

**MISCELLANEOUS****INDEX**

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## CERTIFICATE OF INCUMBENCY

### General Notes

The two most common situations requiring a *Certificate of Incumbency* are when:

- a company borrows monies or guarantees the indebtedness of another company; or
- the business or shares of a company are sold.

As security for the indebtedness or the guarantee, a lender usually requires that the company sign certain security documents (such as a Loan Agreement, a Promissory Note, a General Security Agreement or a Guarantee) in favour of the Lender and the appropriate enabling resolution authorizing the execution of the security documents. The Lender then requests a certificate confirming the names and signatures of the persons who are authorized to sign on behalf of the company.

This certificate may also be prepared as part of the closing documents for a business purchase. The vendor company or the purchaser company, or a company borrowing money, or any of them, may be required to provide a *Certificate of Incumbency* confirming the signing officers.

An officer of the company who has been authorized on behalf of the company to certify the facts contained in it signs this Certificate.

The Certificate shown opposite contains only the most basic of information and the lender or a purchaser of the company may require more elaborate wording or certificates.

### Preparation

- ① Describe the nature of the transaction (e.g. mortgage, loan, etc.).
- ② Insert the name of the person who is authorized to sign the Certificate, usually the company's president or secretary.
- ③ List the names of all the directors and officers from the *Register of Directors*.
- ④ Insert the date of the Certificate which should be the date of the enabling resolution or later.

### Processing

Arrange to have all the directors and officers sign in the table as indicated and the president or secretary date (see ④) and sign the Certificate.

**CERTIFICATE OF INCUMBENCY**

**Re:** *{Nature of Transaction}*①

I, *{NAME OF OFFICER}* President (*or*: Secretary②) of *{NAME OF COMPANY}* (the “Company”) hereby certify that:

The following directors and officers of the Company have been duly elected or appointed and are duly qualified to act as directors and officers respectively:

	NAME	TITLE	SPECIMEN SIGNATURE
<b>OFFICERS</b>	③		
<b>DIRECTORS</b>			

Dated: *{date}*④

\_\_\_\_\_  
*{NAME OF OFFICER}* ②  
 President/Secretary ②

## CERTIFIED COPY OF DIRECTORS' RESOLUTION

### General Notes

Sometimes, it is necessary to provide an outside party with a certified copy of a resolution. Often a certified copy contains only a copy of the body of the resolution itself and does not show the recitals (“whereas ...”). An officer of the company certifies that the resolution is still in full force and effect on the date of the certification and that it has not been amended or rescinded.

An example of a common situation where legal support staff might be requested to prepare a certified copy of a directors resolution is in the case of a capital dividend (see the **Dividends** chapter) when the company’s accountants request a certified copy of the resolution for filing with Canada Revenue Agency. For this type of certified copy, it is usually not necessary to show the recitals.

Certified copies of resolutions are also usually prepared as part of the closing documents in a business purchase or other transaction involving a company and for this type of certified copy, it is customary to show the recitals.

### Preparation

- ① Insert the name of the president or secretary of the company or other authorized signatory of the company as appropriate (check with the company or the supervising lawyer to determine who will sign the certified copy on behalf of the company and check the *Register of Directors* for the correct spelling of the name).
- ② Insert the effective date of the Directors’ Resolution.
- ③ Copy the text of the resolutions (cut and paste) with quotations (“...”) at the beginning and at the end of the copied text.
- ④ Insert the date this document is signed (it is not necessarily the date of the resolution it certifies).

### Processing

This document is usually prepared concurrently with the *Directors’ Resolution* it certifies. Once it is prepared, checked and approved by the supervising lawyer, it is included in the closing documents relating to the transaction, along with the directors’ resolution it relates to or it is sent to the company for signature (see the appropriate *Transmittal Letter*).

*{NAME OF COMPANY}***CERTIFIED TRUE COPY OF DIRECTORS RESOLUTION**

I, *{NAME OF OFFICER}* ① president (or: secretary or other officer) ① of *{NAME OF COMPANY}* (the “Company”), certify that the following is a true copy of resolutions of the directors of the Company passed on *{Date}* ② and that these resolutions have not been rescinded, amended or modified and are in full force and effect:

“RESOLVED THAT:

③”

Dated: ④

---

*{NAME OF OFFICER}*, ①  
President (or: Secretary) ①

## **DIRECTORS RESOLUTION (Changing Financial Year End)**

### **General Notes**

The company's financial year for accounting purposes generally corresponds with the financial period for income tax purposes, and parallels the reporting periods for other tax accounts (e.g. G.S.T.). Sometimes the accountants for a company advise changing the financial period (and therefore, the financial year end) to another date, for example:

- in order that the company may end its financial period on the same date as its parent or associated company; or
- to end the company's financial period when the business of the company is seasonably slack and the financial year lines up better with the company's business cycle, in order that the additional paper work involved with the company's financial year end does not coincide with a busy time.

The details of the various considerations and requirements relevant to changing a financial year end, and the steps necessary to make such a change, are beyond the scope of this Guide. However, note that although the directors may have passed a resolution changing the financial year end, the change is not effective until Canada Revenue Agency have approved it. The company must submit a request in writing to Canada Revenue Agency stating the reason for the request (see examples above). When submitting such a request, Canada Revenue Agency does not require written proof that directors of the company have consented to the change, but such proof (i.e. the directors' resolution) must be available upon request.

### **Preparation**

- ① Insert the day and month (not year) of the **present** financial year end. If you do not have this information, contact the company's accountants.
- ② Insert the **new** financial year end (day and month). Check the accountants' instructions. **Note:** the date must be forward and no more than 53 weeks from ①.
- ③ Insert the date of the next financial year end.
- ④ Check the *Register of Directors* of the company and insert the names of all directors.

### **Processing**

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange to have it signed by the company's directors. Once signed, provide the accountants with a copy and place the original in the company's *Records Book* under the tab "**Directors' Resolutions**".

**DIRECTORS RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Company”)**

**RESOLVED THAT**

1. The financial year end of the Company be changed from *{day and month}*① to *{day and month}*② commencing with the *{date}*③ year end with the approval of Canada Revenue Agency.
2. The Company apply to Canada Revenue Agency for approval to change the financial year end as stated above.

Dated effective: *{Date}*

\_\_\_\_\_  
④ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
④ *{NAME OF DIRECTOR}*

## DECLARATION OF TRUST

### General Notes

In some instances, for example, when the beneficial owner of shares is a minor and is not legally old enough to vote at shareholders' meetings, or when there is an issue of confidentiality, shares may be registered in the name of another person, in trust for the beneficial shareholder (i.e. the rightful owner of the shares who derives a benefit from the ownership). The person in whose name the shares are registered is called a "trustee".

In these circumstances, a *Declaration of Trust* is prepared at the time the beneficial shareholder becomes the owner of the shares through allotment or transfer.

The name on the *Share Certificate* will usually show "John Smith, in trust for Jane Smith", or "John Smith, in trust" or simply "John Smith". You should check with the supervising lawyer to determine the names to be inserted on the face of the *Share Certificate*. Often the only place in the documents that the name of the beneficiary is shown is on the *Declaration of Trust* and sometimes in the share subscription (if any).

### Preparation

- ① Insert the full name and address of the Trustee.
- ② Insert the full name of the beneficial owner – that is the person for whom the shares are held in trust.
- ③ Insert the date on the *Share Certificate*.
- ④ If the Trustee is an individual, insert this execution block.
- ⑤ If the Trustee is a company, insert this execution block.

### Processing

The *Declaration of Trust* should be signed when the *Share Certificate* is issued. Check with the supervising lawyer where the declaration should be kept for safekeeping. If there is no confidentiality issue, the declaration may be attached to the *Share Certificate* in question and kept in the Records Book; otherwise, the declaration of trust should be kept in a secure place separate from the *Records Book* such as in your firm's vault, if you have one.

**DECLARATION OF TRUST**

***{NAME OF TRUSTEE}***① of  
***{Address of Trustee}***  
(the "Trustee")

The Trustee hereby:

1. Declares that the ***{number and class of shares}*** shares without par value/with a par value of ***\${1.00}*** each of ***{NAME OF COMPANY}*** represented by Share Certificate No. ***{number}*** which is registered in the name of the Trustee (the "Shares"), is held by the Trustee in trust, for ***{NAME OF BENEFICIAL OWNER}***②, or his/her/its nominees in writing, and that the Trustee has no interest whatsoever in the Shares other than that of a bare trustee and that any distribution whether of income or capital and whether in cash or otherwise, and any rights, or pre-emptive rights, if any, in respect of the Shares, as well as any proceeds arising from the sale of the Shares, do not in any manner belong to the Trustee but are the property of ***{NAME OF BENEFICIAL OWNER}***.

2. Irrevocably directs and requests ***{NAME OF COMPANY}*** to make any distribution whether of income or capital and whether in cash or otherwise in respect of the Shares, registered in the name of the Trustee, directly to ***{NAME OF BENEFICIAL OWNER}*** or to his/her/its nominees in writing.

3. Irrevocably directs ***{NAME OF COMPANY}*** to transfer the Shares to ***{NAME OF BENEFICIAL OWNER}*** or his/her/its nominees when he/she/it shall so demand the same in writing.

Dated: ***{date}***③.

④**SIGNED, SEALED AND** )  
**DELIVERED** by ***{NAME OF*** )  
***TRUSTEE}*** in the presence of: )  
 )  
\_\_\_\_\_ )  
Name: )  
Address: \_\_\_\_\_ )  
 )  
Occupation: \_\_\_\_\_ )  
 )

\_\_\_\_\_  
***{NAME OF TRUSTEE}***

⑤***{NAME OF TRUSTEE}***

Per: \_\_\_\_\_  
Authorized Signatory

## ENABLING RESOLUTION (Ratifying Agreement)

### General Notes

Sometimes an officer of a company obtains the verbal authority of the directors to enter into an agreement on behalf of the company. At some later date, the directors of the company may request that the law firm prepare a resolution in writing to ratify, confirm and approve the terms and conditions of the agreement and the execution of the agreement. This resolution should not be prepared without specific instructions from the supervising lawyer since the question of when it is acceptable to approve transactions after the fact is always problematic.

### Preparation

- ① Copy the date from the agreement.
- ② Copy the name and office of the person who signed the agreement on behalf of the company from the agreement.
- ③ Insert the description of the agreement (for example: an Asset Purchase Agreement).
- ④ Copy the names of the party or parties to the agreement, other than the company.
- ⑤ Briefly describe the transaction (for example, “the sale by the Company to the Purchaser of certain assets of the Company”).
- ⑥ Insert the effective date of the resolution – it may, or may not, be the date of the agreement.
- ⑦ Check the *Register of Directors* of the company and insert the names of all directors.

### Processing

Make an extra copy of the agreement and type on it “Schedule “A” and attach the copy of the agreement to the resolution.

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange for its signature by the company’s directors and when signed, place under “**Directors’ Resolutions**” tab in the company’s **Records Book**.

**DIRECTORS RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Company”)**

**WHEREAS:**

- A. On *{date}*<sup>①</sup>, *{NAME OF OFFICER}*<sup>②</sup> executed a *{NAME OF AGREEMENT}*<sup>③</sup> between *{NAME OF PARTY}*<sup>④</sup> and the Company in the form attached as Schedule “A” to this Resolution (the “Agreement”); and
- B. It is expedient that the execution of the Agreement be ratified and confirmed.

**RESOLVED THAT:**

- 1. The execution of the Agreement be ratified and confirmed.
- 2. Any actions heretofore taken by the directors or officers of the Company, as the case may be, in connection with the *{Nature of the document and the transaction}*<sup>⑤</sup> and the transactions contemplated thereby be ratified and approved.

Dated effective: *{Date}*<sup>⑥</sup>

\_\_\_\_\_  
 ⑦ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
 ⑦ *{NAME OF DIRECTOR}*

## ENABLING RESOLUTION (Approving Contract or Agreement)

### General Notes

The directors must approve all major transactions entered into by a company (e.g. buying a parcel of land or acquiring another company), unless the transaction is carried out in the ordinary course of business (e.g. buying a computer or inventory).

**Note:** If all, or substantially all of the assets of the company are being disposed of, the shareholders must approve the sale unless the company only has one shareholder (s. 301) (see the **Dissolutions** chapter).

### Preparation

- ① Insert the name or names of the parties with whom the company proposes to enter into an agreement. Adjust the description of the parties to suit the transaction.
- ② Describe the name of the transaction, for example:  

*“the purchase of certain lands and premises located at {address} and more particularly legally described as {legal description}”*
- ③ Describe the agreement, for example “*Contract of Purchase and Sale*”.
- ④ Insert the date of the resolution (not the date of the Agreement).
- ⑤ Check the **Register of Directors** of the company and insert the names of all directors.

### Processing

Make an extra copy of the proposed agreement and type on it “Schedule “A” and attach the copy of the agreement to the resolution.

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange for its signature by the company’s directors and when signed, place under “**Directors’ Resolutions**” tab in the company’s **Records Book**.

**DIRECTORS RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Company”)**

**WHEREAS:**

A. It is expedient for the Company to enter into an agreement with *{NAME IN OF PARTY(IES)}*<sup>①</sup> with respect to *{nature of transaction}*<sup>②</sup>, on the terms and conditions set out in an *{description of agreement}*<sup>②</sup>, a copy of which is attached to this resolution as Schedule “A” (the “Agreement”);

B. Pursuant to the terms of the Agreement, the Company will be required to execute and deliver certain ancillary agreements, documents, deeds and instruments in connection with *{nature of transaction}*<sup>②</sup> (the “Related Agreements”).

**RESOLVED THAT:**

1. The *{describe the transaction}*<sup>②</sup> on the terms and conditions set out in the Agreement be approved and the Company be authorized to enter into the Agreement.

2. The execution and delivery by the Company of the Agreement, the Related Agreements and all other agreements, documents, deeds and instruments that are necessary to complete the *{describe the transaction}*<sup>②</sup> transaction contemplated by the Agreement is hereby approved.

3. Any director or officer of the Company, signing alone, be authorized to execute and deliver the Agreement, the Related Agreements and all such other documents and instruments, with such changes thereto as the director or officer may approve (such approval to be evidenced conclusively by his or her execution thereof), and to do such further acts as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

Dated effective: *{Date}*<sup>④</sup>

\_\_\_\_\_  
 ⑤ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
 ⑤ *{NAME OF DIRECTOR}*

## ENABLING RESOLUTION (Borrowing)

### General Notes

A company has the power to borrow money and to give security for such borrowing unless such power is restricted by the company's *Articles* or a *Shareholders Agreement*. Before preparing a borrowing resolution, check the appropriate section of the *Articles* and review the relevant provisions in any *Shareholders Agreement*.

The company's power to borrow is exercised by the company's directors. Often the lawyers for the lender forward a form of enabling resolution along with the required security instruments to the lawyer for the borrower, in which case, you should use the wording provided by the lender's lawyers.

The simple form of resolution shown opposite would be prepared when the lender and the borrower are associated companies, for example in the case of an inter-company loan, or when a shareholder is loaning money to the company.

### Preparation

- ① Insert the full legal name of the lender.
- ② Insert the amount of the loan (if it is a fixed amount) or the following words:
  - “*certain monies from time to time, up to the aggregate amount of \$ \_\_;* or
  - “*certain amounts not exceeding the amount of \$ \_\_*”.
- ③ Insert the date of the resolution.
- ④ Check the *Register of Directors* of the company and insert the names of all directors.

### Processing

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange for its signature by the company's directors and when signed, place under “**Directors Resolutions**” tab in the company's **Records Book**.

**DIRECTORS RESOLUTIONS**  
**OF**  
*{NAME OF COMPANY}*  
 (the “Company”)

**WHEREAS:**

- A. *{NAME OF LENDER}*① (the “Lender”) wishes to loan \$② to the Company;
- B. In the opinion of the directors of the Company, it is in the best interests of the Company for the Company to borrow \$② from the Lender and to issue to the Lender a promissory note (the “Promissory Note”) in consideration for the loan by the Lender to the Company.

**RESOLVED THAT:**

- 1. The Company borrow from the Lender \$② and issue and deliver the Promissory Note to the Lender.
- 2. Any director or officer of the Company, signing alone, be authorized to execute and deliver the Promissory Note, under the seal of the Company or otherwise, and to deliver all further documents and instruments, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

Dated effective: *{Date}*③

\_\_\_\_\_  
 ④*{NAME OF DIRECTOR}*

\_\_\_\_\_  
 ④*{NAME OF DIRECTOR}*

## ENABLING RESOLUTION (Financial Assistance)

### General Notes

A company (the “Lender”) may give financial assistance to a person or another company (the “Borrower”) by “means of a loan, a guarantee, the provision of security or otherwise.” (s. 195(2)). A Lender must disclose any financial assistance given that is material to the Lender and that a Lender gives to a shareholder, a director, an employee of the Lender or an affiliate company, any associate of the Lender, or any other person for the purpose of a purchase by that person of a share issued or to be issued by the Lender or an affiliate of the Lender.

However, a Lender need not make disclosure (s. 195(4)) in respect of financial assistance that is given to:

- a person in the ordinary course of business, if the lending of money is part of the ordinary business of the company, or on account of expenditures incurred or to be incurred on behalf of the company; or
- a Borrower:
  - of which the Lender is a wholly owned subsidiary, or
  - that is a wholly owned subsidiary of the Lender; or
  - if the Borrower and the Lender are wholly owned subsidiaries of the same holding corporation, or wholly owned by the same person;
- the person, other than a corporation, who holds all of the shares of the Lender or of a corporation of which the Lender is a wholly owned subsidiary.

The disclosure of the above information may be in the form of a consent directors’ resolution authorizing the financial assistance (s. 195(7)).

### Preparation

- ① Insert the kind of assistance (it could be a guarantee in which case the company would be the guarantor). Note: Section 195(6) requires a brief description, the nature and extent, terms and amount of the financial assistance.  
**Note:** The example in this resolution authorizes the company to give financial assistance by way of a loan. If some other assistance is involved, such as a corporate guarantee, adjust the wording in the resolution.
- ② Insert the name of the company or person to whom the company is giving assistance, the Borrower.
- ③ Insert the amount of the loan.
- ④ Insert the annual rate of interest on the loan.
- ⑤ Insert this paragraph if a disclosure is necessary (see **General Notes** above). If the company or person to whom the company is giving assistance does not fall within the requirements of section 194(3), delete this paragraph.
- ⑥ Insert the effective date of the Resolution.
- ⑦ Check the *Register of Directors* of the company and insert the names of all directors.

### Processing

Arrange for the resolution to be signed by the directors of the company and when returned signed, place under “**Directors’ Resolutions**” tab in the company’s **Records Book**.

**DIRECTORS RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Company”)**

**WHEREAS:**

- A. In the opinion of the directors of the Company, it is in the best interests of the Company for the Company to loan ① to *{Name of Borrower}* ② (the “Borrower”) \$ ③ in consideration for the receipt from the Borrower of a \$ ③ promissory note (the “Promissory Note”) payable on demand, with interest calculated at the rate of ④ per cent per annum;
- B. Pursuant to Section 195(2) of the *Business Corporations Act*, the Company has disclosed that the Borrower is ⑤.

**RESOLVED THAT:**

1. The Company loan \$ ③ to the Borrower.
2. Any director or officer of the Company, signing alone, be authorized to execute and deliver all further documents and instruments, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

Dated effective: *{Date}* ⑥

\_\_\_\_\_  
⑦ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
⑦ *{NAME OF DIRECTOR}*



## PROMISSORY NOTE

### General Notes

A promissory note is a promise made by a person or company to pay a sum of money to another person or company at a certain place at a certain time. The promissory note may be made jointly by more than one person or company in favour one or more persons or companies. The promissory note may secure a “running account” (the collective sums owing at any given time if the loan is made incrementally).

#### *A Promissory Note:*

- must be dated; and
- must state:
  - the place that the loan must be paid;
  - the due date – if no due date is specified, it must state that it is payable “on demand”;
  - the interest rate; and
  - the terms of payment (if any).

A *Promissory Note* is often prepared as evidence of a loan when a company borrows or loans monies or to evidence the balance of the purchase price if the purchase price for shares or assets is to be paid by instalments.

The *Promissory Note* show on page 20 is a simple form of promissory note. There are a number of alternate clauses and provisions that may be contained in a promissory note.

Unless a *Promissory Note* states that it is “non-assignable” or “non-transferable” it may be assigned or transferred by the lender to another person or company. It is therefore very important that only one original *Promissory Note* be prepared and signed. It is conceivable that if multiple copies of a *Promissory Note* are signed as originals, the borrower could face claims trying to enforce each copy separately.

### Preparation – see next page

### Processing

Arrange to have a director or officer sign and date the *Promissory Note* (see ① and ⑩ on page 20) (refer to the enabling resolution authorizing the delivery and execution of the *Promissory Note*).



PROMISSORY NOTE*{Date}* ①② *{Amount}*

For value received, *{NAME OF BORROWER}* ③ (the “Company”) promises to pay \$ ② to or to the order of *{NAME OF PAYEE/LENDER}* ④ (the “Payee”) ⑤ on demand at *{City}* ⑥, together with interest calculated annually and not in advance at the rate of ⑦ per cent per annum from *{date}* ⑧, to the date of payment.

⑨ At any time, the Payee may demand in writing the amount due to the Payee be paid in full, and all of the principal and interest owing to the date of demand shall be paid *{30}* days after the Company receives notice of the demand.

⑩ The Company has the right to prepay all or any money owing pursuant to this Promissory Note without notice, penalty, or bonus.

The Company hereby waives presentment, notice, protest and all other demands and notices in connection with the delivery, acceptance, performance, default or enforcement of this promissory note.

Dated: *{date}* ①

⑩ *{NAME OF BORROWER}*

Per: \_\_\_\_\_  
Authorized Signatory

## ESCROW AGREEMENT

### General Notes

When two or more parties agree to buy or sell shares in a company and the full purchase price is not paid on the closing date of the sale, the shares may be held “in escrow” by a third party until the full purchase price is paid. For example, the Vendor sells 100 shares in XYZ Company to the Purchaser for \$150. The Purchaser agrees to pay the purchase price over time. The Vendor and the Purchaser enter into an Agreement (the “Escrow Agreement”) in which they arrange for a third party (the Escrow Agent) to hold the Purchaser’s shares in escrow until the Purchaser has paid the full price to the Vendor. When the Escrow Agent is satisfied that the Purchaser has paid the full purchase price to the Vendor, the Escrow agent would then deliver the shares to the Purchaser and the escrow arrangement would be terminated.

If the shares being sold represent all of the shares of the company and the Vendors give up control of the company and resign as its directors and officers, it is also the usual practice to prepare resignations of the Purchasers and hold them in escrow until the purchase price is paid.

### Preparation

- ① Insert the date of the Escrow Agreement (which should be the same or after the date in ⑥).
- ② Insert the name and address of the Vendor (person or company who is selling the shares). If a company, describe as in ⑤.
- ③ Insert the name and address of the Purchaser (person or company who is buying the shares). If a company, describe as in ⑤.
- ④ Insert the name and address of the escrow agent. If a company, describe as in ⑤.
- ⑤ Insert the name, and business or registered and records office address of the company (the company in which the shares are issued). If the company was amalgamated or continued change the reference to “incorporated” to “amalgamated” or “continued”.
- ⑥ Insert the date of the Agreement – see ①.
- ⑦ Insert the nature of the agreement pursuant to which the shares are held in escrow, for example: “Share Purchase Agreement”.
- ⑧ Insert the number and class of shares being held in escrow (check the *Share Certificate(s)*).
- ⑨ Modify this description if the shares are being held in escrow for some other purpose, for example to provide for security for the payment or satisfaction of a potential liability.

*Continued...*

**ESCROW AGREEMENT**

This Agreement made as of *{Date}*<sup>①</sup>.

**BETWEEN:**

***{NAME OF VENDOR}***,<sup>②</sup>

***{address of Vendor}***<sup>②</sup>

(the “Vendor”)

**AND:**

***{NAME OF PURCHASER}***,<sup>③</sup>

***{address of Purchaser}***<sup>③</sup>

(the “Purchaser”)

**AND:**

***{NAME OF ESCROW AGENT}***,<sup>④</sup>

***{address of Escrow Agent}***<sup>④</sup>

(the “Escrow Agent”)

**AND:**

***{NAME OF COMPANY}***,<sup>⑤</sup>

a company incorporated <sup>⑤</sup> under the laws of the Province  
of British Columbia,

of <sup>⑤</sup>

(the “Company”)

**WHEREAS:**

A. By an agreement between, inter alia, the Vendor and the Purchaser dated *{date}*<sup>⑥</sup> (the “Share Purchase<sup>⑦</sup> Agreement”), the Purchaser purchased from the Vendor ***{number and class of shares}***<sup>⑧</sup> (the “Shares”) of the Company and agreed to enter into this Agreement to provide for <sup>⑨</sup>security for payment of the purchase price (the “Purchase Price”) specified therein;

B. The Purchaser and the Vendor are required to enter into an Escrow Agreement under the terms of the Share Purchase<sup>⑦</sup> Agreement;

C. Terms defined in the Share Purchase<sup>⑦</sup> Agreement shall have the same meaning herein;

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and in consideration of the payments and covenants hereinafter contained, the parties agree as follows:

*Continued...*

**ESCROW AGREEMENT****Preparation (Continued)**

- ① Insert the description of the *Share Certificate(s)* being sold, by listing the Certificate's number, registered owner, the number and class of shares.
- ② Delete this paragraph if not applicable.
- ③ Insert the name of the director(s) and officer(s) of the purchaser who will resign if the purchase monies are not paid.
- ④ Insert Purchaser or Vendor as appropriate in the circumstances
- ⑤ Insert Purchaser of Vendor as applicable; note that if one is responsible for payment, the other would normally be guarantor.

*Continued....*

***Escrow Agreement******Page 2***

1. The Purchaser agrees to deliver to the Escrow Agent a sealed envelope containing the following documents:
  - (a) *{Description of Share Certificate placed in escrow}*① registered in the name of the Purchaser representing the Shares;
  - (b) a stock power of attorney (*or*: Instrument of Transfer) duly executed by the Purchaser with respect to the transfer of the Shares; and

I ② the resignation of *{NAME}*③ as a director and officer of the Company (collectively, the “Escrow Documents” and each of them an “Escrow Document”).
2. The Escrow Agent will hold and dispose of the Escrow Documents in accordance with the terms of this Agreement.
3. The Vendor may at any time make a written direction to the Escrow Agent to release all or any of the Escrow Documents to the Purchaser, and the Escrow Agent shall forthwith on receipt of that direction comply with that direction.
4. The Purchaser may at any time make a written direction to the Escrow Agent to release all or any of the Escrow Documents to the Vendor, and the Escrow Agent shall forthwith on receipt of that direction comply with that direction.
5. Upon receipt of a statutory declaration from a director or officer of the Purchaser stating that, pursuant to the Share Purchase Agreement, the Purchase Price, as defined in the Share Purchase Agreement, has been paid by the Purchaser to the Vendor, the Escrow Agent shall forthwith give notice and copies of the statutory declaration to the Vendor and, unless the Escrow Agent receives a notice of dispute (a “Dispute Notice”) from the Vendor within 14 days after the date notice is given, the Escrow Agent shall release the Escrow Documents to the Purchaser.
6. Upon receipt of a statutory declaration from an officer or director of the Vendor stating that, pursuant to the Share Purchase Agreement, the Purchaser has not paid the full Purchase Price within one month after the date the last payment thereof is due, the Escrow Agent shall forthwith give notice and copies of the statutory declaration to the Purchaser and, unless the Escrow Agent receives a Dispute Notice from the Purchaser within 14 days after the date notice is given:

*Continued...*

*Escrow Agreement**Page 3*

- (a) the Escrow Agent shall release the Escrow Documents to the Vendors;
  - (b) the Purchaser and the Company shall take all steps necessary to transfer the Shares to the Vendors in accordance with the stock power of attorney referred to in subparagraph 1(b); and (c) the Company shall prepare and deliver new Share Certificates representing the Shares transferred to the Vendors pursuant to subparagraph 6(b).
7. If the Escrow Agent receives a Dispute Notice under the terms of this Agreement, the Escrow Agent shall continue to hold the Escrow Documents in escrow pursuant to this Agreement and shall only release the Escrow Documents in accordance with a joint direction of the Vendors and the Purchaser or in accordance with the final order of a court or arbitrator, as applicable, of competent jurisdiction.
8. All voting rights attached to the Shares may be exercised by the Purchaser<sup>④(1)</sup>, and the Purchaser<sup>④</sup> is entitled to receive all dividends declared and paid on the Shares, while the Escrow Documents are held in escrow pursuant to the terms of this Agreement.
9. The Vendor<sup>⑤</sup> shall pay from time to time the reasonable fees and expenses of the Escrow Agent in connection with the performance of its duties hereunder and the Purchaser<sup>⑤</sup> hereby guarantees payment of such fees and expenses and agrees that the Vendor and Purchaser shall be jointly and severally liable therefor.
10. The Vendor and Purchaser shall jointly and severally indemnify and save harmless the Escrow Agent from and against all claims, demands, losses, costs and expenses arising out of its performance of its duties hereunder.
11. The Escrow Agent shall be deemed to have no notice or knowledge of the Escrow Documents and shall have no responsibility in respect thereof, except the duty to exercise such care in the safekeeping thereof as it would exercise if the same were its own property.
12. The Escrow Agent may retain and act on the advice of counsel in the performance of its duties but shall not be responsible for acting or failing to act on the advice of counsel.

*Continued...*

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<sup>(1)</sup> Insert the explanation on page 24

***Escrow Agreement*****Page 4**

13. Notices to be given under this Agreement shall be duly and properly given if mailed by prepaid registered mail addressed to the parties at their addresses shown above.

14. The Company hereby acknowledges the terms of this Agreement and agrees to take all reasonable steps to facilitate its performance.

15. The Shares and the beneficial ownership of, or any interest in, the Shares shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow, or otherwise, in any manner, dealt with without the prior written consent of the Vendor and the Purchaser.

16. This Agreement will terminate only on the release of the Escrow Documents pursuant to this Agreement.

17. The Escrow Agent hereby accepts the responsibilities set out in this Agreement.

18. This Agreement is not assignable by any party without the prior written consent of the other parties and any attempt to assign the rights, duties or obligations under this Agreement without that written consent is of no effect.

19. The terms contained in this Agreement are the entire agreement between the parties with respect to the subject matter of this Agreement and cancel and supersede any prior understandings or agreements between the parties with respect to that subject matter.

20. Each of the parties shall execute all further documents and do all further things that are necessary to carry out the terms of this Agreement.

21. This Agreement may only be amended or modified by the written agreement of the parties.

***Continued...***

## ESCROW AGREEMENT

### Preparation (Continued)

- ① Prepare and complete this form of execution clause for each **individual**, whether purchaser, vendor or escrow agent.
- ② Prepare and complete this form of execution clause for each **company**, whether purchaser or vendor if the company has no seal.
- ③ If the company **has a seal**, prepare this form of execution.

### Processing

Arrange for the *Escrow Agreement* to be signed by all parties.

When the signed *Escrow Agreement* is returned:

- make four copies of the *Escrow Agreement*;
- make a copy of the *Share Certificate(s)* and any stock power(s) of attorney;
- attach the original of the Escrow Agreement to the *Share Certificate(s)*, stock power(s) of attorney and any other documents provided pursuant to the *Escrow Agreement* and place in a sealed envelope to be delivered to the Escrow Agent, or if your firm or a member of your firm is the Escrow Agent, in your law firm's vault or fire proof cabinet (or check with your corporate supervisor as to the arrangements for safe storage of documents);
- attach a copy of the *Escrow Agreement* to the copy of the *Share Certificate(s)* and place them in the company's *Records Book* under the tab *Share Certificates*;
- put one copy of the *Escrow Agreement* in the company's corporate file.
- deliver one copy of the *Escrow Agreement* to the Vendor and one to the Purchaser.

Diarize the date of the last payment in the agreement with respect to the sale of the shares.

Report the transaction to the company, and whichever party you are acting for.



## LOST SHARE CERTIFICATE (Statutory Declaration)

### General Notes

The directors of a company may authorize the replacement of a lost or defaced *Share Certificate* (s. 109). Usually, the following documents are required:

- a *Statutory Declaration* set out opposite;
- an *Indemnity* – see page 32; and
- a directors Resolution approving the issuance of a replacement *Share Certificate*. – see page 34.

**Note:** For an explanation of the documents required to replace a lost *Share Certificate*, see page 34.

### Preparation

- ① Insert the full name, occupation and address of the deponent (that is the person making the Declaration). It may be the shareholder, if the shareholder is an individual, or an officer of a company if the shareholder is a company.
- ② Add the following if the deponent is not the shareholder but makes the declaration on behalf of a shareholder company:
 

*“... the {President/Secretary} of {NAME OF SHAREHOLDER COMPANY}...”*
- ③ If the shareholder is a company, replace the entire paragraph with:
 

*“The {NAME OF SHAREHOLDER COMPANY} is the registered and beneficial owner of the following Share Certificate(s) for shares of the Company (hereinafter called the “Certificate(s)”).”*
- ④ Insert the Certificate number(s), number(s) and description of shares and the name of the registered owner (shareholder) from the *Central Securities Register* or the *Register of Members*.
- ⑤ If the shareholder is an individual (and not a company), delete the words “on behalf of {NAME OF SHAREHOLDER COMPANY}”.

### Processing

Arrange to have the Statutory Declaration sworn before a lawyer or notary.

See *Consent Resolution* on page 34 for further processing

CANADA ) IN THE MATTER OF *{NAME OF COMPANY}*  
 ) (the “Company”) and in the matter of Share  
 PROVINCE OF BRITISH ) Certificate No. *{number}* for *{number and Class of*  
 COLUMBIA ) *shares}* shares in the name of *{NAME OF*  
 TO WIT ) *SHAREHOLDER}*

I, *{Name of Shareholder}*<sup>①</sup>, *{Occupation}*<sup>①</sup>, of *{address}*<sup>①②</sup>, DO SOLEMNLY  
 DECLARE T:

1. ③I am the registered and beneficial owner of the following Share Certificate(s) for shares of the Company (hereinafter called the “Certificate(s)”).

Share Cert. No.	Number and Class of Shares	Name of Registered Owner
④	④	④

2. I have conducted a diligent and thorough search for the Certificate(s) and have been unable to locate the Certificate(s) and I verily believe that it/they will never be found and that it/they has/have been lost, defaced or destroyed.

3. At the time of the loss, the shares and the Certificate(s) were not sold, transferred, hypothecated, pledged, assigned, delivered as a gift, or deposited as security for any purpose, and the Certificate(s) was/were not endorsed for transfer.

4. If the Certificate(s) is/are found, I will notify the Company immediately.

5. I make this Declaration ⑤ on behalf of *{NAME OF SHAREHOLDER COMPANY}*<sup>⑤</sup> in support of an application to have the Company replace the Certificate(s).

**I MAKE THIS SOLEMN DECLARATION** conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath.

**DECLARED before me** at *{City}*, )  
 Province of British Columbia, this \_\_\_\_ )  
 day of \_\_\_\_\_, 200\_\_\_\_ )  
 )  
 \_\_\_\_\_ )  
 A Commissioner for taking Affidavits )  
 in British Columbia )

\_\_\_\_\_  
*{NAME OF SHAREHOLDER or*  
**OFFICER OF SHAREHOLDER**  
**COMPANY}**

## LOST SHARE CERTIFICATE (Indemnity)

### General Notes

When a shareholder applies to the company to replace a lost *Share Certificate*, the directors of the company may require that the shareholder sign a form of indemnity (sometimes called a “Bond of Indemnity”) promising to indemnify the company from any loss resulting from the company have issued a replacement *Share Certificate*.

### Preparation

- ① Insert the name of the company in which the shares were issued.
- ② Insert the name of the shareholder (either an individual or a company).
- ③ Insert the details for the lost *Share Certificate* by listing the certificate number, the number of shares it was issued for and the name of the registered holder from the *Central Securities Register*.
- ④ Insert the date. It should be the same or before the *Directors’ Resolution* (page 34).
- ⑤ If the shareholder is an individual, insert this execution clause.
- ⑥ If the shareholder is a company, insert this execution clause.

### Processing

Arrange to have Indemnity signed by the shareholder.

See *Consent Resolution* on page 34 for further processing.

**INDEMNITY**

To: *{NAME OF COMPANY}*①

- A. The Undersigned② is the registered and beneficial holder of *{number} {Description of Class}*③ shares in the Company represented by Share Certificate(s) No(s). *{number(s)}*③ issued on ③ (the “original Certificate(s)”), and has represented to the Company that the original Certificate(s) has/have been mislaid, lost, defaced or destroyed.
- B. The Undersigned has applied to the Company to issue (a) new Share Certificate(s) to the Undersigned to replace the original Certificate(s) that has/have been lost, defaced or destroyed.
- C. The Company has consented to issue (a) new Share Certificate(s) in the name of the Undersigned upon receiving the Indemnity hereinafter contained.

In consideration of the Company issuing to the Undersigned (a) new Share Certificate(s) for *{number(s)} {Description of Class}*③ shares in the Company to replace the original Certificate(s), the Undersigned hereby agrees to:

- 1. return the original Certificate(s) the Company promptly if the original Certificate(s) is/are found at any time in the future; and
- 2. indemnify and save harmless the Company from and against any and all actions, causes of action, suits, debts, claims, liabilities, demands, proceedings, losses, costs, damages, legal fees and expenses of whatever kind or nature arising out of or in any way attributable to the issuance of (a) new Share Certificate(s) to replace the original Certificate(s) which was/were lost, defaced or destroyed and further that the Undersigned will deliver and surrender the original Certificate(s) to the Company in the event that the original Certificate(s) is/are subsequently located.

Dated: *{date}*④

⑤SIGNED in the presence of: )  
 )  
 \_\_\_\_\_ )  
 Name )  
 \_\_\_\_\_ )  
 Address )  
 \_\_\_\_\_ )  
 Occupation )

\_\_\_\_\_  
*{NAME OF SHAREHOLDER}*

⑥*{NAME OF SHAREHOLDER COMPANY}*

Per: \_\_\_\_\_  
Authorized Signatory

## LOST SHARE CERTIFICATE (Directors Resolution)

### General Notes

When requested to replace a lost (worn out, defaced or destroyed) Share Certificate, check the company's *Articles* to determine whether they specify the documents required from the shareholder to replace the lost Share Certificate. If the *Articles* do not specify the documents required, the directors may determine what evidence and indemnity must be provided. Section 109 of the Act states that:

*“If a share certificate of a company is worn out, defaced, lost or destroyed, it may be renewed on payment of the charge, not exceeding the prescribed amount, and on the terms for evidence and indemnity*

*(a) that the articles require, or*

*(b) in the absence of a provision in the articles, that the directors determine.”*

The prescribed fee (see Regulation 14) is a maximum of \$2.00.

Most companies require the following documents:

- a **Statutory Declaration** (see page 30); and
- an **Indemnity** (see page 32);

When these documents have been signed, the directors will pass a resolution authorizing the issuance of a replacement certificate.

### Preparation

- ① Check the **Central Securities Register** and insert the number of the **Share Certificate** that is being replaced.

**Note:** The certificate replacing a lost certificate should have the same date of issuance and the same number as shown on the original certificate with an “(r)” after the number. For example, if share certificate No. 4 has been lost, the replacement certificate would be numbered “4(r)”.

- ② Insert the number and class of shares (from the **Central Securities Register**).
- ③ Insert the date of the Resolution.
- ④ Check the **Register of Directors** of the company and insert the names of all directors.

### Processing

Prepare a new **Share Certificate** (see the **Records** chapter)

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange to have the Resolution and the **Share Certificate** signed by the directors. When both are signed, place the Resolution in the **Records Book** under the tab “**Directors Resolutions**” and the **Share Certificate** under the tab **Share Certificates**.

**Note:** In the case of a closely held company you may forward all documents to the company for execution and not wait until the **Statutory Declaration** and the **Indemnity** have been signed before preparing the Resolution.

**DIRECTORS RESOLUTIONS  
OF  
{NAME OF COMPANY}  
(the “Company”)**

**WHEREAS:**

- A. *{NAME OF SHAREHOLDER}* (the “Shareholder”) has reported to the Company that Share Certificate No. *{number}*① representing *{number and description of Class of shares}*② shares without par value/with a par value of \$*{1.00}* each of the Company registered in the books of the Company in the Shareholder’s name has been lost, defaced or destroyed;
- B. The Shareholder has executed a Statutory Declaration and an Indemnity as evidence of such loss, defacement or destruction;
- C. The directors are satisfied with the Statutory Declaration as proof of the loss and with the Indemnity

**RESED THAT:**

- 2. 1. The following Share Certificate(s) be cancelled:

Certificate No.	Registered Holder	Number and Class of Shares
<i>{number}</i> ①	<i>{NAME OF SHAREHOLDER}</i>	②

- 2. The following Share Certificate(s) be issued to replace the lost Share Certificate(s) and any one director of the Company be authorized to execute and deliver the new Share Certificate(s).

<i>I{number}</i> ②(r)	<i>{NAME OF SHAREHOLDER}</i>	②
-----------------------	------------------------------	---

Dated effective: *{Date}* ③

\_\_\_\_\_  
④ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
④ *{NAME OF DIRECTOR}*

## NOTICE OF A SHAREHOLDERS' MEETING (to be held)

### General Notes

A company must send a notice of the date, time and location of a general (shareholders') meeting of the company at least the prescribed number of days but not more than two months before the meeting (s. 169):

- to each shareholder entitled to attend the meeting; and
- to each director.

The accidental omission to send notice of any general meeting to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting.

The prescribed number of days (Regulation 3) is the period specified by the company's *Articles* if that period is more than 9 days, and if no period is specified in the *Articles*, the period is a clear 21 days. According to Section 25 (4) of the *Interpretation Act*, when calculating "clear days" you must exclude the first and last days (i.e. the day that the notice is sent and the day of the meeting).

A shareholder and any other person entitled to notice of a meeting of shareholders may waive that entitlement or may agree to reduce the period of that notice (s. 170(1)). The waiver does not need to be exercised in writing (s.170(2)). Note: The attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting, unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called (s. 170(3)).

In order to determine the shareholders entitled to notice of a meeting of shareholders or entitled to vote at a meeting of shareholders (s. 171), the directors may set a date as the record date which may not be longer than two months before the date of the notice. However, if the directors do not formally set a record date, the record date is:

- 5 p.m. on the day immediately preceding the first date on which notice is sent; or
- if no notice is sent, the beginning of the meeting.

### Preparation

- ① Insert the nature of the proposed meeting, e.g. general, special, extraordinary.
- ② Insert the address of the location at which the meeting is to be held.  
**Note:** pursuant to section 166, the meeting must be held in British Columbia, or may be held at a location outside British Columbia if that location is:
  - provided for in the *Articles*;
  - approved by an ordinary resolution before the meeting is held; or
  - approved in writing by the registrar before the meeting is held.
- ③ Insert the date and time of the meeting – see **General Notes** regarding the notice period.
- ④ Insert the items on the agenda for the meeting.
- ⑤ Insert the date of the Notice – again, see **General Notes** re: notice period

### Processing

Arrange to have the Notice signed by the secretary, or if the secretary is unavailable, by the president or a director of the company. Check with the supervising lawyer if your law firm will be mailing the *Notice* to the shareholders.

**NOTICE OF A ① MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that a ① Meeting of Shareholders of *{NAME OF COMPANY}* (the “Company”) will be held:

at:

*{address}*② British Columbia,

on *{date}*③,

at the hour of *{hour}*③ in the morning/afternoon (Pacific Standard Time),

for the following purposes:

1. ④
2. to transact such further or other business as may properly come before the meeting or any adjournment or adjournments thereof.

Dated at *{City}*, British Columbia, *{Date}* ⑤

**BY ORDER OF THE BOARD**

---

*{NAME OF OFFICER}*

President/Secretary

## PROXY

### General Notes

The Act defines a proxy as "...a record (*document*) by which a shareholder appoints a person as the nominee of the shareholder to attend and act for and on behalf of the shareholder at a meeting of shareholders..." (s. 1(1))

Black's Law Dictionary describes the word "proxy" as a contraction of "procuracy" and defines it as "a person who is substituted or deputed by another to represent him and act for him, particularly in some meeting or public body". Sometimes, the person who is appointed is also called a "proxyholder".

Before preparing this document, check the *Articles* of the company to determine:

- whether a shareholder is entitled to appoint a proxy;
- the form of proxy required, if any;
- where the form of proxy must be delivered and the latest date for delivery;
- whether there are restrictions on whom the shareholder is entitled to appoint as proxy (for example whether the proxyholder is required to be another shareholder).

In addition, the *Articles* may specify how the proxy may be revoked.

### Preparation

**Note:** This document is prepared and mailed with the *Notice of Shareholders' Meeting* (see page 36) and is usually pre-printed and the information regarding the name of the proxy and the alternate proxy, the date and the name of the shareholder are left blank. If the shareholder decides to appoint a proxy, he, she or it will then complete the document and mail or deliver it to the company before the meeting.

- ① Insert the nature of the proposed meeting, e.g. general, special, extraordinary.
- ② Insert the date of the meeting.
- ③ If you know the name of the shareholder and you know that he or she is an individual, insert this signature proviso.
- ④ If you know the name of the shareholder and you know that it is a company, insert this signature proviso.

### Processing

If the *Proxy* is accompanying the *Notice of Shareholders Meeting*, attach a document with blank spaces to the Notice.

If you just need a *Proxy* for a specific shareholder, complete all the information and arrange for the shareholder to sign the document.

**PROXY**

TO: *{NAME OF COMPANY}*  
(the "Company")

The undersigned, being a registered shareholder of the Company,  
he \_\_\_\_\_  
(Name)

or fa \_\_\_\_\_  
(Name)

(the "representative") as representative, agent, attorney and proxyholder for the undersigned, to act for and on behalf of the undersigned in the name of the undersigned in respect of all matters requiring the approval of shareholders of the Company and, without restricting the generality of the foregoing, to attend and vote at the ① general meeting of the Company to be held on *{date}* ② and at any adjournment thereof, and to execute any and all consents and any instruments submitted to the shareholders of the Company for execution, and the undersigned hereby ratifies, confirms and agrees to ratify and confirm all that the said representative may lawfully do by virtue hereof, this authority and appointment to be valid until cancelled by written notice so to do.

Dated: \_\_\_\_\_

③ *If the shareholder is an individual:*

\_\_\_\_\_  
*{NAME OF SHAREHOLDER}*

④ *If the shareholder is a company:*

*{NAME OF SHAREHOLDER COMPANY}*

Per: \_\_\_\_\_

## MINUTES OF A SHAREHOLDERS' MEETING (actually held)

### General Notes

After a shareholders' meeting has been held, the secretary of the meeting is generally required to prepare the minutes of the meeting. If the supervising lawyer acted as secretary of the meeting, you may be asked to prepare the minutes from his or her notes taken at the meeting. A discussion of the conduct of the meeting and issues such as determining whether a quorum was present or the conducting of a poll are beyond the scope the *Guide* and are not covered in this chapter.

The *Articles* of the company generally contain rules setting out who is to preside as the chairperson of the meeting (usually, the Chairman of the Board, the president or the vice-president), and the secretary of the company is usually appointed by the chairperson as the secretary of the meeting.

### Preparation

- ① Insert the description of the meeting (e.g. annual, general, extraordinary, etc.).
- ② Insert the date, time and location of the meeting.
- ③ Insert the names of those present, form of attendance, who acted as the chair person and secretary of the meeting and the time the meeting was called from the notes of the meeting provided to you by the secretary of the meeting.
- ④ Insert the items as they were approved. If the notes state who proposed the motion, and who seconded the motion, show:

***“MOVED/SECONDED ({NAME}/{NAME})” or***

***“IT WAS MOVED BY {NAME} and SECONDED BY {NAME} that...”***

and at the end of each resolution, insert “***CARRIED***” if it was passed or “***DEFEATED***” if it was not.

### Processing

Once the Minutes have been prepared, checked and approved by the supervising lawyer, it is sent to the company for signature.

The signed copy of the Minutes should be placed in the company's *Records Book* under the tab “***Shareholders Minutes***”.

**MINUTES OF A ① SHAREHOLDERS' MEETING OF**

*{NAME OF COMPANY}*

(the "Company")

Held on ② *{date}* at *{hour}* a/p.m.  
at *{address}*②, British Columbia

**PRESENT:**③ *{NAME OF SHAREHOLDER}*, in person *{OR OTHER MEANS PERMITTED UNDER THE ACT – DESCRIBE ACTUAL MECHANISM I.E. "BY TELEPHONE"}*  
*{NAME OF SHAREHOLDER}*, in person *{OR OTHER MEANS PERMITTED UNDER THE ACT – DESCRIBE ACTUAL MECHANISM I.E. "BY TELEPHONE"}*  
*{NAME OF PROXY}*, Proxyholder for *{NAME OF SHAREHOLDER}*  
*{NAME OF PROXY}*, Proxyholder for *{NAME OF SHAREHOLDER}*

*{NAME OF CHAIRPERSON}*③ acted as the Chairman/person of the Meeting

*{NAME OF SECRETARY}*③ acted as the Secretary of the Meeting.

**CALL TO ORDER**

The Chairperson called the meeting to order at ③ a/p.m.

**MINUTES OF THE PREVIOUS MEETING**

**IT WAS MOVED, SECONDED AND CARRIED** that the Minutes of the Meeting held on *{date and time}* be approved.

④

**TERMINATION OF MEETING**

There being no further business, the Meeting was terminated.

\_\_\_\_\_  
**President**

\_\_\_\_\_  
**Secretary**

## NOTICE OF WITHDRAWAL (Form 19)

### **General Notes**

This form allows for the withdrawal of various records filed with the Registrar and described in other chapters of the *Guide*. Only the documents listed in the *Notice of Withdrawal* (Form 19) may be withdrawn (see Regulation 29).

If you wish to **correct** a record previously filed with the Registrar, you should use the *Register Correction* (Form 47) – see page 48.

If a record has a **future effective** date and an error is found before the specified date and time of the filing, the record must be withdrawn, corrected and re-filled.

Once the incorporation, alteration, amalgamation, dissolution etc., are filed and effective, they cannot be withdrawn.

### **Preparation**

The instructions printed in the form are complete, however the additional explanations set out below are included for those items that may be confusing.

### **Item C** – Records to be withdrawn

Insert the date and time the document was filed from the BC Online receipt printed at the time of filing and, if there was an effective date specified in the future in the original document filed, insert such date.

Form	Name of Form	Withdrawal Requirements
1, all form types	Incorporation Application	May be withdrawn before the company is incorporated (if the Form specifies a future effective date/time)
11, all form types	Alteration Notice	May be withdrawn before the alteration becomes effective (if the Form specifies a future effective date/time)
48 LTD	Alteration to a BC Unlimited Liability Company	May be withdrawn before the alteration becomes effective (s. 258) (if the Form specified a future effective date/time)
49 ULC	Alteration to a BC Limited Company	
50 LTD	Alteration to a BC CCC from a BC Limited Company	

### **Item C** – Records to be withdrawn continued on next pages

*Continued...*



**NOTICE OF WITHDRAWAL**

*BUSINESS CORPORATIONS ACT*, sections 14, 38, 267.2, 280, 299, 318 and 323

Telephone: 1 877 526-1526  
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street  
Victoria BC V8W 3E6

Instructions:

- Item B Enter the name exactly as shown on the Certificate of Incorporation, Amalgamation, Continuation or Change of Name.
- Item D If you want to withdraw a record filed as part of an arrangement, you must withdraw that record and all other records filed in relation to the arrangement before any of the provisions of the arrangement take effect.
- Item E If the applicant is a corporation or firm, enter the full name of the corporation or firm.
- Item F If the applicant is a corporation or firm, this form must be signed by an authorized signing authority for that corporation or firm.

**Freedom of Information and Protection of Privacy Act (FOIPPA):**

Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526,

**Filing Fee: \$20.00**

Submit this form with a cheque or money order made payable to the Minister of Finance, or provide the registry with authorization to debit the fee from your BC OnLine Deposit Account. Please pay in Canadian dollars or in the equivalent amount of US funds.

OFFICE USE ONLY – DO NOT WRITE IN THIS AREA

**A INCORPORATION NUMBER OF COMPANY**

**B NAME OF COMPANY**

**C RECORD TO BE WITHDRAWN**

Indicate the record to be withdrawn under the *Business Corporations Act* and the date and time that the record was filed. For records 1, 2, 3, 4, 5, 6, 7 or 8, enter the specified date and time that the record was to take effect.

- 1) Incorporation Application (form 01 com, form 01 ccc or form 01 ulc) – withdrawn under section 14.  
 Filed Date  and Time  a.m. or  p.m. Pacific Time
- 2) Alteration Notice (FORM 11 COM, FORM 11 CCC or FORM 11 ULC) – withdrawn under section 258.  
 Filed Date  and Time  a.m. or  p.m. Pacific Time
- 3) Alteration to a BC Unlimited Liability Company (from a BC Limited Company) (FORM 48 LTD) – withdrawn under section 258.  
 Filed Date  and Time  a.m. or  p.m. Pacific Time
- 4) Alteration to a BC Limited Company (from a BC Unlimited Liability Company) (FORM 49 ULC) – withdrawn under section 258.  
 Filed Date  and Time  a.m. or  p.m. Pacific Time
- 5) Alteration to a BC Community Contribution Company (from a BC Limited Company) (FORM 50 LTD) – withdrawn under section 258.  
 Filed Date  and Time  a.m. or  p.m. Pacific Time

## NOTICE OF WITHDRAWAL (Form 19)

### Preparation (Continued)

#### **Item C** – Records to be withdrawn (Continued)

Insert the date and time the document was filed from the BC Online receipt printed at the time of filing and, if there was an effective date specified in the future in the original document filed, insert such date.

13 and 14 all form types	Amalgamation Applications	May be withdrawn before the company is amalgamated (if the Form specifies a future effective) or if paper filed, before the effective date of the amalgamation (s. 280)
17 all form types	Dissolution Request	May be withdrawn before the company is dissolved (if the Form specifies a future effective date/time) (s.318)
19	Conversion Application	May be withdrawn before the company is converted (if the Form specifies a future effective date/time) (s.267.2)
18	Intent to Liquidate <sup>(1)</sup>	May be withdrawn before the Company is dissolved
2	Address Change	May only be withdrawn on the date it is filed
16 all form types	Continuation Application	May be withdrawn before the company is continued (if the Form specifies a future effective date/time) (s.304)
<b>D</b>	Withdrawal of Arrangement Records <sup>(1)</sup>	At any time after the records referred to in section 292 are filed with the Registrar before any of the provisions take effect (s. 299)

### Processing

At present, this form cannot be electronically filed and the original form must be emailed to the Registrar. The timing for withdrawing a previously filed document is critical. The lapse of time between the filing of the original document and the time in which it may be withdrawn may be only a few hours. Generally, with electronic filings, unless a future effective date is specified, it is not possible to file a *Notice of Withdrawal*. If a document must be withdrawn, arrange to have the form signed by the client or the supervising lawyer immediately. Since there is no time to mail the form, once the form is signed, it should be forwarded to the Registrar by email and followed with a phone call.

The Act does not provide for a confirmation of withdrawal. However, you may request that staff confirm that the *Notice of Withdrawal* was successfully filed, the date of such filing and confirm that the original document was withdrawn.

<sup>(1)</sup> This may be covered in a future update to this *Guide*



**BC Registry Services**

**NOTICE OF WITHDRAWAL**

*BUSINESS CORPORATIONS ACT*, sections 14, 38, 267.2, 280, 299, 318 and 323

Telephone: 1 877 526-1526  
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street  
Victoria BC V8W 3E6

6) Amalgamation Application (Form 13 com, Form 13 ccc, Form 13 ULC, Form 14 com, Form 14 Ccc or Form 14 Ulc) – withdrawn under section 280.

YYYY / MM / DD

Filed Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

7) Dissolution Request (FORM 17 COM, FORM 17 CCC or FORM 17 ULC) – withdrawn under section 318.

YYYY / MM / DD

Filed Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

8) Conversion application (FORM 19 MFS) – withdrawn under section 267.2 (4.1)

YYYY / MM / DD

Filed Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

For records 1, 2, 3, 4, 5, 6, 7 or 8, enter the specified date and time that the record was to take effect:

YYYY / MM / DD

Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

9) Intent to Liquidate (FORM 18 COM) – withdrawn under section 323.

Note: This record can be withdrawn at any time before the company is dissolved.

YYYY / MM / DD

Filed Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

10) Address Change (FORM 02 COM) – withdrawn under section 38.

Note: This record can only be withdrawn on the day it is filed.

YYYY / MM / DD

Filed Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

11) Continuation Application (FORM 16, FORM 16C, FORM 16U) - withdrawn under section 304.

YYYY / MM / DD

Filed Date \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

**D WITHDRAWAL OF ARRANGEMENT RECORDS – under section 299 of the Business Corporations Act.**

Was the record to be withdrawn filed under section 292 of the Business Corporations Act as part of an arrangement?

YES  NO

If yes, have any of the provisions of that arrangement taken effect?

YES  NO

**E FULL NAME OF APPLICANT**

FIRST NAME

MIDDLE NAME

LAST NAME

RELATIONSHIP OF APPLICANT TO THE COMPANY

**F CERTIFIED CORRECT – I have read this form and found it to be correct.**

NAME OF APPLICANT

SIGNATURE OF APPLICANT

DATE SIGNED YYYY / MMM / DD

X

**All withdrawals must be received by BC Registry Services in sufficient time to process before the record to be withdrawn takes effect.**

## RESOLUTION RECTIFYING AN ERROR

### General Notes

Sometimes after a directors or shareholders resolution has been signed, a person reviewing the resolution or examining the *Records Book* discovers that the resolution contained an error. For example, the amount of a dividend or the effective date of payment could be incorrect, or a special right and restriction attached to the shares reads incorrectly. The error should be discussed with the supervising lawyer who may consult with the client. Depending on the nature of the error, the client may choose to ignore the error, or may instruct the law firm to prepare the necessary resolution to rectify it. Only a Court application can properly rectify some errors. The procedure for making a Court application to correct an error is beyond the scope of this Guide.

In order to rectify typographical errors or errors of a minor nature, a resolution must be prepared and signed describing the error, and setting out what the resolution should have said.

### Preparation

- ① Insert the date of the original resolution containing the error.
- ② Change as appropriate. If the resolution containing the error was a directors resolution, it should be rectified by a directors resolution. Conversely, if the error was in a shareholders' resolution, it should be rectified by a shareholders resolution.
- ③ Insert a brief description of what was authorized by the resolution, for example:
  - the payment of a dividend, and the details of the dividend; or
  - the issuance of a share certificate for *{number and class of shares}* to *{name of shareholder}*; etc.
- ④ Insert a brief description of the **incorrect** wording.
- ⑤ Insert the **correct** wording or describe what the resolution was intended to approve.
- ⑥ Insert a description of all of the provisions of the original resolution intended to be corrected by the rectifying resolution, that is the new correct information.
- ⑦ Insert the effective (present) date of the resolution.
- ⑧ If you have prepared this Resolution as a "Directors Resolution", check the *Directors Register* of the company and insert the names of all of the directors. If you have prepared this Resolution as an "Ordinary Resolution", check the *Central Securities Register* of the company and insert the names of all of the **voting** shareholders.

### Processing

Depending on the nature of the error, you may have to refer to other chapters in this *Guide*. For example, if *Share Certificates* were issued or transferred in error, you should follow the instructions in the relevant chapters.

Once this document is prepared, checked and approved by the supervising lawyer, it is forwarded to the company for signature.

When the resolution has been signed, file the original in the *Records Book* under the tab Directors Minutes or Shareholders Minutes, as the case may be.

**\*Note:** If the correction affects a record previously filed with the Registrar and the error may be rectified by filing a *Register Correction* (Form 47) – page 48, then a Form 47 should be prepared and filed.

**DIRECTORS<sup>①</sup> SHAREHOLDERS<sup>①</sup> RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Company”)**

**WHEREAS:**

- A. With effect on *{date}*<sup>①</sup>, the directors<sup>②</sup> of the Company passed a resolution (the “Resolution”) <sup>③</sup>;
- B. The Resolution contains a typographical error in that it refers to <sup>④</sup> when the intention of the directors<sup>②</sup> in the resolution was to <sup>⑤</sup>;
- C. The directors<sup>②</sup> wish properly to record their ratification, approval and confirmation of their actual intent in that regard.

**RESOLVED THAT:**

1. The directors<sup>②</sup> of the Company ratify, approve and confirm that in the Resolution the directors<sup>②</sup> of the Company:

(a) <sup>⑥</sup>

Effective date: <sup>⑦</sup>

---

<sup>⑧</sup>*{NAME OF DIRECTOR/SHAREHOLDER}*

---

<sup>⑧</sup>*{NAME OF DIRECTOR/SHAREHOLDER}*

## REGISTER CORRECTION (Form 47)

### General Notes

This form may be used to correct a previously filed record (or document) with the Registrar – **not** to withdraw that record. If a record has a **future effective** date and an error is found before the specified date and time of the filing, the record must be withdrawn, corrected and re-filled (see *Notice of Withdrawal* (Form 19) – page 42).

Form 47 should be used to correct typographical errors, such as when the name of a director in the *Notice of Change of Directors* (Form 10) has been misspelled or a mistake in the address of the registered office *Notice of Change of Address* (Form 2) has been made. It may also be used to fix an error in filing a record, such as an error in describing the authorized share structure on a *Notice of Alteration* (Form 11). However, if the description of the authorized share structure is incorrect in the resolution changing the share structure and authorizing the filing of the Form 11, a rectifying resolution should be passed and another Form 11 filed. For more complex corrections, contact the Registry to determine any requirements for supporting documents.

When filing a Form 47 to correct a document which requires the reissuance of a new *Notice of Articles* (e.g. Form 11), order a certified copy of the altered *Notice of Articles*.

### Preparation

The instructions printed in the form are complete, however the additional explanations set out below are included for those items that may be confusing.

**Item C** Set out the name of the form previously filed with the Registrar, e.g. *Notice of Change of Directors* (Form 10) and the date and time it was filed. If you are not certain of the date, determine this information by viewing the **Document Ledger Entries** in the corporate screen of BC Online to (see **Appendix B – Electronic Filings**).

Insert the reason for the amendment (e.g. Notice of Directors filed October 3, 2005. The date that the Director ceased to act incorrect – the date should have read “September 24, 2005”).

### Processing

Check with the supervising lawyer to determine if this form should be signed by the client, or if it is sufficient to have the lawyer sign it.

Once this document has been signed, make one copy and arrange to have the signed original filed in paper form with the Registrar either by mailing or forwarding it by courier, with the appropriate fee (see **Appendix B – Electronic Filings**).

File the copy of the Application in the company’s *Records Book* under the tab “**Forms Filed**” and mark on the copy the date it was mailed to the Registrar.

**Note:** The form should be attached to the document it corrects.



**BRITISH COLUMBIA**

**BC Registry Services**

**REGISTER CORRECTION**  
*Business Corporations Act*

Telephone: 1 877 526-1526  
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt  
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street  
Victoria BC V8W 3E6

**INSTRUCTIONS:**

Please type or print clearly in block letters and ensure that the form is signed and dated in ink.

Use this form to correct some types of information in a record that was filed with the registrar. If you require assistance, please contact Registries at 1 877 526-1526.

**Future Effective Dates:** If a record has a future effective date and an error is found before the specified date and time of the filing, the record must be withdrawn, corrected and re-filed.

- Item B** Enter the name exactly as shown on the Certificate of Incorporation, Registration, Amalgamation, Continuation, or Change of Name.
- Item C** Indicate the record to be amended and the date and time that record was filed. Enter the reason for the amendment including what the record stated at the time of filing. For example: "Director Change, filed November 23, 2004, Director's name spelled incorrectly – John Smith should have read John Smythe." Supporting documentation may be requested.
- Item D** If the applicant is a corporation or firm, enter the full name of the corporation or firm.
- Item E** The applicant must be an authorized signing authority for the company. If the applicant is a corporation or firm, this form must be signed by an authorized signing authority for that corporation or firm.

**Filing Fee: \$20.00**

Submit this form with a cheque or money order made payable to the Minister of Finance, or provide the registry with authorization to debit the fee from your BC OnLine Deposit Account. Please pay in Canadian dollars or in the equivalent amount of US funds.

**Freedom of Information and Protection of Privacy Act (FOIPPA):**

Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

OFFICE USE ONLY – DO NOT WRITE IN THIS AREA

**\* PLEASE ENTER THE COMPANY EMAIL ADDRESS FOR CORRESPONDENCE**

**A INCORPORATION/REGISTRATION NUMBER OF CORPORATION**

**B NAME OF CORPORATION**

**C RECORD TO BE AMENDED**

Name of Record to be Amended: \_\_\_\_\_

Record's Original YYYY / MM / DD

Filed Date: \_\_\_\_\_ and Time \_\_\_\_\_  a.m. or  p.m. Pacific Time

Reason for Amendment:

**D FULL NAME OF APPLICANT**

LAST NAME

FIRST NAME

MIDDLE NAME

CORPORATION OR FIRM NAME

**E CERTIFIED CORRECT – I have read this form and found it to be correct.**

NAME OF APPLICANT

SIGNATURE OF APPLICANT

DATE SIGNED

YYYY / MM / DD

X

## SALE OF SPECIFIC ASSET (Directors Resolution Approving Sale)

### General Notes

This enabling resolution is prepared when a company sells or disposes of an asset. The directors must approve the execution of the documents required to sell or dispose of the asset in order to authorize the company to sell it.

If the asset being sold by a company constitutes the whole or substantially the whole of the company's undertaking or assets, the sale or disposition (with some exceptions) must be approved by a special resolution of the shareholders (s. 301) (see *Sale of Specific Asset – Shareholders Resolution Approving Sale (S. 301)* – page 52).

### Preparation

- ① Copy the description of the asset from the contract (or agreement), and if real estate is involved, copy the legal description from the Land Title search.
- ② Adjust and change the name of the document as required. For example: "Agreement of Purchase and Sale (the "Agreement")".
- ③ If the contract or agreement has not yet been signed, you may substitute:

*"2. The Contract/Agreement and any supplements or amendments thereto shall be in the form approved by the ④sole director of the Company as evidenced by his/her signature thereon.*

*3. The execution and delivery of the Contract/Agreement and any amendments or supplements thereto and all such further documents in connection therewith by the ④sole director of the Company be ratified, approved, authorized and confirmed."*
- ④ Insert the office of the person who signed, or will be signing, the Contract (i.e. "the President").
- ⑤ Insert the effective date of the Resolution – it may not be the same as the date of the Contract or Agreement.
- ⑥ Check the *Register of Directors* of the company and insert the names of all directors.

### Processing

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange to have it signed by the company's directors. Once signed, place the original in the company's *Records Book* under the tab "Directors' Resolutions".

**DIRECTORS RESOLUTIONS**  
**OF**  
*{NAME OF COMPANY}*  
 (the “Comp”)

**WHEREAS:**

2. A. The Company agreed to sell to *{NAME OF PURCHASER}* (the “Purchaser”) the property civically known and legally described as:

*{insert civic/street address}* ①

*{insert legal description}* ①

(the “Property”)

in accordance with a Contract of Purchase and Sale ② (the “Contract②”) dated *{dated}* between the Company and the Purchaser;

- B. It is expedient for the Company to sell the Property on the terms and conditions set out in the Contract②.

**RESOLVED THAT:**

1. The Company sell the Property to the Purchaser for the price and on the terms and conditions set out in the Contract. ②

③2. The execution and delivery of the Contract to the Purchaser by ④ on behalf of the Company be approved, ratified and confirmed.

3. Any director or officer of the Company, signing alone, be authorized to execute and deliver all such other documents and instruments, with such changes thereto as the director or officer may approve (such approval to be evidenced conclusively by his or her execution thereof), and to do such further acts as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

Effective date: ⑤

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⑥*{NAME OF DIRECTOR}*

---

⑥*{NAME OF DIRECTOR}*

## SALE OF SPECIFIC ASSET (Shareholders Resolution Approving Sale – Section 301)

### General Notes

If the asset sold by a company constitutes the whole or substantially the whole of the company's undertaking or assets, the sale must be approved by a special resolution of the shareholders (s. 301). There are some exceptions to this requirement, such as:

- the disposition is by way of a security interest;
- in the case of a lease, the term of the lease or any option or covenant for renewal included in the lease does not exceed the total lease period for beyond three years;
- the vendor company is a wholly owned subsidiary of the purchaser company;
- the purchaser company is a wholly owned subsidiary of the vendor company;
- both the vendor company and the purchaser company are wholly owned subsidiaries of the same holding company;
- the same person owns all the shares of both the vendor company and the purchaser company.

The non-voting shareholders (or any voting shareholder who voted against the resolution) would be entitled to dissent under section 2 part 8 (Section 301(5)).

Check with the supervising lawyer, the company's accountants, or the client to determine whether the sale constitutes all or substantially all of the company's assets.

### Processing

- ① Depending on whether the company is selling all of its assets or a specific asset or property, choose the appropriate paragraph and copy the description of the asset or property from the contract (or agreement). If real estate is involved, copy the legal description from the Land Title search.
- ② Adjust and change the name of the document as required. For example: "Agreement of Purchase and Sale (the "Agreement")".
- ③ Insert the effective date of the Resolution – it may not be the same as the date of the Contract or Agreement.
- ④ Check the *Central Securities Register* of the company and insert the names of all **voting** shareholders.

### Processing

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange to have it signed by the company's shareholders. Once signed, place the original in the company's *Records Book* under the tab "**Shareholders' Resolutions**".

## SHAREHOLDERS RESOLUTION

OF

*{NAME OF COMPANY}*

(the “Company”)

Pursuant to the *Business Corporations Act (the “Act”)*, the undersigned, being all of the shareholders of the Company, by signing these resolutions, in our capacity as the holders of shares entitled to vote on the matters herein, adopt the following resolutions and by so doing render the same as valid and effectual as if passed at a meeting of shareholders duly called and constituted.

### WHEREAS:

2. A. The Board of Directors has approved the sale of

① the assets used in connection with the business of the Company (the “Assets”) to *{NAME OF PURCHASER}* (the “Purchaser”) on the terms and conditions as set out in an Asset Purchase Agreement② dated *{Date}* between the Company and the Purchaser (the “Agreement②”).

*{or}*

① the property civically known and legally described as:

*{insert civic address}*①

*{insert legal description}*①

(the “Property”)

for a price of \$② to *{NAME OF PURCHASER}* (the “Purchaser”) on the terms and conditions as set out in the Contract for Sale and Purchase② dated the *{Date}* and the Addendu“ thereto”(the “Contract”②).

B. The ① Assets/Property represent(s) substantially the whole of the undertaking of the Company;

C. The sale of substantially the whole of the undertaking of the Company must, under section 301 of the Act, be approved by special resolution.

### RESOLVED AS A SPECIAL RESOLUTION that:

The sale of the Assets/Property① to the Purchaser for the price and on the terms and conditions set out in the ② Agreement/Contract be ratified, confirmed and approved.

Effective date: ③ *{Date}*

\_\_\_\_\_  
④ *{NAME OF VOTING SHAREHOLDER}*

\_\_\_\_\_  
④ *{NAME OF VOTING SHAREHOLDER}*

## **PURCHASE OF SPECIFIC ASSET** **(Directors Resolution Approving Purchase and Financing)**

### **General Notes**

This enabling resolution is prepared when the company is purchasing an asset, is financing the purchase by borrowing funds from a lender and, as security for the loan, grants the lender a mortgage (or other security) to be registered against the property. Often, the lender will request that a certified copy of this resolution be provided to evidence that the directors have properly authorized the financing.

By removing the appropriate paragraphs, this resolution can also be used to approve a purchase without financing.

### **Preparation**

- ① Copy the description of the asset from the contract (or agreement), and if real estate is involved, copy the legal description from the Land Title search.
- ② Adjust and change the name of the document as required. For example: “Agreement of Purchase and Sale (the “Agreement”)”.
- ③ If there is no financing and no mortgage, remove the paragraphs and words between the ③’s.
- ④ Insert the effective date of the Resolution – it may not be the same as the date of the Contract or Agreement.
- ⑤ Check the *Register of Directors* of the company and insert the names of all directors.

### **Processing**

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange to have it signed by the company’s directors. Once signed, place the original in the company’s *Records Book* under the tab “**Directors’ Resolutions**”.

If a certified copy of the resolution is required, follow the instructions on page 4, *Certified True Copy of Resolution*.

**DIRECTORS RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Comp”)**

**WHEREAS:**

2. A. By a Contract of Purchase and Sale<sup>②</sup> dated *{dated}* made between *{NAME OF VENDOR}* (the “Vendor”) and the Company, the Vendor agreed to sell and the Company agreed to purchase the property civically known and legally described as:

*{insert civic/street address}*<sup>①</sup>

*{insert legal description}*<sup>①</sup>

(the “Property”)

for a price of \$<sup>③</sup>;

- B. <sup>③</sup>To finance the purchase of the Property, the Company intends to borrow from *{NAME OF LENDER}* (the “Lender”) the sum of \$*{amount of mortgage}* (the “Mortgage Amount”) with interest at the rate of *{interest amount}*% per annum (the “Interest Rate”) and to grant as security a *{first}* mortgage (the “Mortgage”) to be registered against the Property to the Lender<sup>③</sup>;

- C. The directors of the Company are of the opinion that the purchase of the Property at the above-mentioned price <sup>③</sup> and the granting to the Lender<sup>③</sup> of a *{first}* mortgage to be registered against the Property in the manner set forth in, or contemplated by, these Resolutions is in the best interests of the Company.

**OLVED THAT:**

2. 1. The Company purchase the Property from the Vendor for the price and on the terms and conditions as set out in the Contract<sup>②</sup>.

**In case of a mortgage:**

- <sup>③</sup>2. The Company borrow from the Lender the Mortgage Amount with interest at the Interest Rate and grant as security to the Lender a *{first}* mortgage to be registered against the Property.<sup>③</sup>.

3. Any director or officer of the Company, signing alone, be authorized to execute and deliver the Contract<sup>②</sup>, <sup>③</sup>the Mortgage<sup>③</sup>, and all such other documents and instruments, with such changes thereto as the director or officer may approve (such approval to be evidenced conclusively by his or her execution thereof), and to do such further acts as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

Effective date: <sup>④</sup>

---

<sup>⑤</sup>*{NAME OF DIRECTOR}*

---

<sup>⑤</sup>*{NAME OF DIRECTOR}*

## MINUTES OF A MEETING OF DIRECTORS (actually held)

### General Notes

Many accountants and lawyers prefer to prepare minutes of a meeting of directors to document a transaction informally approved by the directors at the time (such as the payment of a dividend), rather than by ratifying the transaction after the fact.

These Minutes may also be prepared to document a specific action when a resolution of the directors consented to in writing is not appropriate or not all directors are available to sign a consent resolution.

Generally, if a formal Directors' meeting is held, the secretary of the meeting takes notes and prepares the *Minutes* of the meeting. If a member of your law firm acted as secretary of the meeting, you may be asked to prepare the *Minutes* from his or her notes or from a recording of the meeting. A discussion of the conduct of meetings and issues such as determining whether a quorum was present or the method for conducting a poll are beyond the scope this *Guide* and are not covered in this chapter.

Formal notice of a meeting is optional since there is no specific requirement for notice under the Act or in most cases, in the *Articles* of a company. These *Minutes* are prepared on the assumption that the directors waived notice of the meeting.

### Preparation

- ① Insert the date, time and location of the meeting.
- ② Insert the name of the person who acted as chair. Check the *Articles* to determine whether there are restrictions on who can chair of the meeting.
- ③ Insert the name of the person who acted as secretary of the meeting and the names of all other persons present.
- ④ If **not** all directors were present, insert this paragraph – assuming that there was a quorum.
- ⑤ If all the directors were present (or there is only one director), insert this paragraph.
- ⑥ If you are preparing this resolution instead of a consent directors' resolution, insert the text from the recitals of the appropriate resolution ("Whereas").
- ⑦ Insert the items as they were approved. If the notes state who proposed the motion, and who seconded the motion, show it as follows:

***"MOVED/SECONDED ({NAME}/{NAME})" or***

***"IT WAS MOVED BY {NAME} and SECONDED BY {NAME} that..."***

and at the end of each resolution, insert "***CARRIED***" if it was passed or "***DEFEATED***" if it was not.

### Processing

Once the Minutes have been prepared, checked and approved by the supervising lawyer, they are sent to the company for signature.

The signed copy of the Minutes should be placed in the company's *Records Book* under the tab "***Directors Minutes***".

**{NAME OF COMPANY}**  
**(the “Company”)**

① Minutes of a meeting of the directors of the Company held on  
*{Date}* at *{time}* at *{location}*.

or:

Minutes of a meeting of the sole Director of the Company held  
on *{Date}* at *{time}* at *{location}*.

Present:       ② *{NAME OF CHAIRMAN}*, acted as Chair.

                  ③ *{NAME OF SECRETARY}* acted as Secretary of the meeting.

Also Present:

                  ③ *{Names of all other persons present}*

**Quorum of Directors**

④ A quorum of directors being present, notice of the meeting was waived and the Chair declared the meeting to be duly constituted.

⑤ All directors/the only director of the Company being present in person, notice of the meeting was waived and the Chair declared the meeting to be duly constituted.

**THE CHAIR PRESENTED THE FOLLOWING:**

⑥

A discussion ensued.

**AND UPON MOTION DULY SECONDED IT WAS RESOLVED THAT:**

1.       ⑦

2.       ⑦

There being no further business the meeting wa \_\_\_\_\_

C \_\_\_\_\_  
Secretary

## RESOLUTION (Banking)

### General Notes

Usually a company that is opening a bank account uses the bank's forms and it is not necessary to pass a resolution authorizing the opening of the bank account.

However, the law firm may be requested to prepare a formal directors' resolution authorizing the new bank account. This resolution may be prepared along with the *Bank Package* certifying copies of the company's constating documents for the bank.

### Preparation

- ① Insert the full legal name of the lender.
- ② Attach a copy of the Bank's form to the resolution.
- ③ Insert the date of the resolution.
- ④ Check the *Register of Directors* of the company and insert the names of all directors.

### Processing

When the Resolution has been prepared, checked and approved by the supervising lawyer, arrange for its signature by the company's directors and when signed, place under the "Directors Resolutions" tab in the company's **Records Book**.

Make a copy of the signed Bank's resolution form and mark it as follows:

**"SCHEDULE "A"  
Banking Resolutions of {Name of Bank}"**

**DIRECTORS RESOLUTIONS**  
**OF**  
**{NAME OF COMPANY}**  
**(the “Company”)**

**RESOLVED THAT:**

1. The Company establish and maintain an account with ① *{Name of Bank}*, and that the form of *{Name of Bank}*'s resolutions attached hereto as ② Schedule A be authorized, approved and adopted as banking resolutions of the Company.

2. Any one director or officer of the Company be authorized and directed, for and in the name, and on behalf of the Company, to execute and deliver all such further agreements, instruments, amendments, certificates and other documents and do all such other acts or things as he or she may determine to be necessary or advisable in connection with the foregoing resolutions and all transactions contemplated thereby, the execution of any such agreement, instrument, amendment, certificate or other document or the doing of any such other act or thing being conclusive evidence of such determination.

Dated effective: *{Date}* ③

\_\_\_\_\_  
④ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
④ *{NAME OF DIRECTOR}*

## **BANK PACKAGE**

### **General Notes**

A bank package provides a convenient means of providing the client with the documents that the company's bank will require to open an account.

Generally, the bank package should be prepared when the client is opening an account, as part of the organization documents, or when changes are being made, such as opening a new account. It may also be used, with some modification, when the company changes its name, amalgamates, or continues.

The corporate lawyer usually certifies the documents.

### **Preparation**

- ① Insert the name of the company.
- ② This list may be amended to include the appropriate documents, such as *Certificate of Name Change* and *Notice of Alteration*.
- ③ Insert the date that the Bank Package will be certified by the lawyer.
- ④ affix the lawyer's stamp showing his or her name and contact information or print the lawyer's name and contact information (address and telephone number).

### **Processing**

Prepare copies of the constating documents and staple them to this form. Then arrange for the supervising lawyer to compare the documents to the original and sign the certification.

① {NAME OF COMPANY}

## BANK PACKAGE

Certified Copies of ②:

- Certificate of Incorporation
- Incorporation Application/Notice of Articles
- Incorporation Agreement
- Articles
- Register of Directors
- Central Securities Register(s)

I hereby certify that the attached documents are true and correct copies of the original documents

---

LAWYER/NOTARY  
④ *{Name of Law Firm}*  
Barristers and Solicitors  
*{Address of Law Firm}*

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**TRUSTS****INDEX**

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## EXPLANATION

A trust is an agreement where a person or a company (the trustee) agrees to hold assets for others' benefit. The agreement (a "Trust Agreement" or a "Trust Deed") is a legally binding document which must be in writing between the key parties to the trust:

- the **settlor**: who is also known by alternate names or grantor or trustor. The settlor is typically a non-arm's length individual who establishes the trust and transfers assets into it. for the benefit of the beneficiaries. The settlor will never benefit from the trust.
- the **trustee**: who holds legal title to property in a trust for the benefit of the trust's beneficiaries and is the person or entity responsible for managing the assets transferred into the trust, their distributions, the income derived therefrom, and capital allocations for these beneficiaries, subject to the Trust Deed. However, sometimes, the settlor will also be the trustee, or one of the trustees.

The name "trust" refers to the trustee's discretionary powers to decide which beneficiary or beneficiaries receive the trust's income or how much income each beneficiary receives.

A trust is not a separate legal entity – it is an agreement between the key parties to the trust. The assets are held by the trustee(s) on behalf of the trust. Accordingly, when signing on behalf of the trust, the correct way is to show:

\_\_\_\_\_  
*{Name of Trustee}*, Trustee of the  
*{Name of the Trust}*

**and not:**

*{Name of the Trust}*

By \_\_\_\_\_  
*{Name of Trustee}*

Similarly to a will, a trust has beneficiaries. Who may be:

- the trustee's:
  - spouse;
  - children;
  - other family members;
- a company owned by the trustee;
- close friends;
- a charitable organization

Those named as trust beneficiaries are entitled to receive assets from the trust, based on how the settlor directs the trustee to distribute them.

The most common types of trusts are:

- family trusts;

- inter vivos trusts or living trusts: which are established and active during the lifetime of the grantor;
- spousal trust: which is an agreement, between the settlor and settlor's spouse and indicates that the spouse is the only person who has disposition rights of any income or capital of the trust before their death;
- testamentary trusts: which are formed after the death of the grantor;
- revocable trusts: which can be changed or revoked entirely by the grantor;
- irrevocable trusts: which cannot be changed or revoked by the grantor once they are implemented;
- alter ego trust; which is a special type of trust in which the settlor, the trustee and the beneficiary are one and the same person as long that person is alive. The condition is that the person must be 65 years of age or older;
- joint partner trust / joint spousal trust: which is an agreement, between the settlor and settlor's spouse and indicates that they are the only two people who have disposition rights of any income or capital of the trust before the later of their deaths.



**The descriptions, explanations, instructions and precedents contained here are provided only for the various trusts when they relate to corporate procedure. No precedent is included for the various trust agreements (Deeds of Trust) as most of the time, they relate to the client's estate planning which beyond the scope of this Guide. They should not replace the advice and instruction of tax counsel, they should not be considered tax advice and should not be used without the guidance and input of tax advisors engaged by the client.**

## **CONSENT TO ACT AS TRUSTEE AND ACCEPTANCE OF TRUSTEE APPOINTMENT**

### **General Notes**

Check the Trust Agreement to ascertain:

- who can appoint new trustees or replacement trustees;
- whether there is a required minimum or maximum of trustees;
- how a new trustee or replacement trustee is appointed'
- what happens when a trustee dies.

In addition, before preparing this document, ascertain that the new trustee is ready, willing and able to act as trustee.

### **Preparation**

- ① Insert the date of the Trust Agreement and if it was amended, add the words:  
“...and amended by amending agreement dated *{dated}* between  
*{list the names of the Settlor and of all the Trustees}*”
- ② Insert this paragraph if the outgoing trustee was the only trustee and has either resigned or is deceased.
- ③ Insert this paragraph if, in addition to the outgoing trustee, there was more than one trustee. If the trustee has resigned (and is still alive) delete the words “(the Deceased).”
- ④ Insert this paragraph if the outgoing trustee is deceased and complete the date of death, if the outgoing trustee is still alive, delete this paragraph.
- ⑤ Insert this paragraph if the outgoing trustee has resigned and complete the date of the resignation.
- ⑥ Review the Trust Agreement and insert the number of the paragraph that deals with the death or retirement of a trustee and the manner in which the remaining trustee or trustees may appoint a replacement trustee and copy that paragraph into this Consent and Acceptance.

### **Processing**

Arrange for the Consent and Authorization to be signed by the new trustee and file the signed document in the Trust's Records Book if you have set up one, otherwise provide to the trustee and the beneficiaries for their records.



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## RESIGNATION OF TRUSTEE

### General Notes

When a trustee resigns, the resignation should be documented and the resigning trustee should provide the trust's solicitor with a written form of Resignation.

Note: If the resigning trustee is the only trustee – see *Consent to Act* on page 66.

### Preparation

- ① The Resignation should be addressed to the remaining trustees. However, if the resigning trustee is the only trustee, the Resignation should be addressed to the Settlor or the Trustee Appointor depending on the Trust Agreement.
- ② If you have inserted "...*immediately*", insert the effective date of the resignation or leave blank.  
  
If you have inserted an effective date of the resignation insert the date the resignation is signed  
  
You can also leave the date blank to be completed when known.
- ③ It is not necessary to insert the trustee's address.

### Processing

Once this document is prepared, checked and approved by the supervising lawyer, it is forwarded for signature to the client or the person resigning, as applicable.

---

**RESIGNATION OF TRUSTEE**

**TO:**            ① *{NAME OF THE TRUST}*  
                      (the "Trust")

**AND TO:**     ①

I resign as a Trustee of the Trust effective ② immediately.

Dated: ② *{date}*

---

*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*  
③

## **RESOLUTION OF TRUST – CHANGE IN TRUSTEES – RESIGNATION AND APPOINTMENT**

### **General Notes**

When a trustee resigns or dies (here called the “outgoing trustee”), the resignation and the subsequent appointment must be documented and approved by the remaining trustees. However, if the outgoing trustee is the sole trustee, you must check the Trust Agreement to determine who can appoint a replacement trustee. In addition, you should determine if a minimum number of trustees is required by the Trust Agreement in which case, you will have to prepare documents to appoint a new or replacement trustee.

### **Preparation**

- ① Copy the name and the date of the trust from the Trust Agreement. In recital A, if the Agreement Deed was amended, add the following words:

“...and amended by amending agreement dated *{dated}* between *{list the names of the Settlor and of all the Trustees}*”

- ② Insert Recital **B** when the outgoing trustee (whether resigning or deceased) was the only trustee of the Trust.

Insert Recital **C** when there are several trustees and at least one is remaining after the resignation or death of the outgoing trustee.

- ③ Insert this paragraph if the outgoing trustee is deceased and insert the name of the deceased trustee and the date of death.

- ④ Insert this paragraph if the outgoing trustee has resigned and insert the effective date of the resignation.

- ⑤ Insert these two paragraphs if a new trustee is appointed. If there are no remaining trustees after the resignation or death of the only trustee, check the Trust Agreement to determine how a new trustee is appointed (see the General Notes above).

- ⑥ List the names of all the trustees including the remaining trustees and the new trustee.

### **Processing**

Forward this document, together with the resignation (if applicable) and the Consent to Act as Trustee and Acceptance of Trustee Appointment (if applicable) to the client for signature.

**RESOLUTION OF ①{NAME OF THE TRUST}  
(the “Trust”)  
CHANGE IN TRUSTEES –  
RESIGNATION AND APPOINTMENT**

**WHEREAS:**

- A. By a Trust Agreement in writing made ① (the “Trust Agreement”), *{NAME OF SETTLOR}*, as Settlor did establish the Trust for the benefit of the beneficiaries as therein defined.
- B. ②Pursuant to the Trust Agreement dated *{date}* *{NAME OF OUTGOING TRUSTEE}*, was the only Trustee of the Trust.
- C. ②Pursuant to the Trust Agreement, *{NAME OF OUTGOING TRUSTEE}* and *{NAMES OF REMAINING TRUSTEES}* (the “Remaining Trustees”), were Trustees of the Trust.
- D. ③*{NAME OF THE DECEASED}* died on ③*{date of death}*.
- E. ④*{NAME OF OUTGOING TRUSTEE}* resigned as a Trustee on ④.
- F. ⑤*{NAME OF NEW TRUSTEE}* consented to act and accepted his/her appointment as the additional/replacement trustee of the Trust.
- G. ⑤*{REMAINING TRUSTEES}* wish to appoint *{NAME OF NEW TRUSTEE}* in the place and stead of *{NAME OF OUTGOING TRUSTEE}*.

**RESOLVED THAT:**

1. The Trustees accept, ratify and confirm the resignation of *{NAME OF OUTGOING TRUSTEE}* as Trustee of the Trust effective ⑤.
2. The Trustees appoint *{NAME OF NEW TRUSTEE}* to be an additional/replacement Trustee with the result that the Trustees of the Trust will now consist of:

⑥

Dated: *{date}*

\_\_\_\_\_  
*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*

\_\_\_\_\_  
*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*

## **UPDATING SHARE CERTIFICATE RESOLUTION OF COMPANY**

### **General Notes**

When a trustee dies or resigns, or a new trustee is appointed, their names as trustees listed on the assets must be changed to reflect the change in trustees.

Here, we only deal with *Share Certificates* of a company which should be listed in the names of the individual trustees as trustees of the trust.

If your firm is using *Acknowledgements of Issuance* rather than *Share Certificates*, make the appropriate changes. See **Share Certificates and Acknowledgements of Issuance** in the **Records** chapter.

**Hint:** It often happens that the *Share Certificates* are erroneously issued in the name of the trust (as opposed to the name of the trustees). If this happens, it is a good time to correct the Certificates.

### **Preparation**

- ① Insert the name of the company in which the trustee(s) hold(s) the shares for the benefit of the trust.
- ② Insert recital **A** when the outgoing trustee (whether resigning or deceased) was the sole trustee of the Trust.  
  
Insert recital **B** when there are several trustees and at least one is remaining after the resignation or death of the outgoing trustee.
- ③ Insert recitals **C** and **F** if the outgoing trustee is deceased and in **C** insert the name of the deceased trustee and the date of death.
- ④ Depending on whether or not the trustee was the only trustee holding the shares in his/her capacity as trustee, adapt this paragraph.
- ⑤ Check the company's *Central Securities Registers* and the *Share Certificates* or *Acknowledgements of Issuance*. If instead of *Share Certificates* the company was issuing *Acknowledgements*, change the description accordingly.

If there is only one *Share Certificate*, change the wording accordingly.

*Continued...*

**DIRECTORS RESOLUTIONS**  
**OF**  
**① {NAME OF COMPANY}**  
**(the “Company”)**

**WHEREAS:**

- A. ② Pursuant to the *{NAME OF THE TRUST}* Agreement dated *{date}* (the “Trust Agreement”), *{NAME OF OUTGOING TRUSTEE}*, was the only Trustee the of the *{NAME OF THE TRUST}* (the “Trust”).
- B. ② Pursuant to the Trust Agreement, *{NAME OF OUTGOING TRUSTEE}* and *{NAMES OF REMAINING TRUSTEES}* (the “Remaining Trustees”), were Trustees of the Trust.
- C. ③ *{NAME OF DECEASED TRUSTEE}* (the “Deceased”) died on *{date}*.
- D. *{NAME OF OUTGOING TRUSTEE}* has resigned as Trustees of the Trust as of *{date}*.
- E. *{NAME OF NEW TRUSTEE}* has been appointed as a replacement/new Trustee of the Trust effective as of *{date}*.
- F. ③ At the time of his/her death, the Deceased, in his/her capacity as the Trustee of the Trust, was ④ the registered holder / one of the registered holders / of the following shares of the Company (the “Shares”):
- G. *{NAME OF OUTGOING TRUSTEE}* in his/her capacity as the/a Trustee of the Trust, was ④ the registered holder / one of the registered holders of the following shares of the Company (the “Shares”):

Share Cert. No.	Name of Shareholder	Number and Class of Shares
<i>{No.}</i>	⑤ <i>{NAME(S) OF TRUSTEES ON SHARE CERTIFICATES}</i> , Trustees of the <i>{NAME OF THE TRUST}</i>	<i>{number and class of shares}</i>

## **UPDATING SHARE CERTIFICATE RESOLUTION OF COMPANY**

### **Preparation (Continued)**

- ① If the outgoing trustee was replaced, list the name of the new trustee.
- ② Check the company's *Central Securities Registers* and the *Share Certificates* or *Acknowledgements of Issuance*. If instead of *Share Certificates* the company was issuing *Acknowledgements*, change the description accordingly.  
  
If there are several corporations in which the Trust held shares, you will have to prepare separate resolutions for each company.  
  
If there is only one *Share Certificate*, change the wording accordingly.
- ③ List all the trustees holding the shares in their capacity as trustees individually, for example:  
  
*{NAME OF FIRST TRUSTEE}. Trustee of the {NAME OF TRUST}*  
*{NAME OF FIRST TRUSTEE}. Trustee of the "NAME OF TRUST"*
- ④ Insert the effective date of the resolution, or leave blank if you do not know the date.
- ⑤ Check the *Register of Directors* of the company and insert the names of all directors.

### **Processing**

Refer to *Chapter 9 – Transfers and Transmissions* – for the procedure to:

- cancel the *Share Certificates / Acknowledgements of Issuance*;
- issue new *Share Certificates / Acknowledgements of Issuance*;
- complete the *Central Securities Registers*; and
- update the *Transparency Registers*.

**UPDATING SHARE CERTIFICATE  
RESOLUTION OF COMPANY**

*Page 2 -- Continued*

- H. By Resolution of the Trust dated *{date}*, the Trustees ratified and confirmed that the Trustees of the Trust be ① *{NAME(S) OF REMAINING TRUSTEES}* and *{NAME OF NEW TRUSTEE}*.
- I. The director has determined that the Share Certificates representing the Shares should be cancelled and new Certificates reflecting the changes in Trustees be issued.

**RESOLVED THAT:**

- 1. The following Share Certificates be cancelled:

②

Share Cert. No.	Name of Shareholder	Number and Class of Shares
<i>{No.}</i>	③ <i>{NAME(S) OF TRUSTEES ON SHARE CERTIFICATES}</i> , Trustees of the <i>{NAME OF THE TRUST}</i>	<i>{number and class of shares}</i>

- 2. The following share certificates be issued in exchange for the Share Certificates cancelled above and be signed by any director or officer of the Company:

Share Cert. No.	Name of Shareholder	Number and Class of Shares
<i>{No.}</i>	③	<i>{number and class of shares}</i>

- 3. The Central Securities Register of the Company be updated to reflect the change of Trustees.

Effective date: ④ *{Date}*

\_\_\_\_\_  
⑤ *{NAME OF DIRECTOR}*

\_\_\_\_\_  
⑤ *{NAME OF DIRECTOR}*

## **DECLARATION OF INCOME DISTRIBUTION**

### **General Notes**

Any distribution of income earned by the trust and paid by the trustees to the beneficiaries must be documented as such distribution must be reported on the Trust's income tax return and the receipt of the income must be reported of the beneficiary's individual tax return.

### **Preparation**

- ① If more than one trustee, change "the only Trustee" to "all the Trustees" and change the verbs to plural.
- ② Insert these two paragraphs if there are several beneficiaries receiving the income.
- ③ Insert these two paragraphs if there is only one beneficiary receiving the income.

### **Processing**

When the Resolution has been signed, ensure that the original is filed in the trust's file or records book, if one is maintained by the firm, and that one copy is delivered to each beneficiary.

***{NAME OF TRUST}***  
**TRUSTEE RESOLUTION**  
**DECLARATION OF INCOME DISTRIBUTION**

The undersigned being ① the only Trustee of the *{NAME OF TRUST}* (the “Trust”), hereby declare(s) by these Resolutions that pursuant to the Trustee’s power to apply all or so much of the net income of the Trust for the benefit of the beneficiaries or such one or more of them, to the exclusion of the other or other, in such proportions as the Trustee(s) in his/her/their uncontrolled discretion may determine that:

1. ② the following amounts will be paid or irrevocably made payable from the income of the Trust to the named beneficiaries:

Beneficiary	Amount
<i>{NAME OF BENEFICIARY}</i>	\$ <i>{amount}</i>
<i>{NAME OF BENEFICIARY}</i>	\$ <i>{amount}</i>

2. ② duplicate copies of this Declaration be prepared and delivered to each beneficiary.
3. ③ the following amount will be paid or irrevocably made payable from the income of the Trust to the named beneficiary:

Beneficiary	Amount
<i>{NAME OF BENEFICIARY}</i>	\$ <i>{amount}</i>

4. ③ a duplicate copy of these Resolutions be prepared and delivered to the beneficiary.

Dated: *{date}*

\_\_\_\_\_  
*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*

\_\_\_\_\_  
*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*

## TRUST DISTRIBUTION AND WINDING UP

### General Notes

To prevent income tax from being deferred across multiple generations, a trust is deemed to dispose of most of its capital assets every 21 years on the anniversary of its creation. Immediately thereafter, those assets are deemed to be reacquired at the then-fair market value and the 21-year clock begins again.

### Preparation

- ① If there are several trustees, change this paragraph to:

*{NAMES OF THE TRUSTEES}* are the Trustees of the Trust pursuant to a Trust Agreement dated *{dated}* (the “Trust Agreement”);”
- ② List all the assets held by the Trust, for example:
  - (a) a one ounce silver ingot (the “settlement property”; and
  - (b) *{number}* Class C Common shares of *{NAME OF THE COMPANY}* represented by Share Certificate No. \_\_\_\_.

If there is only one asset, remove the word “collectively”.
- ③ Review the Trust Agreement (or Deed of Trust depending on how it was named when established) and insert:
  - the appropriate paragraph number;
  - the manner of distribution;
  - what may be distributed and when;
  - to whom the distribution may be made.
- ④ Delete this paragraph if the Trust is not being wound up as a result of the above distribution.
- ⑤ Insert this paragraph when the Trust Property has been defined and may or may not constitute all of the assets of the Trust and is only transferred to one beneficiary.
- ⑥ Insert this paragraph when the Trust Property has been defined and may or may not constitute all of the assets of the Trust and is transferred to several beneficiaries.

*Continued....*

**RESOLUTION  
OF  
{NAME OF THE TRUST}  
(the “Trust”)**

**WHEREAS:**

- A. ① *{NAME OF THE TRUSTEE}* is the sole Trustee of the Trust pursuant to a Trust Agreement dated *{dated}* (the “Trust Agreement”);
- B. The Trust is the holder of the following property:
  - (a) ② (the “Settlement Property”); and
  - (b) ②
 (collectively the “Trust Property”);
- C. The Trust Property constitutes all of the assets and property of the Trust;
- D. Pursuant to paragraph ③ of the Trust Agreement, the Trustee(s) has/have resolved that the Time of Division be determined at *{date}*;
- E. Pursuant to paragraph ③ of the Trust Agreement, the Trustees may distribute all or so much of the Trust Property to the Beneficiaries, or such one or more of them to the whole or partial exclusion of the others, in the Trustee’s/Trustees’ sole and unfettered discretion;’
- F. ④ The Trustee(s) has/have determined that, for ease of administration, the Trust be wound-up and terminated as of *{date}* (the “Effective Date”).

**RESOLVED THAT:**

- 1. ⑤ The Trust Property be distributed to *{NAME OF BENEFICIARY}* and such transfer be approved, ratified and confirmed.
- 2. ⑥ The Trust Property be distributed to the following beneficiaries as set out below and such distribution be approved, ratified and confirmed:

<i>{NAME OF BENEFICIARY}</i>	<i>{description of asset being transferred}</i>
<i>{NAME OF BENEFICIARY}</i>	<i>{description of asset being transferred}</i> ”

*Continued...*

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## TRUST DISTRIBUTION AND WINDING UP

### Preparation (Continued)

- ① Insert this paragraph if the Trust Property is not defined and is distributed to one beneficiary and insert the description of such transferred property.
- ② Insert this paragraph if the Trust Property is not defined and is distributed to several beneficiaries and insert the description of such transferred property for each beneficiary.
- ③ Insert one of the paragraphs depending on the number of beneficiaries are receiving the trust property and complete the description of the assets being distributed and the manner in which it is transferred.
- ④ Delete this paragraph if the Trust is not being wound up as a result of the above distribution.

### Processing

If one of the assets are shares in a company, refer to *Chapter 9 – Transfers and Transmissions* – for the procedure to:

- cancel the *Share Certificates / Acknowledgements of Issuance*;
- issue new *Share Certificates / Acknowledgements of Issuance*;
- complete the *Central Securities Registers*; and
- update the *Transparency Registers*.

**TRUST DISTRIBUTION AND WINDING UP**

*Page 2 -- Continued*

**RESOLVED THAT:**

3. ①The following trust property be distributed to *{NAME OF BENEFICIARY}* and such distribution be approved, ratified and confirmed:

(a) *{describe property that is transferred to the beneficiary}*

4. ②The following trust property be distributed to the following beneficiaries as set out below and such distribution be approved, ratified and confirmed:

<i>{NAME OF BENEFICIARY}</i>	<i>{description of asset being transferred}</i>
<i>{NAME OF BENEFICIARY}</i>	<i>{description of asset being transferred}</i>

5. ③The distribution to *{NAME OF BENEFICIARY}* by way of:

(a) delivery of the Settlement Property; and

(b) transfer of the *{number}* Class \_\_ shares of *{NAME OF THE COMPANY}*; be approved, ratified and confirmed.

③The distribution as set out below be approved ratified and confirmed:

(a) delivery of the Settlement Property to *{NAME OF BENEFICIARY}*; and

(b) transfer of the *{number}* Class \_\_ shares of *{NAME OF THE COMPANY}*; to *{NAME OF BENEFICIARY}*”.

6. ④The Trust be terminated and wound-up as of the Effective Date.

7. *{NAME OF TRUSTEE}*, Trustee of the Trust, be authorized and directed, for and on behalf of the Trust to execute and deliver such documents, instruments and agreements, and to do all such acts or things as may be necessary or desirable to give effect to the foregoing.

Dated: *{date of the resolution, not the effective date}*

\_\_\_\_\_  
*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*

\_\_\_\_\_  
*{NAME OF TRUSTEE}*, Trustee of the  
*{NAME OF TRUST}*

