

37. Any person becoming entitled to shares in consequence of the death or bankruptcy of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this clause, or of his title as the Directors think sufficient, may, with the consent of the Directors, which they shall not be under any obligation to give, be registered as a member in respect of such shares, or may, subject to the regulations as to transfers, hereinbefore contained, transfer such shares. This clause is hereinafter referred to as "the transmission clause."

As to transfer of shares of deceased or bankrupt members.

Transmission.

INCREASE AND REDUCTION OF CAPITAL.

38. The Company in general meeting may, from time to time increase the capital by the creation of new shares of such amount as may be deemed expedient.

Power to increase capital.

39. The new shares may be issued upon such terms and conditions, and with such rights and privileges annexed thereto as the general meeting, resolving upon the creation thereof, shall direct, and if no direction be given as the directors shall determine, and in particular such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the company, and with a special or without any right of voting.

In what conditions new shares may be issued.

As to preference.

40. The Company in general meeting may, before the issue of any new shares, determine that the same, or any of them, shall be offered in the first instance to all the then members, in proportion to the amount of the capital held by them or make any other provisions as to the issue and allotment of the new shares, but in default of any such determination, or so far as the same shall not extend, the new shares may be dealt with as if they formed part of the shares in the original ordinary capital.

When to be offered to existing members.

41. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the original ordinary capital, and shall be subject to the provisions herein contained with reference to the payment of calls and instalments, transfer and transmission, forfeiture, lien and otherwise.

How far new shares to rank with shares in original capital.

42. The Company may, from time to time, by special resolution, reduce its capital by paying off capital or cancelling capital which has been lost or is unrepresented by available assets, or reducing the liability on the shares, or otherwise, as may seem expedient, and capital may be paid off upon the footing that it may be called up again or otherwise. And the Company may also, by special resolution, sub-divide, or by ordinary resolution, consolidate its shares or any of them.

Redemption of capital, etc.