

**RESOLUTION OF THE DIRECTORS OF
[NAME OF CORPORATION]**

(the "Corporation")

"SAFE INCOME" DIVIDEND

WHEREAS:

- A. The accountants for the Corporation have estimated that the "safe income" for the Corporation under the *Income Tax Act* as of this date is at least \$#####.##, subject to final determination in due course;
- B. The Corporation wishes to declare and pay a dividend to the holders of record of the Class ____ Common Shares of the Corporation for a cumulative sum to be no greater than the cumulative "safe income" of the Corporation as of this date;
- C. The directors have determined that there are no reasonable grounds to believe that:
 - (i) the Corporation is or, after completion of the proposed dividend will be unable to meet its liabilities as they become due; or
 - (ii) the realizable value of the Corporation's assets will be less than the aggregate (a) liabilities and (b) its stated capital of all classes.

RESOLUTIONS AND THAT:

- 1. The Corporation does hereby declare a dividend on the issued and outstanding Class ____ Common Shares of the Corporation in an amount equal to the "safe income" for the Corporation under the *Income Tax Act* as of this date as determined by the Corporation accounts as soon as possible hereafter;
- 2. The dividend be paid to the holders of record of the issued and outstanding Class ____ Shares of the Corporation at such time as the President of the Corporation shall determine, conditional upon their undertaking to repay to the Corporation their pro rata share of the Dividend to the extent it is subsequently determined that the total cumulative Dividend exceeds the total "safe income" for the Corporation as determined by the accountants for the Corporation or the Canada Customs and Revenue Agency as of the date set out below.

Pursuant to the provisions of the *Business Corporations Act*, R.S.O. 1990, c. B-16, the foregoing resolutions are hereby executed by the directors of the Corporation.

DATED at _____ this ____ day of _____, _____.

[DIRECTOR]

[DIRECTOR]

[DIRECTOR]

[DIRECTOR]

[add sufficient signature lines for all directors]

THIS IS A 2-PAGE FORM.