

**SHARE CAPITAL
DRAFTING GRID AND
SUMMARY OF CLAUSE ALTERNATIVES
(CBCA)**

No.	ATTRIBUTES	Class “...”	Class “...”	Class “...”	Class “...”	Class “...”
		Purpose:	Purpose:	Purpose:	Purpose:	Purpose:
01	Voting Rights					
	Number of votes per share					
02	Right to Dividends					
	Rank					
	Cumulative					
	Rate					
03	Right to Residual Assets					
	Rank					
	Amount Payable					
04	<i>(now included in “03 Right to Residual Assets)</i>					
05	Conversion Right (Exchange)					
06	Redemption Right (Unilateral)					
	At Corporation’s Option					
	At Holder’s Option					
07	Redemption Procedure					
08	Right to Repurchase Shares					
09	Issuing Shares in Series					
10	Veto Right					
	Percentage					
11	Guarantees					
12	Pre-emptive Right					
13	Redemption Value					
	Stated Capital					
	Fair Market Value of Consideration					

(See drafting guidelines on the next page)

GUIDELINES TO USE SHARE CAPITAL DRAFTING GRID

The share capital drafting grid and clause alternative tables for each share attribute are tools specially designed to facilitate the drafting of made-to-measure share capital structures for business corporations.

- Step # 1:** Identify the class of shares by either a letter (e.g. Class A, Class B, etc.) or using traditional expressions such as: Common Shares, Preferred A Shares, etc.
- Step # 2:** Define the purpose of each class in the space entitled “Purpose,” for example: control, internal financing, external financing, rollover, profit sharing, etc.
- Step # 3:** Determine which attributes will apply to a given class of shares by consulting the clause alternative tables on the following pages. Identify the most suitable choice to meet the intended purpose of the class of share to which it will be attached and indicate the number of this version in the column of the class of share on the corresponding line reserved for this attribute using the share capital drafting grid on the previous page. It is best to avoid deleting the number of an attribute that you consider unnecessary, as this will disorganize the numbering system used in our templates. To avoid this problem and preserve the numbering, use the negative version of a clause for a specific attribute that is otherwise not necessary for the share capital you are drafting.
- Step # 4:** Finally, refer to the corresponding share capital templates containing the clause alternatives, see templates CA0110 (“01”) to CA1310 (“13”), which can be found on our website (www.edilex.com) in Chapter CA (Share Capital) of our *Corporate Documents* collection, to copy the clauses into your share capital document.
- Note:** If a number of different classes of shares have the same attributes, it may be necessary to create an order of preference between these different classes of shares. This is especially true for attributes #2 (Right to Dividends) and #3 (Right to Residual Assets), as they involve the distribution of money between the shareholders. As such, it is important to indicate the ranking of each class in respect of such share attributes in the designated rows in the grid.