

## Rescission of certain contracts and provisions supplemental to section 615

616. (1) The court may, on the application of any person who is, as against the liquidator, entitled to the benefit or subject to the burden of a contract made with the company, make an order rescinding the contract on such terms as to payment by or to either party of damages for the non-performance of the contract, or otherwise as the court thinks just.

(2) Any damages payable under such an order to any such person shall be deemed to be a debt proved and admitted in the winding up.

(3) Subject to subsection (6), the court, on an application by any person who either claims any interest in any property disclaimed under section 615 or is under any liability not discharged by this Act in respect of any property so disclaimed, has, on hearing any such persons as it thinks fit, the following power.

(4) That power of the court is to make an order for the vesting of the property in, or the delivery of the property to, any person entitled to it, or to whom it may seem just that the property should be delivered by way of compensation for any liability of the foregoing kind, or a trustee for him or her, and on such terms as the court may think just.

(5) On any such vesting order being made, the property comprised therein shall vest accordingly in the person named in the order in that behalf without any conveyance or assignment for the purpose.

(6) Where the property disclaimed under section 615 is of a leasehold nature, the court shall not make a vesting order under this section in favour of any person claiming under the company, whether as under-lessee or as mortgagee by demise, except upon the terms of making that person—

(a) subject to the same liabilities and obligations as those to which the company was subject under the lease in respect of the property at the commencement of the winding up, or

(b) if the court thinks fit, subject only to the same liabilities and obligations as if the lease had been assigned to that person at that date,

and in either event (if the case so requires), as if the lease had comprised only the property comprised in the vesting order.

(7) Any mortgagee or under-lessee declining to accept the making of a vesting order upon such terms as are referred to in subsection (6) shall be excluded from all interest in and security upon the property concerned.

(8) If there is no person claiming under the company who is willing to accept the making of an order upon such terms as are referred to in subsection (6), the court shall have power to vest the estate and interest of the company in the property concerned in any person liable either personally or in a representative character, and either alone or jointly with the company, to perform the lessee's covenants in

the lease, freed and discharged from all estates, encumbrances and interests created therein by the company.