

manufacture or cash, value at cost to the extent of \$,
as their share of working capital in the new Company.

The whole of the above properties and interests are to be vested in the new Company clear of all encumbrances, with taxes, insurance and other outgoings adjusted as of the first day of , 19 ; the Company's property to be as the same now exists; the Company's factory to be completed to the satisfaction of the Company, and, in case of disagreement, to the satisfaction of some expert in manufacturing to be agreed upon between the parties, and, in case of disagreement, as to the expert he is to be appointed by .

The capital stock of the Company, Limited, shall be \$, \$ of which shall be preference stock as hereinafter described, and \$ shall be ordinary or common stock. The Company shall be entitled to \$ of the said stock, and the Company or its proprietors shall be entitled to \$ of the said stock, each concern having one-half preference and one-half ordinary shares.

The Company shall have Directors, and the Company shall be entitled to nominate of such Directors, the Company of such Directors, and the Preference Shareholders, under the Preference Stock By-law, shall be entitled to elect the remaining ; and for carrying out this agreement a voting trust shall be created as to the Company's shares, but this agreement as to the control remaining with the Company is to be subject to the annual audit, shewing that a profit is being produced, and is to be also subject to the right of Preference Shareholders to elect a majority of the Directors in case a seven per cent. dividend is not paid upon their stock.

It is also in agreement that the salaries of the principal officers of the Company and the remuneration of the President and Vice-President and other Directors shall be fixed by by-law, which shall not be changed except by a three-fourths vote of the Directors.

The preference stock, above referred to, shall, as to capital, have priority upon the assets of the Company, present and future, and as to dividend shall, in the first place, be entitled to a seven per cent. cumulative dividend payable half-yearly, and