



CHAPTER xlv.

An Act to make provision for dealing with the arrears of dividend on the preference and second preference shares of the Buenos Ayres Grand National Tramways Company Limited and the accumulated balance to the debit of its revenue account and for the increase and re-arrangement of its capital and for other purposes. [20th July 1906.] A.D. 1906.

WHEREAS the Buenos Ayres Grand National Tramways Company Limited (herein-after called "the Company") was incorporated on the second day of March one thousand eight hundred and eighty-nine under the Companies Acts 1862 to 1883 under the name of the Buenos Ayres Metropolitan Tramways Company Limited for the purpose of acquiring and working tramways in the Argentine Republic or elsewhere and in particular of acquiring a concession granted to Horacio D. Harislaos and Company by the municipality of the city of Buenos Ayres on the twenty-first day of February one thousand eight hundred and eighty-eight for the establishment of tramways in the city of Buenos Ayres :

And whereas the Company now owns and works a system of tramways in the said city of Buenos Ayres :

And whereas by clause 6 of the memorandum of association of the Company it was provided as follows :—

" 6. The capital of the Company is four hundred and
" fifty thousand pounds divided into forty thousand preference
" shares of five pounds each and fifty thousand ordinary
" shares of five pounds each and such preference shares are
" to confer a right to priority in a return of capital on winding
" up or otherwise subject thereto there shall be assigned

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“ to the said preference and ordinary shares the respective
“ rights and privileges specified in the Company's articles
“ of association ” :

And whereas by Articles 11 12 and 78 of the Company's articles of association it was provided as follows :—

“ 11. The capital of the Company shall be four hundred
“ and fifty thousand pounds divided into ninety thousand
“ shares of five pounds each of which forty thousand shall be
“ preference shares and fifty thousand shall be ordinary shares
“ The holders of the preference shares shall be entitled to
“ receive out of the profits of the Company as a first charge a
“ cumulative preferential dividend at the rate of seven pounds
“ per cent. per annum on the amount for the time being paid
“ up on the preference shares held by them respectively :

“ 12. In the event of the Company being wound up or
“ dissolved or the capital otherwise returned to the share-
“ holders the holders of the said preference shares shall be
“ entitled to have the assets of the Company applied subject
“ to the discharge of the debentures mortgages bonds
“ obligations and liabilities of the Company in the first place
“ in repaying to them the amount paid upon the preference
“ shares held by them respectively but the residue of such
“ assets shall belong to and be divided among the other
“ members of the Company :

“ 78. On a show of hands every member shall have one
“ vote only In case of a poll every member shall have one
“ vote for every share held by him whether paid up or not ” :

And whereas in the year one thousand eight hundred and eighty-nine the name of the Company was changed from “ The Buenos Ayres Metropolitan Tramways Company Limited ” to “ The Buenos Ayres Grand National Tramways Company Limited ” :

And whereas in the year one thousand eight hundred and ninety-three the capital of the Company was under the powers contained in its articles of association increased to six hundred and twenty-five thousand pounds divided into sixty-five thousand preference shares ten thousand second preference shares and fifty thousand ordinary shares all of five pounds each by the creation of thirty-five thousand new shares of five pounds each divided into twenty-five thousand seven per centum cumulative preference shares (ranking both as regards capital and dividend *pari passu* with the

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then existing forty thousand seven per centum cumulative preference shares of the Company) and ten thousand second preference shares entitling the holders to a fixed cumulative preferential dividend at the rate of seven per centum per annum on the amount for the time being paid up thereon and ranking both as regards capital and dividend subject to the sixty-five thousand seven per centum cumulative preference shares of the Company but in priority to the ordinary shares of the Company :

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And whereas all the said shares in the capital of the Company have been issued and are fully paid up :

And whereas in or about the year one thousand nine hundred and three the Company obtained from the municipal authority of Buenos Ayres a concession for the conversion of its tramways system to electric traction and for working the same by electric traction when converted and the electrification of the said system is now being carried out and upwards of thirty miles of the said system have already been converted and are now being electrically operated and it is anticipated that the whole of the said system will be converted to electric traction and be equipped and in operation on or about the first day of July one thousand nine hundred and seven :

And whereas the Company has from time to time issued debentures debenture stock and bonds and the share capital and different debenture issues of the Company are now as follows :—

SHARE CAPITAL.

	Amount authorised.	Amount issued and paid up.
	£	£
(1) 65000 £7 per cent. cumulative preference shares of £5 each of which 40000 (being the 40000 preference shares in the original capital of the Company and numbered 1 to 40000 inclusive) are known as "A" preference shares and the remaining 25000 (being the 25000 new preference shares created in the year one thousand eight hundred and ninety-three and numbered 40001 to 65000 inclusive) are known as "B" preference shares	325000	325000
(2) 10000 £7 per cent. cumulative second preference shares of £5 each	50000	50000
(3) 50000 ordinary shares of £5 each	250000	250000
Total	£ 625000	£ 625000

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DEBENTURE ISSUES.

Description of Issue.	Amount authorised.	Amount issued.
	£	£
(1) £5 10s. per cent. preference debentures - - -	150000	150000
(2) £5 per cent. conversion debenture stock - - -	700000	400000
(3) £6 per cent. debentures - - - - -	227500	227500
(4) £5 per cent. income bonds and scrip - - -	80000	74523
Total - - - - -	£1157500	£852023

And whereas the three hundred thousand pounds of conversion debenture stock of the Company now remaining unissued will shortly be issued for the purpose of providing the funds required for the completion of the electrification of the Company's tramways system and by the terms of its creation the interest on such three hundred thousand pounds of conversion debenture stock and also on three hundred thousand pounds of such stock (part of the four hundred thousand pounds of such stock already issued) issued in the year one thousand nine hundred and four for providing the funds with which such electrification has been carried on up to the present time is payable out of capital for two years from the date of issue :

And whereas owing to a considerable extent to the fact that the Company was for many years largely engaged in opening up the outlying districts of Buenos Ayres the business of the Company was until recently carried on at a loss and it is only during the last two financial years of the Company ending on the thirty-first day of March one thousand nine hundred and four and the thirty-first day of March one thousand nine hundred and five respectively that the working of the Company's tramways system has shown a profit after payment of the charges for interest and sinking fund for those years on all the different debenture issues of the Company (including the income bonds) properly chargeable to revenue account :

And whereas the profits so earned during the last two financial years of the Company were carried to suspense account and on the thirty-first day of March one thousand nine hundred and five the accumulated balance to the debit of the revenue account of the Company after payment or satisfaction up to that date of all charges for interest and sinking fund on the different debenture

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issues of the Company properly chargeable to revenue account A.D. 1906.
 was one hundred and twenty-nine thousand eight hundred and
 fifty-five pounds sixteen shillings and tenpence :

And whereas no dividends have ever been paid on any shares
 of the Company and having regard to the said accumulated balance
 to the debit of the revenue account of the Company the Company
 will not be in a position to pay any dividends on any classes of
 its shares for the year ending on the thirty-first day of March
 one thousand nine hundred and six and the accumulated arrears
 of dividend on the sixty-five thousand preference shares and
 ten thousand second preference shares of the Company up to
 that date will be as follows :—

	£	s.	d.
The 40000 "A" preference shares Nos. 1 to 40000 - - - -	222768	3	11
The 25000 "B" preference shares Nos. 40001 to 65000 - - - -	94442	17	3
The 10000 second preference shares Nos. 1 to 10000 - - - -	37445	5	1
	£354656	6	3

And whereas the directors of the Company are of the opinion
 (based upon the experience of other tramways companies in
 Buenos Ayres and elsewhere who have converted their systems
 to electric traction and upon the reports received by them as to
 the results obtained since their conversion from working the parts
 of the Company's system already converted to electric traction)
 that as from the date of the completion of the electrification of
 the whole of the Company's system the profits earned by the
 Company will be very greatly in excess of any profits earned by
 it in the past and will be sufficient to pay the interest and sinking
 funds on all the debenture issues of the Company (including the
 six hundred thousand pounds of conversion debenture stock of
 the Company appropriated for providing the necessary funds for
 carrying out such conversion) and leave a large surplus at the
 disposal of the Company :

And whereas the directors of the Company are advised that
 so long as any balance remains standing to the debit of the
 revenue account of the Company no part of any such surplus

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A.D. 1906. profits as aforesaid can safely be applied in payment of any dividends on any of the shares of the Company but that the whole of such surplus profits will have to be applied in writing off such debit balance :

And whereas having regard to the large amount of the said debit balance the whole of the said surplus profits of the Company must for several years be absorbed in writing off the same unless the same is otherwise extinguished and cancelled :

And whereas even if such debit balance were cancelled and the profits hereafter earned by the Company and remaining after payment of the charges for interest and sinking fund on its different issues of debentures were made available for payment of dividends on its shares the accumulated arrears of dividend on the preference shares of the Company now amount to so large a sum that even if such future profits should be as large as it is anticipated that they will be when the electrification of the tramways system of the Company is completed the whole of such profits would for many years to come be absorbed in discharging these arrears with the result that further accumulations of the current dividends thereon and also of the dividends on the second preference shares of the Company would accrue and that the holders of the second preference shares would have no prospect of receiving any dividends on their shares for many years to come and that the holders of the ordinary shares would have no prospect of receiving any dividend thereon for an even longer period :

And whereas the existence of the said accumulated arrears of dividend on its preference and second preference shares and of the said balance to the debit of its revenue account is extremely detrimental to the credit and financial standing of the Company and it is in the interest of the Company and of all classes of its debenture holders and shareholders that the said arrears of dividend and debit balance should be extinguished and that the Company should be put into a position in which it may reasonably anticipate being able to pay dividends on all classes of its shares in the near future :

And whereas with a view to devising an equitable scheme for putting the Company into such a position the directors of the Company have for some time past been consulting with certain of the largest holders of all classes of shares of the Company and

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as the result of such consultations the following decisions have been come to (namely):— A.D. 1906.

- (1) That any such scheme ought to include a scheme for the simplification of the capital account of the Company by the consolidation or conversion of the preference debentures and conversion debenture stock of the Company into one issue of debenture stock and of the six per centum debentures income bonds preference shares and second preference shares of the Company into one issue of preference shares :
- (2) That if it is not at present practicable to consolidate and rearrange the different debenture issues of the Company any such scheme ought to provide for the immediate consolidation or conversion of the preference shares and second preference shares of the Company into one issue of new preference shares and to confer upon the directors of the Company power at any time to issue further new preference shares ranking *pari passu* therewith in exchange for or for providing the funds required to pay off the six per centum debentures and income bonds of the Company :
- (3) That the dividend on the new preference shares ought not to exceed five per centum per annum :
- (4) That in consideration of the holders of the preference and second preference shares of the Company consenting to receive shares carrying a five per centum dividend in exchange for their existing seven per centum shares the capital amount of the shares received by them ought to be at least twenty per centum in excess of their present holdings :
- (5) That the arrears of dividend on the preference shares of the Company ought to be capitalised at their par value in ordinary shares the ordinary share capital of the Company being increased to six hundred and twenty-five thousand pounds to provide the necessary further ordinary shares for the purpose and leave a small balance :
- (6) That in view of the preponderance in voting power which will be conferred upon the holders of the existing preference shares of the Company by the capitalisation of the arrears of dividend upon such shares in ordinary

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shares the voting power conferred by the new preference shares ought to be restricted but that for the protection of such new preference shareholders the articles of association of the Company ought to provide for the sanction of a three-fourths majority of the holders of the new preference shares of the Company voting at a separate meeting being a condition precedent to any alteration of their rights and to certain other acts of the Company likely to affect such rights :

- (7) That in view of the advantages which the second preference shareholders will obtain by the capitalisation in ordinary shares of the arrears of dividend on the preference shares which now rank in priority to them and by receiving new preference shares ranking *pari passu* with those received by the preference shareholders in exchange for their existing second preference shares the arrears of dividend on the second preference shares ought to be cancelled and extinguished without the second preference shareholders receiving anything further in substitution therefor :
- (8) That it is essential to the success of any scheme for the extinguishment of the arrears of dividend on the preference and second preference shares of the Company that the balance now standing to the debit of the revenue account of the Company shall also be extinguished :
- (9) That having regard to the increase in the capital value of the Company's tramways system and undertaking caused by the Company having obtained the said concession for the electrification of its system whereby the term of its concession has been extended for about nine years and the profit earning capacity of its tramways system has been enormously increased the value of the Company's assets now largely exceeds the amount of its liabilities (including its liabilities on capital account in respect of its share capital and different debenture issues) and that for this and other reasons the issued capital of the Company ought not to be in any way reduced for the purpose of extinguishing the said balance to the debit of the revenue account of the Company :

- (10) That any scheme prepared to give effect to the above . A.D. 1906.
decisions ought to take effect as from the thirty-first
day of March one thousand nine hundred and six :

And whereas the consolidation and re-arrangement of the different debenture issues of the Company is not at present practicable but a scheme has been prepared by the directors of the Company for the purpose of giving effect to the remainder of the decisions so come to as aforesaid the principal provisions whereof are as follows :—

First That in lieu of the existing issues of preference shares and second preference shares of the Company there shall be created a single issue of four hundred and fifty thousand pounds of new five per cent. cumulative preference shares in ninety thousand shares of five pounds each preferential as to capital and ranking for dividend as from the first day of April one thousand nine hundred and six and that the holders of the existing preference and second preference shares shall receive six of such new preference shares credited as fully paid up in substitution for every five existing preference or second preference shares of five pounds each held by them and so in proportion for any smaller number of existing shares than five :

Secondly That eighty thousand further new preference shares of five pounds each may be issued ranking *pari passu* with the original ninety thousand of such shares but so that until the whole of the existing issues of six per centum debentures and income bonds of the Company shall have been paid off or surrendered none of such eighty thousand further new preference shares may be issued except in exchange for or for providing the moneys to pay off such debentures and income bonds :

Thirdly That the ordinary share capital of the Company shall be increased to six hundred and twenty-five thousand pounds by the creation of seventy-five thousand further ordinary shares of five pounds each :

Fourthly That each ordinary share shall on a poll confer one vote but that the holders of the new preference shares shall only have two votes in respect of every three new preference shares held by them :

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Fifthly That sixty-three thousand four hundred and forty-two of such further ordinary shares and a fractional part of another of such shares shall be issued as fully paid up to the holders of the existing preference shares in satisfaction pro rata of all the arrears of dividend up to the thirty-first day of March one thousand nine hundred and six on such shares held by them :

Sixthly That all arrears of dividend on the existing second preference shares up to the thirty-first day of March one thousand nine hundred and six shall be cancelled :

Seventhly That the balance now standing to the debit of the revenue account of the Company shall be cancelled to the intent that as from the thirty-first day of March one thousand nine hundred and six the Company may be in a position to divide all profits earned by it remaining after payment of the interest and sinking funds on its different debenture issues by way of dividend amongst its shareholders :

Eighthly That with a view to protecting the rights of the holders of the new preference shares of the Company the articles of association of the Company shall be modified in manner herein-after appearing :

And whereas the position and credit of the Company would be greatly improved and the interests of the holders of all classes of securities and shares of the Company would be advanced if the said scheme were carried into effect :

And whereas the objects of the said scheme and of this Act 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 Buenos Ayres Grand National Tramways Company's Act 1906.

Interpretation.

2. In this Act the expression "the Company" means the Buenos Ayres Grand National Tramways Company Limited the expression "the directors" means the directors for the time being of the Company and the expression "existing" means existing immediately before the passing of this Act.

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3. As on the date of the passing of this Act the whole of the sixty-five thousand preference shares and ten thousand second preference shares in the existing capital of the Company shall by virtue of this Act be cancelled and extinguished and such cancellation and extinguishment shall as regards all rights conferred by the said shares be deemed to have taken effect as on the thirty-first day of March one thousand nine hundred and six.

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Cancellation
of existing
preference
shares.

4. In lieu of the said sixty-five thousand preference shares and ten thousand second preference shares so cancelled and extinguished as aforesaid there shall by virtue of this Act and without further or other authority be created ninety thousand new preference shares of five pounds each conferring upon the holders such rights as are specified by the articles of association of the Company as modified and altered by this Act and ranking for dividend as from the first day of April one thousand nine hundred and six and every holder on the date of the passing of this Act of any of the said existing sixty-five thousand preference shares and ten thousand second preference shares of the Company shall be entitled to and shall receive six of the said new preference shares of five pounds each credited as fully paid up in substitution for every five existing preference shares or second preference shares of the Company held by him and a proportionate amount of the said new preference shares (whether in complete shares or in fractional parts thereof) for any smaller number of existing preference or second preference shares than five.

Creation of
new pre-
ference
shares in
substitution
for existing
preference
shares.

5. The ordinary share capital of the Company is hereby increased to six hundred and twenty-five thousand pounds by the creation of seventy-five thousand further ordinary shares of five pounds each.

Creation of
new ordi-
nary shares.

6. The whole of the arrears of dividend up to the thirty-first day of March one thousand nine hundred and six on the sixty-five thousand preference shares and ten thousand second preference shares in the existing capital of the Company including therein the dividend payable on such shares in respect of the year ending on the said thirty-first day of March one thousand nine hundred and six are hereby cancelled and extinguished.

Cancellation
of arrears of
dividends on
existing
preference
shares.

7. Every holder on the date of the passing of this Act of any of the existing sixty-five thousand preference shares of the Company shall be entitled to and receive one of the said seventy-five thousand ordinary shares of five pounds each created by this

Holders of
certain exist-
ing pre-
ference
shares to

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receive new
ordinary
shares.

Act credited as fully paid up in substitution for each complete five pounds of arrears of dividend accrued due on the said preference shares held by him up to the thirty-first day of March one thousand nine hundred and six and hereby cancelled and also a proportionate fraction of one of such ordinary shares in respect of any less amount than five pounds of such arrears of dividend.

Cancellation
of existing
certificates
and issue of
new certifi-
cates.

8. The directors shall as soon as conveniently may be after the date of the passing of this Act call in and cancel the certificates of the existing preference and second preference shares of the Company and shall issue to the holders in lieu thereof certificates for the new preference shares and (in the case of the said sixty-five thousand preference shares) the new ordinary shares to which they shall be entitled under the provisions of this Act but the directors shall not be bound to issue to any shareholder any certificate for any of the new shares to which he shall be so entitled unless and until he shall have delivered up to the Company the certificate or certificates of the existing shares of the Company held by him in substitution wherefor or for the arrears of dividend on which such new shares are to be issued or shall have proved to the satisfaction of the directors the loss or destruction of such certificate or certificates and in case of loss or destruction shall also have executed such indemnity (if any) as the directors shall think sufficient.

Register of
members to
be altered.

9. The directors of the Company shall as soon as conveniently may be after the passing of this Act cause to be made such alterations in the register of members and other books and documents of the Company as may be necessary for giving effect to the provisions of this Act.

As to frac-
tional certifi-
cates.

10. The directors may issue fractional certificates in respect of any share which shall be required to be distributed in fractions for the purpose of giving effect to the provisions of this Act or in the alternative may at their option sell in such manner and to such person (whether a person who would but for this present provision be entitled to a fraction thereof or not) any fractional portion of any preference or ordinary share to which any holder of existing shares of the Company may be entitled under the provisions of this Act and may pay to such holder the net proceeds of any such sale in satisfaction of his claim to such fractional portion of a share.

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11. The new shares to be issued under this Act in substitution for the existing preference and second preference shares of the Company and for the arrears of dividend on its existing preference shares shall to all intents and purposes represent the shares or arrears of dividend (as the case may be) in substitution for which they are issued and shall be subject and liable to the same trusts powers provisions declarations and agreements charges liens and incumbrances to which the shares or arrears of dividend in substitution for which they are issued shall on the date of the passing of this Act be subject or liable and every deed will or other instrument disposing of or affecting any such existing share or arrears of dividend as aforesaid executed prior to the date of the passing of this Act shall after that date take effect with respect to the new shares issued in substitution therefor under the provisions of this Act.

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New shares to be held on same trusts as existing shares.

12. The said recited sixth clause of the memorandum of association of the Company shall as from the date of the passing of this Act be cancelled and the following clause shall be substituted therefor (namely):—

Amendment of memorandum of association.

“ 6. The capital of the Company is one million and
“ seventy-five thousand pounds divided into two hundred
“ and fifteen thousand shares of five pounds each.”

13. The said recited eleventh twelfth and seventy-eighth articles of association of the Company shall as from the date of the passing of this Act be cancelled and the following articles shall be substituted therefor (namely):—

Amendment of articles of association.

“ 11. The capital of the Company is one million and
“ seventy-five thousand pounds divided into two hundred
“ and fifteen thousand shares of five pounds each of which
“ ninety thousand shall be new preference shares and one
“ hundred and twenty-five thousand shall be ordinary
“ shares.

“ 12. The holders of the new preference shares in
“ the capital of the Company shall be entitled to a fixed
“ cumulative preferential dividend on the amounts paid
“ or credited as paid up on the new preference shares
“ held by them respectively at the rate of five per
“ centum per annum and in a winding-up they shall be
“ entitled to repayment of the amounts paid or credited

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“ as paid up on the new preference shares held by them
“ respectively out of the assets of the Company available
“ for distribution amongst the members in priority to all
“ other payments thereout and shall also be entitled to
“ payment out of such assets of any arrears of dividend
“ accrued due on the new preference shares held by them
“ respectively next after payment out of such assets of
“ the amounts paid or credited as paid up on all classes
“ of shares in the capital of the Company Save as afore-
“ said the holders of the new preference shares shall not
“ be entitled in respect thereof to any participation in
“ the profits or assets of the Company.

“ 78. On a show of hands every member who is
“ present in person shall have one vote and one vote
“ only On a poll every member who is present in person
“ or by proxy shall have one vote in respect of each
“ ordinary share and two votes in respect of every three
“ new preference shares held by him.”

Additions to
articles of
association.

14. The following articles shall be inserted in the articles of association of the Company before Article 53 and after Article 57 respectively (that is to say):—

“ 52A. The directors may at any time and from time
“ to time increase the capital of the Company by the
“ creation and issue of further new preference shares of
“ five pounds each of a total nominal amount not exceeding
“ four hundred thousand pounds ranking pari passu as to
“ dividend repayment of capital voting and in all other
“ respects with the ninety thousand new preference shares
“ created by the Buenos Ayres Grand National Tramways
“ Company's Act 1906 Provided always that until the
“ whole of the existing issues of six pounds per centum
“ debentures and income bonds of the Company shall
“ have been paid off or satisfied no such further new
“ preference shares shall be issued by the directors in
“ pursuance of this article except in exchange for or for
“ the purpose of raising the moneys required for the pay-
“ ment off of the six pounds per centum debentures or
“ the income bonds of the Company.

“ 57A. Whenever the capital of the Company is divided
“ into different classes of shares none of the preferential

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“ or other special rights privileges or advantages attached A.D. 1906.
“ to any class of shares may be altered modified or affected
“ without the sanction of a resolution passed at a separate
“ general meeting of the holders of the shares of the class
“ by a majority of not less than three-fourths of the persons
“ voting thereat on a show of hands or in the event of
“ a poll being lawfully demanded of not less than three-
“ fourths of the votes given on such poll To every general
“ meeting held under this article all the regulations of
“ the Company relating in any manner to general meetings
“ or to the proceedings thereat or to the rights of the
“ members at or in connexion therewith shall mutatis
“ mutandis apply but so that the necessary quorum shall
“ be five in number of the holders of shares of the class
“ holding or representing by proxy not less than one-fifth
“ of the capital paid or credited as paid up on the issued
“ shares of the class and that the holders of shares of the
“ class shall on a poll have one vote for each share of
“ the class held by them respectively and that if any
“ meeting of such holders shall be adjourned in conse-
“ quence of a quorum not being present four clear days
“ notice at least of such adjournment and of the general
“ nature of the business to be transacted at the adjourned
“ meeting shall be given to all the holders of the shares
“ of the class and that if at any such adjourned meeting
“ a quorum is not present those holders of shares of the
“ class who are present shall be a quorum.

“ 57B. Nothing in Article 57A contained shall in any
“ way affect or restrict any of the powers conferred upon
“ the Company or the directors by Articles 52A to 57
“ inclusive excepting only that no further preference shares
“ (beyond the £400000 of further new preference shares
“ authorised to be issued by Article 52A) shall at any time
“ hereafter be issued ranking either as regards dividend
“ or repayment of capital in priority to or *pari passu* with
“ or carrying any greater voting power than the 90000
“ new preference shares created by the Buenos Ayres
“ Grand National Tramways Company's Act 1906 unless
“ such issue shall previously have been sanctioned by such
“ resolution of the holders of the new preference shares
“ for the time being issued as in Article 57A mentioned.

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“ 57c. Notwithstanding anything to the contrary in the memorandum of association of the Company or in any other of these articles of association contained the entire undertaking of the Company shall not at any time hereafter be sold without the previous sanction of such resolution of the holders of the new preference shares of the Company for the time being issued as in Article 57A mentioned.

“ 57d. No alteration shall without the previous sanction of such resolution of the holders of the new preference shares as mentioned in Article 57A be made in any of the provisions of (1) an agreement dated the 27th day of November 1902 and made between this Company of the first part the Buenos Ayres New Tramways Company Limited of the 2nd part La Capital Traction and Electric Company Buenos Ayres Limited of the 3rd part and La Capital Tramways Company Limited of the 4th part (so far as the same regulates the distribution between this Company and the Buenos Ayres New Tramways Company Limited of the receipts of the joint working of their tramways systems pooled thereunder except with regard to any surplus of money coming to this Company under subsection (g) of clause 16 of the said agreement remaining after providing for the dividend on the new preference shares including the said £400000 new preference capital if and when issued) or (2) an agreement dated the 6th day of February 1903 and made between the same parties but in a different order (so far as the same affect this Company).”

Cancelling
debit balance
on revenue
account.

15. The accumulated balance of one hundred and twenty-nine thousand eight hundred and fifty-five pounds sixteen shillings and ten pence now standing to the debit of the revenue account of the Company shall by virtue of this Act be absolutely cancelled and extinguished and shall not be carried forward to the revenue account or balance sheet of the Company for the year ending the thirty-first day of March one thousand nine hundred and six or any subsequent balance sheet or revenue account of the Company.

As to
revenue for
year ending
31st March
1906.

16. The Company shall not pay any dividends on any of its shares in respect of the year ending on the thirty-first day of March one thousand nine hundred and six but all profits earned by the

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Company during such year (remaining after payment of the interest and sinking funds on its different issues of debentures debenture stock and bonds) and also the profits earned by the Company and carried to suspense account in the financial years of the Company ending on the thirty-first day of March one thousand nine hundred and four and the thirty-first day of March one thousand nine hundred and five respectively shall be carried to reserve account and shall be applicable for any of the purposes for which sums carried to reserve account are from time to time applicable under the regulations of the Company for the time being except that no part thereof shall at any time or under any circumstances be applied in payment of dividends or bonuses on any shares of the Company.

A.D. 1906.

17. The Company shall within three months from the passing of this Act deliver to the registrar of joint stock companies a statement of the increase of four hundred and fifty thousand pounds in the nominal amount of the share capital of the Company effected hereby duly stamped with the duty of five shillings for every one hundred pounds of such increase of nominal share capital chargeable thereon and in default of that delivery the duty with interest at the rate of five per centum per annum from the passing of this Act shall be a debt due to His Majesty and be recoverable from the Company.

As to stamp duty on increase of capital.

18. 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 on the files of the Company 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 every 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.

Copy of Act to be registered.

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.

19. Every copy of the memorandum and articles of association of the Company issued after the passing of this Act shall contain the alterations made by this Act or have a printed copy of this

Act to be embodied in memorandum and

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articles of
association.

Act annexed thereto and shall also have notice of this Act written or printed thereon.

Act to form
part of regu-
lations of
Company.

20. 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 :

Provided that the said articles 57A 57B 57C and 57D shall not be altered unless the alteration be sanctioned in accordance with Article 57A.

Costs of Act.

21. The costs charges and expenses preliminary to and of and incidental to the preparing obtaining and passing of this Act shall be paid by the Company.

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