

London and New Zealand Bank, Limited Act 1928

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Constitution of the London and New Zealand Bank, Limited.	

**An Act to provide for the Formation, Incorporation, and
Constitution in New Zealand of a Bank of Issue with Limited
Liability.**

Preamble

WHEREAS certain persons—to wit, Alan St Clair Brown, Solicitor, Auckland; William George Fry, Farmer, Feilding; Ernest William Giesen, Medical Practitioner, Wellington; Herbert Wellington Giesen, Accountant, Dannevirke; William Ernest Albert Gill, Public Accountant, Wellington; John Glasgow, Solicitor, Nelson; Harry Tinsley Goldie, Timber-merchant, Auckland; Montgomery Owen Grainger, Farmer, Dannevirke; Manning Woodlands Hartgill, Farmer, Dannevirke; Stephen Maundrell Hobbs, Public Accountant, Wellington; Elias Jos Hyams, Merchant, Wellington; Joseph Jameson, Merchant, Masterton; Reginald Wynn Kirkby, Sharebroker, Wellington; Sidney Kirkcaldie, Merchant, Wellington; Henry James Whytehead Lord, Farmer, Masterton; Archibald McNicol, Managing Editor, Dannevirke; Alfred Richardson Meek, Barrister and Solicitor, Wellington; Malcolm Matthew Moncrieff, Retired, Nelson; George William Kirk Morley, Retired, Christchurch; Albert James Stratford, Retired, Auckland; John James Williamson, Gentleman, Wellington; Daniel Jarvis Willis, Farmer, Greatford; William Gray Young, Architect, Wellington, having power to add to their number, but not exceeding thirty-two persons in all—have by deed bearing date the twenty-sixth day of July, nineteen hundred and twenty-eight, which deed has been substituted for deed bearing date the twenty-third day of November, nineteen hundred and twenty-seven, formed an association styled **The London and New Zealand Bank Association**. and have indicated their readiness to form an association to be incorporated for the purpose of carrying on the business of banking in New Zealand: And whereas it is desirable to prescribe the terms on which it will be lawful for them so to do:

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

1 Short Title

This Act may be cited as the London and New Zealand Bank, Limited, Act 1928.

2 Definitions

In this Act, unless a contrary intention appears,—

Bank means the bank to be incorporated hereunder

Business of banking shall include all the business that is or shall be usually carried on by banks of issue, discount, and deposit, and shall also include the acquiring, purchasing, accepting, giving, selling, mortgaging, pledging, lending, borrowing, leasing, hiring, surrendering, taking security against, and generally in every other way, without limitation from the context, dealing with or in all forms of real and personal property

Provided, however, that **business of banking** shall not be deemed to include, and nothing in this Act shall be construed to authorize,

- (a) The holding by the bank of its own shares (otherwise than pursuant to a lien as provided in the schedule hereto);
- (b) The making by the bank of any advance against the security of the shares in the bank;
- (c) The investment of the capital or funds of the bank in real property or chattels real, other than such as may be necessary for the purpose of carrying on the customary business of banking;
- (d) The investment of the capital or funds of the bank in any trade or business not falling within the customary business of banking:

Promoter means the London and New Zealand Bank Association, or their agents appointed by deed

Public securities means all debentures, bonds, treasury bills, or other securities issued or guaranteed by the Government of New Zealand.

3 Proclamation of bank

If before the thirty-first day of July, nineteen hundred and thirty-two, the Governor-General is satisfied that the promoter has formed an association the members whereof have undertaken in writing to pay a sum not less than two million dollars towards the funds of the association, whether

immediately or by instalments, or as called up, and that the association desires to become incorporated in New Zealand to carry on the business of banking in New Zealand and elsewhere according to the rules in the Schedule hereto, then the Governor-General shall forthwith, by notice in the *Gazette*,—

- (a) Proclaim that such persons, to be named in such notice, not exceeding seven in number (hereinafter called the incorporated shareholders), as have been named by the promoter as the provisional directors of the proposed bank (and who shall have signified in writing their prior consent to such nomination), together with all other persons who though not named in such notice are by the provisions of this Act and of the Schedule hereto entitled to be shareholders of the bank, shall be incorporated as a bank of issue with limited liability:
- (b) Specify the amount of the nominal capital of the bank as six million dollars:
- (c) Declare that the incorporated shareholders shall be shareholders in such bank to the respective amounts (to be named in such notice) which they have undertaken as aforesaid to pay to the funds of such association:
- (d) Declare the incorporated shareholders to be the provisional directors of the bank.

Section 3 was amended, as from 11 October 1930, by section 2 London and New Zealand Bank, Limited Amendment Act 1939 (1930 No 6), substituting the words “nineteen and thirty-two” for the words “nineteen hundred and thirty”.

The words “two million dollars” and “six million dollars” in section 3(b) were substituted, as from 10 July 1967, for the words “one million pounds” and “three million pounds” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

4 Incorporation of bank

From the date of the publication of such notice in the *Gazette* the incorporated shareholders, and all other persons who by the provisions of this Act and of the Schedule hereto shall be entitled to be shareholders of the bank, shall be incorporated as a bank of issue subject to the provisions of the Banking Act 1908, with power to carry on the business of banking in New Zealand and elsewhere, with the name and constitution set

forth in the Schedule hereto, having perpetual succession and a common seal, with power to contract and to sue and be sued, and, subject to such constitution, having all the powers of a company limited by shares incorporated under the Companies Act 1908; and the liability of the shareholders thereof shall be limited to the amount (if any) unpaid on the shares respectively held by them, save as provided in section seven hereof.

5 Commencement of business

- (1) As soon as conveniently may be after the date of incorporation the incorporated shareholders shall compile the register of the shareholders of the bank referred to in the Schedule hereto, and upon the entry of the name of any shareholder therein the liability of such shareholder to pay to the association the amount which he has undertaken to pay, as mentioned in section three hereof, shall enure to the bank and the said amount shall be payable to the bank according to the terms of the shareholder's subscription. Upon the compilation of such register the bank shall prepare to commence business, and may do anything necessary or desirable to put itself in a position to commence business, and may acquire land, enter into contracts, and do all other matters within its powers other than the issue of bank-notes, the acceptance of deposits, or the discounting of bills.
- (2) Upon the sum of two million dollars of the capital of the bank being paid up within four years after the date of its incorporation, or such extended time as the Governor-General in Council may allow in that behalf, the bank shall be entitled to commence the business of banking. A notice in the *Gazette* under the hand of the Governor-General to the effect that he is satisfied that the amount aforesaid has been paid up shall be sufficient evidence thereof.

The words "two million dollars" were substituted, as from 10 July 1967, for the words "one million pounds" pursuant to section 7(1) Decimal currency Act 1964 (1964 No 27).

6 Authority to issue bank-notes

The bank shall have authority to issue and circulate bank-notes in New Zealand of the denominations of one dollar, two

dollars, ten dollars, and any multiple of ten dollars; and all such notes shall bear date at the place in New Zealand at which the same shall be made and issued, and shall in all cases be payable in specie to bearer on demand at the place of date and also at the banking-house of the bank; and the total amount of the bank-notes payable on demand issued in New Zealand and for the time being outstanding shall not at any one time exceed the amount of the coin, bullion, and public securities which shall for the time being be held by the bank within New Zealand, nor shall the proportion of coin be less than one-third of the amount of the coin, bullion, and public securities so held by the bank within New Zealand; but the authority hereby conferred on the bank to issue bank-notes (including its authority to reissue such notes) shall cease in case of the suspension of specie payments on demand for the space of sixty days in succession, or for any number of days at intervals which shall amount altogether to sixty days within any one year, or in case the bank shall not observe all the conditions laid down by this or any other Act relative to the power to issue and circulate bank-notes:

Provided that the provisions of this section, in so far as they relate to the payment of bank-notes in specie, shall be read subject to the provisions of any Act for the time being in force relating to legal tender.

The words "one dollar", "two dollars", and "ten dollars" were substituted, as from 10 July 1967, for the words "ten shilling", "one pound", and "five pounds" pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

7 Liability on notes

The bank shall not be entitled to limited liability in respect of its notes issued under the authority of this Act, and the shareholders thereof shall continue liable in respect of its notes in the same manner as if it had been registered in New Zealand under the Companies Act 1908, as an unlimited company; but in the event of the bank being wound up and the general assets of the bank being insufficient to satisfy the claims of the note-holders and also of the general creditors, then the shareholders, after satisfying the remaining demands of the note-holders, shall be liable to contribute towards payment of the debts due to the general creditors a sum equal to the

amount received by the note-holders out of the general assets of the bank. For the purposes of this section the expression **the general assets of the bank** means the funds available for the payment of the general creditors as well as the note-holders.

8 Bank-notes to be first charge on the bank's property

All bank-notes issued in New Zealand by the bank shall be a first charge on all the property of the bank (including the paid-up capital, uncalled capital, and reserve fund), being assets for the payment of debts or other obligations contracted or entered upon or due and payable in New Zealand.

9 Bank-notes not to be invalidated by any breach of this Act

No bank-note issued by the bank in New Zealand shall be invalidated by any breach or non-observance by the bank of any of the provisions of this Act.

10 Assayed and unassayed gold deemed bullion

For the purposes of this Act unassayed gold shall be deemed to be bullion, and all uncoined gold which shall not have been assayed shall be valued at the price of seven dollars for every ounce, and all uncoined gold when assayed shall be valued at the standard value of assayed gold in Great Britain—that is to say, at the rate of nine dollars and forty-seven and a half cents per ounce of the fineness of twenty-two carats, and in the accounts of the bank, and in the statements and general abstracts of the assets and liabilities which are required by law to be made and published, it shall be lawful for the bank to include assayed and unassayed gold at their respective values under the name of bullion.

The words “seven dollars” and “nine dollars and forty-seven and a half cents” were substituted, a from 10 July 1967, for the words “three pounds five shillings” and “three pounds seventeen shillings and ninepence” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

11 Penalty for excessive issue of bank-notes

If the total amount of the bank-notes issued in New Zealand by the bank and for the time being outstanding exceeds at any time the total amount authorized by this Act the bank shall be

liable to a penalty of two hundred dollars for every day during which such excess continues; and every such penalty shall constitute a debt due and payable by the bank to the Crown, and may be recovered accordingly in an action brought by the Attorney-General in the name and on behalf of His Majesty the King.

The words “two hundred dollars” were substituted, as from 10 July 1967, for the words “one hundred pounds” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

12 Amount to which general liabilities to be limited

The total amount of the debts, engagements, and liabilities of the bank within the Dominion, whether upon bonds, bills, promissory notes, or otherwise, contracted within the Dominion (other than the liabilities on account of the ordinary cash deposits of customers and on account of bills of exchange drawn by or on behalf of the bank upon any banker or banking company, branch bank, or agency of the bank in the United Kingdom or elsewhere, within the amount or value of remittances made to such banker or banking company, branch bank, or agency of the bank respectively to provide for the payment of the said bills of exchange), may extend to but shall not in any case exceed three times the amount of the coin, bullion, and public securities which shall for the time being be held by the bank within the Dominion.

13 Brokerage and shares and payments to promoter

Upon the happening of the matters set out in sections three and four hereof the bank shall pay the brokerage and commission charges that shall have been incurred by the promoter, and all other preliminary expenses incurred by the promoter, including the costs, charges, fees, and expenses paid or incurred in and about the formation of the London and New Zealand Bank Association, the preparation and promotion of this Act, the promotion and formation of the association referred to in section three of this Act, and the promotion, incorporation, and gazetting of the bank; and shall in addition to such payment allot to the promoter, or its nominee or

nominees, ten thousand fully-paid-up two-dollar shares in the capital of the bank:

Provided that the payments in respect of brokerage and commission charges made under this section shall not exceed in all seven per centum of the subscribed capital of the bank.

The words “two-dollar” were substituted, as from 21 July 1967, for the words “one-pound” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

14 Promoter may not sell or dispose of rights

It shall not be lawful for the promoter to sell or in any other way dispose of its rights to establish a bank under this Act.

15 Execution of instruments by promoter

Any instrument which may lawfully be executed by the promoter shall if signed by a majority of the members thereof be as effectual as if signed by all the members thereof.

Schedule
Constitution of the London and New
Zealand Bank, Limited.

1 Name

THE name of the bank shall be the London and New Zealand Bank, Limited.

2 Construction

In the construction of these regulations—

The Act means this Act and its amendments

Advertisement shall mean publication in a daily newspaper circulating in London, and in Wellington, Auckland, Christchurch, and Dunedin in New Zealand

The bank shall mean the London and New Zealand Bank, Limited

Business of banking shall have the meaning set forth in the Act

Banking-house shall mean the banking-house for the time being of the bank

Court shall mean the Supreme Court of New Zealand or a Judge thereof

Date of incorporation shall mean the date of the notice in the *Gazette* incorporating the bank

Directors shall mean the directors, provisional or otherwise, for the time being of the bank

Extraordinary resolution shall mean a resolution passed by a majority of not less than three-fourths of such shareholders of the bank entitled under these regulations to vote as are present in person or by proxy at any general meeting of which the notice calling the meeting shall state the intention to propose such resolution

In writing shall mean written or typewritten or printed, or partly written or partly typewritten or partly printed

Special resolution shall mean a resolution passed by a majority of not less than three-fourths of the shareholders of the bank entitled under these regulations to vote as are present in person or by proxy at any general meeting of which the notice calling the meeting shall state the intention to propose such resolution, and confirmed by a majority of such shareholders of the bank for the time being entitled according to these regulations to vote as are present in person or by proxy at a subsequent general meeting of which notice has been duly given held at an interval of not less than fifty days and not more than three months from the date of the meeting at which such resolution was first passed

Words importing the singular number shall be read to include the plural number, and words importing the plural number shall be read to include the singular number; and words importing the masculine gender shall be read to include the feminine gender; and words importing a corporate person shall be read to include an incorporate person.

3 **Objects of the bank**

The objects of the bank shall be to carry on banking operations in New Zealand and elsewhere.

4 Capital of the bank

The capital of the bank shall be six million dollars, of which not less than two million dollars shall be subscribed prior to the date of incorporation.

The words “six million dollars” and “two million dollars” were substituted, as from 10 July 1967, for the words “three million pounds” and “one million pounds” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

5 Share capital of the bank

The capital shall be divided into shares of a nominal value of two dollars each.

The words “two dollars” were substituted, as from 10 July 1967, for the words “one pound” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

6 Control of shares

The shares shall be under the control of the directors, who may allot or otherwise dispose of the same to such persons, on such terms and conditions, and at such times as they think fit; provided that no shares shall be issued at a discount.

7 Payment by instalments

If by the conditions of allotment of any share the whole or any part of the amount thereof shall be payable by instalments, every such instalment shall, when due, be paid to the bank by the person who for the time being shall be the registered holder of the share.

8 Joint holders

The joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such share.

9 Bank not bound to recognize trusts, &c

The bank shall be entitled to treat the registered holder of any share as the absolute owner thereof, and accordingly shall not be bound to recognize any partial, equitable, or other claim to, or interest, or any interest in the nature of a trust or otherwise,

in any shares, or any other right in respect of any shares, save as herein provided.

10 Share-certificates

The certificates of title to shares shall be issued under the seal of the bank, and signed by two directors, and countersigned by the general manager or some other person appointed by the directors.

11 Right to share-certificate

Every shareholder shall be entitled, free of charge, to one certificate for all the shares registered in his name, or to several certificates each for a part of such shares. Every certificate of shares shall specify the number and denoting numbers of the shares in respect of which it is issued, and the amount paid up thereon.

12 Worn and lost share-certificates

If any certificate be worn out 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 upon such indemnity as the directors deem adequate being given, a new certificate in lieu thereof shall be given to the person entitled to such lost or destroyed certificate.

13 First-named shareholder entitled to share-certificate

The certificate of shares registered in the names of two or more persons may be delivered to the person first named on the register, subject to any special arrangement to the contrary being made with the consent of the directors; but the directors may, before delivering such certificate of shares, require the receipt for the same of all persons registered as entitled to such shares.

14 Calls

The directors may from time to time make such calls as they think fit upon the shareholders in respect of all moneys unpaid on the shares held by them respectively and not by the conditions of allotment thereof made payable at fixed times, and each shareholder shall pay the amount of every call so made on him to the persons and at the times and places appointed by the directors. A call may be made payable by instalments.

15 Date of call

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

16 Notice of call

Fourteen days' notice of any call shall be given, specifying the time and place of payment and to whom such call shall be paid.

17 Interest on overdue calls or instalments

If the sum payable in respect of any call or instalment be not paid on or before the due date thereof, the holder for the time being of the share in respect of which the call shall have been made or the instalment shall be due shall pay interest for the same at the rate of eight dollars per centum per annum from the due date thereof to the time of the actual payment.

The words "eight dollars" were substituted, as from 10 July 1967, for the words "eight pounds" pursuant to section 7(1) and (2) Decimal Currency Act 1964 (1964 No 27).

18 Proof in actions for calls

On the trial or hearing of any action for the recovery of any money due for any call it shall be sufficient to prove that the name of the shareholder sued is entered in the register or a branch register of shareholders of the bank as the holder or one of the holders of the shares in respect of which such debt accrued, that the resolution making the call is duly recorded in the minute-book, and that notice of such call was duly given to the shareholders sued in pursuance of these regulations; and it shall not be necessary to prove the appointment or qualification of the directors who made such call, nor any other mat-

ter whatsoever; and the proof of the matters aforesaid shall be conclusive evidence of the debt.

19 Proof in actions for instalments

On the trial or hearing of any action for the recovery of any moneys due for any instalment it shall be sufficient to prove that the name of the shareholder sued is entered in the register or a branch register of shareholders of the bank as the holder or one of the holders of the shares in respect of which such instalment accrued, and that such instalment has not been paid on its due date.

20 Prepayment of uncalled liability

The directors may, if they think fit, receive from any shareholder willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called for; and upon the money 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 bank may, if the directors think fit, pay interest at such rate as the shareholder paying such sum in advance and the directors agree upon; but no shareholder shall be entitled as of right to any interest on any money so paid in advance, and the directors may decline to pay any interest.

21 Notice on failure to pay calls or instalments

If any shareholder fails to pay any call or instalment on or before the due date of the same, the directors may at any time thereafter during such time as the call or instalment remains unpaid serve a notice on such shareholder requiring him to pay the same, together with any interest that may have accrued, and all expenses that may have been incurred by the bank by reason of such non-payment.

22 Contents of notice

The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in

the event of non-payment at or before the time and at the place appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

23 Forfeiture of shares

If the requisitions of any such notice as aforesaid are not complied with, any shares in respect of which such notice has been given may at any time thereafter, before payment of all calls or instalments, interest, and expenses due in respect thereof, be forfeited by a resolution of the directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.

24 Notice of forfeiture

When any share shall have been so forfeited, notice of the resolution shall be given to the shareholder in whose name it stood immediately prior to the forfeiture; and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

25 Property in forfeited shares

Any share so forfeited shall be deemed to be the property of the bank, and the directors may sell, reallocate, and otherwise dispose of the same in such manner as they think fit.

26 Annulment of forfeiture of shares

The directors may by resolution at any time before any share so forfeited shall have been sold, reallocated, or otherwise disposed of annul the forfeiture thereof upon such conditions as they may think fit.

27 Liability on forfeited shares

Any shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay, and shall forthwith pay, to the bank all calls, instalments, interest, and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon at eight per centum

per annum from the time of forfeiture until payment; and the directors may enforce the payment thereof if they think fit.

28 Lien of bank on shares

The bank shall have a first and paramount lien upon all the shares registered in the name of each shareholder (whether solely or jointly with others) for his debts, liabilities, and engagements solely or jointly with any other person to or with the bank, whether the period for the payment, fulfilment, or discharge thereof shall have actually arrived or not, and such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the bank's lien, if any, on such shares.

29 Sale of shares subject to lien

For the purpose of enforcing such lien the directors may sell the shares subject thereto in such manner as they think fit, but no sale shall be made until notice in writing of the intention to sell shall have been served on such shareholder, his executors, or administrators, and default shall have been made by him or them in the payment, fulfilment, or discharge of such debts, liabilities, or engagements for seven days after such notice has been served.

30 Application of proceeds of sale

The net proceeds of any such sale shall be applied in or towards satisfaction of such debts, liabilities, or engagements, and the residue, if any, paid to such shareholder, his executors, administrators, successors, or assigns.

31 Evidence as to power of sale

A certificate under the hands of two of the directors that the power of sale hereinbefore mentioned has arisen and is exercisable by the bank under these regulations shall be conclusive evidence thereof.

32 Registration of title of purchaser

Upon any sale after forfeiture, or for enforcing a lien in purported exercise of the powers hereinbefore given, the directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase-money; and after his name has been entered in the register in respect of such shares the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the bank exclusively.

33 Register of shareholders

As soon as conveniently may be after the date of incorporation, the provisional directors shall cause to be compiled a register of the shareholders of the bank containing the names of all the persons who have subscribed themselves as purchasing shares in the association incorporated by the Act, and have paid the amount (if any) payable on subscription or on the incorporation of the bank and have otherwise complied with the terms of their subscription, or who shall have in any other manner become entitled to be deemed shareholders of the bank, and thereafter such register shall be kept at the banking-house, and shall contain the following particulars:—

- (a) The names and the addresses and occupations (if any) of the shareholders of the bank, and a statement of the shares held by each shareholder, distinguishing each share by its number, and the amount paid or agreed or considered as paid on the shares of each shareholder:
- (b) The date at which the name of any person was entered in the register as a shareholder:
- (c) The date at which any person ceased to be a shareholder.

34 Branch registers

The directors may cause to be kept, at any place other than the banking-house, branch registers of any of its shareholders who desire to have their names entered thereon, containing the same particulars as the register; and a copy of every entry in the

branch registers shall be forthwith transmitted to the banking-house and recorded in a duplicate of such branch registers.

35 Registers evidence of their truth

The register, the branch register or registers, and the duplicate branch register or registers shall be *prima facie* evidence of the particulars entered therein.

36 Rectification of registers

The directors may from time to time rectify errors in the register, or branch register or registers, or duplicate branch register or registers.

37 Remedy for error in registers

Subject to Regulation 36, the procedure laid down by sections 106 and 107 of the Companies Act 1908, as to rectification of the register shall apply, *mutatis mutandis*, to the bank.

38 Shares transferable

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

39 Form of transfer

The instrument of transfer of any share shall be in writing in the following form, or as near thereto as circumstances will admit:—

I, _____, of _____, in consideration of the sum of _____ [dollars] paid to me by _____ of (hereinafter called the said transferee), do hereby transfer to the said transferee _____ shares numbered _____ to _____ in the London and New Zealand Bank, Limited, to hold unto the said transferee, his executors, administrators, and assigns, subject to the several conditions on which I held the same immediately before the execution hereof; and I, the said transferee, do hereby agree to take the said shares subject to the conditions aforesaid.

As witness our hands, the _____ day of _____, 19 ____.

Witness to the signature of

40 Incapacity to take shares

No transfer shall be made to an infant or person of unsound mind.

41 Registration of transfers

Every instrument of transfer shall be left at the banking-house or such other place as the directors may determine for registration, accompanied by the certificate of the shares to be transferred, and such other evidence as the bank may require to prove the title of the transferor or his right to transfer the shares.

42 Custody of transfers

All instruments of transfer which shall be registered shall be retained by the bank, but any instrument of transfer which the directors may decline to register shall be returned to the person depositing the same.

43 Transfer fee

A fee not exceeding twenty-five cents may be charged for each transfer, and shall, if required by the directors, be paid before the registration thereof.

The words “twenty-five cents” were substituted, as from 10 July 1967, for the words “two shillings and sixpence” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

44 Closing of register

The transfer books and register of shareholders may be closed during such time as the directors think fit, not exceeding in the whole thirty days in each year.

45 Refusal to register

The directors may refuse to register any transfer of a share or shares—

- (a) Where the bank has a lien on the share or shares:
- (b) Where it is not proved to their satisfaction that the proposed transferee is a responsible person: Provided that this paragraph shall not in any way affect section 6 of the Banking Act 1908.

46 Deceased shareholders

The executors or administrators of a deceased shareholder (not being one of several joint holders) shall be the only persons recognized by the bank as having any title to or interest in the shares registered in the name of such shareholder; and in the case of death of any one or more of the joint holders of any registered shares the survivor or survivors shall be the only persons recognized by the bank as having any title to or interest in such shares.

47 Transmission of shares

Any committee of a lunatic shareholder, or any person becoming entitled to shares in consequence of the death or bankruptcy of any shareholder or in consequence of any other event which by law would entitle him to shares, upon producing such evidence that he sustains the character in respect of which he proposes to act under this regulation of his title as the directors think sufficient, may, subject to Regulation 45 hereof, be registered as a shareholder in respect of such shares, or may transfer such shares.

48 Increase of capital

The bank may by special resolution from time to time increase the capital by the creation of new shares of such amount as may be deemed expedient.

49 New shares

The new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto as the bank by special resolution shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the bank, and with a special right of voting.

50 Rights of shareholders to new shares

The bank may by special resolution before the issue of new shares determine that the same or any of them shall be offered in the first instance to all the then shareholders in proportion to the amount of the capital held by them, or make any other

provisions as to the issue and allotment of the new shares; but in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the original capital.

51 Application of regulations to new shares

Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered part of the original capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien, and otherwise.

52 Subdivision and consolidation of capital

The bank may by special resolution divide its capital or any part thereof by subdivision of its existing shares or any of them into shares of a smaller amount, and consolidate and divide its capital or any part thereof into shares of a larger amount: Provided that in the subdivision of the existing shares the proportion between the amount paid and the amount (if any) unpaid on each share of reduced amount shall be the same as it was in the case of the existing share or shares from which the share of reduced amount is derived.

53 Reduction of capital

The provisions of the Companies Act 1908, or any amendments or re-enactments thereof touching reduction of capital shall apply, *mutatis mutandis*, to the bank, and any matter of procedure in such Act or Acts that may not be applicable to the bank may be the subject of a summons for directions to the Court, and the Court shall order what procedure is to be followed.

54 First general meeting

As soon as conveniently may be after the date of incorporation and the compilation of the register mentioned in Regulation 33, the first general meeting of the shareholders shall be held at a date and place to be fixed by the provisional directors for the purpose of electing the directors and the auditors.

55 Other general meetings

Every year subsequent to the first year after the incorporation of the bank a general meeting of the bank shall be held at such time and place as the directors shall determine.

56 Kind of general meetings

The above-mentioned general meetings shall be called ordinary general meetings. All other meetings of the bank shall be called extraordinary general meetings.

57 Calling of extraordinary general meeting

The directors may, whenever they think fit, and they shall upon a requisition in writing by a shareholder or shareholders holding not less than one-tenth of the paid-up capital, convene an extraordinary general meeting.

58 Form of requisition therefor

Any such requisition shall specify the object of the meeting required, and shall be signed by the shareholders making the same, and shall be deposited at the banking-house. It may consist of several documents in like form, each signed by one or more of the requisitionists. The meeting must be convened for the purposes specified in the requisition, and, if convened otherwise than by the directors, for those purposes only.

59 Requisitionists may convene meeting

In case the directors for fourteen days after such deposit fail to convene an extraordinary general meeting, to be held within sixty-four days from the time of such deposit, the requisitionists, or a majority in value of them, may themselves convene a meeting, to be held not later than three calendar months after the date of such deposit.

60 Notice of meetings

Fifty clear days' notice, specifying the place, day, and hour of any meeting, and the purpose for which it is to be held, shall be given either by advertisement or by notice sent by post, or otherwise served as hereinafter provided. Whenever any

meeting is adjourned for twenty-one days or more, at least four days' notice of the place and hour of holding such adjourned meeting shall be given in like manner.

61 Accidental omission of notice

The accidental omission to give or non-receipt of any such notice to or by any of the shareholders shall not invalidate any resolution passed at the meeting to which such notice related.

62 Business at ordinary general meeting

The business of an ordinary general meeting (other than the first general meeting) shall be to receive and consider the balance-sheet, the profit and loss account, the reports of the directors and of the auditors and any matters incidental thereto, to elect directors and other officers in the place of those retiring by rotation, to elect auditors, and to decide on the recommendation of the directors as regards dividends, and to transact any other business which by these regulations or by statute ought to be transacted at an ordinary meeting. All other business transacted at an ordinary general meeting, and all business transacted at an extraordinary general meeting, shall be deemed special.

63 Quorum at general meetings

Ten shareholders personally present shall be a quorum for a general meeting for the choice of a chairman, the declaration of a dividend, and the adjournment of the meeting. For all other purposes the quorum for a general meeting shall be shareholders personally present, not being less than twelve in number, and holding or representing by proxy, as by these regulations provided, not less than one-fortieth part of the issued capital of the bank. No business shall be transacted at any general meeting unless the quorum requisite be present at the commencement of the business.

64 Chairman at general meetings

The chairman of 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.

65 Procedure if no quorum

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned meeting a quorum be not present, those shareholders who are present shall be a quorum, and may transact the business for which the meeting was called.

66 Voting

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 a show of hands and at the poll, have a casting-vote in addition to the votes or vote to which he may be entitled as a shareholder.

67 Proof of passing of resolutions

At any general meeting, unless a poll is demanded by the chairman, or by at least five shareholders holding or representing by proxy or entitled to vote in respect of at least one-fifth of the capital represented at the meeting, a declaration by the 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 book of proceedings of the bank, 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. The provision that the five shareholders demanding a poll shall hold at least one-fifth of the capital shall not apply to a poll demanded in respect of a special resolution.

68 Polls

If a poll be demanded as aforesaid it shall be taken in such manner and at such time and place as the chairman of the meeting may direct, and either at once or after an interval or adjournment or otherwise; and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand of a poll may be withdrawn.

69 Adjournment

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.

70 Polls on formal matters

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

71 Other business when poll demanded

The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

72 Voting-power

On a show of hands every shareholder present in person shall have one vote, and upon a poll every shareholder present in person or by proxy shall have one vote for every share held by him in respect of which there is no payment in arrear.

73 Unregistered transferee may vote

Any person who is entitled to transfer any share, though not the registered holder thereof, may vote at any general meeting in respect of such share as if he were the registered holder if not less than forty-eight hours before the time of holding the meeting at which he proposes to vote he has satisfied the

directors of his right to transfer such share, or if the directors have previously admitted his right to vote in respect thereof.

74 Votes of joint holders

Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; and if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased shareholder in whose name any share stands shall, for the purpose of this clause, be deemed joint holders thereof.

75 Proxies allowed

Votes may be given either personally or by proxy.

76 Who may appoint or be appointed a proxy

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney, or, if such appointer is a corporation, under the hand of the chairman of directors, or managing director, or manager or attorney of such corporation. No person shall be appointed a proxy who is not a shareholder of the bank and qualified to vote, but a corporation being a shareholder of the bank may appoint any one of its officers to be its proxy.

77 Deposit of proxy

The instrument appointing a proxy, and the power of attorney, if any, under which it is signed, shall be deposited at the banking-house not less than forty-eight hours before the time for holding the meeting or adjourned meeting, as the case may be, at which the person named in such instrument proposes to vote.

78 Proxies valid where no revocation received

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the bankinghouse before the meeting.

79 Form of proxy

A proxy may be appointed generally, or for a specified period or specified meeting; and every instrument of proxy shall, as far as the circumstances will admit, be in the form or to the effect following:—

I, _____, of _____, being a shareholder of the London and New Zealand Bank, Limited, hereby appoint _____ of _____, or, failing him, of _____, or, failing him, _____ of _____, as my proxy to vote for me and on my behalf at the ordinary [*or extraordinary, as the case may be*] general meeting of the bank to be held on the _____ day of _____, and at any adjournment thereof.

As witness my hand, this _____ day of _____, 19 _____.

80 Shareholder owing calls may not vote

No shareholder shall be entitled to be present, or to vote on any question, either personally or by proxy, or as proxy for another shareholder, at any general meeting, or upon a poll, or be reckoned in a quorum, while any call or other sum shall be due and payable to the bank in respect of any of the shares of such shareholder.

81 Provisional directors

The persons named as provisional directors in the notice in the *Gazette* incorporating the bank shall be the provisional directors of the bank, and shall hold office until the first general meeting of shareholders.

82 Provisional directors may fill vacancies

The provisional directors shall have power to appoint any other persons to be provisional directors at any time before the

first general meeting of the bank, but so that the total number of provisional directors shall not at any time exceed seven.

83 Appointment and numbers of directors

The first general meeting of the shareholders shall elect the directors of the bank. The number of the directors shall not be less than five or more than seven.

84 Resignation of director

A director may retire from his office upon giving one calendar month's notice in writing to the bank of his intention so to do; and such resignation, if not previously accepted by the other directors or director, as the case may be, shall take effect upon the expiration of such notice.

85 Share qualification of directors

The share qualification for a director shall be one thousand shares.

86 Remuneration of directors

The directors shall be paid out of the funds of the bank by way of remuneration for their services the sum of six thousand dollars per annum and such further sum or sums (if any) as the bank may in general meeting determine, such remuneration to be divided amongst the directors in such proportions as they may think fit.

The words "six thousand dollars" were substituted, as from 10 July 1967, for the words "three thousand pounds" pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

87 Vacation of office of directors

The office of a director shall be vacated—

- (a) If he becomes bankrupt or suspends payment of his debts or compounds with his creditors:
- (b) If he be found mentally defective person or becomes of unsound mind:
- (c) If he absents himself from the meetings of the directors during a period of three calendar months without special leave of absence from the directors:

- (d) If by notice in writing he resigns his office:
- (e) If he shall hold less than the share qualification for his office:
- (f) If he is concerned in or participates in the profits of any contract with the bank or in the profits of any works done for the bank:

Provided that nothing herein shall be construed to prohibit a director from being a customer of the bank in its ordinary way of business, and his overdraft shall in no case exceed one thousand dollars:

Provided further that no director shall be disqualified by reason of his being a shareholder of an incorporated company of which he is a director which enters into contracts with or does any work for the bank:

Provided further that if a director shall be a shareholder of an unincorporated firm, and shall fully disclose his interest therein to the directors, he shall not be disqualified by reason of such firm entering into contracts with or doing work for the bank of which he is a director, but he shall not vote on any matter relating to such contract or work.

The words “mentally defective person” were substituted, as from 1 March 1912, for the word “lunatic” pursuant to section 134 Mental Defectives Act 1911 (1911 No 6).

The words “one thousand dollars” were substituted, as from 10 July 1967, for the words “five hundred pounds” pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

88 Full board not necessary

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

89 Retirement of directors

At the first ordinary general meeting to be held other than the first general meeting, and at every succeeding ordinary general meeting, one-third of the directors, or, if their number is not a multiple of three, then the number nearest to but not ex-

ceeding one-third, shall retire from office. A retiring director shall retain office until the dissolution or adjournment of the meeting at which his successor is appointed.

90 Order of such retirement

The one-third or other nearest number first to retire shall, unless the directors agree among themselves, be determined by lot. In every subsequent 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.

91 Retiring director eligible for re-election

A retiring director shall be eligible for re-election.

92 Filling vacancies in directorate

The bank at any general meeting at which any directors retire in manner aforesaid shall fill up the vacated offices by electing a like number of qualified persons to be directors, and without notice in that behalf may fill up any other vacancies.

93 Retiring director continuing his office

If at any general meeting at which an election of directors ought to take place the places of the retiring directors are not filled up, the retiring directors, or such of them as have not had their places filled up, shall, if willing, continue in office until the ordinary meeting in the next year, and so on from year to year until their places are filled up, unless it shall be determined at such meeting to reduce the number of directors.

94 Removal of director by extraordinary resolution

The bank may by extraordinary resolution remove any director before the expiration of his period of office and appoint another person in his stead. The person so appointed shall hold office during such time only as the director in whose place he is ap-

pointed would have held the same if he had not been removed. Any casual vacancy occurring among the 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.

95 Nomination of directors

No person not being a retiring director, unless recommended by the directors for election, shall be eligible for election to the office of director at any general meeting unless he, or some other member or firm or corporation intending to propose or nominate him, has, at least seven clear days before the meeting, left at the bankinghouse a notice in writing under his hand signifying his candidature for the office, or a notice in writing under the hand of such other member, firm, or corporation signifying the intention of such member, or firm, or corporation to propose or nominate him.

96 Meetings of directors

The directors may meet together for the despatch of business, adjourn, or otherwise regulate their meetings and proceedings as they may think fit, and may determine the quorum necessary for the transaction of business. Until otherwise determined, three directors shall be a quorum.

97 Summons for meetings of directors

A director may at any time, and the general manager upon the request of a director shall, summon a meeting of the directors.

98 Voting at meetings of directors

Questions arising at any meeting of the directors shall be determined by a majority of votes, and in case of an equality of votes the chairman shall have a second or casting vote.

99 Resolutions in writing

A resolution in writing signed by all the directors shall be as valid and effectual as if it had been passed at a meeting of the directors duly called and constituted.

100 Chairman at meetings of directors

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 the chairman of such meeting.

101 Powers of quorum at meetings of directors

A meeting of the directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers, and discretions vested in or exercisable by the directors generally.

102 Directors may delegate powers

The directors may from time to time provide for the management and transaction of the affairs of the bank in any specified locality, and without prejudice to the foregoing,—

- (a) The directors from time to time, and at any time, may establish any local boards or agencies for managing any of the affairs of the bank in any such specified locality, and may appoint any persons to be members of such local board, or any managers or agents, and may fix their remuneration. And the directors from time to time, and at any time, may delegate to any person so appointed any of the powers, authorities, and discretions for the time being vested in the directors, other than the power of making calls, and may authorize the members for the time being of any such local board, or any of them, to fill up any vacancies therein, and to act notwithstanding vacancies; and any such appointment or delegation may be made on such terms and subject to such conditions as the directors may think fit, and the directors may at any time remove any person so appointed, and may annul or vary any such delegation.
- (b) The directors may at any time, and from time to time, by power of attorney under the bank's seal, appoint any person or persons to be the attorney or attorneys of the bank for such purposes and with such powers, author-

ities, and discretions (including powers of substitution and subdelegation) and for such period and subject to such conditions as the directors may from time to time think fit; and any such appointment may (if the directors think fit) be made in favour of the members or any of the members of any local board established as aforesaid, or in favour of any company, or of the members, directors, nominees, or managers of any company or firm, or in favour of any fluctuating body of persons, whether nominated directly or indirectly by the directors; and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney or attorneys as the directors may think fit.

103 Validity of acts done by disqualified persons

All acts done at any meeting of the directors, or by such committee or auxiliary board or by any person acting as a director, shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such directors or persons acting as aforesaid, or that they or any of them, or he, were or was disqualified, be as valid as if every person had been duly appointed and was qualified to act.

104 Minutes of meetings of directors

The directors shall cause minutes to be duly entered in the books provided for the purpose—

- (a) Of all appointments of permanent officers;
- (b) Of the names of the directors present at each meeting;
- (c) Of all resolutions and proceedings of general meetings and of meetings of the directors and committees;

and any such minutes of any meeting of the directors, or of any committee, or of the bank, if purporting to be signed by the chairman of such meeting, or by the chairman of the next succeeding meeting, shall be receivable as *prima facie* evidence of the matters stated in such minutes.

105 Payment of calls by directors

- (1) Whenever a call on any shares is made payable or an instalment falls due thereon it shall be obligatory on the directors to pay the amount of such call or instalment on all shares held by them respectively on or before the day on which such calls are made payable by shareholders or instalments are due.
- (2) Every director who fails to comply with this section is liable to a fine not exceeding one hundred dollars and not less than ten dollars, in addition to his liability for payment of the amount of the call or instalment, such fine to be recoverable summarily.
- (3) Every director who within two months from the due date thereof fails to pay any call or instalment on shares held by him shall, *ipso facto*, cease to be a director.

The words "one hundred dollars" and "ten dollars" were substituted, as from 10 July 1967, for the words "fifty pounds" and "five pounds" pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

106 Fees of directors indebted to bank

- (1) It shall not be lawful for any director to receive or for the bank to pay any fees or other remuneration to any director who is indebted to the bank in respect of calls or instalments on his shares, or who has been absent from the meetings of the directors for a period of three months or upwards, unless he was so absent with the leave of the directors.
- (2) Every director who receives any payment contrary to this regulation, or who is a party to any such payment, is liable for each offence to a fine not exceeding one hundred dollars; and any money so paid may, in the event of the bank being wound up within three years after such payment was made, be recovered summarily by the person or persons conducting the winding-up.

The words "one hundred dollars" were substituted, as from 10 July 1967, for the words "fifty pounds" pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

107 Management vested in directors

The management and control of the business of the bank shall be vested in the directors, who, in addition to the powers and authorities by these regulations or otherwise expressly con-

ferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the bank and are not hereby or by statute expressly directed or required to be exercised or done by the bank in general meeting.

108 Specific powers of directors

In furtherance and not in limitation of and without prejudice to the general powers conferred or implied by or in the last preceding regulation and of the other powers conferred by these regulations, it is hereby expressly declared that the directors shall be entrusted with and may exercise and perform the following powers and duties:—

- (a) They shall on behalf of the bank do and perform the matters referred to in section thirteen of the Act.
- (b) Upon tender of the consideration they shall transfer to the promoter or its nominee or nominees, at any time during the ten years from the date of incorporation, any number of shares in the bank, but not exceeding one hundred thousand shares, for the price of two dollars for every two dollars of the nominal value of such shares.
- (c) They may purchase or otherwise acquire for the bank any property rights, or privileges which the bank is authorized to acquire, at such price and generally on such terms and conditions as they think fit.
- (d) They may carry on banking operations, and from time to time take all steps and proceedings and do all acts and things which they may consider advisable for carrying into effect the objects of the bank.
- (e) They may at their discretion pay for any real or personal estate, rights or privileges acquired by or for services rendered to the bank, either wholly or partially in cash, or in shares, bonds, debentures, promissory notes, or other securities of the bank.
- (f) They may regulate the form, signature, number, and denomination of bank-notes to be issued by the bank, and cause the same to be issued.
- (g) They may appoint and at their discretion remove or suspend such general manager, managers, accountants, secretaries, officers, agents, workmen, servants for per-

- manent, temporary, or special services as they may from time to time think fit, and may determine their duties and powers and fix their salaries or emoluments, and may require security in such instances and to such amount as they shall think fit, and may delegate to them such powers as they may from time to time deem advisable.
- (h) They may take advice upon, institute, conduct, defend, compound, or abandon any legal proceedings by and against the bank or its officers or otherwise concerning the affairs of the bank, and also may compound and allow time for payment or satisfaction of any debts due and claims and demands by or against the bank, and may take criminal proceedings in respect of any theft, forgery, or other crime or offence against the bank or its property.
 - (i) They may refer any claims or demands by or against the bank to arbitration, and observe and perform the awards.
 - (j) They may make and give receipts, releases, and other discharges for money payable to the bank and for the claims and demands of the bank.
 - (k) They shall establish a banking-house, and may from time to time alter the place thereof, and they may from time to time establish and at their discretion discontinue branches or agencies on behalf of the bank at any places either in or out of New Zealand, and may vary or repeal such by-laws or regulations for the management of such branches or agencies on behalf of the bank at any places either in or out of New Zealand as they shall think fit, and appoint agents for the transaction of the business of the bank upon such terms and with such powers and authorities as the directors think expedient, and alter, vary, or revoke from time to time any such appointment, powers, or authorities.
 - (l) They may out of the available cash, capital, or profits of the bank set aside such sum or sums as they may think fit as a reserve fund, and they may invest the several sums so set aside upon such investments as they may think fit, and may from time to time deal with and vary

- such investments, and dispose of all or any part thereof for the benefit of the bank; but they shall have power to employ the assets constituting the reserve fund in the business of the bank, and that without being bound to keep the same separate from the other assets.
- (m) They may from time to time make, vary, or repeal any by-laws for governing the bank's officers or servants, or any section thereof.
 - (n) They may enter into all such negotiations, contracts, and agreements, and rescind and vary and execute and do all such acts, deeds, and things, in the name and on behalf of the bank as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purposes of the bank.
 - (o) They may make regulations for the use and safe custody of the common seal: Provided always that every instrument to which the seal shall be affixed shall be signed by at least two directors, or by one director and the general manager.
 - (p) They may make and execute all such assurances and instruments as may be necessary: Provided that the same shall be signed by two directors, or by one director and the general manager.
 - (q) They may appoint a temporary substitute for the general manager, who shall for the purpose of these regulations be deemed to be the general manager.
 - (r) They may make such provision as they think fit respecting the keeping and discontinuance of branch registers.
 - (s) They may purchase, construct, erect, and maintain such buildings, machinery, office equipment, and other works as may from time to time be found necessary for the purpose of the bank, and they may purchase, rent, or otherwise acquire such buildings, offices, easements, lands, tenements, and hereditaments, or any interest therein, and on such terms as they may from time to time think advisable, and may accept such title to property as they think reasonably safe. They may also from time to time let or sell any such lands, tenements, hereditaments, or interests therein as aforesaid, and

generally may deal therewith as they consider most conducive to the interests of the bank.

- (t) They may accept in partial or complete satisfaction of any liability previously due to the bank any real or personal property, and may take security over any real or personal property for any such liability previously due to the bank.
- (u) In respect of any liability to the bank they may accept security over or liens upon all forms of real or personal property.
- (v) They shall issue share-certificates to all persons entitled thereto as shareholders under these regulations.
- (w) They may apply to Parliament for an Act to vary, amend, supplement, repeal, or re-enact any or all of these regulations: Provided always that no such variation, amendment, supplement, repeal, or re - enactment shall be so applied for unless sanctioned by the bank by special resolution.

The words "two dollars for every two dollars" were substituted, as from 10 July 1967, for the words "one pound for every one pound" pursuant to section 7(1) Decimal Currency Act 1964 (1964 No 27).

109 Indemnity of directors

Every director of the bank shall be indemnified by the bank against all costs, losses, and expenses which he may incur or become liable to by reason of any contract entered into or act or thing done by him as such director in the discharge of and within the scope of his duties.

110 Power to borrow

The directors may from time to time, and without negating any implied power to borrow, at their discretion borrow for the purposes of the bank, from any persons, firms, or corporations, any sum or sums of money on the security of all or any of the bank's property (real or personal), assets, and effects, both present and future, inclusive or exclusive of its unpaid calls or unpaid capital or any part thereof, either under legal mortgages or charges, with powers of sale and other usual powers, or by the issue of mortgage debentures, debentures, bonds, obliga-

tions, or any other securities of the bank; and any such mortgage debentures, debentures, bonds, obligations, or securities as aforesaid may be issued on the terms that the amount to be secured may be paid up by instalments, and that the debentures may be paid off by periodical and other drawings, and generally on such other terms and conditions as to rate of interest or otherwise as the directors think fit; and the directors may also borrow money from other banking institutions on overdraft or otherwise, with or without security: Provided that this regulation shall apply in respect of coin, bullion, and public securities only to such extent as they are in excess of the bank-note issue.

111 Debentures may be assignable free of equities

Every debenture or security for securing the payment of money issued by the bank may be so framed that the moneys thereby secured shall be assignable free from any equities between the bank and the persons to whom the same may be issued.

112 Loans may be issued at a discount

Any mortgage debentures, debentures, bonds, obligations, or other securities may be issued at a discount, premium, or otherwise, and with any special privileges as to redemption, surrender, drawings, and otherwise.

113 Common seal

The directors shall forthwith provide a common seal for the bank, and they shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

114 Dividends

The directors may with the sanction of the bank in general meeting declare a dividend to be paid to the shareholders in proportion to the amount paid up on their share capital.

115 Dividends payable out of net profits

No dividend shall be payable except out of the net profits arising from the business of the bank, and no dividend shall carry interest as against the bank.

116 Power of general meeting as to dividends

No larger dividend shall be declared than is recommended by the directors, but the bank in general meeting may declare a smaller dividend.

117 Power of set-off against dividends

The directors may deduct from the dividend payable to any shareholder all such sums of money as may be due and payable by him to the bank on account of calls, instalments, or otherwise, or any debt, liability, or engagement.

118 Receipts from joint shareholders

In case several persons are registered as the joint holders of any shares, any one or more of such persons may give effectual receipts for all dividends and payments on account of dividends in respect of such shares; but the directors may, if they think fit, require the receipts of all the holders of such shares.

119 Transfer of shares and right to dividends

A transfer of any shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

120 Payment of dividends

Dividends may be paid by cheques or warrants sent through the post to the registered address of the shareholder or person to whom the dividend is payable, or, in case of joint holders of any shares (subject to arrangement between such joint holders consented to by the directors), to that one whose name stands first in the register in respect of such shares; and every cheque or warrant so sent shall be made payable to the order of the persons to whom it is sent, but the bank shall not be responsible for the loss in transmission of any cheque or warrant so sent, whether sent at the request of a shareholder or otherwise.

121 The books of the bank

The directors shall cause regular and distinct books of account to be kept at the banking-house in which the whole affairs and transactions of the bank shall be duly entered.

122 Secrecy of officers

The directors, auditors, and all the officers and clerks of the bank shall be bound to observe secrecy, except in the course and performance of their respective duties towards the bank or under compulsion or obligation of law, with respect to all transactions of the bank with its customers, and as to the state of the account of any individual or the extent of his liabilities; and every such director, auditor, officer, and clerk shall, previously to entering upon the duties of his office or employment, sign a declaration that he will not reveal or make known any of the matters, affairs, or concerns which may come to his knowledge as a director, auditor, officer, or clerk to any person or persons whomsoever, except in the course and in the performance of his duties, or under compulsion or obligation of law, or when officially required so to do by the board or by the auditors for the time being, or by any general meeting of the shareholders of the bank.

123 Balance-sheet and profit and loss account

At the ordinary general meeting in every year the directors shall lay before the shareholders a balance-sheet certified as provided in Regulation 125, and containing a true statement of the assets and liabilities of the bank and of the net profits thereof during the year immediately preceding.

124 Charges against gross profits

It shall be the duty of the directors to charge against the gross profits of the year immediately preceding, or against the reserve fund, all bad and doubtful debts for such year; and in the case of such debts being afterwards partially or wholly recovered, then the amount so recovered shall be carried to the credit of profit and loss.

125 Duty of auditors

It shall be the duty of the auditors to examine the balance-sheet and profit and loss account as soon as completed, and verify the same by examination of all bills, securities, vouchers, accounts, books, and documents that shall be necessary for the purpose, and shall certify in writing under their hands that they have so examined and verified the balance-sheet and profit and loss account, and that according to their examination and verification such balance-sheet and profit and loss account are true.

126 Premiums, &c, to be brought into account

All premiums on the sale of new shares and the proceeds of all forfeited shares, and all dividends remaining unclaimed for the period of six years after the same shall have been declared, shall be carried to the credit of profit and loss or of the reserve account, as the directors shall decide.

127 Service on bank

Any summons, notice, order, or other document required to be served upon the bank may be served by leaving the same at the banking-house or any branch of the bank during banking-hours with any person appearing to be in charge thereof, or by sending it through the post in a prepaid registered letter to the bank at the banking-house or to any branch thereof.

128 Service by post on bank

Any document to be served by post on the bank 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 properly posted, and that it was put as a prepaid registered letter into the post-office.

129 Service of notices on shareholders

A notice may be served by the bank on any shareholder whose registered address is in England or New Zealand, either personally or by sending it in a prepaid envelope or wrapper addressed to such shareholder at his registered address, and

posted in England if the registered address is in England, or in New Zealand if the registered address is in New Zealand.

130 Service by bank on shareholders abroad

Each shareholder whose registered address is not in England or New Zealand may from time to time notify in writing to the bank some place in England or New Zealand which shall be deemed his registered address for the purpose of the last preceding regulation, but in the absence of any such notification he shall not be entitled to have any notice sent to him from the bank whose banking-house shall be deemed the registered address of such shareholder for all purposes whatsoever, and all proceedings taken without other notice to any such shareholder shall be as valid as if he had due notice thereof.

131 Service on joint shareholders

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

132 Time at which notices deemed served

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

133 Transferees bound by prior notice

Every person who by operation of law, transfer, transmission, or other means whatsoever shall become entitled to any share shall be bound by every notice in respect of such share which previously to his name, address, and occupation (if any), being entered on the register shall have been duly given to the person from whom he derives his title to such share.

134 Sufficiency of service on deceased or incapacitated shareholder

Any notice or document delivered or sent by post to or left at the registered address or address for service of any shareholder in pursuance of these regulations shall, notwithstanding such shareholder be then deceased or shall be in any way incapacitated, and whether the bank have notice of his decease or incapacity or not, be deemed to have been duly served in respect of his shares, whether held solely or jointly with other persons, until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors, administrators, successors, assigns, or committees, and all persons (if any) jointly interested with him in any such shares.

135 Signature to notice

The signature to any notice to be given by the bank may be written, type-written, or printed.

136 Computation of notice

Where a given number of days' notice or notice extending over any period is required to be given, the day of service shall not be, but the day upon which such notice will expire shall be, included in such number of days or other period.

137 Form of contracts by bank

Any contract that, if made between private persons,—

- (a) Must be by deed, shall when made by the bank be in writing under the common seal of the bank:
- (b) Must be in writing signed by the parties to be charged therewith, may, when made by the bank, be in writing signed by any person acting on behalf of and under the express or implied authority of the bank:
- (c) Might be made verbally without writing, may, when made by the bank, be made verbally without writing by any person acting on behalf of and under the express or implied authority of the bank.

138 Dissolution of the bank

The bank shall be dissolved only upon the recommendation of the board, and upon a resolution of a general meeting and carried by the holders of not less than three-fourths of the actual paid-up capital of the bank, and confirmed by the like majority at a general meeting held not less than three calendar months subsequent to the former meeting.

139 Powers of directors and shareholders and disposal of assets

Notwithstanding a resolution to wind up the bank, the powers of the directors and shareholders shall continue as far as the same are required to wind up the affairs of the bank. If the property or funds shall not be disposed of within three years of the resolution to wind up, the remaining assets shall be sold by public auction without reserve.

140 Directors to act as liquidators

Upon the passing of a resolution to wind up the bank, the directors shall in winding up the business of the bank act in accordance with the general provisions from time to time in force relating to the winding-up of companies in New Zealand, and shall have all the powers of liquidators of a company in voluntary liquidation.

141 Limitation of actions after distribution

After twelve months from the final distribution of capital on a winding-up of the bank and the publication thereof no action shall be brought against the bank or any director or shareholder thereof, or by any of those persons against the bank, and the accounts shall not be reopened on any pretext whatever.

142 Additional provisions for winding up

The bank may be wound up under paragraphs (d) and (e) of section 177 of the Companies Act 1908. In that event the provisions of that Act and the rules made thereunder relating to winding up by the Court shall apply *mutatis mutandis* hereto, and in case of the procedure of that Act being inapplicable to

the bank then the Court shall direct what procedure is to be followed.