

COMPANIES.

22° GEO. V., No. XLVIII.

No. 48 of 1931.

AN ACT to make special provision in the Companies Act, 1893, for the modification or alteration or abandonment of preferential or cumulative rights in relation to shares.

[Assented to 24th December, 1931.]

BE it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

Short title.

1. This Act may be cited as the *Companies Act Amendment Act, 1931*, and shall be read as one with the Companies Act, 1893 (56 Victoria, No. 8), and its amendments, hereinafter referred to as the principal Act.

New section.

2. A section is inserted in the principal Act, after section eighty-one A, as follows:—

Provision for modification, alteration, or abandonment of preferential or cumulative rights in relation to certain classes of shares.

81B. (1.) Where the capital of any company limited by shares is, by the memorandum of association of the company, divided into different classes of shares one or more of which classes of shares entitle the holders of shares of the class or classes to a preferential right to a dividend at a specified rate (whether of a cumulative character or not), or to a preferential right in a winding-up of the company to payment of arrears of a preferential dividend (whether declared or earned or not) up to the commencement of the winding-up, or to a preferential right to the return of capital in a winding-up, such company may at any time, or from time to time by special resolution of the company (consented to or confirmed by a special resolution or special resolutions of a separate meeting or separate meetings of the holders of the shares of the classes affected by such resolutions), so far modify or alter the provisions of the memorandum of association of the company as to effect a modifi-

cation or alteration or an abandonment of all or any of such preferential or cumulative rights, either generally or for such limited period of time, as may be specified in the special resolution.

(2.) "Special resolution," when applied to meetings of holders of a class of shares, means a resolution passed at a general meeting of the holders of shares of that class (of which at least twenty-one clear days' notice in writing has been given in the same manner as is provided by the articles of association of the company in the case of general meetings of the company, specifying the intention to propose such resolution) and at which such resolution is passed by a majority of not less than three-fourths of the votes of such members of the class for the time being as may be present in person or by proxy.

(3.) At any meeting of a class held under the provisions of this section, each member of the class present in person or by proxy at the meeting shall be entitled to one vote for each share of that class held by such member.

(4.) No such resolution of the company shall come into operation or have effect until an order confirming the modification, alteration, or abandonment sought to be effected shall have been made by the court and registered by the Registrar.

(5.) Such order shall be applied for by the company on petition, and the court may in any case require the company to publish in such manner as the court shall think fit a notice of the petition and a copy of the special resolution with a view to giving holders of shares of any class or classes an opportunity to attend before the court and object to the proposed modification, alteration, or abandonment.

(6.) On the hearing of the petition the court may make an order confirming the modification, alteration, or abandonment on such terms and subject to such conditions as the court may think fit.

(7.) Nothing in this section contained or implied shall be deemed to impair or prejudicially affect any lawful power, authority, or provision now or hereafter conferred in any memorandum of association or otherwise lawfully vested in any company whereby the rights of classes of shares may be altered, modified, or abandoned without recourse to the provisions of this section.