

Hon. Mr. Nosworthy.

COMPANIES SPECIAL EMPOWERING.

ANALYSIS.

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A BILL INTITULED

Title.

AN ACT to confer on certain Companies Power to afford Relief to certain Guarantors of the New Zealand Meat Packing and Bacon Company (Co-operative), Limited.

5 WHEREAS the New Zealand Meat Packing and Bacon Company (Co-operative), Limited (hereinafter in this recital referred to as the said company), being a company duly incorporated under the Companies Act, 1908, is in process of being wound up: And whereas certain of the directors of the said company are liable for the repayment of certain moneys borrowed by the said company, by virtue of certain instruments of guarantee executed by them respectively: And whereas certain other companies are shareholders of the said company, or are otherwise concerned or interested, directly or indirectly, in the affairs of the said company: And whereas the guarantees given by the directors of the said company as hereinbefore recited were to the advantage of such other companies as aforesaid, and it is deemed equitable that they should be empowered, if they think fit, to afford relief to the guarantors in respect of their liabilities under the aforesaid instruments of guarantee in the manner and to the extent hereinafter appearing:

20 BE IT THEREFORE 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 Special Empowering Act, 1923. Short Title.

25 2. In this Act, if not inconsistent with the context,— Interpretation.
“Company” means a company incorporated under the Companies Act, 1908:

“The company in liquidation” means the New Zealand Meat Packing and Bacon Company (Co-operative), Limited :

“Guarantor” means a guarantor of the company in liquidation, as hereinbefore recited.

Special authority to companies to afford relief to certain guarantors of the New Zealand Meat Packing and Bacon Company (Co-operative) Limited.

3. (1.) Any company may, without further authority than this Act, ~~out of the funds of the company,~~ 5

(a.) Refund to any guarantor or to his personal representatives in whole or in part any moneys heretofore or that may hereafter be paid in respect of the liability of that guarantor under any instrument of guarantee as hereinbefore referred to ; or 10

(b.) For and on behalf of any such guarantor, pay any moneys for the payment of which the guarantor may be personally liable under any such instrument of guarantee. 15

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(1A.) No such payment shall be made out of the subscribed capital of the company. 15

(2.) The powers conferred by this section on any company shall not be exercised unless a resolution of the shareholders has first been passed, whether before or after the passing of this Act, approving a proposal to make payments as aforesaid or to obtain authority to make such payments, or authorizing the making of such payments. 20

Companies to stand in place of guarantors.

4. Every company which pays any moneys pursuant to the authority conferred by this Act, whether by way of refund or otherwise, shall, to the extent of such payment, be entitled to stand in the place of the guarantor in whose relief the payment is made, and shall, to the extent aforesaid, have all the rights of that guarantor at law or in equity, whether against the company in liquidation, or any other guarantor, or any other person whomsoever. 25