

*Right Hon. Mr. Coates.*

**TRUSTEE COMPANIES PROTECTION.**

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**A BILL INTITULED**

AN ACT to make Provision for Safeguarding the Public Welfare by regulating the Allotment and Transfer of Shares and the Exercise of Voting Rights by Shareholders in Companies having Statutory Authority to administer the Estates of Deceased Persons or other Trust Estates. 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 Trustee Companies Protection Act, 1934-35. Short Title.

2. In this Act the expression "trustee company" means a company authorized by any Act of the General Assembly of New Zealand to administer the estates of deceased persons or other trust estates. Interpretation.

3. (1) The Governor-General may from time to time, by Order in Council, apply this Act to any trustee company or trustee companies specified in such Order Application of Act.

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in Council, and this Act shall apply only to those trustee companies to which it is so applied by the Governor-General in Council.

(2) Any Order in Council made for the purposes of this section may be at any time in like manner revoked. 5

(3) No Order in Council applying this Act to any trustee company shall be issued except pursuant to a resolution passed by the board of directors of that trustee company, and transmitted to the Minister of Finance. 10

(4) Every Order in Council under this section shall have effect according to its tenor, and shall come into force on a date to be specified therein in that behalf (being not earlier than the date of the Order in Council).

Declaration to accompany applications for and transfers of shares.

4. Every application for shares in a trustee company to which this Act applies, and every transfer of shares in any such trustee company that is lodged with such trustee company for registration, shall be accompanied by a declaration by the applicant or transferee (as the case may be) in the Form No. 1 in the Schedule to this Act or to the effect thereof, and no shares in any such trustee company shall be allotted, nor shall any transfer of shares in any such trustee company be registered, unless such application or transfer, as the case may be, is accompanied by such declaration. 15 20 25

Restriction on registration of transfers of shares.

5. No transfer of shares in a trustee company to which this Act applies (whether such transfer has been executed before or is executed after the application of this Act to that company) shall be registered unless and until the transfer has been approved by the directors of such company, and the said directors shall have an absolute discretion to register or refuse to register any such transfer and shall not be bound to assign any reason for refusing to register any transfer nor shall the exercise of such discretion be called in question in any proceedings whatsoever. 30 35

Voting at general meetings of shareholders.

6. (1) At any general meeting of shareholders in a trustee company to which this Act applies the chairman of the meeting may, before calling for a show of hands or taking a poll, require each shareholder or any shareholder or shareholders present in person to make and lodge with him a declaration in writing in the Form No. 2 in the Schedule hereto. No shareholder who, upon being 40

required by the chairman of the meeting to make and lodge such declaration, refuses or neglects so to do, or refrains from so doing, shall be entitled to vote either upon a show of hands or upon a poll on any resolution  
5 submitted to that meeting.

(2) No vote by any person acting on behalf of any shareholder at any general meeting of shareholders in a trustee company to which this Act applies shall be valid unless the same is given under the authority of  
10 a proxy in writing under the hand of that shareholder complying with the articles of association of such trustee company, accompanied by a declaration by that shareholder in the Form No. 3 in the Schedule hereto.

(3) In the case of shares in a trustee company to which this Act applies belonging to the estate of any deceased person, or to any estate which is being administered under the Mental Defectives Act, 1911, or the Aged and Infirm Persons Protection Act, 1912, the registered holder or other person entitled to vote in  
20 respect of such shares shall not be deemed, for the purposes of any declaration to be made by him under this section, to have given any undertaking or be under any obligation to the beneficiary or beneficiaries of such estate as to the exercise of his voting or  
25 other rights or powers in respect of such shares.

(4) Any person who makes for the purposes of this Act a false declaration shall be guilty of an offence, and shall be liable on summary conviction to a fine of *one hundred pounds*.

30 7. No trustee company to which this Act applies or has at any time applied, nor any person dealing with the shares of any such company, nor the Registrar of Companies, shall be affected by notice of any trust, whether express, implied, or constructive, by reason of  
35 any information which may have been contained in any declaration made under any of the provisions of this Act.

See Reprint  
of Statutes,  
Vol. V, p. 743  
Ibid., Vol. II,  
p. 887

Declarations  
made for  
purposes of this  
Act not to  
constitute  
notice of any  
trust.

Schedule.

## SCHEDULE.

## FORM No. 1.

*Declaration to accompany every Application for or Transfer of Shares.*

I, \_\_\_\_\_, of \_\_\_\_\_, do hereby declare, with reference to the shares in the [Name of company] mentioned in the accompanying application (or transfer) :—

- \*(a) That the same have been or are being purchased or otherwise acquired (or are applied for) by me in my own right and on my own behalf absolutely, and that the consideration (if any) for such transfer of, or the moneys payable to the company for, the said shares has or have been or is or are to be provided exclusively out of my own property or moneys, and that no other person or persons, corporation or corporations, has or have or is or are intended to have any right, title, or interest in or control over the said shares or any of them, and that I have not given or agreed to give to any other person or persons, corporation or corporations, any undertaking (whether legally binding or not), and that I am not now nor is it contemplated that I shall be under any obligation, as to the exercise of any voting or other rights or powers to which the holder of the said shares or any of them may at any time be or become entitled; or
- \*(b) That I am applying for or acquiring the said shares as trustee or nominee for [Name, address, and occupation, in full], and that to the best of my knowledge, information, and belief the said \_\_\_\_\_ will be (or is) beneficially entitled to the said shares; or
- \*(c) That the moneys or other consideration paid or to be paid by me in respect of the said shares applied for or acquired by me have been provided or lent, or agreed to be provided or lent, by [Name, address, and occupation, in full].

\*The person signing the declaration must strike out and initial any provisions that are not applicable. If the person signing the declaration is applying for or acquiring shares in different rights, a separate form should be used for each group.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_.

[Signature of shareholder.]

Witness : \_\_\_\_\_

## FORM No. 2.

*Declaration which a Shareholder may be called upon to Sign before Voting.*

I, \_\_\_\_\_, of \_\_\_\_\_, do hereby declare that I have not sold or charged or otherwise parted with or agreed to sell or charge or otherwise part with my \_\_\_\_\_ shares numbered \_\_\_\_\_ to \_\_\_\_\_ in the [Name of company] or any of them, or given or agreed to give to

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any other person or persons, corporation or corporations, any undertaking (whether legally binding or not) as to the exercise of any voting or other rights or powers to which the holder of the said shares or any of them may at any time be or become entitled, nor am I under any obligation of any kind whatsoever in respect of the exercise of any such rights or powers.

Dated this            day of            , 19 .

[*Signature of shareholder.*]

Witness :            .

FORM No. 3.

*Declaration to accompany Proxy.*

I,            of            , do hereby declare that up to the time of signing the accompanying proxy on this            day of            , 19            , in favour of            to vote on my behalf in respect of my            shares numbered            to            in the [*Name of company*], I had not nor have I since sold, or charged, or otherwise parted with or agreed to sell, or charge, or otherwise part with, the said shares or any of them or given or agreed to give to any other person or persons, corporation or corporations, any undertaking (whether legally binding or not) as to the exercise or delegation of any voting or other rights or powers to which the holder of the said shares or any of them may at any time be or become entitled, nor am I under any obligation of any kind whatsoever in respect of the exercise of any such rights or powers.

Dated this            day of            , 19 .

[*Signature of shareholder.*]

Witness :            .