



## CHAPTER xv.

An Act to enable certain alterations to be made in the A.D. 1896.  
Plan of Arrangement of the affairs of the English Scottish  
and Australian Chartered Bank and for other purposes.

[21st May 1896.]

**W**HEREAS the English Scottish and Australian Chartered Bank (in this Act referred to as "the Old Bank") being a bank incorporated under Royal Charter suspended payment on the twelfth day of April one thousand eight hundred and ninety-three :

And whereas the nominal capital of the Old Bank was one million five hundred thousand pounds of which nine hundred thousand pounds had been issued divided into forty-five thousand shares of twenty pounds each the whole of which had been paid up and under the terms of the charter every shareholder in the Old Bank was in the event of its going into liquidation liable for a further sum of twenty pounds :

And whereas at the date of the suspension of payments by the Old Bank the Old Bank owed about five and a half million pounds of which about eight hundred and thirty-eight thousand pounds was in respect of preferential and other claims herein-after specified and the balance was due upon terminable deposits and open accounts :

And whereas the preferential and other claims above referred to were approximately—

(A.) Amount due to the Government	-	-	£ 365,000
(B.) Amount due upon note issue	-	-	160,000
and (C.) Bills payable (which to save the goodwill of the Company it was decided to class as preferential liabilities) and letters of credit	-	-	313,000
Total			£838,000

A.D. 1896.

And whereas on the suspension of the Old Bank a petition was presented for the winding up of its affairs under the Companies Acts 1862 to 1890 and on the twenty-sixth day of April one thousand eight hundred and ninety-three an order was made for the winding up of the Old Bank and the Official Receiver was appointed liquidator thereof:

And whereas the plan of arrangement set forth in the First Schedule hereto was prepared under which a New Bank was to be formed and a New Bank was formed accordingly under the name of the English Scottish and Australian Bank Limited (in this Act referred to as "the Company") and was on the ninth day of August one thousand eight hundred and ninety-three duly registered under that name as a limited company under the Companies Acts 1862 to 1890 with a registered office situate in England and with a capital of one million five hundred and seventy-five thousand pounds divided into forty-five thousand shares of thirty-five pounds each (of which ten pounds was to be credited as paid up) with the right to shareholders in the Old Bank to apply for shares in the Company share for share paying up twelve pounds ten shillings per share (beyond the ten pounds credited as paid up thereon as aforesaid) in instalments as provided by the plan of arrangement:

And whereas it was provided in the plan of arrangement that the liquidator should make a call of twenty pounds per share on the shareholders in the Old Bank and apply the proceeds of the call in paying the preferential and other claims amounting to about eight hundred and thirty-eight thousand pounds as aforesaid and that every shareholder in the Old Bank applying for a share in the Company and paying five pounds per share should receive the indemnity of the Company against payment of calls upon his shares in the Old Bank and that the liquidator of the Old Bank should assign all the assets and the whole of the liabilities other than the liabilities on the said preferential and other claims to the Company and that the Company should satisfy the creditors of the Old Bank in the following way namely by payment in cash of all interest which accrued due up to the date of suspension that is to say the twelfth day of April one thousand eight hundred and ninety-three and as to the principal of the debts of the Old Bank by the issue to the creditors thereof of the following securities namely—(1) Debenture stock bearing interest at the rate of four pounds per centum per annum to the amount of one-fourth of each creditor's claim (2) Terminable deposit receipts bearing interest at the rate of four pounds per centum per annum and repayable in instalments as provided by the plan of arrange-



ment to the amount of one-fourth of each creditor's claim and A.D. 1896.  
(3) Inscribed deposit stock bearing cumulative interest at the rate  
of four and a half pounds per centum per annum payable only out  
of the profits of the Company for each year to the amount of the  
remaining one-half of each creditor's claim :

And whereas by the terms of the plan of arrangement neither the  
debenture stock nor the terminable deposit receipts nor the inscribed  
deposit stock of the Company constitute any charge or security over  
the revenues or assets of the Company but the holders of the debenture  
stock and terminable deposit receipts rank in order of priority both  
for principal and interest *pari passu* with the general creditors of  
the Company and in front of the holders of the inscribed deposit  
stock :

And whereas the plan of arrangement was on the first day of July  
one thousand eight hundred and ninety-three sanctioned by the Court  
and was on the thirteenth day of July one thousand eight hundred  
and ninety-three confirmed by the Court of Appeal :

And whereas by the English Scottish and Australian Bank Limited  
Act 1894 the Company was authorised to pay interest to the afore-  
said creditors for the period between the suspension of the Old Bank  
and the confirmation of the plan of arrangement and the Company  
paid such interest accordingly :

And whereas by the fifth section of the said Act it was provided  
that the directors of the Company might by resolution from time to  
time declare the interest on the inscribed deposit stock to be payable  
half-yearly instead of yearly and might order the transfer books to  
be closed accordingly :

And whereas the aforesaid securities were issued to the said  
creditors by the Company and interest has been duly paid upon the  
said debenture stock and the said terminable deposit receipts but  
the profits of the Company for the year ended thirtieth June one  
thousand eight hundred and ninety-five were not sufficient by the  
sum of sixteen thousand pounds to pay the full interest of four and  
a half per centum due upon the said inscribed deposit stock :

And whereas the Company carries on its business partly in  
England and partly in the Australian colonies and certain of the  
aforesaid securities have under the plan of arrangement been  
inscribed at the principal offices of the Company in the said colonies  
and the sums of money from time to time payable under certain of  
the aforesaid securities are payable and have in fact been paid in  
the said colonies :

A.D. 1896.

And whereas owing to the depreciation in the value of money and of the current rate of interest and to the continued depression in the Australian colonies consequent upon the financial crisis of one thousand eight hundred and ninety-three and to other causes it is feared that the Company will not be able to pay the full interest aforesaid in the future and the credit of the Company and the value of all the aforesaid securities will thus be impaired and it is expedient that such a rearrangement of the aforesaid securities be made as will enable the Company regularly to pay the interest due thereon :

And whereas under the plan of arrangement right was reserved to the Company at any time on six months' notice to pay off at par the whole or any part of the terminable deposit receipts :

And whereas the terminable deposit receipts will mature for payment by five annual instalments from the year one thousand nine hundred to the year one thousand nine hundred and four unless they shall be previously paid off or converted into debenture stock as provided in the plan of arrangement :

And whereas in order to maintain the credit of the Company and the capital value of its securities the draft scheme set forth in the Second Schedule hereto has been prepared and considered by the directors of the Company in conjunction with large holders of the aforesaid securities and such draft scheme provides in effect that the Company shall forthwith reduce the said liability upon the terminable deposit receipts by paying off out of the funds of the Company two-fifths of the whole amount of the terminable deposit receipts (being the instalments due in the years one thousand nine hundred and one thousand nine hundred and one respectively) and that the inscribed deposit stock shall be converted as to one-half thereof into new perpetual preferred inscribed deposit stock ranking both for principal and interest against the assets of the Company in priority to the deferred inscribed deposit stock herein-after mentioned and as to the other half thereof into new redeemable deferred inscribed deposit stock ranking for interest only against the net earnings of the Company in each year and it is provided that the interest upon the new preferred stock shall be at the fixed rate of three pounds per centum per annum and that the interest upon the new deferred stock shall be at the rate of three pounds per centum per annum and that out of the annual saving of interest thereby effected so far as the same shall be earned the Company shall with a view to improving the position and enhancing the capital value of the aforesaid securities apply the first fifteen thousand pounds to form a reserve fund for securing payment of the interest on the new



preferred stock and for other purposes and shall apply the remainder to increase the interest upon the new deferred stock to four and a half pounds per centum per annum :

And whereas under the plan of arrangement one-fourth part of the surplus profits of the Company in each year after providing for payment of interest at the rate of four and a half pounds per centum per annum upon the inscribed deposit stock was to be applied to the service of the inscribed deposit stock and it is expedient that this provision should inure in manner provided by the said draft scheme for the redemption of the new deferred inscribed deposit stock :

And whereas the holders of inscribed deposit stock are under the plan of arrangement represented by two members on the board of directors of the Company and such two directors have approved of and consented to the terms of this Act and of the said draft scheme :

And whereas under the provisions of Acts in force in certain of the Australian colonies a compromise or arrangement between a company and the creditors of such company or any class of such creditors if consented to by a majority in number representing three-fourths in value of such creditors or class of creditors present either in person or by proxy or attorney at a meeting and sanctioned by the court will become binding on all such creditors or class of creditors even where no order has been made or resolution passed for winding up the company and two of the banks trading in the said colonies that were reconstructed in the year one thousand eight hundred and ninety-three have already availed themselves of the said provisions :

And whereas in the case of a company registered under the Companies Acts 1862 to 1890 no such compromise or arrangement can be made binding upon creditors or classes of creditors except when the company is in the course of being wound up and it is expedient that the court should have power to deal with the said draft scheme as if the same were a compromise or arrangement proposed by a company in course of being wound up voluntarily :

And whereas it is expedient that the plan of arrangement be altered and amended so far as the said draft scheme as sanctioned by the court shall be inconsistent therewith and that the memorandum and articles of association of the Company be altered and amended accordingly :

And whereas the objects 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 Queen's most Excellent Majesty by and with the advice and consent of the Lords Spiritual and Temporal and

A.D. 1896. 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 English Scottish and Australian Bank Limited Act 1896.

Power to Court to order meeting and sanction scheme in Second Schedule. 2. It shall be lawful for the court on the application in a summary way of the Company or of a holder of any of the securities issued under the plan of arrangement to order that a meeting of the holders of such securities or of any one or more classes of the holders of such securities shall be summoned and held in such manner as the court shall direct for the purpose of considering and if thought fit of agreeing to with or without modifications the compromise or arrangement set forth in the Second Schedule hereto (in this Act called "the draft scheme") as if the Company were then being wound up voluntarily under the Companies Acts 1862 and 1867 and if a majority in number representing three-fourths in value of the holders of such securities or class or classes of holders of such securities as the case may be present either in person or by proxy or attorney at such meeting shall agree to the draft scheme either without modification or with such modifications as the holders of such securities or class or classes of holders of such securities as the case may be shall agree to with the consent of the Company the draft scheme with such modifications (if any) shall if sanctioned by an order of the court be binding on all the holders of such securities or class or classes of holders of such securities as the case may be whether such securities are inscribed or the moneys payable thereunder are payable in England or in Australia and upon the Company.

Subsidiary powers of Court. 3. In this Act "the court" shall mean the Chancery Division of Her Majesty's High Court of Justice in England and the court shall for the purposes of proceedings under this Act be invested with and capable of exercising without a winding up all the rights powers authorities and discretions applicable to the case which the court would have been invested with or could have exercised if the Company had at the date of the application to the court for the summoning of the meeting commenced to be wound up voluntarily under the Companies Acts 1862 and 1867 and had on that date proposed a compromise or arrangement under the Joint Stock Companies Arrangement Act 1870 including in particular power to order the holding of any one or more meetings of members of the Company or to make any modifications in the draft scheme and power to direct the summoning and holding of one or more fresh first meetings to consider the draft scheme or any proposed modifications thereof.



A.D. 1896.

4. The institution of any proceedings under this Act shall not in any way hinder or prevent the Company from continuing its business.

Company  
may  
continue  
business.

5. Trustees executors administrators and all other persons holding securities of the Company in any representative or fiduciary capacity are hereby authorised if in their discretion they think fit to consent to the draft scheme or any modification thereof and are indemnified for all acts done bonâ fide by them in pursuance of the provisions of this Act.

Trustees &c.  
may consent  
to scheme.

6. The plan of arrangement set forth in the First Schedule to this Act and the memorandum of association of the Company shall be and are hereby amended so as to conform with the provisions of the scheme as and when the same shall be sanctioned by the court and the court shall have power to order that the plan of arrangement and memorandum of association shall be verbally amended accordingly and that as amended they shall be filed with the Registrar of Joint Stock Companies and be used thereafter for all purposes in place of the plan of arrangement as set forth in the said schedule and of the memorandum of association as previously filed with the said registrar.

Amendment  
of plan of  
arrangement  
and memo-  
randum of  
association.

7. 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.

Act to be  
registered.

8. 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 until the same shall have been amended as provided in this Act and in the scheme as sanctioned by the court 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.

Copy of  
Act to be  
supplied to  
members  
on request.

9. Unless the court shall sanction the draft scheme or some modification thereof within twelve months after the passing of this Act or the same shall then be under appeal from a decision of the

Limitation  
of time.

A.D. 1896. — court or the court shall on application made think fit to extend the said period of twelve months the provisions of this Act shall be void and of none effect.

Costs of  
Act &c.

**10.** All costs charges and expenses of and incident to the preparing for obtaining and passing of this Act and of obtaining the requisite consents and sanction to the said scheme or otherwise in relation thereto may be paid by the Company out of their funds applicable to capital purposes.



## THE FIRST SCHEDULE.

A.D. 1896.

*Plan of Arrangement.*

1. A New Bank shall be formed and registered under the Companies Acts 1862 to 1890 entitled "The English Scottish and Australian Bank Limited" with a share capital of one million five hundred and seventy-five thousand pounds in forty-five thousand shares of thirty-five pounds each.
2. The eight hundred and thirty-eight thousand pounds of claims specified above with interest thereon and the costs of and incidental to the winding up shall not be taken over by the New Bank save as herein-after appears but shall be borne by the Old Bank in the liquidation thereof and there shall at once be called up on the shares of the Old Bank the full liability of twenty pounds per share to provide for the same.
3. Every shareholder in the Old Bank on applying for shares in the New Bank equal in number to those held by him in the Old Bank and paying to the New Bank five pounds for every share applied for shall be indemnified by the New Bank against the payment of any call made on the shares of the Old Bank and shall be allotted an equal number of shares in the New Bank of the nominal value of thirty-five pounds each with fifteen pounds credited as paid up thereon on the terms that a further seven pounds ten shillings shall be payable in calls of two pounds ten shillings each at six twelve and eighteen months respectively.
4. The New Bank shall assume and provide for as hereafter mentioned all the liabilities of the Old Bank other than the said eight hundred and thirty-eight thousand pounds claims above referred to and shall purchase and take over the whole of the assets business and goodwill of the Old Bank other than the proceeds of the said twenty pounds call and the proceeds of any shares in the New Bank realised by the liquidator as herein-after mentioned the New Bank issuing its forty-five thousand shares of thirty-five pounds each with fifteen pounds credited as paid up thereon to such shareholders of the Old Bank as may apply therefor and pay the five pounds per share as above. Such of the said shares as shall not be applied for and taken up by the shareholders of the Old Bank as aforesaid within a reasonable time to be fixed by the liquidator shall be issued to such persons as the liquidator may approve each with the sum of ten pounds credited as paid up thereon. The liquidator shall be entitled to call for deal with and realise the said shares as part of the assets to be retained in and for the purposes of the liquidation of the Old Bank on such terms as he shall think proper. It is not intended to call up the twelve pounds ten shillings per share remaining uncalled after payment of the three instalments above referred to.
5. The New Bank shall pay in cash all rates taxes wages and other similar claims (if any) which would be payable in full or in priority in the winding

A.D. 1896. — up of the Old Bank and all debts of the Old Bank due on current account under fifty pounds in amount and all interest accrued up to the twelfth April one thousand eight hundred and ninety-three in respect of terminable deposits and shall issue to the Old Bank for distribution amongst its creditors and in satisfaction of their claims—

- (i.) Debenture stock bearing interest at the rate of four pounds per centum per annum in sums of ten pounds and upwards to an amount equal to one-fourth of the total amount owing by the Old Bank in respect of its terminable deposits current accounts or other liabilities not herein specifically provided for :
- (ii.) Terminable deposit receipts payable by five equal annual instalments commencing in the seventh year from the date of the incorporation of the New Bank for a further fourth of the aforesaid liabilities Such terminable deposit receipts shall bear interest at the rate of four pounds per centum per annum and at the option of the holders be convertible at par into debenture stock as above at any time before the first day of January one thousand eight hundred and ninety-eight or such extended time as the New Bank shall permit :
- (iii.) Inscribed deposit stock for the remaining half of such liabilities of the Old Bank entitled to cumulative interest at the rate of four pounds ten shillings per centum per annum payable only out of the profits of each year The above-mentioned debenture stock terminable deposit receipts and inscribed deposit stock shall not create any charge or security over the revenues or assets of the New Bank but the holders of the debenture stock and terminable deposit receipts shall in order of priority rank both for principal and interest *pari passu* with the general creditors of the New Bank and in front of the holders of the inscribed deposit stock.

6. Interest shall be payable on the debenture stock and terminable deposit receipts on the first January and first July of each year On default in payment of interest for six months or on a winding up the principal of the debenture stock and such receipts shall mature The principal of the inscribed deposit stock shall mature on winding up but save as aforesaid the debenture stock and the inscribed deposit stock shall be perpetual and shall be inscribed at the option of the holder either at the offices of the bank in London or at the principal offices in the colonies and be transferable in multiples of one pound by ordinary transfer deed both in London and the colonies and upon both registers Stock certificates and deposit receipts shall be issued at the offices of the New Bank as above mentioned The New Bank shall also pay or provide for all such of the debts and liabilities which under this scheme are to be borne by the Old Bank in the liquidation thereof with interest thereon and of the fees costs charges and expenses including the remuneration of the provisional and any subsequent liquidator as the proceeds of the said call of twenty pounds per share and any other assets retained by the liquidator shall be insufficient to satisfy and the liquidator shall be entitled to a lien over the assets of the Old Bank acquired and taken over by the New Bank for any moneys payable by the New Bank under this scheme.



7. If at any time after the issue by the New Bank of the terminable deposit receipts aforesaid a resolution shall be passed by a majority of three-fourths in value of those present in person or by proxy at a meeting of the holders thereof requiring the New Bank so to do the New Bank shall convert at par the whole of such terminable deposit receipts into four pounds per centum debenture stock ranking with the before-mentioned debenture stock. After the passing of any such resolution all liability of the New Bank on the terminable deposit receipts shall cease and determine.

8. The New Bank reserves the right at any time on six months' notice to pay off the whole or any part of the stocks of either class at for the debenture stock five per centum premium and for the inscribed deposit stock two per centum premium. The Bank also reserves the right to pay off at any time the whole or any part of the terminable deposit receipts at par on giving similar notice of their intention so to do. As and when the above-mentioned terminable deposit receipts shall be paid off the New Bank shall have the right to issue perpetual debenture stock bearing four per centum interest and ranking both for principal and interest *pari passu* with the existing debenture stock to an amount equivalent to the amount of the terminable deposit receipts so paid off.

9. The New Bank shall advance to every original holder of debenture stock and terminable deposit receipts issued in respect of current accounts and upon the security thereof not less than fifty per centum of the par value of his holding at interest at the current rates for the time being in the respective colonies.

10. If in the future realisation or valuation in and for the purposes of a balance sheet of the assets acquired and taken over by the New Bank such assets shall prove or be found to exceed in value the amount of the consideration given for the same as above mentioned such excess shall to the extent of seven hundred and sixty thousand pounds be carried to the credit of a reserve account in the books of the New Bank not to be available for the equalisation or payment of dividend or to be reckoned as an asset of the New Bank for the purpose of ascertaining the profits available for dividend.

11. The memorandum of association of the New Bank shall provide for the holders of the inscribed deposit stock appointing from time to time two directors on the board of management so long as the amount outstanding shall exceed one-half of the total amount originally issued and the constitution of the New Bank shall be such that there shall be applied to the service of the inscribed deposit stock the following funds:—

- (A) The first profits of the New Bank in each year up to an amount equal to four pounds ten shillings per centum upon the total amount of the inscribed deposit stock originally issued:
- (B) Twenty-five per centum of the surplus:
- (C) And any profits remaining after payment of a dividend of six pounds per centum per annum to the shareholders until the terminable deposit receipts have been redeemed or converted into debenture stock as aforesaid.

A.D. 1896.

Any such funds not required to provide the annual interest of four pounds ten shillings per centum and fifty thousand pounds to be held in reserve for the equalisation of such interest shall be applied to the redemption of this stock by drawings at par or by purchase in the market under par.

12. Nothing in this scheme contained shall prejudice or affect any existing security lien or charge upon the assets of the Old Bank.

13. All details in connexion with the carrying out of the said scheme shall be settled by the liquidator.

14. The liquidator may assent to any modification in the scheme which the court may think fit to approve or impose.

Dated the seventeenth day of May one thousand eight hundred and ninety-three.

---

## THE SECOND SCHEDULE.

---

### *Draft Scheme.*

Payment of  
forty per  
centum of the  
terminable  
deposit  
receipts.

1. Within six months from the date when this scheme shall be finally sanctioned by the court the Company shall pay off at par forty pounds out of every hundred pounds and so in proportion for every fraction of one hundred pounds of the total amount of the terminable deposit receipts together with interest up to the time of payment in respect of the amounts so paid off by cash payments to the holders thereof and so soon as notice shall be given by the Company to each of the holders thereof that the payment of money to which he is entitled under this section is ready to be made each such holder shall forthwith return to the Company his terminable deposit receipt duly endorsed with his receipt for the first two instalments mentioned thereon and shall be entitled to receive the said money and to have the said terminable deposit receipt returned to him.

Extinction  
of inscribed  
deposit stock  
and creation  
of new stocks.

2. As from the first day of July one thousand eight hundred and ninety-six all the inscribed deposit stock of the Company then subsisting shall be cancelled and extinguished and all right obligation and liability of the Company to create and issue the same or to pay the principal or interest thereof shall cease and determine and as from that date there shall be created in place of and in substitution for the said stock the like amount of new stock divided into two classes namely preferred inscribed deposit stock bearing cumulative interest from the said date at the fixed rate of three pounds per centum per annum and deferred inscribed deposit stock bearing interest from the said date at the rate of three pounds per centum per annum but the interest on the deferred stock shall be payable only out of the net earnings of the Company in each year and shall be subject to increase in manner herein-after provided And the respective amounts thus created of the said two classes of new stock shall be such that the whole amount of the preferred stock shall exceed the whole



amount of the deferred stock only by so much as is necessary to satisfy the provisions of this scheme relating to the fractional parts of a pound of inscribed deposit stock.

A.D. 1896.

3. The interest on the new preferred inscribed deposit stock shall become due on the first day of January and the first day of July in each year and the interest upon the new deferred inscribed deposit stock shall become due upon the first day of July in each year but the directors may from time to time by resolution passed at a meeting of the board declare that the interest on the said deferred stock shall become due half-yearly upon the first day of January and the first day of July and may also from time to time rescind such resolution and such interest shall become due yearly or half-yearly in accordance with the resolution for the time being in force and the directors may order that no transfer of any stock shall be registered during the fourteen days immediately preceding each day on which the interest thereon shall become due and may close the transfer books of such stock accordingly.

Dates of  
accrual of  
interest on  
new stocks.

4. The preferred inscribed deposit stock shall rank against profits and assets of the Company both as to principal and as to interest in priority to the deferred inscribed deposit stock.

Priority of  
stocks.

5. The preferred inscribed deposit stock shall be perpetual save in the event of the Company being wound up when it shall mature for payment. The deferred inscribed deposit stock shall mature for payment in the event of the Company being wound up and shall be liable to be redeemed from time to time in the manner in this scheme provided and by purchase thereof from time to time at the market price at the discretion of the directors of the Company and all such stock redeemed shall be cancelled by the directors of the Company.

As to redemp-  
tion of stocks.

6. Subject to the provisions of this scheme relating to fractional parts of a pound the Company shall as soon as may be and within six months after the scheme shall be finally sanctioned by the court issue to every person who on the thirtieth day of June one thousand eight hundred and ninety-six shall be the registered holder of inscribed deposit stock for every hundred pounds of such stock then held by him fifty pounds of preferred inscribed deposit stock and fifty pounds of deferred inscribed deposit stock and so in proportion for any fraction of one hundred pounds then held by him and every such person shall return to the Company the certificate for such stock then held by him to be destroyed and the Company shall deliver to him in place thereof a certificate for so much of each of the said new stocks as he shall be entitled to under this scheme.

Issue of new  
stock to  
holders of old  
stock.

7. Notwithstanding anything herein-before contained no person shall become entitled under this scheme to any fractional part of a pound of any new stock to be issued under the provisions of this scheme but in every case in which any person would have become entitled to a fractional part of a pound of deferred inscribed deposit stock the Company shall issue to such person in place thereof the same fractional part of a pound of preferred inscribed deposit stock.

Fractional  
part of a  
pound.

A.D. 1896.

Power to  
apply moneys  
in hand to  
purposes of  
scheme.

8. The Company may apply any moneys in their hands not being money required for the payment of current interest upon the debenture stock or terminable deposit receipts for the purpose of paying off the terminable deposit receipts to the extent in this scheme provided and also for the purpose of paying the arrears of interest (if any) due upon the inscribed deposit stock extinguished under this scheme.

Reserve fund.

9. In addition to any exercise of the authorities and powers conferred on the directors by the articles of association of the Company for the creation of a reserve fund but in substitution for the reserve mentioned in Clause 11 of the plan of arrangement the Company shall in each year next after paying interest at the rate of three pounds per centum upon the preferred and deferred inscribed deposit stock set aside out of the net earnings of that year the sum of fifteen thousand pounds and apply the same to the formation of a reserve fund for securing the payment of interest on the preferred inscribed deposit stock and for such other purposes of the Company as the directors may from time to time determine. Provided that no part of such reserve fund shall be paid to the shareholders and that the shareholders shall not be entitled to any part thereof in the event of the Company being wound up.

Additional  
interest on  
deferred  
stock and  
sinking fund.

10. The Company shall in each year after setting aside the aforesaid sum of fifteen thousand pounds apply the surplus net earnings of that year to the payment of additional interest for that year upon the deferred inscribed deposit stock but so that the whole interest paid thereon in any year shall not exceed the maximum rate of four and a half pounds per centum for that year and further before paying any dividend to the shareholders of the Company shall set aside one-fourth part of the sum to be declared by the directors as available for dividend in any one year and shall apply the same to the purchase at the then existing market price of deferred inscribed deposit stock or at the option of the Company to the redemption of the same stock at par.

Amendment  
of Articles of  
Association.

11. The Company shall amend its Articles of Association and in particular Articles 45 to 55 relating to inscribed deposit stock so as to conform with the provisions of this scheme and shall strike out such of the articles as are inconsistent with such provisions but shall preserve to the holders of the deferred inscribed deposit stock so long as the amount of such deferred stock outstanding shall exceed one-half of the total amount thereof to be issued under this scheme the right of nominating two directors of the Company conferred upon the holders of the inscribed deposit stock extinguished under this scheme and the articles so amended shall be filed with the Registrar of Joint Stock Companies and be used thereafter for all purposes in place of the articles of the Company previously filed with the said Registrar.

Printed by EYRE and SPOTTISWOODE,

FOR

T. DIGBY PIGOTT, Esq., C.B., the Queen's Printer of Acts of Parliament.

And to be purchased, either directly or through any Bookseller, from  
EYRE AND SPOTTISWOODE, EAST HARDING STREET, FLEET STREET, E.C.; or  
JOHN MENZIES & Co., 12, HANOVER STREET, EDINBURGH and  
90, WEST NILE STREET, GLASGOW; or  
HODGERS, FIGGIS, & Co., LIMITED, 104, GRAFTON STREET, DUBLIN.