capital of twenty thousand pounds is paid up, and the Company have proved to the sheriff who is to certify under the forty-second section of "The Companies Clauses Consolidation (Scotland) Act, 1845," before he so certifies, that shares for the whole of the additional capital of twenty thousand pounds in respect of which the power of borrowing is to be exercised have been issued and accepted, and that one half of such capital has been paid up, and that not less than one-fifth part of the amount of each separate share in such capital has been paid on account thereof before or at the time of the issue or acceptance thereof, and until stock for one half of so much of the respective

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additional capital of twenty thousand pounds as is to be raised by means of stock is fully paid up, and the Company have proved to such sheriff as aforesaid, before he so certifies, that such shares or stock, as the case may be, were issued and accepted, and so paid up bonâ fide, and are held by the persons or corporations to whom the same were issued, or their executors, administrators, successors, or assigns, and also if the said capital is raised by shares that such persons or corporations, or their executors, administrators, successors, or assigns, are legally liable for the same; and upon production to such sheriff of the books of the Company, and of such other evidence as he shall think sufficient, he shall grant a certificate that the proof aforesaid has been given, which certificate shall be sufficient evidence thereof.

For appointment of a judicial factor.

19. The mortgagees of the Company may enforce payment of the arrears of interest or principal, or principal and interest, due on their mortgages by the appointment of a judicial factor. In order to authorise the appointment of a judicial factor in respect of arrears of principal the amount owing to the mortgagees by whom the application for a judicial factor is made shall not be less than ten thousand pounds in the whole.

Existing mortgages to have priority.

20. All mortgages and bonds granted by the Company in pursuance of the powers of any Act of Parliament before the passing of this Act, and subsisting at the passing hereof, shall during the continuance of such mortgages and bonds have priority over any mortgages granted by virtue of this Act.

Priority of mortgages over other debts.

21. All money raised or to be raised by the Company on mortgage or debenture stock under the provisions of this Act shall have priority against the Company, and the property from time to time of the Company, over all other claims on account of any debts incurred or engagements entered into by them after the passing of this Act.

Company may sell lands.

22. The Company may from time to time sell or dispose of any lands not required for the purposes of the undertaking.

Application of proceeds of sales.

23. So long as the mortgage debt of the Company existing at the date of the passing of this Act, or any part thereof, is unpaid and undischarged, the Company shall be obliged to apply the purchase money arising from the sale of any lands pro tanto in paying off such mortgage debt, and after the whole of such debt is paid off in paying off any mortgage debt contracted after the passing of this Act.

Interim dividends.

24. Notwithstanding anything contained in the Act of 1871 the directors of the Company may from time to time at any of

their meetings declare an interim dividend out of the profits of the Company, not exceeding three fourths of the estimated profits for the half year to the thirty-first December of any year, such dividend to be payable at such time as the directors of the Company may appoint, and in the same manner as the ordinary dividends of the Company.

As to application by Company for further powers.

25. The Company shall not hereafter apply for powers to raise further sums of money without at the same time applying for the dissolution of the Company as incorporated under the recited Act within a future period to be then fixed, and (if necessary) its registration under the Companies Act, 1862, and other Acts amending the same.

Expenses of Act.

26. 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.

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