

[6 EDW. 7.] *Antofagasta (Chili) and Bolivia Railway. [Ch. viii.]*
Company Limited (Conversion of Stock) Act, 1906.



CHAPTER viii.

An Act to provide for the conversion of the stock of the Antofagasta (Chili) and Bolivia Railway Company Limited into five per centum per annum cumulative preference stock preferred ordinary stock and deferred ordinary stock and for other purposes. A.D. 1906.

[29th May 1906.]

WHEREAS the capital of the Antofagasta (Chili) and Bolivia Railway Company Limited registered under the Companies Acts 1862 to 1890 with a memorandum and articles of association (herein-after called "the Company") as fixed by its memorandum of association was one million four hundred and fifty thousand pounds (£1,450,000) divided into fourteen thousand five hundred (14,500) shares of one hundred pounds (£100) each which said capital was by resolution of the Company passed at a general meeting held on the eighteenth day of June one thousand eight hundred and ninety increased to two million two hundred and forty thousand pounds (£2,240,000) divided into twenty-two thousand four hundred (22,400) shares of one hundred pounds (£100) each:

And whereas twenty-two thousand (22,000) shares were issued and subsequently converted into two million two hundred thousand pounds (£2,200,000) ordinary stock:

And whereas by special resolution of the Company passed and confirmed at general meetings held respectively on the fifth day of July one thousand nine hundred and the twentieth day of July one thousand nine hundred the articles of association of the Company were altered by inserting therein as article 30A power for the directors subject to certain restrictions and terms as in

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A.D. 1906. the said article mentioned to agree with any holder of existing ordinary stock of the Company for the conversion of the stock held by such holder into preferred ordinary stock and deferred ordinary stock such stock to be issued only in substitution for equal amounts of the paid-up existing ordinary stock and by way of division of portions of the existing ordinary stock into two equal parts so that the holders of preferred ordinary stock and deferred ordinary stock should remain together entitled to the same proportion of the net profits in each year available for dividends for that year as the holders of such part of the existing ordinary stock as should have been exchanged for and divided into such preferred ordinary stock and deferred ordinary stock would have been together entitled to receive by way of dividend for that year if no such exchange and division had been made save that the net profits which but for such division would have been available in each year for dividends on the ordinary stock divided should be applied in the first place in payment of a dividend at the rate of five per centum for that year on the preferred ordinary stock resulting from such division *pari passu* and the surplus (if any) should be applied in payment of dividend for the current year to the holders of deferred ordinary stock resulting from such division *pari passu* whilst the rights privileges qualifications and liabilities of holders of preferred ordinary stock and deferred ordinary stock as between them and the holders of the existing ordinary stock remaining unexchanged and as between themselves (subject to the preference as to the dividend aforesaid) should remain the same as if the preferred ordinary stock and the deferred ordinary stock had remained part of the existing ordinary stock and for every one hundred pounds of preferred ordinary stock or for every one hundred pounds of deferred ordinary stock the holder thereof should be entitled to one vote:

And whereas the present issued capital of the Company is two million two hundred thousand pounds (£2,200,000) made up as follows One million seven hundred and sixty-three thousand eight hundred and twenty pounds (£1,763,820) undivided ordinary stock two hundred and eighteen thousand and ninety pounds (£218,090) five per centum preferred ordinary stock and two hundred and eighteen thousand and ninety pounds (£218,090) deferred ordinary stock:

And whereas the undertaking of the Company consisting of a system of railways and telegraphs in Chili and Bolivia and

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waterworks in Chili was worked managed and maintained under a working agreement by a Chilian company up to the thirty-first day of December one thousand nine hundred and three at first at sixty and afterwards at fifty-five per centum of the gross receipts from the railways and telegraphs (the waterworks being worked at actual cost) the working company guaranteeing to the Company an annual sum sufficient to pay the interest on its debenture stock the general expenses of administration and a quarterly dividend at the rate of six per centum per annum on its share capital and the available net profits of the railway telegraph and water undertakings in excess of the amount required to pay the said dividend being divided equally between the Company and the working company :

And whereas since the expiry of the said working agreement and the working of the undertaking by the Company itself the profits made by the Company have largely increased and for the year ended the thirty-first day of December one thousand nine hundred and four a dividend at the rate of ten per centum per annum was paid on the undivided ordinary stock and a corresponding dividend was paid at the rate of five per centum per annum on the preferred ordinary stock and of fifteen per centum per annum on the deferred ordinary stock :

And whereas it will be for the benefit of holders of existing stock in the capital of the Company that the Company should be enabled to convert such stock into five per centum per annum cumulative preference stock preferred ordinary stock and deferred ordinary stock in the manner with the privileges and subject to the provisions herein-after prescribed :

And whereas such conversion 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 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:—

1. This Act may be cited as the Antofagasta (Chili) and Bolivia Railway Company Limited (Conversion of Stock) Act 1906. Short title.

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Interpreta-
tion.

2. In this Act—

The term “the Company” means the Antofagasta (Chili) and Bolivia Railway Company Limited;

The terms “director” or “the directors” mean respectively a director or the directors for the time being of the Company;

The term “the converted stock” means the five per centum per annum cumulative preference stock the preferred ordinary stock and the deferred ordinary stock authorised by this Act;

The term “five per centum preference stock” means the five per centum per annum cumulative preference stock authorised by this Act;

The terms “existing preferred ordinary stock” and “existing deferred ordinary stock” mean the respective stocks created and issued by virtue of the special resolution of the Company passed and confirmed respectively on the fifth and twentieth days of July one thousand nine hundred;

The term “the existing undivided ordinary stock” means the ordinary stock at present issued other than the existing preferred ordinary stock and the existing deferred ordinary stock;

The term “existing stock” means the existing undivided ordinary stock preferred ordinary stock and deferred ordinary stock.

Existing
stock to be
converted
into five per
centum pre-
ference stock
preferred
ordinary
stock and
deferred ordi-
nary stock.

3. As and from the first day of January one thousand nine hundred and seven or on such other day as the directors shall prescribe the existing undivided ordinary stock shall be extinguished and converted into five per centum preference stock preferred ordinary stock and deferred ordinary stock and the existing preferred ordinary stock shall be extinguished and converted into five per centum preference stock and the existing deferred ordinary stock shall be extinguished and converted into preferred ordinary stock and deferred ordinary stock and the converted stock shall by virtue of this Act and without further or other authority be created and issued subject to the provisions and with the incidents following (that is to say):—

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- (1) To every holder of one hundred pounds of existing undivided ordinary stock there shall be issued fifty pounds of five per centum preference stock seventy-five pounds of preferred ordinary stock and seventy-five pounds of deferred ordinary stock and so in proportion rateably for every one hundred pounds and for every fraction of one hundred pounds: A.D. 1906.
- (2) To every holder of one hundred pounds of existing preferred ordinary stock there shall be issued one hundred pounds of five per centum preference stock and so in proportion for every one hundred pounds and for every fraction of one hundred pounds:
- (3) To every holder of one hundred pounds of deferred ordinary stock there shall be issued one hundred and fifty pounds of preferred ordinary stock and one hundred and fifty pounds of deferred ordinary stock and so in proportion rateably for every one hundred pounds and for every fraction of one hundred pounds:
- (4) All converted stock issued by virtue of this Act shall be deemed for all purposes to be fully paid up:
- (5) Subject to any rights which under the powers contained in the articles of association of the Company may be attached to any new shares or stock and to the powers herein-after given to meetings of the holders of any distinctive class of shares or stock the profits of the Company for the year ending the thirty-first day of December one thousand nine hundred and seven and for each subsequent year (including any profits brought forward in the revenue account from a previous year) which may have regard to the articles of association of the Company including those in relation to the creation of a reserve fund be available for dividend shall be applied as follows videlicet First in payment of a fixed preferential cumulative dividend at the rate of five per centum per annum on the nominal amount of the five per centum preference stock Secondly in payment of a non-cumulative dividend for the year of five per centum on the nominal amount of the preferred ordinary stock Thirdly in payment of a non-cumulative

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dividend for the year of ten per centum on the nominal amount of the deferred ordinary stock and the balance (if any) shall be divided among the holders of preferred ordinary stock and deferred ordinary stock *pari passu* in proportion to the amount of stock held by them respectively :

- (6) In any distribution of surplus assets among members in the event of the Company being wound up such surplus assets shall (subject to any rights attached to new shares or stock issued under the powers contained in the articles of association of the Company) be applied First in repaying to the holders of the five per centum preference stock *pari passu* the nominal amount of such stock then issued together with all accumulations of dividend thereon if any and a dividend on such stock at the rate of five per centum *per annum* as from the commencement of the then current year up to the commencement of the winding up so far as the same shall not have been previously paid or satisfied Secondly in repaying to the holders of the preferred ordinary stock *pari passu* the nominal amount of such stock then issued Thirdly in repaying to the holders of the deferred ordinary stock *pari passu* the nominal amount of such stock then issued and subject thereto the remaining surplus assets shall belong to the holders of the preferred ordinary stock and of the deferred ordinary stock respectively *pari passu* and shall be divided among them in proportion to the amount of stock held by them respectively :
- (7) The holders of the five per centum preference stock shall not be entitled to any further participation or rights in profits or surplus assets other than those herein specifically mentioned :
- (8) At all meetings of the Company every holder of five per centum preference stock preferred ordinary stock or deferred ordinary stock shall on a poll be entitled to one vote in respect of each one hundred pounds of stock of each class held by him :
- (9) The certificates for the existing stock shall be delivered up to the Company and shall be cancelled by it and

certificates for the relative converted stock substituted therefor shall be issued in exchange by the Company: A.D. 1906.

- (10) The terms and conditions on which converted stock is issued shall be stated on the certificates thereof:
- (11) The Company shall enter in its register of members separately the names of the holders of five per centum preference stock preferred ordinary stock and deferred ordinary stock. Provided that the converted stock shall be issued and registered and shall be transferable in amounts of not less than one pound or multiples of one pound and that fractions of one pound shall not be issued or registered. The directors of the Company may make such arrangements as they may think fit for the consolidation of fractions of one pound of converted stock and for the issue provisionally of fractional certificates to bearer:
- (12) Trustees executors administrators and all other holders in any representative or fiduciary capacity of existing stock are hereby expressly authorised to accept and hold any stock issued in substitution therefor under the powers of this Act and are hereby indemnified for all acts bonâ fide done by them in pursuance of the provisions of this enactment:
- (13) Five per centum preference stock preferred ordinary stock and deferred ordinary stock shall respectively be held on the same trusts and subject to the same charges and liabilities as those on and subject to which the existing stock in substitution for which the same are issued were held immediately before the conversion and every deed or other instrument and every testamentary or other disposition made before the passing of this Act of or affecting such existing stock shall take effect with reference to the whole or a proportionate part as the case may be of the converted stock:
- (14) The qualification for a director shall as from the date of the conversion of the existing stock be the possession in his own right of one thousand pounds of converted stock of any class or partly of one or more classes:

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(15) 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 nominal share capital effected hereby duly stamped with the duty of five shillings for every one hundred pounds of such 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 the Act shall be a debt due to His Majesty and be recoverable from the Company.

Company
may increase
capital.

4. Nothing herein contained shall interfere with the powers of the directors under the articles of association of the Company relating to the increase of the capital of the Company by the issue of new shares. Provided always that no shares shall be created with priority as to capital or in the distribution of profits or otherwise over the five per centum preference stock authorised by this Act and no shares shall be created to rank *pari passu* with the said stock which will make the amount of five per centum preference stock and shares exceed two million pounds unless the holders of the five per centum preference stock and shares for the time being issued shall consent to the issue of such shares with such priority or ranking *pari passu* as aforesaid by extraordinary resolution passed at a separate meeting pursuant to the provisions herein contained. Provided also that no shares shall be created to rank *pari passu* with the preferred ordinary stock authorised by this Act which will make the amount of preferred ordinary stock and shares exceed two million pounds unless with the authority of an extraordinary resolution passed at a separate meeting of the holders of preferred ordinary stock and shares for the time being issued. Provided further that no shares shall be created to rank *pari passu* with the deferred ordinary stock authorised by this Act which will make the amount of the deferred ordinary stock and shares exceed two million pounds unless with the authority of an extraordinary resolution passed at a separate meeting of the holders of deferred ordinary stock and shares for the time being issued.

Alteration of
articles of
association.

5. The articles of association of the Company are hereby varied by adding a new article to be numbered article 48A *videlicet* :—

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MEETINGS OF CLASSES OF MEMBERS.

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The holders of any distinctive class of shares or stock (shares and stock ranking *pari passu* being deemed one class) may by an extraordinary resolution passed at a meeting of such holders consent on behalf of all the holders of shares or stock of the class to the issue or creation of any shares or stock ranking equally therewith or having any priority thereto which the Company could not under its articles of association or this Act issue without such consent or to the abandonment of any preference or priority or of any accrued dividend or to the reduction for any time or permanently of the dividends payable thereon or to the alteration of the right of voting thereon or to any scheme for the reduction of the Company's capital affecting the class of shares or stock or to any scheme in the winding up of the Company for the division or appropriation of the assets otherwise than in strict accordance with the legal rights of the holders of the shares or stock of the class affected thereby and such resolution shall be binding upon all the holders of shares or stock of the class:

Provided that this article shall not be read as implying the necessity for such consent to the issue within the limits prescribed by section 4 of this Act of five per centum preference stock or shares ranking *pari passu* with the five per centum preference stock authorised by this Act preferred ordinary stock or shares ranking *pari passu* with the preferred ordinary stock authorised by this Act or deferred ordinary stock or shares ranking *pari passu* with the deferred ordinary stock authorised by this Act or in any case in which but for this article the object of the resolution could have been effected without it under the provisions contained in the memorandum or articles of association of the Company:

Any meeting for the purpose of this section shall be convened and conducted in all respects as nearly as possible in the same way as an extraordinary general meeting of the Company Provided that no member not being a director shall be entitled to notice thereof or to attend thereat unless he be a holder of shares or stock of the

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class intended to be affected by the resolution that the quorum for the transaction of business at such meeting shall be five holders of shares or stock of that class present in person and that no vote shall be given except in respect of a share or stock of that class and that at any such meeting a poll may be demanded in writing by any five members personally present and entitled to vote at the meeting. The term "extraordinary resolution" where used in this section shall have the meaning assigned thereto in the Companies Act 1862.

Directors may declare interim dividends.

6. Nothing herein contained shall interfere with the powers of the directors under the articles of association of the Company to pay interim dividends.

As to accounts of Company.

7. The directors may in the accounts of the Company from time to time issued to the holders of stock or shares or otherwise published debit the capital account with the full nominal amount of the additional capital created by this Act as if the same were capital issued and expended.

Provisions of Act to form part of regulations of Company.

8. 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 or articles of association as hereby varied in accordance with the provisions of the Companies Acts 1862 to 1900.

Copy of Act to be registered.

9. A printed copy of this Act shall be filed by the Company with the Registrar of Joint Stock Companies who shall receive and file the same and if such copy shall not be delivered to the registrar within three months from the passing of this Act the Company shall incur a penalty not exceeding ten pounds for every day after the expiration of the said three months during which the Company shall omit to deliver the said copy and every director and manager of the Company who shall knowingly and wilfully authorise or permit such default shall incur the like penalty and every penalty under this section 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.

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10. To every copy of the memorandum and articles of association of the Company 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 Company.

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Copy of Act
to be sup-
plied to
members on
request.

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

Costs of Act.

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