

only to the payment thereof of the interest on the A Debenture Stock. Provided always that the said charge in respect of the interest of the new B Debenture Stock may be enforced (as if the same were interest on ordinary debentures of the Company) by means of a Receiver of such net income on behalf of the holders of the new B Debenture Stock, in case the interest thereon shall not be punctually paid, or in case the possession by the Company of their Railways and undertaking, or the receipt of the revenues thereof may be interfered with or endangered so as to prejudice or endanger the security of the holders of the new B Debenture Stock.

4. Immediately upon this Scheme being enrolled there shall be created, and in due course issued as hereinafter provided, Preference Shares of the Company to the amount of £220,500 (being the amount of 50 per cent. of the capital of the existing B Debenture Stock, and of 65 per cent. of the arrears of interest thereon), and there shall also be issued as hereinafter provided new Ordinary Shares of the Company to the amount of £100,500.

5. The said Preference Shares shall bear and the holders thereof shall be entitled to dividend on the amount thereof after the rate of £5 per cent. per annum, as from the 1st October, 1882, payable half-yearly out of the net income of each current year after that date, in preference and priority to any dividend in respect of any of the Ordinary Share Capital of the Company, but so that the deficiency of any year shall not be paid or made good out of the income of any succeeding year, and upon any return or repayment of Share Capital by the Company the amounts of the said Preference Shares shall be paid in preference and priority to any of the Ordinary Share Capital. The holders of the said Preference Shares shall be entitled to one vote in respect of every such share held by them respectively.

6. The said Preference Shares and new Ordinary Shares shall be issued as fully paid up shares of £20 each, and shall be allotted and issued rateably (as to the Preference Shares) to and amongst the registered holders of the existing B Debenture Stock, and (as to the new Ordinary Shares) to and amongst the holders of the existing shares of the Company, in proportion to their respective holdings of such Debenture Stock and Shares respectively. In order to admit of such proportionate allotments being exactly made, the Directors may, as to a sufficient number of the said Preference and new Ordinary Shares respectively, make such arrangements for the issue of scrip certificates, subdivided shares or stock, or otherwise as may be requisite or convenient for that purpose.

7. Immediately upon such new Ordinary Shares being allotted as aforesaid to the said Shareholders of the Company, the shares theretofore held by them respectively, and the certi-