

Stocks into
Bonds.

that interest shall be payable only in coupons representing the amount of interest half-yearly due on such bonds : and the first and second Preference Stocks of the Company, respectively representing first and second Preferential Bonds, converted under the sixth and seventh sections of the said Act shall henceforward, as from the first day of January one thousand eight hundred and seventy-three, be entitled to receive dividend on such stocks in accordance with their present priorities at the increased rate of six per centum per annum in perpetuity : provided that the holders of the said first and second preference stocks respectively shall have the option, at any time within six months from the time when the passing of this Act shall have been notified by advertisement in some daily newspaper published in London, England, on presentation and delivery of their respective certificates of such stocks, to receive in lieu thereof first or second Preferential Bonds, as the case may be, of the nominal amount of one hundred pounds for each one hundred pounds of such stock, with coupons attached for payment of the interest thereon at the rate of six per centum per annum, and for every fraction of such stock, being less than one hundred pounds, certificates for such fractional amount entitled to and bearing the same rate of interest, and on delivery of such bonds and certificates, the stock for which the same respectively shall have been substituted shall be cancelled.

Annual capitalization of interest.

4. During the suspense period as extended by this Act, the interest or dividend payable on such bonds and stock respectively shall, at the end of each year, and in respect of such year, be capitalised by the delivery of bonds of the nominal amount of one hundred pounds each, and of certificates for fractional amounts of one hundred pounds, or, as the case may be, by the addition of the dividend or interest payable on the stocks not reconverted into bonds as before provided, to the stocks respectively upon which such interest or dividend shall have accrued, and such bonds and additional stocks respectively shall bear and be entitled to the same rate of interest as the bonds or stocks in respect of which the interest or dividend so capitalised shall have accrued, and such capitalisation shall be in full discharge and satisfaction of the interest and dividend respectively for the time being accrued and due upon the said bonds and stocks respectively.

Power to issue further equipment bonds.

5. The Company may from time to time issue further equipment mortgage bonds No. 2, of the class defined by section three of *The Grand Trunk Railway Act, 1867*, to the further nominal amount of one million one hundred thousand pounds sterling, and such bonds when issued shall rank *pari passu* in all respects, and be a charge upon the undertaking of the Company, as if the same had been issued under the authority of the said *Grand Trunk Railway Act, 1867* : Provided however, that five hundred thousand pounds of the nominal amount of such bonds so to be created shall be set apart for and be applied solely to the redemption or satisfaction of the first equipment bonds of the Company issued under the provisions of the third section of *The Grand Trunk Arrangements Act 1862*.

6. And whereas a proposition has been made for an alternative plan to enable the necessary funds to be raised for the purposes above mentioned, to the following effect, viz. : that after paying working expenses, as defined in the *The Grand Trunk Arrangements Act 1862*, the interest on the first and second preferential bonds shall be fixed at five per centum per annum