

ment lien, and, if such extinguishment shall have been agreed upon, for paying off and extinguishing the existing share capital, pursuant to the provisions in that behalf hereinbefore contained; or, in the event of the shareholders having agreed upon the commutation of the original share capital by the exchange thereof for a portion of the new ordinary stock hereby created as hereinbefore provided, it shall be lawful for the Directors, in addition to the issue for discharging the Government lien, to issue a sufficient portion of the said new ordinary stock hereby created, for the purpose of such commutation of the original share capital. (38 V. Can. c. 65, s. 3.)

Residue of new stock, how disposed of.

Proviso.

Nature of new stock—transfer, &c.

When the old stock shall be extinguished.

Provision in case of failure to carry out the foregoing arrangement.

Preferential stock may be issued—its rank and privileges.

5. It shall be lawful for the Directors of the Company to issue for the benefit of the Company, the residue of the new ordinary stock hereby created, at such prices as shall be from time to time obtainable for the same, and in such amounts and on such terms and conditions as the Directors may think proper, and to apply the proceeds of such issues to the general purposes of the Company properly chargeable to capital account: Provided that no new ordinary stock in the excess of the amount required for discharging the Government lien, and extinguishing or commuting the original share capital as herein provided, shall be issued without the previous sanction of a special general meeting of the Company. (38 V. Can. c. 65, s. 4.)

6. The said new ordinary stock shall be, and shall have all the incidents of personal estate, and shall be transmissible and transferable in any quantities not involving fractions of a pound sterling, as nearly as may be in the same manner, and subject to the same regulations as the share capital of the Company has hitherto been. (38 V. Can. c. 65, s. 5.)

7. When and so soon as the payment shall have been made, as hereinbefore provided in discharge of the lien of the Government, and the aforesaid agreement for purchase or commutation of the original share capital shall have been carried out by the Company, the share capital of the Company heretofore existing shall be extinguished. (38 V. Can. c. 65, s. 6.)

8. In the event of no arrangement being made and agreed to by the holders of the present share capital for the extinguishment or commutation thereof under the provisions of and within the time limited by the *second* section of this Act, then and thereafter the provisions hereinbefore made for the issue of new ordinary stock shall be void and of no effect, and then, but not otherwise, the six following sections shall have effect. (38 V. Can. c. 65, s. 7.)

9. There is hereby created, and the Company may issue pursuant to the provisions in that behalf hereinafter contained, preferential stock to the amount of three hundred and fifty thousand pounds sterling, and the said preferential stock hereby created shall hold with regard to the bonds and ordinary