

Proviso. Company may at such meeting decide; provided that the total amount so issued for all the purposes above mentioned shall not exceed seventy-five per cent of the actual paid-up capital of the Company: Provided that the limitations and restrictions on the borrowing powers of the Company contained in this section shall not apply to, or include moneys borrowed by the Company on bills of exchange or promissory notes drawn, made, accepted, or endorsed by the Company. 5

Bonds, how secured. **13.** The Company may from time to time secure any of the bonds or debentures of the Company by a mortgage or deed of trust in favour of a trustee for the bondholders or debenture holders, covering all or any of its property, whether real, personal or mixed, and including any ships or shares therein, or securities, powers, rights and franchises owned or enjoyed by it at the date of such mortgage or deed of trust. 10 15

Bonds to aid acquisition of vessels. **14.** The Company, being first authorized by a resolution passed at a special general meeting of its shareholders duly called for the purpose, may, also, from time to time, issue bonds or debentures of the Company in aid of the acquisition of any such steam or other vessels as it is authorized to acquire, not exceeding in amount the cost thereof; and the proceeds of such bonds shall be applied exclusively in aid of the acquisition by purchase or construction of such steam or other vessels, according to the terms and intention of such resolution; and each such resolution shall indicate by some general description the vessels, or the class of vessels, in respect of which it authorizes bonds to be so issued as aforesaid, and whether the same are then acquired, or are to be thereafter acquired, by the Company. 20 25

Mortgage to secure bonds. **15.** For the purpose of securing such issue of such bonds the Company shall execute a mortgage not inconsistent with law or with the provisions of this Act, in such form and containing such provisions as are approved by a resolution of the special general meeting of shareholders mentioned in the next preceding section, each of which mortgages shall be made to trustees, to be appointed at such special general meeting for for that purpose, and may contain provisions establishing the amount secured upon the vessels or class of vessels to which it relates, the rank and privilege to appertain to the bonds intended to be secured by it, the rights and remedies to be enjoyed by the respective holders of such bonds, the mode of assuring the application of the proceeds of such bonds to the purposes for which they are to be issued, the rate of interest payable upon them, and the place and time of payment of such interest and of the capital thereof, the creation of a sinking fund for the redemption of such bonds, and all the conditions, provisions and restrictions requisite for the effectual carrying out of the terms thereof, and for the protection of the holder of such bonds; and the Company may charge and bind the tolls and revenues of the vessels or class of vessels to which it relates, in the manner and to the extent therein specified; and each such mortgage shall create absolutely a first lien and encumbrance on the vessels or class of vessels 30 35 40 45 50

Mortgage to be a first lien on vessels, etc.