

## Application of subsections (4) and (5)

(6) Subsections (4) and (5) apply to any indebtedness and any debentures referred to therein only if

(a) the terms thereof do not permit the debtor, at its option, to discharge the indebtedness or the debentures prior to the amalgamation, whether or not the discharge would require payment by the debtor of a premium or bonus; and

(b) the Minister of Finance consents to the application of those subsections to that indebtedness or those debentures upon submission to the Minister made by IAC Limited that it has attempted to arrive at alternative arrangements that would avoid the necessity of relying upon those subsections as to that indebtedness or those debentures.

## Undertaking to discharge indebtedness

(7) The submission referred to in paragraph (6)(b) shall be accompanied by an undertaking to discharge the indebtedness at the first date upon which it may be discharged at the option of the debtor, whether or not upon payment of a premium or bonus.

## Discharge of indebtedness and debentures

(8) Any indebtedness referred to in subsection (4) and any debentures referred to in subsection (5) that have not met the conditions set out in subsection (6) shall be discharged prior to an amalgamation under subsection (1).

## Effects of amalgamation

(9) For greater certainty, all of the provisions of the *Canada Corporations Act*, the *Canada Business Corporations Act* or the *Bank Act*, as the case may be, relating to the effects of an amalgamation apply to an amalgamation under subsection (1), except as provided in this section and in section 11.

## Confirming agreements

(10) The Bank may enter into such agreements as may be reasonably necessary to confirm that any indebtedness to which subsection (4) applies remains outstanding after the amalgamation as indebtedness of the Bank, and that any debentures to which subsection (5) applies are convertible after the amalgamation into shares of the Bank to be issued on such conversion."

## 3. Page 7: Clause 11

Strike out lines 32 to 35, inclusive, and substitute therefor the following:

"The Bank shall be the continuing corporation resulting from the amalgamation of the Bank and IAC Limited referred to in subsection 10(1) so that,"

## 4. Page 7: Clause 11(a)

Strike out lines 41 and 42 and substitute therefor the following:

"mence business when the Bank was originally permitted under that section to commence business."

## 5. Page 8: Clause 12(1)

Strike out lines 16 to 22, inclusive, and substitute therefor the following:

"Act apply to IAC Limited and sections 38 to 56 of the *Bank Act* apply to the shares of IAC Limited, and"

## 6. Page 10: Clause 15(1)

Strike out lines 20 to 27, inclusive, and substitute therefor the following:

"15.(1) During the period commencing on the day this Act comes into force and ending on the expiration of two years next following that day or on the day on which an amalgamation under subsection 10(1) takes effect, whichever occurs first, a person referred to in subsection 2(1) is not ineligible, notwithstanding paragraph 18(5)(b) and subsection 18(6) of the *Bank Act*, to be elected or appointed a director of IAC Limited by reason of his being a director of a bank, or of a bank to which the *Quebec Savings Banks Act* applies or of any company referred to in subsection 18(6) of the *Bank Act*, but no person who, but for this subsection, would be ineligible for election or appointment as a director of IAC Limited may hold in IAC Limited any of the offices referred to in section 21 of the *Bank Act* or continue after the expiry of that period to be a director of IAC Limited."

## 7. Page 11: Clause 16(1)

Strike out line 38 and substitute therefor the following:

"is a subsidiary of IAC Limited (any such corporation being hereinafter in this section and in sections 17 to 19 called a "restricted corporation"), to carry on"

## 8. Pages 12 and 13: Clause 17(1)

Strike out lines 22 to 43 on page 12 and lines 1 to 17 on page 13 and substitute therefor the following:

(a) IAC Limited may acquire, and may permit any restricted corporation to acquire,

(i) assets from the Bank previously acquired by the Bank as permitted by the *Bank Act* (such assets and other assets which the Bank is permitted to acquire under the *Bank Act* being hereinafter in this section called "eligible assets"), and

(ii) eligible assets from IAC Limited or any restricted corporation,

but the prior consent of the Inspector General of Banks shall be required for the acquisition of any eligible assets that consist of shares in the capital stock of a corporation, other than a corporation that is a subsidiary of IAC Limited when this Act comes into force;

(b) IAC Limited may acquire, and may permit any restricted corporation to acquire, assets for the purpose of leasing such assets to its customers, and IAC Limited may enter into leases of any such assets and may permit any restricted corporation to enter into leases of any such assets, and

(c) IAC Limited may lend money or make advances, and may permit any restricted corporation to lend money or make advances, upon the security of real or immovable property in Canada or of an equity of redemption therein or of an assignment of or mortgage on the interest of a lessee thereof where such loans or advances would not be permissible for the Bank by reason of the restrictions contained in subsections 75(3) or 75(4) of the *Bank Act* (the said loans and advances, and leases of assets referred to in paragraph (b), being hereinafter in this section referred to as "non-eligible assets"); and