

**SEABOARD ASSURANCE COMPANY ACT, 1953,  
AMENDMENT ACT, 1982****CHAPTER 65**

*Assented to July 23, 1982.*

WHEREAS Seaboard Life Insurance Company (formerly called Seaboard Assurance Company) has presented a petition praying that the *Seaboard Assurance Company Act, 1953* be amended;

AND WHEREAS it is expedient to grant the prayer of the said petition;

THEREFORE, Her Majesty, by and with the advice and consent of the Legislative Assembly of the Province of British Columbia, enacts as follows:

1. This Act may be cited as the *Seaboard Assurance Company Act, 1953, Amendment Act, 1982*.

2. Section 6 of the *Seaboard Assurance Company Act, 1953*, being chapter 46 of the Statutes of British Columbia, 1953, (Second Session) is amended by substituting the following:

6. The capital of the Company shall be Two Million Five Hundred Thousand (2 500 000) common shares with a par value of Two Dollars (\$2.00) each; provided that the Company, by amendment to its by-laws, may, subject to the provisions of sections 6E and 17B hereof, increase or decrease its capital from time to time.

3. The said Act is amended by inserting the following as section 6E:

6E. (1) Subject to the provisions of subsection (2) and section 17B hereof, the Company may, by amendment to its by-laws, provide for the issue of one or more additional classes of shares and for the issue of any class of shares in series.

(2) An amendment to the by-laws of the Company made under subsection (1) shall

- (a) fix the par value of each class of shares to be issued pursuant to the amendment,
- (b) designate the rights, privileges, preferences, restrictions and conditions attaching to each class of shares, and
- (c) where the amendment provides for the issue of any class of shares in series, fix or authorize the directors to fix the number of shares in each series and designate or authorize the directors to designate the rights, privileges, restrictions and conditions attaching to the shares of each series.

(3) No special rights or restrictions attached to a series of shares shall confer on the series priority over another series of shares of the same class then outstanding in respect of

- (a) dividends,
- (b) a return of capital on a winding up, or
- (c) on the occurrence of any other event as a result of which the holders of all series on the same class are then entitled to a return of capital.

4. The said Act is amended by inserting the following as section 6F:

**6F.** (1) Subject to the provisions of subsections (2) and (3), the Company may, by resolution of its directors,

- (a) redeem any of its issued shares that have a right of redemption attached to them, and
- (b) purchase any of its shares.

(2) The Company shall not redeem, purchase or otherwise acquire any of its shares

- (a) if, at the time of the proposed redemption, purchase or acquisition, the Company is insolvent or if the redemption, purchase or acquisition would render the Company insolvent, and
- (b) unless the directors of the Company are satisfied that the proposed redemption, purchase or acquisition is consistent with the capital needs of the Company and the Superintendent of Insurance has approved of the proposed redemption, purchase or acquisition.

(3) Where a proposed purchase by the Company of its shares is not to be made through a stock exchange or where the Company proposes to redeem some, but not all, of its shares of a particular class or series, the offer to purchase or the redemption shall be made pro rata to or among every member who holds shares of the class or series to be purchased or redeemed.

(4) The Company may

- (a) cancel a share that it has redeemed or purchased and reduce the number of issued shares accordingly if authorized by a resolution of the directors,
- (b) reissue a share that it has redeemed or purchased and cancelled, and
- (c) sell a share that it has redeemed or purchased but not cancelled.

(5) The Company may not vote or pay any dividend or other distribution in respect of a share held by it that it has redeemed or purchased but not cancelled.

5. The said Act is amended by inserting the following as section 6G:

**6G.** (1) No right or special right attached to issued shares shall be prejudiced or interfered with under this Act or the by-laws of the Company unless

- (a) if the right or special right prejudiced or interfered with is attached to a class of shares, members holding shares of that class, and
- (b) if the right or special right prejudiced or interfered with is attached to a series of shares and the rights or special rights attached to that series are affected differently from those attached to another series of the same class, members holding shares of that series,

consent by a separate resolution of the members of that class or series, as the case may be, requiring a majority of 3/4 of the votes cast.

(2) No resolution to create, vary or abrogate any special right of conversion or exchange attaching to shares of the Company shall be submitted to a general meeting, or a class meeting, or a series meeting, unless the Superintendent of Insurance has first consented to the resolution.

6. The said Act is amended by inserting the following as section 6H:

**6H.** The holders of

- (a) not less than 10% of the shares of a class of shares of the Company, whose special rights or restrictions are affected by a special resolution abrogating or altering special rights or restrictions attaching to that class of shares, or approving of an arrangement, and who voted, in person or by proxy, against the resolution referred to in section 6G other than as a nominee for a person whose proxy required an affirmative vote, or
- (b) not less than 10% of the shares of a series of shares of the Company, whose special rights or restrictions are affected differently from those attached to another series of the same class of shares by a special resolution abrogating or altering special rights or restrictions attaching to that series of shares, or approving of an arrangement, and who voted, in person or by proxy, against the resolution referred to in section 6G other than as a nominee for a person whose proxy required an affirmative vote

may, not more than 14 days after the passing of the resolution referred to in section 6G, apply to the court to set aside the resolution referred to in section 6G.

7. Section 17B of the said Act is amended by substituting the following:

**17B.** Notwithstanding any provisions of the by-laws of the Company,

- (i) no alteration in the authorized capital of the Company shall be made,
- (ii) no additional classes of shares, whether to be issued in series or not, shall be created by the Company,
- (iii) no shares of the Company shall be issued for consideration other than cash, and
- (iv) no application for letters patent or other instrument of continuation continuing the Company as if it had been incorporated under an Act of the Parliament of Canada shall be made

without the Company in general meeting having first given approval thereof by special resolution. For the purposes of this section only, "special resolution" means a resolution passed by a majority of not less than three-fourths of the votes cast by those members of the Company who, being entitled to do so, vote in person or by proxy at a general meeting of the Company of which not less than twenty-one days' notice specifying the intention to propose a resolution as a special resolution has been duly given.

8. The said Act is amended by inserting the following as section 21:

**21.** (1) Subject to the provisions of section 17B hereof and if permitted by an Act of the Parliament of Canada, the Company may apply to the proper official for letters patent or other instrument of continuation continuing it as if it had been incorporated under such Act of the Parliament of Canada.

(2) This Act shall cease to apply to the Company on and after the date on which it is continued and registered under an Act of the Parliament of Canada and the Company shall promptly cause to be filed with the Registrar of Companies evidence of the continuation and registration signed or certified by the proper official under such Act of the Parliament of Canada.

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