

[Act No. 2772, March 06, 1918]

AN ACT AUTHORIZING THE MERGER OR CONSOLIDATION OF CERTAIN CORPORATIONS, AND FOR OTHER PURPOSES.

Be it enacted by the Senate and House of Representatives of the Philippines in Legislature assembled and by the authority of the same:

SECTION 1. Any corporation organized, or to be organized, under any law, or laws, of the Philippine Islands may merge or consolidate into a single corporation with any other corporation organized, or to be organized, under any law, or laws, of the United States or of any State or Territory of the United States, or of the Philippine Islands, and owning and operating any railway lines within the Philippine Islands, which said consolidated corporation shall, upon the payment of a proper charter fee, thereby become a domestic corporation of the Philippine Islands, and may be either one of said merging or consolidating corporations, or a new corporation to be formed by means of such merger or consolidation, so that by virtue of this Act, and the proceedings had pursuant thereto, such corporations shall be merged or consolidated, so that all property, rights, franchises, and privileges by law vested in such corporations so merged or consolidated shall be transferred to and vested in the corporation into which such merger or consolidation shall be made: *Provided, however,* That no such merger or consolidation shall take place between any railroad corporation or between any railroad corporations and other carrier by land or water whereby competing agencies of transportation are reduced to one control.

SEC. 2. Such merger or consolidation shall be made in the following manner and under the conditions, provisions, restrictions, and with the powers following, that is to say:

(a) The boards of directors of the several corporations proposing to merge or consolidate shall enter into a joint agreement under the corporate seals of their respective corporations for the merger or consolidation of such corporations, prescribing the terms and conditions thereof, the mode of carrying the same into effect, the name of the new corporation, the number, names, and places of residence of the directors, and principal officers of such new or consolidated corporations, who shall hold their offices until their successors be chosen and qualified, either according to law or according to the by-laws of the said corporation; the aggregate principal amount and the rate of interest of the bonds, if any, and the number of shares of the capital stock, with the par value of each share proposed to be issued in connection with such merger or consolidation, and if the capital stock is to be divided into classes, the classes thereof, with the terms on which issued; the manner of converting the capital stock of each of said merging or consolidating corporations into the stock or obligations of such new corporation, and, in case of the creation of a new corporation, how and when the directors and principal officers to succeed those named in the agreement shall be chosen or appointed; together with all such other provisions and details as to the board of directors entering into said agreement shall seem necessary or convenient to perfect the merger or consolidation of said corporations.

(b) The agreement shall be submitted to the stockholders of each of said merging or consolidating corporations separately, at a meeting thereof to be called for the