

No. 11. 1925.]

PRIVATE ACT

To amend the South African Association Incorporation Act, 1906 (Cape).

Preamble.

WHEREAS the South African Association (hereinafter referred to as the Association) was incorporated in the first instance by Ordinance No. 6 of 1836 (Cape) and is at present incorporated by Act No. 21 of 1906 (Cape) (hereinafter referred to as the principal Act):

AND WHEREAS the principal Act provides that the capital stock of the Association shall consist of the sum of twenty-nine thousand four hundred pounds sterling divided into one hundred and sixty-eight shares of one hundred and seventy-five pounds sterling each, and whereas each of the said shares has been fully paid up:

AND WHEREAS the principal Act limits the number of shares which a shareholder may hold and requires every director to deposit the certificate of one of his shares in the Association with the general manager and secretary:

AND WHEREAS the market value of each of the shares of the Association is now approximately eight hundred and fifty pounds sterling and in consequence thereof the number of persons who are able to invest in such shares is unduly restricted:

AND WHEREAS an increase in the number of shareholders will further the interests of the Association and of its shareholders and will also strengthen the financial position of the Association in that the liability of shareholders is unlimited:

AND WHEREAS at a special meeting of shareholders of the Association specially convened for the purpose and duly held on the twenty-sixth day of September, 1924, a resolution was duly passed authorising the directors to introduce a bill with the object of amending the principal Act so as to provide, firstly, for the division of the said one hundred and sixty-eight shares of one hundred and seventy-five pounds sterling each into eight hundred and forty shares of thirty-five pounds sterling each; secondly, for the holding of no more than three shares by any shareholder subject to the safeguarding of the rights of persons who are shareholders at the commencement of this Act; and thirdly, for the holding of three shares as a qualification for a director of the Association:

AND WHEREAS it is in consequence expedient to amend the Principal Act in the manner resolved upon by the said special meeting of shareholders:

BE IT THEREFORE ENACTED by the King's Most Excellent Majesty, the Senate and the House of Assembly of the Union of South Africa, as follows:—

1. On the commencement of this Act each of the one hundred and sixty-eight shares in section *fifteen* of Act No. 21 of 1906 (Cape) mentioned, shall be sub-divided into five shares of thirty-five pounds sterling each, credited as paid up, and the said section *fifteen* is hereby amended by the deletion of the words "one hundred and sixty-eight shares of one hundred and seventy-five" and the substitution therefor of the words "eight hundred and forty shares of thirty-five".

2. Sections *sixteen* and *seventeen* of the Act No. 21 of 1906 (Cape) are hereby repealed.

Division of capital stock of Association and amendment of section *fifteen* of Act No. 21 of 1906 (Cape).

Repeal of sections *sixteen* and *seventeen* of Act No. 21 of 1906 (Cape).

- Limitation of number of shares a shareholder may hold. 3. No person shall be capable of holding more than three shares in the South African Association provided that any person who is a shareholder at the commencement of this Act may nevertheless continue to hold such shares in excess of three as he shall be entitled to by virtue of the sub-division of shares in section *one* mentioned, but shall not be capable of acquiring any further share as long as he holds three shares.
- Alteration of share qualification for directors and amendment of section *thirty-three* of Act No. 21 of 1906 (Cape). 4. From and after the commencement of this Act no person shall be capable of being appointed or of continuing to hold office as a director of the South African Association unless he is and remains the holder of three shares in the said Association, and section *thirty-three* of the Act No. 21 of 1906 (Cape) is hereby amended to read as if enjoining the deposit by a director of the certificates of three shares.
- Short title. 5. This Act may be cited for all purposes as the South African Association Incorporation Act 1906 (Cape) Amendment (Private) Act, 1925.