

No. XIII.

JOINT STOCK
COMPANIES.

AN ACT for the Incorporation and Regulation of Joint Stock Companies and other Associations.

[24th October, 1860.]

BE IT ENACTED by the General Assembly of New Zealand in
Parliament assembled, and by the authority of the same, as
follows:—

Short Title.

1. The Short Title of this Act shall be "*The Joint Stock Companies' Act, 1860.*"

Act not to apply to
Banking and
Insurance Companies.

2. This Act shall not apply to persons associated together for the purpose of banking or insurance.

PART I.

CONSTITUTION AND INCORPORATION OF COMPANIES AND ASSOCIATIONS.

Registry.

Company formed by
memorandum of
association and
registration.

3. Seven or more persons associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requisitions of this Act in respect of registration, form themselves into an Incorporated Company with or without limited liability.

Penalty on partner-
ships exceeding a
certain number.

4. If after the passing of this Act more than seven persons carry on in partnership any trade or business having for its object the procurement of gain to the partnership, then unless such persons are included within one or both of the classes following, that is to say,—

- (1.) Are registered as a Company under this Act;
- (2.) Are a Company incorporated or otherwise legally constituted by or in pursuance of some Act of the Imperial Parliament or of the General Assembly of New Zealand or by Royal Charter or Letters Patent;

Each one of the persons so carrying on business in partnership together contrary to this provision shall be severally liable for the payment of the whole debts of the partnership, and may be sued for the same without the joinder in the action or suit of any other member of the partnership.

5. The

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5. The Registrar of Joint Stock Companies shall, on payment of five shillings, issue a certificate of incorporation of any Company to any person applying for the same, and such certificate shall be admissible in evidence in like manner as the certificate of incorporation hereafter directed to be given.

Registrar to give certificate of incorporation.

6. The memorandum of association shall contain the following particulars, that is to say,—

Matters required to be prescribed by memorandum of association.

- (1.) The name of the proposed Company.
- (2.) The Province and Town of the Colony in which the registered office of the Company is to be established.
- (3.) The objects for which the proposed Company is to be established.
- (4.) The liability of the shareholders, whether it is to be limited or unlimited.
- (5.) The amount of the nominal capital of the proposed Company.
- (6.) The number of shares into which such capital is to be divided and the amount of each share, subject to the following restriction,—

That in the case of a Company formed with limited liability, and hereinafter called a limited Company, the word "Limited" shall be the last word in the name of the Company.

7. No Company shall be registered under a name identical with that by which a subsisting Company is already registered, or so nearly resembling the same as to be calculated to mislead; and if any Company through inadvertence or otherwise is registered by a name identical with that by which a subsisting Company is registered, or so nearly resembling the same as to be calculated to mislead, such first-mentioned Company may with the sanction of the Registrar change its name, and upon such change being made the Registrar shall enter the new name on the register in the place of the former name, but no such alteration of name shall affect any rights or obligations of the Company, or render defective any legal proceedings instituted or to be instituted by or against the Company, and any legal proceedings may be continued or commenced against the Company by its new name that might have been continued or commenced against the Company by its former name.

Prohibition against identity of names in registered Companies.

8. The memorandum of association shall be in the form marked A in the Schedule hereto, or as near thereto as circumstances admit, and it shall when registered bind the Company and the shareholders therein to the same extent as if each shareholder had subscribed his name and affixed his seal thereto, or otherwise duly executed the same, and there were in such memorandum contained on the part of himself, his heirs, executors, and administrators, a covenant to conform to all the regulations of such memorandum subject to the provisions of this Act.

Form of memorandum of association.

9. Every subscriber of the memorandum of association shall take one share at the least in the Company. The number of shares taken by each subscriber shall be set opposite his name in such memorandum of association, and upon the incorporation of the Company he shall be entered in the register of shareholders hereinafter mentioned as a shareholder to the extent of the shares he has taken.

Shares to be taken by subscribers of memorandum of association.

10. The memorandum of association may be accompanied by or have annexed thereto or indorsed thereon articles of association, signed by the subscribers to the memorandum of association, and prescribing regulations for the Company; but if no such regulations are prescribed, or so far as the same do not extend to modify the regulations contained

Special regulations may be prescribed by articles of association.

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tained in the table marked B in the Schedule hereto, such last-mentioned regulations shall so far as the same are applicable be deemed to be the regulations of the Company, and shall bind the Company and the shareholders therein to the same extent as if they had been inserted in articles of association and such articles had been registered.

Form and effect of articles of association.

11. The articles of association shall be in the form marked C in the Schedule hereto or as near thereto as circumstances admit. They shall when registered bind the Company and the shareholders therein to the same extent as if each shareholder had subscribed his name and affixed his seal thereto, or otherwise duly executed the same, and there were in such articles contained on the part of himself, his heirs, executors, and administrators, a covenant to conform to all the regulations of such articles subject to the provisions of this Act.

Use of printed copies and attestation.

12. Any person signing a printed copy of the memorandum of association or articles of association shall be deemed to have signed such memorandum and articles respectively, and the execution by any person of the memorandum of association or articles of association shall be attested by one witness at the least, and attestation by one witness shall be essential and sufficient.

Registration of memorandum of association and articles of association.

13. The memorandum of association and articles of association shall be delivered to the Registrar of Joint Stock Companies, who shall retain and register the same. There shall be paid to the Registrar of Joint Stock Companies, in respect of the several matters mentioned in the table marked D in the Schedule hereto, the several fees therein specified, or such smaller fees as the Governor in Council may from time to time direct, and all fees so paid shall be paid into the receipt of the Colonial Treasury and shall form part of the ordinary revenue of the Colony: Provided that such fees shall not be deemed, for the purposes of "*The Surplus Revenues Act, 1858*," to be levied within any Province of the Colony.

Effect of registration.

14. Upon any such memorandum of association, either with or without articles of association as aforesaid, being registered, the Registrar shall certify under his hand that the Company is incorporated, and in the case of a limited Company that the Company is limited. The subscribers of the memorandum of association, together with such other persons as may from time to time become shareholders in the Company, shall thereupon be a body corporate by the name prescribed in the memorandum of association, having a perpetual succession and a common Seal, with power to hold lands but with such pecuniary liability on the part of the shareholders as is hereinafter mentioned. The certificate of incorporation given by the Registrar shall be conclusive evidence that all the requisitions of this Act in respect of registration have been complied with, and the date of such certificate shall be deemed to be the date of the incorporation of the Company.

Directors to be liable for debts if dividend be paid when the Company is known by them to be insolvent.

15. If the Directors of any such Company shall declare or pay any dividend when the Company is known by them to be insolvent, or any dividend the payment of which would to their knowledge render it insolvent, they shall be jointly and severally liable for all the debts of the Company then existing and for all that shall be thereafter contracted so long as they shall respectively continue in office: Provided always that the amount for which they shall all be so liable shall not exceed the amount of such dividend, and that if any of the Directors shall be absent at the time of making the dividend or dividends so declared or paid, or shall object thereto and shall file their objection in writing with the Clerk of the Company, they shall be exempted from the said liability.

Issue of shares by the Company.

16. As soon as a certificate of incorporation has been granted by the

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the Registrar of Joint Stock Companies, the Company may issue certificates of shares to the subscribers of the memorandum of association and to all other persons to whom shares may be allotted, of such number and amount as may be prescribed by the memorandum of association, but not of any greater number or amount. The shares so issued shall be personal estate and shall not be of the nature of real estate, and each share shall be distinguished by its appropriate number.

Register of Shareholders.

17. Every Company registered under this Act hereinafter referred to as "the Company" shall cause to be kept in one or more books a register of shareholders, and there shall be entered therein the following particulars:—

Register of shareholders.

- (1.) The names addresses and occupations (if any) of the shareholders in the Company, and the shares held by each of them, distinguishing each share by its number.
- (2.) The amount paid on the shares of each shareholder.
- (3.) The date at which the name of any person was entered in the register as a shareholder.
- (4.) The date at which any person ceased to be a shareholder in respect of any share.

18. Once at the least in every year a list shall be made of all persons who, on the fourteenth day succeeding the day on which the ordinary general meeting of the Company, or if there is more than one ordinary general meeting in each year the first of such ordinary general meetings is held, are holders of shares in the Company, and such list shall state the names addresses and occupations of all the persons therein mentioned, and the number of shares held by each of them, and shall contain a summary specifying the following particulars:—

Annual list of shareholders on register.

- (1.) The amount of the nominal capital of the Company and the number of shares into which it is divided.
- (2.) The number of shares taken from the commencement of the Company up to the date of the summary.
- (3.) The amount of calls made on each share.
- (4.) The total amount of calls that have been received.
- (5.) The total amount of calls unpaid.
- (6.) The total amount of shares forfeited.

The above list and summary shall be contained in a separate part of the register, and shall be in the form marked E in the Schedule hereto, or as near thereto as circumstances admit. Such list and summary shall be completed within seven days after such fourteenth day as is mentioned in this section, and a copy thereof, authenticated by the Seal of the Company, shall forthwith be forwarded to the Registrar, and any person may inspect and take copies of the same, subject to the regulations under which a person is hereinafter declared to be entitled to inspect and take copies of any documents kept by the Registrar.

19. If any Company Registered under this Act makes default in keeping a register of shareholders or in sending a copy of such list and summary as aforesaid to the Registrar in compliance with the foregoing rules, such Company shall incur a penalty not exceeding five pounds for every day during which such default continues.

Penalty on Company, not keeping a proper register.

20. No notice of any trust express or implied or constructive shall be entered on the register or receivable by the Company, and every person who has accepted a share in a Company registered under this Act, and whose name is entered in the register of shareholders, and no other person (except a subscriber to the memorandum of association

Restrictive definition of shareholder.

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in respect of the shares subscribed for by him), shall for the purposes of this Act be deemed to be a shareholder.

Transfer of shares.

21. The transfer of any share in the Company shall be in the form marked F in the Schedule hereto or to the like effect, and shall be executed both by the transferor and transferee. The transferor shall be deemed to remain holder of such a share until the name of the transferee is entered in the register book in respect thereof.

Certificate of shares.

22. A certificate, under the Seal of the Company, specifying any share or shares held by any shareholder shall be *prima facie* evidence of the title of the shareholder to the share or shares therein specified.

Calls a debt to Company.

23. The amount of calls for the time being unpaid on any share shall be deemed to be a debt due from the holder of such share to the Company.

Inspection of register.

24. The register of shareholders, commencing from the incorporation of the Company, shall be kept at the registered office of the Company hereinafter mentioned. Except when closed as hereinafter mentioned, the register shall during business hours, but subject to such reasonable restrictions as the Company may in general meeting impose so that not less than two hours in each day be appointed for inspection, be open to the inspection of any shareholder gratis, and to the inspection of any other person on the payment of one shilling or such less sum as the Company may prescribe for each inspection, and every such shareholder or other person may require a copy of such register or of any part thereof on payment of sixpence for every one hundred words required to be copied. If such inspection or copy is refused, the Company shall incur for each refusal a penalty not exceeding two pounds, and a further penalty not exceeding two pounds for every day during which such refusal continues.

Power to close register.

25. The Company may, upon giving notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situate, close the register of shareholders for any time or times not exceeding in the whole twenty-one days in each year, and the period during which the books are closed shall not be reckoned as part of the time within which a transfer is to be registered.

Remedy for improper entry or omission of entry in register.

26. If the name of any person is without sufficient cause entered or omitted to be entered in the register of shareholders of any Company, such person or any shareholder of the Company may, by motion in the Supreme Court, apply to such Court for an order that the register may be rectified, and the Court may either refuse such application, with or without costs to be paid by the applicant, or it may if satisfied of the justice of the case make an order for the rectification of the register, and may direct the Company to pay all the costs of such motion and any damages the party aggrieved may have sustained; and if the Company makes default or is guilty of unnecessary delay in registering any transfer of shares, it shall be responsible to any person injured by such default or delay for the amount of damage he may thereby have sustained.

Register to be evidence.

27. The register of shareholders shall be evidence of any matters by this Act directed or authorized to be inserted therein.

Copies of memorandum and articles of association to be given to shareholders.

28. Copies of the memorandum of association and articles of association shall be forwarded to every shareholder at his request on payment of the sum of one shilling for each copy, or such less sum as may be prescribed by the Company, and if any Company makes default in so forwarding such copies, it shall for each offence incur a penalty not exceeding one pound.

Power of limited Company to convert paid up shares into stock.

29. Any limited Company may by special resolution convert into stock any shares which have been fully paid up, and upon such conversion

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conversion being made, all the provisions of this Act which require or imply that the capital of the Company is divided into shares of any fixed amount and distinguished by numbers, and all the provisions which require the Company to keep a register of shareholders or to make an annual list of shareholders in the register, shall cease as to so much of the capital as has been so converted into stock.

30. Any Company that has converted any portion of its capital into stock shall give notice of such conversion, specifying the shares so converted, to the Registrar of Joint Stock Companies, within fifteen days from the date of the last of the meetings at which the resolution was passed by which such conversion was authorized, and the Registrar shall forthwith record the fact of such conversion. If such notice is not given within the period aforesaid, the Company shall incur a penalty not exceeding five pounds for every day during which such neglect to give notice continues.

Company to give notice of conversion of capital into stock.

31. Any Company that has converted any portion of its capital into stock shall keep, at the registered office of the Company, a register of the names and addresses of the persons for the time being entitled to such stock, and such register shall be open to inspection in the manner and subject to the penalties in and subject to which the register of shareholders is directed to be kept open.

Register of holders of stock.

32. If the name of any person is without sufficient cause entered or omitted to be entered in the register of stock of any Company, such person or any holder of stock in the Company may apply to have the register rectified in manner directed by the twenty-sixth section hereof.

Remedy for improper entry or omission of entry in register of stock.

33. The Court may in any proceeding under the twenty-sixth section of this Act decide on any question relating to the title of any person who is a party to such proceeding to have his name entered in or erased from the register, whether such question arises between two or more holders or alleged holders of shares or stock or between any holders or alleged holders of shares or stock, and the Company and generally the Court may in any such proceeding decide any question that it may be necessary or expedient to decide for the rectification of the register.

Power of Court under 26th section to decide on disputed questions.

PART II.

MANAGEMENT AND ADMINISTRATION OF COMPANIES.

General.

34. The Company shall have a registered office to which all communications and notices may be addressed. If any Company registered under this Act carries on business without having such an office, it shall incur a penalty not exceeding five pounds for every day during which business is so carried on.

Registered office of Company.

35. Notice of the situation of such registered office and of any change therein shall be given to the Registrar of Joint Stock Companies and recorded by him. Until such notice is given, the Company shall not be deemed to have complied with the provisions of this Act with respect to having a registered office.

Notice of situation of registered office.

36. Every limited Company registered under this Act shall paint or affix, and shall keep painted or affixed, its name on the outside of every office or place in which the business of the Company is carried on, in a conspicuous position, in letters easily legible, and shall have its name engraven in legible characters on its Seal, and shall have its name mentioned in legible characters in all notices advertisements and other official publications of such Company, and in all bills of exchange promissory notes indorsements cheques and orders for money or goods and purporting to be signed by or on behalf of such Company, and in all

Publication of name by a limited Company.

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all bills of parcels invoices receipts and letters of credit of the Company.

Penalties on non-publication of name.

37. If any limited Company registered under this Act does not paint or affix, and keep painted or affixed, its name in manner aforesaid, it shall be liable to a penalty not exceeding five pounds for not so painting or affixing its name and for every day during which such name is not so kept painted or affixed; and if any officer of such Company or any person on its behalf uses any seal, purporting to be a Seal of the Company, whereon its name is not so engraven as aforesaid, or issues or authorizes the issue of any notice advertisement or other official publication of such Company, or signs or authorizes to be signed on behalf of such Company any bill of exchange promissory note indorsement cheque order for money or goods, or issues or authorizes to be issued any bill of parcels invoice receipt or letter of credit of the Company wherein its name is not mentioned in manner aforesaid, he shall be liable to a penalty of fifty pounds, and shall further be personally liable to the holder of any such bill of exchange promissory note cheque or order for money or goods for the amount thereof unless the same is duly paid by the Company.

General meeting of Company.

38. A general meeting of the Company shall be held once at the least in every year.

Power of Company to alter regulations by special resolution.

39. Any Company registered under this Act may in general meeting, from time to time by such special resolution as is hereinafter mentioned, alter and make new provisions in lieu of or in addition to any regulations of the Company contained in the articles of association or the table marked B in the Schedule.

Definition of special resolution.

40. A resolution shall be deemed to be a special resolution of the Company whenever the same has been passed by three-fourths in number and value of such shareholders of the Company for the time being entitled to vote as may be present in person or by proxy (in cases where by the regulations of the Company proxies are allowed) at any meeting of which notice specifying the intention to propose such resolution has been duly given, and such resolution has been confirmed by a majority of such shareholders for the time being entitled to vote as may be present in person or by proxy at a subsequent meeting of which notice has been duly given and held at an interval of not less than one month nor more than three months from the date of the meeting at which such special resolution was first passed. Unless a poll is demanded by at least five shareholders, a declaration of the Chairman of any such meeting as is mentioned in this section that a special resolution has been carried shall be deemed conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the same. Notice of any meeting shall, for the purposes of this section, be deemed to be duly given and the meeting to be duly held whenever such notice is given and meeting held in manner prescribed by the regulations of the Company.

Registry of special resolution.

41. A copy of any special resolution that is passed by any Company registered under this Act shall be forwarded to the Registrar of Joint Stock Companies and recorded by him. If such copy is not so forwarded within fifteen days from the date of the passing of the resolution, the Company shall incur a penalty not exceeding two pounds for every day after the expiration of such fifteen days during which such copy is omitted to be forwarded.

Copies of special resolutions.

42. A copy of any special resolution shall be given to any shareholder on payment of one shilling or of such less sum as the Company may direct.

Notice to Registrar of increase of capital.

43. The Company, if authorized to do so by its resolutions, may increase its nominal capital in manner directed by such regulations, but

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but notice of any increase so made shall be given to the Registrar of Joint Stock Companies within fifteen days from the date of the passing of the resolution by which such increase has been authorized, and the Registrar shall forthwith record the amount of such increase. If such notice is not given within the period aforesaid, the Company shall incur a penalty not exceeding five pounds for every day during which such neglect to give notice continues.

44. If any Company registered under this Act carries on business when the number of its shareholders is less than seven for a period of six months after the number has been so reduced, then every person who is a shareholder in such Company during the time that it so carries on business after such period of six months shall be severally liable for the payment of the whole debts of the Company contracted during such time, and may be sued for the same without the joinder in the action or suit of any other shareholder.

Prohibition against carrying on business with less than seven shareholders.

45. The Company shall cause minutes of all resolutions and proceedings of general meetings of the Company to be duly entered in books to be from time to time provided for the purpose, and any such minute as aforesaid, if signed by any person purporting to be the Chairman of such meeting, shall be receivable in evidence in all legal proceedings, and until the contrary is proved every general meeting in respect of the proceedings of which minutes have been so made shall be deemed to have been duly held and convened.

Evidence of proceedings at meetings.

Legal Instruments of Company.

46. Contracts on behalf of any Company registered under this Act may be made as follows, that is to say,—

Contracts how made.

- (1.) Any contract which if made between private persons would by law be required to be in writing, and if made according to law to be under seal, may be made on behalf of the Company in writing under the common Seal of the Company, and such contract may be in the same manner varied or discharged.
- (2.) Any contract which if made between private persons would be by law required to be in writing and signed by the parties to be charged therewith, may be made on behalf of the Company in writing signed by any person acting under the express or implied authority of the Company, and such contract may in the same manner be varied or discharged.
- (3.) Any contract which if made between private persons would by law be valid although made by parol only and not reduced into writing, may be made by parol on behalf of the Company by any person acting under the express or implied authority of the Company, and such contract may in the same way be varied or discharged.

And all contracts made according to the provisions herein contained shall be effectual in law and shall be binding upon the Company and their successors and all other parties thereto, their heirs, executors, or administrators, as the case may be.

Deeds.

47. Any Company registered under this Act may, by instrument or writing under their common Seal, empower any person, either generally or in respect of any specified matters, as their attorney, to execute deeds on their behalf in any place not situate in the Colony, and every deed signed by such attorney on behalf of the Company and under his seal shall be binding on the Company to the same extent as if it were under the common Seal of the Company.

Execution of deeds abroad.

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Promissory notes and bills of exchange.

48. A promissory note or bill of exchange shall be deemed to have been made accepted or indorsed on behalf of any Company registered under this Act if made accepted or indorsed in the name of the Company by any person acting under the express or implied authority of the Company.

Conveyances mortgages and leases.

49. The provisions of an Ordinance of the Governor and Legislative Council of New Zealand, Session II., No. 10, intituled "*An Ordinance to facilitate the Transfer of Real Property and simplify the Law relating thereto*," shall be deemed to apply to conveyances mortgages and leases made by any Company registered under this Act.

Examination of Affairs of Company.

Examination of affairs of Company by Inspectors appointed by the Governor.

50. On the application of one-fifth in number and value of the shareholders of any Company registered under this Act, the Governor may appoint one or more competent Inspectors to examine into the affairs of the Company and to report thereon in such manner as he directs.

Power of Inspectors.

51. It shall be the duty of all officers and agents of the Company to produce for the examination of the Inspectors all books and documents in their custody or power. Any Inspector may examine upon oath the officers and agents of the Company in relation to its business, and may administer such oath accordingly. If any officer or agent refuses to produce any such book or document or to answer any question relating to the officers of the Company, he shall incur a penalty not exceeding five pounds in respect of each offence.

Result of examination how dealt with.

52. Upon the conclusion of the examination the Inspectors shall report their opinion to the Governor or his delegate to be appointed as hereinafter mentioned. Such report shall be written or printed as the Governor directs. A copy shall be forwarded, by direction of the Governor, to the registered office of the Company, and a further copy shall, at the request of the shareholders upon whose application the inspection was made, be delivered to them or to any one or more of them. All expenses of and incidental to any such examination as aforesaid shall be defrayed by the shareholders upon whose application the inspectors were appointed.

Power of Company to appoint Inspectors.

53. Any Company registered under this Act may in general meeting appoint Inspectors for the purpose of examining into the affairs of the Company. The Inspector so appointed shall have the same powers and perform the same duties as Inspectors appointed by the Governor with this exception, that instead of making their report to the Governor they shall make the same in such manner and to such persons as the Company in general meeting directs, and the officers and agents of the Company shall incur the same penalties in case of any refusal to produce any book or document to such Inspectors, or to answer any question, as they would have incurred if such Inspectors had been appointed by the Governor.

Report of Inspectors to be evidence.

54. A copy of the report of any Inspectors appointed under this Act, authenticated by the Seal of the Company into whose affairs they have made inspection, shall be admissible as evidence in any legal proceeding.

Governor may delegate powers conferred by sections 50 and 52.

55. It shall be lawful for the Governor from time to time within any Province, by warrant under his hand, to delegate to a Collector of Customs or other public officer all or any of the powers and duties vested in him by sections fifty and fifty-two of this Act, and any such delegation at his pleasure to revoke.

Notices.

Service of notices on Company.

56. Any summons or notice requiring to be served upon the Company

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Company may, except in cases where a particular mode of service is directed, be served by leaving the same at their registered office or by giving it to any Director, Secretary, or other principal officer of the Company.

57. Any summons notice writ or proceeding requiring authentication by the Company may be signed by any Director, Secretary, or other authorized officer of the Company, and need not be under the common Seal of the Company, and the same may be in writing or in print or partly in writing and partly in print.

Authentication of notices of Company.

Legal Proceedings.

58. Where a limited Company is plaintiff in any action suit or other legal proceeding, any Judge having jurisdiction in the matter may, if it be proved to his satisfaction that there is reason to believe that if the defendant be successful in his defence the assets of the Company will be insufficient to pay his costs, require sufficient security to be given for such costs, and may stay all proceedings until such security be given.

Provision as to costs in action brought by certain limited Companies.

59. All offences under this Act made punishable by any penalty may be prosecuted summarily before two or more Justices in manner directed by an Act of the Imperial Parliament, intituled "*The Summary Convictions Act, 1848.*"

Recovery of penalties.

60. The Justices imposing any penalty under this Act may direct the whole or any part thereof to be applied in or towards the payment of the costs of the proceedings, and, subject to such direction, all penalties shall be paid into the receipt of the Colonial Treasury as ordinary revenue.

Application of penalties.

Alteration of Forms.

61. The Governor in Council may from time to time make such alterations in the forms and tables contained in the Schedule hereto as he deems requisite. Every form or table when altered shall be published in the *New Zealand Gazette*, and upon such publication being made it shall have the same force as if it were included in the Schedule to this Act.

Governor may alter forms in Schedule.

PART III.

WINDING - UP.

Preliminary.

62. The provisions of this Act relating to the winding-up of Companies shall apply to all Companies registered under this Act but not to any other Companies.

Application of Part III. of Act.

63. The expression "the Court" as used in the third part of this Act shall mean the Supreme Court of New Zealand, and the Court shall, in addition to its ordinary powers, have the same power of enforcing any orders made by it in pursuance of this Act as the Supreme Court has in relation to matters within its jurisdiction.

Definition of "the Court."

64. In the event of any Company being wound up by the Court or voluntarily, the existing shareholders shall be liable to contribute to the assets of the Company to an amount sufficient to pay the debts of the Company and the costs charges and expenses of winding-up the same, with this qualification, that if the Company is limited, no contribution shall be required from any shareholder exceeding the amount, if any, unpaid on the shares held by him.

Liability of existing shareholders in respect of debts.

65. In the event of any Company other than a limited Company being wound up by the Court or voluntarily, any person who has ceased to be a shareholder within the period of three years prior to the commencement of the winding-up shall be deemed, for the purposes of contribution

Liability of former shareholders in a Company other than a limited Company with respect to debts.

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contribution towards payment of the debts of the Company and the costs charges and expenses of winding-up the same, to be an existing shareholder, and shall have in all respects the same rights and be subject to the same liabilities to creditors as if he had not so ceased to be a shareholder, with this exception, that he shall not be liable in respect of any debt of the Company contracted after the time at which he ceased to be a shareholder.

Liability of former shareholders in a limited Company with respect to debts.

66. In the event of any limited Company being wound up by the Court or voluntarily, any person who has ceased to be a holder of any share or shares within the period of one year prior to the commencement of the winding-up shall be deemed, for the purposes of contribution towards payment of the debts of the Company and the costs charges and expenses of winding-up the same, to be an existing holder of such share or shares, and shall have in all respects the same rights and be subject to the same liabilities to creditors as if he had not so ceased to be a shareholder.

Commencement of winding-up of Company defined.

67. The winding-up shall, if the Company is wound up by the Court, be deemed to commence at the time of the presentation of such petition as is hereinafter required to be presented to the Court, and if the Company is wound up voluntarily, be deemed to commence at the time of the passing of the resolution authorizing such winding-up.

Definition of "Contributory" and legal character of his liability.

68. Any existing or former shareholder upon whom calls are authorized to be made by the third part of this Act is hereinafter called a "Contributory," and the representatives of any deceased contributory shall be liable in a due course of administration to the same extent as such contributory would be liable, under the third part of this Act, if alive.

Rights of contributories between themselves.

69. For the purpose of ascertaining the liability of existing and former shareholders as between themselves the following rule shall be adopted, that is to say,—

- (1.) In the case of a Company other than a limited Company, every transferee of shares shall, in a degree proportioned to the shares transferred, indemnify the transferor against all existing and future debts of the Company.
- (2.) In the case of a limited Company, every transferee shall indemnify the transferor against all calls made or accrued due on the shares transferred subsequently to the transfer.

Winding-up by Court.

Circumstances under which a Company may be wound up by the Court.

70. A Company may be wound up by the Court under the following circumstances, that is to say,—

- (1.) Whenever the Company in general meeting has passed a special resolution requiring the Company to be wound up by the Court.
- (2.) Whenever the Company does not commence its business within a year from its incorporation, or suspends its business for the space of a whole year.
- (3.) Whenever the shareholders are reduced in number to less than seven.
- (4.) Whenever the Company is unable to pay its debts.
- (5.) Whenever three-fourths of the capital of the Company have been lost or become unavailable.

Company when deemed unable to pay its debts.

71. A Company shall be deemed to be unable to pay its debts—

- (1.) Whenever a creditor to whom the Company is indebted in a sum exceeding fifty pounds then due has served on the Company, by leaving the same at their registered office, a demand under his hand requiring the Company to pay the sum so due, and the Company have for the space of three weeks

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weeks succeeding the service of such demand neglected to pay such sum or to secure or compound for the same to the satisfaction of the creditor.

- (2.) Whenever execution issued on a judgment decree or order obtained in any Court in favour of any creditor in any suit or other legal proceeding instituted by such creditor against the Company is returned unsatisfied, in whole or in part, by the Sheriff of the district in which the registered office of the Company is situate.

72. Any application for the winding-up of a Company shall be by petition, and there shall be filed or lodged at the time when such petition is presented an affidavit verifying the same. Such petition may, in cases where the Company is unable to pay its debts, be presented either by a creditor or a contributory, but where any other ground is alleged for winding-up the Company, a contributory alone is entitled to present the petition.

Application for winding-up to be by petition.

73. Upon the hearing of any petition presented by a creditor the Court may dismiss such petition, with or without costs to be paid by the petitioner, or it may make an order directing the Company, by a day to be named in the order, to pay or secure payment to the creditor of all moneys that may be proved due to him, together with such costs as the Court may direct; or the Court may if it so thinks fit, on the hearing of such petition, make an order for the winding-up the Company in the first instance, or such other order as it deems just.

Course to be pursued by Court on petition of a creditor.

74. If at the expiration of the time named in such order such payment is not made or security given, the Court may thereupon make an order for winding-up the Company.

Order for winding-up Company on creditor's petition.

75. Upon the hearing of a petition presented by a contributory the Court may dismiss such petition, with or without costs to be paid by the petitioner, or it may make an order directing the Company to be wound up, or such other order as it deems just.

Course to be pursued by Court on petition of contributory.

76. After the date of such order for winding-up the Company, all suits and actions against the Company shall, if the Court so orders, be stayed. No Director or other officer of the Company shall, without the sanction of the Court, dispose of any of the property effects or things in action of the Company, and no transfer of any shares shall be valid without the sanction of the Court. A copy of such order shall forthwith be reported by the Company to the Registrar of Joint Stock Companies, who shall make a minute thereof in his books relating to the Company.

Effect of the order for winding-up Company.

77. As soon as may be after making an order for winding-up the Company, the Court shall cause the assets of the Company to be collected and applied in discharge of its liabilities in a due course of administration.

Collection and application of assets.

78. Any such conveyance mortgage delivery of goods payment execution or other act relating to property as would, if made or done by or against any individual trader, be deemed in the event of his bankruptcy under any law for the time being in force in New Zealand to have been made or done by way of undue or fraudulent preference of any creditor of such trader, shall, if made or done by or against any Company registered under this Act, be deemed in the event of an order being made for winding-up such Company to have been made or done by way of undue or fraudulent preference of such creditor of such Company, and shall be invalid accordingly; and for the purposes of this section the presentation of a petition for winding-up a Company shall be deemed to correspond with the filing of a petition for adjudication of bankruptcy in the case of an individual trader; and any conveyance or assignment made by any Company registered under this

Fraudulent preference.

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Act of all its estate and effects to Trustees for the benefit of all its creditors shall be void to all intents.

Power of Court to summon persons suspected of having property of Company.

79. The Court may, after it has made an order for winding-up the Company, summon before it any person known or suspected to have in his possession any of the estate or effects of the Company, or supposed to be indebted to the Company, or any person whom the Court may deem capable of giving information concerning the trade dealings estate or effects of the Company; and the Court may require any such person to produce any books papers deeds writings or other documents in his custody or power which may appear to the Court requisite to the full disclosure of any of the matters which the Court thinks necessary to be inquired into for the purpose of winding-up the Company; and if any person so summoned refuses to come before the Court at the time appointed, having no lawful impediment (made known to the Court at the time of its sitting and allowed by it), the Court may by warrant authorize and direct the persons therein named for that purpose to apprehend such person and bring him before the Court for examination.

Power to arrest shareholder about to abscond or to remove or to conceal any of his property.

80. Where an order has been made for winding-up a Company, if upon the application of the Official Liquidator hereinafter mentioned it appears to the Court that there is probable cause for believing that any contributory to such Company is about to quit the Colony, or otherwise abscond or to remove or conceal any of his goods or chattels for the purpose of evading payment of calls, or for avoiding examination in respect of the affairs of the Company, the Court may by warrant directed to such person or persons as it thinks fit cause such contributory to be arrested, and his books papers moneys securities for moneys goods and chattels to be seized, and him and them to be safely kept until such time as the Court may order.

Arrested shareholder may apply to Court for his discharge.

81. Any contributory who has been arrested or whose goods or chattels have been seized under any such warrant as aforesaid may, at any time after such arrest or seizure, apply to the Court to discharge him from custody, or to direct the delivery to him of any books papers moneys securities for moneys goods or chattels that may have been seized, and the Court shall take such application into consideration, and shall make such order thereon as it thinks just.

Calls under third part of this Act to be speciality debts.

82. All calls that are authorized by the third part of this Act to be made on a contributory, in the event of the Company to which he belongs being wound up by the Court or voluntarily, shall be deemed to be speciality debts due from such contributory to the Company.

Examination of parties by Court.

83. The Court may examine upon oath, either by word of mouth or upon written interrogatories, any person appearing or brought before it in manner aforesaid concerning the trade dealings estate or effects of the Company, and may reduce into writing the answers of every such person and require him to sign and subscribe the same.

Penalty on falsification of books.

84. If any Director, officer, or contributory of any Company, for the winding-up of which an order or decree has been made under this Act, destroys mutilates alters or falsifies any books papers writings or securities, or makes or is privy to the making of any false or fraudulent entry in any register book of account or other document belonging to the Company with intent to defraud the creditors or contributories of such Company or any of them, every person so offending shall be deemed to be guilty of a misdemeanour, and upon being convicted shall be liable to imprisonment for any term not exceeding two years with or without hard labour.

Attachments sequestrations and executions within three months of petition to be void.

85. If any attachment sequestration or execution is issued against any Company by virtue whereof the estate and effects of the Company or any of them may be attached sequestrated or taken in execution

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execution at any time within three months next before the filing or presentation of the petition for winding-up the Company, such attachment sequestration or taking in execution shall be void in favour of the liquidators of the Company as against the attaching sequestering or execution creditor, whether the same has been completely executed or not, except that such creditor shall, if the attachment sequestration or execution would have been valid but for this provision, be entitled to retain out of any money already realized his costs of suit and of the attachment sequestration or execution, or to proceed with the attachment sequestration or execution for the purpose of realizing such costs; but on satisfaction of such costs or on tender of the amount thereof by the liquidators to the creditor, it shall be lawful for the liquidators to recover from such creditor the property so attached sequestered and taken in execution, and the proceeds of such property or the residue thereof as the case may be.

86. All books accounts and documents of the Company and of the liquidators hereinafter mentioned shall, as between the contributories of the Company, be *prima facie* evidence of the truth of all matters therein contained and purporting to be therein recorded.

Books of Company to be evidence.

87. The Court may, at any time after making an order for winding-up a Company, and before it has ascertained the sufficiency of the assets of the Company or the debts in respect of which the several classes of contributories are liable, make calls on all or any of the contributories, to the extent of their liability, for payment of all or any sums it deems necessary to satisfy the debts of the Company and the costs of winding it up, and it may in making a call take into consideration the probability that some of the contributories upon whom the same is made may partly or wholly fail to pay their respective portions of the same.

Power of Court to make calls.

88. In fixing the amount payable by any contributory he shall be debited with the amount of all debts due from him to the Company including the amount of the call, and shall be credited with all sums due to him from the Company on any independent contract or dealing between him and the Company, and the balance after making such debit and credit as aforesaid shall be deemed to be the sum due.

Manner of making a call.

89. All calls made or to be made on any shareholder or contributory shall, in the event of such shareholder or contributory becoming bankrupt or insolvent, be proveable against his estate.

Calls proveable against bankrupts' or insolvents' estates.

90. All moneys received under the direction of the Court on account of the sale or conversion of any of the assets of the Company, or in respect of calls made on any contributories, or of any other matter with the exception of such balance (if any) as the Official Liquidators may with the sanction of the Court retain in their hands for the payment of current expense, shall be paid into such one of the banks carrying on business in New Zealand and to the credit of such account there as the Court may direct. And no moneys standing to such account shall be paid out by the bank except upon cheques signed in such manner as the Court directs.

Payment of money into bank.

91. In case of any Company being wound up compulsorily, the liquidators may invest any moneys for the time being in their hands or standing to their credit in any bank as aforesaid arising from such winding-up, in such manner as the Court shall think fit to direct.

Power for liquidators to invest.

92. The Court may at any time after the presentation of a petition for winding-up a Company, and either before or after making an order for winding-up the same, upon the application by motion of any creditor or contributory of such Company, restrain further proceedings in any action or suit against the Company, or appoint a Receiver of the estate and effects of the Company. It may also

Power of Court to grant injunction.

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by notice or advertisement require all creditors to present and prove their claims within a certain time, or be precluded from the benefit of any distribution which may be made before such claim is proved.

Power of Court to stay proceedings.

93. The Court may at any time after an order has been made for winding-up a Company, upon the application by motion of any creditor or contributory of the Company, and upon proof to the satisfaction of the Court that all proceedings in relation to such winding-up ought to be stayed, make an order staying the same either altogether or for a limited time, on such terms and subject to such conditions as it deems fit.

Power of Court to adjust rights of contributories.

94. As soon as the creditors are satisfied, the Court shall proceed to adjust the rights of the contributories amongst themselves, and to distribute any surplus that may remain amongst the parties entitled thereto, and for the purposes of such adjustment it may make calls on the contributories, to the extent of their liability, for payment of such sums as it deems necessary, and it may in making a call take into consideration the probability that some of the contributories upon whom the same is made may partly or wholly fail to pay their respective portions of the same.

Power of Court to order costs.

95. The Court may make such order as to the priority and payment out of the estate of the Company of the costs charges and expenses incurred in winding-up any Company as it thinks just.

Official Liquidators.

Appointment of Official Liquidators.

96. For the purpose of conducting the proceedings in winding-up a Company and assisting the Court therein, there shall be appointed a person or persons to be called an Official Liquidator or Official Liquidators, and such appointment shall be made as follows, that is to say,—

- (1.) The Court may after requiring due security appoint such person or persons, either provisionally or otherwise, as it thinks fit, to the office of Official Liquidators. It may from time to time remove any person or persons so appointed, and fill up any vacancy occasioned by such removal or by the death or resignation of any such appointee or appointees. If one person only is appointed he shall have all the powers hereby given to several Liquidators. If more persons than one are appointed, the Court shall declare whether any act hereby required or authorized to be done by the Official Liquidators may be done by all or any one or more of such persons.
- (2.) The Court shall, in the appointment of an Official Liquidator or Official Liquidators, consult the interests of both the creditors and contributories, and hear such creditors or contributories as it thinks fit to hear with respect to such appointment. It may, unless both the creditors and contributories concur in the appointment of a single Liquidator, appoint one or more Liquidator or Liquidators to act on behalf of each of such parties. It may declare that in case of difference any act may be done by a majority of Liquidators, or it may require the Liquidators in all cases of difference to apply to the Court. It may do anything hereby authorized to be done either upon the first appointment of a Liquidator or at any subsequent stage of the winding-up; but notwithstanding anything herein contained it shall not be obligatory on the Court to appoint more than one Liquidator if in its discretion it thinks that such appointment will be most conducive to justice.

97. The

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97. The Official Liquidators or Liquidator shall be described by the style of the Official Liquidators or Official Liquidator of the particular Company in respect of which they or he are or is appointed, and not by their or his individual names or name. They or he shall take into their or his custody all the property effects and things in action of the Company, and shall perform such duties in reference to the winding-up of the Company as may be imposed by the Court.

Style and duties of
Official Liquidators.

98. The Official Liquidators shall have power with the sanction of the Court to do the following things:—

Powers of Official
Liquidators.

- (1.) To bring or defend any action suit or prosecution or other legal proceedings, civil or criminal, in the name and on behalf of the Company.
- (2.) To carry on the business of the Company so far as may be necessary for the beneficial winding-up of the same.
- (3.) To sell the real and personal property effects and things in action of the Company by public auction or private contract, with power, if they think fit, to transfer the whole thereof to any person or Company or to sell the same in parcels.
- (4.) To execute in the name and on behalf of the Company all deeds receipts and other documents they may think necessary, and for that purpose to use when necessary the Company's Seal.
- (5.) To refer disputes to arbitration.
- (6.) To compromise all calls and liabilities to calls, debts and liabilities capable of resulting in debts, and all claims whether present or future, certain or contingent, ascertained or sounding only in damages subsisting or supposed to subsist between the Company and any contributory or alleged contributory or other debtor or person apprehending liability to the Company upon the receipt of such sums payable at such times and generally upon such terms as may be agreed upon, with power for the Liquidators to take any security for the discharge of such debts or liabilities, and to give complete discharges in respect of all or any such calls debts or liabilities, subject to the proviso that where an order has been made by the Court for winding-up a Company compulsorily, or where an order has been made as hereinafter provided for the continuance of a voluntary winding-up, no such compromise shall be made except in accordance with the directions of the Court, as expressed generally in any order made by the Court or as given in each particular case, and after giving such notice to creditors or any portion of them as the Court shall direct; and that where a Company is being wound up altogether voluntarily no such compromise shall be effected except with the sanction of a special resolution of the Company, or of a general or particular power delegated to the Liquidators by a special resolution.
- (7.) To prove claim rank and draw a dividend in the matter of the bankruptcy insolvency or sequestration of any contributory for any balance against the estate of such contributory, and to take and receive dividends in respect of such balance in the matter of bankruptcy insolvency or sequestration, as a separate debt due from such bankrupt or insolvent, and rateably with the other separate creditors.
- (8.) To draw accept make and indorse any bill of exchange or promissory note, and also to raise upon the security of the assets of the Company from time to time any requisite sum or sums of money, and the drawing accepting making or indorsing

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indorsing of every such bill of exchange or promissory note as aforesaid on behalf of the Company shall have the same effect with respect to the liability of such Company as if such bill or note had been drawn accepted made or indorsed by such Company in the course of carrying on the business thereof.

(9.) To do and execute all such other things as may be necessary for winding-up the affairs of the Company and distributing its assets.

Power of Court to give discretion to Official Liquidators.

99. Where the Court makes an order for winding-up a Company compulsorily, it may if it thinks fit provide by that or any subsequent order that the Official Liquidators may exercise any specified powers without the intervention of the Court.

Appointment of solicitor to Official Liquidators.

100. The Official Liquidators may with the approval of the Court appoint a solicitor and such clerks or officers as may be necessary to assist them in the performance of their duties. There shall be paid to such solicitor, clerks, and officers, such remuneration by way of fees or otherwise as may be allowed by the Court.

Remuneration of Official Liquidators.

101. There shall be paid to the Official Liquidators such salary or remuneration by way of percentage or otherwise as the Court directs.

Dissolution of Company.

102. Where the affairs of the Company have been completely wound up, the Court shall make an order declaring the Company to be dissolved from the date of such order, and the Company shall be dissolved accordingly.

Order for dissolution to be reported to Registrar.

103. Any order so made shall be reported by the Official Liquidators to the Registrar of Joint Stock Companies, who shall make a minute accordingly, in his books, of the dissolution of such Company.

Power of Judges to make rules.

104. The Judges of the Supreme Court may, as often as circumstances require, make such rules concerning the mode of proceeding to be had for winding-up a Company in the Court as may from time to time seem necessary.

Rules with respect to fees.

105. The Judges of the Supreme Court may make rules specifying the fees to be paid in respect of proceedings taken under the third part of this Act for winding-up a Company in the Court, and the fees so paid shall be applied in the manner in which fees taken in such Court in ordinary proceedings are applied.

Special Commissioners for receiving evidence.

106. The Judges of the District Courts and the Resident Magistrates shall be Commissioners for the purpose of taking evidence under the third part of this Act in cases where any Company is wound up by the Supreme Court, and it shall be lawful for such Court to refer the whole or any part of the examination of any witnesses under the third part of this Act to any such Commissioner, and any such Commissioner, in addition to any power of summoning and examining witnesses and requiring the production or delivery of documents and certifying or punishing defaults by witnesses which he might lawfully exercise as a Judge of a District Court or Resident Magistrate in a matter within his jurisdiction, shall also have in the matter so referred to him all the same powers of summoning and examining and requiring the production or delivery of documents and punishing defaults by witnesses and allowing costs and charges and expenses to witnesses as the Supreme Court has, and the examination so taken shall be returned or reported to the Supreme Court in such manner as it directs.

Voluntary Winding-up of Company.

Circumstances under which Company may be wound up voluntarily.

107. A Company may be wound up voluntarily,—

(1.) Whenever the period, if any fixed, for the duration of the Company by the articles of association expires, or whenever the event, if any, occurs upon the occurrence of which it is provided

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provided by the articles of association that the Company is to be dissolved.

- (2.) Whenever the Company in general meeting has passed a special resolution requiring the Company to be wound up voluntarily.

Whenever a Company is wound up voluntarily, the Company shall from the date of the commencement of such winding-up cease to carry on its business except in so far as may be required for the beneficial winding-up thereof, but its corporate state and all its corporate powers shall, notwithstanding any provision to the contrary in its articles of association, continue until the affairs of the Company are wound up.

108. Notice of any special resolution to wind up a Company voluntarily shall be given in the *New Zealand Gazette*.

109. The following consequences shall ensue upon the voluntary winding up of a Company:—

- (1.) The property of the Company shall be applied in satisfaction of its liabilities, and subject thereto shall, unless it be otherwise provided by the articles of association, be distributed among the shareholders in proportion to their shares.
- (2.) Liquidators shall be appointed for the purpose of winding-up the affairs of the Company and distributing the property.
- (3.) The Company in general meeting may appoint such person or persons as it thinks fit to be a Liquidator or Liquidators, and may fix the remuneration to be paid to him or them.
- (4.) If one person only is appointed, all the provisions herein contained in reference to several Liquidators shall apply to him.
- (5.) When several Liquidators are appointed every power herein given may be exercised by any two of them.
- (6.) The Liquidators may, at any time after the passing of the resolution for winding-up the Company, and before they have ascertained the sufficiency of the assets of the Company or the debts in respect of which the several classes of contributories are liable, call on all or any of the contributories, to the extent of their liability, to pay all or any sums they deem necessary to satisfy the debts of the Company and the costs of winding it up, and they may in making a call take into consideration the probability that some of the contributories upon whom the same is made may partly or wholly fail to pay their respective portions of the same.
- (7.) The Liquidators shall have all powers hereinbefore vested in Official Liquidators, and may exercise the same without the intervention of the Court.
- (8.) All books papers and documents in the hands of the Liquidators shall at all reasonable times be open to the inspection of the shareholders.
- (9.) When the creditors are satisfied, the Liquidators shall proceed to adjust the rights of the contributories amongst themselves, and for the purposes of such adjustment they may make calls on all the contributories, to the extent of their liability, for any sums they may deem necessary, and they may in making a call take into consideration the probability that some of the contributories upon whom the same is made may partly or wholly fail to pay their respective portions of the same.

Notice of resolution to wind up voluntarily.
Consequences of voluntary winding-up.

(10.) As

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- (10.) As soon as the affairs of the Company are fully wound up, the Liquidators shall make up an account showing the manner in which such winding-up has been conducted and the property of the Company disposed of, and such account with vouchers thereof shall be laid before such person or persons as may be appointed by the Company to inspect the same, and upon such inspection being concluded the Liquidators shall proceed to call a general meeting of the shareholders for the purpose of considering such account, but no such meeting shall be deemed to be duly held unless one month's previous notice, specifying the time place and object of such meeting, has been published in the *New Zealand Gazette*.
- (11.) Such general meeting shall not enter upon any business except the consideration of the account, but the meeting may proceed to the consideration thereof notwithstanding the quorum required by any regulation of the Company to be present at general meetings is not present thereat; and if on consideration the meeting is of opinion that the affairs of the Company have been fairly wound up, they shall pass a resolution to that effect, and thereupon the Liquidators shall publish a notice of such resolution in the *New Zealand Gazette*, and shall also make a return to the Registrar of Joint Stock Companies of such resolution, and on the expiration of one month from the date of the registration of such return, the Company shall be deemed to be dissolved.
- (12.) If within one year after the passing of a resolution for winding-up the affairs of the Company such affairs are not wound up, the Liquidators shall immediately thereafter make up an account showing the state of the affairs and the progress that has been made in winding-up down to that date, and they shall add thereto a report stating the reason why the winding-up has not been completed, and a general meeting shall be called to consider the same, and so on from year to year until the winding-up of the affairs of the Company is completed.

All costs charges and expenses properly incurred in the voluntary winding-up of a Company, including the remuneration of the Liquidators, shall be payable out of the assets of the Company in priority to all other claims.

Power for Liquidators to accept shares as a compensation for sale of property of Company.

110. Where a Company is being wound up voluntarily, and the whole or a portion of its property is about to be sold to another Company registered under this Act, the Liquidators of the first-mentioned Company may, with the sanction of a special resolution of the Company by whom they were appointed, receive in compensation or part compensation for such sale shares in such other Company for the purpose of distribution amongst the shareholders of the Company being wound up, or may enter into any other arrangement whereby the shareholders of the Company being wound up may, in lieu of receiving cash or shares or in addition thereto, participate in the profits of or receive any other benefit from the purchasing Company; and any sale made or arrangement entered into by the Liquidators in pursuance of this section shall be binding on the shareholders of the Company being wound up, subject to this proviso, that if any shareholder in the Company being wound up, who has not voted in favour of the special resolution passed by his Company at either of the meetings held for passing the same, expresses his dissent from any such special resolution

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in writing, addressed to the Liquidators or one of them, and left at the registered office of the Company not later than seven days after the date of the last of the meetings at which such special resolution was passed, such dissentient shareholder may require the Liquidators to do such one of the following things as they may prefer, that is to say, either to abstain from carrying such resolution into effect or to purchase the shares held by the dissentient shareholder or shareholders at such price as may be agreed upon or settled by arbitration, such purchase money to be paid before the Company is dissolved, and to be raised by the Liquidators in such manner as may be determined by special resolution.

111. In the case of a Company being wound up voluntarily, the Liquidators may from time to time during the continuance of such winding-up summon general meetings of the Company for the purpose of obtaining the sanction of the Company by a special resolution, or for such other purposes as they think fit.

Power of Liquidators to call general meeting.

112. Where a Company is being wound up voluntarily, the Liquidators may apply to the Court, by petition motion or the presentation of a special case or in such other manner as the Court may direct, to determine any question arising in the matter of such winding-up, or to exercise as respects the enforcing any calls or in respect of any other particular matter all or any of the powers which the Court might exercise if the Company were being wound up compulsorily; and the Court, if satisfied that the determination of such question or the required exercise of power will be just and beneficial, may accede wholly or partially to such application, upon such terms and subject to such conditions as the Court thinks fit, or it may make such other order on such application as the Court thinks just.

Power for Liquidators in voluntary winding-up to apply to Court for aid.

113. Where a Company is being wound up voluntarily, if it appear to the Liquidators conducting such winding-up that any past or existing Director, Manager, public officer, or member of such Company, has been guilty of any offence in relation to the Company for which he is criminally responsible, it shall be lawful for the Liquidators, with the previous sanction of the Court, to prosecute such offender, and all expenses properly incurred by them in such prosecution shall be payable out of the assets of the Company in priority to all other liabilities.

Prosecution of delinquent Directors &c. in case of voluntary winding-up.

114. Where a Company is in course of being wound up voluntarily, and proceedings are taken for the purpose of having the same wound up by the Court, the Court may if it think fit, notwithstanding that it makes an order directing the Company to be wound up by the Court, provide in such order or in any other order for the adoption of all or any of the proceedings taken in the course of the voluntary winding-up. It may also, instead of making an order that the Company should be altogether wound up by the Court, direct that the voluntary winding-up should continue, but subject to such supervision of the Court, and with such liberty for creditors contributories or others to apply to the Court, and generally upon such terms and subject to such conditions as the Court thinks just.

Power of Court to adopt proceedings for voluntary winding-up.

115. A petition to the Court, praying wholly or in part that a voluntary winding-up may continue subject to the supervision of the Court, shall for the purpose of giving jurisdiction to the Court over actions and over the appointment of a Receiver be deemed to be a petition for winding-up the Company by the Court, and in determining whether a Company is to be wound up altogether compulsorily or under the provisions of the one hundred and fourteenth section of this Act, the Court may have regard to the wishes of the majority in number and value of the creditors as proved to it by any sufficient evidence.

Petition for continuance of voluntary winding-up subject to supervision.

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Power of Court in proceeding under section 114 to appoint additional Liquidators.

116. Where any order is made by the Court in pursuance of the said one hundred and fourteenth section for the continuance of a voluntary winding-up, the Court may in such order or in any subsequent order appoint an additional Liquidator or Liquidators, and any Liquidator or Liquidators so appointed by the Court shall have the same powers be subject to the same obligations and in all respects stand in the same position as if he or they had been appointed by the Company. The Court may from time to time remove any Liquidator or Liquidators so appointed by the Court, and fill up any vacancy occasioned by such removal or by the death or resignation of any such Liquidator or Liquidators. The Court shall, in the appointment of a Liquidator or Liquidators under this section, consult any creditor or classes of creditors it may think expedient to consult for the purpose of ascertaining what appointments are most for the interest of the creditors.

Effect of order of Court under the said section 114.

117. Where any order is made by the Court in pursuance of the said one hundred and fourteenth section for the continuance of a voluntary winding-up, the Liquidators appointed to conduct such winding-up may, subject to any order made by the Court, exercise all powers given to them without the intervention of the Court in the same manner as if the Company were being wound-up altogether voluntarily; but, save as aforesaid, any order made by the Court in pursuance of the said one hundred and fourteenth section for the continuance of a voluntary winding-up shall for all purposes, including the application of any provision relating to fraudulent preference, be deemed to be an order of the Court for winding-up the Company by the Court, and shall confer full authority on the Court to make calls and to enforce calls made by the Liquidators and to exercise all other powers which it might have exercised of its own motion or on the application of the Official Liquidators if an order had been made for winding-up the Company altogether by the Court.

Inspection of books &c.

118. Where an order has been made for winding-up a Company compulsorily, or where an order has been made in pursuance of the said one hundred and fourteenth section for the continuance of a voluntary winding-up, the Court may make such order as it thinks just as to the inspection by the creditors and contributories of books and papers of the Company, and such books and papers may be inspected by creditors or contributories in conformity with such order of the Court, but not further or otherwise.

Appointment of Voluntary Liquidators as Official Liquidators.

119. Where an order has been made in pursuance of the said one hundred and fourteenth section for the continuance of a voluntary winding-up, and such order is afterwards superseded by an order directing the Company to be wound up compulsorily, the Court may, in such last-mentioned order or in any subsequent order, appoint the Voluntary Liquidators or any of them either provisionally or permanently and either with or without the addition of any other persons to be Official Liquidators.

General scheme of liquidation may be sanctioned by the Court.

120. Where an order has been made for winding-up a Company compulsorily, or where an order has been made in pursuance of the said one hundred and fourteenth section for the continuance of a voluntary winding-up, the liquidators may, with the sanction of the Court and upon such notice to creditors as to the Court shall seem fit, at any stage of the winding-up pay any classes of creditors in full or make such other arrangement with creditors as the Court may sanction; and any general or partial scheme of liquidation, if approved of by the Court, shall be binding on all the creditors and contributories of the Company.

Power of Company to fill up vacancies in Liquidators.

121. Where a Company is being wound up altogether voluntarily, or is being wound up subject to the provisions of the said one hundred and

and

Joint Stock Companies.

and fourteenth section, the Company in general meeting may fill up any vacancy occasioned by the death or resignation of any Liquidator or Liquidators appointed by the Company.

122. Where any order is made for winding-up a Company compulsorily, or for the continuance of a voluntary winding-up subject to the provisions of the said one hundred and fourteenth section, if it appear in the course of such winding-up that any past or existing Director, Manager, public officer, or member of such Company has been guilty of any offence in relation to the Company for which he is criminally responsible, the Court may, on the application of any person interested in such winding-up or of its own motion, direct the Official Liquidators or the Liquidators (as the case may be) to institute and conduct a prosecution or prosecutions for such offence, and to order the costs and expenses to be paid out of the assets of the Company.

Prosecution of delinquent Directors in the case of compulsory or continuance of voluntary winding-up.

123. If the Liquidators make default in reporting to the Registrar, in the case of a Company being wound up by the Court, the order declaring the Company to be dissolved, and in the case of a Company being wound up voluntarily the resolution declaring the Company to have been fairly wound up, they shall be liable to a penalty not exceeding five pounds for every day during which they are so in default, and moreover shall not while so in default be entitled to recover any compensation for their services as Liquidators.

Penalty on Liquidators not reporting dissolution of Company to Registrar.

124. If at the expiration of twelve months from the date of the dissolution of any Company that has been wound up there remain in the hands of the Liquidators any money shares or other property which they have been unable, by reason of the absence or death of any persons entitled thereto or for any other reason, to distribute amongst the parties so entitled, the Liquidators shall be deemed to be trustees of such moneys shares or other property, and shall only pay or transfer such moneys shares or other property in such manner as the Supreme Court may from time to time direct, upon petition in a summary way, or otherwise as the Court shall think fit.

Remedy for Liquidators having in their hands undistributed assets of the Company.

125. The voluntary winding-up of a Company shall not prejudice the right of any creditor of such Company to institute proceedings for the purpose of having the same wound up by the Court.

Saving of rights of creditors.

PART IV.

Registration Office.

126. The registration of Companies shall be conducted as follows, that is to say,—

Constitution of Registration Office.

- (1.) The Governor may from time to time appoint such Registrars, Assistant Registrars, Clerks, and servants as he may think necessary for the registration of Companies under this Act, and remove them at pleasure.
- (2.) The Governor may make such regulations as he thinks fit with respect to the duties to be performed by any such Registrars, Assistant Registrars, Clerks, and servants as aforesaid.
- (3.) The Governor may from time to time determine the place or places at which offices for the registration of Companies are to be established.
- (4.) The Governor may from time to time direct a seal or seals to be prepared for the authentication of any documents required for or connected with the registration of Companies.
- (5.) Every person may inspect the documents kept by the Registrar of Joint Stock Companies, and there shall be paid for such inspection a fee of one shilling for each inspection, and

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and any person may require a copy or extract of any document or any part of any document to be certified by the Registrar, and there shall be paid for such certified copy or extract a fee of sixpence for each folio of such copy or extract, and such certified copy shall be *prima facie* evidence of the matters therein contained in all legal proceedings whatever.

- (6.) There shall be paid to any Registrar, Assistant Registrar, Clerk, or servant that may hereafter be employed in the registration of Joint Stock Companies such salary as the Governor may direct out of any moneys duly appropriated for the purpose by the General Assembly.

SCHEDULE.

FORM A.

MEMORANDUM OF ASSOCIATION OF "THE WELLINGTON STEAM NAVIGATION COMPANY (LIMITED)."

- 1st. The name of the Company is "The Wellington Steam Navigation Company (Limited)."
- 2nd. The registered office of the Company is to be established in the Province of Wellington.
- 3rd. The objects for which the Company is established are "The conveyance of passengers and goods in ships or boats between such places as the Company may from time to time determine, and the doing all such other things as are incidental or conducive to the attainment of the above objects."
- 4th. The liability of the shareholders is "limited."
- 5th. The nominal capital of the Company is ten thousand pounds, divided into one thousand shares of ten pounds each.

We the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names:—

Names and Addresses of Subscribers.	Number of Shares taken by each Subscriber.
1. John Jones, of _____, in the Province of _____	10
2. John Smith, of _____, " " _____	15
3. Thomas Green, of _____, " " _____	15
4. John Thompson, of _____, " " _____	10
5. Caleb White, of _____, " " _____	5
6. Andrew Brown, of _____, " " _____	15
7. Caesar White, of _____, " " _____	10
Total shares taken	80

Dated the 2nd day of December, 1860.

Witness to the above signatures,
A.C.S.,

Lambton Quay, Wellington.

TABLE B.

REGULATIONS FOR MANAGEMENT OF THE COMPANY.

Shares.

- 1. No person shall be deemed to have accepted any share in the Company unless he has testified his acceptance thereof, by writing under his hand, in such form as the Company from time to time directs.
- 2. The Company may from time to time make such calls upon the shareholders in respect of all moneys unpaid on their shares as they think fit, provided that twenty-one days' notice at least is given of each call; and each shareholder shall be liable to pay the amount of calls so made to the persons and at the times and places appointed by the Company.

3. A call

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3. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed.

4. If before or on the day appointed for payment any shareholder does not pay the amount of any call to which he is liable, then such shareholder shall be liable to pay interest for the same at the rate of eight pounds per cent. per annum from the day appointed for the payment thereof to the time of the actual payment.

5. The Company may, if they think fit, receive from any of the shareholders willing to advance the same all or any part of the moneys due upon the respective shares beyond the sums actually called for, and upon the moneys so paid in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate as the shareholder paying such sum in advance and the Company agree upon.

6. If several persons are registered as joint holders of any share, any one of such persons may give effectual receipts for any dividend payable in respect of the share.

7. The Company may decline to register any transfer of shares made by a shareholder who is indebted to them.

8. Every shareholder shall, on payment of such sum not exceeding one shilling as the Company may prescribe, be entitled to a certificate under the common Seal of the Company specifying the share or shares held by him and the amount paid up thereon.

9. If such certificate is worn out or lost, it may be renewed on payment of the sum of one shilling.

9A. The transfer books shall be closed during the fourteen days immediately preceding the ordinary general meeting in each year.

Transmission of Shares.

10. The executors or administrators of a deceased shareholder shall be the only persons recognized by the Company as having any title to his share.

11. Any person becoming entitled to a share in consequence of the death bankruptcy or insolvency of any shareholder, or in consequence of the marriage of any female shareholder, or in any way other than by transfer, may be registered as a shareholder upon such evidence being produced as may from time to time be required by the Company.

12. Any person who has become entitled to a share in any way other than by transfer may, instead of being registered himself, elect to have some person to be named by him registered as a holder of such share.

13. The person so becoming entitled shall testify such election by executing to his nominee a deed of transfer of such share.

14. The deed of transfer shall be presented to the Company, accompanied with such evidence as they may require to prove the title of the transferor, and thereupon the Company shall register the transferee as a shareholder.

Forfeiture of Shares.

15. If any shareholder fails to pay any call due on the appointed day, the Company may at any time thereafter, during such time as the call remains unpaid, serve a notice on him requiring him to pay such call, together with any interest that may have accrued by reason of such non-payment.

16. The notice shall name a further day, and a place or places, being a place or places at which calls of the Company are usually made payable, on and at which such call is to be paid. It shall also state that, in the event of non-payment at the time and place appointed, the shares in respect of which such call was made will be liable to be forfeited.

17. If the requisitions of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may be forfeited by a resolution of the Directors to that effect.

18. Any shares so forfeited shall be deemed to be the property of the Company, and may be disposed of in such manner as the Company thinks fit.

19. Any shareholder whose shares have been forfeited shall notwithstanding be liable to pay to the Company all calls owing upon such shares at the time of the forfeiture.

Increase in Capital.

20. The Company may, with the sanction of the Company previously given in general meeting, increase its capital.

21. Any capital raised by the creation of new shares shall be considered as part of the original capital, and shall be subject to the same provisions in all respects, whether with reference to the payment of calls or the forfeiture of shares on non-payment of calls or otherwise, as if it had been part of the original capital.

General Meetings.

22. The first general meeting shall be held at such time, not being more than twelve months after the incorporation of the Company, and at such place, as the Directors may determine.

23. Subsequent general meetings shall be held at such time and place as may be prescribed by the Company in general meetings, and if no other time or place is prescribed, a general meeting shall be held on the first Monday in February in every year, at such place as may be determined by the Directors.

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24. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary.

25. The Directors may, whenever they think fit, and they shall, upon a requisition made in writing by any number of shareholders holding in the aggregate not less than one-fifth part of the shares of the Company, convene an extraordinary general meeting.

26. Any requisition so made by the shareholders shall express the object of the meeting proposed to be called, and shall be left at the registered office of the Company.

27. Upon the receipt of such requisition the Directors shall forthwith proceed to convene a general meeting. If they do not proceed to convene the same within twenty-one days from the date of the requisition, the requisitionists or any other shareholders holding the required number of shares may themselves convene a meeting.

28. Seven days' notice at the least, specifying the place, the time, the hour of meeting, and the purpose for which any general meeting is to be held, shall be given by advertisement or in such other manner (if any) as may be prescribed by the Company.

29. Any shareholder may, on giving not less than three days' previous notice, submit any resolution to a meeting beyond the matters contained in the notice given of such meeting.

30. The notice required of a shareholder shall be given by leaving a copy of the resolution at the registered office of the Company.

31. No business shall be transacted at any meeting, except the declaration of a dividend, unless a quorum of shareholders is present at the commencement of such business, and such quorum shall be ascertained as follows, that is to say,—If the shareholders belonging to the Company at the time of the meeting do not exceed ten in number, the quorum shall be five; if they exceed ten, there shall be added to the above quorum one for every five additional shareholders up to fifty, and one for every ten additional shareholders after fifty, with this limitation, that no quorum shall in any case exceed forty.

32. If within one hour from the time appointed for the meeting the required number of shareholders is not present, the meeting, if convened upon the requisition of the shareholders, shall be dissolved. In any other case it shall stand adjourned to the following day at the same time and place, and if at such adjourned meeting the required number of shareholders is not present, it shall be adjourned *sine die*.

33. The Chairman (if any) of the Board of Directors shall preside as Chairman at every meeting of the Company.

34. If there is no such Chairman, or if at any meeting he is not present at the time of holding the same, the shareholders present shall choose some one of their number to be Chairman of such meeting.

35. The Chairman may, with the consent of the meeting, adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

36. At any general meeting, unless a poll is demanded by at least five shareholders, a declaration by the Chairman that a resolution has been carried, and an entry to that effect in the book of proceedings of the Company, shall be sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

37. If a poll is demanded in manner aforesaid, the same shall be taken in such manner as the Chairman directs, and the result of such poll shall be deemed to be the resolution of the Company in general meeting.

Votes of Shareholders.

38. Every shareholder shall have one vote for every share up to ten. He shall have an additional vote for every five shares beyond the first ten shares up to one hundred, and an additional vote for every ten shares held by him beyond the first one hundred shares.

39. If any shareholder is a lunatic or an idiot he may vote by his committee, and if any shareholder is a minor he may vote by his guardian, or any one of his guardians if more than one.

40. If one or more persons are jointly entitled to a share or shares, the person whose name stands first in the register of shareholders as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

41. No shareholder shall be entitled to vote at any meeting unless all calls due from him have been paid, nor until he shall have been possessed of his shares three calendar months, unless such shares shall have been acquired or shall have come by a bequest, or by marriage, or by succession to an intestate's estate, or by any deed of settlement after the death of any person who shall have been entitled for life to the dividend of such shares.

42. Votes may be given either personally or by proxies. A proxy shall be appointed in writing under the hand of the appointor, or, if such appointor is a Corporation, under the common seal.

43. No person shall be appointed a proxy who is not a shareholder, and the instrument appointing him shall be deposited at the registered office of the Company not less than forty-eight hours before the time of holding the meeting at which he proposes to vote;

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vote; but no instrument appointing a proxy shall be valid after the expiration of one month from the date of its execution.

Directors.

44. The number of the Directors and the names of the first Directors shall be determined by the subscribers of the memorandum of association.

45. Until Directors are appointed, the subscribers of the memorandum of association shall for all the purposes of this Act be deemed to be Directors.

Powers of Directors.

46. The business of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by this Act or by the articles of association (if any) declared to be exercisable by the Company in general meeting, subject nevertheless to any regulations of the articles of association, to the provisions of this Act, and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in general meeting; but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Disqualification of Directors.

47. The office of Director shall be vacated—

If he holds any other office or place of profit under the Company.

If he becomes bankrupt or insolvent.

If he is concerned in or participates in the profits of any contract with the Company.

If he participates in the profits of any works done for the Company.

But the above rules shall be subject to the following exceptions: that no Director shall vacate his office by reason of his being a shareholder in any incorporated Company which has entered into contracts with or done any work for the Company of which he is Director; nevertheless he shall not vote in respect of such contract or work, and if he does so vote his vote shall not be counted, and he shall incur a penalty not exceeding twenty pounds.

Rotation of Directors.

48. At the first ordinary meeting after the incorporation of the Company, the whole of the Directors shall retire from office; and at the first ordinary meeting in every subsequent year, one-third of the Directors for the time being, or if their number is not a multiple of three then the number nearest to one-third, shall retire from office.

49. The one-third or other nearest number to retire during the first and second years ensuing the incorporation of the Company shall, unless the Directors agree among themselves, be determined by ballot. In any subsequent year the one-third or other nearest number who have been longest in office shall retire.

50. A retiring Director shall be re-eligible.

51. The Company at the general meeting at which any Directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of persons.

52. If at any meeting at which an election of Directors ought to take place no such election is made, the meeting shall stand adjourned till the next day at the same time and place; and if at such adjourned meeting no election takes place, the former Directors shall continue to act until new Directors are appointed at the first ordinary meeting of the following year.

53. The Company may from time to time, in general meeting, increase or reduce the number of Directors, and may also determine in what rotation such increased or reduced number is to go out of office.

54. Any casual vacancy occurring in the Board of Directors may be filled up by the Directors, but any person so chosen shall retain his office so long only as the vacating Director would have retained the same if no vacancy had occurred.

Proceedings of Directors.

55. The Directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings, as they think fit, and determine the quorum necessary for the transaction of business. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman in addition to his original vote shall have a casting vote. A Director may at any time summon a meeting of the Directors.

56. The Directors may elect a Chairman of their meetings, and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present at the time appointed for holding the same, the Directors present shall choose some one of their number to be Chairman of such meeting.

57. The Directors may delegate any of their powers to Committees consisting of such member or members of their body as they think fit. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on them by the Directors.

58. A Committee may elect a Chairman of the meetings. If no such Chairman is elected

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elected, or if he is not present at the time appointed for holding the same, the members present shall choose one of their number to be Chairman of such meeting.

59. A Committee may meet and adjourn as they think proper. Questions at any meetings shall be determined by a majority of votes of the members present, and in case of an equal division of votes, the Chairman shall have a casting vote.

60. All acts done by any meeting of the Directors, or of a Committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

61. The Directors shall cause minutes to be made in books provided for the purpose—

- (1.) Of all appointments of officers made by the Directors.
- (2.) Of the names of the Directors present at each meeting of Directors and Committees of Directors.
- (3.) Of all orders made by the Directors and Committees of Directors; and
- (4.) Of all resolutions and proceedings of meetings of the Company and of the Directors and Committees of Directors.

And any such minutes as aforesaid, if signed by any person purporting to be the Chairman of any meeting of Directors or Committee of Directors, shall be receivable in evidence without any further proof.

62. The Company in general meeting may, by a special resolution, remove any Director before the expiration of his period of office, and appoint another qualified person in his stead. The person so appointed shall hold office during such time only as the Director in whose place he is appointed would have held the same if he had not been removed.

Dividends.

63. The Directors may, with the sanction of the Company in general meeting, declare a dividend to be paid to the shareholders in proportion to their shares.

64. No dividend shall be payable except out of the profits arising from the business of the Company.

65. The Directors may, before recommending any dividend, set aside out of the profits of the Company such sum as they think proper as a reserved fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining the works connected with the business of the Company or any part thereof, and the Directors may invest the sum so set apart as a reserved fund upon such securities as they, with the sanction of the Company, may select.

66. The Directors may deduct from the dividends payable to any shareholder all such sums of money as may be due from him to the Company on account of calls or otherwise.

67. Notice of any dividend that may have been declared shall be given to each shareholder or sent to his registered place of abode, and all dividends unclaimed for three years after having been declared may be forfeited by the Directors for the benefit of the Company.

68. No dividend shall bear interest as against the Company.

Accounts.

69. The Directors shall cause true accounts to be kept—

- (1.) Of the stock in trade of the Company.
- (2.) Of the sums of money received and expended by the Company, and the matter in respect of which such receipt and expenditure takes place; and
- (3.) Of the credits and liabilities of the Company.

Such accounts shall be kept upon the principle of double entry, in a cash book, journal, and ledger. The books of accounts shall be kept at the principal office of the Company, and, subject to any reasonable restrictions as to the time and manner of inspecting the same that may be imposed by the Company in general meeting, shall be open to the inspection of the shareholders during the hours of business.

70. Once at the least in every year the Directors shall lay before the Company in general meeting a statement of the income and expenditure for the past year, made up to a date not more than three months before such meeting.

71. The statement so made shall show, arranged under the most convenient heads, the amount of gross income, distinguishing the several sources from which it has been derived, and the amount of gross expenditure, distinguishing the expense of the establishment, salaries, and other like matters. Every item of expenditure fairly chargeable against the year's income shall be brought into account, so that a just balance of profit and loss may be laid before the meeting; and in cases where any item of expenditure which may in fairness be distributed over several years has been incurred in any one year, the whole amount of such item shall be stated, with the addition of the reasons why only a portion of such expenditure is charged against the income of the year.

72. A balance sheet shall be made out in every year and laid before the general meeting of the Company, and such balance sheet shall contain a summary of the property and liabilities of the Company, arranged under the heads appearing in the form annexed to this table, or as near thereto as circumstances admit.

73. A printed

Joint Stock Companies.

73. A printed copy of such balance sheet shall, seven days previously to such meeting, be delivered at the registered address of every shareholder.

Audit.

74. The accounts of the Company shall be examined, and the correctness of the balance sheet ascertained, by one or more Auditor or Auditors to be elected by the Company in general meeting.

75. If not more than one Auditor is appointed, all the provisions herein contained relating to Auditors shall apply to him.

76. The Auditors need not be shareholders in the Company. No person is eligible as an Auditor who is interested otherwise than as a shareholder in any transaction of the Company; and no Director or other officer of the Company is eligible during his continuance in office.

77. The election of Auditors shall be made by the Company at their ordinary meeting, or, if there are more than one, at their first ordinary meeting in each year.

78. The remuneration of the Auditors shall be fixed by the Company at the time of their election.

79. Any Auditor shall be re-eligible on his quitting office.

80. If any casual vacancy occurs in the office of Auditor, the Directors shall forthwith call an extraordinary general meeting for the purpose of supplying the same.

81. If no election of Auditors is made in manner aforesaid, the Governor may, on the application of one-fifth in number of the shareholders of the Company, appoint an Auditor for the current year, and fix the remuneration to be paid to him by the Company for his services.

82. Every Auditor shall be supplied with a copy of the balance sheet, and it shall be his duty to examine the same with the accounts and vouchers relating thereto.

83. Every Auditor shall have a list delivered to him of all books kept by the Company, and he shall at all reasonable times have access to the books and accounts of the Company. He may, at the expense of the Company, employ accountants or other persons to assist him in investigating such accounts, and he may in relation to such accounts examine the Directors or any other officer of the Company.

84. The Auditors shall make a report to the shareholders upon the balance sheet and accounts, and in every such report they shall state whether, in their opinion, the balance sheet is a full and fair balance sheet, containing the particulars required by these regulations, and properly drawn up, so as to exhibit a true and correct view of the state of the Company's affairs; and, in case they have called for explanations or information from the Directors, whether such explanations or information have been given by the Directors, and whether they have been satisfactory; and such report shall be read, together with the report of the Directors, at the ordinary meeting.

Notices.

85. Notices requiring to be served by the Company upon the shareholders may be served either personally or by leaving the same addressed to the shareholders at their registered places of abode.

86. All notices directed to be given to the shareholders shall, with respect to any share to which persons are jointly entitled, be given to whichever of the said persons is named first in the register of shareholders, and notice so given shall be sufficient notice to all the proprietors of such share.

87. All notices required by this Act to be given by advertisement shall be advertised in a newspaper circulating in the district in which the registered office of the Company is situated.

FORM OF BALANCE SHEET REFERRED TO IN TABLE B.

Dr.

BALANCE SHEET OF

COMPANY, MADE UP TO

18

Cr.

CAPITAL AND LIABILITIES.				PROPERTY AND ASSETS.			
		£ s. d.	£ s. d.			£ s. d.	£ s. d.
I.—CAPITAL	1	Showing— The total amount received from the shareholders		III.—PROPERTY HELD BY THE COMPANY ...	4	Showing— Immovable property, distinguishing—	
		Showing also— (A.) The number of shares (B.) The amount paid per share (C.) If any arrears of calls, the nature of the arrear and the names of the defaulters ... Any arrears due from any Director or officer of the Company to be separately stated. (D.) The particulars of any forfeited shares...			5	Movable property, distinguishing— (D.) Stock-in-trade (E.) Plant The cost to be stated, with deductions for deterioration in value as charged to the Reserve Fund or Profit and Loss.	
II.—DEBTS & LIABILITIES OF THE COMPANY ...	2	Showing— The amount of loans on mortgage or debenture bonds		IV.—DEBTS OWING TO THE COMPANY	6	Showing— Debts considered good for which the Company hold bills or other securities ...	
	3	The amount of debts owing by the Company, distinguishing— (A.) Debts for which acceptances have been given (B.) Debts to tradesmen for supplies of stock-in-trade or other articles ... (C.) Debts for law expenses (D.) Debts for interest on debentures or other loans (E.) Unclaimed dividends (F.) Debts not enumerated above ...			7	Debts considered good for which the Company hold no security	
VI.—RESERVE FUND ...		Showing— The amount set aside from profits to meet contingencies		8	Debts considered doubtful and bad, any debts due from a Director or other officer of the Company to be separately stated ...		
VII.—PROFIT AND LOSS		Showing— The disposable balance for payment of dividend, &c.		9	Showing— The nature of investment and rate of interest The amount of cash, where lodged, and if bearing interest		
CONTINGENT LIABILITIES		Claims against the Company not acknowledged as debts					
		Moneys for which the Company is contingently liable					

FORM C.

Joint Stock Companies.

FORM C.

MEMORANDUM OF ASSOCIATION OF "THE PATENT STEREOTYPE COMPANY (LIMITED)," WITH ARTICLES OF ASSOCIATION ANNEXED.

Memorandum of Association.

1st. The name of the Company is "The Patent Stereotype Company."

2nd. The registered office of the Company is to be established in the Province of Nelson.

3rd. The objects for which the Company is established are "The working of a patent method of founding and casting stereotype plates, of which method John Smith, of _____, is the sole patentee."

4th. The liability of the shareholders is limited.

5th. The capital of the Company is two thousand pounds, divided into twenty shares of one hundred pounds each.

We the several persons whose names are subscribed are desirous of being formed into a Company in pursuance of this memorandum of association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names and Addresses of Subscribers.	Number of Shares taken by Subscribers.
1. John Jones, of _____, in the Province of _____	1
2. John Smith, of _____	5
3. Thomas Green, of _____	2
4. John Thompson, of _____	2
5. Caleb White, of _____	3
6. Andrew Brown, of _____	4
7. Archibald White, of _____	1
Total shares taken	18

Witness to above signatures,

A.B.,

No. 20 Bond Street, Nelson.

Articles of Association of "The Patent Stereotype Company (Limited)."

It is agreed as follows:—

1st. No shareholder shall transfer his shares without the consent of the Directors expressed in writing.

2nd. If any shareholder feels aggrieved with the refusal of the Directors to allow him to transfer his shares, the matter shall be settled by arbitration.

3rd. Calls on the shares of the Company not considered as paid up shares shall be made at such time as the Directors think fit, but no call shall exceed ten pounds per share.

4th. The Company shall not be obliged to register the transferee under the regulations numbered 12 and 13 in Table 13 unless he is approved by the Directors, but, in the event of their disapproving, the matter may be decided by arbitration.

5th. The regulations of Table B as to general meetings, numbered 22, 23, and 25, shall not apply.

6th. The first general meeting of the Company shall be held on the 1st of July next, and subsequent general meetings shall be held on the 1st of July in every succeeding year, or if that day is a Sunday, on the succeeding Monday.

7th. An extraordinary general meeting may be summoned at any time by any two shareholders of the Company.

8th. All matters in question between the shareholders shall be decided by an arbitrator appointed by the Nelson Chamber of Commerce.

9th. The regulation of Table B as to votes of shareholders, numbered 38, shall not apply, and every shareholder shall have one vote in respect of every share that he holds.

The several persons hereinafter named subscribers to the memorandum of association shall be the first Directors of the Company, that is to say, John Jones, John Smith, Thomas Green, John Thompson, Caleb White, Andrew Brown, and Archibald White.

Names and Addresses of Subscribers.

1. John Jones, of _____, in the Province of _____
2. John Smith, of _____
3. Thomas Green, of _____
4. John Thompson, of _____
5. Caleb White, of _____
6. Andrew Brown, of _____
7. Archibald White, of _____

Witness to above signatures,

A.B.,

No. 20 Bond Street, Nelson.

TABLE D.

Joint Stock Companies.

TABLE D.

TABLE OF FEES.

	£	s.	d.
For the registration of a Company whose nominal capital does not exceed £1,000	5	0	0
For every £1,000 of nominal capital, or part of £1,000, after the first £1,000	0	5	0
For registration of an increase in the capital of a Company, for every £1,000 or part of £1,000	0	5	0
For registering any document hereby required or authorized to be registered other than the memorandum of association	0	5	0
For making a record of any fact hereby authorized or required to be recorded by the Registrar of Companies	0	5	0

FORM E.

SUMMARY OF CAPITAL AND SHARES OF THE COMPANY, MADE UP TO THE DAY OF

Nominal Capital, £ , divided into shares of £ each.
 Number of shares taken up to the day of
 There has been called up on each share, £
 Total amount of calls received, £
 Total amount of calls unpaid, £
 Total amount of shares forfeited, £

LIST of PERSONS holding SHARES in the Company on the day of , and of Persons who have held Shares therein at any time during the Year immediately preceding the said day of , showing their Names and Addresses, and an account of the Shares so held.

Folio in Register Ledger containing particulars.	Names, Addresses, and Occupations.				Account of Shares.				Remarks.
					Shares held by existing Shareholders on the day of	Additional Shares held by existing Shareholders during preceding Year.		Shares held by Persons no longer Shareholders.	
	Number.	Date of Transfer.	Number.	Date of Transfer.					

FORM F.

FORM OF TRANSFER OF SHARES.

I, of , in consideration of the sum of paid to me by of , do hereby transfer to the said share [or shares] numbered in "The Company," standing in my name in the books of the Company, to hold unto the said , his executors, administrators, and assigns [or successors and assigns], subject to the several conditions on which I held the same at the time of the execution hereof. And I the said do hereby agree to take the said share [or shares] subject to the same conditions.

As witness our hands the day of .

FORM G.

MORTGAGE MADE BETWEEN "THE AUCKLAND GAS COMPANY (LIMITED)," OF THE ONE PART, AND JOHN SMITH OF THE OTHER PART.

WHEREAS the said John Smith has advanced to the said Company the sum of one thousand pounds on condition that the Company will repay the same to him on the first day of January next, with interest thereon in the meantime at the rate of eight pounds per centum, and in the event of their not repaying the same on the said first day of January will, so long as the same remains unpaid, pay interest thereon at the rate of five pounds per centum, by equal half-yearly payments, on the first day of July and the first day of January in every year :

Now

Patents.

Now it is hereby witnessed that, for securing the said advance and interest, the Company hereby grant to the said John Smith and his heirs all the lands described in the Schedule hereto, with all their actual and reputed appurtenances, and it is hereby declared that if the Company fails in paying the whole of the principal and interest moneys hereby secured on the said first day of January, the said John Smith or any person for the time entitled to such moneys may at any time thereafter, upon giving to the Company three months' notice, sell the said mortgaged lands, and reimburse himself out of the moneys arising from the sale all sums due on this security and all expenses incurred by him in respect of such sale, rendering the surplus (if any) to the Company or its assigns. The condition as to notice shall apply only between the parties hereto, and shall not affect a purchaser, a sale to whom shall be valid notwithstanding such notice may not have been given.

In witness, &c.
