

and shall deliver certificates under the common seal of the said company, to the person or persons to whom they shall so dispose of, allot or assign such shares of the number of shares so allotted, to such person or persons respectively, and such person or persons shall then be the legal owner or owners of such shares, and invested with all the rights and subject to all the liabilities of a shareholder in respect of such shares.

VI. In case it shall be deemed expedient by the said Buffalo and Lake Huron Railway Company at any time or times hereafter to increase the capital of the said Company, such increase may at any time or from time to time be effected to any extent not exceeding in the whole £2,000,000 currency, by resolutions of the Directors of the said Company, sanctioned and approved by two-thirds at least of the votes of the shareholders present in person or by proxy at a general meeting of the shareholders, convened with special notice of such intended increase, or at any special meeting called for the purpose of sanctioning such increase; and the further capital so authorized may be raised by bond or mortgage upon the property of the said Company or any part thereof, or by the issue of new shares of such denominations and with such privileges as to priority of dividend or otherwise, and upon such terms and conditions, and at such times and to such persons, and in such manner as the shareholders so present, in person or by proxy, at any such meeting shall by the like proportion of votes approve or direct; Provided, that no bond, mortgage or issue of new shares under this Act shall affect or impair the priority of the Government claim for any Government Loan or guarantee given to the said Buffalo, Brantford and Goderich Railway Company, or the security by mortgage bonds now held by any individual or body corporate upon the said Railroad, already given by the said Buffalo, Brantford and Goderich Railway Company, or which shall hereafter be given by the said Buffalo and Lake Huron Railway Company, without the consent in writing of such individual or body corporate.

Capital Stock may be increased with the sanction of two-thirds of shareholders.

How such increased capital may be raised.

Priority of claims of present Bond-holders secured.

VII. The Directors of the said Company shall be nine in number, and shall be elected from among the shareholders of the said Company at a general meeting of such shareholders, to be holden on the first Wednesday in September in each year, at Brantford, in the County of Brant, and shall hold office from the time of their election until the first Wednesday in the month of September next following, and from thence until the election of their successors; Provided always, that no one shall be eligible to be elected as a Director of the said Company unless he be the holder of 25 shares of the capital stock of the said Company, if resident in Canada or Buffalo, or within twenty miles of the boundary of Canada, and 50 shares of the said stock if resident else where out of Canada; and provided also, that no person shall, by virtue of any office held by him in any municipality or otherwise be *ex officio* a Director of the said Company; and provided also, that five Directors, including such as may vote by proxy as hereinafter provided, shall be a quorum, and shall exercise all or any of the powers vested in the said Directors, provided that not less than three Directors be personally present; and provided also, and it is hereby enacted, that the Directors of the said Company may vote by proxy, such proxies being themselves Directors and appointed in the following form or to the like effect: "I hereby appoint of Esquire, one of the Directors of the Buffalo and Lake Huron Railway Company, to be my proxy, as a Director of the said Company, and as such proxy to vote for me at all meetings of the Directors of the said Company, and generally to do all that I could myself do as such Director if personally present at any such meeting.

Directors, their number and manner of election.

Proviso as to qualification.

Proviso, excluding *ex officio* Directors.

Directors may vote by proxy, such proxies being themselves Directors.

A. B. (Signature.)"