

Section 134.(1) of the *Railway Act* provides that:

“Subject to the provisions of this Act and of the Special Act, the directors of the company may, when thereunto authorized by the Special Act, issue bonds, debentures, perpetual or terminable debenture stock, or other securities, if duly empowered in that behalf by the shareholders, at any special meeting called for the purpose by notice in the manner provided by this Act, or at any annual meeting in case like notice of intention to apply for such authority at such annual meeting has been given, at which meeting, whether annual or special, shareholders representing at least two-thirds in value of the subscribed stock of the company and who have paid all calls due thereon, are present in person or represented by proxy”.

The shareholders of the Company at a meeting duly called and held pursuant to the said section 134.(1) of the *Railway Act*, at which meeting shareholders representing more than two-thirds in value of the subscribed stock of the said Company, who have paid all calls thereon, were present in person or represented by proxy, have duly authorized and empowered the directors of the said Company to issue bonds, debentures or other funded obligations to the aggregate amounts specified and have also authorized and approved the increase of the capital of the Company as provided in the present bill.

All of the common shares of the Company have been deposited with The Royal Trust Company upon the terms of a Voting Trust Agreement dated the 15th day of June, 1931, as subsequently amended, and the holders of Voting Trust Certificates issued pursuant to the said Agreement, at a meeting or meetings duly called and held in accordance with the provisions thereof, directed that the common shares subject to the terms of the said Voting Trust Agreement be voted to authorize the Company to issue such bonds, debentures or other funded obligations to the said aggregate amounts and in favour of the increase of the capital of the Company as provided for in the present bill.