

**DIVIDEND**  
**(Capital Dividend Account)**  
**(Directors' Resolution)**

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..... *(Corporate name)*  
**DIRECTORS' RESOLUTION**  
**DATED AS OF .....**

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**DECLARATION OF A DIVIDEND (CAPITAL DIVIDEND ACCOUNT)**

Subsection 83(2) of the federal *Income Tax Act* allows a private corporation, when it must pay a dividend to the holders of any class of shares in its capital stock, to elect, in the prescribed manner and form, that the total amount of such dividend be deemed to be a capital dividend;

The Corporation wishes to declare such a dividend from the capital dividend account of the Corporation;

Such a dividend must not encroach on the capital of the Corporation or jeopardize its solvency, as required by law;

The Board of Directors has the necessary authority to declare a dividend;

BE IT RESOLVED:

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