

**CHAPTER xviii.**

An Act to increase and regulate the Capital of the Argentine North Eastern Railway Company Limited and to fund the arrears of dividend on its preferred stock by the issue of fully paid stock and for other purposes. A.D. 1908.

[18th June 1908.]

WHEREAS the Argentine North Eastern Railway Company Limited (hereinafter called "the Company") was incorporated on the 31st day of October 1887 under the Companies Acts 1862 to 1886 for the purposes amongst others of purchasing or acquiring from Juan Eduardo Clark or Mateo Clark or any other person entitled thereto concessions for railways from Monte Caseros to Posadas and from Monte Caseros to Corrientes in the Argentine Republic and for railways elsewhere in the said republic and of constructing and working the said railways or procuring the same to be constructed and worked and also of purchasing or otherwise acquiring working conducting and carrying on the business of any undertaking carrying on business with objects the same as or similar to the objects of the Company or any of them and to acquire and hold or deal with any shares or assets of any such undertaking:

And whereas by clause 5 of the memorandum of association of the Company it was provided as follows:—

"5. The capital of the Company is £2,000,000 divided into
" 100,000 shares of £20 each:

" Any shares forming part of the original capital of the
" Company and any shares that may be created by
" the Company may be divided into different classes
" and may have such respective rights, preference rank

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“ guarantee or privilege or postponement over or to
“ one another either as to capital or dividend as shall
“ be determined in accordance with the regulations for
“ the time being of the Company and may be issued
“ at par premium or discount” :

And whereas by articles eleven twelve fourteen sixty-six eighty-three and one hundred and sixty-three of the articles of association of the Company it was provided as follows:—

“ Art. 11. The share capital of the Company is £2,000,000
“ divided into 75,000 preferred shares of £20 each and
“ 25,000 ordinary shares of £20 each :

“ Art. 12. The profits of the Company available for dividend
“ shall be applied first in payment of a cumulative
“ dividend at the rate of 6 per cent. per annum on
“ the amount paid up or credited as paid up on the
“ preferred shares together with the arrears thereof
“ (if any) and the balance (if any) of the profits of
“ the Company available for dividend in any year shall
“ be divided into two equal half parts and one half
“ part shall be paid as dividend on the preferred shares
“ in proportion to the amount paid or credited as paid
“ up thereon in addition to the 6 per cent. cumulative
“ dividend already provided for and the other half
“ of such balance shall be paid as dividend on the
“ ordinary shares in proportion to the amount paid or
“ credited as paid up thereon :

“ Art. 14. The board may subject as hereinafter mentioned
“ at any time and from time to time issue any of the
“ share capital for the time being unissued to such
“ persons in such proportions and in such manner and
“ at such prices at above or below par as the board
“ may think fit :

“ Art. 66. When any shares shall have been converted into
“ stock the several holders of such stock may thenceforth
“ transfer their respective interest therein or any parts
“ of such interest not less than £1 in nominal amount
“ in the same manner and subject to the same regula-
“ tions as and subject to which any shares in the
“ capital of the Company may be transferred or as near
“ thereto as circumstances admit :

“ Art. 83. The share qualification of a director shall be his A.D. 1908.
 “ being the registered holder of not less than 25 shares
 “ of the Company but no director shall be liable to
 “ take or hold such qualification unless and until an
 “ allotment of shares in the Company shall have been
 “ made by the Board:

“ Art. 163. On every question to be decided by poll every
 “ member present at the meeting in person or by proxy
 “ and entitled to vote thereat shall have one vote for
 “ every share of any class held by him ”:

And whereas the Company has increased its capital and converted some of its shares into stock:

And whereas the capital of the Company is two million five hundred thousand pounds divided into—

Five hundred thousand special preference shares of one pound each ;

One million five hundred thousand pounds six per centum cumulative preferred stock ; and

Twenty-five thousand ordinary shares of twenty pounds each :

And whereas the whole of the said special preference shares and of the said cumulative preferred stock of the Company has been issued and is fully paid up and of the ordinary shares of the Company seventeen thousand five hundred have been issued and are fully paid up and the remainder namely seven thousand five hundred shares have not been issued:

And whereas for many years past the profits of the Company available for dividends have been insufficient to pay any dividend on the said cumulative preferred stock of the Company and on the thirty-first day of December one thousand nine hundred and seven the accumulated arrears of such dividend amounted to one million four hundred and sixty-seven thousand pounds or nearly ninety-eight per centum on the nominal amount of such stock a sum so large that even if such future profits should be greatly increased further accumulations of the current dividends on the said cumulative preferred stock of the Company would continue to accrue and the holders of the ordinary shares of the Company would have no prospect of receiving any dividend thereon for a very long period if at all:

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And whereas the existence of the said accumulated arrears of dividend on the said cumulative preferred stock is extremely detrimental to the credit and financial standing of the Company and it is expedient in the interest of the Company and of all classes of its debenture holders debenture stockholders stockholders and shareholders that the said arrears of dividend should be extinguished :

And whereas with a view to devising an equitable scheme for improving the position and credit of the Company and benefiting the holders of all classes of stocks and shares in the capital of the Company the directors of the Company have for some time past been consulting with certain of the largest holders of all classes of such stocks and shares and as the result of such consultations the directors have prepared the following scheme (namely) :—

That the existing capital of the Company shall be cancelled and that in lieu thereof the capital of the Company shall be two million eight hundred thousand pounds consisting of two million seven hundred and fifty-five thousand pounds stock fully paid and two thousand two hundred and fifty shares of twenty pounds each that four hundred thousand pounds of such stock shall be allotted and issued to the holders of the said special preference shares in substitution for the shares of that class held by them that two million two hundred and fifty thousand pounds of such stock shall be allotted and issued to the holders of the said cumulative preferred stock of the Company in substitution for the stock held by them and the arrears of dividend accrued and accruing due thereon and that the remainder namely one hundred and five thousand pounds of such stock shall be issued to the holders of the existing ordinary shares of the Company in substitution for the shares of that class held by them and that the two thousand two hundred and fifty shares of twenty pounds each shall be reserved for use hereafter as may be required for capital expenditure by the Company :

And whereas it is expedient that the said scheme should be carried out and in order thereto that the memorandum and articles of association of the Company should be altered in manner hereinafter appearing :

And whereas the objects aforesaid cannot be attained without the authority of Parliament: A.D. 1908.

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 Argentine North Eastern Railway Company Limited Act 1908. Short title.

2. In this Act—

“The Company” means the Argentine North Eastern Railway Company Limited;

“The board” means a meeting of the directors duly called and constituted or as the case may be the directors assembled at a board;

“The memorandum of association” means the memorandum of association of the Company;

“The articles of association” means the articles of association of the Company;

“Existing” means existing at the passing of this Act.

Interpretation.

3. The said recited fifth clause of the memorandum of association shall as from the date of the passing of this Act be cancelled and there shall be substituted in lieu thereof— Alteration of memorandum of association.

“5. The capital of the Company is two million eight hundred thousand pounds consisting of two million seven hundred and fifty-five thousand pounds stock fully paid and two thousand two hundred and fifty shares of twenty pounds each with power to increase or reduce its capital and on an increase of capital to issue preference or guaranteed shares as part or as whole of such increased capital.”

4. The said recited eleventh twelfth fourteenth eighty-third and one hundred and sixty-third articles of association shall as from the date of the passing of this Act be cancelled and the following articles shall be substituted in lieu thereof respectively (namely):— Alteration of articles of association.

“11. The capital of the Company is two million eight hundred thousand pounds consisting of two million seven hundred and fifty-five thousand pounds stock

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“ fully paid and two thousand two hundred and fifty
“ shares of twenty pounds each at present unissued.”

“ 12. As from the thirtieth day of June one thousand nine
“ hundred and eight the profits of the Company available
“ for dividend shall subject to any preferential rights
“ which may hereafter be created be divisible among
“ the members in proportion to the capital paid up on
“ the stock or shares held by them respectively.”

“ 14. The board may subject as hereinafter mentioned at any
“ time and from time to time issue any of the capital
“ of the Company for the time being unissued to such
“ persons in such proportions and in such manner and
“ at such prices at or above par as the Board may
“ think fit.”

“ 83. The qualification of a director shall be his being the
“ registered holder of shares or stock of the Company
“ of the nominal value of not less than five hundred
“ pounds.”

“ 163. On every question to be decided by poll every member
“ present at the meeting in person or by proxy and
“ entitled to vote thereat shall have one vote for every
“ twenty pounds nominal value of stock or shares held
“ by him.”

The sixty-sixth article of association shall be read and have effect as if the words “not less than £1 in nominal amount in the same manner and” were omitted therefrom.

Cancellation
of existing
shares and
stock.

5. As on the thirtieth day of June one thousand nine hundred and eight the whole of the five hundred thousand special preference shares of one pound each and of the one million five hundred thousand pounds six per centum cumulative preferred stock with all arrears of dividend thereon up to the said thirtieth day of June one thousand nine hundred and eight and of the seventeen thousand five hundred ordinary shares of twenty pounds each which have been issued and fully paid up and the unissued seven thousand five hundred shares of twenty pounds each in the existing capital of the Company shall be by virtue of this Act cancelled and extinguished and such cancellation and extinguishment shall as regards all rights conferred by the said shares and stock be deemed to have taken effect as on the said thirtieth day of June one thousand nine hundred and eight.

6. In lieu of the five hundred thousand special preference shares of one pound each the one million five hundred thousand pounds six per centum cumulative preferred stock with the arrears of dividend thereon and the seventeen thousand five hundred and the seven thousand five hundred ordinary shares of twenty pounds each so cancelled and extinguished as aforesaid there shall be by virtue of this Act and without further or other authority created two million seven hundred and fifty-five thousand pounds stock fully paid and two thousand two hundred and fifty shares of twenty pounds each and such stock and such shares when issued shall confer upon the holders thereof respectively such rights as are specified by the memorandum and articles of association as altered by this Act and the said stock shall rank for dividend as from the said thirtieth day of June one thousand nine hundred and eight.

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Creation of
new stock
and shares in
lieu of exist-
ing shares
and stock.

Every holder on the said thirtieth day of June one thousand nine hundred and eight of any of the said five hundred thousand special preference shares of one pound each shall be entitled to and shall receive four pounds of such stock in substitution for every five of the said special preference shares held by him and a proportionate amount of such stock for any smaller number than five of such special preference shares and every holder on the said thirtieth day of June one thousand nine hundred and eight of any of the said one million five hundred thousand pounds cumulative preferred stock shall be entitled to and shall receive three pounds of such stock in substitution for every two pounds of the said preferred stock held by him and the arrears of dividend accrued and accruing due thereon and a proportionate amount of such stock for any smaller amount of such preferred stock and every holder on the said thirtieth day of June one thousand nine hundred and eight of any of the said seventeen thousand five hundred fully paid ordinary shares of twenty pounds each shall be entitled to and shall receive six pounds of such stock in substitution for every one of the ordinary shares held by him.

7. All provisions of the articles of association relating to stock into which shares shall have been converted as altered by this Act shall as far as applicable apply to the stock created by this Act.

Certain provi-
sions of articles
of association
to apply to
stock created
by this Act.

8. The board shall as soon as conveniently may be after the passing of this Act call in and cancel the certificates of the said special preference shares the said cumulative preferred stock and

Cancellation
of existing
certificates
and issue of

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—
new certifi-
cates.

the said seventeen thousand five hundred fully paid ordinary shares and shall issue to the holders in lieu thereof certificates for the substituted stock to which they shall be entitled under the provisions of this Act but the board shall not be bound to issue to any shareholder or stockholder any certificate for any of the substituted stock 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 or stock of the Company held by him in substitution for which such new stock is to be issued or shall have proved to the satisfaction of the board 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 board shall think sufficient.

Register of
members to
be altered.

9. The board 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.

New stock to
be held on
same trusts
as existing
special pre-
ference
shares pre-
ferred stock
and ordinary
shares.

10. The stock to be issued under this Act in substitution for the said special preference shares the said cumulative preferred stock and arrears of dividend thereon and the said seventeen thousand five hundred fully paid ordinary shares shall to all intents and purposes represent the shares stock and arrears of dividend (as the case may be) in substitution for which such stock is issued and shall be subject and liable to the same trusts powers provisions declarations and agreements charges liens and incumbrances to which the shares stock and arrears of dividend (as the case may be) in substitution for which such stock is issued shall on the date of the passing of this Act be subject or liable and every deed will or testamentary or other instrument disposing of or affecting any such existing shares or stock and 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 substituted stock.

Copy of Act
to be regis-
tered.

11. 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 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 any director or manager of the Company

who knowingly and wilfully authorises such default shall incur the like penalty Every penalty under this section shall be recovered summarily. A.D. 1908.

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.

12. Every copy of the memorandum and articles of association issued by the Company after the passing of this Act shall contain the alterations made by this Act or have a printed copy of this Act annexed thereto and shall also have notice of this Act written or printed thereon. Act to be embodied in memorandum and articles of association.

13. The existing memorandum and articles of association of the Company respectively so far as the same respectively were immediately before the passing of this Act in force and except only so far as any of the articles clauses or provisions thereof respectively are repealed or altered by or are repugnant to or inconsistent with any of the provisions of this Act shall respectively without prejudice to the powers of alteration given by the Companies Acts 1862 to 1907 continue in full force and effect. Except as repealed or altered by this Act memorandum and articles of association to remain in force.

14. The statement of the amount of increase of registered capital effected by this Act which is required by section 112 of the Stamp Act 1891 to be delivered to the Registrar of Joint Stock Companies shall be delivered duly stamped with the duty charged thereon within three months after the passing of this Act and in default of that delivery the duty with interest thereon at the rate of five per centum per annum from the passing of this Act shall be a debt to His Majesty recoverable from the Company. Duty to be paid on increase of capital.

15. 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. Costs of Act.

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