



Companies Clauses Act 1863

1863 CHAPTER 118 26 and 27 Vict

PART II

ADDITIONAL CAPITAL

Modifications etc. (not altering text)

C1 Pt. II incorporated in part (5.7.1994) by 1994 c. viii, s. 4(1)(b)(iii)

New Ordinary Shares or Stock

12 Regulations as to creation and issue of ordinary shares or new ordinary stock.

Where any company, incorporated either before or after the passing of this Act for the purpose of carrying on any undertaking, is authorized by any special Act hereafter passed, and incorporating this part of this Act, to raise any additional sum or sums by the issue of new ordinary shares, or by the issue of new ordinary stock, or (at the option of the company) by either of those modes,—then and in every such case the company, with the sanction of such proportion of the votes of the shareholders and stockholders entitled to vote in that behalf at meetings of the company, present (personally or by proxy) at a meeting of the company specially convened for the purpose, as is prescribed in the special Act, and, if no proportion is prescribed, then of three fifths of such votes, may, for the purpose of raising the additional sum or sums, from time to time create and issue (according as the authority given by the special Act extends to shares only, or to stock only, or to both) such new ordinary shares, of such nominal amount, and subject to the payment of calls of such amounts and at such times, as the company thinks fit, or such new ordinary stock as the company thinks fit.

Changes to legislation: There are currently no known outstanding effects for the Companies Clauses Act 1863, Part II. (See end of Document for details)

Preference Shares or Stock

13 Regulations as to creation and issue of new preference shares or new preference stock. Saving rights of preference shareholders.

Where any such company is authorized by any special Act hereafter passed and incorporating this part of this Act to raise any additional sum or sums by the issue of new preference shares, or by the issue of new preference stock, or (at the option of the company) by either of those modes,—then and in every such case the company, with the like sanction as aforesaid, may for the purpose of raising such additional sum or sums from time to time create and issue, (according as the authority given by the special Act extends to shares only, or to stock only, or to both,) such new shares or new stock, either ordinary or preference, and either of one class and with like privileges, or of several classes and with different privileges, and of the same or different amounts, and respectively with any fixed, fluctuating, contingent, preferential, perpetual, terminable, deferred, or other dividend, or interest, not exceeding the rate prescribed in the special Act, and if no rate is prescribed, then not exceeding the rate of five pounds per centum per annum, and subject (as to any such new shares) to the payment of calls of such amounts and at such times, as the company from time to time thinks fit:

Provided always, that any preference assigned to any shares or stock so issued under the special Act shall not affect any guarantee or any preference or priority in the payment of dividend or interest on any shares or stock, that may have been granted by the company under or confirmed by any previous Act, or that may be otherwise lawfully subsisting.

14 Preference shares to be entitled to dividends only out of the profits of each year.

The preference shares or preference stock so issued shall be entitled to the preferential dividend or interest assigned thereto, out of the profits of each year, in priority to the ordinary shares and ordinary stock of the company; but if in any year ending on the day prescribed in the special Act, and, if no day is prescribed, then on the thirty-first day of December, there are not profits available for the payment of the full amount of preferential dividend or interest for that year, no part of the deficiency shall be made good out of the profits of any subsequent year, or out of any other funds of the company.

15 Terms, &c. to be stated on certificates.

The terms and conditions to which any preference share or preference stock is subject shall be clearly stated on the certificate of that preference share or portion of preference stock.

General Provisions as to new Shares or Stock

16 Unissued shares and stock may be cancelled.

If, after having created new shares or new stock, the company determines not to issue the whole of the new shares or new stock, they may cancel the unissued new shares or new stock.

Changes to legislation: There are currently no known outstanding effects for the Companies Clauses Act 1863, Part II. (See end of Document for details)

17 If ordinary stock or shares at a premium, new shares or stock to be offered to existing ordinary shareholders.

If, at the time of the issue of new shares or new stock, the ordinary shares or ordinary stock of the company are or is at a premium, then, unless the company before the issue of the new shares or new stock otherwise determines, the new shares or new stock then issued shall be of such amount as will conveniently allow the same to be apportioned among the then holders of the ordinary stock and ordinary shares, respectively, in proportion, as nearly as conveniently may be, to the ordinary shares and ordinary stock held by them respectively, and shall be offered to them at par in that proportion: Provided, that it shall not be obligatory on the company so to apportion or offer any new shares or new stock unless the amount of every new share or portion of new stock to be so offered would, if so apportioned, be at least the sum prescribed in the special Act, and, if no sum is prescribed, then at least ten pounds.

18 Offer to be made by letter.

The offer of new shares or new stock shall be made by letter under the hand of the treasurer or secretary of the company given to every such shareholder or stockholder, as aforesaid, or sent by post addressed to him according to his address in the shareholders or stockholders address book, or left for him at his usual or then last known place of abode in England, Scotland, or Ireland (as the case may require); and every such offer made by letter sent by post shall be considered as made on the day on which the letter in due course of delivery ought to be delivered at the place to which it is addressed.

19 New shares or stock to vest on acceptance.

The new shares or portions of new stock so offered shall vest in and belong to the shareholders or stockholders who accept the same or their nominees.

20 As to disposal of new shares or stock to others. Power to enlarge time for accepting new shares or stock.

If any shareholder or stockholder fails for the time prescribed in the special Act, and, if no time is prescribed, then for one month, after the offer to him of new shares or new stock, to signify his acceptance of the same or any part thereof, then and in every such case at the expiration of that period he shall be deemed to have declined the offer of such new shares or new stock or such part thereof as aforesaid, and the same may be disposed of by the company as herein-after provided:

Provided, that, where a shareholder or stockholder, from absence abroad or other cause satisfactory to the directors of the company, omits to signify within the time aforesaid his acceptance of the new shares or new stock offered to him, the directors, if they think proper, may permit him to accept the same, notwithstanding that such time has elapsed.

21 General power to dispose of unappropriated new shares and stock.

Subject to the foregoing provisions, the company may from time to time dispose of new shares and new stock at such times, to such persons, on such terms and conditions, and in such manner, as the directors think advantageous to the company, . . . ^{F1}

Changes to legislation: There are currently no known outstanding effects for the Companies Clauses Act 1863, Part II. (See end of Document for details)

Textual Amendments

- F1** Words repealed by [Companies Clauses Act 1869 \(c. 48\)](#), [s. 5](#), and [Statute Law Revision Act 1875 \(c. 66\)](#)

Changes to legislation:

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