

stock of the company at a special general meeting duly called for considering such resolution, pass a by-law for writing off the said paid-up capital any amount which they have been so authorized and empowered by the shareholders as aforesaid to write off such paid-up capital, but no part of its assets shall be distributed to its shareholders: Provided, however, that the paid-up capital shall not be reduced,—

Proviso as to reduction of paid up capital.

(a) below the minimum amount fixed by the Company's Act of incorporation as necessary to be paid up before the company can commence business, or,

(b) in case no such amount is fixed by such Act of incorporation, then below the amount fixed by this Act or by the Treasury Board in pursuance of section 141 of this Act as the company's deposit on obtaining a license.

When capital is deemed impaired.

2. The capital of a company shall be deemed to be impaired when its assets, exclusive of its paid-up capital, are less than its liabilities calculated according to the requirements of this Act.

Declaration in by-law.

3. Such by-law shall declare the par value of the shares of the stock so reduced and the capital stock of the company shall be reduced by the amount of the reduction in the paid-up portion thereof.

Liability of shareholders.

4. The liability of the shareholders shall remain the same as if no reduction had been made in the paid-up capital stock of the company.

Increase of capital

30. The directors may—

(a) from time to time out of **that portion of** the profits of the company **which belongs to the shareholders,** by declaring a stock dividend or bonus or otherwise, increase the paid up capital thereof to an amount not exceeding the amount or amounts by which the same may have been reduced under the provisions of the last preceding section, and thereafter the paid-up capital and the capital stock and each share shall represent the aggregate of the amount to which it has been so reduced and the amount of such increase so declared as aforesaid; or,

Issue of new stock.

(b) issue new stock to an amount not exceeding the amount of such reduction, which stock shall be first offered at not less than par to the shareholders in proportion to the existing shares held by them; and such offer shall be made by notice specifying the number of shares of new stock to which each shareholder is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after the expiration of such time, or on the receipt of an intimation from any shareholder to whom such notice is given that he declines to accept the shares offered, the directors may dispose of the same, at not less than par, in such manner as they think most beneficial to the company. The nominal value of the shares of new stock so issued shall be the same as the nominal value of the shares of the reduced paid-up capital stock.

Enlargement of license on authority of Treasury Board.

31. Any company which is within the legislative power of the Parliament of Canada, being at the time this Act goes into effect licensed to carry on business in Canada pursuant to The Insurance Act, may upon being authorized by a by-law made by the directors and confirmed at a general meeting of the company duly called for