

1980

# c 358 Ontario Transportation Development Corporation Act

Ontario

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CHAPTER 358

Ontario Transportation Development Corporation Act

PART I

INTERPRETATION

1. In this Act,

Interpre-  
tation

- (a) "Board" means the Board of Directors of the Corporation;
- (b) "Corporation" means The Ontario Transportation Development Corporation;
- (c) "equity share" has the same meaning as in the *Business Corporations Act*;
- (d) "Minister" means the Minister of Transportation and Communications;
- (e) "resident Canadian" has the same meaning as in the *Business Corporations Act*;
- (f) "Treasurer of Ontario" means the Treasurer of Ontario and Minister of Economics. 1973, c. 66, s. 1.

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c. 54

2. Except as herein otherwise provided, the *Business Corporations Act* applies to the Corporation. 1973, c. 66, s. 2.

Application  
of  
R.S.O. 1980,  
c. 54

PART II

THE ONTARIO TRANSPORTATION DEVELOPMENT CORPORATION

INCORPORATION

3.—(1) The corporation with share capital known as The Ontario Transportation Development Corporation is continued.

Corporation  
continued

(2) There shall be a Board of Directors of the Corporation consisting of nine members and the first directors of the Corporation shall be appointed by the Lieutenant Governor

Board of  
Directors

in Council to hold office until their successors are elected by the shareholders of the Corporation.

Seat in  
Assembly not  
vacated  
R.S.O. 1980,  
c. 235

(3) Notwithstanding anything in the *Legislative Assembly Act*, a member of the Assembly who is appointed or elected as a member of the Board is not thereby rendered ineligible as a member of the Assembly or disqualified from sitting or voting in the Assembly. 1973, c. 66, s. 3.

#### OBJECTS OF THE CORPORATION

Corporate  
objects

#### 4. The objects of the Corporation are,

- (a) to acquire, develop, adapt, use and license patents, inventions, designs and systems for all or any part of transit systems related to public transportation and rights and interests therein or thereto;
- (b) to encourage and assist in the creation, development and diversification of Canadian businesses, resources, properties and research facilities related to public transportation;
- (c) to undertake the design, development, construction, testing, operation, manufacture and sale of all or any part of transit systems related to public transportation;
- (d) to test or operate and to provide services and facilities for all or any part of transit systems related to public transportation and in connection therewith to build, establish, maintain and operate, in Ontario or elsewhere, alone or in conjunction with others, either on its own behalf or as agent for others, all services and facilities expedient or useful for such purposes, using and adapting any improvement or invention for any means of public transportation;
- (e) to manufacture vehicles and control, propulsion and guideway systems and their appurtenances and other instruments and plant used in connection with transit systems related to public transportation as the Corporation may consider advisable and to acquire, purchase, sell, license or lease the same and rights relating thereto, and to build, establish, construct, acquire, lease, maintain, operate, sell or

let all or any part of transit systems related to public transportation in Ontario or elsewhere; and

- (f) to carry on any other trade or business that, in the opinion of the Board, can be carried on advantageously by the Corporation in connection with or as ancillary to the carrying out of the objects of the Corporation set out in clauses (a), (b), (c), (d) and (e). 1973, c. 66, s. 4.

#### CAPITALIZATION

5.—(1) The authorized capital of the Corporation is <sup>Authorized capital</sup> divided into,

- (a) 20,000,000 common shares without par value, to be issued for such consideration as the Board may from time to time determine; and
- (b) 50,000 special shares with a par value of one hundred dollars each, which may be issued in one or more series and, subject to the provisions of subsections (2), (3), (4) and (5) and to the filing of the statement and the issuance of the certificate in respect thereof referred to in subsection 29 (2) of the *Business Corporations Act*, the Board may fix from time to time before the issuance of a series the number of shares that is to comprise each series and the designations, preferences, rights, conditions, restrictions, limitations or prohibitions attaching to each series of special shares.

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c. 54

(2) The holders of the special shares shall not be entitled <sup>Voting</sup> to vote at any meetings of the shareholders of the Corporation other than the meetings referred to in subsection (5) but shall be entitled to notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or a substantial part thereof and at all meetings of shareholders the holders of common shares shall be entitled to one vote for each common share held by them.

(3) The special shares of each series shall rank on a parity <sup>Ranking of series of shares</sup> with the special shares of every other series with respect to payment of dividends and distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation whether voluntary or involuntary.

(4) If the special shares of any series are made redeemable <sup>Redemption of shares</sup> or purchasable for cancellation by the Corporation, the

price at which such shares may be redeemed or purchased for cancellation shall not exceed the amount paid-up on such shares together with a premium of not more than 20 per cent of that amount and any dividends accrued and unpaid on such shares.

Variation  
of rights  
of special  
shareholders

(5) Subject to the provisions of subsections (2), (3) and (4), the Board, by a special resolution, may delete or vary any preference, right, condition, restriction, limitation or prohibition attaching to a series of the special shares but the resolution is not effective until,

(a) it has been confirmed by at least two-thirds of the votes cast at a meeting of the holders of such series of shares duly called for that purpose and at the meeting the holders of shares of such series shall be entitled to one vote in respect of each share held of such series; and

(b) a certificate of amendment has been issued pursuant to section 182 of the *Business Corporations Act*, 1973, c. 66, s. 5.

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#### HEAD OFFICE

Head  
office

**6.** The head office of the Corporation shall be in The Municipality of Metropolitan Toronto. 1973, c. 66, s. 6.

#### BOARD OF DIRECTORS

Majority  
to be  
resident  
Canadians

**7.** A majority of the members of the Board shall at all times be resident Canadians. 1973, c. 66, s. 7.

#### BORROWING POWERS

Borrowing  
powers

**8.** The Board may from time to time,

(a) borrow money upon the credit of the Corporation;

(b) issue, sell or pledge debt obligations of the Corporation;

(c) charge, mortgage, hypothec or pledge all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed or other debt or liability of the Corporation; and

- (d) delegate the powers conferred on it under this section to such directors or officers of the Corporation and to such extent and manner as is set out in the by-laws or in specific resolutions of the Board. 1973, c. 66, s. 8.

REGISTERS

9.—(1) The Corporation shall appoint a registrar to keep at a location in the Province of Ontario the register of security holders of the Corporation. Register of security holders

(2) The Corporation shall appoint a transfer agent to keep at a location in the Province of Ontario the register of transfers of all securities issued by the Corporation in registered form. 1973, c. 66, s. 9. Register of transfers

VOTING OF SHARES

10.—(1) The voting rights pertaining to any shares of the Corporation shall not be exercised when the shares are held in contravention of this Act or the by-laws of the Corporation. Voting rights not to be exercised in certain cases

(2) The validity of a transfer of shares of the Corporation that has been recorded in a register of transfers of the Corporation or the validity of an allotment of shares of the Corporation is not affected by the holding of such shares in contravention of this Act or the by-laws of the Corporation. Transfer and allotment of shares held in contravention of Act

(3) If the voting rights pertaining to any shares of the Corporation that are held in contravention of this Act or the by-laws of the Corporation are exercised at any meeting of the shareholders of the Corporation, no proceeding at that meeting is void by reason thereof, but any such proceeding, matter or thing is, at any time within one year from the date of commencement of the meeting at which such voting rights were exercised, voidable at the option of the directors and shareholders by a by-law duly passed by the Board and sanctioned by two-thirds of the votes cast at a special general meeting of the shareholders called for the purpose. 1973, c. 66, s. 10. Voting of shares held in contravention of Act

PURCHASE OF COMMON SHARES

11. Subject to the provisions of the *Business Corporations Act*, the Corporation may purchase any of its issued common shares. 1973, c. 66, s. 11. Purchase of common shares R.S.O. 1980, c. 54

NON-APPLICATION OF CERTAIN PROVISIONS OF  
THE BUSINESS CORPORATIONS ACT

Provisions  
not to apply  
R.S.O. 1980,  
c. 54

**12.** Except for the purposes of subsection 5 (5), the provisions of sections 180 to 245 of the *Business Corporations Act* do not apply to the Corporation and the Corporation shall not enter into any arrangement, amalgamation, continuation, winding up or dissolution within the meaning of the *Business Corporations Act*. 1973, c. 66, s. 12.

GENERAL

Not Crown  
agency  
R.S.O. 1980,  
c. 106

**13.** The Corporation is not an agent of Her Majesty nor a Crown agency within the meaning of the *Crown Agency Act*. 1973, c. 66, s. 13.

Interpre-  
tation

**14.**—(1) In this section, “non-resident” means any person other than a resident Canadian, a corporation controlled by resident Canadians, Her Majesty in right of Canada, Ontario or any other province of Canada or an agent or nominee of Her Majesty.

Equity shares  
owned or  
controlled  
by non-  
residents

(2) The total number of equity shares of the Corporation beneficially owned, directly or indirectly, by non-residents or over which non-residents exercise control or direction shall not at any time exceed 10 per cent of the total number of issued and outstanding equity shares of the Corporation.

Limit of  
individual  
ownership of  
equity shares

(3) The total number of equity shares of the Corporation beneficially owned, directly or indirectly, by any person or over which he exercises control or direction shall not at any time exceed 5 per cent of the total number of issued and outstanding equity shares of the Corporation.

Idem

(4) Subsection (3) does not apply in respect of any equity shares of the Corporation beneficially owned by Her Majesty in right of Canada, Ontario or any other province of Canada or by an agent or nominee of Her Majesty.

Where person  
deemed  
beneficial  
owner of  
equity shares  
R.S.O. 1980,  
c. 54

(5) For the purposes of this section, a person shall be deemed to own beneficially any equity shares of the Corporation owned beneficially by any associate or affiliate of such person as such terms are defined in the *Business Corporations Act*.

Controlled  
corporation

(6) For the purposes of this section, a corporation is controlled by another corporation, individual or trust if it is in

fact effectively controlled by such other corporation, individual or trust, directly or indirectly, or through the holding of shares of the corporation or any other corporation, or through the holding of a significant portion of the preferred shares of a corporation or of the outstanding debt of a corporation or individual, or by any other means whether of a like or different nature. 1973, c. 66, s. 14.

**15.**—(1) The Corporation may, where authorized by a special resolution,

Corporation may dispose of property

(a) sell, lease or otherwise dispose of all or substantially all of its property and liabilities to another body corporate,

(i) which has objects similar to those of the Corporation, and

(ii) of which, the beneficial ownership of equity shares is restricted to Her Majesty in right of Ontario, of any of the other provinces of Canada, or of Canada; and

(b) receive, in consideration of any property so disposed, securities of the body corporate together with the assumption by the body corporate of the liabilities of the Corporation.

(2) The Corporation may,

Corporation may transfer shares

(a) transfer to the Minister to hold on behalf of Her Majesty in right of Ontario any equity shares that the Corporation receives under subsection (1); or

(b) cause to be issued to the Minister to hold on behalf of Her Majesty in right of Ontario any equity shares that the Corporation is entitled to receive under subsection (1). 1975, c. 55, s. 1.

### PART III

#### ONTARIO PARTICIPATION

**16.**—(1) The Minister shall from time to time subscribe for, purchase and hold shares of the Corporation on behalf of Her Majesty in right of Ontario and such holdings at all times shall be a majority of the outstanding shares of the Corporation.

Shares may be acquired by Ontario



Idem,  
registration  
and voting

(2) Shares of the Corporation purchased on behalf of Her Majesty in right of Ontario shall be registered in the books of the Corporation in the name of Her Majesty in right of Ontario as represented by the Minister and may be voted by the Minister or his duly authorized nominee on behalf of Her Majesty in accordance with such regulations as the Lieutenant Governor in Council may prescribe. 1973, c. 66, s. 15.

Authority  
to loan  
moneys to  
Corporation

**17.** The Treasurer of Ontario, with the approval of the Lieutenant Governor in Council and upon such terms and conditions as the Lieutenant Governor in Council may prescribe, may make loans to the Corporation and may acquire and hold debt obligations of the Corporation as evidence thereof. 1973, c. 66, s. 16.

## PART IV

### MISCELLANEOUS

Regulations

**18.** The Lieutenant Governor in Council may make regulations respecting any matter that he considers necessary relating to,

- (a) the voting by the Minister or his duly authorized nominee in respect of shares of the Corporation held by the Minister;
- (b) terms and conditions that shall apply to the making of loans to the Corporation by the Treasurer of Ontario. 1973, c. 66, s. 17.