

## Repudiation of certain contracts

537. (1) Where proposals for a compromise or scheme of arrangement are to be formulated in relation to a company, the company may, subject to the approval of the court, affirm or repudiate any contract under which some element of performance other than payment remains to be rendered both by the company and the other contracting party or parties.

(2) Any person who suffers loss or damage as a result of such repudiation shall stand as an unsecured creditor for the amount of such loss or damage.

(3) In order to facilitate the formulation, consideration or confirmation of a compromise or scheme of arrangement, the court may hold a hearing and make an order determining the amount of any such loss or damage mentioned in subsection (2) and the amount so determined shall be due by the company to the creditor as a judgment debt.

(4) Where the examiner is not a party to an application to the court for the purposes of subsection (1), the company shall serve notice of such application on the examiner and the examiner may appear and be heard on the hearing of any such application.

(5) Where the court approves the affirmation or repudiation of a contract under this section, it may, in giving such approval, make such orders as it thinks fit for the purposes of giving full effect to its approval, including orders as to notice to, or declaring the rights of, any party affected by such affirmation or repudiation.