

subsidies, either as gifts, by way of bonus or guarantee, or in payment, or as subventions for services, and may dispose of the same, and may alienate such property not required for the purposes of the Company in carrying out the provisions of this 5 Act.

14. The directors, under the authority of a resolution of the shareholders at the first general meeting of the shareholders, or at any special general meeting called for that purpose, or at any annual meeting at which shareholders representing at 10 least two-thirds in value of the issued capital stock of the Company are present or represented by proxy, may, from time to time, at their discretion, borrow money for the purposes of the Company, and may issue bonds or debentures 15 in respect of the same, and secure the re-payment of the said moneys in such manner and upon such terms and conditions as they see fit, and, for this purpose, may pledge, mortgage, hypothecate, or charge all or any of the assets and property of the Company other than the railway.

Borrowing powers.

Bonds.

15. The Company may, in addition to the powers granted 20 in the next preceding section, issue bonds, debentures or other securities to the extent of six thousand pounds sterling per mile of its railway and branches, and such bonds, debentures or other securities, may be issued only in proportion to the length of railway constructed or under contract to be constructed 25 or under contract to be constructed, and the Company may issue such bonds, debentures or other securities in one or more separate series, and limit the security for any series to such of the franchises, property, assets, rents, and revenues of the Company, present or future, or both, as are described in the 30 mortgage deed made to secure each separate series of bonds, debentures or other securities; and every such limited series of such bonds debentures or other securities, if so issued, shall form a first charge upon, and be limited to the franchises, property, assets, rents and revenues of the Company with 35 respect to which they are issued, and which shall be described in the mortgage deed made to secure the same.

Bond issue on railway limited.

16. The Company may, under the authority of the ordinary shareholders given at a special general meeting duly called for that purpose. (at which meeting shareholders representing at least two-thirds in value of the stock are present or 40 represented by proxy) issue any portion of its capital stock as preferred stock, and such preferred stock shall have the special incidents and privileges defined by the following paragraphs, that is to say :—

Preferred stock.

54 (a.) The profits of each year shall be first applied to pay a cumulative preferential dividend at a rate not exceeding six per cent per annum;

Preferential dividend.

(b.) The residue of surplus profits applicable for dividend in each year shall be divided among the holders of the ordinary 50 shares;

Ordinary dividend.

(c.) Nothing herein contained shall prejudice or limit the powers or discretion of the directors as to the time or mode of application and distribution of profits, or as to the setting aside of profits for a reserve fund and depreciation accounts;

Directors of regulate distribution of profits.