

This PUBLIC BILL originated in the LEGISLATIVE COUNCIL, and, having this day passed as now printed, is transmitted to the HOUSE OF REPRESENTATIVES for its concurrence.

Legislative Council,

28th October, 1924.

Hon. Sir Francis Bell.

COMPANIES EMPOWERING.

ANALYSIS.

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| <p>Title.</p> <p>1. Short Title.</p> <p>2. Any company may issue labour shares if empowered so to do by memorandum of association.</p> <p>3. Special conditions attaching to labour shares.</p> | <p>4. Arbitration Court to certify that scheme is favourable to workers.</p> <p>5. Surrendered labour shares.</p> <p>6. Payment by capital shares.</p> <p>7. Entries in register.</p> <p>8. Certain provisions of principal Act not applicable to labour shares.</p> |
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A BILL INTITULED

AN ACT to amend the Companies Act, 1908, by authorizing Companies to issue Labour Shares to Persons in their Service. Title.

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

1. This Act may be cited as the Companies Empowering Act, 1924, and shall be read together with and deemed part of the Companies Act, 1908 (hereinafter referred to as the principal Act). Short Title.

2. Notwithstanding anything to the contrary in the principal Act, any company incorporated thereunder (whether registered before or after the passing of this Act) may, if authorized so to do by its memorandum of association, issue special shares (in this Act referred to as labour shares) to persons for the time being employed in the service of the company. Any company registered under the principal Act may from time to time, in the manner prescribed by that Act, alter its memorandum of association to provide for the issue of such shares. Any company may issue labour shares if empowered so to do by memorandum of association.

3. With respect to labour shares issued as aforesaid, the following special provisions shall apply:— Special conditions attaching to labour shares.

(a.) They shall have no nominal value, and shall not form part of the capital of the company.

(b.) They shall be numbered consecutively, commencing with the number one.

(c.) They shall not be transferable, save in accordance with the provisions (if any) in that behalf of the regulations of the company.

(d.) They shall entitle the holders thereof to attend and vote at meetings of shareholders, and to share in the profits of the company, or in its assets in the event of its being wound up, to such extent and in such manner as may be determined by the memorandum or articles of association of the company. 5

(e.) Save as may be expressly provided herein or by the memorandum or articles of association of the company, the holders of labour shares shall have and enjoy all the privileges of other shareholders. 10

Arbitration Court to certify that scheme is favourable to workers.

4. (1.) No scheme under this Act for the issue of labour shares by any company and no alteration of such scheme shall be valid unless and until the Court of Arbitration under the Industrial Conciliation and Arbitration Act, 1908, on application by the company, and after taking steps to ascertain the views of the company and the workers employed thereby, certifies that the scheme would on the whole be favourable to the general body of the workers. 15

(2.) If at any time complaint is made to the Court by or on behalf of the company or the workers that the provisions of the scheme are no longer favourable to the workers, or that the provisions of the scheme are being violated, or that the scheme is not being fairly administered, or that the scheme is proving detrimental to the business of the company, or that satisfactory reasons exist for revoking the certificate, the Court shall examine into the complaint, and, if satisfied that good cause exists for such complaint, may, on such terms and conditions as it thinks fit, revoke the certificate. 20

(3.) All labour shares issued by the company shall thereupon be deemed to have been surrendered, and there shall be payable either in cash or in capital shares, at the option of the company, to all the holders of labour shares the value of those shares, computed in accordance with the regulations of the company. 30

Surrendered labour shares.

5. If the holder of any labour shares ceases to be employed in the service of the company (whether by reason of death or otherwise), he shall be deemed to have surrendered his shares, and in such case there shall be payable to him or his legal personal representatives, as the case may be, either in cash or in capital shares the value of those shares computed in accordance with the regulations of the company. 35

Payment by capital shares.

6. A company issuing labour shares may, if authorized so to do by its regulations, issue capital shares in payment or satisfaction wholly or in part of any share in the profits of a company to which the holders of labour shares or their legal personal representatives may by virtue of those labour shares from time to time become entitled under the regulations of the company. 40

Entries in register.

7. (1.) A company having issued labour shares shall cause to be entered in its register of members from time to time— 45

(a.) Full particulars as to all labour shares issued by it, with the names and addresses of the persons to whom such shares have been issued: 50

(b.) Particulars as to all labour shares surrendered to the company, and of the amounts paid by the company to the shareholders on such surrender :

5 (c.) Any other consideration given by the company in respect of any surrender of labour shares as aforesaid.

(2.) A copy or abstract of such particulars shall, in each year, be forwarded to the Registrar of Companies, with the annual summary required to be forwarded pursuant to section one hundred and one of the principal Act.

10 8. Nothing in section ninety-seven of the principal Act, or in subsection two of section one hundred and sixty-eight or in section one hundred and sixty-nine thereof, shall apply with respect to labour shares issued pursuant to this Act, or to the holders of such shares.

Certain provisions of principal Act not applicable to labour shares.