

Legislative Council.

59<sup>o</sup> VICTORIÆ, 1895.

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## A BILL

To repeal an Act intituled "*An Act to incorporate No-liability Mining Companies,*" and to provide in lieu thereof for the incorporation, regulation, and winding-up of No-liability Mining Companies.

[MR. HUMPHERY ;—15 August, 1895.]

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**B**E it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows:—

5       1. This Act may be cited and referred to as the "No-liability Mining Companies Act, 1895." Short title.

2. The Act forty-fourth Victoria number twenty-three is hereby repealed, but this repeal shall not affect anything done or suffered or any right acquired or duty imposed or liability incurred before the commencement of this Act, or the institution or prosecution to its termination of any proceeding or other remedy for ascertaining or enforcing any such right, duty, or liability.

3. Every company registered under the said Act forty-fourth Victoria number twenty-three shall be deemed to be registered under and shall be subject to the provisions of this Act. Companies registered under repealed Act.

4. In the construction and for the purposes of this Act, the expression "contributing capital" shall mean the capital (original or increased) which is at date of issue payable by means of application and allotment money and calls, or otherwise in cash. Interpretation.

No-liability system.

5. Companies may be incorporated by registration under this Act for the purposes of mining in New South Wales or elsewhere, and of treating, selling, and otherwise disposing of ores, metals, minerals, and all products of mining, and with all powers necessary for or incidental to carrying on the business of mining in New South Wales or elsewhere on a system to be called "The No-liability System," and every company so incorporated shall have as the last two words of its title the words "No Liability." 5

Mode of obtaining registration.

6. In order to obtain such registration it shall be necessary that ten per centum of the issued contributing capital shall be paid up in cash, and there must be lodged in the office of the registrar of joint stock companies a memorandum signed by not less than seven persons as intending members of such company. Such memorandum shall contain the several matters, and may be in the form contained in the Second Schedule to this Act, and shall be verified by a statutory declaration of some person as the manager or provisional manager of such company containing the statements contained in the said Second Schedule. Within ten days after the day of such lodgment a copy of the said memorandum and declaration shall be published in at least one newspaper circulating in the town or district in which the company's registered office is to be situated, and a like copy shall be forwarded to the office of the *Government Gazette* for publication therein, and which on the proper payment being made therefor shall accordingly be therein published. As soon after such publication as the same can be done copies of such newspapers, and also of the said *Government Gazette*, shall be forwarded to the office of the said registrar of joint stock companies, to be there retained and filed with the said memorandum. 10 15 20 25

Registration effected by registrar of joint stock companies.

7. The registrar of joint stock companies shall keep a register book, to be entitled the No-liability Mining Companies Register, and on receipt by him of the said newspapers and *Government Gazette*, and copy of rules (if any) hereinafter mentioned, he shall enter the date of such receipt, and shall write and sign at the foot of the memorandum so lodged the words "The abovenamed no-liability mining company was registered on the \_\_\_\_\_ day of \_\_\_\_\_, by the name of \_\_\_\_\_ no-liability," and upon such writing being signed by the registrar of joint stock companies the said no-liability mining company shall be deemed to be registered under this Act. 30 35

Proof of registration.

8. A certificate in the form or to the effect in the First Schedule to this Act purporting to be under the hand of the registrar of joint stock companies (who is hereby required to give such certificate to any person applying for the same on payment of one shilling), and which certificate shall refer to the *Government Gazette* and newspapers filed, in which such memorandum shall have been advertised, and shall state their respective dates, and the date of registration of the company shall be conclusive evidence in all courts that the company has been duly registered under the provisions of this Act, and of the date of its registration. 40 45

Incorporation of company.

9. Upon registration, the persons who have signed the said memorandum, together with such other persons as shall thereafter from time to time become shareholders of the company, shall be a body corporate by the name contained in such memorandum capable forthwith of exercising all the functions of an incorporated company, and having a perpetual succession and a common seal, with power to hold lands of any tenure for the purposes of the company's business, and capable of suing and being sued in its corporate name. 50 55

10. The subscribers of the memorandum mentioned in section six of this Act shall be deemed to be shareholders of the company whose memorandum they have subscribed, and upon the registration of the company shall be entered as shareholders on the register of 5 shareholders hereinafter mentioned, and every other person who has agreed to become a shareholder of a company under this Act and whose name is entered on the register of shareholders shall be deemed to be a shareholder of the company.

Definition of "shareholders."

11. Any company registered under this Act with the sanction 10 of a special resolution of the company passed in manner hereinafter mentioned, and with the approval of the Governor, with the advice of the Executive Council, testified in writing under the hand of the Clerk of the Council, may change its name, and upon such change being made the registrar of joint stock companies shall enter the new name 15 on the register in the place of the former name, and shall thereafter issue a certificate under section of this Act altered to meet the circumstances of the case, 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 20 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.

Power of companies to change name.

12. The acceptance of a share in any company under this Act, whether by original allotment or by transfer, shall not be deemed a 25 contract on the part of the person accepting the same to pay any calls in respect thereof, or to pay any contribution to the debts and liabilities of the company, and such person shall not be liable for any such calls or contributions, but he shall not be entitled to a dividend upon any share upon which a call shall be due and unpaid.

Shareholders not liable to calls or contributions.

13. Every company registered under this Act shall cause to be 30 kept in one or more books a register of its shareholders, and there shall be entered therein the following particulars:—

Company to keep register of shareholders.

(I) The names and addresses of the shareholders of the company.

35 (II) The date at which the name of any person was entered in the register as a shareholder.

(III) The date at which any person ceased to be a shareholder.

And any company acting in contravention of this section shall incur a penalty not exceeding *one* pound for every day during which its default in complying with the provisions of this section shall continue, 40 and every director or manager of the company knowingly and wilfully authorising or permitting such contravention shall incur a like penalty.

14. The register of shareholders of any company registered 45 under this Act shall be *prima facie* evidence that the persons named therein as shareholders in such company are such shareholders.

Register of shareholders *prima facie* evidence.

15. Any registered or unregistered company formed for mining 50 purposes previously to the passing of the Act forty-fourth Victoria number twenty-three, may, with the consent of a majority in number of the shareholders in such company, present in meeting, personally or by proxy, if the members constituting such majority hold at least one-half of the issued capital of such company, and with the consent in writing of all the creditors and persons entitled to enforce any claim against the company (if any) be registered and incorporated as a no-liability mining company; but in any such case the memorandum 55 required by the sixth section of this Act shall distinctly state the consent of such majority, and the consent in writing of the creditors and persons entitled to enforce any such claim as aforesaid shall be lodged with the registrar of joint stock companies together with such memorandum.

Companies formed previously to repealed Act may be registered as no-liability companies.

On the registration as a no-liability company liability of shareholders to cease.

16. On the registration of any such company as a no-liability mining company, all liabilities of the shareholders for calls shall from thenceforth cease, and in the event of the winding-up of such company the shareholders shall not be bound to contribute to the debts or liabilities of the company: Provided always that notwithstanding such registration, any person having any claim or demand in respect of any contract, act, matter, or thing which shall have been made or happened before such registration, shall have the same remedy as if such registration had not taken place, unless such person shall have consented to the registration of the company as aforesaid.

The director, manager, or agent of a no-liability company to order goods, &c., on paper with words "no-liability."

17. Any director, manager, or agent of a company registered under this Act ordering goods, plant, or other articles or necessaries for the purposes of the company, shall do so on paper bearing the company's name, including the words "no-liability." And if goods be ordered otherwise than as aforesaid, the person ordering the same shall be personally liable in the event of the company failing to pay.

Calls to be due on the second Wednesday in any month.

18. The calls upon shares in every company registered under this Act, shall be made in such time and manner that they shall be payable on the second Wednesday in a month and on that day only: Provided that if such Wednesday is a public holiday, they shall be payable on the next succeeding week day which is not a public holiday. A notice shall be printed on the face of the company's share certificates stating that the day abovementioned is the day on which calls are payable. When a call shall have been made not less than seven days notice of the day when it will be payable and of the place for payment thereof shall be published in two daily newspapers published in Sydney, and if the company's registered office is situated outside Sydney, then also in a newspaper circulating in the town or district in which the company's registered office is situated.

No call to be made until fourteen days after previous call payable.

19. When a call shall have been made no subsequent call shall be made until after the expiration of fourteen days from the day when the first-mentioned call shall be payable.

Forfeiture of shares.

20. Any share upon which a call shall at the expiration of fourteen days after the day for its payment be unpaid, shall thereupon be absolutely forfeited without any resolution of directors or other proceeding. The share when forfeited shall be sold by public auction, notice whereof shall be advertised in two issues of a daily newspaper published in Sydney, and if the company's registered office is situated outside Sydney, then also in two issues of a newspaper circulating in the town or district in which the company's registered office is situated, and the last of such advertisements being not less than seven days before the day appointed for the sale, and every such advertisement shall state the number in the company's share list of the share so forfeited, and the proceeds shall be applied in payment of the call unpaid thereon, and of any expenses necessarily incurred in respect of the forfeiture, and of any money then owing to the company by the person whose share shall have been so forfeited as aforesaid, and the balance (if any) shall be paid to such person on his delivering to the company the certificate representing the forfeited share, and a new certificate may be issued by the directors for such forfeited share in place of the certificate delivered to the company or held by the person whose share has been so forfeited as aforesaid: Provided that if the amount bid for such forfeited share shall not be sufficient to satisfy the call unpaid thereon with such expenses as aforesaid, the directors of the company may refuse to sell such share, and in such case they may sell such share in such manner as they shall think fit: Provided further that the directors may at any time before any such forfeited share shall have been sold annul the forfeiture thereof upon payment of

of the amount of the call, together with any such expenses as aforesaid :  
 Provided also that under this section a sale may be made of forfeited  
 shares of various shareholders together or in various parcels.

21. Every company registered under this Act shall have a  
 5 registered office situated in this Colony to which all communications  
 and notices may be addressed, and services of any notice or of any  
 writ, declaration, plaint, Judge's order, or other proceeding or process  
 whatsoever, in any action, suit, or proceeding at such office shall be  
 10 deemed to be service upon the company, and if any company shall  
 carry on business without having such an office such company and the  
 manager thereof respectively shall be liable to a penalty not exceeding  
*five* pounds for every day during which business shall be so carried on.

22. Notice of any change in the situation of the registered  
 office of any company registered under this Act shall be given to the  
 15 registrar of joint stock companies, and if the same shall be from one  
 town or district to another shall be advertised once at least in the  
*Government Gazette* and in one newspaper circulating in the town or  
 district in which the company's registered office was then last situated.

23. The memorandum mentioned in the sixth section of this  
 20 Act may when lodged be accompanied by rules signed by the persons  
 who sign the said memorandum in such form and with such provisions  
 not inconsistent with this Act as such persons deem expedient. The  
 rules shall be expressed in separate paragraphs numbered arith-  
 metically, and the subscribers to the memorandum may adopt all or  
 25 any of the provisions contained in the Fourth Schedule to this Act.

24. Such rules when registered shall bind the company and the  
 shareholders thereof to the same extent as if each shareholder had  
 subscribed his name and affixed his seal thereto, and there were in  
 such rules contained a covenant on the part of each shareholder for  
 30 himself, his executors, and administrators to conform to all the pro-  
 visions contained in such rules subject to the provisions of this Act.

25. If such memorandum is not accompanied by rules as afore-  
 said, or in so far as such rules do not exclude or modify the provisions  
 contained in the Fourth Schedule to this Act, the last-mentioned pro-  
 35 visions shall so far as the same are applicable be deemed to be the  
 rules of the company to the same extent and in the same manner as  
 if they had been expressed in rules duly signed and registered as  
 aforesaid.

26. Subject to the provisions of this Act any company registered  
 40 under this Act may from time to time by special resolution alter all  
 or any of the rules of the company, or make new rules to the exclusion  
 of, or in addition to, all or any of the rules of the company, and any  
 rules so made by special resolution shall be deemed to be rules of  
 the company of the same validity as if they had been originally  
 45 registered with the memorandum, and shall be subject in like manner  
 to be altered by any subsequent special resolution.

27. Any company registered under this Act may, if authorised  
 by its rules as originally framed, or as altered by special resolution,  
 increase its capital by the issue of new shares of, and to such amount,  
 50 and upon such terms as it shall think fit, and such increased capital  
 shall be deemed part of the original capital, and be subject to the  
 same provisions of this Act with respect to the payment up in cash of  
 ten per centum of the increased issued contributing capital forfeiture  
 and otherwise as if it had been part of the original capital.

28. Notice of the resolution for the increase of capital, setting  
 55 forth the mode and particulars of the increase, and headed with the  
 name of the company, shall immediately, or so soon as practicable  
 after the passing thereof, be published in the *Government Gazette*, and  
 in one or more newspaper or newspapers circulating in the town or  
 district

district in which the company's registered office is situated; a similar notice signed and declared by the manager, and in the form or to the effect of the Third Schedule to this Act, shall be lodged with the registrar of joint stock companies within fourteen days after the passing of the resolution for such increase, and such notice shall be filed by the registrar of joint stock companies with the memorandum originally lodged by the company, and such notice, or a copy thereof, purporting to be certified by the registrar of joint stock companies, shall be conclusive evidence that such increase was legally and properly made, and of the number, amount, and nature of the new shares. 5

Remedy for improper entry or omission of entry in register.

29. If the name of any person is without sufficient cause entered in or omitted from the register of shareholders of any company registered under this Act, the person or shareholder aggrieved or any shareholder of the company or the company itself may by motion in the Supreme Court either in its common law or in its equitable jurisdiction, or by application to a judge thereof sitting in chambers, or in such other manner as the court may direct, apply for an order of the court or judge that the register may be rectified, and the court or judge may either refuse such application with or without costs to be paid by the applicant, or 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 a motion or application and any damages the party aggrieved may have sustained. The court or judge may in any proceeding under this section 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 omitted from the register, whether such question arises between two or more shareholders or alleged shareholders, or between any shareholders or alleged shareholders, and the company and generally the court or judge may in any such proceeding decide any question that it may be necessary or expedient to decide for the rectification of the register: Provided that the court or judge may direct an issue to be tried in the said court on the trial of which any question of law may be raised for the decision of the court. 10 15 20 25 30

Power to divide shares into different classes.

30. Any company registered under this Act may, if authorised by its rules as originally framed, divide the shares in the capital for the time being into several classes, and attach thereto respectively any preferential, deferred, qualified, or special rights, privileges, or conditions. 35

Power to borrow and mortgage.

31. Any company registered under this Act shall, if authorised by its rules as originally framed, or as altered by special resolution, have power to borrow or raise money, and to secure the payment thereof with interest and other charges, and also the payment of any past debt or obligation of the company with interest and other charges by mortgage or charge of or upon all or any of the real and personal property and rights of the company in such manner as to the company shall seem fit. 40 45

Power to sell or let, &c.

32. Any company registered under this Act shall, if authorised by its rules as originally framed, or as altered by special resolution, have power to sell and dispose of, or let and demise, all or any real or personal property of such company, for such consideration, upon such terms and conditions, and in such manner in every respect as to the company shall seem fit, and such company may convey, transfer, assign, or otherwise assure the property sold to the purchaser thereof, or as such purchaser shall direct: Provided that nothing in this section contained shall be deemed to limit the power of any such company to make sales of metals, quartz, ores, or minerals, or other products or things in the course of such company's business: Provided also that every such company shall unless the same is expressly negatived 50 55

negatived by its rules for the time being have an inherent right to make sales from time to time of such plant or stores as may not be required in connection with the conduct of its business.

33. A copy of the memorandum of registration, and also in  
5 any case where the company has rules other than those in the Fourth  
Schedule to this Act, a copy of the company's rules shall be forwarded  
to every shareholder at his request on payment of the sum of one  
shilling or such less sum as may be prescribed by the company for  
each copy, and if any company shall make default in forwarding a  
10 copy of the memorandum of registration and rules to a member in  
pursuance of this section, the company so making default shall, for  
each offence, incur a penalty not exceeding *one* pound.

Copies of memorandum and rules to be given to members.

34. No company shall be registered under this Act under a name  
15 identical with that by which a subsisting company is already registered  
or so nearly resembling the same as to be calculated to deceive, except in  
a case where such subsisting company is in the course of being dissolved  
and testifies its consent in such manner as the registrar of joint stock  
companies requires; and if any company through inadvertence or  
otherwise is, without such consent as aforesaid, registered by a name  
20 identical with that by which a subsisting company is registered, or so  
nearly resembling the same as to be calculated to deceive, such first  
mentioned company may, with the sanction of the registrar of joint  
stock companies, change its name, or upon such change being made  
the registrar of joint stock companies shall enter the new name on the  
25 register in the place of the former name, and shall thereafter issue a  
certificate under section \_\_\_\_\_ of this Act, altered to meet the  
circumstances of the case; 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,  
30 and any legal proceedings may be continued or commenced against the  
company by its new name that might have been continued or com-  
menced against the company by its former name.

Prohibition against identity of name in company.

35. The shares or other interest of any shareholder in a company  
registered under this Act shall be personal property, capable of being  
35 transferred in manner provided by the rules of the company, and shall  
not be of the nature of real estate, and each share shall be distinguished  
by its appropriate number.

Shares in company personal property.

36. Any transfer of the share of a deceased shareholder of a  
company registered under this Act made by his personal representative  
40 shall, notwithstanding such personal representative may not himself be  
a member, be of the same validity as if he had been a member at the  
time of the execution of the instrument of transfer.

Transfer by personal representative.

37. No notice of any trust expressed, implied, or constructive  
shall be entered on the register or be receivable by the registrar of joint  
45 stock companies in the case of companies registered under this Act.

No entry of trusts on register.

38. A certificate, under the common seal of the company, speci-  
fying any shares held by any shareholder of a company, shall be  
50 *prima facie* evidence of the title of a shareholder to the shares therein  
specified.

Certificate of shares.

39. The register of shareholders, commencing from the date of  
the registration of the company, shall be kept at the registered office  
of the company. Except when closed as hereinafter mentioned, it  
shall during business hours, but subject to such reasonable restric-  
tions as the company in general meeting shall impose, so that not less  
55 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 shall prescribe for each inspection, and every such share-  
holder or other person may require a copy of such register, or of any  
part

Inspection of register.

part thereof, on payment of sixpence for every 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, and every director and manager of the company who shall knowingly authorise or permit such refusal shall incur the like penalty, and, in addition to the above penalty, any Judge of the Supreme Court, sitting in chambers, may by an order compel an immediate inspection of the register. 5

Power to close register.

40. Any company registered under this Act may, upon giving notice by advertisement in some newspaper circulating in the district in which the registered office of the company is situated, close the register of shareholders for any time or times not exceeding in the whole thirty days in each year. 10

Contracts, how made.

41. Contracts on behalf of any company registered under this Act may be made as follows (that is to say) :— 15

- (I) Any contract which, if made between private persons, would be by law required to be in writing, and if made according to the law of New South Wales 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. 20
- (II) Any contract which, if made between private persons, would be by law required to be in writing and signed by the party 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. 25
- (III) Any contract which, if made between private persons, would by law be valid 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. 30

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. 35

Prospectus to specify dates of and names of parties to contracts.

42. Every prospectus of a no-liability company, and every notice inviting persons to subscribe for shares in any no-liability company, shall specify the names of the parties to and date of any contract relating to the formation of the company or its capital, property, or business, or to the position, pecuniary or otherwise, in regard to the company or its promoters or vendors, of the directors, whether provisional or otherwise, or other officers or agents of the company, entered into by the company or the promoters, directors, or trustees thereof before the issue of such prospectus or notice, whether subject to adoption by the company or otherwise; and any prospectus not specifying the same shall be deemed fraudulent on the part of the promoters, directors, and officers of the company knowingly issuing the same as regards any person taking shares in the company on the faith of there being no such contract as that omitted to be disclosed in contravention of this section unless he shall have had notice of such contract. 45 50

Company to hold meeting within four months after incorporation.

43. Every company registered under this Act shall hold a general meeting within four months after its incorporation, and if such meeting is not held the company shall be liable to a penalty not exceeding *two* pounds a day for every day after the expiration of such four months until the meeting is held; and every director or manager of the company who knowingly authorises or permits such default shall be liable to the same penalty. 55 60



44. Every company registered under this Act shall keep a Register of mortgages and charges specifically affecting property of the company, and shall enter in such register in respect of each mortgage or charge a short description of the property mortgaged or charged, the amount of charge created, and the names of the mortgagees or persons entitled to such charge. If any property of the company is mortgaged or charged without such entry as aforesaid being made, every director, manager, or other officer of the company who knowingly and wilfully authorises or permits the omission of such entry shall incur a penalty not exceeding *fifty* pounds. The register of mortgages required by this section shall be open to inspection by any creditor or shareholder of the company at all reasonable times; and if such inspection is refused, any officer of the company refusing the same, and every director or manager of the company authorising or knowingly and wilfully permitting such refusal, shall incur a penalty not exceeding *five* pounds, and a further penalty not exceeding *two* pounds for every day during which such refusal continues, and in addition to the above penalty any Judge of the Supreme Court sitting in chambers may by order compel an immediate inspection of the register.

45. A promissory-note or bill of exchange shall be deemed to have been made, accepted, or endorsed by any company registered under this Act, if made, accepted, or endorsed in the name of the company by any person acting under the authority of the company, or if made, accepted, or endorsed by or on behalf or on account of the company by any person acting under the authority of the company.

46. If any company registered under this Act carries on business when the number of the shareholders is less than seven for a period of six months after the number has been so reduced, every person who is a shareholder of such company during the time that it so carries on business after such period of six months, and is cognizant of the fact that it is so carrying on business with fewer than seven shareholders, 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.

47. A general meeting of every company registered under this Act shall be held once at least in every year.

48. A resolution passed by a company registered under this Act shall be deemed to be special whenever a resolution has been passed by a majority of not less than three-fourths of such shareholders of the company for the time being entitled according to the regulations of the company to vote, as shall be present in person or by proxy (in cases where by the rules of the company proxies are allowed) at any general 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 according to the rules of the company to vote as shall be present in person or by proxy at a subsequent general meeting of which notice has been duly given, and held at an interval of not less than fourteen days nor more than one month from the date of the meeting at which such resolution was first passed. At any meeting mentioned in this section, unless a poll is demanded by at least five members, a declaration of the chairman that the 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 rules of the company. In computing the majority under this

section when a poll is demanded, reference shall be had to the number of votes to which each shareholder is entitled by the rules of the Company.

Provision where no regulations as to various matters.

49. In default of any rules as to voting every shareholder shall have one vote, and in default of any rules as to summoning general meetings a general meeting shall be held to be duly summoned of which seven days notice in writing has been served on every shareholder in manner in which notices are required to be served by the rules in the Fourth Schedule to this Act, and in default of any rules as to the persons to summon meetings five shareholders shall be competent to summon the same, and in default of any rule as to who is to be chairman of such meeting it shall be competent for any person elected by the shareholders present to preside.

Registration of special resolution.

50. A copy of any special resolution which is passed by any company registered under this Act shall be printed and forwarded to the registrar of joint stock companies and be recorded by him. If such copy is not so forwarded within fifteen days from the date of the confirmation 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, and every director and manager of the company who shall knowingly and wilfully authorise or permit such default shall incur the like penalty.

Copies of special resolutions to be annexed to rules.

51. Where rules have been registered a copy of every special resolution for the time being in force shall be annexed to or embodied in every copy of the rules which shall be issued after the passing of such resolution. Where no rules have been registered a copy of any special resolution shall be forwarded in print to any member requesting the same on payment of one shilling, or such less sum as the company shall direct. And if any company makes default in complying with the provisions of this section it shall incur a penalty not exceeding *one* pound for each copy in respect of which such default is made, and every director and manager of the company who shall knowingly and wilfully authorise or permit such default shall incur the like penalty.

Appointment of attorney by company.

52. Any company registered under this Act may by instrument in writing under its common seal empower any person, either generally or in respect of any specified matters as its attorney, to execute deeds on its behalf in any place wheresoever situate, and every deed signed by such attorney on behalf of the company, and under his seal, shall be binding on the company and have the same effect as if it were under the common seal of the company.

Examination of affairs of company by inspectors.

53. The Governor with the advice of the Executive Council may appoint one or more competent inspectors to examine into the affairs of any company registered under this Act, and to report thereon in such manner as the Governor with such advice may direct upon the application of shareholders holding not less than one-fifth part of all the shares of the company for the time being issued.

Application for inspection to be supported by evidence.

54. The application shall be supported by such evidence as the Governor with the advice of the Executive Council shall require for the purpose of showing that the applicants have good reason for requiring such investigation to be made, and that they are not actuated by malicious motives in instituting the same. The Governor with such advice may also require the applicants to give security for payment of the cost of the inquiry before appointing any inspector or inspectors.

Inspection of books and examination of officers of company.

55. 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, and 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 of the company refuses to produce any book or document hereby directed

to

to be produced, or to answer any question relating to the affairs of the company, he shall incur a penalty not exceeding *five* pounds in respect of each offence.

56. Upon the conclusion of the examination the inspectors shall  
5 report their opinion to the Governor and Executive Council, and such report shall be written or printed as the Governor with the advice of such Council directs. A copy of such report shall be forwarded by the Colonial Secretary to the registered office of the Company, and a further copy shall at the request of the members upon whose application the  
10 inspection was made be delivered to them or to any one or more of them.

Result of examination, how dealt with.

All expenses of and incidental to any such examination as aforesaid shall be defrayed by the shareholders upon whose application the inspectors were appointed, unless the Governor with the advice of the Executive Council shall direct the same to be paid out of the assets  
15 of the company, which he with such advice is hereby authorised to do, in which case the same shall become a debt from the company to such applicants, and may be recovered by process of law.

57. Any company registered under this Act may, by special resolution, appoint inspectors for the purpose of examining into the  
20 affairs of the company, and the inspectors so appointed shall have the same powers and perform the same duties as inspectors appointed by the Governor with the advice of the Executive Council—with this exception—that, instead of making their report to the Governor and Executive Council, they shall make the same in such manner and to  
25 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 hereby required to be produced to such inspectors, or to answer any question as they would have incurred if such inspector had been appointed by the  
30 Governor with the advice aforesaid.

Power of company to appoint inspectors.

58. 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 in any legal proceedings as evidence of the opinion of the inspectors in relation to any matter  
35 contained in such report.

Report of inspectors to be evidence.

59. Any summons, notice, order, or other document required to be served upon any company registered under this Act, may be served by leaving the same or sending it through the post in a prepaid letter addressed to the company at its registered office.

Services of notices on company.

40 60. Any document to be served by post on any company registered under this Act shall be posted in such time as to admit of its being delivered in the due course of delivery within the period (if any) prescribed for the service thereof, and in proving service of such document it shall be sufficient to prove that such document was  
45 properly directed and that it was put as a prepaid letter into the post office.

Rules as to notices by letter.

61. Any summons, notice, order, or proceeding requiring authentication by any company registered under this Act may be signed by any director, secretary, or other authorised officer of the  
50 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.

62. All offences under this Act made punishable by any penalty may be prosecuted summarily before two or more justices of the peace.

Recovery of penalties

55 63. Where a company registered under this Act is plaintiff in any action, suit, or other legal proceedings, any judge having jurisdiction in the matter may if it appears by any credible testimony 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,  
60 require sufficient security to be given for such costs, and may stay all proceedings until such security is given.

Provision as to costs in certain cases.

64.

Minutes of proceedings evidence of proceedings.

64. Every company registered under this Act shall cause minutes of all resolutions and proceedings of general meetings of the company and of the directors or managers of the company, in cases where there are directors or managers, to be duly entered in books, to be from time to time provided for the purpose; and any such minute as aforesaid, if purporting to be signed by the chairman of the meeting at which such resolutions were passed, or proceedings had, or by the chairman of the next succeeding meeting, shall be received as evidence in all legal proceedings, and until the contrary is proved every general meeting of the company or meeting of directors or managers, in respect of the proceedings of which minutes have been so made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings had to have been duly passed and had, and all appointments of directors, managers, or liquidators shall be deemed to be valid, and all acts done by such directors, managers, or liquidators shall be deemed to be valid, and all acts done by such directors, managers, or liquidators shall be valid, notwithstanding any defect that may afterwards be discovered in their appointments or qualification.

Voluntary winding-up.

65. Whenever a resolution has been passed by two-thirds of the shareholders present in person, or by proxy, at a meeting of any company registered under this Act, and which shall not then be in debt, that the company be voluntarily wound-up, the company may be wound-up without resort to the court, and the company shall in general meeting appoint a liquidator for the purpose of winding-up the affairs and distributing the property of the company. The company shall also in general meeting either on one occasion or from time to time determine the course to be pursued by the liquidator for the purpose, and the mode of disposing of the company's property, and the mode of disposal of the books of the company, and may by resolution determine the remuneration to be allowed to the liquidator for his services in connection with the winding-up: Provided that the surplus of the company's assets, after payment of all expenses of winding-up or otherwise, shall be distributed amongst the members in proportion to their rights and interests in the company.

Commencement of voluntary winding-up.

66. A winding-up under the last preceding section shall be deemed to commence at the time of the passing of the resolution authorising such winding-up.

Consequences of winding-up, and appointment of liquidator.

67. Whenever a company registered under this Act 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, and upon the appointment of a liquidator all the powers of the directors shall cease, except in so far as the company in general meeting, or the liquidator, shall sanction the continuance of such powers.

Power for liquidator in voluntary winding-up to apply to Court.

68. Where a company registered under this Act is being wound-up voluntarily, the liquidator of the company may apply to the Court to determine any question arising in the matter of such winding-up, or to exercise all or any of the powers which the Court might exercise if the company were being wound-up under Part VII of the Companies Act as hereinafter provided; 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 on such terms and subject to such conditions as the Court thinks fit, or it may make such other order or decree on such application as the Court thinks just.

Liquidator on conclusion of winding-up to make up an account.

69. As soon as the affairs of the company are fully wound-up the liquidator 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 thereupon he shall call a general meeting of the company

company for the purpose of having the account laid before the members, and hearing any explanation which may be given by the liquidator.

70. The liquidator shall make a return to the registrar of joint stock companies of such meeting having been held, and of the date at which the same was held, and on the expiration of three calendar months from the date of the registration of such return the company shall be deemed to be dissolved. Liquidator to make return of meeting to registrar.

71. It is hereby declared that a company registered under this Act is to be deemed an unregistered company within the meaning of Part VII of the Companies Act, for the purpose of being wound-up by the Court under that Act: Provided that none of the provisions of the Companies Act relating to contributories shall apply to a company registered under this Act in course of being wound-up under that Act. Company deemed unregistered company for purpose of winding-up, under Part VII, Companies Act.

72. In the winding-up under Part VII of the Companies Act of any company registered under this Act, the same rules shall prevail and be observed as regards the respective rights of secured and unsecured creditors, and as regards the declaration and distribution of dividends, and as regards the proof and allowance of debts or claims against the assets of the company, and as regards fraudulent preferences, and as regards disclaimer by the official liquidator of onerous property; and as regards the consequences and incidents of such disclaimer as may be in force for the time being under the laws of bankruptcy with respect to the estates of persons adjudged bankrupt; and for the purposes of this section the presentation of a petition for winding-up as aforesaid a company registered under this Act shall, in the case of such company being so wound-up, be deemed to correspond with the Act of bankruptcy in the case of an individual; and any conveyance or assignment made by any company registered under this Act of all its estate and effects to trustees for the benefit of all its creditors shall be void to all intents. Application of certain rules of bankruptcy.

### SCHEDULES.

#### FIRST SCHEDULE.

THIS is to certify that a mining company called " no-liability " has been duly registered under the No-liability Mining Companies Act, a memorandum pursuant to the said Act having been duly lodged in the office of the registrar of joint stock companies, and published in the *Government Gazette* of the day of , and in the newspaper of the day of [if any other newspaper mention it] and copies of the said *Government Gazette* and newspaper [if a copy of rules has been forwarded, add also a copy of rules of the company] have been duly forwarded to the said office.

Given under my hand this day of A.B. Registrar of joint stock companies.

#### SECOND SCHEDULE.

##### Memorandum for Registration of a No-liability Company.

- (1.) The name of the company is to be no-liability.
- (2.) The first place of operations (or intended operations) is at
- (3.) The first registered office of the company will be situated at
- (4.) The value of the company's intended property (or property held in trust for the company as the case may be) including plant and machinery is
- (5.) The amount of money at the credit of the company or any person on its behalf is and the total liability of the company or which the company is intended to assume or undertake is
- (6.) The nominal capital of the company is in shares of each.
- (7.) The number of contributing shares subscribed for is
- (8.) The name of the provisional [or first] manager is
- (9.) Ten per centum of the issued contributing capital has been duly paid up in cash.
- (10.)

*No-liability Mining Companies.*

- (10.) The only contracts entered into on behalf of this company are those of which the particulars are stated hereunder [*If the memorandum be lodged on behalf of a company seeking registration under the fourteenth section of the Act a statement in the following form or to the like effect is to be added, otherwise not.*]
- (11.) A majority in number of the shareholders in the company, such majority holding at least one-half of the issued capital, and all the creditors of and persons entitled to enforce any claim against the company, have consented to its incorporation as a no-liability company. 5

A.B.  
Manager. 10

Dated this            day of            18

Witness to signature C.D.

I A. B. do solemnly and sincerely declare that—

- (1.) I am the manager [*or provisional manager*] of the said intended company.  
 (2.) The above statements are to the best of my belief and knowledge true in every particular. 15

And I make this solemn declaration as to the matters aforesaid according to the law in this behalf made and subject to the punishment by law provided for any wilfully false statement in any such declaration.

Declared before me this            day of            20

We the persons whose names and addresses are subscribed hereby apply to register [*here insert name of company*] as a no-liability company.

[Signatures.]

THIRD SCHEDULE.

[*Name of Company.*] 25

I, THE undersigned, hereby give notice that an increase in the capital of the abovenamed company was on the            day of            resolved on by the issue of new shares of            each in addition to the            shares now existing in the company. [*if any of the new shares are preference shares so state, and the terms upon which they are issued.*] 30

Ten per centum of the contributing increased capital or of so much thereof as has been issued has been duly paid up in cash.

Dated

A.B.,  
Manager. 35

I, A.B., of            do solemnly and sincerely declare that—

- (1.) I am the manager of the abovenamed company.  
 (2.) The above statements are to the best of my knowledge and belief true in every particular.

And I make [*follow form of statutory declaration.*] 40

FOURTH SCHEDULE.

*Shareholders.*

1. When two or more persons are registered as the joint holders of any share or shares any notice required by these rules to be served on a shareholder may be served on any of such holders, and such notice shall be deemed to be served on all the holders of the share or shares. Any one of such joint holders may give effectual receipts for any dividends payable in respect of such shares. 45

2. The company shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not be bound to recognise any equitable or other claim to or interest in such share on the part of any other person save as herein provided. 50

*Shares.*

3. The certificates for shares shall be issued under the common seal of the company and signed by two directors, and countersigned by the manager or secretary or some other person appointed by the directors for that purpose. 55

4. Every member shall be entitled to one certificate for the shares registered in his name, or to several certificates each for a part of such shares, and for the purpose of this rule several joint holders shall be deemed one member: Provided that the sum of one shilling may be charged by the company for every certificate after the first in any case where a member requires more than one certificate. 60

5. If any such certificate be lost or defaced, then, upon production thereof to the directors, they may order the same to be cancelled, and may issue a new certificate in lieu thereof; and if any certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the directors, and on such indemnity as the directors shall deem sufficient being given, a new certificate, in lieu of the one lost or destroyed, shall be given to the person entitled to such lost or destroyed certificate. 65

6. The certificates for shares registered in the names of two or more persons may be delivered to any of such persons.

*Transfer*

*Transfer of shares.*

7. The instrument of transfer of any share shall be signed both by the transferor and transferee; the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.

5 8. The instrument of transfer of shares shall be in the following form, or as near thereto as circumstances will admit—

I, A.B., of \_\_\_\_\_, in consideration of the sum of \_\_\_\_\_ paid to me by C.W.,  
 of \_\_\_\_\_ [hereinafter called transferee], do hereby transfer to the said  
 10 transferee the share or shares numbered standing in my name in the register  
 of the \_\_\_\_\_, no-liability, to hold unto the said transferee, his executors,  
 administrators, and assigns, subject to the conditions on which I held the  
 same immediately before the execution hereof; and I, the said transferee, do  
 hereby agree to take the said share or shares, subject to the said conditions,  
 As witness our hands this \_\_\_\_\_ day of \_\_\_\_\_

15 9. Every instrument of transfer shall be left at the office for registration accompanied by a certificate of the shares to be transferred, and such other evidence (if any) as the directors may require to prove the title of the transferor or his right to transfer the shares.

*Transmission of shares.*

20 10. The executors or administrators of a deceased shareholder shall be the only persons recognised by the company as having any title to his or her share or shares.

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

12. Any person becoming entitled to a share or shares in consequence of the death, insolvency, or bankruptcy of any shareholder, or in consequence of the marriage of a female shareholder, may, instead of being himself registered, elect to have some  
 30 person named by him registered as a transferee of such share.

*Calls.*

13. The directors may from time to time, subject to the provisions of the Act, make such calls upon the shareholders in respect of all moneys unpaid upon their shares as they shall think proper: Provided always that no such call shall exceed the sum of  
 35 two shillings per share.

14. A resolution authorising a call shall fix the amount of the call, and the date of its payment.

15. A call shall be deemed to have been made at the time when the resolution of the directors authorising such call was passed.

40 16. In addition to the notice required by the Act, seven days' notice of any call shall be given to each shareholder in manner hereafter provided for giving notices; such notice shall specify the amount of the call, the time and place of payment, and the person to whom the call is payable.

*General meetings.*

45 17. The first general meeting of the company shall be held at such time, not being more than four months after the registration of the company, and at such place as the directors shall determine. Subsequent general meetings shall be held at such time and place as may be prescribed by the company in general meeting, and if no time or place is prescribed as aforesaid, then at such time and place as the directors shall  
 50 determine.

18. The above-mentioned general meetings shall be called ordinary meetings, all other meetings of the company shall be called extraordinary meetings.

19. The directors may, whenever they shall think fit, and they shall, upon a  
 55 requisition made in writing by not less than one-twelfth in number of the shareholders of the company, convene an extraordinary general meeting.

20. Any such requisition shall express the object of the meeting required, and shall be signed by the shareholders making the same, and shall be left at the office of the company. The meeting shall be convened for the purposes specified in the requisition, and if convened otherwise than by the directors for those purposes only.

60 21. In case the directors shall, for fourteen days after such requisition has been so left at the office as aforesaid, fail to convene an extraordinary meeting, to be held within twenty-one days of such leaving, the shareholders making the requisition, or any other shareholders, being not less than one-twelfth in number of the shareholders, may themselves convene a meeting, to be held within six weeks of the date of leaving the  
 65 requisition at the office as aforesaid.

22. Seven clear days' notice at the least of every general meeting, specifying the place, day, and hour of meeting, and in case of special business the general nature of such business, shall be given to the shareholders as hereinafter provided; but the accidental omission to give such notice to any of the shareholders, or the non-receipt of  
 70 such notice by any shareholder, shall not invalidate any proceedings at any such meeting.

*Proceedings*

*Proceedings at general meetings.*

23. The business of an ordinary meeting shall be to receive and consider the profit and loss account, and the balance sheet and the reports of the directors and auditors; to elect directors and other officers in the place of those retiring by rotation; to authorise and declare dividends, and to transact any other business which under the rules of the company ought to be transacted at an ordinary meeting, and any business which is brought under consideration by the report of the directors issued with the notice convening such meeting. All other business transacted at an ordinary meeting, and all business transacted at an extraordinary meeting, shall be deemed special. 5

24. No business shall be transacted at any general meeting except the declaration of a dividend, unless a quorum of shareholders is present at the time the meeting proceeds to business. Such quorum shall be ascertained as follows, that is to say—if the persons who hold shares in 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 number of the above quorum one for every five additional shareholders up to fifty, and one for every ten additional shareholders after fifty, provided that no quorum shall in any case exceed twenty. 10

25. If within half-an-hour from the time appointed for the meeting a quorum is not present, the meeting if convened upon the requisition of shareholders shall be dissolved, but in any other case it shall stand adjourned till the same day in the next week at the same time and place, and notice thereof shall be given by advertisement in a newspaper circulating in the town or district in which the registered office is situated, and if at such adjourned meeting a quorum as hereinbefore provided is not present, those shareholders who are present shall be a quorum, and may transact the business for which the meeting was called. 20

26. The chairman of the directors shall be entitled to take the chair at every general meeting, or if there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, the shareholders present shall choose another director as chairman, and if no director be present, or if all the directors present decline to take the chair, then the shareholders present shall choose one of their number to be chairman. 25

27. Every question submitted to a meeting shall be decided in the first instance by a show of hands, and in the case of an equality of votes the chairman shall, both on the show of hands and at the poll, have a casting vote in addition to the vote or votes to which he may be entitled as a shareholder. 30

28. At any general meeting unless a poll is demanded by at least three shareholders, a declaration by chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority, and an entry to that effect in the books of proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution. 35

29. If a poll is demanded as aforesaid, it shall be taken in such manner and at such time and place as the chairman of the meeting directs, and either at once or after an adjournment, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. 40

30. The chairman of a general meeting may with the consent of the meeting adjourn the same 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. 45

31. Any poll duly demanded on the election of a chairman or on any question of adjournment shall be taken at the meeting and without adjournment. 50

*Votes of shareholders.*

32. Every shareholder shall have one vote for every share held by him 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 fifteen shares beyond the first hundred shares. 55

33. If any shareholder is a lunatic or idiot he may vote by his committee or other legal curator.

34. If two or more persons are jointly entitled to a share or shares the shareholder whose name stands first on 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. 60

35. No shareholder shall be entitled to vote at any general meeting unless all calls payable on his shares have been paid.

36. Votes may be given either personally or by proxy.

37. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, or if such appointer be a corporation under its common seal. No person shall be appointed a proxy who is not a shareholder in the company and entitled to vote. 65

38. The instrument appointing a proxy and the power of attorney (if any) under which it is executed shall be deposited at the office of the company not less than twenty-four hours before the time of holding the meeting at which the person named in such instrument purposes to vote; but no instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution, unless it purports to appoint a proxy to act for the appointer during his absence from the colony. 70



39. Any instrument appointing a proxy shall be as nearly as circumstances will admit in the form or to the effect following :—

No-liability.

I, \_\_\_\_\_ of \_\_\_\_\_ in the Colony of \_\_\_\_\_ being a shareholder in the  
 5 \_\_\_\_\_, No-liability, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ my proxy to vote  
 for me and on my behalf at the [ordinary or extraordinary] general meeting  
 of the company to be held on the \_\_\_\_\_ day of \_\_\_\_\_, and at any  
 adjournment thereof [or at any meeting of the company that may be held in the  
 year \_\_\_\_\_ or during my absence from the colony of New South Wales.]  
 10 As witness my hand this \_\_\_\_\_ day of \_\_\_\_\_  
 Signed by the said \_\_\_\_\_

Directors.

40. No person shall be qualified to be a director who is not a shareholder in the company.

15 41. The number of the directors shall be not less than three or more than seven until otherwise determined by a general meeting.

42. The first directors shall be elected at the first meeting of the company, unless such directors shall have been appointed by the persons signing the memorandum of registration, and at the first ordinary meeting in every subsequent year reckoned from  
 20 1st January to 1st January 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 (but not exceeding one-third) shall retire from office.

43. The one-third or other number as aforesaid to retire at the first general meeting at which directors are to retire shall be determined by lot ; in every subsequent  
 25 year the one-third or other nearest number who have been longest in office shall retire. As between two or more who have been in office an equal length of time the director to retire shall, in default of agreement between them, be determined by lot. The length of time a director has been in office shall be computed from his last election or appointment where he has previously vacated office.

30 44. A retiring director shall be eligible for re-election.

45. 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 shareholders to be directors, and may fill up other vacancies.

46. If at any meeting at which an election of directors ought to take place the  
 35 places of the retiring directors are not filled up, subject to article number twenty-five of these presents, the meeting shall stand adjourned till the same day in the next week, at such hour and place as the majority of shareholders present at the meeting shall decide, and if at such adjourned meeting the places of the retiring directors are not filled up, the retiring directors or such of them as have not had their place filled up,  
 40 shall continue in office until the ordinary meeting in the next year, and so on from time to time until their places are filled up.

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

48. Any casual vacancy occurring among the directors may be filled by the directors, but any person so chosen shall retain his office only so long as the vacating director would have retained the same if no vacancy had occurred.

50 49. The office of director shall be vacated—

(a) If he become bankrupt, or suspend payment, or assign his estate for the benefit of his creditors.

(b) If he be found, or declared, or become lunatic, and of unsound mind.

(c) If he absent himself from the meetings of the directors during a period of  
 55 three calendar months without special leave of absence from the directors.

(d) If by notice in writing to the company he resign his office.

50. The continuing directors may act, notwithstanding any vacancy in their body, but so that if the number fall below the minimum above fixed the directors shall not, except for the purpose of filling vacancies, act so long as the number is below the  
 60 minimum.

Proceedings of directors.

51. The directors may meet together for the despatch of business, adjourn, and otherwise regulate their meetings as they think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined two directors  
 65 shall form a quorum. Questions arising at any of the meetings shall be decided by a majority of votes. In case of equality of votes the chairman shall have a second or casting vote.

52. A director may at any time, and the manager shall at the request of any two directors, convene a meeting of directors.

70 53. 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 appointed time for holding the same, the directors present shall choose some one of their number to be chairman of such meeting.

54. All acts done by any meeting of the 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 or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a director. 5

*Powers of directors.*

55. The management of the business of the company shall be vested in the directors who may exercise all such powers and do all such acts and things as may be exercised or done by the company, and are not by these rules or by the Act directed or required to be exercised or done by the company in general meeting, but subject to the provisions of the Act and of these said rules and to any regulations from time to time made by the company in general meeting: Provided that no regulation so made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made. 10

*Remuneration of directors.*

56. The remuneration of the directors shall be determined by the company in general meeting. 15

*The seal.*

57. The directors shall provide for the safe custody of the common seal, and the said seal shall not be used except by the authority of the directors previously given, and every instrument to which the seal is affixed shall be signed by two directors and countersigned by the manager or secretary or some other person appointed by the directors. 20

*Dividends.*

58. The directors may, with the sanction of the company in general meeting, declare dividends to be paid to the members in proportion to their shares. 25

59. No dividend shall be payable except out of the profits arising from the business of the company.

60. The directors may, before recommending any dividend, set aside out of the profits of the company such sum as they may think proper as a reserve fund to meet contingencies or for equalising dividends, for repairing or maintaining the works and machinery connected with the business of the company or any part thereof, and the directors may invest the sum so set apart upon such securities as they may select. 30

61. Notice of any dividend that may have been declared shall be given to each shareholder in manner hereinafter provided for giving notices, and all dividends unclaimed for four years after having been declared may be forfeited by the directors for the benefit of the company. 35

62. The directors may deduct from the dividends payable to any member the amount of any call payable on his shares.

63. No dividend shall bear interest as against the company. 40

*Accounts.*

64. The directors shall cause true accounts to be kept of the sums of money received and expended by the company, and of the matter in respect of which such receipt and expenditure takes place, and of the assets, credits, and liabilities of the company. 45

65. The books of account shall be kept at the registered office of the company, and, subject to any reasonable restrictions as to 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.

66. At each of the ordinary meetings the directors shall lay before the company a profit and loss account and a balance sheet containing a summary of the property and liabilities of the company made up to a date not more than two calendar months before the meeting from the time when the last preceding account and balance sheet were made, or in the case of the first account and balance sheet from the incorporation of the company. 55

*Audit.*

67. Once at least in every year the accounts of the company shall be examined and the correctness of the balance sheet ascertained by one or more auditor or auditors.

68. The auditors shall be appointed and their remuneration fixed by the company in general meeting in each year. If one auditor only is appointed all the provisions herein contained relating to auditors shall apply to him. The first auditor or auditors may be appointed by and their remuneration fixed by the directors. 60

69. Any auditor quitting office shall be eligible for re-election.

70. The auditors may be shareholders, but no person shall be 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 shall be eligible during his continuance in office. 65

71. The auditors shall be supplied with copies of the profit and loss account and balance-sheet intended to be laid before the company in general meeting ten days at least before the meeting to which the same are to be submitted, and it shall be their duty to examine the same, with the accounts and vouchers relating thereto, and to report to the company in general meeting thereon. 70

72.

72. The auditors shall have a list delivered to them of all books kept by the company, and shall at all reasonable times have access to the books and accounts of the company, and they may examine the directors, manager, and officers of the company in relation to such accounts.

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*Notices.*

73. Any notice may be served by the company upon any shareholder, either personally or by sending it through the post in a prepaid envelope, addressed to such shareholder at his address as entered in the register of shareholders.

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

15 75. Any notice sent by post shall be deemed to have been served on the day after the envelope or wrapper containing the same shall have been posted, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

[1s. 3d.]

27. The members shall have a list delivered to them of all books kept by the company and shall at all reasonable times have access to the books and accounts of the company and they may examine the directors, managers, and officers of the company in relation to such accounts.

28. Any notice may be served by the company upon any shareholder either personally or by sending it through the post in a prepaid envelope addressed to such shareholder at his address as entered in the register of shareholders.

29. All notices to be given to the shareholders shall, with respect to any share in which persons are jointly entitled, be given to whichever of such persons is named first in the register of shareholders and notice shall be sufficient notice to all the shareholders if given to that person.

30. Any notice sent by post shall be deemed to have been served on the day after the envelope or wrapper containing the same shall have been posted, and in proving such service it shall be sufficient to prove that the letter containing the notice was properly addressed and put into the post office.

31. The directors may cause to be printed and published a statement of the affairs of the company in such form and at such intervals as they may think fit.

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