

**RESOLUTIONS OF THE DIRECTORS OF
[CORPORATION]
(the "Corporation")**

AMENDMENT OF ARTICLES AND REORGANIZATION OF SHARE CAPITAL

WHEREAS:

- A. The Corporation has now issued and outstanding [numbers & classes of issued and outstanding shares] of its capital (hereinafter called the "Existing Class "___" Shares"), all of which are owned by [name of shareholder] (the "Existing Shareholder").
- B. The Existing Shareholder has decided to reorganize the share capital of the Corporation in compliance with Section 86 of the *Income Tax Act* (Canada) such that there will be no immediate income tax cost to either the Corporation or the Existing Shareholder.
- C. The reorganization of the Corporation's share capital requires that:
- (a) the Corporation's authorized capital be amended in conformity with Schedule "A" hereto;
 - (b) all the Existing Class "___" Shares be changed into the new Class "___" Shares in the ratio of ___ new Class "___" Shares for each of the Existing Class "___" Shares, pursuant to section 86(1) of the *Income Tax Act* (Canada) and an agreement, a draft copy of which is attached hereto as Schedule "B" (the "Agreement"); [repeat as necessary for each class of shares]
- D. [if the shareholder is a corporate entity] [name] and [name], directors, have advised the board and the Corporation that each is a director and officer of the Existing Shareholder and a shareholder, director and officer of the Corporation and therefore they have a material interest herein.
- E. Pursuant to the provisions of the *Business Corporations Act*, the Corporation's Articles of Incorporation must be amended to effect such deletion and replacement and such amendment and exchange, and Articles of Amendment must be filed with the Registrar of Corporations to effect said amendment to the Corporation's Articles of Incorporation

BE IT RESOLVED, as a special resolution of the Corporation pursuant to section 173 of the *Business Corporations Act*:

1. [name], and [name] have disclosed, in compliance with section 120 of the *Business Corporations Act*, the nature and extent of their interest in the Agreement in reasonable detail to the directors and shareholders and the aforesaid transaction be and is hereby approved as being reasonable and fair to the Corporation.
2. The Corporation:
 - (a) amend, pursuant to and in accordance with the *Business Corporations Act*, the Corporation's authorized capital in conformity with Schedule "A" hereto;
 - (b) pursuant to and in accordance with Section [section #] of the *Business Corporations Act*, enter into the Agreement with Existing Shareholder for the exchange of all the Existing Class "___" Shares into the new Class "___" Shares referred to in the said Schedule "A", in the ratio of ___ new Class "___" Share(s) for each of the Existing Class "___" Shares;

- (c) issue _____ new Class " ____ " Shares to the Existing Shareholder;
 - (d) cancel and issue share certificates to give effect to the foregoing resolutions;
 - (e) the paid up capital in respect of the Existing Class " ____ " Shares in the capital of the Corporation shall be reduced by the amount of stated (i.e., paid up) capital of each Existing Class " ____ " Share surrendered to the Corporation for cancellation by the Shareholder;
 - (f) the paid up capital with respect to the new Class " ____ " Shares issued to the Shareholder shall be fixed by the Corporation at the amount of the aggregate stated (i.e., paid up) capital of the Existing Class " ____ " Shares surrendered for cancellation in the aggregate;
3. The form of share certificate attached hereto as Schedule "C" is hereby adopted for use with respect to the new Class " ____ " Shares in the capital of the Corporation, and that such certificate issued by the Corporation shall bear the signature of the President.
4. Any director of the Corporation be requested and is hereby authorized to execute the Agreement and take such action and steps as may be required to carry out and effect the reorganization of the Corporation's share capital and the amendment hereby resolved to be made, including executing Articles of Amendment, in prescribed form, and filing the same with the Registrar of Corporations.
5. The President make entries in the Corporation's Securities Register to reflect the cancellation and issue of said Certificates hereby approved.

DATED effective the ____ day of _____, _____.

The undersigned, being all of the directors of the Corporation, hereby adopt the foregoing Resolutions, pursuant to the *Business Corporations Act*.

[director]

[director]

The undersigned, being all of the shareholders of the Corporation, hereby adopt the foregoing Resolutions, pursuant to the *Business Corporations Act*.

[shareholder]

[shareholder]