

5. The shares in the Company shall be transferable in such manner and upon such conditions and subject to such restrictions as the by-laws of the Company may provide, and if no such by-laws or regulations are provided then in manner prescribed by the British Columbia Railway Act, and such shares may be granted and issued as paid up shares for value received or services rendered to the Company by engineers, contractors, and any other persons or corporations who have been or are engaged in promoting the undertaking or for any other purposes in connection with the interests of the Company, and such shares shall be deemed to be fully paid up and non-assessable.

6. The persons named in section 1 of this Act are hereby constituted the provisional directors of the Company, of whom two shall form a quorum for the transaction of business. The board of directors so constituted shall have all the powers hereby conferred upon the directors of the Company, and they shall hold office until the first election of directors under this Act.

7. Each of the directors hereby appointed or elected shall hold at least fifty shares of the stock of the Company; but the number of directors to be hereafter elected by the shareholders shall be such number, not exceeding nine, as shall be fixed by the by-laws.

8. No director shall be disqualified from holding office by reason of or on account of his being concerned directly or indirectly as partner in any other Company or association, or in any contract with the Company, or on account of his receiving any pay or remuneration from the Company.

9. The first annual meeting of the shareholders of the Company for the appointment of directors shall be held at such time and place as the provisional directors may determine, and the annual general meeting of the shareholders for the election of directors and the transaction of business generally shall be held on the same day in each year thereafter, unless otherwise provided by the by-laws; and notice of such meeting shall be given by such means as shall from time to time be directed by the by-laws, and by notices as provided by section 12 of this Act.

10. No failure to elect directors or to hold the first or any annual meeting shall operate as a dissolution of the Company, but anything omitted to be done may afterwards be performed at a meeting called in conformity to the by-laws specially for the purpose.

11. Special general meetings of the shareholders may be convened in such manner as shall be provided by the by-laws, and, except as hereinafter provided, notice of such meetings shall be given in the same manner as notices of annual general meetings; the purpose for which such meeting is called shall be mentioned in the notices thereof, and, except as herein provided, all such meetings shall be held at the head office of the Company.

12. If at any time before the first annual meeting of the shareholders of the Company it should become expedient that a special general meeting of the shareholders should be held before such annual meeting can be conveniently called, and notice thereof given in the manner hereafter provided by this