



## STAFF REPORT ACTION REQUIRED

### Allotment and Issuance of Shares

<b>Date:</b>	February 25, 2015
<b>To:</b>	TTC Insurance Company Limited, Board of Directors
<b>From:</b>	Chief Executive Officer

### Summary

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The board of directors are required to approve the allotment and issuance of five common shares to each newly elected director in accordance with TTC Insurance Company Limited By-Law No. 1.

### Recommendations

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**It is recommended that the board of directors**

1. Approve the allotment and issuance of five common shares to each newly elected director.

### Financial Impact

There are no financial implications resulting from the adoption of this report.

### Decision History

At the meeting of the first directors of TTC Insurance Company Limited (the Company), held on June 14, 1994, the directors passed a motion to allot 1,000 common shares in the capital stock of the Company for a total subscription price of \$100,000. The Subscribers and the number of shares subscribed for included 970 common shares to the Metropolitan Toronto Coach Terminal Inc., and 5 common shares to each of the six appointed directors.

### Issue Background

TTC Insurance Company Limited's By-Law No. 1 states that subject to Section 209 of the Corporations Act, R.S.O. 1990, C.38, as amended, each director shall hold in his or her own name and for his or her own and absolutely in his own right shares in the capital

stock of the Company upon which at least \$500 has been paid into the capital account of the Company. Should a director resign or be replaced, his or her shares are cancelled and new shares are issued to the new director.

In addition, Section 286 of the Act stipulates that no person shall be a director of a corporation unless he or she is a shareholder or member of the corporation, and, if the person ceases to be a shareholder or member, he or she thereupon ceases to be a director.

## **Accessibility Issues**

No accessibility issues.

## **Comments**

Staff has identified the need to update the Company's By-Law No. 1 as it has come to our attention that Section 209 of the Corporations Act has been repealed. Staff will review and bring forward amendments to By-Law No. 1 for review and adoption of the amended By-Law No. 1 at its annual general meeting on June 22, 2015. This review may result in eliminating the need to issue shares to the directors.

## **Contact**

Vincent Rodo, President, TTC Insurance Company Limited