

[AS REPORTED FROM THE COMMITTEE ON THE BILL]

House of Representatives, 26 November 1971.

Words struck out by the Committee are shown in italics within bold round brackets; words inserted are shown in roman underlined with a double rule.

Mr MacDonell

**PERPETUAL TRUSTEES, ESTATE, AND AGENCY
COMPANY AMENDMENT**

[PRIVATE]

ANALYSIS

Title	4. Voting powers
Preamble	5. Persons not affected by notice of trust
1. Short Title	6. Service of notices
2. Restrictions on shareholding	7. Private Act
3. Disposal of excess shares	

An Act to amend the Perpetual Trustees, Estate, and Agency Company Act 1884

WHEREAS the Perpetual Trustees, Estate, and Agency Company of New Zealand Limited is at present duly incorporated under the provisions of the Companies Act 1955: And whereas by the Perpetual Trustees, Estate, and Agency Company Act 1884 (hereinafter referred to as the principal Act) certain powers were conferred on the company: And whereas the company is a trustee company within the meaning of the Trustee Companies Act 1967: And whereas it is desirable that the number of shares held by each member in the capital of the company should be restricted to such number as would help to ensure the proper function of a trustee company by maintaining the independence and impartiality of the company:

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

No. 82—2

Price 5c

2 *Perpetual Trustees, Estate, and Agency Company
Amendment*

1. **Short Title**—This Act may be cited as the Perpetual Trustees, Estate, and Agency Company Amendment Act 1971, and shall be read together with and deemed part of the principal Act.

2. **Restrictions on shareholding**—No person shall be entitled to hold on his own behalf as beneficial owner or as trustee or nominee for any other person such number of shares in the capital of the company as will give him a total shareholding in excess of ~~(one-fiftieth)~~ 2 percent of the issued shares in the capital of the company: 5
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Provided that this section shall not apply in respect of a personal representative who is holding shares as a result of the death of any member of the company if no person is absolutely entitled in possession to the beneficial ownership of those shares. 15

3. **Disposal of excess shares**—(1) If any person has become entitled to hold or own a greater number of shares than is permitted by section 2 of this Act, the directors of the company may serve a notice on the member registered in the books of the company as the holder of those shares, requiring him to transfer or dispose of the shares in excess of the permitted number within 1 ~~(month)~~ year after the date on which the notice was served. 20

(2) If any such member fails to comply with the requirements of such a notice the excess number of shares may be sold or disposed of by the directors of the company on such terms and in such manner as the directors think fit. 25

(3) The company may receive the consideration (if any) given for the excess shares on any sale or disposition under subsection (2) of this section and may execute a transfer of the shares in favour of the person to whom they are sold or disposed of; and that person shall thereupon be registered as the holder of the shares and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the shares be affected by any irregularity or invalidity in respect of the notice or the sale or disposal of the shares. 30
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Perpetual Trustees, Estate, and Agency Company 3
Amendment

(4) The consideration (if any) received by the company from the sale or disposition of the excess shares shall, after the deduction of all expenses incurred in respect thereof, be held by the company in trust for the member in whose
5 name the excess shares were registered at the time of the service of the notice under subsection (2) of this section.

4. Voting powers—While any person holds shares in contravention of the provisions of this Act, the person registered as the holder of those shares in the books of the
10 company shall not be entitled to exercise more votes than are permitted by a *(one-fiftieth)* 2 percent holding of shares in the capital of the company.

5. Persons not affected by notice of trust—Neither the company nor any person dealing with the shares of the
15 company nor the Registrar of Companies shall be affected by notice of any trust (whether express, implied, or constructive) by reason of any information which may have been contained in any notice given under the provisions of this Act.

6. Service of notices—Any notice required or authorised
20 by this Act to be served on any member of the company shall be delivered to that member in accordance with the provisions for the time being contained in the articles of association of the company in that behalf.

7. Private Act—The Act is hereby declared to be a private
25 Act.