

upon the ordinary permanent stock of the Company; but such dividends shall not be less than the dividends on the ordinary shares: Provided that such terminating stock shall be issued only to the present holders of terminating stock in the old Company as hereinafter provided for, and after the maturity, withdrawal or cancellation of such issue, or any part thereof, no further or other issue of terminating stock shall be made. 5

Shares in the old Company converted.

6. The permanent preference stock mentioned in paragraph (a) of section 4 of this Act, and the terminating stock referred to in section 5 of this Act, shall be entitled to repayment of capital, in the event of liquidation, in priority to holders of ordinary permanent stock. 10

Rights of shareholders in old Company.

7. The shareholders of the old Company holding shares of terminating stock therein are hereby declared to be the holders respectively of shares of the terminating stock of the Company to the same extent and with the same amount paid up thereon as they are holders respectively of such shares in the old Company. 15

Head office.

8. The head office of the Company shall be in the city of Toronto, in the Province of Ontario, or in such other place in Canada as the directors from time to time determine by a by-law confirmed at any annual or special general meeting of the Company duly called for the purpose of considering such by-law. 20

Directors.

9. The affairs of the Company shall be managed by a board of five directors, of whom two shall be elected by the preference permanent shareholders and three by the ordinary and terminating shareholders. 25

By-laws.

10. The by-laws, rules and regulations of the old Company, lawfully enacted, in so far as the same conform with the provisions of this Act, shall be the by-laws, rules and regulations of the Company, subject to appeal, amendment or other change lawfully made. 30

Acquisition of old Company's assets.

11. The Company may acquire all the assets, rights, credits, effects and property, real, personal and mixed, of whatsoever kind and wheresoever situated, belonging to the old Company, or to which it is or may be or become entitled, and a conveyance and assignment thereof in the form of the schedule to this Act, or to the like effect, shall be sufficient. 35

Form of conveyance.

Liability for obligations of old Company.

12. The Company shall be liable for and subject to and shall pay, discharge, carry out and perform all the debts, liabilities, obligations, contracts and duties of the old Company, and any person having any claim, demand, right, cause of action or complaint against the old Company, or to whom the old Company is under any liability, obligation, contract or duty, shall have the same rights and powers with respect thereto and to the collection and enforcement thereof from and against the Company, its directors and shareholders, as such person has against the old Company, its directors and shareholders. 40 45 50