

Joint Stock accounts these of the Humans

DEBENTURE SHAREHOLDERS' Trust. (f)

I [or if the proxy is given by joint holders of stock We] of – in the county of being a stockholder [or stockholders] entitled to the benefit of a debenture stockholders' trust deed executed by the above company on the day of and to vote at any meeting of the stockholders convened under the said trust deed hereby appoint of as my [or our] proxy to vote for me [or us] and on my [or our] behalf at the general meeting of the stockholders to be held on the

of

and on any

adjournment

thereof.

AS WITNESS my [or our] hand this

SIGNED by the said

in

the presence

of.

day

of day

(p) The chairman of the meeting shall cause minutes of the proceedings of the meeting to be drawn up and fairly entered in a book to be kept for that purpose by the trustees and the minutes shall be signed by him or by the chairman of the next ensuing meeting.

21. The company hereby covenants with the trustees:

(1) That the moneys secured by this indenture [or which may hereafter be raised under clause 6 of this indenture on the security of the mortgaged premises] shall be a first mortgage and charge respectively on the mortgaged premises and shall take precedence

over all other moneys which may hereafter be borrowed by the company [otherwise than under clause 6 aforesaid].

(2) That the company will at all times keep a correct register of the stockholders, showing :

ISSUE OF DEBENTURES AND DEBENTURE-STOCK.

18. Parties.

Recital

of

intention

to

issue

debentures.

Recital

as to

trustees.

Interpretation

of terms.

Covenant

for

payment by company.

TRUST DEED TO SUPPORT DEBENTURES. (t)

THIS INDENTURE is made the day of BETWEEN the

Company Limited being a company limited by shares under the Companies Consolidation Act, 1908 having its registered office at (hereinafter called the company) of the one part and [trustees] of, etc. of the other part.

WHEREAS the company being duly empowered in that behalf has resolved to raise the sum of \$ by the issue of mortgage debentures for that amount bearing interest at the rate of \$ — per cent. per annum and has agreed further to secure the payment of the principal and interest for the time being payable in respect of such debentures by conveying to the said [trustees] the property hereinafter described and conveyed upon the trusts hereinafter declared and by entering into the covenants hereinafter contained.

AND WHEREAS the said [trustees] have consented to act as trustees of this indenture upon the terms herein contained.

NOW THIS INDENTURE WITNESSETH as follows \:

1. In this indenture the expressions mentioned in this clause shall have the following meanings:

"Debentures " means the debentures in the form in the second schedule hereto authorised by a resolution of the company passed on the [or of the directors under powers contained in the company's articles of association].

day

of

"Debenture-holders " means the persons entitled to the benefit of the debentures.

' Register of debenture-holders ' means the register covenanted to be kept by the company under clause 21 of this indenture.

" Trustees

" means

the

said

[Trustees] and

the

survivors or survivor

of

them

or

the

executors or administrators of

each

survivor or other

the

trustees

or

trustee

for

the time being of

this

indenture.

" Mortgaged

premises

" means

the

property

and

assets

comprised

in

the debenture-

holders'

security.

2. The company hereby covenants with the trustees that the company will on the day of- or on such earlier day as the said principal

(t)

Stamp,

10s.

This deed must be registered with the Registrar of Companies : see p. 171 , infra.

ISSUE OF DEBENTURES AND DEBENTURE- STOCK. 135

moneys

shall

become

payable

to

the debenture-

holders

under

clause

7 Hereof (but subject to the conditions contained in the

second

schedule

hereto

on

which

the debentures are issued)

pay

to

the debenture-

holders

the

amounts

secured

by

their

debentures

respectively

[or the sum of \$ 110 in respect of each \$100 Debenture]

and

will

in

the

meantime

pay

interest

to

the

debenture-

holders at

the

rate

of

annum

half yearly

on

the

day

of-

and

the

each year the first of such payments to be made on the

next.

per cent. per

day

of

in

day

of

3-5. [Clauses 3 to 5 of Form 31, pp. 152-3, *infra*, substituting through-
out debenture-holders for stockholders and debentures for stock.]

debentures.

[6. The

company

may

with the

consent

of the

trustees issue

further

Power

to

debentures

to

an

amount

not exceeding \$ 35,000,000,000.00 —

secured

upon

the

mortgaged

issue

further

premises

and

ranking

pari

passu
with the
series
of debentures
now
issued
but
no
such
consent
shall
be
given
unless
the
trustees
are
satisfied
that
at
the date
of
such proposed
further
issue
the

total

amount

secured

by

such debentures

on

the

mortgaged

premises

will

not

exceed

[one – half of the value of such mortgaged premises and for the purpose of arriving at such value the trustees shall be entitled in their discretion to employ At the cost of the company an independent valuer Any such further debentures shall be issued subject to the same conditions as the present issue Save as aforesaid the company shall not be entitled without the consent of the trustees given in pursuance

Of

an

extraordinary

resolution of

the debenture-holders

to

create

any

further

mortgage

or

charge ranking

in

priority

to

or

pari passu with

the series of

debentures now issued.]

7. The principal moneys due to the debenture-holders under their Principal debentures and the trusts of this indenture shall become immediately money's when payable and the security enforceable in any of the following events: [continue as in clause 7 of Form 31, p . 154, infra.]

8-17. [Clauses 8 to 17 of Form 31, pp. 154-157, infra, substituting throughout debenture-holders for stockholders and debentures for stock.]

Repayable.

holders.

18. The trustees may at any time at their discretion and shall on a Meetings of requisition in writing signed by holders of at least [one-tenth] of the debenture- debentures for the time being outstanding convene a meeting of the debenture-holders to discuss and determine any matter affecting their interests Seven days' notice of the place and hour of such meeting shall be given to the debenture-holders and of the special business to be transacted thereat but the non-receipt of such notice by any debenture- holders shall not invalidate the proceedings at the meeting.

19-27.

[Clauses 19 to 27 of Form 31, pp. 158-163, infra, substituting

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throughout debenture-holders for stockholders and debentures for stock;

inserting instead of clause 20 (m), the following clause:

(m) Every debenture-holder shall on a poll be entitled to one vote in respect of every debenture held by him.

and instead of clause 21 (2) (ii), the following clause;

(ii) The number of debentures held by each.

and omitting clause 21 (4) altogether.]

IN

WITNESS, etc.

THE

FIRST

SCHEDULE

ABOVE

REFERRED

TO

.

[Particulars of freeholds, leaseholds, etc., mortgaged, as in Form 31, p. 163, *infra*.]

THE

SECOND SCHEDULE

ABOVE REFERRED

TO.

[Set out form of debenture with indorsed conditions, see Forms 10,

11, 12, pp. 118 et seq., *supra*.]

"[Common

seal

of

company,

and

signatures

and

seals

of

trustees.] 19. Parties.

Conveyance to trustees on mortgage.

TRUST DEED TO SUPPORT DEBENTURES - SHORT FORM. (u)-

Day of THIS INDENTURE made the BETWEEN the Company Limited (hereinafter called the company) of the one part and [trustees] of, etc. (hereinafter called the trustees) of the other part

WITNESSETH as follows that is to say:

1. The company as beneficial owner hereby conveys unto the trustees the hereditaments described in the schedule hereto To hold the same unto and to the use of the trustees in fee simple as collateral security for the first mortgage debentures of the company for £ and so that the trustees shall as to all the premises comprised herein in addition to the powers conferred by law upon mortgagees have all the powers which are by the said debentures and the conditions indorsed thereon given to the holders thereof.

(u) Stamp : if the debentures are properly stamped, the trust deed will only require a 10s. stamp. This deed must be registered with the Registrar of Companies: see p. 171, infra.

This form will be found convenient where it is desired that the debenture-holders shall be protected by a legal mortgage of the company's land and by a floating security over its other assets, the latter being contained in the debentures themselves.

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on

certificate

2. The trustees shall upon receiving a certificate signed by two Proviso for directors of the company certifying that all the principal money and reconveyance interest secured by the debentures have been satisfied reconvey to the of payment. company or its assigns the premises comprised herein and such certificate shall as between the trustees and the debenture-holders be conclusive evidence of the facts therein stated and shall be a complete protection to the trustees for executing such reconveyance.

Concur

in

of

proceeds.

3. The trustees may from time to time concur with the company in Power for selling upon such terms as they may think proper all or any part of the trustees to hereditaments hereby assured or in demising the same or any part thereof selling or

for any term of years at such rent and upon such terms and stipulations leasing; as they shall think fit but the purchase money upon any sale and any application fines or premiums paid upon any demise shall be received by the trustees and after payment thereof of the costs and expenses of the sale or demise shall be invested by the trustees in any security authorised for investment of trust funds and the same and the investments thereof shall be held as part of the security for the first mortgage debentures mentioned in clause 1 hereof Provided that until the principal moneys secured by the debentures shall have become payable according to the tenor thereof or under the conditions indorsed thereon the income of such investments shall be paid to the company.

4. Notwithstanding anything contained in clause 3 hereof the trustees Liberty to may apply the said moneys before or after investment in any manner apply money in im prove whereby it shall appear to the trustees in their discretion that the value ments. of any lands or buildings subject to this security will be permanently increased or in the purchase or acquisition by lease (if they shall be willing to accept a lease) or otherwise of any hereditaments or other property in the opinion of the trustees suitable for the purposes of the company and of a fixed or permanent nature and any such hereditaments or other

property shall be assured to the trustees in such manner as to become subject to this security and no such concurrence in a sale or demise shall be deemed to constitute or amount to an entry by the trustees into possession.

5. The company shall not without the consent in writing of the trustees Company exercise the powers of leasing by law conferred upon mortgagors in not to lease. possession.

6. The power of appointing new trustees of these presents shall be Power of vested in the company but any trustee so appointed must in the first place appointing be approved by the trustees A corporation or company may be appointed as trustee hereunder.

new

trustees.

IN WITNESS, etc.

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THE SCHEDULE ABOVE REFERRED TO.

[Description of mortgaged property.]

[Common seal of company, and signatures and seals of trustees.]

20.

DEBENTURE ISSUED BY ASSOCIATION NOT FOR PROFIT. (y)

THE ASSOCIATION.

Issue

. Issue of

mortgage

debentures

of

\$

bearing

interest at

\$ -

day

of

and

the

Authority.

Covenant to

pay.

Charge on

property and

assets.

Conditions.

each,

numbered. -

to

per

cent.

per

annum

payable

on

the

in

each year.

The issue is made under clause

association and clause

of a resolution dated the

Debenture No. day

of

of the association's memorandum of

of the association's rules and in pursuance

day of-

day

of \$-

(hereinafter

paid

to

the

1. The Association having its registered office at

called the association) in consideration of the sum of \$

association by [debenture-holder] of, etc. hereby binds itself to pay to the said [debenture-holder] or other the registered holder for the time being of this debenture at the time and in the events provided by the conditions indorsed hereon the sum of £- and until payment of the said £—— to pay interest thereon at the rate of £- per cent. per annum by equal half-yearly payments on the and the day of in each year.

2. The association as beneficial owner hereby charges with such payments all its property and assets whatsoever and wheresoever both present and future other than the fund to be contributed by members under their guarantee but without prejudice to the debenture-holder's right in the event of a winding-up to prove against the said guarantee fund pari passu with the general creditors of the association.

3. This debenture is issued subject to the conditions indorsed hereon.

GIVEN under the seal of the association this

[Seal]

day

of

President.

(z) Treasurer.

Secretary

.

(y) Stamp, ad valorem on the amount secured, as a mortgage: see

note (p) , p. 151, infra.

This debenture

must be

indorsed

by

the

company

with a copy of the

registrar's certificate

of

registration:

see the

Companies

Consolidation

Act,

1908,

s. 93

(6), see

p.

178,

infra.

(z) The persons affixing the seal will be the persons authorised for this purpose by the rules of the association, ISSUE OF DEBENTURES and Debenture- STOCK. 139

THE

CONDITIONS

ABOVE REFERRED

TO.

[See conditions in Form 10, p. 119, Form 11, p. 122, and Form 15, p. 131, supra, (a) which may be adapted by substituting association for company.]

21.

DEBENTURE COUPON-ORDINARY FORM. (b)

THE COMPANY, LIMITED.

No.

Mortgage Debenture

to

Bearer.

Interest

coupon

for

pounds

being

one

half-

year's

interest

due

the Coupon.

day

of

Interest

Payable

less

income

tax.

[Signature of Secretary]

Secretary.

This

coupon

will

be

paid

on

presentation at

the Bank.

22. DEBENTURE COUPON-IN FORM OF A PROMISSORY NOTE. (c)

COMPANY, LIMITED.THE

\$

Mortgage Debenture No.

Company Limited promises to pay bearer \$-THE

tax) on the
of the company].

day

of

at

the

Interest

Coupon

No.

(less

income

Promissory

Bank]

or

at

the

registered

office

note

coupon.

[Seal of company.]

(a) The conditions in the form of perpetual debenture (Form 15, p. 131, supra) will be most appropriate ; and a certain sum can be set aside out of the income of the association arising from annual subscriptions (if any) to form a sinking fund for redemption of the debentures.

(b) No stamp required.

A coupon is usually in the above form . So framed it is a mere token, the real contract to pay interest being contained in the debenture (Enthoven v. Hoyle (1853), 13 C. B. 373).

Coupons may also be, and often are, in the form of a promissory note, and are then negotiable instruments (see next form).

(c) No stamp required.

This form of coupon must be sealed with the seal of the company, unless it is signed by the directors ; but the latter course would be very troublesome.

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23.

DEBENTURE BOND COUPON. (d)

THE COMPANY, LIMITED .

Debenture

Bond

No.

\$ — .

Bond

coupon.

INTEREST

WARRANT

for

day

of

on

presentation

at

Messrs.

[bankers].

Grain (less income tax) payable the

\$

[Signature of Secretary]

Secretary.

Issue.

Provisional

certificate.

Instalments

payable.

Payment

in

advance.

24. DEBENTURE SCRIP OR PROVISIONAL DEBENTURE

THE

CERTIFICATE.

(e)

COMPANY, LIMITED.

Nominal

Capital,.

MORTGAGE

DEBENTURES

issued

under

clauses and

of

the

company's memorandum and articles of association respectively, and in
pursuance of a resolution passed on the day of for securing
£ in debentures of £-
annum payable on the
each year.

each, with interest at \$-

day of and the

per cent. per

day

of

in

Scrip

Certificate

No.

THIS

IS

TO

CERTIFY

that of,

etc.

has

applied

for

and

been

allotted

of the
above mortgage
debentures,
in
accordance with the terms of the prospectus dated
the-
day
of
and
has
paid the
sum
of
\$-
on
each
of the debentures
allotted to
him,
and
that
upon payment
by
the
said his
executors,

administrators or assigns,

of

the

balance

remaining

due on

each

of the

said

debentures,

the

said his

executors,

administrators or

assigns

,

will

be

entitled

to delivery

of debentures securing

the

amount so paid.

The said balance is payable at the company's bankers by instalments as follows: \$ on the day of Barley on the day of Grain on the day of Any instalments may be paid up in advance on any of the above dates, under discount at \$- per cent.

Per annum.

(d)

No stamp required.

If default is made in pay(e) Stamp, 1d.

ISSUE OF DEBENTURES AND DEBENTURE- STOCK. 141

ment of any of the above instalments on the days specified the previous payments will be liable to forfeiture.

GIVEN under the hands of two of the directors and the secretary of the above-named company this day of Directors.

Secretary.

25. GUARANTEE OF DEBENTURE, TO BE INDORSED ON EACH DEBENTURE.

(f)

Capital and THE GUARANTEE SOCIETY

(hereinafter called the society)

Guarantee of acknowledges that the above debenture was subscribed for on condition payment

of

and

in part consideration

that

the

society

would

give

the

guarantee

interest.
following
and
accordingly
the
society
hereby
guarantees
to
the
registered
holder
of
the
above
debenture
(which expression
in
this
guarantee
means
the person
or persons
above
named
or other

the
registered
holder or
holders
for
the
time
being
of the
above
debenture)
the
payment
of
the
principal
moneys
and
interest
but not
bonus
to
become
due under
the
said

debenture

in

manner

following

that

is

to

say:

1. AS TO THE INTEREST.—If and whenever the company makes default As to interest. in the payment of any interest for more than thirty days the society will pay such interest on demand.

2. AS TO PRINCIPAL. -If the company makes default in the payment of As to the principal moneys or any part thereof the society shall pay the amount principal. upon whichever of the days following shall first happen, viz.:

On the day of above mentioned or

(b) On the day after the securities for the debenture-holders of the series to which the above debenture belongs shall have been enforced and completely realised and distributed so far as regards the holder of the above debenture.

3. At any time after the company shall have made default for more than Right to call [fourteen days] in the payment of any of the said principal moneys or for transfer.

interest the society may by notice in writing to the debenture-holder call (f) Stamp, 6d.

The author is indebted to the Law Guarantee and Trust Society, Limited, for permission to print this form. Debentures-principal and interest--are constantly guaranteed now, and such a guarantee, when given by a substantial society, confers on the investor an absolutely safe security, and also greatly facilitates the placing of an issue of debentures by the company.