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Laws and Regulations

Volume 135

Summary

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PROVINCE OF QUÉBEC

1st SESSION

37th LEGISLATURE

QUÉBEC, 10 DECEMBER 2003

OFFICE OF THE LIEUTENANT-GOVERNOR

Québec, 10 December 2003

This day, at two minutes past four o'clock in the afternoon, Her Excellency the Lieutenant-Governor was pleased to sanction the following bills:

- 10 An Act giving effect to the Budget Speech delivered on 1 November 2001, to the supplementary statement of 19 March 2002 and to certain other budget statements
- 194 An Act to proclaim Armenian Genocide Memorial Day

To these bills the Royal assent was affixed by Her Excellency the Lieutenant-Governor.

PROVINCE OF QUÉBEC

1st SESSION

37th LEGISLATURE

QUÉBEC, 12 DECEMBER 2003

OFFICE OF THE LIEUTENANT-GOVERNOR

Québec, 12 December 2003

This day, at ten minutes past four o'clock in the afternoon, the Honourable the Administrator of Québec was pleased to sanction the following bill:

37 Appropriation Act No. 2, 2003-2004

To this bill the Royal assent was affixed by the Honourable the Administrator of Québec.

Regulations and other acts

Gouvernement du Québec

O.C. 1364-2003, 17 December 2003

Natural Heritage Conservation Act
(2002, c. 74)

Ecological reserves

— Approval of the conservation plans of four reserves and the termination of the setting aside of five others

Approval of the conservation plans of four proposed ecological reserves and the termination of the setting aside of five others

WHEREAS, under section 86 of the Natural Heritage Conservation Act (2002, c. 74), that Act replaced the Ecological Reserves Act (R.S.Q., c. R-26.1);

WHEREAS, under section 88 of the Natural Heritage Conservation Act (R.S.Q., c. C-61.01), the proposed ecological reserves in whose respect a notice was published in the *Gazette officielle du Québec* before 19 December 2002 are maintained, are deemed to have been set aside, in accordance with Title III of the Act, for a period of 4 years beginning on 19 December 2002, and the Minister of the Environment has one year to have the Government approve their conservation plan;

WHEREAS nine areas set aside as proposed ecological reserves are subject to section 88, namely:

- the proposed Paul-Provencher ecological reserve;
- the proposed Ruisseau-Clinchamp ecological reserve;
- the proposed Matamec ecological reserve (northern portion);
- the proposed Grande-Rivière ecological reserve;
- the proposed Chicobi ecological reserve;
- the proposed Coleraine ecological reserve;
- the proposed Manche-d'Épée ecological reserve;
- the proposed Léon-Provancher ecological reserve;
- the proposed Lac-Malakisis ecological reserve (western and north-eastern portions);

WHEREAS the Minister of the Environment has prepared conservation plans for four of those reserves, namely the proposed Paul-Provencher, Ruisseau-Clinchamp, Matamec (northern portion) and Grand-Rivière ecological reserves, the conservation plans being attached to this Order in Council;

WHEREAS the conservation plan of the proposed Ruisseau-Clinchamp ecological reserve provides for the possibility of mining exploration activities being carried on so that, should mineral potential considered significant by the Ministère des Ressources naturelles, de la Faune et des Parcs be identified, the boundaries of the land to be protected may be modified to allow the potential to be developed;

WHEREAS it is expedient to approve those four conservation plans;

WHEREAS the five other proposed ecological reserves subject to section 88 are residual portions of larger areas that had been set aside, the majority of which have been established as ecological reserves;

WHEREAS the Minister of the Environment does not envisage assigning permanent protection status to the excess land which forms the area of the following five proposed ecological reserves:

- the proposed Chicobi ecological reserve;
- the proposed Coleraine ecological reserve;
- the proposed Manche-d'Épée ecological reserve;
- the proposed Léon-Provancher ecological reserve;
- the proposed Lac-Malakisis ecological reserve (western and north-eastern portions);

WHEREAS it therefore appears neither necessary to propose a conservation plan for each of those five proposed ecological reserves nor appropriate to maintain the temporary protection status of the five areas;

WHEREAS, under section 32 of the Natural Heritage Conservation Act, land ceases to be set aside when permanent protection status is assigned, when the term for which the land has been set aside expires, or on publication in the *Gazette officielle du Québec* of a notice of revocation of the plans by the Minister, with the approval of the Government;

WHEREAS it is advisable to authorize the Minister of the Environment to terminate the setting aside of the land of the five proposed ecological reserves by the publication of a notice of revocation of their respective plans in the *Gazette officielle du Québec*;

IT IS ORDERED, therefore, on the recommendation of the Minister of the Environment;

THAT the conservation plans prepared and attached to this Order in Council be approved for the following proposed ecological reserves:

- the proposed Paul-Provencher ecological reserve;
- the proposed Ruisseau-Clinchamp ecological reserve;
- the proposed Matamec ecological reserve (northern portion);
- the proposed Grande-Rivière ecological reserve;

THAT the conservation plans take effect on the date of publication of this Order in Council in the *Gazette officielle du Québec*;

THAT the Minister of the Environment be authorized to terminate the setting aside of the land of the following proposed ecological reserves by the publication of a notice of revocation of their respective conservation plans in the *Gazette officielle du Québec*:

- the proposed Chicobi ecological reserve;
- the proposed Coleraine ecological reserve;
- the proposed Manche-d'Épée ecological reserve;
- the proposed Léon-Provancher ecological reserve;
- the proposed Lac-Malakisis ecological reserve (western and north-eastern portions).

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

CONSERVATION PLAN FOR THE PROPOSED PAUL-PROVENCHER ECOLOGICAL RESERVE

October 2003

1. Plan and description

1.1. Geographic location, boundaries and dimensions

The plans of the boundaries of the proposed Paul-Provencher ecological reserve and its location are shown on the maps in the schedules.

The proposed Paul-Provencher ecological reserve is located at the head of Fléché lake 85 kilometres north of Baie-Comeau in Municipalité régionale de comté de Manicouagan. The territory covers an area of 5,306 hectares and straddles Leblanc, Charlie and Fléché lakes for its northern, southern and western boundaries, respectively. The eastern boundary is, for the most part, defined by an unpaved road.

1.2. Ecological overview

The land of the proposed ecological reserve is part of the Manicouagan plateau natural region situated in the Central Laurentian natural province.

The proposed Paul-Provencher ecological reserve aims to protect a representative sample of the Manicouagan plateau natural region. The natural region is characterized mainly by low hills (variation in height between 100 and 200 metres) on which thin till deposits and rock outcrops are found.

1.2.1. Representative elements

Climate: Most of the land of the proposed ecological reserve is characterized by a cold subpolar, subhumid climate with a short growing season. About 10% of the land has a climate with a warmer average annual temperature and a longer growing season.

Geology: The bedrock is part of Grenville Province and is formed mainly of gneisses and migmatites.

Vegetation: Black spruce stands are the most common and occupy more than 35% of the land of the proposed ecological reserve. Black spruce-balsam fir or black spruce-white spruce stands are also present in a sizable part of the area.

1.2.2. Outstanding elements

The proposed Paul-Provencher ecological reserve has no threatened or vulnerable species.

1.3. Land occupation and uses

The land is public property. No right has been granted on the land of the proposed ecological reserve.

2. Protection status

The proposed Paul-Provencher ecological reserve aims to protect a sample of land representative of the Manicouagan plateau natural region.

3. Activities within the reserve

The activities carried on within the proposed Paul-Provencher ecological reserve are governed by the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

This conservation plan does not specify any prohibited activity other than those prohibited in proposed ecological reserves by the Act; nor does it authorize any other activities, or set any additional constraints on the activities permitted by the Act.

3.1. Prohibited activities

- General prohibitions under the Act

For reference purposes, it is important to note that under the Natural Heritage Conservation Act, the main activities prohibited in an area designated as a proposed ecological reserve are:

- mining, and gas or petroleum development;
- mining, gas or petroleum exploration, brine and underground reservoir exploration, prospecting, and digging or boring where those activities necessitate stripping, the digging of trenches, excavation or deforestation;
- forest management within the meaning of section 3 of the Forest Act (R.S.Q., c. F-4.1);
- the development of hydraulic resources and any production of energy on a commercial or industrial basis;
- any new allocation of a right to occupy land for vacation resort purposes; and
- earthwork or construction work.

3.2. Activities governed by other statutes

All activities likely to be carried on within the boundaries of the proposed Paul-Provencher ecological reserve remain governed by the other applicable legislative and regulatory provisions, including those that require the issue of a permit or authorization or the payment of fees. The carrying on of certain activities may also be prohibited or limited by other Acts or regulations applicable within the boundaries of the proposed ecological reserve.

A special legal framework may, within the proposed ecological reserve, govern permitted and prohibited activities in connection with the development of wildlife resources (measures contained in the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1)).

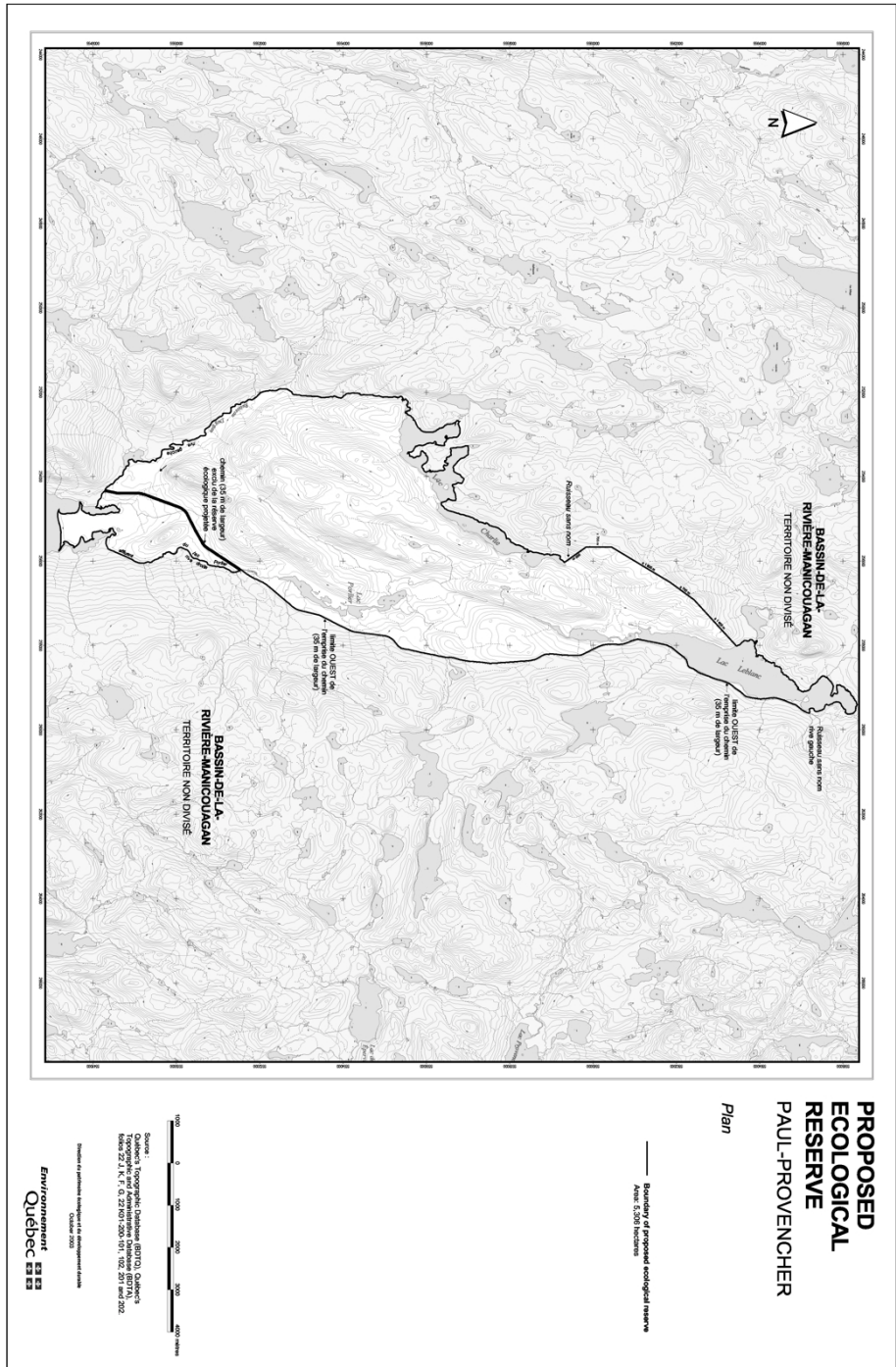
3.3. Supervision of activities

The Minister of the Environment is responsible for the application of the Natural Heritage Conservation Act, and is therefore responsible for proposed ecological reserves and those established under that Act. The Minister will supervise and monitor the measures contained in the Act with regard to permitted activities in protected areas. In addition, the Minister has authority over these lands which form part of the domain of the State.

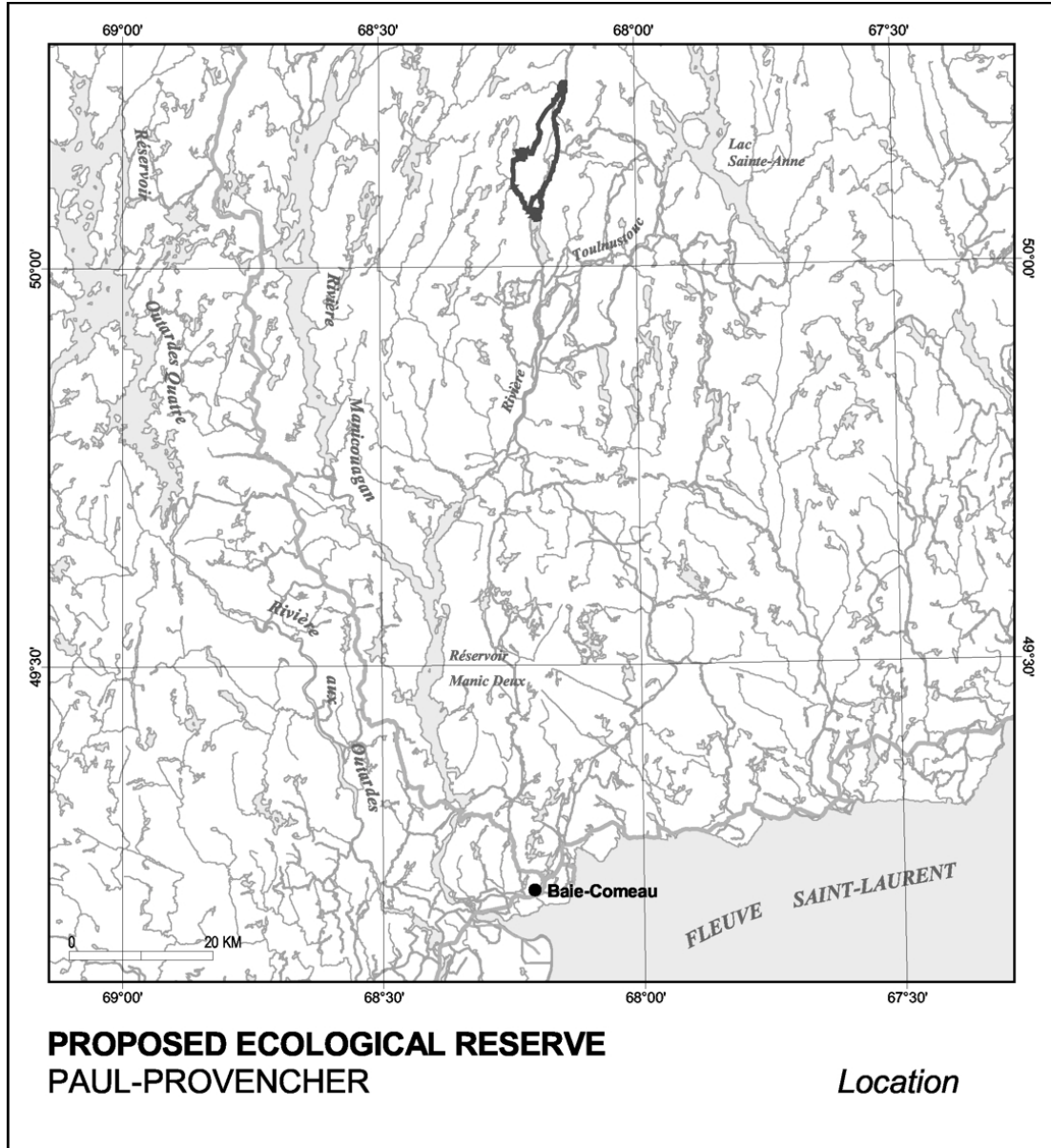
4. Permanent protection status

The permanent protection status envisaged for the reserve is “ecological reserve” status under the Natural Heritage Conservation Act.

Schedules
A.1. Plan of the proposed Paul-Provencher ecological reserve



A.2. Map showing the location of the proposed Paul-Provencher ecological reserve



CONSERVATION PLAN FOR THE PROPOSED RUISSEAU-CLINCHAMP ECOLOGICAL RESERVE

October 2003

1. Plan and description

1.1. Geographic location, boundaries and dimensions

The plans of the boundaries of the proposed Ruisseau-Clinchamp ecological reserve and its location are shown on the maps in the schedules.

The proposed Ruisseau-Clinchamp ecological reserve is located within the territory of Ville de Rouyn-Noranda (outside the RCM). The proposed ecological reserve covers an area of 2,430 hectares. Its boundaries coincide with numerous watercourses and lakes, including Dasserat and Lusko lakes to the east and Faily, Marron and Monarque lakes to the west.

1.2. Ecological overview

The proposed ecological reserve lies in the Lake Témiscamingue Lowlands natural region at the heart of the Abitibi and James Bay Lowlands natural province.

1.2.1. Representative elements

Climate: The proposed ecological reserve belongs to the bioclimatic field of balsam fir-white birch stands. It straddles two climate zones. One portion of the proposed ecological reserve is characterized by a subpolar, subhumid climate with a medium growing season (167 days), another by a mild subpolar, subhumid climate with a long growing season (180 days). Annual precipitation is essentially the same in the two climate zones, being in the range of 980 millimetres.

Geology: The bedrock is formed mainly of basalt and metabasalt (mafic rocks). The southern part of the proposed ecological reserve is dominated by wacke (from clay), conglomerate, tillite (consolidated till) and argillite.

Vegetation: The landscape of the proposed ecological reserve is largely dominated by white birch (*Betula papyrifera*). The forest communities in which white birch predominates include white birch-balsam fir stands, white birch stands with balsam fir and Eastern white cedar, and white birch-white spruce stands. Black spruce stands, black spruce-white birch stands, cedar stands with Eastern white cedar and white birch and Eastern white cedar-balsam fir stands are also present.

1.2.2. Outstanding elements

Several forest communities at the heart of the proposed ecological reserve are exceptional because of the age of their forest species and, in certain cases, because of their scattered distribution. A number of these forest communities are likely to be designated exceptional forest ecosystems (EFE).

Sugar maple-white birch stands have been inventoried in the proposed ecological reserve. These sugar maples (*Acer saccharum*) are found more than 75 km to the north of the northern limit of the sugar maple-yellow birch domain, making them a rare occurrence at this latitude. These exceptional sugar maple stands cover an area of approximately 3 hectares and include a number of specimens close to 200 years old.

Also found in the proposed ecological reserve are white birch-balsam fir stands which cover some 191 hectares and contain a number of specimens over 300 years old. These stands, situated to the west and south of Clinchamp stream, are rare in this region today.

Eastern white cedar-balsam fir swamps, classified as rare, old-growth stands, are also found in the territory. Some of the Eastern white cedar (*Thuja occidentalis*) in these stands which colonize sites on the periphery of Labyrinthe lake are 400 years old. Old-growth forests of balsam fir-white birch and Eastern white cedar stands to the south-east of Labyrinthe lake are also present.

1.3. Land occupation and uses

The entire territory of the proposed ecological reserve is public property. Various rights have been granted within the territory, including mining rights and a number of leases for rough shelters.

2. Protection status

The proposed ecological reserve will protect old-growth virgin forests, some of which contain forest species with a scattered distribution, not typically found at latitudes so far north.

3. Activities within the reserve

The activities carried on within the proposed Ruisseau-Clinchamp ecological reserve are governed by the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

This conservation plan does not specify any prohibited activity other than those prohibited in proposed ecological reserves by the Act; it authorizes, subject to certain conditions, the carrying on of mining exploration.

3.1. Prohibited activities

– General prohibitions under the Act

For reference purposes, it is important to note that under the Natural Heritage Conservation Act, the main activities prohibited in an area designated as a proposed ecological reserve are:

- mining, and gas or petroleum development;
- forest management within the meaning of section 3 of the Forest Act (R.S.Q., c. F-4.1);
- the development of hydraulic resources and any production of energy on a commercial or industrial basis;
- mining, gas or petroleum exploration, brine and underground reservoir exploration;
- any new allocation of a right to occupy land for vacation resort purposes; and
- earthwork or construction work.

3.2. Authorized mining exploration

Mining exploration, including prospecting, digging and boring, where those activities necessitate stripping, the digging of trenches, excavation or deforestation, may be carried on within the territory of the Ruisseau-Clinchamp ecological reserve provided that:

- (1) the activities are carried on by or on behalf of a person who is expressly authorized in writing by the Minister of the Environment to carry on mining exploration within the territory of the proposed ecological reserve;
- (2) the activities are carried on by or on behalf of a person who is entitled to carry on mining exploration, prospecting, digging or boring within the territory of the proposed ecological reserve, in accordance with the measures set forth in the Mining Act (R.S.Q., c. M-13.1);
- (3) the activities, where they necessitate deforestation, are carried on by or on behalf of a person who is entitled to carry on such activities, in accordance with the measures set forth in sections 20 and 21 of the Forest Act (R.S.Q., c. F-4.1);

(4) the activities are carried on in conformity with the applicable legislative and regulatory standards; and

(5) the activities are carried on in conformity with the authorization issued by the Minister.

3.3. Activities governed by other statutes

All activities likely to be carried on within the boundaries of the proposed Ruisseau-Clinchamp ecological reserve remain governed by the other applicable legislative and regulatory provisions, including those that require the issue of a permit or authorization or the payment of fees. The carrying on of certain activities may also be prohibited or limited by other Acts or regulations applicable within the boundaries of the proposed ecological reserve.

In particular, in addition to the legal framework under the Mining Act and the Forest Act as described in paragraph 3.2, the carrying on of certain activities may be subject to the provisions of the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1), the Cultural Property Act (R.S.Q., c. B-4) regarding archaeological research, and the Environment Quality Act (R.S.Q., c. Q-2).

3.4. Supervision of activities

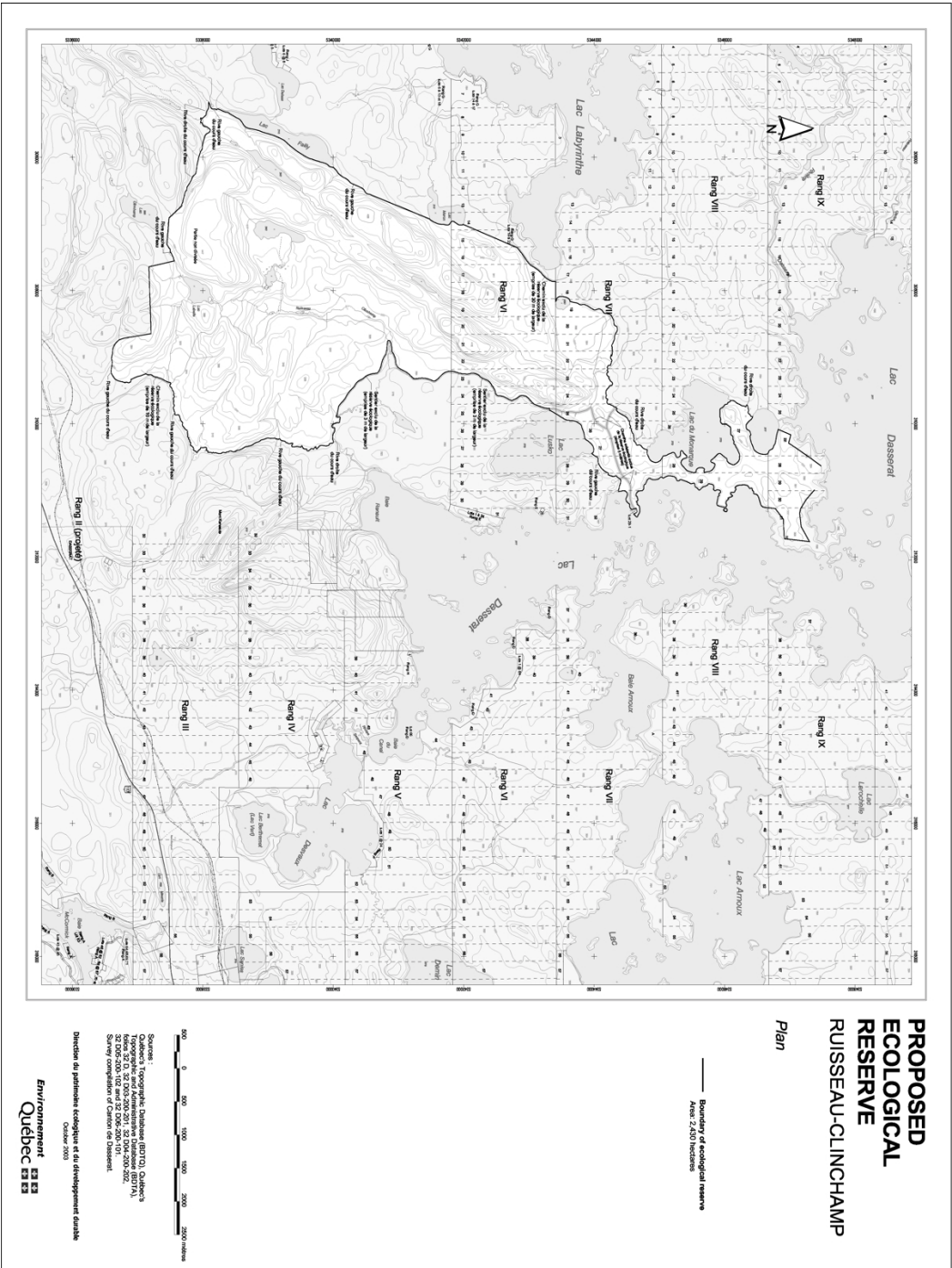
The Minister of the Environment is responsible for the application of the Natural Heritage Conservation Act, and is therefore responsible for proposed ecological reserves under that Act. The Minister will supervise and monitor the measures contained in the Act with regard to permitted activities in protected areas.

The Minister has authority over these lands which form part of the domain of the State.

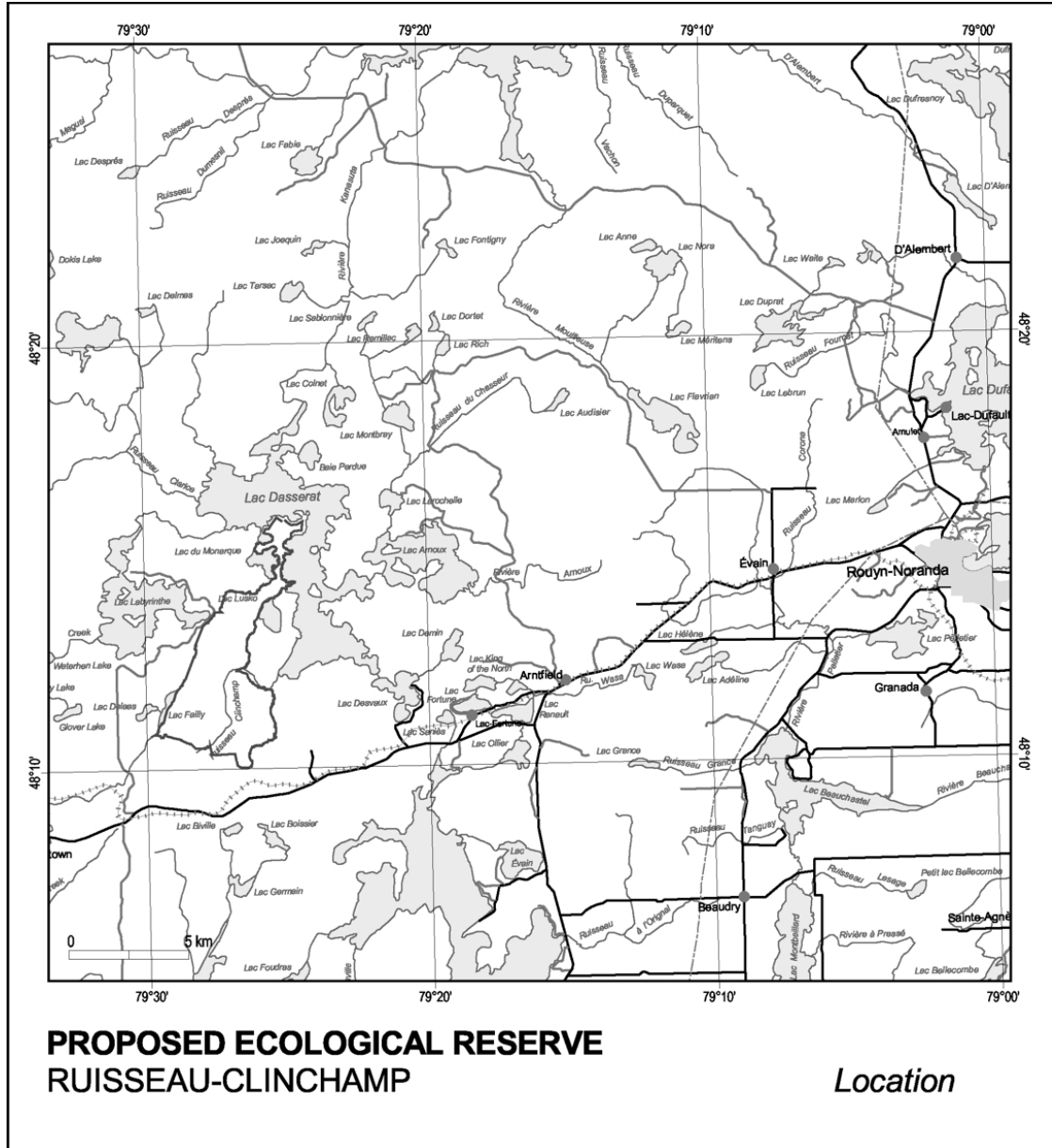
4. Permanent protection status

The permanent protection status envisaged for the reserve is “ecological reserve” status under the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

Schedules
 A.1. Plan of the proposed Ruisseau-Clinchamp ecological reserve



A.2. Map showing the location of the proposed Ruisseau-Clinchamp ecological reserve



CONSERVATION PLAN FOR THE PROPOSED MATAMEC ECOLOGICAL RESERVE (NORTHERN PORTION)

October 2003

1. Plan and description

1.1. Geographic location, boundaries and dimensions

The plans of the proposed Matamec ecological reserve (northern portion) and its location are shown on the maps in Schedules A.1 and A.2.

The proposed Matamec ecological reserve (northern portion) is located on the North Shore, between 50°15' and 50°42' north latitude and 65°42' and 66°10' west longitude, within the unorganized territory of Rivière-Nipissis in the north and in Municipalité de Sept-Îles in the south. The proposed ecological reserve is wholly within Municipalité régionale de comté de Sept-Rivières.

The proposed ecological reserve covers an area of 546 km². The southern boundary coincides with the northern boundary of the Matamec ecological reserve. The proposed protected area will contribute to ensuring the ecological integrity of almost the entire Matamec river watershed.

1.2. Ecological overview

The greater part of the proposed protected area lies in the Lower North Shore Plateau natural province and protects ecosystems characteristic of the Magpie lake massif natural region. The sector to the south and west of the river known as rivière aux Rats Musqués, however, lies in the Sainte-Marguerite Plateau natural region, which is part of the Central Laurentian natural province.

1.2.1. Representative elements

Climate: The proposed ecological reserve straddles three distinct climate zones. From north to south, it is characterized by a cold subpolar, subhumid climate with a short growing season, a wet subpolar climate with a short growing season, and a subpolar, subhumid climate with a medium growing season. The area lies almost wholly within the bioclimatic field of mossy spruce stands, with the southern extremity lying at the transition with the balsam fir-white birch bioclimatic field.

Geology and geomorphology: The proposed ecological reserve is in the Grenville geologic province. The bedrock is formed mainly by Precambrian mafic and ultra-mafic igneous rocks such as diorite, gabbro and anorthosite. The geologic substrate in the southern part of the proposed ecological reserve, however, also consists of

migmatites and felsic igneous rocks. In terms of its geomorphology, the area can be described as a group of low hills and knolls situated on the southern edge of the Laurentian Plateau. The altitude relief in the area ranges from 110 m to 685 m. The topography of the Laurentian Plateau is rugged and mountainous. Where the bedrock does not outcrop, it is covered with a thin layer of moderately drained till; talus is frequently found at the base of the steepest slopes. The valley bottom of the Matamec river is covered by well-drained to moderately-well-drained sandy fluvio-glacial material.

Hydrography: The proposed ecological reserve covers close to three-quarters of the Matamec drainage basin, which has an area of approximately 669 km². It protects over 20 kilometres of the river, which empties into the St. Lawrence approximately 25 km east of Sept-Îles after a course of 66 km. The Matamec river flows over the bedrock through a deep, narrow valley. Its course is relatively straight because it follows a network of suborthogonal faults. The proposed ecological reserve also has numerous lakes and headwater watercourses characteristic of the North Shore.

Vegetation: Forest is the main vegetation cover in the proposed Matamec ecological reserve (northern portion). The stands are generally between 90 and 120 years old, dominated by softwood species, in particular black spruce (*Picea mariana*), balsam fir (*Abies balsamea*) and white spruce (*Picea glauca*). Krummholz black spruce and fir are sometimes found in extremely wind-exposed topographic positions. Dry heath occupies the rocky outcrops on certain summits and the colluvial deposits on the steep slopes. A few peat bogs dot the plateau; these peat bogs may be bogs consisting of clusters of shrubs or open stands of black spruce, or fens containing larch, alder, bog-myrtle and a number of species from the sedge family. The territory has not been affected by any disturbances, whether natural (fire, windfalls, insect infestations) or anthropogenic (silviculture).

1.2.2. Outstanding elements

In the summer, the waters of the Matamec river are populated by Atlantic salmon (*Salmo salar*). The watercourse has the status of salmon river protected area. The proposed Matamec ecological reserve is also the only reserve within the network of ecological reserves that has as one of its objectives the protection of the habitat of the Atlantic salmon. The creation of the proposed ecological reserve, while ensuring the integrity of the natural environments at the watershed level, will allow for the reinforcement of protection measures having regard to this particularly fragile species.

It is estimated that the flora in the Matamec drainage basin includes some 325 species of vascular plants well-adapted to boreal regions and over 100 species of mosses and lichens. At least 25 of these species are believed to be at the northern limit of their distribution area. Also found in the proposed ecological reserve are a number of relatively rare or scarce species including bog aster (*Aster nemoralis*), common harebell (*Campanula rotundifolia*), bush honeysuckle (*Diervilla lonicera*), purple crowberry (*Empetrum atropurpureum*), pinesap (*Monotropa hypopithys*) and green pyrola (*Pyrola chlorantha*).

1.3. Land occupation and uses

The land occupations and uses in the proposed Matamec ecological reserve (northern portion) are shown on the map in Schedule A.3.

The territory lies wholly within the Saguenay beaver reserve, where the Sept-Îles Innu community, residing at Uashat and Malioténam, has special rights regarding the hunting and trapping of fur-bearing animals.

Apart from the mining claims held on a portion of the territory, no land rights have been granted within the perimeter of the proposed ecological reserve.

The territory is served by forest roads accessible from Route 138.

2. Protection status

The proposed ecological reserve, together with the existing ecological reserve, contributes to ensuring the preservation of the entire area drained by the Matamec river. Situated at the confluence of three distinct ecoregions, the territory constitutes an exceptional environment by reason of its biodiversity. Furthermore, the absence of anthropogenic disturbances associated with resource development makes it a choice site for fundamental and applied research in the ecological sciences.

3. Activities within the reserve

The activities carried on within the proposed Matamec ecological reserve (northern portion) are governed by the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

This conservation plan does not specify any prohibited activity other than those prohibited in ecological reserves by the Act; it authorizes, subject to certain conditions, the carrying on of mining exploration.

3.1. Prohibited activities

It is important to note that under the Natural Heritage Conservation Act, the main activities prohibited in an area designated as a proposed ecological reserve are :

- mining, and gas or petroleum development ;
- forest management within the meaning of section 3 of the Forest Act (R.S.Q., c. F-4.1) ;
- the development of hydraulic resources and any production of energy on a commercial or industrial basis ;
- mining, gas or petroleum exploration, brine and underground reservoir exploration ;
- any new allocation of a right to occupy land for vacation resort purposes ; and
- earthwork or construction work.

3.2. Authorized mining exploration

Mining exploration, including prospecting, digging and boring, where those activities necessitate stripping, the digging of trenches, excavation or deforestation, may be carried on within the territory of the proposed Matamec ecological reserve (northern portion) provided that :

(1) the activities are carried on by or on behalf of a person who is entitled to carry on mining exploration, prospecting, digging or boring within the territory of the proposed ecological reserve, in accordance with the measures set forth in the Mining Act (R.S.Q., c. M-13.1) ;

(2) the activities are carried on by or on behalf of a person who is expressly authorized in writing by the Minister responsible for the application of the Mining Act to carry on mining exploration within the territory of the proposed ecological reserve, this authorization having been issued in conformity with the provisions of the Entente établissant certaines conditions régissant l'exercice d'activités d'exploration minière à l'intérieur de la réserve écologique projetée de la Matamec (partie nord) entered into by the Minister and the Minister of the Environment ;

(3) the activities, where they necessitate deforestation, are carried on by or on behalf of a person who is entitled to carry on such activities, in accordance with the measures set forth in sections 20 and 21 of the Forest Act (R.S.Q., c. F-4.1) ; and

(4) the activities are carried on in conformity with the authorization issued by the Minister responsible for the application of the Mining Act, and where those activities necessitate deforestation, in conformity with the terms and conditions set forth in sections 21 and 22 of the Forest Act.

A copy of the above agreement may be obtained from the Direction du développement minéral of the Ministère des Ressources naturelles, de la Faune et des Parcs (Ministère des Ressources naturelles, de la Faune et des Parcs, 5700, 4^e Avenue Ouest, bureau C-408, Charlesbourg (Québec) G1H 6R1) or from the Direction du patrimoine écologique et du développement durable of the Ministère de l'Environnement, Édifice Marie-Guyart, 4^e étage, 675, boulevard René-Lévesque Est, Québec (Québec), G1V 5R7, case 21.

3.3. Activities governed by other statutes

All activities permitted within the boundaries of the proposed Matamec ecological reserve (northern portion) remain governed by the other applicable legislative and regulatory provisions, including those that require the issue of a permit or authorization or the payment of fees. The carrying on of certain activities may also be prohibited or limited by other Acts or regulations applicable within the boundaries of the proposed ecological reserve.

In particular, in addition to the legal framework under the Mining Act and the Forest Act as described in paragraph 3.2 as regards mining exploration, the carrying on of certain activities may be subject to the provisions of the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1) and the Environment Quality Act (R.S.Q., c. Q-2).

3.4. Supervision of activities

The Minister of the Environment is responsible for the application of the Natural Heritage Conservation Act, and is therefore responsible for proposed ecological reserves and those established under that Act. The Minister will supervise and monitor the measures contained in the Act with regard to permitted activities in protected areas.

The Minister has authority over these lands which form part of the domain of the State.

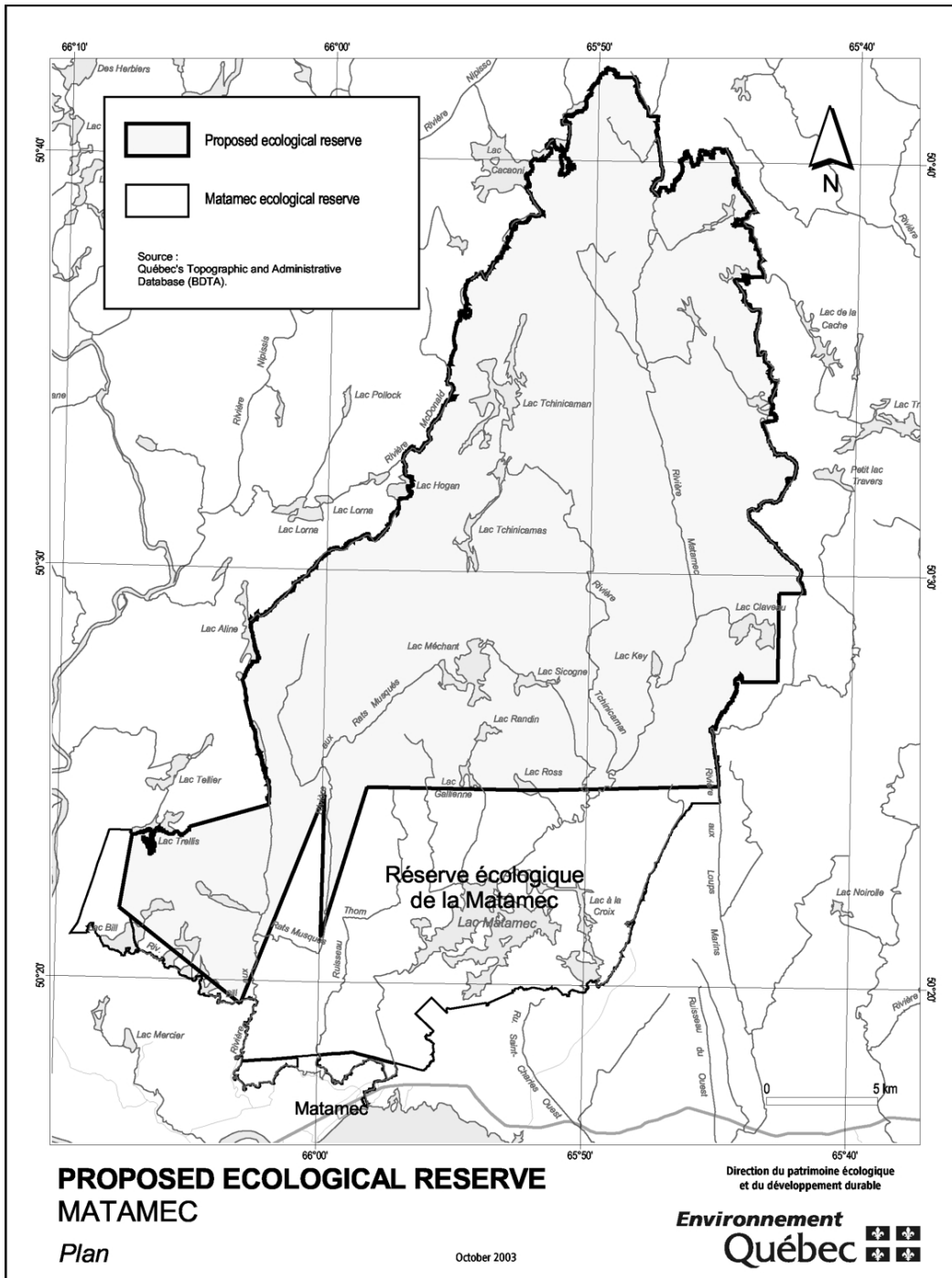
All other government departments and bodies will retain their responsibilities for the management of the activities entrusted to them under the legislative and regulatory texts that apply within the territory and that are not inconsistent with the status of proposed ecological reserve.

4. Permanent protection status

The permanent protection status currently envisaged for the territory is "ecological reserve" status. This status may be reassessed after the public consultation to be held with the Uashatmak Mani-Utenam Native community. The status of "biodiversity reserve" may then be envisaged for a portion of the territory. Protection status as a biodiversity reserve and as an ecological reserve is governed by the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

Schedules

A.1. Plan of the proposed Matamec ecological reserve (northern portion)



**PROPOSED ECOLOGICAL RESERVE
MATAMEC**

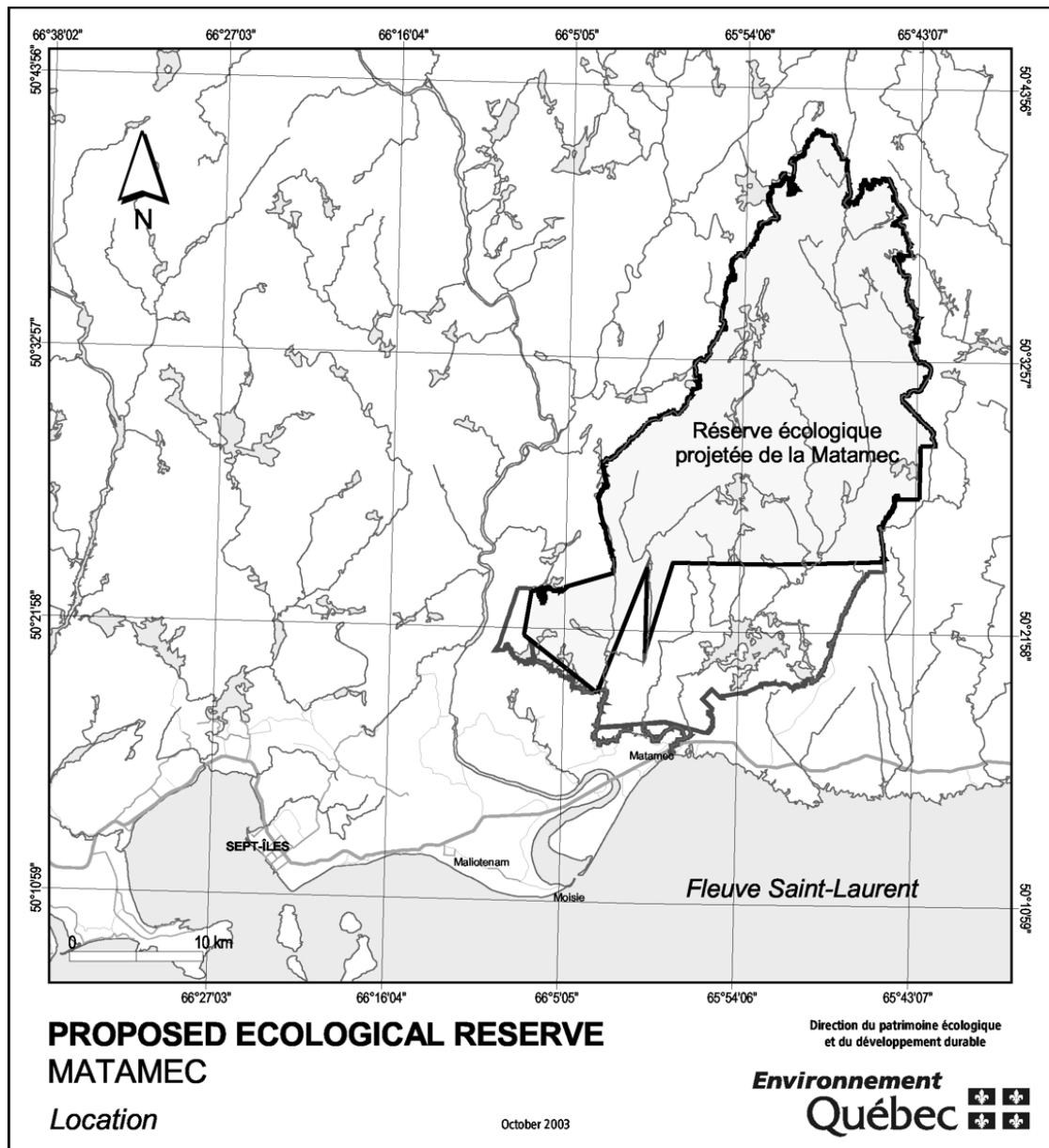
Plan

October 2003

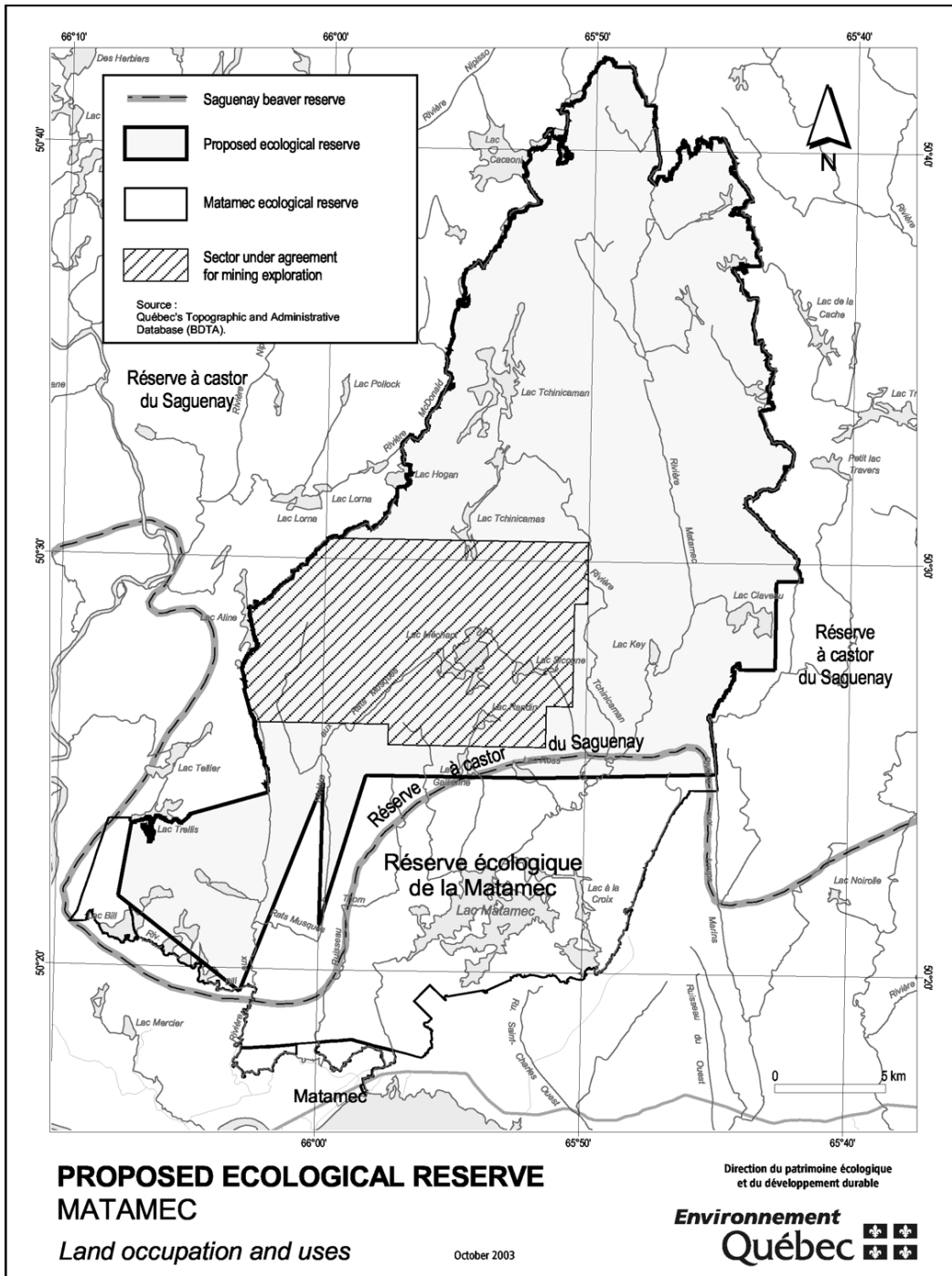
Direction du patrimoine écologique
et du développement durable



A.2. Map showing the location of the proposed Matamec ecological reserve (northern portion)



A.3. Map showing land occupation and uses in the proposed Matamec ecological reserve (northern portion)



CONSERVATION PLAN FOR THE PROPOSED GRANDE-RIVIÈRE ECOLOGICAL RESERVE

October 2003

1. Plan and description

1.1. Geographic location, boundaries and dimensions

The location and boundaries of the proposed Grande-Rivière ecological reserve are shown on the maps in Schedules A.1 and A.2.

The proposed Grande-Rivière ecological reserve is located in the Gaspésie administrative region, between 48°29' and 48°42' north latitude and 64°33' and 64°51' west longitude. Approximately 12 km north of Ville de Grande-Rivière, it lies within the unorganized territory of Mont-Alexandre, in Municipalité régionale de comté Le-Rocher-Percé.

The proposed ecological reserve seeks to ensure the integrity of the Grande-Rivière ecological reserve created in 2001 and which covers an area of 173 km². To the north, the proposed ecological reserve is composed of private lands and several roads enclosed within the Grande-Rivière ecological reserve, for a total area slightly larger than 775 hectares. The southern sector, located downstream from the ecological reserve, is composed of private and public lands covering some 700 hectares. With a total area of almost 15 km², the proposed ecological reserve will reinforce the protection of the riparian ecosystems of the Grande Rivière and the Grande Rivière Nord, as well as the ecological integrity of watercourses.

1.2. Ecological overview

The protected area is in the Appalachians natural province. It protects ecosystems representative of the Gaspé Peninsula natural region.

1.2.1. Representative elements

Climate: The territory of the proposed ecological reserve is characterized by a subpolar, subhumid continental climate with a medium growing season. It belongs to the bioclimatic field of balsam fir-white birch stands in the continuous boreal forest sub-zone.

Geology and geomorphology: The bedrock in the proposed ecological reserve is mainly shale, clay, limestone and slate dating back to the Ordovician (500 to 435 million years ago) and to the early Silurian (approximately 440 million years ago) periods, and is covered with morainic till deposited by glaciers during the Quaternary Era.

Hydrography: The protected territory forms part of the Grande-Rivière drainage basin, which is almost 700 km² in area. The Grande Rivière flows into Chaleur Bay after a course of almost 70 kilometres.

Vegetation: The proposed ecological reserve is largely forested. The dominating species are balsam fir (*Abies balsamea*), white spruce (*Picea glauca*) or white birch (*Betula papyrifera*) on the mesic sites, and cedar (*Thuja occidentalis*) on the slopes. As the altitude decreases, the plateaus are occupied by stands of white birch and red maple (*Acer rubrum*), while stands of sugar maple (*Acer saccharum*) or sugar maple-yellow birch (*Betula alleghaniensis*) are established on the sunnier slopes. Generally speaking, those stands are old and have been little or not at all affected by human activities or natural disturbances.

1.2.2. Outstanding elements

The flora of the proposed ecological reserve is influenced by the Boreal climate. The nature of the bedrock favours the presence of specific calcicole species, including limestone fern (*Gymnocarpium robertianum*), alpine woodsia (*woodsia alpina*) and Drummond's dryad (*Dryad drummondii*). Drummond's dryad, which is over 1,500 kilometres away from its main distribution area, namely the Rocky Mountains, is considered a relic of the last glaciation. The proposed ecological reserve also protects specimens of Anticosti aster (*Symphyotrichum anticostense*), an Asteraceae species endemic to the Gulf of St. Lawrence and designated as a threatened species both in Québec and Canada. All the riparian habitat along the Grande Rivière has been protected since February 2001 under the Act respecting threatened or vulnerable species (R.S.Q., c. E-12.01). The proposed ecological reserve also protects some colonies of northern arnica (*subspecies lonchophylla*) (*Arnica lonchophylla subsp. Lonchophylla*), another species designated as threatened or vulnerable in Québec.

The ecological reserve is also home to the golden eagle (*Aquila chrysaetos*), a diurnal bird of prey rare in Gaspésie and likely to be designated as a threatened or vulnerable species. The golden eagle nests on the rocky cliffs above the Grande Rivière in the proposed ecological reserve.

1.3. Land occupation and uses

The land occupations and uses in the territory of the proposed ecological reserve are shown on the map in Schedule A.3.

The territory of the proposed ecological reserve can be reached by two unpaved roads suitable for vehicles, accessible from Route de Rameau. It includes certain

road segments and a power transmission line enclosed within the Grande-Rivière ecological reserve.

A salmon (*Salmo salar*) fishing ZEC was established in 1980 on the portion of the Grande Rivière in the public domain. The Grande-Rivière controlled zone (ZEC), administered by the Société de gestion de la rivière Grande-Rivière, a non-profit organization, runs along the river for more than 20 kilometres.

No land rights have been granted within the perimeter of the proposed ecological reserve.

2. Protection status

The territory constitutes an exceptional ecosystem which should be protected by reason in particular of its geological specificity, its role as habitat for uncommon or threatened floristic species, and its little disturbed natural state. The proposed ecological reserve, together with the existing ecological reserve, contributes to extending the protection of the territory drained by the Grande-Rivière.

3. Activities within the reserve

The activities carried on within the proposed Grande-Rivière ecological reserve are governed by the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

This conservation plan does not specify any prohibited activity other than those prohibited in proposed ecological reserves by the Act; nor does it authorize any other activities, or set any additional constraints on the activities permitted by the Act.

3.1. Prohibited activities

It is important to note that under the Natural Heritage Conservation Act, the main activities prohibited in an area designated as a proposed ecological reserve are:

- mining, and gas or petroleum development;
- mining, gas or petroleum exploration, brine and underground reservoir exploration, prospecting, and digging or boring, where such activities necessitate strip-ping, the digging of trenches, excavation or deforestation;
- forest management activities within the meaning of section 3 of the Forest Act (R.S.Q., c. F-4.1);
- the development of hydraulic resources and any production of energy on a commercial or industrial basis;

– any new allocation of a right to occupy land for vacation resort purposes;

– earthwork or construction work.

3.2. Activities governed by other statutes

All activities likely to be carried on within the boundaries of the proposed Grande-Rivière ecological reserve remain governed by the other applicable legislative and regulatory provisions, including those that require the issue of a permit or authorization or the payment of fees. The carrying on of certain activities may also be prohibited or limited by other Acts or regulations applicable within the boundaries of the proposed ecological reserve.

A special legal framework may, within the boundaries of the proposed ecological reserve, govern permitted and prohibited activities in connection with the development of wildlife resources (especially the measures contained in the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1)).

3.3. Supervision of activities

The Minister of the Environment is responsible for the application of the Natural Heritage Conservation Act, and is therefore responsible for proposed ecological reserves and those established under that Act. The Minister will supervise and monitor the measures contained in the Act with regard to permitted activities in protected areas.

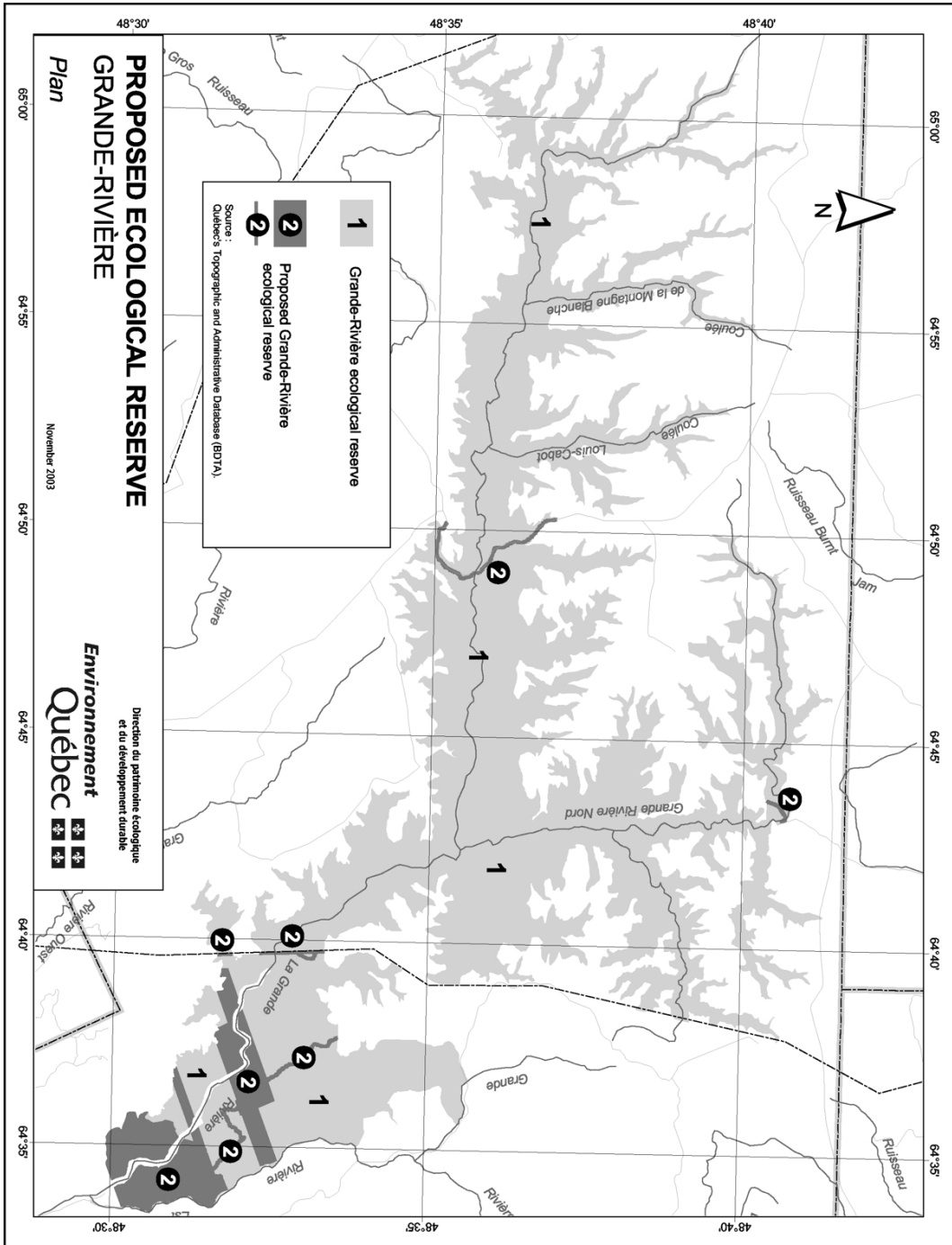
All other government departments and bodies will retain their responsibilities for the management of the activities entrusted to them under other legislative or regulatory texts that may apply in the territory and that are not inconsistent with the status of proposed ecological reserve. The Société de la faune et des parcs du Québec (FAPAQ) remains responsible for supervising the activities relating to wildlife protection and management that are under its responsibility.

The Minister has authority over these lands which form part of the domain of the State.

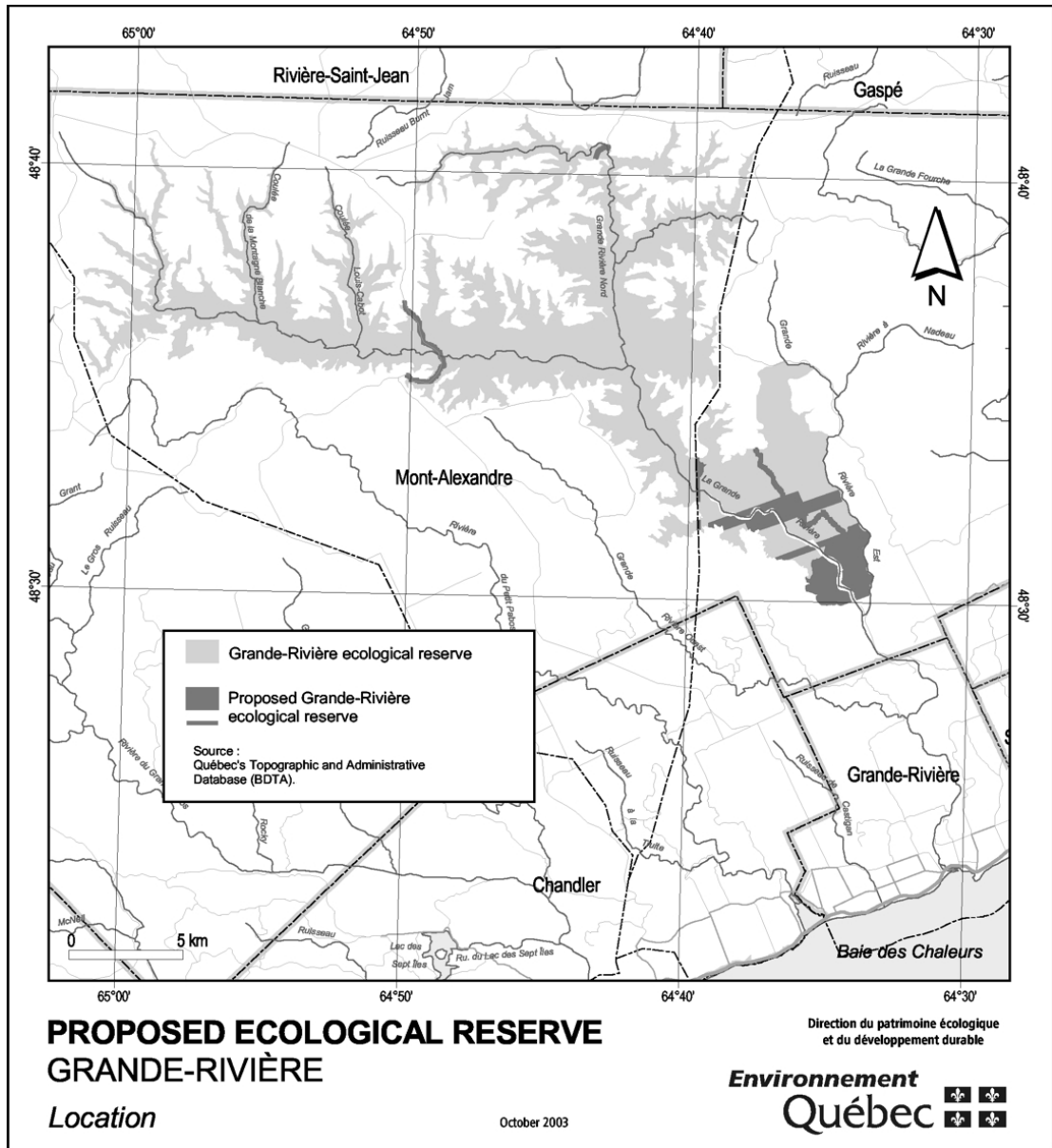
4. Permanent protection status

Two types of permanent protection status are envisaged to protect the territory of the proposed ecological reserve. The private lands located to the north of the valley bottom, as shown by line AB on the plan in Schedule A-3, are to be added to the established ecological reserve, while the private and public lands south of that line are to be granted biodiversity reserve status. Both statuses are governed by the Natural Heritage Conservation Act (R.S.Q., c. C-61.01).

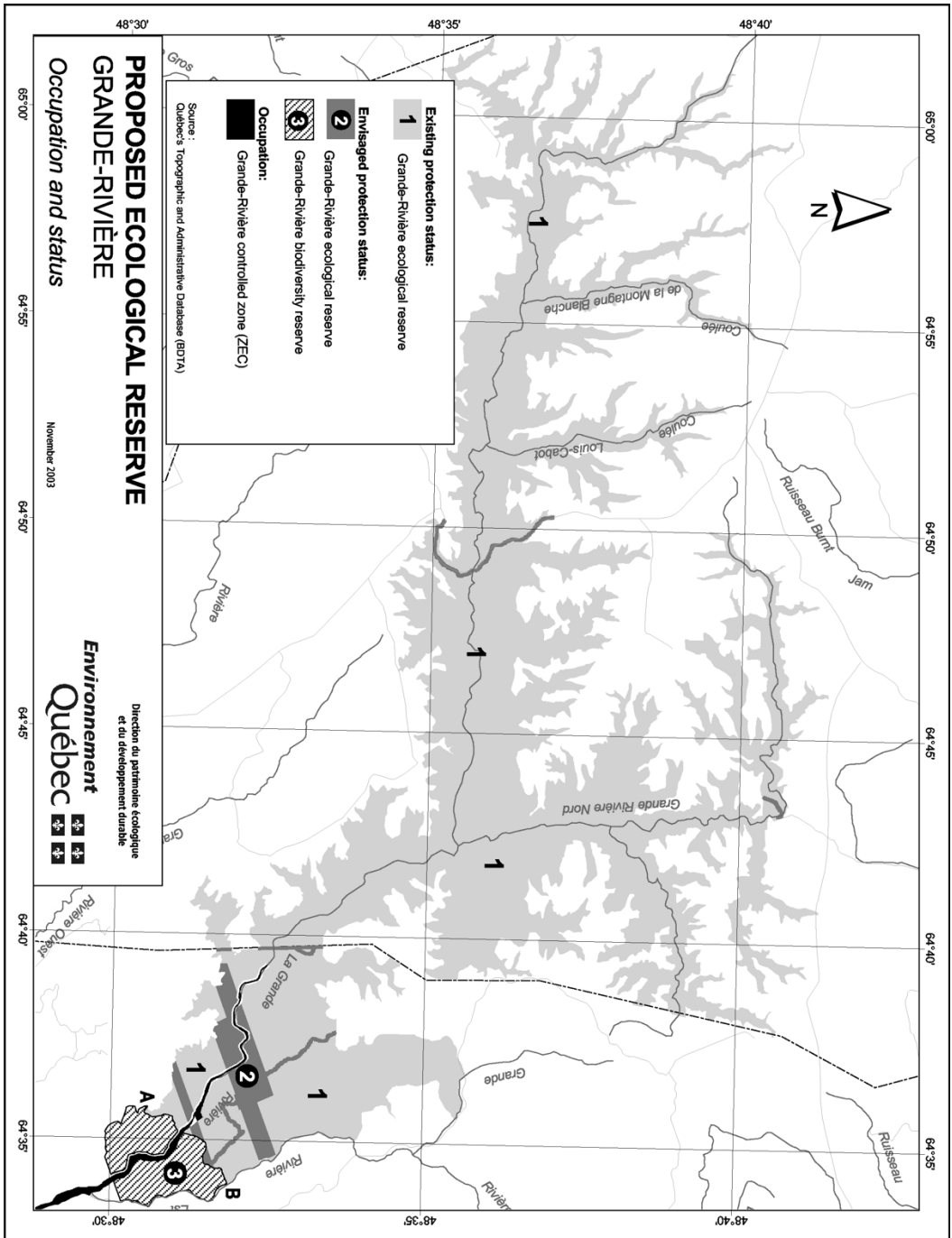
Schedules
A.1. Plan of the proposed Grande-Rivière ecological reserve



A.2. Map showing the location of the proposed Grande-Rivière ecological reserve



A.3: Map showing land occupation and uses in the proposed Grande-Rivière ecological reserve and envisaged permanent protection status



Gouvernement du Québec

O.C. 1366-2003, 17 December 2003

An Act respecting the Agence nationale d'encadrement du secteur financier
(R.S.Q., c. A-7.03)

Section 746
— **Regulation 2**

Regulation 2 under section 746 of the Act respecting the Agence nationale d'encadrement du secteur financier

WHEREAS the Act respecting the Agence nationale d'encadrement du secteur financier (2002, c. 45) was assented to on 11 December 2002;

WHEREAS, under the first paragraph of section 746 of that Act, the Government may, by regulation made before 11 December 2004, adopt any other transitional provision or measure that is expedient for the carrying out of the Act;

WHEREAS, under the second paragraph of that section, a regulation made under the first paragraph shall not be subject to the publication requirement provided for in section 8 of the Regulations Act (R.S.Q., c. R-18.1) and shall enter into force on the date of its publication in the *Gazette officielle du Québec* or at any later date indicated therein and the regulation may also, if it provides therefor, apply from any date not prior to 11 December 2002;

WHEREAS it is expedient to make a regulation under section 746 to adopt certain transitional provisions and other measures that are expedient for the carrying out of the Act respecting the Agence nationale d'encadrement du secteur financier;

IT IS ORDERED, therefore, on the recommendation of the Minister of Finance:

THAT Regulation 2 under section 746 of the Act respecting the Agence nationale d'encadrement du secteur financier, attached to this Order in Council, be made.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation 2 under section 746 of the Act respecting the Agence nationale d'encadrement du secteur financier

An Act respecting the Agence nationale d'encadrement du secteur financier
(R.S.Q., c. A-7.03, s. 746)

ACT RESPECTING THE AGENCE NATIONALE
D'ENCADREMENT DU SECTEUR FINANCIER

1. Section 734 of the Act respecting the Agence nationale d'encadrement du secteur financier (R.S.Q., c. A-7.03) is amended by replacing “131.1 to 131.5 and 599” in the first line by “131.2 to 131.6”.

2. Section 735 of the said Act is amended

(1) by replacing “103 to 103.2” in the first line by “103.1 to 103.3”;

(2) by replacing “, 336 and 494.1” in the second line by “and 336”.

3. Section 736 of the said Act is amended

(1) by replacing “153.1 to 153.5” in the first line by “153.2 to 153.6”;

(2) by striking out “314.2,” in the second line.

4. Section 738 of the said Act is amended

(1) by replacing “168.1.1 to 168.1.3” in the first line by “168.1.2 to 168.1.4”;

(2) by striking out “195.2,” in the second line.

5. Notwithstanding sections 41 and 109 of the said Act, the first fiscal year of the Agence nationale d'encadrement du secteur financier and the first fiscal year of the Bureau de décision et de révision en valeurs mobilières end on 31 March 2005.

6. Section 442 of the Act respecting the Agence nationale d'encadrement du secteur financier (2002, c. 45) is amended by replacing “58” in the second line of the third paragraph of section 312 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2) it enacts by “61”.

This section takes effect on the date of coming into force of section 442 of chapter 45 of the Statutes of 2002.

7. Section 631 of the said Act is amended by replacing “Agency” in the first line of section 172 of the Securities Act (R.S.Q., c. V-1.1) it enacts by “Bureau de décision et de révision en valeurs mobilières”.

This section takes effect on the date of coming into force of section 631 of chapter 45 of the Statutes of 2002.

8. Section 682 of the said Act is amended

(1) by replacing the introductory sentence by the following:

“**682.** Section 323.1 of the said Act is replaced by the following:”;

(2) by replacing “85” in the first line of section 323.5 of the Securities Act it enacts by “93”.

This section takes effect on the date of coming into force of section 682 of chapter 45 of the Statutes of 2002.

DEPOSIT INSURANCE ACT

9. Notwithstanding section 19 of the Deposit Insurance Act (R.S.Q., c. A-26), the fiscal year of the Régie de l’assurance-dépôts du Québec, for the current year, ends on the date of coming into force of section 7 of chapter 45 of the Statutes of 2002.

ACT RESPECTING THE DISTRIBUTION OF FINANCIAL PRODUCTS AND SERVICES

10. For the purposes of section 146 of the Act respecting the distribution of financial products and services (R.S.Q., c. D-9.2), sections 116, 120, 123 and 125 of that Act also apply, with the necessary modifications, to an independent representative or, as the case may be, an independent partnership, until the date of coming into force of sections 364, 367, 370 and 372 of chapter 45 of the Statutes of 2002.

11. Notwithstanding sections 247 and 282 of that Act, the fiscal year of the Bureau des services financiers and the fiscal year of the Fonds d’indemnisation des services financiers, for the current year, end on the date of coming into force of section 7 of chapter 45 of the Statutes of 2002.

ACT RESPECTING TRUST COMPANIES AND SAVINGS COMPANIES

12. For the purposes of section 395 of the Act respecting trust companies and savings companies (R.S.Q., c. S-29.01), “Agency” means the Inspector General until the date of coming into force of section 7 of chapter 45 of the Statutes of 2002.

This section has effect from 12 February 2003.

SECURITIES ACT

13. Section 3 of the Securities Act (R.S.Q., c. V-1.1) is amended

(1) by replacing “a bank listed in Schedule I or II to the Bank Act (Statutes of Canada, 1991, chapter 46) and registered with the Canada Deposit Insurance Corporation” in the third, fourth and fifth lines of paragraph 9 by “a bank or an authorized foreign bank listed in Schedule I, II or III to the Bank Act (Statutes of Canada, 1991, chapter 46)”;

(2) by replacing “a bank listed in Schedule I or II to the Bank Act and registered with the Canada Deposit Insurance Corporation” in the first, second, and third lines of paragraph 14 by “a bank or an authorized foreign bank listed in Schedule I, II or III to the Bank Act”.

This section has effect from 11 December 2002.

14. Section 148 of the said Act, amended by section 696 of chapter 45 of the Statutes of 2002, is again amended by replacing “with the Commission” in the last line of the second paragraph by “under this Act”.

This section takes effect on the date of coming into force of section 696 of chapter 45 of the Statutes of 2002.

15. Section 273.1 of the said Act is amended

(1) by replacing “Agency” in the first line of the first paragraph by “Bureau de décision et de révision en valeurs mobilières” and by replacing “the Agency” in the fifth line by “the board”;

(2) by replacing “and receive payment thereof” at the end of the first paragraph by “and have it collected by the Agency”.

16. For the purposes of section 273.1 of the said Act, as amended by this Regulation, “Bureau de décision et de révision en valeurs mobilières” means the Commission des valeurs mobilières du Québec until the date of coming into force of section 7 of chapter 45 of the Statutes of 2002.

MISCELLANEOUS AND FINAL PROVISIONS

17. Notwithstanding section 23 of the Regulation respecting annual fees and other fees payable adopted by the Bureau des services financiers and approved by Order in Council 836-99 dated 7 July 1999, the fees payable on 1 January 2004 are those appearing in the *Tableau des droits et frais exigibles* in force on 1 January 2003 and published in the *Gazette officielle du Québec* (2002, G.O. 1, 1362).

18. A new time limit provided for in sections 235 and 236 of the Securities Act, as amended by sections 637 and 638 of the Act respecting the Agence nationale d’encadrement du secteur financier, applies to current situations, having regard to the time elapsed.

19. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

6084

Gouvernement du Québec

O.C. 1375-2003, 17 December 2003

Hydro-Québec Act
(R.S.Q., c. H-5)

Hydro-Québec — Pension Plan

Approval of By-law No. 707 Hydro-Québec Pension Plan

WHEREAS, under section 49 of the Hydro-Québec Act (R.S.Q., c. H-5), the Company is authorized to establish by by-law a retirement plan for its members appointed after 30 June 1973 and its employees, including benefits in case of disability or death, and to adopt all provisions deemed necessary for such purpose;

WHEREAS, under section 55 of the Hydro-Québec Act, every by-law passed under Division IX respecting the pension plan shall be subject to the Supplemental Pension Plans Act (R.S.Q., c. R-15.1) and shall not come into force until approved by the Government;

WHEREAS By-law No. 699 Hydro-Québec Pension Plan was approved by the Government under Order in Council 932-2002 dated 21 August 2002;

WHEREAS agreements were entered into between Hydro-Québec and the union authorities in the spring of 2003, except the Syndicat professionnel des scientifiques de l’IREQ and the Fraternité des constables spéciaux d’Hydro-Québec, in order to make amendments to the Hydro-Québec Pension Plan, which take effect on 1 January 2004;

WHEREAS the amendments comply with the Supplemental Pension Plans Act and the Taxation Act (R.S.Q., c. I-3), amended by chapters 2, 8 and 9 of the Statutes of 2003;

WHEREAS, to integrate those amendments, Hydro-Québec passed By-law No. 707 Hydro-Québec Pension Plan on 7 November 2003 as a replacement for By-law No. 699 Hydro-Québec Pension Plan;

WHEREAS, under paragraph 1 of section 3 of the Regulations Act (R.S.Q., c. R-18.1), the Act does not apply to By-law No. 707 Hydro-Québec Pension Plan;

WHEREAS it is expedient to approve By-law No. 707 Hydro-Québec Pension Plan;

IT IS ORDERED, therefore, on the recommendation of the Minister of Natural Resources, Wildlife and Parks:

THAT By-law No. 707 Hydro-Québec Pension Plan, attached to this Order in Council, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

By-law No. 707 in respect of the Hydro-Québec Pension Plan

(Effective Date — January 1, 2004)

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HYDRO-QUÉBEC PENSION PLAN

PART I

GENERAL PROVISIONS

In this By-law, unless the context indicates otherwise, terms written in the masculine gender include the feminine and shall mean:

SECTION 1 DEFINITIONS

1.1 “Actuarial equivalence”: determination by the actuary of an amount which is equivalent in value to another amount, based on actuarial assumptions prescribed by applicable laws and regulations and on generally accepted actuarial principles; (1.16)

1.2 “Actuary”: a person qualified to fulfil this function in accordance with the Supplemental Pension Plans Act; (1.2)

1.2 A) “Adjusted earnings”: the member’s earnings expressed as a weekly amount to which is added, if applicable, the earnings which correspond to the weekly earnings rate, expressed as a weekly amount, shown on the employer’s payroll during a temporary leave of absence that the member redeems as a year of contributory service;

Adjusted earnings shall also include, if applicable, the total or partial difference, expressed as a weekly amount, between the earnings rate shown on the employer’s payroll before and after the reduction in workweek, for which the employer has contributed, for:

- i. the member at January 1, 1997 that has continued to be a member since such date; and
- ii. the person that, had it not been for his termination of employment, would have been eligible to contribute at January 1, 1997 and is entitled to recall rights at such date; [1.40A)]

1.3 “Basic exemption”: Basic exemption established for the year in question under the Act respecting the Québec Pension Plan; (1.17)

1.3 A) “Beneficiary”: Any person (spouse or dependent children) receiving pension benefits under the plan;

1.4 “By-law no. 83”: By-law no. 83 in respect of the Hydro-Québec Pension Plan, as amended by By-laws nos. 106, 119, 123, 258, 259, 260 and 265; (1.35)

1.5 “By-law no. 278”: By-law no. 278 in respect of the Hydro-Québec Pension Plan, as amended by By-laws nos. 362, 416 and 447; (1.36)

1.6 “By-law no. 534”: By-law no. 534 in respect of the Hydro-Québec Pension Plan; (1.37)

1.6 A) “By-law no. 582”: By-law no. 582 in respect of the Hydro-Québec Pension Plan; [1.37A)]

1.6 B) “By-law no. 653”: By-law no. 653 in respect of the Hydro-Québec Pension Plan; [1.37B)]

1.6 C) “By-law no. 676”: By-law no. 676 in respect of the Hydro-Québec Pension Plan; [1.37C)]

1.6 D) “By-law no. 679”: By-law no. 679 in respect of the Hydro-Québec Pension Plan; [1.37D)]

1.6 E) “By-law no. 681”: By-law no. 681 in respect of the Hydro-Québec Pension Plan; [1.37E)]

1.6 F) “By-law no. 699”: By-law no. 699 in respect of the Hydro-Québec Pension Plan; [1.37F)]

1.7 “Child”: a child of a member, a former member or a pensioner, whatever the relationship, who meets one of the following conditions:

(a) is under 18 years of age;

(b) is between 18 and 25 years of age, and is a full-time student at an educational institution;

(c) regardless of his age, became mentally or physically disabled before reaching his 18th birthday, and has remained totally disabled ever since;

(d) regardless of his age, became mentally or physically disabled between 18 and 25 years of age, while a full-time student at an educational institution, and has remained totally disabled ever since; (1.15)

1.8 “Committee”: the Hydro-Québec Pension Committee; (1.11)

1.9 “Compensation”: earnings plus any additional payments, including bonuses, premiums, lump sum amounts, overtime pay, allowances of any type excluding the reimbursement of expenses, and any other similar payments; (1.38)

1.10 “Consumer price index for the year”: the arithmetical average, for the 12-month period ending October 31 for the year in question, of the monthly consumer price indices for all goods in Canada, as published by Statistics Canada; (1.19)

1.11 “Defined benefit limit”: one ninth of the money purchase limit for the year in question as defined by the Income Tax Act; (1.32)

1.12 “Earnings”: the member’s basic hourly, daily, weekly, monthly or annual pay, which is stated on the employer’s payroll, with the exception of any additional payments, such as bonuses, premiums, benefits, lump sum amounts, gratuities, allowances of any type, overtime pay or any other similar payments.

Notwithstanding the foregoing, earnings include any lump sum payment made under the Incentive Plan of the company when only this plan is applicable. In any other case, earnings include any lump sum payment resulting from performance and provided for under a Hydro-Québec program or plan (including the Incentive Plan of the company, if applicable), the amount of such lump sum payment being limited to 2/3 of the maximum provided for under such Hydro-Québec program or plan (including the Incentive Plan of the company, if applicable). This lump sum payment may not exceed 20% of basic earnings.

Concerning members employed by a subsidiary bound by a plan membership agreement as described under Section 29 and members loaned to a subsidiary or outside organization, any lump sum payment resulting from performance and provided for under a program or plan of the subsidiary or outside organization is included in earnings to a maximum not exceeding accepted lump sum payment amounts payable to members from the employment group to which the member belonged at Hydro-Québec before his loan to a subsidiary or outside organization.

Any portion of the member's earnings received during a year and which represents a retroactive payment of earnings for a previous year, as well as any lump sum payment identified before and received during a year, but for a previous year, shall be deducted from the earnings in the year of payment and added to the earnings for the year for which the payment is made; (1.40)

1.13 "Employee": any person working for Hydro-Québec or one of its subsidiaries, and bound by a plan membership agreement as described under Section 29, as a trainee or as a permanent or temporary employee and who is shown on the employer's payroll, with the exception of any person governed by the Construction decree, R.R.Q. 1987, c. R-20 r.5.1; (1.13)

1.14 "Employer": Hydro-Québec located at 75 René-Lévesque Blvd. West, Montréal, Québec H2Z 1A4, or Hydro-Québec International, located at 75 René-Lévesque Blvd. West, Montréal, Québec H2Z 1A4, and any subsidiary bound by a plan membership agreement as described under Section 29; (1.14)

1.15 "Five-year average earnings": the member's average adjusted earnings, expressed as an annual amount, for the five years of contributory service for which the adjusted earnings were the greatest, or, if the member has less than five years of contributory service, for his actual years of contributory service. If one or more fractions of years of contributory service are taken

into account, the complementary fraction and corresponding adjusted earnings are determined on the basis of the years in which the adjusted earnings, expressed as an annual amount, were the greatest. The years of contributory service recognized pursuant to a transfer agreement and the related earnings are not taken into account for the purposes of establishing the five-year average earnings; (1.41)

1.16 "Former member": a former employee, who is not a pensioner, but is entitled to benefits under By-law no. 83, By-law no. 278, By-law no. 534, By-law no. 582, By-law no. 653, By-law no. 676, By-law no. 679, By-law no. 681, By-law no. 699 or the plan; (1.3)

1.17 "Hydro-Québec Act": the Hydro-Québec Act, R.S.Q., c. H-5; (1.25)

1.18 "Income Tax Act": the Income Tax Act, S.C.1985 (5th suppl.) c.1 and any amendments made thereto; (1.24)

1.19 "Interest": simple interest at the rate of 4% per annum for the period of January 1, 1966 to December 31, 1979, interest at the rate of 7.5% compounded annually between January 1, 1980 and December 31, 1989, for each year from January 1, 1990 at the rate obtained monthly on personal five-year term deposits for chartered banks as reported by the Bank of Canada determined according to the terms and conditions in 9.6 and for each year from January 1, 2001 at the return rate obtained by the pension fund determined according to the terms and conditions in 9.7; (1.21)

1.20 "Member": an employee who is eligible to contribute to the plan or an employee who has postponed his retirement or a person who is entitled to recall rights following his termination of employment and to whom the provisions in 7.5 apply; (1.30)

1.20 A "Member concerned": a member who is a management employee, a non-unionized employee or, beginning at the effective date provided for in the agreement, a unionized employee whose union has signed an agreement in principle with Hydro-Québec on the application of the special provisions of the plan for members concerned which has been ratified by the members of the union. (1.30)

1.21 "Old Age Security Act": the Old Age Security Act, R.S.C., 1985, c. O-9; (1.23)

1.22 "Pay period": a period of time, or a fraction thereof, as determined by the employer's payroll system; (1.31)

1.23 “Pension index”: the ratio expressed as a percentage of the consumer price index for the year, to that of the previous year; (1.20)

1.24 “Pensioner”: a former employee who receives pension benefits under By-law no. 83, By-law no. 278, By-law no. 534, By-law no. 582, By-law no. 653, By-law no. 676, By-law no. 679, By-law no. 681, By-law no. 699 or the plan. Any employee who receives his total pension benefit after the normal retirement date while remaining in the service of the employer is considered a pensioner; (1.39)

1.24 A “Pension plan rate of return”: The rate of return, less expenses, obtained by the plan during a given period and calculated on the basis of the fair market value of assets, as determined by the actuary;

1.25 “Physician”: a physician authorized to practice medicine by the applicable legislation; (1.29)

1.26 “Plan”: all the provisions of the present By-law and any amendments made thereto; the plan is designated as the Hydro-Québec Pension Plan; (1.33)

1.27 “Present value”: the value of a benefit as established at a given date on an actuarial equivalence basis; (1.43)

1.28 “Act respecting the Québec Pension Plan”: the Act respecting the Québec Pension Plan, R.S.Q., c. R-9; (1.27)

1.28 A “Rate of return”: the rate of return net of all expenses earned by the pension fund during the period in question and calculated according to the fair market value of assets, as established by the actuary; [1.42A)]

1.28 B “Reduction in workweek”: the decrease in the average full-time workweek as a result of measures to reduce total compensation, as applied to a member effective January 1, 1997, with the exception of any decrease in the average workweek granted at the employee’s request; [1.32A)]

1.29 “Spouse”: any person who:

(a) is married or civilly united to a member, a former member, or a pensioner. However, subject to the provisions of 6.2.5 c and 6.3.3 b, a member, a former member or a pensioner’s judicially separated spouse, on the day as of which spousal status is established, is not eligible to any benefits under the plan;

(b) has been living in a conjugal relationship with a member who is neither married nor civilly united, a

former member who is neither married nor civilly united, or a pensioner who is neither married nor civilly united, whether the person is of the opposite sex or of the same sex, for a period of not less than three years, or for a period of not less than one year, if one of the following conditions is met:

— a child has been conceived from the relationship;

— they have jointly adopted at least one child while living together in a conjugal relationship;

— one of them has adopted at least one child who is the child of the other during this period.

The birth or adoption of a child during a marriage, a civil union, or a period of conjugal relationship prior to the period of conjugal relationship existing on the day of which spousal status is established may qualify a person as a spouse; (1.12)

1.30 “Subsidiary”: a company of which Hydro-Québec owns a minimum of 90% of the shares, including, for the purposes of this plan, any electricity cooperative of which Hydro-Québec has acquired the assets; (1.18)

1.31 “Supplemental Pension Plans Act”: the Supplemental Pension Plans Act, R.S.Q., c. R-15.1; (1.26)

1.32 “Supplemental plan”: any pension plan of a subsidiary in which the member, former member or pensioner has participated; (1.34)

1.33 “Temporary leave of absence”: any absence from employment authorized by the employer; (1.1)

1.34 “Termination of employment”: any interruption in the years of continuous service not due to retirement or death; (1.10)

1.35 “Three-year average earnings”: the member’s average adjusted earnings, expressed as an annual amount, for the three years of contributory service for which the adjusted earnings were the greatest, or, if the member has less than three years of contributory service, for his actual years of contributory service. If one or more fractions of years of contributory service are taken into account, the complementary fraction and corresponding adjusted earnings are determined on the basis of the years in which the adjusted earnings, expressed as an annual amount, were the greatest. The years of contributory service recognized pursuant to a transfer agreement and the related earnings are not taken into account for the purposes of establishing the three-year average earnings; (1.42)

1.36 “Total and permanent disability”: any physical or mental disability certified in writing by a physician, preventing a member from occupying a position for which he is reasonably qualified by his education, training or experience, and which continues until his death; (1.22)

1.37 “Year”: calendar year; (1.4)

1.38 “Year of allowable service”: a year during which the member participated in a pension plan of a company with which a transfer agreement was signed, which is not a year of contributory service for the purposes of the plan and which is recognized for the sole purpose of establishing the entitlement to a retirement benefit, any fraction of year being considered proportionately; (1.5)

1.39 “Year of certified service”: a year during which the member has participated in a supplemental plan, any fraction of year being considered proportionately; (1.7)

1.40 “Year of contributory service”: a year during which the member contributed to the Hydro-Québec Pension Fund, or a year recognized as such pursuant to the plan or to a transfer agreement, or a year during which the member is entitled to a partial or total reduction of his contribution pursuant to the provisions of 3.4A, any fraction of year being considered proportionately; (1.6)

1.41 “Year’s maximum pensionable earnings”: the maximum earnings recognized for the year in question under the Act respecting the Québec Pension Plan; (1.28)

1.42 “Years of continuous service”: the total number of years during which a person has remained without interruption in the employ of the employer, a subsidiary, or who has fulfilled a function with one of the preceding, or has had no interruption of employment in a company with which a transfer agreement has been signed, but including any temporary leave of absence and the 24-month period provided for in 7.5, any fraction of year, being considered proportionately; (1.8)

1.43 “Years of credited service”: the total number of years of contributory service, years of certified service, and years of allowable service. (1.9)

Note: The numbers in parentheses correspond to the definitions of the French version.

SECTION 2 MEMBERSHIP

2.1 Any employee who, as at December 31, 2003, was participating in the Hydro-Québec Pension Plan under By-law no. 699, shall participate in the plan as of January 1, 2004.

2.2 Any person hired after December 31, 2003 as a trainee or as a permanent employee shall participate in the plan as of the date he begins his employment, if he is under 65 years of age at the time.

2.3 As of June 1, 1990, any temporary employee, with the exception of any person governed by the Construction Decree, R.R.Q. 1987, c. R-20, r.5.1, shall participate in the plan if, in the year preceding the one during which he joins the plan, he received from the employer compensation at least equal to 35% of the year’s maximum pensionable earnings, as established for the said year, or has been in the employment of the employer for a minimum of 700 hours and if, at the time his membership begins, he has not reached the age of 65.

2.4 Any person working for a subsidiary as an employee shall participate in the plan as of the date provided for in the plan membership agreement concluded under Section 29, if he is under 65 years of age at the time and subject to the provisions set out in 2.3 in respect of temporary employees.

SECTION 3 CONTRIBUTIONS

3.1 Employee contributions :

(a) At each pay period, a member contributes, through payroll deduction, an amount equal to the sum of :

- i. 6.3% of the earnings up to the basic exemption ;
- ii. 4.5% of that portion of earnings between the basic exemption and the year’s maximum pensionable earnings ;
- iii. 6.3% of that portion of earnings above the year’s maximum pensionable earnings.

(b) A member who receives earnings during temporary leave of absence shall continue to make contributions.

(c) A member shall cease to make contributions on the last day of the month during which he attains age 65.

3.2 Employer contributions

For each member contributing to the plan, the employer shall pay, before the 15th day following the end of each pay period, a contribution equal to the sum of :

(a) 11.34% of the earnings up to the basic exemption ;

(b) 9.54% of that portion of earnings between the basic exemption and the year's maximum pensionable earnings;

(c) 11.34% of that portion of earnings above the year's maximum pensionable earnings.

3.3 Adjustment of contributions

(a) The contributions provided for in 3.1 and 3.2 above are adjusted in accordance with the actuarial valuation report prepared by the actuary and filed with the Régie des rentes du Québec. This report sets out recommendations to Hydro-Québec as to the percentages for employee and employer contributions, in such a way that at the date of the actuarial valuation, the percentage of employer contributions when applied to the total of the earnings of the contributing members represents 180% of the percentage of the employee contributions on the members' total earnings. The percentage of employee and employer contributions thus obtained is reduced by 1.8 percentage point for that portion of earnings between the basic exemption and the year's maximum pensionable earnings. However, for the purpose of determining the percentage of employee contributions and the percentage of employer contributions according to the 100% 180% ratio stipulated above, the said 1.8 percentage point reduction is not taken into account.

(b) The percentages of employee contributions and the percentages of employer contributions determined according to *a* above are reduced, where applicable, by the utilization of any surplus in respect of part I of the plan as shown in the report mentioned in *a* above.

(c) Following the adjustments as set out in *a* and *b* above, the resulting percentages of employee and employer contributions shall not exceed those set out in 3.1 and 3.2, nor be less than:

i. Employee contributions:

(1) 5.82% of the earnings up to the basic exemption;

(2) 4.02% of that portion of earnings between the basic exemption and the year's maximum pensionable earnings;

(3) 5.82% of that portion of earnings above the year's maximum pensionable earnings.

ii. Employer contributions:

(1) 10.48% of the earnings up to the basic exemption;

(2) 8.68% of that portion of earnings between the basic exemption and the year's maximum pensionable earnings;

(3) 10.48% of that portion of earnings above the year's maximum pensionable earnings.

iii. notwithstanding the foregoing, from January 1, 1997 to December 31, 2000:

Employer contributions:

(1) 5.82% of the earnings up to the basic exemption;

(2) 4.02% of that portion of earnings between the basic exemption and the year's maximum pensionable earnings;

(3) 5.82% of that portion of earnings above the year's maximum pensionable earnings.

(d) The percentages of employee and employer contributions resulting from the application of 3.3 shall be applied during the period set out in the report mentioned in *a* above. However, the percentages of contributions provided for in 3.1 and 3.2 shall apply for the period between the end of the period covered by an actuarial valuation report and the date on which a new actuarial valuation report is filed with the Régie des rentes du Québec.

(e) An overpayment of contributions resulting from the adjustments provided for in 3.3 shall be returned to the members and the employer in the form of a contribution holiday according to terms and conditions determined by Hydro-Québec and subject to the Supplemental Pension Plans Act and any regulations adopted pursuant to this Act. In the event that a contribution holiday cannot be granted, such as in the case of a termination of employment, a death entitling the spouse or children to a survivor pension, where applicable, an unpaid temporary leave or a retirement, or in the event that the member has ceased to contribute to the plan, the overpayment of employee contributions shall be reimbursed with interest unless they are included in the excess contributions.

(f) If, following the adjustments provided for in 3.3, the contributions made are insufficient, the difference between the contributions made and the contributions payable shall be paid by the contributing members and the employer. The payment thereof, with interest, shall be according to the terms and conditions determined by Hydro-Québec and pursuant to the Supplemental Pen-

sion Plans Act and any regulations adopted pursuant to this Act. In the event that no earnings are paid, such as in the case of a termination of employment, a death entitling the spouse or children to a survivor pension, an unpaid temporary leave or a retirement, or in the event that the member has ceased to contribute to the plan, the difference shall be returned to the pension fund with interest.

3.4 Equalization contributions

The employer shall make up any unfunded actuarial liability of the plan through one or more payments, the terms and conditions of which shall be determined by the employer, in accordance with the provisions then in force of the Hydro-Québec Act and the Supplemental Pension Plans Act.

The employer shall also pay any amount required to ensure the solvency of the plan pursuant to the provisions of the Supplemental Pension Plans Act.

Any technical actuarial deficiency resulting from the experience of the plan in relation to the improvements made to Part I of the plan after December 31, 1985 shall be made up through special contributions shared by the employer and the contributing members, with the employer's share being equal to 180% of the member's share, provided, however, that the percentages of employee contributions, as increased by this special contribution and expressed as percentages of earnings, does not exceed the percentages set out in 3.1.

3.4 A) Adjustment of contributions

(a) Notwithstanding the foregoing, the employee contributions of members concerned and employer contributions made on their behalf shall be suspended until the effective date of an actuarial valuation report for the plan filed with the Régie des rentes du Québec and which shows a funding rate of less than 110%.

(b) The plan's actuarial valuation report filed with the Régie des rentes du Québec showing a funding rate of less than 110% specifies the rate of employee contributions for members concerned and the rate of employer contributions made on their behalf in effect until a new actuarial valuation report for the plan is filed with the Régie des rentes du Québec. Employee contributions cannot be increased by more than 1% of earnings per year and employer contributions are equal to 180% of employee contributions, until they respectively reach the employee contributions set out in accordance with 3.1.

(c) The filing with the Régie des rentes du Québec of an actuarial valuation report of the plan showing a funding rate which is equal to or more than 110% will, on the effective date of the actuarial valuation report, result in the suspension of employee contributions for members concerned and employer contributions on their behalf.

(d) The plan's actuarial valuation report filed with the Régie des rentes du Québec also specifies the employer contributions required to cover the current service cost for members concerned taking into account employee contributions and employer contributions resulting from the application of 3.4A*b*, the funding surplus and the excess employer contributions.

(e) Employer contributions made in accordance with 3.4A*d* that exceed those resulting from the application of 3.4A*b* are deemed to be excess employer contributions made and are recorded and credited using the pension fund's rate of return. Any equalization contribution made in accordance with 3.4 for members concerned shall be considered an excess employer contribution. The plan's actuarial valuation report filed with the Régie des rentes du Québec indicates the excess employer contributions.

Excess employer contributions identified in the first paragraph of paragraph *e* of 3.4A of By-law no. 679, By-law no. 681, By-law no. 699, or the plan shall be remitted in priority to the employer as soon as a sufficient funding surplus is declared. This rebate shall take the form of a reduction in the employer contribution. The plan's actuarial valuation report filed with the Régie des rentes du Québec indicates the reduction in employer contributions.

3.5 Excess contributions

(a) Excess contributions are equal to employee contributions provided for in 3.1, 3.3 and 3.4A, contributions with respect to the redemption of years of contributory service in accordance with Sections 3, 10 and 11 and contributions pursuant to a transfer agreement paid by the member for the years of contributory service after December 31, 1989, accrued with interest, in excess of 50% of the present value of the benefits provided for in Part I of the plan and resulting from the years of contributory service after December 31, 1989, excluding the additional benefit provided for in 13.6.

(b) Excess contributions are calculated at the date of termination of employment, death or retirement of the member, whichever comes first.

3.6 Contributions for periods of temporary leave of absence or reduction in workweek

(a) A member who receives compensation from the employer during a temporary leave of absence due to maternity shall continue to make contributions. These shall be calculated on the earnings rate shown on the employer's payroll during the temporary leave of absence.

(b) i. A member who receives an indemnity from the employer during a temporary leave of absence resulting from a preventive leave under the Act Respecting Occupational Health and Safety, R.S.Q., c. S-2.1, or an occupational accident under the Act Respecting Industrial Accidents and Occupational Diseases, R.S.Q., c. A-3.001, shall continue to make contributions. These shall be calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence.

ii. However, when the indemnity provided for above is paid by the "Commission de la santé et de la sécurité du travail", the member shall, after December 31, 1989, have the option of continuing to make his contributions. For the purposes of this paragraph, his contributions shall be calculated on the basis of his earnings rate shown on the employer's payroll during the temporary leave of absence.

(c) A member who receives payments under a supplementary earnings security plan of the employer shall continue to make contributions based on such payments. Contributions shall be calculated on the basis of these payments even though they may be reduced by payments from a government plan. Benefits shall be calculated, where applicable, on the basis of such earnings.

(d) Subject to the provisions of Section 10, and to the following, no contributions shall be payable during periods of temporary leave of absence without pay, and such periods shall not be considered in the calculation of benefits under the plan. However;

i. from January 1, 1997 to December 31, 2003 and until December 31, 2008 for a member concerned:

(1) during any temporary leave of absence without pay under an unpaid leave plan, the member may, for each pay period, make contributions calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence. Such contributions shall correspond to the current service cost applicable to the pay period in question, expressed as a percentage, as determined in the actuarial valuation report prepared by the actuary and filed with the Régie des rentes du Québec;

(2) during any temporary leave of absence without pay under a deferred salary leave plan, the member may, for each pay period, make contributions calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence. Such contributions shall be equal to the sum of the employee contributions and the employer contributions applicable to the pay period in question;

(3) during any period of temporary leave of absence partially compensated under an equally distributed remuneration plan, the member may, for each pay period, make contributions calculated on the basis of the difference between the earnings rate, expressed as a weekly amount, shown on the employer's payroll during the temporary leave of absence and the weekly earnings paid during the periods in question. Such contributions shall be equal to the sum of the employee contributions and the employer contributions applicable to the pay period in question;

(4) during any period of temporary leave of absence without pay under a job sharing arrangement, the member may, for each pay period, make contributions calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence. Such contributions shall be equal to the sum of the employee contributions and the employer contributions applicable to the pay period in question;

(5) during any temporary leave of absence without pay under a tutorial plan, the member may, for each pay period, make his employee contributions as applicable to the pay period in question and calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence;

ii. effective January 1, 1997:

(1) during any temporary leave of absence without pay resulting from a voluntary reduction in the workweek from 33.5 hours to 32 hours, approved by the employer, the member may, for each pay period, make contributions calculated on the basis of the earnings rate shown on the employer's payroll in effect during the temporary leave of absence and equal to the sum of the employee contributions and the employer contributions for the one hour and one half per week which corresponds to the difference between the actual schedule and the normal full-time schedule. However, if the sum of the hours paid and redeemed is less than 32, the one hour and one half shall be reduced by the proportion of the number of these hours on 32.

A member may exercise this option on the first pay period of the year, with this choice being valid for the entire year, unless his schedule changes during the year;

(2) during any temporary leave of absence without pay under a parental benefits plan or under an unpaid leave that an employer must grant under any applicable legislation, the member may, for each pay period, make his employee contributions calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence.

iii. an absence due to the strike which occurred between May 5, 1999 and September 27, 1999 inclusively, including periods of absence owing to administrative and disciplinary measures subject, with respect to the recognition of these periods, to any applicable arbitration decision, is considered, for the purposes herein, as a temporary leave of absence without pay during which the member made, for each pay period, his employee contributions applicable to the pay period in question and calculated on the basis of the earnings rate shown on the employer's payroll during the temporary leave of absence.

(e) Effective January 1, 1997, the employer shall make, within the period set out in 3.2 above, for the member at January 1, 1997 or for the person referred to in 1.2A *ii* who has had his earnings reduced as a result of a reduction in workweek, contributions equal to the sum of the employee contributions and the employer contributions calculated on the basis of the difference between the earnings rate, expressed as a weekly amount, before the reduction in workweek and the earnings rate, expressed as a weekly amount, after said reduction in workweek. Such contributions shall cease as soon as the earnings rate, expressed as a weekly rate, is once again equal to the rate in effect before the reduction in workweek. Such contributions do not increase the number of years of contributory service and serve solely for the purposes of calculating benefits.

(f) The payment of the full amount of the contributions pursuant to *e* above is subject to the payment, by the member, of the contributions provided for in *b ii* and *d* above or to the redemption of the years of contributory service as provided for in Section 10. Where applicable, the employer only makes contributions in proportion to the contributions made by the member. However, the employer shall pay the full amount of such contributions if the member's only non-contributory leave of absence is the one provided for in *d ii* (1) above.

(g) A member who avails himself of the provisions set out in *b ii* and *d* above, shall have the total or part of his temporary leave of absence counted as a year of contributory service.

When a member has all or part of his temporary leave of absence counted as a year of contributory service, the years of contributory service so recognized shall be presumed to be those closest to his return to work.

The provisions regarding the payment of the contributions provided for in *b ii*, *d i* and *d ii* (2) above are set out in Section 10.

A member who avails himself of the provisions set out in *b ii* and *d* above and in Section 10 cannot have adjusted earnings nor a contribution period which is greater than those obtained had he not taken the temporary leaves of absence.

Contributions made in accordance with 3.6 shall be deemed as employee contributions, with the exception of those resulting from *e* and *f* above, which shall be deemed as employer contributions.

3.7 If, during a year, the member receives a retroactive payment of earnings for a previous year, such member shall pay a contribution equal to the difference between the employee contribution based on the contribution rate in effect for the said previous year and applied to the earnings increased by the retroactive payment and the employee contribution actually paid during the appropriate previous year.

3.8 For the purposes of this Section only, the earnings used to determine contributions shall be limited to the sum of the following amounts:

(a) the defined benefit limit for the year;

(b) the year's maximum pensionable earnings multiplied by the rate stipulated in 4.3c,

the whole divided by the rate provided for in 4.1d.

3.9 All contributions paid under this Section shall be subject to the Income Tax Act and to any regulations adopted by the Government of Canada pursuant to this Act.

SECTION 4 **CALCULATION OF PENSION**

4.1 The annual retirement benefit is equal to the sum of the following:

(a) 2% of the five-year average earnings multiplied by the number of years of contributory service prior to January 1, 1966;

(b) 2.25% of the five-year average earnings multiplied by the number of years of contributory service after December 31, 1965 and prior to January 1, 1990;

(c) 2.25% of the five-year average earnings multiplied by the number of years of contributory service after December 31, 1989 and prior to January 1, 1992;

(d) 2% of the five-year average earnings, reduced by the positive difference between:

i. 0.7% of the five-year average earnings, up to the average of the year's maximum pensionable earnings for the five years preceding the date of termination of employment, death, retirement or normal retirement if the member takes a postponed retirement; and

ii. 0.25% of the five-year average earnings;

multiplied by the number of years of contributory service after December 31, 1991.

4.1 A) The bridging benefit ending on the 1st day of the month immediately following the 65th birthday shall be equal to the greater of the following:

(a) 0.7% of the five-year average earnings, up to the average of the year's maximum pensionable earnings for the five years preceding the date of termination of employment, death, retirement or normal retirement if the member takes a postponed retirement, multiplied by the number of years of contributory service after December 31, 1991; and

(b) 0.25% of the five-year average earnings, multiplied by the number of years of contributory service after December 31, 1991.

4.2 The annual pension calculated in 4.1*a* and 4.1*b* above and increased, where applicable, by retirement benefits payable under 5.2*c* shall not exceed, prior to indexing as provided for in Section 13, 80% of the five-year average earnings.

However, for the calculation of this maximum, the adjustment provided for in 5.5*c ii* shall not be taken into account.

4.3 Beginning on the 1st day of the month immediately following the 65th birthday, the retirement benefit provided for in 4.1 and 4.2 shall be reduced by the sum of the following:

(a) 0.7% of the five-year average earnings, up to the average of the year's maximum pensionable earnings for the five years preceding the date of termination of employment, death, retirement or normal retirement if the member takes a postponed retirement, multiplied by the number of years of contributory service after December 31, 1965 and prior to January 1, 1990;

(b) 0.7% of the five-year average earnings, up to the average of the year's maximum pensionable earnings for the five years preceding the date of termination of employment, death, retirement or normal retirement if the member takes a postponed retirement, multiplied by the number of years of contributory service after December 31, 1989 and prior to January 1, 1992;

4.4 (a) An additional retirement benefit calculated, upon retirement, from excess contributions as established in 3.5, if any, accrued with interest from the calculation date provided for in 3.5*b* to the date on which they are used to provide a pension determined on an actuarial equivalence basis shall be added, where applicable, to the retirement benefit calculated in Section 4.

(b) An additional retirement benefit, as established in 13.6, shall be added, where applicable, to the retirement benefit calculated in Section 4.

4.5 Notwithstanding any provisions to the contrary, if the pension calculated in accordance with 4.1, 4.1*A*, 4.2, and 4.3 results in the present value of the pension for years of contributory service after December 31, 1991 and prior to January 1, 1999, being lower than the present value of such pension calculated as if the provisions of 4.1*d* were replaced by the provisions of *a* below, the provisions of *b* below were added to the provisions of 4.3 and the provisions of 4.1*A* were not applied:

(a) 2% of the three-year average earnings, multiplied by the number of years of contributory service after December 31, 1991 and prior to January 1, 1999;

(b) 0.3% of the three-year average earnings, up to the average of the year's maximum pensionable earnings for the three years preceding the date of termination of employment, death, retirement or normal retirement if the member takes a postponed retirement, multiplied by the number of years of contributory service after December 31, 1991 and prior to January 1, 1999,

the pension calculated in 4.1*d* is replaced with the pension calculated in *a* above, the pension calculated in *b* above is added to the pension calculated in 4.3 and the provisions of 4.1*A* were not applied.

4.6 To the pension calculated in 4.1, 4.1A, 4.2, 4.3 and 4.5 is added an additional bridging benefit equal to 0.2% of the five-year average earnings, up to the average of the year's maximum pensionable earnings for the five years preceding the date of termination of employment, death or retirement, multiplied by the number of years of contributory service before January 1, 2004 or before January 1, 2009 for a member concerned. This bridging benefit is reviewed in accordance with Section 13 and ends on the 1st day of the month immediately following the 65th birthday.

4.7 To the pension calculated in 4.1, 4.1A, 4.2, 4.3, 4.5 and 4.6 for a member concerned is added an additional bridging benefit equal to 0.2% of the five-year average earnings, up to the average of the year's maximum pensionable earnings for the five years preceding the date of termination of employment, death or retirement, multiplied by the number of years of contributory service before January 1, 2009. This bridging benefit is reviewed in accordance with Section 13 and ends on the 1st day of the month immediately following the 60th birthday.

SECTION 5 RETIREMENT

5.1 Normal retirement

(a) The normal retirement date is the 1st day of the month immediately following the 65th birthday.

(b) A member who retires on the normal retirement date shall receive a retirement benefit pursuant to Section 4 and, where applicable, to Section 14.

5.2 Voluntary retirement

(a) Any member who has at least 15 years of credited service may retire on the 1st day of any month following his 60th birthday. However, a female member who was working on December 31, 1979, and who, on that date, was a member of the plan in accordance with By-law no. 83 may, once she has at least 10 years of credited service, retire on the 1st day of any month following her 60th birthday.

In addition, any member who has at least 15 years of credited service may retire on the 1st day of any month following his 55th birthday, if:

i. the sum of the member's age and years of credited service equals at least 85; or

ii. the sum of the member's age and years of continuous service as of the date he began working, as recognized by Hydro-Québec for the purposes of the plan, equals at least 85, excluding however any period of non-membership in the plan of a company with which there is a transfer agreement and any period of non-contribution to the Hydro-Québec Pension Plan in accordance with the plan, By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 653, By-law no. 582, By-law no. 534, By-law no. 278, By-law no. 83 and By-law no. 12, of Hydro-Québec and amendments thereto, with years of service with a subsidiary not being considered as periods of non-contribution for the purposes of this subsection.

From January 1, 1997 to December 31, 2003, and from January 1, 2004 for members concerned, a member who has at least 15 years of credited service may retire on the 1st day of any month following the date on which one the following requirements is fulfilled:

i. the sum of the member's age and years of credited service equals at least:

- 1) 80, from January 1, 1997 to December 31, 2003;
- 2) 81, from January 1, 2004 to December 31, 2004;
- 3) 82, from January 1, 2005 to December 31, 2005;
- 4) 83, from January 1, 2006 to December 31, 2006;
- 5) 84, from January 1, 2007 to December 31, 2007;
- 6) 85, from January 1, 2008 to December 31, 2008;

or

ii. the sum of the member's age and years of continuous service as of the date he began working, as recognized by Hydro-Québec for the purposes of the plan, equals at least:

- 1) 80, from January 1, 1997 to December 31, 2003;
- 2) 81, from January 1, 2004 to December 31, 2004;
- 3) 82, from January 1, 2005 to December 31, 2005;
- 4) 83, from January 1, 2006 to December 31, 2006;
- 5) 84, from January 1, 2007 to December 31, 2007;
- 6) 85, from January 1, 2008 to December 31, 2008,

excluding however any period of non-membership in the plan of a company with which there is a transfer agreement and any period of non-contribution to the Hydro-Québec Pension Plan in accordance with the plan, By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 653, By-law no. 582, By-law no. 534, By-law no. 278, By-law no. 83 and By-law no. 12 of Hydro-Québec and amendments thereto, with years of service with a subsidiary not being considered as periods of non-contribution for the purposes of this subsection.

(b) The member shall be entitled to a retirement benefit pursuant to Section 4 and, where applicable, to Section 14.

(c) If the retirement date of a member who chooses retirement under this Section is prior to the normal retirement date of a supplemental plan in which he participated, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699, or under Part III of the plan, he shall be entitled, under the following circumstances, to a pension supplement, as of the date of his voluntary retirement, equal to:

i. in the case of a member who takes early retirement under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699, or under Part III of the plan, the amount of the pension supplement is equal to the reduction in the retirement benefit accrued under the supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699, or under the applicable provisions of Part III of the plan as a result of early retirement;

ii. in the case of a member who is not entitled to early retirement under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699, or under Part III of the plan, the amount of the pension supplement is equal to the amount of the pension accrued under the supplemental plan or to the amount of pension established under the applicable provisions of Part III of By-law no. 676, Part III of By-law no. 679, Part III of By-law no. 681, under Part III of By-law no. 699, or Part III of the plan and is paid until the pension accrued under the supplemental plan or the amount of pension established under the applicable provisions of Part III of By-law no. 676, Part III of By-law no. 679, Part III of By-law no. 681, under Part III of By-law no. 699, or Part III of the plan becomes payable.

The pension supplement resulting from the application of this Section is allocated proportionally to the years of credited service prior to January 1, 1990 and years of credited service after December 31, 1989 over the total number of years of credited service.

5.3 Retirement at the request of the employer

(a) The employer may retire a member under the following conditions:

i. the member has at least 10 years of credited service; and

ii. retirement is based on:

(1) appropriate administrative requirements with the consent of the member; or

(2) a physical or mental disability such that the member is unable to work for the employer.

Under such circumstances, the member shall retire on the date determined by the employer.

(b) When retirement precedes or coincides with the normal retirement date, the member shall be entitled to a retirement benefit pursuant to Section 4 and, where applicable, to Section 14. In the case of retirement pursuant to 5.3a ii (2), the reduction pursuant to 4.3 shall apply as soon as the pensioner receives a disability pension under the Act respecting the Québec Pension Plan and the pension set out under 4.1A, 4.6 and 4.7 is not payable or, as the case may be, ceases to be payable.

Except in the case of the retirement of a member who is affected of a total and permanent disability, the annual pension payable from the 1st day of the month immediately following age 65, credited on the retirement date for the years of credited service after December 31, 1991 shall be reduced by 0.25% per month for each month included between the effective retirement date and the 1st day of the month coinciding with or immediately following the earliest of these dates:

i. the date on which the member would have reached his 60th birthday;

ii. the date on which the member would have completed 30 years of continuous service;

iii. the date on which the years of continuous service and the member's age would have totalized 80.

However, the retirement benefit must not be less than the retirement benefit determined by the present value of the retirement benefit the member was entitled to before his retirement date, or, failing that, the present value of the deferred retirement benefit, adjusted in accordance with 3.5, the member would have been entitled to if he had ceased to be a member on the day preceding his retirement for any reason other than retirement.

(c) If the retirement date is after the normal retirement date, the pension shall be calculated pursuant to 5.5c.

5.4 Early retirement at the request of the member

(a) Repealed.

(b) A member with less than 15 years of credited service may retire on the 1st day of any month following his 55th birthday, based on the following terms and conditions:

i. the member shall be entitled to a retirement benefit determined pursuant to 4.1, and 4.1A, 4.4*b*, 4.5, 4.6 and 4.7 but reduced on an actuarial equivalence basis, with such reduction not being less than the one determined pursuant to 12.1.3, for the period between the retirement date and the voluntary retirement date or the normal retirement date, whichever is the earliest;

ii. the reduction provided for in 4.3 shall apply as of the 1st day of the month immediately following the 65th birthday;

iii. the provisions of 4.4*a* and 14 shall apply, where applicable.

(c) A member with a minimum of 15 years of credited service may retire as of the 1st day of any month following his 55th birthday, based on the following terms and conditions:

i. the member shall be entitled to a retirement benefit pursuant to 4.1, 4.1A, 4.2, 4.4*b*, 4.5, 4.6 and 4.7. However, the pension set out in 4.1, 4.2, 4.4*b*, 4.5, 4.6 and 4.7 is reduced by an amount equal to 0.25% of the pension set out under 4.1, 4.1A, 4.2, 4.4*b*, 4.5, 4.6 and 4.7, multiplied by the number of months preceding the date on which he would have been entitled to voluntary retirement, based on the years of credited service or years of continuous service at his termination date and on his age at the time of voluntary retirement. However, such reduction shall not exceed the reduction calculated on an actuarial equivalence basis for the period between the retirement date and the voluntary retirement date, whichever method gives the highest amount;

ii. the reduction provided for in 4.3 shall apply as of the 1st day of the month immediately following the 65th birthday;

iii. the provisions of 4.4*a* and 14 shall apply, where applicable.

(d) A member with a minimum of 15 years of credited service may also retire on the 1st day of any month after January 1, 1997, but by December 31, 2003, at the latest, and, for a member concerned, by December 31, 2008, at the latest, provided that one of the requirements set out in sub-paragraphs *i* or *ii* of the 3rd paragraph of 5.2*a* is met during this period. The pension shall be based on the following terms and conditions:

i. the member shall be entitled to a retirement benefit determined pursuant to 4.1, 4.1A, 4.2, 4.4*b*, 4.5, 4.6, and 4.7 but reduced on an actuarial equivalence basis, with such reduction not being less than the one determined pursuant to 12.1.3, for the period between the retirement date and the voluntary retirement date or the normal retirement date, whichever is the earliest;

ii. the reduction provided for in 4.3 shall apply as of the 1st day of the month immediately following the 65th birthday;

iii. the provisions of 4.4*a* and 14 shall apply, where applicable.

(e) If, from January 1, 1997 to December 31, 2003, and until December 31, 2008 for a member concerned, a member is entitled to retire pursuant to *c* and *d* above, his benefits are determined in accordance with the more generous provisions provided in said subsections, it being understood that the calculation in *c i* above is made for a voluntary retirement pursuant to the provisions of the first paragraph of 5.2*a*.

5.5 Postponed retirement

(a) A member who remains in the employer's service after his normal retirement date may retire as of the 1 day of any month following this date. The retirement benefit of the member shall be postponed until his actual retirement date, but no later than December 1 of the year in which the member reaches the age limit provided for in applicable legislation, even if he remains in the employer's service after this date.

(b) During the postponement period, the member may request the payment of his retirement benefit, in whole or in part, but only insofar as is necessary to compensate for any reduction in earnings during this period, including the reduction in earnings as a result of a transfer during this period from a full-time to a part-time schedule, or from the reduction of a part-time schedule. The member may not make such request more than once per 12-month period.

(c) The amount of the postponed retirement benefit payable on the date of retirement or at the latest on December 1st of the year in which the member reaches the age limit provided for in applicable legislation, shall be equal to the sum of the following:

i. the retirement benefit determined as at the normal retirement date pursuant to Section 4;

ii. the retirement benefit calculated on an actuarial equivalence basis resulting from the adjustment made to offset the decrease in the value of the benefits by reason of the deferral, during the postponement period, of the retirement benefit provided for in *i* above, reduced, where applicable, by any payments made under *b* above.

(d) Accumulation of retirement benefits shall take place from the normal retirement date until the actual retirement date, but no later than December 1 of the year in which the member reaches the age limit provided for in applicable legislation, based on an interest rate compounded annually equal to the rate prescribed by applicable laws and regulations.

(e) The provisions pursuant to 14.1 and 14.2 shall apply, where applicable.

5.6 Progressive retirement

A member whose earnings are reduced due to a reduction in the workweek and in application of an agreement entered into with the employer may, in the 10 years preceding the normal retirement date, request payment of a lump sum benefit, in each year covered by the agreement, the amount of which is limited by the applicable legislation. The member's residual rights resulting from the payment of such benefit are established pursuant to applicable legislation.

SECTION 6 DEATH BENEFITS

6.1 For the purposes of Section 6, spousal status shall be determined on the day preceding the death of the member, former member or pensioner.

Notwithstanding the foregoing, for the purposes of 6.3.2, 14.1 and 14.2 *a*, spousal status shall be determined on the day preceding the first annuity payment.

6.2 Death prior to retirement

6.2.1 Repealed.

6.2.2 If a member with less than 10 years of credited service dies before his normal retirement date, his spouse, failing which his successors, shall receive a refund equal to the sum of the following:

(a) the present value of the benefits the member was entitled to prior to his death for the years of credited service after December 31, 1989, or, if not applicable, for the same years of credited service, the present value of the deferred retirement benefit the member would have been entitled to if he had ceased to be a member on the day of his death for any reason other than death;

(b) the total employee contributions made by the participant for the years of credited service before January 1, 1990, plus interest.

6.2.3 (a) If a member with at least 10 years of credited service dies before the normal retirement date, his spouse shall receive a survivor benefit payable for life equal to the sum of the following:

i. 50% of the retirement benefit to the member at the date of his death, established pursuant to 4.1*a*, 4.1*b* and 4.2, and reduced, pursuant to 4.3*a*, as soon as a survivor benefit is payable to the spouse under the Act respecting the Québec Pension Plan;

The amount of the survivor benefit must be increased, if applicable, so that its present value is at least equal to the total contributions made by the participant for the years of credited service prior to January 1, 1990, plus interest;

ii. the survivor benefit determined as the greater of the following amounts:

(1) the present value of the survivor benefit payable to the spouse. This survivor benefit payable to the spouse is equal to 50% of the retirement benefit accrued to the member at the date of his death, pursuant to 4.1*c*, 4.1*d*, 4.1*A*, 4.5, 4.6 and 4.7. The reduction pursuant to 4.3*b* shall apply as soon as a pension is payable to the spouse under the Act respecting the Québec Pension Plan and the benefit provided for in 4.1*A*, 4.6 and 4.7 is not payable or, if applicable, is no longer payable.

and

(2) the present value of the retirement benefits the member was entitled to prior to his death for years of credited service after December 31, 1989, or, if not applicable, for the same years of credited service, the present value of the deferred retirement benefit the member would have been entitled to if he had ceased to be a member on the day of his death for any reason other than death.

Notwithstanding the provisions hereinabove in *a*, the spouse who is entitled to a pension under the plan may elect, before its payment has begun, to replace such pension by the benefits provided for in 6.2.2 even if the member had 10 years of credited service when he died.

(*b*) *i*. Subject to the provisions of 6.2.5*c* and 6.2.5*d*, if a member referred to in 6.2.3*a* dies without a spouse, the pension provided for in 6.2.3*a i* shall be paid to the children. The children may elect to replace such pension, before its payment has begun, by the benefits provided for in 6.2.2*b* even if the member had 10 years of credited service when he died. If the member referred to in 6.2.3*a* dies without a spouse and without children, the employee contributions for the years of contributory service prior to January 1, 1990, plus interest, shall be paid to his successors.

However, in the two cases referred to in *i* above, the successors shall be paid the present value of the pension to which the member would have been entitled before his death for the years of credited service after December 31, 1989 or, failing this, for the same years of credited service, the value of the deferred pension to which the member would have been entitled if he had ceased to be a member on the day of his death for any reason other than death.

6.2.4 (*a*) When a member whose retirement benefit was fully or partially postponed dies, his spouse shall be entitled to a survivor benefit payable for life, the present value of which shall be equal to the greater of the following amounts :

i. the sum of the following :

(1) the present value of the survivor benefit payable to the spouse. This survivor benefit payable to the spouse is equal to 60% or, where applicable, to 50%, of the retirement benefit, pursuant to 5.5*c i*, to which the member would have been entitled if he had ceased to be a member on the day of his death for any reason other than death ;

(2) the value of the pension pursuant to 5.5*c ii*, the entire amount reduced, where applicable, by the payments already made pursuant to 5.5*b* ;

and

ii. the sum of the following :

(1) the present value of the survivor benefit payable to the spouse. This survivor benefit to the spouse is equal to 50% of the retirement benefit on normal retirement date pursuant to 4.1*a*, 4.1*b*, 4.2 and 4.3*a* ;

(2) the present value of the retirement benefit on normal retirement date to which the member was entitled prior to his death for the years of credited service after December 31, 1989 ;

(3) the value of the pension pursuant to 5.5*c i*, the entire amount reduced, where applicable, by the payments already made pursuant to 5.5*b*.

(*b*) *i*. If a member referred to in 6.2.4*a* dies without a spouse, 50% of the retirement benefit pursuant to 5.5*c*, but only for the years of credited service prior to January 1, 1990, shall be paid to the children. If the member referred to in 6.2.4*a* dies without a spouse and without children, the employee contributions for the years of contributory service prior to January 1, 1990, plus interest, shall be paid to his successors.

ii. However, in the two cases referred to in *i* above, the successors shall receive the present value of the pension to which the member was entitled before his death for the years of credited service after December 31, 1989.

6.2.5 (*a*) Subject to the provisions of 6.2.5*c* and 6.2.5*d* below, the entitlement to benefits accorded to the spouse in 6.2.2, 6.2.3, 6.2.4 and 7.7 shall terminate as a result of a legal separation, regardless of the date on which the judgment granting separation from bed and board was rendered or became effective, of a divorce, of a marriage annulment, of a dissolution or annulment of a civil union or of a termination of the conjugal relationship.

(*b*) Repealed.

(*c*) A member or a former member's judicially separated spouse is entitled to the benefits provided for in 6.2.2 if he is the successor of the member or the former member.

Also, the member or former member may be entitled, prior to the date on which pension payments begin, to receive an adjusted pension to pay the judicially separated spouse a 60% pension, in accordance with provisions of Section 14.

(*d*) A member or a former member's former spouse is entitled to the benefits provided for in 6.2.2 if he is the successor of the member or the former member.

Also, the member or former member may be entitled, prior to the date on which pension payments begin, to receive an adjusted pension to pay the former spouse a 60% pension, in accordance with provisions of Section 14.

6.2.6 Notwithstanding the provisions of 6.2.2, 6.2.3 and 7.7, the spouse may waive the survivor benefit to which he is entitled upon the death of the member or former member by notifying the committee in writing. Such waiver may be revoked provided that the spouse notifies the committee in writing of such revocation before the death of the member or former member.

Notwithstanding the provisions of 6.2.4, the spouse of a member whose entire retirement benefit has been postponed may waive the survivor benefit to which he is entitled upon the death of the member by notifying the committee in writing. Such waiver may be revoked provided that the spouse notifies the committee in writing of such revocation before the death of the member.

In the occurrence of such revocation, for the purposes of 6.2, the member is considered to be without a spouse.

6.3 Death after retirement

6.3.1 Subject to 6.3.2 and 14.2, on the death of a pensioner, his spouse shall be paid a lifetime pension equal to 50% of the pension established according to provisions of By-law no. 83 before application of Sections 38 and following, or according to provisions of Part I of By-law no. 278, or according to provisions of Part I of By-law no. 534, before application of 4.4, or according to provisions of Part I of By-law no. 582 or of By-law no. 653, before application of 14.1, or before application of 14.1 according to the provisions of Part I of By-law no. 676, of Part I of By-law no. 679, of Part I of By-law no. 681, of Part I of By-law no. 699 or Part I of the plan.

The reduction set out in Section 7 of By-law no. 83 or in Section 4.3 of By-law no. 278, of By-law no. 534, of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan, shall apply as soon as a survivor benefit is payable to the spouse under the Act respecting the Québec Pension Plan and the benefit provided for in 4.1A, 4.6 and 4.7 is not payable or, if applicable, is no longer payable.

6.3.2 Subject to 14.2, on the death of a pensioner whose retirement commenced after December 31, 1989, if the spouse has not renounced the right to a 60% pension under 4.4 of By-law no. 534 or 14.1 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the Plan, the spouse shall be paid a lifetime pension equal to 60% of the pension paid to the pensioner in accordance with Part I of By-law no. 534 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the

plan, provided the pension had been adjusted on an actuarial equivalence basis according to 4.4 of By-law no. 534 or according to 14.1 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan, to provide the spouse with a 60% pension.

If the pension established according to the preceding provisions has not been reduced in compliance with 4.3, the reduction, if any, shall apply on the 1st day of the month immediately following the date of the pensioner's 65th birthday, and the pension set out under 4.1A, 4.6 and 4.7 ceases to be payable at this same date.

6.3.3 (a) Subject to the provisions of 6.3.3*b* below, the entitlement to benefits pursuant to 6.3.1 and 6.3.2 shall disappear upon a legal separation, regardless of the date on which the judgment granting separation from bed and board was rendered or became effective, upon a divorce, upon a marriage annulment, upon a dissolution or annulment of a civil union or upon a termination of the conjugal relationship.

(b) A pensioner may notify the committee in writing to pay the survivor benefit provided for in the 2nd paragraph of 6.2.5*c* and 6.2.5*d*, and in 6.3.1 and 6.3.2 to his former spouse or his judicially separated spouse. However, if the court order has taken effect or, if applicable, the conjugal relationship has terminated after August 31, 1990 but before January 1, 2001, this assignment may be effected only if there has been no division of benefits accrued by the pensioner under the plan. Notwithstanding the above provisions, in the case of a legal separation, this assignment may be effected even if the benefits accrued by the pensioner under the plan have been divided.

(c) Repealed.

6.3.4 Subject to the provisions of 6.3.3*b*, if a pensioner who did not have a spouse on his retirement date dies without a spouse, the survivor benefit pursuant to 6.3.1 and 14.2*b* shall be paid to the children.

6.3.5 If a pensioner who had a spouse on his retirement date dies without a spouse, the survivor benefit pursuant to 6.3.1, 6.3.2 and 14.2 shall be paid to the children.

6.4 Death of surviving spouse

If the surviving spouse of a member or the surviving spouse of a pensioner dies, the survivor benefit that was being paid to the spouse shall continue to be paid to the children.

6.5 Upon termination of the pension payable pursuant to By-law no. 83, By-law no. 278, By-law no. 534, Sections 6.3.1, 6.3.2, 6.3.3, 6.3.4, 6.3.5 and 6.4 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan, or when no pension is payable, any excess of the contributions paid by the member pursuant to By-law no. 83, Part I of By-law no. 278, Part I of By-law no. 534, Part I of By-law 582, Part I of By-law no. 653, Part I of By-law no. 676, Part I of By-law no. 679, Part I of By-law no. 681, Part I of By-law no. 699 or Part I of the plan plus interest over the sum of the pensions already paid shall be paid to the successors. For the purpose of this subsection, the benefits paid pursuant to Sections 38 and following of By-law no. 83, Part II of By-law no. 278, Part II of By-law no. 534, Part II of By-law no. 582, Part II of By-law no. 653, Part II of By-law no. 676, Part II of By-law no. 679, Part II of By-law no. 681, Part II of By-law no. 699 or Part II of the plan and Part III of By-law no. 676, Part III of By-law no. 679, Part III of By-law no. 681, Part III of By-law no. 699 or Part III of the plan are not to be considered.

SECTION 7

TERMINATION BENEFITS

7.1 Any member who terminates employment with the employer before his normal retirement date shall receive a deferred retirement benefit payable at the normal retirement date. The characteristics and conditions of this benefit shall be the same as those of a normal retirement benefit and its amount shall be the sum of the following benefits:

(a) the pension accrued on the date of termination, calculated pursuant to the provisions of 4.1a, 4.1b, 4.2 and 4.3a. The amount of the deferred pension shall be adjusted, if applicable, so that its value is at least equal to the total amount of contributions paid before January 1, 1990, plus interest accrued to the date of termination. However, in the case of a female member who was an employee on December 31, 1979 and who is entitled to a deferred retirement benefit as of her normal retirement date, the portion of the deferred retirement benefit for the years of contributory service after December 31, 1965 but prior to January 1, 1980 shall be adjusted on an actuarial equivalence basis for the deferral of benefit payments from the member's 60th to her 65th birthday;

(b) the pension accrued on the date of termination, calculated pursuant to the provisions of 4.1c, 4.1d, 4.1A, 4.3b, 4.4, 4.5, 4.6 and 4.7, adjusted in accordance with 3.5.

7.2 Repealed.

7.3 Repealed.

7.4 Repealed.

7.5 When a member referred to in 2.3 is entitled to recall rights following his termination of employment, he must leave his employee contributions, if any, in the pension fund for a maximum of 24 months, and there shall be no interruption of the years of continuous service. If the member is not rehired within a maximum period of 24 months, the years of continuous service shall be considered to have terminated at the end of this period.

7.6 The provisions in respect of retirement at the request of the employer and postponed retirement shall not apply to deferred retirement benefits. The provisions in respect of voluntary retirement, with the exception of the provisions of 5.2c, and early retirement at the request of the member shall apply to deferred pensions.

From January 1, 1997 to December 31, 2003, and from January 1, 2004 for members concerned, the provisions in respect of voluntary retirement pursuant to the 3rd paragraph of 5.2a and those in respect of early retirement at the request of the member pursuant to 5.4d shall apply to deferred pensions if the two following requirements are met:

- i. termination of employment happens during this period;
- ii. one of the requirements set out in sub-paragraph *i* or *ii* of the 3rd paragraph of 5.2a is fulfilled during this period.

7.7 The provisions with respect to survivor benefits payable to the spouse, failing which, to the children, shall apply to a deferred retirement benefit when a former member dies after one of the following dates:

- (a) the date on which he would have been entitled to an early retirement at the request of the member according to the provisions of 5.4c, 5.4d and 5.4e;
- (b) the date on which he would have been entitled to a voluntary retirement;
- (c) the normal retirement date.

7.8 When on the death of a former member no retirement benefit is payable pursuant to 7.7 above, his contributions for years of contributory service prior to January 1, 1990, plus interest, shall be payable in a single lump sum to the spouse or, if there is no spouse, to the successors, except for the years of contributory service prior to January 1, 1966 if these have already been refunded. On the other hand, the present value of the deferred retirement benefit at the termination of employment date pursuant to 7.1*b* shall be payable in a single lump sum to the spouse or, if there is no spouse, to the successors.

7.9 Any member who terminates employment with the employer after December 31, 2003, and any former member on that date, shall be entitled, according to the provisions of the Supplemental Pension Plans Act, to transfer the present value of the deferred retirement benefit pursuant to 7.1 to another pension plan regulated by the Supplemental Pension Plans Act or defined by the regulations adopted pursuant to such Act.

The member or former member may make an election as to his available options within the following periods:

(a) the latter of the 90-day period following his reception of a statement of the type(s) and amount(s) of benefit(s) to which he is entitled under the plan or the 90-day period following his termination of employment;

(b) subsequently, every 5 years, within 90 days following the date of anniversary of his termination of employment date but, at the latest, by the date provided for in c.

In all cases, the transfer must be carried out before payment of the pension begins.

In the cases provided for in b, a new present value of the deferred retirement benefit shall be determined at each 5th anniversary of the termination of employment date, but at the latest, on the former member's 65th birthday.

Notwithstanding any disposition to the contrary, a former participant with a physical or mental disability may request the transfer provided for in the first paragraph of 7.9 at all times before age 65 if a medical doctor certifies that his life expectancy is reduced to such an extent that he will not be able to exercise his right to a transfer.

7.10 The provisions of 7.9 above shall not apply to retirement at the request of the employer, regardless of the member's age.

7.11 When the present value of the deferred retirement benefit provided for in 7.1 is less than 20% of the year's maximum pensionable earnings for the year of termination, the member's accrued benefits shall be paid to him by refunding an amount corresponding to the present value of the deferred retirement benefit. Before doing so, the committee shall ask the former member in writing to choose a payment method. If the former member has not responded within 90 days of receipt of a notice to this effect, the committee shall proceed with the refund.

7.12 The provisions of paragraph 7.11 apply also to all former members who are entitled to a deferred retirement benefit and whose employment was terminated before January 1, 2001.

7.13 A former member may request full and immediate payment of the value of his accrued benefit upon presentation of proof that the committee deems acceptable that on the date of such request, the former member had not been a resident of Canada for at least two years.

7.14 Any amount transferred to any registered plan under this Section shall be subject to the Income Tax Act and to any regulations adopted by the Government of Canada pursuant to that Act.

SECTION 8 TRANSFER OF BENEFITS BETWEEN SPOUSES

8.1 In the event of a legal separation, a divorce or marriage annulment, a dissolution other than by death or annulment of the civil union, the benefits accrued to a member, former member or pensioner under the plan shall, upon application in writing to the committee, be divided between the member and his spouse to the extent provided for in the Civil Code of Québec or by a court order.

Where the court awards to the spouse of a member, former member or pensioner, as payment for a compensatory allowance, the benefits accrued to such member, former member or pensioner under the plan, the benefits shall, upon application in writing to the committee, be transferred to the spouse to the extent provided for by the court order.

8.2 In the event of the cessation of the conjugal relationship between a spouse and a member, former member or pensioner, within the meaning of 1.24*b*, the member, former member or pensioner and spouse may, within 12 months, agree in writing to a partition of the accrued benefits of the member, former member or pensioner under the plan, in accordance with the provisions of the Supplemental Pension Plans Act.

8.3 Upon presentation of an application for a legal separation, a divorce, a marriage annulment, a dissolution or annulment of the civil union or a payment of a compensatory allowance, a member, former member or pensioner and his spouse shall be entitled, upon application in writing to the committee, to obtain a statement of the accrued benefits of the member, former member or pensioner under the plan and of the present value thereof as at the date of the institution of the action. The member, former member or pensioner and his spouse may also request such a statement upon cessation of their conjugal relationship, while pursuing a joint request for the dissolution of their civil union before a notary or while attending mediation sessions prior to instituting legal proceedings in family law. In such a case, the value of the accrued benefits of the member, former member or pensioner under the plan shall be determined as at the date of cessation of the conjugal relationship. Such application shall also contain the following documents and information or any other documents or information prescribed by the regulations adopted pursuant to the Supplemental Pension Plans Act:

(a) the name and address of the member, former member or pensioner and his spouse;

(b) in the case of married or civilly united spouses, a document attesting to their date of marriage or civil union, a document attesting to the date of presentation of an application for a legal separation, a divorce, a marriage annulment, a dissolution or annulment of the civil union or a payment of a compensatory allowance;

If the request is presented during mediation, a joint declaration stating the date on which their conjugal relationship has ended must be supplied. In addition, the request must contain a written confirmation by a certified mediator to the effect that he has been given a family mediation mandate;

(c) in the case of spouses who are neither married nor civilly united, a joint declaration stating the dates on which their conjugal relationship began and ended and, if they have lived in a conjugal relationship for at least 1 year but less than 3 years, proof of one of the events set out in 1.29b.

The committee shall provide the applicant and his spouse with such statement within 60 days following its reception of a request to that effect and with the information as set out in the Supplemental Pension Plans Act and any regulations adopted pursuant thereto.

The years of credited service, which are part of the calculation of the amounts appearing on the statement, are stated in days, in accordance with the provisions of any regulation adopted pursuant to the Supplemental Pension Plans Act.

8.4 Any application for the partition or transfer of benefits of the member, former member or pensioner must be made in writing to the committee. Such application shall specify which of the various payment methods prescribed by the regulations adopted pursuant to the Supplemental Pension Plans Act the spouse has chosen, and it shall be accompanied by a copy of the following documents, if applicable, and any other documents prescribed by the regulations adopted pursuant to the Supplemental Pension Plans Act:

(a) the court order for the legal separation from divorce, marriage annulment, dissolution or annulment of the civil union or payment of a compensatory allowance and, where applicable, the agreement entered into between the married or civilly united spouses in respect of the partition or transfer of the benefits of the member, former member or pensioner or the notarized joint declaration of dissolution of a civil union;

(b) any other court order related to the partition or transfer of the benefits of the member, former member or pensioner;

(c) the non-appeal certificate;

(d) in the case of spouses who are neither married nor civilly united, the agreement between them with respect to the partition of benefits of the member, former member or pensioner.

8.5 Unless it is a joint application for partition or transfer of benefits, the Committee shall provide the member, former member or pensioner with a written notice informing him of such application and the present value of the benefits claimed by his spouse.

The committee may not proceed with the execution of the partition or transfer until 60 days have elapsed since such notice is sent to the member, former member or pensioner. Moreover, the committee may not proceed if it is notified that the spouse of the member, former member or pensioner has duly waived his rights to benefits or that the member, former member or pensioner has initiated a legal action in opposition to the application for partition or transfer.

8.6 The value of the accrued benefits of the member, former member or pensioner shall be determined in accordance with the provisions of the regulations adopted pursuant to the Supplemental Pension Plans Act.

8.7 Unless it has been notified of the spouse's waiver of or a judicial opposition to the partition or transfer of the benefits of the member, former member or pensioner, the committee shall, within 60 days of the expiry of the period provided for in the second paragraph of 8.5, transfer any amount to which the spouse is entitled as a result of such partition or transfer into a pension plan, as defined by the Supplemental Pension Plans Act and any regulations adopted pursuant thereto.

When the benefits to which the spouse is entitled as a result of the partition or transfer are a refund to which the member would have been entitled at the date of institution of the action, the committee shall pay the spouse the amount corresponding to such benefits or transfer same into a pension plan as defined by the Supplemental Pension Plans Act and any regulations adopted pursuant thereto.

8.8 The procedure provided for in 8.5 and 8.7 shall be subject to the provisions of any regulations adopted pursuant to the Supplemental Pension Plans Act, and any provisions of such regulations adopted amending such procedure shall form part of and amend this Section.

8.9 Subject to the provisions of the Supplemental Pension Plans Act and any regulations adopted pursuant thereto, the benefits allocated to the spouse following the partition of the benefits of the member, former member or pensioner or as payment of a compensatory allowance may be used solely to purchase a life annuity, and shall be transferred to another plan.

However, any benefit allocated to the spouse following garnishment for unpaid spousal support must be paid in a lump sum pursuant to the provisions of the Supplemental Pension Plans Act and any regulations adopted pursuant thereto.

8.10 Execution of the partition or transfer shall reduce the benefits of the member, former member or pensioner pursuant to the provisions of the Supplemental Pension Plans Act and any regulations adopted pursuant thereto.

8.11 If a pensioner's retirement benefit is calculated to take into account his spouse's right to a benefit as provided for in 6.3.2 and his spouse subsequently becomes inadmissible to this benefit pursuant to 6.3.3a, the pensioner may, unless he has elected to avail himself of

the provisions of 6.3.3b, ask the committee to recalculate his retirement benefit as at the date of the court order granting him a legal separation, a divorce or an annulment of marriage, as at the date of a dissolution or annulment of the civil union or as at the date of cessation of the conjugal relationship, provided that this date is later than December 31, 2000. The amount and characteristics of this benefit shall be the same as those of the retirement benefit that would have been payable to the pensioner as at the date of the recalculation if he had no spouse on the date when payment of his retirement benefit began.

Unless it has received the written notification provided for in 6.3.3b, the pension committee must also recalculate the pensioner's retirement benefit as at the date of the court order granting him a legal separation, a divorce or an annulment of marriage, as at the date of a dissolution or annulment of the civil union or as at the date of cessation of the conjugal relationship, provided that this date is later than December 31, 2000, when the partitioning of the accrued benefits of the member under the plan applies in accordance with the provisions of 8.1 to 8.10 above.

Unless he has given written notice to the committee as provided for in 6.3.3b, a pensioner whose divorce, marriage annulment, legal separation or termination of the conjugal relationship has become effective before January 1, 2001 may ask the committee to recalculate his retirement benefit as if he had no spouse on the date when payment of his retirement benefit began, whether or not any partitioning of benefits has taken place in accordance with the provisions of 8.1 to 8.10 above. The date as at which the benefit is recalculated shall be the date of the pensioner's written request.

SECTION 9 CALCULATION OF INTEREST

9.1 Employee contributions provided for in 3.1, 3.3, 3.4 and 3.4A, contributions with respect to the redemption of years of contributory service in accordance with Sections 3, 10 and 11 shall bear interest at the rate provided for in 1.21 as of the date they are paid into the pension fund, until the date of payment thereof or until the date used to determine the present value of the vested benefit of the member, former member or pensioner.

9.2 In the case of a member or former member who avails himself of the provisions of 7.9, the various components of the retirement benefit shall bear interest as follows:

(a) employee contributions shall bear interest at the rate provided for in 1.21 until the date used to determine the present value of the deferred benefit or until the date of refund of the contributions or their transfer to another plan;

(b) excess contributions, if any, shall bear interest at the rate provided for in 1.21 as of the date of their calculation pursuant to 3.5*b* and until such time as they are used to provide an additional benefit, refunded or transferred to another plan;

(c) the present value of the deferred retirement benefit shall bear interest for the period between the date on which such value was established and the date of transfer at the rate used to establish this value.

9.3 Repealed.

9.4 No interest shall be credited on employee contributions after the date on which the member or former member starts to receive a retirement benefit or after the date of death of the member or former member.

9.5 Employee contributions shall bear interest starting only on January 1, 1966.

9.6 From January 1, 1990 to December 31, 2000, interest shall be determined as follows:

(a) for the first 6 months of a year, the interest shall correspond to the average of the rates in 1.21 for the 6-months ended October 31st of the previous year;

(b) for the last 6 months of a year, the interest shall correspond to the average of the rates in 1.21 for the 6-months ended April 30th of the same year.

9.7 From January 1, 2001, interest shall be determined as follows:

(a) each month, the interest shall correspond to the rate of return obtained by the pension fund for the current month;

(b) if the rate provided for in *a* above is not known at the time the calculation is performed, an external rate shall be used for that month. This rate shall be the same as the one used to determine the current value of a deferred retirement benefit as at the same date.

SECTION 10 REDEMPTION OF YEARS OF CONTRIBUTORY SERVICE

10.1 A member who:

(a) starts to receive benefits under a long-term disability plan of the employer after January 6, 1982;

(b) receives an indemnity from the “Commission de la santé et de la sécurité du travail” as a result of a preventive leave under the Act Respecting Occupational Health and Safety, R.S.Q., c. S-2.1, or an occupational accident under the Act Respecting Industrial Accidents and Occupational Diseases, R.S.Q., c. A-3.001 and who did not avail himself, after December 31, 1989, of the provisions set out in 3.6*b ii*;

(c) avails himself of unpaid leave under the parental benefits plan and who did not avail himself of the provisions set out in 3.6*d ii* (2);

(d) avails himself of an unpaid leave that an employer must grant under any applicable legislation, and, if applicable, who did not avail himself of the provisions set out in 3.6*d ii*

and who returns to work before his normal retirement date or retires following one of the events described above, may have all or part of the period of temporary leave of absence counted as a year of contributory service, provided he pays the employee contributions, plus interest, subject to the following terms and conditions:

i. the contributions are calculated on the basis of the earnings rate appearing on his employer’s payroll during the temporary leave of absence, the year’s maximum pensionable earnings, the basic exemption and the rate of contribution in effect during the period of temporary leave of absence;

ii. the member avails himself of this option and selects his method of refund pursuant to 10.4.

10.2 If a member elects to have only part of his period of temporary leave of absence counted as a year of contributory service, the years of contributory service thus credited shall be presumed to be those just prior to his return to work.

10.3 A member on temporary leave of absence as a result of his election to the Québec National Assembly or the House of Commons, who returns to work before his normal retirement date or retires immediately following this temporary leave of absence, may have all or part of his years as elected representative counted as years of contributory service, provided he pays the employee contributions, plus interest, in accordance with the terms and conditions as set out in 10.1 and 10.2. This provision shall not apply if for this period of leave of absence the member is entitled to a pension under a pension plan for the members of the Québec National Assembly or of the House of Commons.

10.4 A member can avail himself of the option provided for in 10.1 and 11.1 one time only, and do so within 180 days following his return to work, his rehiring or before his retirement date, whichever comes first. The refund may be made:

(a) in a single lump sum payment within 90 days following the exercise of the option provided the payment is made before the earlier of the retirement date and the normal retirement date;

or

(b) through earnings deductions at each pay period of which the amount, plus the interest, at the rate set out in 10.12a, shall be established by Hydro-Québec; however, the full refund can neither be done over a period exceeding 5 years, starting on the date the option is exercised nor extend beyond the earlier of the retirement date and the normal retirement date;

or

(c) through annual payments of which the amount, plus the interest, at the rate set out in 10.12, shall be established by Hydro-Québec; however, the full refund shall not exceed 5 years of contributory service, as of the date the option is exercised nor extend beyond the earlier of the retirement date and the normal retirement date.

Interest shall accumulate from the date contributions are due to be made into the pension fund; the 180-day period provided for exercising said option and the terms of payment described above shall not in any way delay or cancel the charging of interest. Should the member fail to make a payment, accumulated interest shall be added to the balance of the redemption.

Once each year, the member may make a lump sum payment to reduce or eliminate the balance of contributions to be recovered.

The member may decide to terminate his redemption at any time by submitting a written notice to the employer. This decision shall be irrevocable. The years of contributory service shall then be established in relation to the refunds paid as at the date of termination of the redemption.

10.5 (a) A member who avails himself of the provisions set out in 3.6d i and whose temporary leave of absence lasts more than one pay period must advise the employer in writing at least 30 days before the beginning of his temporary leave of absence.

(b) A member shall receive from the employer a statement showing the number of payments he must make, the amount of each payment and the date at which each of these payments is due. Such payments shall be made as follows:

i. by cheque, if the member does not receive any earnings during the pay period in question or if the earnings paid are not sufficient to cover the contributions due; or

ii. by deductions at source each pay period, in other cases.

(c) Any unpaid contribution at the due date shall be increased by the interest accumulated until the balance is paid. The member may pay the balance of unpaid payments, plus accumulated interest, at the end of his temporary leave of absence, provided the date of full payment is no later than 90 days after the end of said temporary leave of absence and does not extend beyond the earlier of the retirement date and the normal retirement date.

(d) The member may decide to terminate his redemption at any time by submitting a written notice to the employer. This decision shall be irrevocable. The years of contributory service shall then be established in relation to the payments made as at the date of termination of the redemption.

10.6 A member who avails himself of the provisions set out in 3.6d i (1) and whose temporary leave of absence is expected to last less than 10 days per pay period and not extend beyond subsequent pay periods, must advise the employer in writing before the beginning of said leave of absence or within 180 days of his return.

The contribution due shall be deducted from the member's earnings provided the earnings paid are greater than or equal to the contribution due. If such is not the case, the member may make his payment by cheque. no interest is chargeable if the date at which the member's

notice is received makes it possible to pay the contribution through a deduction at source or a payment by cheque during the pay period the temporary leave of absence is taken. In all other cases, the contribution due shall be deducted from the member's earnings at a subsequent pay period and this contribution shall be increased by the interest due from the date said contribution was due to be made into the pension fund.

A member who does not avail himself of the provisions set out hereinabove cannot avail himself of the provisions of 10.9.

10.7 A member who avails himself of the provisions set out in 3.6*b ii* must advise the employer in writing, if applicable, as soon as he knows the date of his eligibility for the payment of compensation by the "Commission de la santé et de la sécurité du travail".

The provisions as described in 10.5*b i*, in 10.5*c* and 10.5*d* apply to such member.

10.8 A member who avails himself of the provisions set out in 3.6*d ii* (2) must advise the employer in writing at least 15 days prior to the beginning of his temporary leave of absence.

The provisions as described in 10.5*b i*, in 10.5*c* and in 10.5*d* apply to such member.

10.9 A member who did not avail himself of the periodic payment option pursuant to 3.6*d i* and who returns to work or to a full-time schedule before his retirement date or normal retirement date may avail himself of the provisions set out in 10.4 for the redemption of the years of contributory service which correspond to these temporary leaves of absence. However, only a temporary leave of absence or part of a temporary leave of absence taken between January 1, 1997 and December 31, 2003 and until December 31, 2008 for a member concerned may be redeemed. The member must exercise his redemption option no later than on the earlier of the following three dates, that is:

- i. within 180 days following his return to work or to a full-time schedule;
- ii. June 30, 2004 or June 30, 2009 for a member concerned; or
- iii. the retirement date or normal retirement date.

10.10 The provisions of this Section shall be subject to the Income Tax Act and any regulations adopted by the Government of Canada pursuant thereto.

10.11 Temporary Plan for the Redemption of Non-Contributory Leaves of Absence

(a) For the purposes of section 10.11 and 10.11A, "Plan" shall refer to the Temporary Plan for the Redemption of Non-Contributory Leaves of Absence.

(b) Any individual eligible for the Plan is a member of the plan pursuant to By-law no. 681 in force since January 1, 2000.

10.11.2 Non-contributory leaves of absence eligible for the Plan must correspond to years of service with the employer or a subsidiary or to years during which the individual has fulfilled a function with one of the preceding. Non-contributory leaves of absence shall be eligible according to the following priority:

- (a) an unpaid leave under the parental benefits plan;
- (b) a period of service prior to membership in the Plan and during which the individual had the status of a temporary employee and would have contributed to the Plan had it not been for his status;
- (c) any other temporary unpaid leave of absence.

A maximum of 2 years is applicable for each of *a*, *b* and *c* above, subject to 10.11.5.

Notwithstanding the foregoing, unpaid leaves of absence which are unauthorized or owing to a strike or a suspension and leaves of absence during which an individual is entitled to recall rights following his termination of employment and to whom provisions in 7.5 apply shall not be eligible for the Plan.

10.11.3 Any eligible individual may have all or a part of the period of non-contributory leave of absence eligible for the Plan counted as a year of contributory service. Terms and conditions set out in 10.2 are applicable. The required employee contribution provided for in 10.11.4 must be calculated and made according to the following terms and conditions:

(a) if the required employee contribution corresponds to the employee and employer contributions, if any, plus interest, it is based on the earnings rate shown on the employer's payroll during the eligible non-contributory leave of absence, the year's maximum pensionable earnings, the basic exemption and the rate of contribution in effect during the eligible non-contributory leave of absence;

(b) in other cases, the required employee contribution is based on the earnings rate shown on the employer's payroll at the date he avails himself of the option and the current service cost for the member and based on the actuarial valuation report prepared by the actuary and filed with the Régie des rentes du Québec, applicable at the date the member avails himself of the option;

(c) the eligible individual avails himself of the option and selects a method of refund pursuant to the provisions set out in 10.4, except as regards the 180-day time limit, and in accordance with the time limit set out in the Temporary Plan for the Redemption of Non-Contributory Leaves of Absence. The refund must be made while the eligible individual is in continuous service. Notwithstanding the foregoing, for eligible members who are retired at the date they avail themselves of the option, the refund must be made in a single lump sum payment within 90 days following the exercise of the option.

10.11.4 Required employee contributions are as follows:

(a) for an eligible non-contributory leave of absence provided for in 10.11.2a and 10.11.2b, an amount corresponding to the employee contributions, plus interest;

(b) for an eligible non-contributory leave of absence provided for in 10.11.2c, the contribution provided for in 3.6, 10.1, 10.3 or 10.9, as the case may be, plus interest;

(c) for an eligible non-contributory leave of absence provided for in 10.11.2c and for which the contribution is not provided for in 3.6, 10.1, 10.3 or 10.9, the required employee contribution is based on the earnings rate shown on the employer's payroll at the date the member avails himself of the option and the current service cost for the member and based on the actuarial valuation report prepared by the actuary and filed with the Régie des rentes du Québec, applicable at the date the member avails himself of the option.

Notwithstanding *c* hereinabove, for union activities and leaves of absence eligible under the Programme de bourses universitaires d'Hydro-Québec, the required employee contribution corresponds to the employee contributions, plus interest.

10.11.5 Any unfunded actuarial liabilities resulting from the Plan in excess of the amounts paid by the eligible individuals, cannot exceed \$50,000,000 as of January 1, 2000.

To respect the cumulative limit set out in the preceding paragraph, eligible individuals may redeem eligible leaves of absence, up to the above-mentioned limit, according to the priority set out in 10.11.2.

10.11 A) Extension of Temporary Plan for the Redemption of Non-Contributory Leaves of Absence

10.11 A.1) (a) For the purposes of section 10.11A, "Extension" shall refer to the extension of Temporary Plan for the Redemption of Non-Contributory Leaves of Absence.

(b) An individual eligible for the Extension is one who meets all of the following conditions:

1) the individual was a member at May 28, 2003;

2) the individual is a member concerned pursuant to this by-law or is a person who would have been a member concerned had there not been a break in continuous service after May 28, 2003;

3) the individual exercised his option as described under the Plan in 10.11 and was not able to redeem all the non-contributory leaves of absence to which he was eligible, given the ceiling under 10.11.5;

4) the individual did not put an end to his redemption of non-contributory leaves of absence under the Plan in 10.11;

Notwithstanding the foregoing, in the case of a unionized employee whose union has not signed an agreement in principle with Hydro-Québec as at May 23, 2003, this date shall be replaced by one agreed on between Hydro-Québec and the union when such an agreement is signed.

10.11 A.2) The non-contributory leaves of absence eligible for the Extension are those defined in 10.11.2 that were not able to be redeemed under the Plan in 10.11, given the ceiling under 10.11.5.

10.11 A.3) The eligible individual can have all or part of his non-contributory leaves of absence eligible for the Extension counted as a year of contributory service. The terms and conditions of 10.11.3 and 10.11.4 apply.

Notwithstanding the foregoing, the eligible individual who is no longer in the service of the employer must pay the required contribution in one lump sum within 90 days following the date on which he avails himself of the option.

10.12 Notwithstanding the provisions of 1.21, cumulative interest paid on a redemption amount is as follows:

(a) for redemptions provided for in 10.1, 10.3, 10.5, 10.6, 10.7, 10.8, 10.9 and 11.1, the rate shall correspond to the rate obtained monthly on personal five-year term deposits for chartered banks as reported by the Bank of Canada and for each year in accordance with the provisions of 9.6a and 9.6b;

(b) for redemptions provided for in 10.11, the rate shall be a fixed rate of 5.43%.

(c) for redemptions provided for in 10.1, 10.3, 10.5, 10.6, 10.7, 10.8, 10.9 and 11.1 and whose date of election of option is later than December 31, 2002, the rate shall be the rate used to establish the current value of a deferred pension as at the date on which the member returned to work. This fixed rate shall remain in force until the redemption has been fully paid.

(d) for redemptions provided for in 10.11A, the rate shall be the rate used to establish the current value of a deferred pension as at the date on which the member exercised his option as set out in the Extension in 10.11A. This fixed rate shall remain in force until the redemption has been fully paid.

SECTION 11 REHIRING

11.1 Any member who has received a refund of contributions or who would have received such a refund had it not been for the partial or total reduction in employee contributions resulting from 3.4A pursuant to Section 7 of the plan, of By-law no. 699, of By-law no. 681, of By-law no. 679, of By-law no. 676, of By-law no. 653, of By-law no. 582, of By-law no. 534, of By-law no. 278 or to Section 18 of By-law no. 83 may, if he is rehired, and subject to the provisions of the Income Tax Act and of any regulations adopted by the Government of Canada pursuant thereto, have a portion or all of the years of contributory service prior to his termination of employment counted, provided he returns the amount required, according to the terms and conditions set out in 10.4.

The amount required equals the amount reimbursed to the member upon termination of employment plus interest for the period elapsed between the date of the refund and the date of the first payment for the redemption, multiplied by the number of contributory years that the member wishes to have counted divided by the number of contributory years preceding his termination of employment.

The period redeemed must correspond to the refunded years closest to the year during which the redemption has occurred.

This provision shall not apply to the values of the retirement benefits transferred or refunded under the provisions of Section 7 or 27.7, except in the case of reinstatement following firing, if the pension amounts transferred or refunded, accrued with interest, are paid into the pension fund.

11.2 Any person who receives a retirement benefit under the plan, of By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 653, By-law no. 582, By-law no. 534, By-law no. 278 or By-law no. 83 may request to cease to receive the retirement benefit if he is rehired as a member prior to his normal retirement date. However, he shall retain all the years of contributory service prior to his retirement date for which he has not received a refund of contributions. At his retirement, he will receive a retirement benefit based on his total years of contributory service, accordingly with Section 4, and on the retirement benefits payments received prior to his rehiring.

Any person who receives a retirement benefit under the plan, of By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 653, By-law no. 582, By-law no. 534, By-law no. 278 or under By-law no. 83 may request to cease to receive the retirement benefit if he is rehired as a member after his normal retirement date but before December 1 of the year in which he reaches the age limit provided for in applicable legislation. Such retirement benefit shall then be postponed pursuant to 5.5 and, where applicable, Section 19.

11.3 Any person who is entitled to a deferred retirement benefit under the plan, of By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 653, By-law no. 582, By-law no. 534, By-law no. 278 or By-law no. 83 shall lose his right to such deferred retirement benefit if he is rehired as a member before his normal retirement date. However, he shall retain all the years of contributory service prior to his termination date for which he has not received a refund of contributions.

11.4 Any member who has been retired pursuant to 5.3a ii (2) and who before reaching his 60th birthday becomes capable of carrying out the functions equivalent to those he held prior to his retirement, may be rehired by the employer. If he refuses the position offered him, the retirement benefit he receives shall be replaced by a deferred retirement benefit pursuant to Section 7, even if he does not satisfy the conditions pursuant to 7.1.

11.5 Repealed.**SECTION 12**
MAXIMUM BENEFITS**12.1** From the normal retirement date

12.1.1 The annual pension payable starting from the normal retirement date credited to the member for years of contributory service after December 31, 1991 shall be subject to the limit described in 12.1.2.

12.1.2 The annual pension established in 12.1.1 shall be limited to the defined benefit limit established on the date of event, multiplied by the number of years of contributory service after December 31, 1991.

12.1.3 The limit obtained in 12.1.2 shall be reduced by 0,25% per month, if applicable, for each month between the retirement date and the 1st day of the month coinciding with or immediately following the earliest of these dates :

(a) the date on which the member would have reached his 60th birthday ;

(b) the date on which the member would have completed 30 years of continuous service ;

(c) the date on which the years of continuous service plus the member's age would have totaled 80.

12.2 Before the normal retirement date

12.2.1 The annual pension payable from the retirement date up to the normal retirement date credited to the member for the years of contributory service after December 31, 1991 shall be subject to the lower of the limits described in 12.2.2 and 12.2.3.

12.2.2 The first limit referred to in 12.2.1 shall be established on the date of event and shall correspond to the sum of the following amounts :

(a) the defined benefit limit, multiplied by the number of years of contributory service after December 31, 1991 ;

(b) 25% of the average of the year's maximum pensionable earnings of the current year and of the previous 2 years, multiplied by the ratio expressed by the number of years of contributory service after December 31, 1991 over 35 ; this ratio shall not exceed 1.

12.2.3 The second limit referred to in 12.2.1 shall be established on the date of event and shall correspond to the sum of the following amounts :

(a) the annual pension obtained in 12.1 ;

(b) the sum of :

i. the maximum annual pension payable under the Old Age Security Act ;

ii. the maximum annual pension that would be payable to the member under the Act respecting the Québec Pension Plan if he were 65 years of age, multiplied by the ratio of his three-year average compensation to the corresponding average year's maximum pensionable earnings, subject to a maximum of 1

This amount shall be reduced by 0.25% per month, as applicable, for each month between the retirement date and the date of the member's 60th birthday, and multiplied by the ratio representing the member's number of years of continuous service over 10 ; this ratio shall not exceed 1.

12.3 The application of the provisions of 12.1 and 12.2 shall take into account, as the case may be, any pension resulting from the surplus distributed at the time the plan is wound up.

12.4 The application of the provisions of 12.1 and 12.2 shall not take into account, as the case may be, any benefits transferred to the spouse under Section 8 and any lump sum payments made pursuant to 5.6.

12.5 The provisions of 12.1 and 12.2 shall not apply to the part of the annual pension provided from excess contributions determined according to the provisions of 3.5.

12.6 The reductions provided for in 12.1.3 and 12.2.3b shall not apply in the case of pension payable for total and permanent disability under 5.3a ii (2).

12.7 The date of event for the purposes of 12.1 and 12.2 shall correspond to the date pension benefits become payable, except under the following conditions :

(a) repealed ;

(b) in the case of termination of employment, the date of termination of employment shall be used ;

(c) in the case of dissolution of the plan, the date on which the plan is dissolved shall be used ;

(d) in the case of legal separation, divorce, marriage annulment, dissolution or annulment of the civil union of a member, the date of the application for legal separation, divorce or marriage annulment, dissolution or annulment of the civil union shall be used ;

(e) in the case of cessation of a conjugal relationship between a member and his spouse as defined in 1.29*b*, the date on which the conjugal relationship ceased shall be used.

(f) in the case of progressive retirement, the benefit payment date as established under 5.6 shall be used.

12.8 All pension benefits provided under the plan shall be subject to the limits imposed by the Income Tax Act and by any regulations adopted pursuant to that Act regarding pension adjustments.

12.9 The annual pension established in the first paragraph of 18.2 shall be subject to the limits in 12.1 and 12.2, determined using the years of continuous service rather than the years of contributory service.

12.10 Postponed retirement

Notwithstanding any of the above, in the case of postponed retirement, the limit applicable to the annual retirement benefit of a member is the higher of:

i. The limit referred to in application of 12.1, 12.3, 12.4 and 12.5 with the date of event for the purposes of 12.1 as the normal retirement date. This limit is then adjusted by actuarial equivalence to reflect the postponement of pension benefits until the date at which pension benefits become payable.

ii. The limit referred to in application of 12.1, 12.3, 12.4 and 12.5 with the date of event for the purposes of 12.1 as the date at which pension benefits become payable.

SECTION 13 **INDEXATION**

13.1 On January 1 of each year, the amount of the retirement and survivor benefits being paid under the plan, By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 582, By-law no. 534, By-law no. 278, By-law no. 83 and the supplemental plans shall be updated to reflect the change in the pension index, in the following manner:

(a) The amount of the retirement or survivor benefit expressed as an annual amount and paid as at December 31st of the preceding year shall be multiplied by the greater of:

i. the pension index for the year in question, reduced by 3%;

ii. the pension index for the year in question, subject to a maximum of 102%.

Any retirement or survivor benefit, the payment of which has begun during the year, shall be updated on the following January 1st and prorated according to the number of months that have elapsed since payment of the benefit began, with the exception of a survivor benefit paid to the spouse or children of a deceased pensioner, which benefit shall be indexed for the entire year in which it began to be paid.

In the event that a pensioner dies in the year during which he began to receive his retirement benefit, the survivor benefit paid to the spouse or children shall be updated on the following January 1st and prorated according to the number of months that have elapsed since his retirement date.

(b) If the method of calculation of the consumer price index for any particular year is changed, Hydro-Québec shall determine the method of calculation of the pension index for the said year.

13.2 Retirement and survivor benefits paid under a supplemental plan shall be indexed according to this Section only when the adjustment rate provided for in the plan is higher than that provided for in the supplemental plan, and in such case, the indexing shall be based solely on the difference between those adjustment rates.

13.3 Indexation of retirement and survivor benefits under supplemental plans, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, part III of By-law no. 699 or under Part III of the plan as provided for under this Section shall not be paid to the pensioner, his spouse or his children under either of the following conditions:

(a) the spouse has not waived the right to the 60% survivor benefit, as this indexation is considered in the actuarial equivalence provided for in 4.4 of By-law no. 534 or in 14.1 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan;

(b) the member or former member has elected, before payment of the pension has begun, to replace it with an annuity whose payment is guaranteed for 10 years, as this indexation is considered in the actuarial equivalence provided for in 14.2 of By-law no. 699 or the plan.

13.4 Indexation of deferred retirement benefits shall apply in the manner provided for in 13.1*a*, as of January 1st of the year following the date on which they start to be paid.

13.5 Any retirement benefit not in payment on the normal retirement date or after such date shall also be updated pursuant to 13.1.

13.6 Beginning on January 1, 2001, any member who terminates his employment with the employer before his 55th birthday shall be entitled to receive an additional benefit with respect to his years of credited service after December 31, 2000. This additional benefit shall be equal to the positive difference between:

(a) the present value of the indexed benefit described hereinafter, increased by his excess contributions pursuant to 3.5, calculated as if the member was entitled to this indexed benefit on the date of termination of employment.

For the purposes of this paragraph, the indexed benefit shall be the deferred benefit payable on the normal retirement date, indexed for the period between the date of termination of employment and the member's 55th birthday. This indexation is for the purpose of increasing the amount of the benefit, up to the month of the member's 55th birthday, by a percentage corresponding to 50% of the expected increase of the all-item consumer price index for Canada, not seasonally adjusted, made public by Statistics Canada. This percentage shall not exceed 2% per year;

and

(b) the present value of the benefit to which the member is entitled under the plan on the date of termination of employment, increased by the value of the member's excess contributions as at that date.

Subject to the provisions below, the additional benefit is payable as a lifetime retirement pension commencing on the normal retirement date. The amount of this additional lifetime pension shall be equal to such portion of the excess of:

(a) the amount of the pension established in Section 4, but by substituting "Five-year average earnings" by "final indexed compensation", as defined below; over

(b) the amount of the pension established in Section 4.

However, this pension is limited by the pension established on an actuarial equivalence basis of the amount of the additional benefit.

For purposes of the above paragraph, the member's "final indexed compensation" shall be equal to the member's highest average compensation, indexed to the cal-

endar year in which the member's retirement benefits under the provision commence to be paid, as defined under the Income Tax Act and to any regulations adopted by the Government of Canada pursuant to this Act.

When the Commuted Value of the additional lifetime retirement pension defined above is less than the value of the additional benefit established in the third paragraph, the excess, that is, the portion of the value of the additional benefit that cannot be paid in the form of a lifetime pension, shall be paid to the member in a lump sum as of the date he terminates active membership in the plan.

SECTION 14 **OPTIONAL FORMS OF PENSION**

14.1 Waiver of the spouse's 60% pension.

Prior to the date on which pension payments begin, the employee's spouse, if any, may waive the death benefit provided for in 6.3.2 by so notifying the Committee in writing. This waiver may be revoked by notifying the Committee in writing before the date on which the member's retirement benefit begins.

If the employee's spouse, if any, has not waived the benefit provided for in 6.3.2, the annual pension calculated in Section 4 increased, where applicable, by the pension benefit provided for in 5.2c, shall be adjusted on an actuarial equivalence basis with the normal pension provided for in 6.3.1, to pay the spouse a 60% pension.

For any member concerned who retires after January 1, 2004 and by December 31, 2008 at the latest, the adjustment determined on the actuarial equivalence basis in this section shall be reduced by 50%. This reduction does not apply to a former member who retires during this period.

The provisions of the first paragraph of 6.1 notwithstanding, spousal status for the purposes of application of the above provisions shall be established on the day preceding the date on which the member's retirement benefit begins.

14.2 Payment of pension guaranteed for 10 years

A member or former member who retires shall be entitled, before the payment of his pension begins, to replace such pension by a pension whose payment is guaranteed for 10 years. To avail himself of this option, the member or former member must request it in writing before payment of his pension begins.

(a) If the employee's spouse, if any, has not waived the benefit provided for in 6.3.2 and, if applicable, the member or former member elects to receive a pension whose payment is guaranteed for 10 years, the annual pension calculated in Section 4 and increased, as the case may be, by the pension provided for in 5.2c shall be adjusted to its actuarial equivalent to the normal pension provided for in 6.3.1 to provide the pensioner with a pension whose payment is guaranteed for 10 years.

In such a case and other provisions to the contrary under the plan notwithstanding, if the pensioner dies before the end of the 10-year period, the pension that would have been paid to him were he not deceased shall continue to be paid to his spouse or, if there is none, to his children for the remainder of the 10-year period. After this date, a pension corresponding to 60% of the pension that would have been paid to the pensioner shall be paid to his spouse or, if there is none, to his children. If the pensioner dies without a surviving spouse and surviving children, the present value of the pension payable until the end of the 10-year period shall be paid to his successors.

For any concerned member who retires after January 1, 2004 and by December 31, 2008 at the latest, the adjustment determined on the actuarial equivalence basis in this section shall be reduced by 50%. This reduction does not apply to a former member who retires during this period.

The provisions of the first paragraph of 6.1 notwithstanding, spousal status for the purposes of application of the above provisions shall be established on the day preceding the date on which the member's retirement benefit begins.

(b) If the employee's spouse, if any, has waived the benefit provided for in 6.3.2 and, if applicable, the member or former member elects to receive a pension whose payment is guaranteed for 10 years, the annual pension calculated in Section 4 and increased, as the case may be, by the pension provided for in 5.2c shall be adjusted to its actuarial equivalent to the normal pension provided for in 6.3.1 to provide the pensioner with a pension whose payment is guaranteed for 10 years.

In such a case and other provisions to the contrary under the plan notwithstanding, if the pensioner dies before the end of the 10-year period, the pension that would have been paid to him were he not deceased shall continue to be paid to his spouse or, if there is none, to his children for the remainder of the 10-year period. After this date, a pension corresponding to 50% of the pension that would have been paid to the pensioner following the reduction provided for in 4.3 and the ter-

mination of the bridging benefit provided for in 4.1A, 4.6 and 4.7 shall be paid to his spouse or, if there is none, to his children. If the pensioner dies without a surviving spouse and surviving children, the present value of the pension payable until the end of the 10-year period shall be paid to his successors.

For any member concerned who retires after January 1, 2004 and by December 31, 2008 at the latest, the adjustment determined on the actuarial equivalence basis in this section shall be reduced by 50%. This reduction does not apply to a former member who retires during this period.

14.3 Temporary pension

(a) A member, a former member or a spouse who is entitled to a pension from the plan and who is at least 55 years old may elect to replace such pension, in whole or in part, with a temporary pension ceasing no later than the last day of the month following the month in which he attains the age of 65.

The annual amount of this temporary pension, including, as the case may be, its variations until age 65, is set by the member, former member or spouse. Each year while it is paid, the amount of such temporary pension may not exceed 40% of the maximum pensionable earnings for the year in which payment of the temporary pension began, less any other temporary benefit payable that year under the plan.

(b) Notwithstanding the provisions hereinabove in *a*, the member, former member or spouse who has not attained age 55 and is entitled to a pension under the plan may elect, before its payment has begun, to replace such pension by a pension whose amount is adjusted to take into account the equivalent amount that will be payable under the Old Age Security Act, the Canada Pension Plan or the Québec Pension Plan. In such a case, the annual amount of the temporary pension payable under the plan shall not exceed the lesser of the following:

- i. 40% of the maximum pensionable earnings for the year in which payment of the temporary pension began;
- ii. the amount that would result from the conversion of the entire lifetime annuity into a temporary pension ending when the member, former member or spouse attains age 65.

Starting on the first day of the month following the month in which the pensioner attains age 55, he shall be entitled to replace the temporary pension payable in accordance with the present paragraph by the temporary pension payable in accordance with *a* hereinabove.

(c) The member, former member or spouse who elects to receive a temporary pension in accordance with *a* or *b* hereinabove must so advise the Committee in writing, in accordance with the regulations adopted pursuant to the Supplemental Pension Plans Act. The pensioner who, after the first day of the month following the month in which he attains age 55, elects to replace the temporary pension payable in accordance with paragraph *b* by the temporary pension payable in accordance with *a* hereinabove must also give such written notice.

The amount of pension resulting from the election of the option provided for in *a* and *b* hereinabove shall be the actuarial equivalent of the normal pension payable from the plan.

SECTION 15 ADMINISTRATION OF THE PLAN

15.1 Administration of the plan shall be the responsibility of the Committee; however, Hydro-Québec, as trustee, shall be responsible for management of the pension fund.

15.2 Hydro-Québec Pension Fund

(a) The pension fund shall consist of:

i. funds from the Hydro-Québec Pension Plan, pursuant to By-law no. 699, employee, employer and equalizing contributions, as well as investment income derived therefrom;

ii. funds paid as a result of an agreement to participate in the plan, pursuant to 29;

and, from January 1, 1999:

iii. funds from the Pension plan for employees of the Compagnie d'électricité du Sud du Québec;

iv. funds from the Pension plan for employees of the Compagnie d'électricité du nord du Québec;

v. funds from the Pension plan for employees of the Compagnie électrique du Saguenay;

vi. funds from the Pension plan for employees of the Compagnie de Pouvoir du Bas St-Laurent.

(b) The Hydro-Québec Pension Fund may receive any amount transferred from a registered plan for the purpose of meeting the obligations pursuant to Sections 10, 11 and 28.

(c) All expenses related to the administration of the plan and the management of the fund shall be assumed by the pension fund.

(d) Retirement benefits granted by Montreal Light, Heat & Power Consolidated before April 15, 1944 and by Hydro-Québec after this date, under Section 17 of the By-laws of Montreal Light, Heat & Power Consolidated or the benefits payable under By-law no. 12 of Hydro-Québec, shall be paid directly from the pension fund.

(e) The payment of benefits shall be a debit to the pension fund.

15.3 Accounting

Separate accounts shall be kept for the premiums and contributions resulting from the application of Sections 38 and following of By-law no. 83, of Part II of By-law no. 278, of Part II of By-law no. 534, of Part II of By-law no. 582, of Part II of By-law no. 653, of Part II of By-law no. 676, of Part II of By-law no. 679, of Part II of By-law no. 681, of Part II of By-law no. 699 and of Part II of the plan, and for the income derived therefrom, as well as for the payment of related benefits and indexation of said benefits.

Separate accounts shall also be kept for the funds identified in sub-paragraphs *iii* to *vi* of 15.2*a* and their corresponding revenues, for the expenses defined in 15.2*c* attributable to the administration and management of Part III of By-law no. 676, of Part III of By-law no. 679, of Part III of By-law no. 681, of Part III of By-law no. 699 or of Part III of the plan, together with the payment of corresponding benefits.

15.4 Management of the pension fund

Hydro-Québec shall manage the pension fund pursuant to the provisions of the Hydro-Québec Act and the applicable provisions of the Supplemental Pension Plans Act. Specifically Hydro-Québec shall:

(a) prepare, within six months of the end of each fiscal year of the plan, a financial report containing a statement of the plan assets and liabilities as well as a statement of revenues and expenses for the fiscal year just terminated. Such report shall be audited by the individuals appointed by the Government of Québec for the auditing of the Hydro-Québec accounts under the Hydro-Québec Act;

(b) prepare a written investment policy that takes into account the characteristics of the plan, its financial liabilities, and the applicable provisions of the Supplemental Pension Plans Act and any regulations adopted pursuant thereto;

(c) determine on the investments to be made with the assets of the plan and ensure that these are made in accordance with the investment policy and applicable legislation;

(d) authorize the payment of amounts required to discharge the obligations pursuant to Section 28;

(e) have the actuary prepare an actuarial valuation of the plan at the latest as at the last fiscal year-end of the plan that falls within three years following the date of the latest actuarial valuation of the plan, or, where the Régie des rentes du Québec so requires, at a date set by the Régie. It shall also have such a valuation prepared at the effective date of the plan and at the effective date of any amendment to the plan which affects its funding or its solvency;

(f) have the actuary prepare a report relating to any actuarial valuation of the plan. Such report shall contain the information as prescribed by the Supplemental Pension Plans Act or any regulations adopted pursuant thereto. Such report shall be sent to the Régie des rentes du Québec no later than 9 months after the end of the fiscal year of the plan or on the date set by the Régie;

(g) provide the Committee with any information it deems necessary for the sound administration of the plan, in particular the financial report provided for in *a* above, and the actuarial valuation report provided for in *f* above.

15.5 Hydro-Québec Pension Committee

(a) The committee shall be made up of 13 voting members, including seven representatives of Hydro-Québec, one independent member and five members elected by the plan members, former plan members and pensioners; three of these five members shall be selected from among the unionized employees who are plan members, one among the non-unionized employees who are plan members, and one among the pensioners or former plan members.

(b) The Committee members elected in accordance with subsection *a* shall be chosen from among the plan members who are not on unpaid temporary leave at the time their candidacies are submitted, and among pensioners and former plan members; they shall be elected in accordance with the procedures set out by the committee. The term of office of such Committee members shall be 3 years, not to exceed 4 years.

(c) The Hydro-Québec representatives on the committee and the independent member shall be appointed by Hydro-Québec. The independent member must qualify pursuant to the provisions of the Supplemental Pension Plans Act.

(d) During the annual meeting provided for in 15.6*n*, the plan members, former plan members, pensioners and beneficiaries may choose to appoint additional Committee members to those already elected in accordance with *a* and *b* above. In such case, the plan members may appoint two additional Committee members, one who is entitled to vote and one who is not entitled to vote, and the former plan members, pensioners and beneficiaries may appoint two other committee members, one who is entitled to vote and one who is not entitled to vote. The term of office of such additional Committee members shall be one year.

(e) Hydro-Québec shall appoint to the committee additional representatives which number will correspond to the number of voting committee members appointed by the plan members, former plan members, pensioners and beneficiaries pursuant to *d* above. The term of office of such committee members shall be one year.

(f) The committee shall elect its chairman from among the voting Committee members appointed by Hydro-Québec. The Committee shall designate a secretary, who does not have to be a committee member.

(g) Repealed.

(h) A committee member whose term has expired shall remain in office until he is reappointed or replaced. Any new Committee member shall take office as at the first meeting following his election or appointment.

(i) Subject to *e* above, Hydro-Québec representatives on the committee shall remain in office until such time as their successors are appointed.

(j) In the event of any vacancy on the committee, the voting members who remain, if they represent a quorum, may continue to exercise the powers and rights of the committee until such time as a replacement is appointed or elected.

(k) The chairman shall preside over the meetings of the committee, ensure that its decisions are executed, and sign the appropriate documents.

(l) The secretary shall write up the minutes of the committee meetings and shall keep them in the record book maintained for that purpose. He shall be responsible for maintaining all records and books prescribed by the committee.

(m) The quorum for the committee meetings shall be seven voting members when the Committee consists of thirteen voting members, eight when the committee consists of fifteen voting members, and nine when the Committee consists of seventeen voting members, and any decision shall be made by a majority of those voting members present. The chairman shall have the deciding vote in the case of a tie.

(n) With the exception of the independent member, the committee members shall not be entitled to any remuneration.

15.6 Duties of the Committee

Subject to the provisions of 15.1 and 15.4 in respect of the role of trustee of the pension fund exercised by Hydro-Québec, the committee shall have the duties it is assigned under the Supplemental Pension Plans Act, in particular to:

(a) provide the Régie des rentes du Québec with the application for registration of the plan or its amendments, together with the information and documents provided for under the Supplemental Pension Plans Act and any regulations adopted pursuant thereto;

(b) inform the members, former members, pensioners and beneficiaries when it plans to apply for the registration of an amendment to the plan, in accordance with the Supplemental Pension Plans Act and any regulations adopted pursuant thereto;

(c) see to the application of the provisions of the plan;

(d) interpret the provisions of the plan in the case of doubt;

(e) authorize the payment of benefits by Hydro-Québec;

(f) draw up internal rules of procedure in those areas falling within its jurisdiction and, in particular, adopt the procedure for election to the committee of representatives of the plan members, former plan members and pensioners;

(g) hold meetings at least once a month;

(h) prepare an annual report on its activities for Hydro-Québec;

(i) transmit to Hydro-Québec its recommendations for improving the administration of the plan or increasing the efficiency thereof;

(j) allow employees, plan members, former plan members, pensioners, beneficiaries or their agents who so request, to review, during regular business hours, within 30 days following receipt of such written request, any document prescribed by the Supplemental Pension Plans Act and any regulations adopted pursuant thereto, under the terms and conditions established by the act and regulations;

(k) allow employees, plan members, former plan members, pensioners, beneficiaries or their agents who so request, to review, during regular business hours, within 30 days following receipt of such written request, any plan provision in force at any time during the period in which such person was a plan member;

(l) requests for documents or the review of documents may be made free of charge by an individual not more than once in a 12-month period. A fee may be charged for any additional request(s) by an individual within such period;

(m) provide every plan member, within 90 days of his joining the plan or of the date of registration of the plan, with a copy of the applicable provisions of the plan, a description of the rights and obligations of the member as well as a description of the most important benefits of plan membership. In the event of any amendment to the plan, the employer shall provide every plan member, former plan member or pensioner with such document within 90 days of the registration date of the amendment by the Régie des rentes du Québec;

(n) within six months of every fiscal year-end of the plan or within the additional period granted by the Régie des rentes du Québec, convene a meeting, as per the procedure adopted by the committee, by written notice to every member, former member, pensioner, beneficiary and the employer to:

i. inform them of the amendments made to the plan, of any situations in respect of conflicts of interest noted by any committee member, and of the financial status of the plan;

ii. allow the plan members, former plan members, pensioners and beneficiaries to decide whether or not to appoint members to the committee pursuant to 15.5*d*, and, where applicable, proceed with such appointments;

iii. report on its administration;

(*o*) transmit to every plan member, former plan member, pensioner and beneficiary, no later than 9 months following each fiscal year end, a document summarizing the changes made to the plan provisions during the fiscal year concerned as well as a short description of the rights and obligations that follow from those changes, and a statement containing the information prescribed by the Supplemental Pension Plans Act and any regulations adopted pursuant thereto;

(*p*) within 60 days of the date on which the committee is informed that a person has ceased to be a plan member, provide such person or provide any other person who is entitled to a refund or to any other benefits with a statement containing the information prescribed by the Supplemental Pension Plans Act and any regulations adopted pursuant thereto;

in addition, within 60 days of a written request to such effect, provide free of charge such statement updated to reflect the most recent data available;

in addition, within 30 days of a written request, provide free of charge the data used to determine such statement or update of same and more particularly those used to calculate the benefits to which he is entitled;

(*q*) within six months of each fiscal year-end, forward to the Régie des rentes du Québec an annual return with such information as prescribed by the regulations adopted pursuant to the Supplemental Pension Plans Act;

(*r*) transferred to 15.4*f*;

(*s*) delegate all or part of its powers, or have itself represented by a third party for any particular action;

(*t*) within 30 days following the coming into office of a voting committee member appointed by the plan members, former plan members, pensioners or beneficiaries, review the delegations of responsibilities to determine which are to be maintained and which are to be revoked.

15.7 Vacancy

(*a*) A person shall cease to be a committee member on the occurrence of one of the following:

i. his death;

ii. his termination of employment;

iii. his absence for more than six meetings of the committee in the course of one year;

iv. his resignation, or in the case of a Hydro-Québec representative or of the independent member, revocation of his mandate;

v. when he ceases to belong to the group he represents.

(*b*) Any committee member may resign by giving the committee prior written notice of a minimum of 30 days.

15.8 Replacement

A vacancy on the committee shall be filled as follows:

(*a*) in the case of a Hydro-Québec representative and the independent member, the replacement shall be appointed by Hydro-Québec within 60 days of the vacancy;

(*b*) in the case of a representative of unionized employees, non-unionized employees or pensioners and of former plan members, the replacement shall be the defeated candidate who received the most votes at the most recent election held within the group in question, and this person shall remain in office until the end of the term of the person he replaces;

(*c*) in the case of a voting committee member appointed during the annual meeting, the committee shall appoint a plan member, former plan member, pensioner or beneficiary to fill the vacancy until the next annual meeting is held.

PART II SUPPLEMENTARY PROVISIONS

SECTION 16 INTERPRETATION CLAUSES

16.1 Unless the context indicates otherwise, the terms below shall have the following meaning:

“Vested Pension”: either of the following amounts:

(*a*) the amount of retirement benefit payable under a supplemental pension plan assuming it is paid to the beneficiary as soon as he is entitled thereto;

(b) the amount of retirement benefit payable under the provisions of Part III of By-law no. 676, of Part III of By-law no. 679, of Part III of By-law no. 681, of Part III of By-law no. 699 or of Part III of the plan assuming it is paid to the beneficiary as soon as he is entitled thereto;

(c) the sum of the following amounts calculated pursuant to 4.2, 4.5 and 5.2c:

i. the amount of retirement benefit calculated pursuant to 4.1a and 4.1b;

ii. the amount of retirement benefit calculated pursuant to 4.1c, 4.1d, 4.1A, 4.6 and 4.7.

“Total Pension”: the sum of the vested pensions.

16.2 Spousal status for the purposes of Part II shall be established in accordance with Sections 6 and 14 of the plan.

SECTION 17 CONTRIBUTIONS

The contributions required for the complete funding and indexation of the benefits pursuant to Sections 38 and following of By-law no. 83, Part II of By-law no. 278, Part II of By-law no. 534, Part II of By-law no. 582, Part II of By-law no. 653, Part II of By-law no. 676, Part II of By-law no. 679, Part II of By-law no. 681, Part II of By-law no. 699 and Part II of the plan shall be paid entirely by the employer.

The contributions required to the funding and indexation of benefits for retirement at the request of the employer pursuant to 5.3a *ii* (1) shall be paid entirely by the employer. However, in such a case, the unfunded actuarial liability for each such retirement, as calculated immediately prior to the retirement date, and an amount equal to this liability shall be transferred from Part I of the plan to Part II of the plan.

SECTION 18 RETIREMENT BENEFIT GUARANTEE FORMULA

18.1 Eligibility

The following persons shall be deemed eligible for a retirement benefit guarantee formula, with the exception of deferred retirement members and recipients of spousal or children’s survivor benefits pursuant to a deferred retirement benefit:

(a) a member in the employ of a subsidiary prior to January 1, 1966, whose effective date of employment is recognized by Hydro-Québec to precede this date, and who retires subsequent to December 31, 2003 pursuant

to the plan and who has at least 10 years of credited service or at least 15 years of credited service in the case of a member who retires pursuant to 5.4;

(b) the spouse of a pensioner referred to in *a* or in 16.1a of By-law no. 534 or in 18.1a of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681 or of By-law no. 699 who dies after December 31, 2003;

(c) the spouse of a member in the employ of a subsidiary prior to January 1, 1966, whose effective date of employment which is recognized by Hydro-Québec precedes this date, who dies while still in service after December 31, 2003 and who has at the time of death at least 10 years of credited service.

18.2 Calculation method

The purpose of the retirement benefit guarantee formula is to provide:

(a) the eligible member at the time of retirement with a pension at least equal to 2.00% of five-year average earnings times the total number of years of continuous service with Hydro-Québec or a subsidiary, as of the effective date of employment as recognized by Hydro-Québec for the purposes of the plan. However, the pension payable for years of continuous service prior to January 1, 1990 shall be limited to 80% of the five-year average earnings.

If the years of contributory service total less than 5, the five-year average earnings, for the purposes of this Section, shall be calculated pursuant to 1.41, considering, for the purposes of said Section, the years of certified service as years of contributory service and the basic pay received during these years.

If the total pension is less than the amount calculated above, the pensioner shall receive the difference.

If the eligible spouse’s right to 60% of the deceased’s retirement benefit was not waived pursuant to 4.4 of By-law no. 534 or in 14.1 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan, or if the member has availed himself of the option of receiving a retirement benefit guaranteed for 10 years as provided for in 14.2 of the plan, the amount referred to in the third paragraph above shall be adjusted on an actuarial equivalence basis. For any member concerned who retires after January 1, 2004 and by December 31, 2008 at the latest, the adjustment determined on the actuarial equivalence basis in this section shall be reduced by 50%. This reduction does not apply to a former member who retires during this period.

If applicable, this amount shall be increased by an additional amount calculated on an actuarial equivalence basis to take into account the guaranteed pension paid for a determined period under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan and the pension, where applicable, pursuant to Section 20.

(b) the eligible spouse referred to in 18.1 with a survivor benefit equal to the greater of the following amounts:

i. 50% of the amount referred to in the first paragraph of 18.2a;

and

ii. 50% of the total pension.

If the pension payable to an eligible spouse under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan and this plan prior to the application of Part II of the plan is less than the greater of the above amounts, the eligible spouse shall receive the difference.

If the eligible spouse's right to 60% of the deceased's pension was not waived pursuant to 4.4 of By-law no. 534 or to 14.1 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan, the eligible spouse shall receive 60% of the amount referred to in the fourth paragraph of 18.2a.

If the member has availed himself of the option of receiving a retirement benefit guaranteed for 10 years as provided for in 14.2 of the plan, the eligible spouse shall receive, until the 10th anniversary of the retirement date of the member, a survivor benefit equal to the benefit that the pensioner would have received in accordance with the fourth paragraph of 18.2a if he had not died. After that date, the spouse shall receive a survivor benefit equal to 50% of the benefit that would have been payable to the pensioner after the reduction provided for in 4.3 and the end of the bridging benefit provided for in 4.1A, 4.6 and 4.7, or if the eligible spouse's right to 60% of the retirement benefit of the deceased was not waived, a survivor benefit equal to 60% of the benefit that would have been payable to the pensioner.

(c) the eligible spouse referred to in 18.1c with a survivor benefit equal to the greater of the following amounts:

i. (1) 50% of the amount referred to in paragraph 1 of 18.2a, prorated according to the total number of years of continuous service between the effective date of employment as recognized by Hydro-Québec for the purposes of the plan and December 31, 1989, over the total number of years of continuous service between said effective date of employment and the date of the eligible member's death; plus

(2) the survivor benefit resulting from the greater of the following amounts:

(a) the present value of the amount referred to in the first paragraph of 18.2a to which the eligible member was entitled before his death, prorated according to the total number of years of continuous service between January 1, 1990 and the date of the eligible member's death, over the total number of years of continuous service between the effective date of employment as recognized by Hydro-Québec for the purposes of the plan and the date of his death;

and

(b) the present value of the survivor benefit payable to the eligible spouse. This survivor benefit shall be equal to 50% of the amount referred to in the first paragraph of 18.2a, prorated according to the total number of years of continuous service between January 1, 1990 and the date of the eligible member's death over the total number of years of continuous service between the effective date of employment as recognized by Hydro-Québec for the purposes of the plan and the date of his death.

and

ii. (1) 50% of the vested pension pursuant to 16.1a, 16.1b and 16.1c *i*; plus

(2) the survivor benefit equal to the greater of the following amounts:

(a) the present value of the survivor benefit payable to the eligible spouse. This survivor benefit is equal to 50% of the retirement benefit credited to the eligible member as at the date of his death pursuant to 16.1c *ii*;

and

(b) the present value of the retirement benefit to which the eligible member was entitled before his death for years of credited service after December 31, 1989.

If the survivor benefit payable to the eligible spouse under the supplemental plans, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan and the plan prior to the application of Part II of the plan is less than the greater of the amounts referred to in *i* or *ii* above, the eligible spouse shall receive the difference.

18.3 Terms and conditions of application

(a) If an eligible spouse receives a separation allowance following the death of an eligible employee in the service of Southern Canada Power Company, Limited, the retirement benefit guarantee formula shall apply only at the end of the number of weeks used as the basis for calculating the allowance.

If said allowance is less than the amount established pursuant to the last paragraph of 18.2c, the retirement benefit guarantee formula shall not apply during such number of years as obtained by dividing A by B below:

A amount of the separation allowance;

B annual amount of the supplement resulting from the retirement benefit guarantee.

(b) If an eligible spouse's survivor benefit under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan before the application of Part III of the plan is greater than the amount established pursuant to 18.2b *i* or 18.2c *i*, only for a limited period of time, the retirement benefit guarantee formula shall apply at the end of this limited period. In the case of an eligible spouse of a pensioner, this paragraph shall apply only if the eligible spouse's right to 60% of the deceased's retirement benefit has been waived and if the pensioner did not avail himself of his right to a benefit guaranteed for 10 years, in accordance with the provisions of 14.2.

(c) If an eligible spouse elects to receive the survivor benefit to which he is entitled under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan as a lump sum payment, said survivor benefit shall be deemed to be paid out for the period provided for in the supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan, and the retirement benefit

guarantee formula shall apply as pursuant to *b* above. In the case of an eligible spouse of a pensioner, this subsection shall apply only if the eligible spouse's right to 60% of the deceased's retirement benefit has been waived and if the pensioner did not avail himself of his right to a benefit guaranteed for 10 years, in accordance with the provisions of 14.2.

(d) If under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan an eligible spouse is entitled to a refund of contributions, the retirement benefit guarantee formula shall not apply for such number of years as obtained by dividing A by B below:

A total amount of the refund of contributions;

B annual amount of the supplement resulting from the retirement benefit guarantee.

(e) For purposes of the application of 18.2b and 18.2c, any amount payable upon the death of an eligible member or pensioner under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan shall be deemed as being paid to the eligible spouse. In the case of an eligible spouse of a pensioner, this subsection applies only if the eligible spouse's right to 60% of the deceased's retirement benefit has been waived and if the pensioner did not avail himself of his right to a benefit guaranteed for 10 years, in accordance with the provisions of 14.2.

18.4 Spouse of a pensioner as at December 31, 1989

(a) Upon the death of a pensioner who is in receipt of a retirement benefit as at December 31, 1989, his eligible spouse shall be entitled, for his lifetime, to a survivor benefit equal to 50% of the retirement benefit payable to the pensioner under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan and 50% of the supplement as calculated pursuant to 15.2a and 15.4b *i* of By-law no. 278, less the amount of survivor benefit paid to the eligible spouse or beneficiary under the supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan.

(b) The survivor benefit calculated in *a* above shall be subject to the following terms and conditions:

i. if a pensioner with a retirement benefit guaranteed which is payable for a limited period of time under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan dies before the end of this limited period, his eligible spouse shall be entitled to the excess, if any, between 50% of the sum of the following amounts:

(1) the supplement pursuant to the retirement benefit guarantee formula in force as at December 31, 1989; plus

(2) the retirement benefit payable under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan if said plan or Part III of the plan does not provide for payment of a survivor benefit to the spouse;

and the retirement benefit payable under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan, until the end of the period provided for in the supplemental plan. At the end of this period, the eligible spouse shall be entitled, until death, to the survivor benefit calculated in *a* above.

ii. if the eligible spouse elects to receive the survivor benefit to which he is entitled under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan as a lump sum payment, such benefit shall be deemed to be paid and the eligible spouse shall receive the excess, if any, between 50% of the sum of the following amounts:

(1) the supplement pursuant to the retirement benefit guarantee formula in force as at December 31, 1989; plus

(2) the retirement benefit payable under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan when this plan or Part III of the plan does not provide for payment of a survivor benefit to the spouse;

and the retirement benefit payable under the supplemental plans, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan, until the end of the period as provided for in the supplemental plan, Part III of By-law no. 676, Part III

of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or Part III of the plan. At the end of this period, the eligible spouse shall be entitled, for his lifetime, to the benefit as calculated in (a) above.

iii. for the purposes of application of this Section, any amount payable upon the death of a pensioner under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan shall be deemed as being paid to his eligible spouse.

SECTION 19 RETIREMENT BENEFIT GUARANTEE FORMULA - POSTPONED RETIREMENT

19.1 The provisions of this Section 19 shall apply to members or spouses referred to in 18.1.

19.2 If an eligible member remains in the employ of the employer subsequent to his normal retirement date, the supplement resulting from the application of 18.2*a* shall be determined as at the normal retirement date and shall be postponed until the actual retirement date, but no later than December 1 of the year in which the member reaches the age limit provided for by applicable legislation, even if the member remains in the employ of the employer after that date.

19.3 During the postponement period, an eligible member may request payment of the supplement, in full or in part, but only to the extent necessary to compensate for a reduction in earnings, if any, during this period, including any decrease in earnings during such period which is the result of a change in status from a full-time to a part-time schedule or of a reduction of a part-time schedule, and not compensated pursuant to the application of 5.5*b*. The member may not make such a request more than once during any 12 month period.

19.4 The amount of the postponed supplement payable on the retirement date or a date no later than December 1 of the year in which the eligible member reaches the age limit provided for by applicable legislation, shall be equal to the sum of the following amounts:

(a) the supplement established as at the normal retirement date pursuant to the provisions of the fourth paragraph of 18.2*a*; plus

(b) the retirement benefit determined on an actuarial equivalence basis resulting from the adjustment made to offset the decrease in the value of the benefits by reason of the deferral, during the postponement period of the

supplement provided for in *a* above, less, where applicable, any retirement benefit paid pursuant to 19.3.

The accrual of the supplement and the actuarial equivalence shall be determined pursuant to the provisions of 5.5*d*.

19.5 Upon the death of an eligible member subsequent to the normal retirement date but before December 1st of the year in which he reaches the age limit provided for by applicable legislation, the eligible spouse shall be entitled, for his lifetime, to the greater of the following amounts:

(*a*) i. the supplement determined pursuant to 18.2*c* as at the normal retirement date; plus

ii. the retirement benefit determined on an actuarial equivalence basis resulting from the adjustment made to offset the decrease in the value of the benefits by reason of the deferral, during the postponement period, of the supplement provided for in *i* above, less, where applicable, any benefits paid pursuant to 19.3;

and

(*b*) i. the supplement determined pursuant to 18.2*b* as at the normal retirement date; plus

ii. the retirement benefit determined on an actuarial equivalence basis resulting from the adjustment made to offset the decrease in the value of the benefits by reason of the deferral, during the postponement period, of the supplement provided for in *i* above, less, where applicable, any benefits paid pursuant to 19.3.

19.6 Upon the death of a pensioner who retired subsequent to his normal retirement date or who died while still in the employ of the employer after December 1st of the year in which he reaches the age limit provided for by applicable legislation, the eligible spouse shall be entitled, for his lifetime, to the sum of the following amounts:

(*a*) the supplement determined in 18.2*b* as at the normal retirement date and revised pursuant to Section 13;

(*b*) i. 60% of the retirement benefit of the deceased determined pursuant to 19.4*b* and as revised pursuant to Section 13, or 50% if the eligible spouse's right to 60% of the retirement benefit of the deceased has been waived pursuant to 4.4 of By-law no. 534 or to 14.1 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan or if the pensioner had no spouse as at normal retirement date, and as revised pursuant to Section 13.

ii. if the pensioner has availed himself of the right to a retirement benefit guaranteed for 10 years as provided for in 14.2 of the plan, the amount determined pursuant to 19.4*b* and as revised pursuant to Section 13 that would have been payable to the pensioner if he had not died, until the 10th anniversary of the pensioner's retirement and, after that date, a survivor benefit equal to 50% or, if the eligible spouse's right to 60% of the retirement benefit of the deceased was not waived, a survivor benefit equal to 60% of the benefit that would have been payable to the pensioner.

19.7 The provisions of 18.3 shall apply, *mutatis mutandis*, to the survivor benefit payable to a spouse pursuant to 19.5 and 19.6.

SECTION 20 MINIMUM RETIREMENT BENEFIT

20.1 Eligibility

Subject to the provisions of 20.2, the following persons shall be deemed eligible for an increase in benefits resulting from the application of the minimum retirement benefit:

(*a*) the pensioner who begins receiving a retirement benefit after December 31, 2003;

(*b*) the spouse of any pensioner deceased after December 31, 2003;

(*c*) the spouse of any member deceased after December 31, 2003 whose years of contributory service plus years of certified service is greater than or equal to 10 years.

20.2 The following persons shall not be eligible for an increase in benefits resulting from the application of the minimum retirement benefit:

(*a*) the beneficiary of a deferred retirement benefit or of a benefit payable to a spouse or child resulting from a deferred retirement benefit;

(*b*) the member who retires with less than 10 years of credited service;

(*c*) the member who retires pursuant to the provisions of 5.4*a* and 5.4*b*.

(*d*) the spouse of a member who retired pursuant to the provisions of 5.4*a* and 5.4*b*.

20.3 Method of calculation

(a) The total pension paid to the eligible pensioner or eligible spouse under the plan, By-law no. 699, By-law no. 681, By-law no. 679, By-law no. 676, By-law no. 653, By-law no. 582, By-law no. 534, By-law no. 278, By-law no. 83 and the supplemental plans shall be increased, where applicable, in order to guarantee a minimum annual pension of \$2,200.

(b) The increase resulting from the application of this Section shall be allocated proportionally to the years of credited service prior to January 1, 1990 and the years of credited service subsequent to December 31, 1989 over the total years of credited service.

20.4 Terms and conditions of application

(a) If the pension of any eligible person under 20.1 is greater than the minimum pension only for an established period of time, the minimum pension shall apply at the end of such period.

(b) The amount of the increase shall be calculated on the assumption that a member's vested pension under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan is paid upon his becoming eligible therefor.

(c) For the purposes of the determination of the minimum survivor benefit payable to an eligible spouse, any amount payable under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan shall be deemed paid to the eligible spouse.

(d) The amount of the increase is calculated without taking into account any benefit transferred to the spouse under Section 8, as well as any lump sum payment made pursuant to 5.6.

20.5 The increase provided for in this Section shall not be granted to an eligible pensioner or his eligible spouse if the spouse's right to 60% of the deceased's retirement benefit has not been waived or if the eligible pensioner has availed himself of his right to a benefit guaranteed for 10 years, such increase being included pursuant to the provisions of the fourth paragraph of 18.2a.

SECTION 21 SPECIAL PROVISIONS

21.1 For the purposes of calculating the vested pension and total pension, as well as the supplements and increases established pursuant to the retirement benefit guarantee formula and minimum retirement benefit, the following items shall not be taken into consideration:

(a) any annuities purchased by the member with additional or voluntary contributions under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan;

(b) any options exercised by the beneficiary in respect of terms of payment;

(c) any amount resulting from the application of Section 13;

(d) the adjustment provided for in 4.4 of By-law no. 534, applied to the benefit under this plan or under a supplemental plan to grant a spouse a survivor benefit equal to 60% of the deceased's retirement benefit;

(e) the benefit provided for in 4.5 of By-law no. 534 and 4.4 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan;

(f) options pursuant to Section 14 of By-law no. 582, of By-law no. 653, of By-law no. 676, of By-law no. 679, of By-law no. 681, of By-law no. 699 or of the plan.

21.2 If a pensioner dies without a spouse after December 31, 1989, or if the surviving spouse dies after this date, the survivor benefit payable to the spouse provided for in Part II of the plan shall be paid to the children.

21.3 If a member dies without a spouse after December 31, 1989:

(a) the survivor benefit payable to the spouse under Part II of the plan, based on the years of credited service prior to January 1, 1990, shall be paid to the children;

(b) the present value of the retirement benefit to which the member was entitled prior to his death under Part II of the plan, based on the years of credited service after December 31, 1989, shall be paid to successors.

21.4 Upon the death of a pensioner who retired prior to January 1, 1990 and who received a retirement benefit under a supplemental plan, under Part III of By-law no. 676, under Part III of By-law no. 679, under Part III of By-law no. 681, under Part III of By-law no. 699 or under Part III of the plan, Sections 38 and subsequent of By-law no. 83, Part II of By-law no. 278, the survivor benefit to which his spouse is entitled shall be increased by 50% of the amount of indexation to which the pensioner was entitled for such retirement benefit at the date of his death.

Upon the death of a pensioner who retired after December 31, 1989 but prior to January 1, 2001, or upon the death of a pensioner who retired as of January 1, 2001 and who did not avail himself of the option of receiving a retirement benefit guaranteed for 10 years in accordance with the provisions of 14.2 of the plan, and who received a retirement benefit under Part II of By-law no. 534, Part II of By-law no. 582, Part II of By-law no. 653, Part II of By-law no. 676, Part II of By-law no. 679, Part II of By-law no. 681, Part II of By-law no. 699 or Part II of the plan, the survivor benefit to which his spouse is entitled shall be increased by 60% of the amount of indexation to which the pensioner was entitled for such retirement benefit at the date of his death. If the spouse's right to 60% of the deceased's retirement benefit has been waived, the spouse's survivor benefit shall be increased by 50% of the amount of indexation to which the member was entitled under a supplemental pension plan, Part III of By-law no. 676, Part III of By-law no. 679, Part III of By-law no. 681, Part III of By-law no. 699 or Part III of the plan and Part II of By-law no. 534, Part II of By-law no. 582, Part II of By-law no. 653, Part II of By-law no. 676, Part II of By-law no. 679, Part II of By-law no. 681, Part II of By-law no. 699 or Part II of the plan.

Upon the death of a pensioner who retired after December 31, 2000, who availed himself of the option of receiving a retirement benefit guaranteed for 10 years in accordance with the provisions of 14.2 of the plan and who received a retirement benefit under Part II of By-law no. 699 or Part II of the plan, to the survivor benefit to which his spouse is entitled shall be added the amount of indexation, if any, to which the pensioner was entitled at the date of his death, such indexation to be added until the tenth anniversary of the pensioner's retirement. After that date, to the survivor benefit to which his spouse is entitled shall be increased by 60% of the amount of indexation to which the pensioner would have been entitled for such retirement benefit on that date had he not died. If the spouse's right to 60% of the deceased's retirement benefit has been waived, the spouse's survivor benefit shall be increased by 50% of the amount of indexation to which the member was entitled under Parts II and III of By-law no. 699 and Parts II and III of the plan.

21.5 Benefits in this Part shall be subject to the Income Tax Act and to any regulations adopted pursuant to this Act.

21.6 When a member referred to in 18.1a or 19.2 avails himself of the transfer right under 7.9, the present value of the retirement benefit guarantee formula under 18.2a or 19.2 is added to the transferable amount.

PART III PROVISIONS REGARDING THE SUBSIDIARIES' MERGED PLANS

SECTION 22 PENSION PLAN FOR EMPLOYEES OF THE COMPAGNIE D'ÉLECTRICITÉ DU SUD DU CANADA LTÉE

22.1 Provisions of Section 22 are added to the Hydro-Québec Pension Plan further to the merger of the Compagnie d'électricité du sud du Canada Ltée Employees Pension Plan with the Hydro-Québec Pension Plan. These provisions correspond to the provisions of the Compagnie d'électricité du sud du Canada Ltée Employees Pension Plan with the required adaptations. Subject to applicable legislation, benefits payable to an employee who has left the Company prior to January 1, 1999 are determined according to provisions of the Southern Canada Power Company Limited Employees Pension Plan or the Compagnie d'électricité du sud du Canada Ltée Employees Pension Plan, as the case may be. Provisions of this Section apply only to benefits arising from participation in the Compagnie d'électricité du sud du Canada Ltée Employees Pension Plan.

22.2 Definitions

For purposes of Section 22, the following terms mean:

“Company”: the Compagnie d'électricité du sud du Canada Ltée and its subsidiary, the Compagnie de chemins de fer et d'électricité de Sherbrooke Ltée, its successors or assigns;

“Employee”: a permanent employee of the Company of either gender. An active employee at December 31, 1965 who participates in the Hydro-Québec Pension Plan as of January 1, 1966 remains an employee for purposes of this Section 22, even if he becomes employed by Hydro-Québec or of one of its subsidiaries;

“Normal retirement age”: sixty-five (65) years old for men and sixty (60) years old for women;

“Participation date”: the date set in the agreement between the Company and Hydro-Québec from which Company employees became members of the Hydro-Québec Pension Plan, i.e., January 1, 1966;

“Pensioner”: a person, other than a spouse, a beneficiary or a successor, receiving pension benefits under the Southern Canada Power Company Limited Employees Pension Plan or the Compagnie d’électricité du sud du Canada Ltée Employees Pension Plan or under this Section 22.

22.3 Special provisions

Employees in active service on the participation date have ceased to accrue pension credits under the Southern Canada Power Company Limited Employees Pension Plan and the Compagnie d’électricité du Sud du Canada Ltée Employees Pension Plan.

Employees in active service on the participation date retain all their pension credits for service or participation prior to that date. These credits will be paid to them according to provisions of this Section 22.

Where Section 22 mentions the average of an employee’s total monthly earnings received during his last 10 years of service, it means the average of total monthly earnings received by an active employee on participation date for his last 10 years of service in the employment of either the Company or Hydro-Québec.

For purposes of this Section 22, years of service accrued after the participation date by permanent or regular employees of Hydro-Québec or one of its subsidiaries count as years of service with the Company for purposes of establishing the right to a pension, but not to establish the amount of such pension. In this case, only the years of service prior to January 1, 1966 are computed.

22.4 Benefits

(a) Normal Retirement

Employees who have reached normal retirement age and who have been continuously employed by the Company for 10 years or more are entitled, from the first day of the month following the month during which they have reached the normal retirement age, to a monthly pension equal to 1% for each year of service with the Company, based on their average total monthly earnings during their last 10 years of service, subject to a minimum of \$50 per month or 50% of the average of such monthly earnings, whichever is lower.

The determination of any additional amount required to bring the pension benefits to the \$50 monthly minimum takes into account the amount of pension paid

under Part I and Part II of the Plan, excluding any additional amount payable on account of provisions regarding minimum pension or half-pension.

(b) Early retirement at the request of the employee

An employee who has reached 55 years of age and has been continuously employed by the Company for a period of 15 years or more may retire at any time prior to his normal retirement date. In such a case, the monthly pension payable from the first day of the month following his retirement is equal to 1% for each year of service with the Company, based on the average of his total monthly earnings during the last 10 years of service, multiplied by a factor determined as per the following table:

Age on due date of first monthly payment	Factor	
	Men	Women
55	0.60	0.80
56	0.64	0.84
57	0.68	0.88
58	0.72	0.92
59	0.76	0.96
60	0.80	1.00
61	0.84	
62	0.88	
63	0.92	
64	0.96	
65	1.00	

Age is computed in complete months; where required, the factor is determined using straight line interpolation. In such a case, however, the minimum monthly pension provision set out under *a* above does not apply.

(c) Early retirement at the request of the employer

An employee who has reached 55 years of age and has been continuously employed by the Company for a period of 15 years or more may be retired by the employer before having reached his normal retirement age. In such a case, the monthly pension payable from the first day of the month following his retirement is equal to 1% for each year of service with the Company, based on the average of his total monthly earnings during the last 10 years of service, multiplied by a factor determined as per the following table:

Age on due date of first monthly payment	Factor	
	Men	Women
55	0.80	0.90
56	0.82	0.92
57	0.84	0.94
58	0.86	0.96
59	0.88	0.98
60	0.90	1.00
61	0.92	
62	0.94	
63	0.96	
64	0.98	
65	1.00	

Age is computed in complete months; where required, the factor is determined using straight line interpolation. In such a case, however, the minimum monthly pension provision set out under *a* does not apply.

(d) Disability benefits

An employee who has been continuously employed by the Company for 10 years or more, and who can no longer perform his regular tasks on account of physical or intellectual disability, is entitled (but only during the period where such physical or intellectual disability prevents him from going back to full active service with the Company) to receive a monthly retirement pension equal to 1% for each year of service with the Company, based on the average of his total monthly earnings during the last 10 years of service. In such a case, however, the minimum monthly pension provision set out under *a* above does not apply.

(e) Death benefits

On the death of a male employee who was receiving a pension pursuant to *a* above, a monthly pension equal to half the monthly pension payable to such employee is paid to his widow for life. Such half-pension is not payable to widows of employees who retired prior to September 23, 1955.

On the death of a male employee who was receiving or was entitled to a pension pursuant to *b* above, a monthly pension equal to half the monthly pension payable to such employee if he was retired or to half the pension which he would have been entitled to had he retired on the date immediately preceding the date of his death, pursuant to the provisions of *b* above, is paid to his widow for life. Such half-pension only applies to widows of employees who become entitled to a pension pursuant to *b* above on or after December 1, 1962.

On the death of a male employee who was receiving a pension pursuant to *c* above, a monthly pension equal to half the monthly pension payable to such employee pursuant to the provisions of *c* above is paid to his widow for life. Such half-pension only applies to widows of employees who retired pursuant to *c* above on or after December 1, 1962.

On the death of a male employee who was in active service with the Company on December 1, 1962 and who, after this date and while in active service with the Company, became eligible to a pension pursuant to *d* above, a monthly pension equal to the product of *i* and *ii* below is paid to his widow for life.

i. the monthly pension payable to such pensioner, and

ii. a factor of: $0.01 \times X - 0.15$

(Where X is the age of the retired employee in complete years at the date on which the Company began paying him the pension to which he was entitled pursuant to *d* above.)

22.5 Miscellaneous provisions

(a) Subject to the provisions of *f* below, the pension payment commencement date is the first day of the month following the month during which the employee retired, or any other date determined by the Committee. The pension payment commencement date for any widow, as established above, is the first day of the month following the month during which the employee died.

(b) Subject to the provisions of 22.4d, employee retirement pensions granted to employees are paid from the retirement date until death.

(c) The service period includes fractions of year.

(d) Leaves of absence or temporary lay-offs due to staff reductions, or leaves to satisfy military obligations are not considered as breaks in service.

(e) Former employees who left the service of the Company on or after December 1, 1962 with more than 15 years of continuous service and who are rehired lose only the period during which they were not in the service of the Company.

(f) Termination benefits

Any employee having reached 45 years and counting 15 years or more of continuous service who terminated employment with the Company on or after December 1, 1962 is entitled to a monthly pension payable from his

normal retirement age. This pension is equal to 1% for each year of service with the Company, based on the average of the employee's total monthly earnings during the last 10 years of service. In such a case, however, the minimum monthly pension provision set out under 22.4a does not apply. The retirement pension set out in this paragraph *f* is not payable to employees who already receive a pension under 22.4d.

22.6 This Section adds to the preceding provisions of Section 22, without reducing the rights conferred by such Section 22.

(a) Deferred pension

Any employee who meets the following conditions at the time he leaves the service of the employer is entitled to a deferred pension at least equal to the monthly pension payable from the normal retirement age:

- i. having reached 45 years of age but not the normal retirement age;
- ii. having completed at least 10 years of continuous service.

(b) Early retirement

An employee who has completed a minimum of 10 years of continuous service and whose period of continuous service ends in the 10 years immediately preceding the date on which he attains the normal retirement age is entitled to receive an early retirement pension. The early retirement pension is the actuarial equivalent of the pension payable at normal retirement age.

(c) Postponed retirement

An employee who remains in the employer's service after his normal retirement date may retire as of the first day of any month following this date. The employee's monthly retirement benefit shall be postponed until his actual retirement date, but no later than December 1 of the year in which the employee reaches the age limit provided for in applicable legislation, even if he remains in the employer's service after this date. The amount of the postponed retirement benefit is an actuarial equivalent based on the retirement benefit payable at normal retirement age and the length of the postponement period.

During the postponement period, the employee may request payment in whole or in part of his retirement benefit, but only insofar as is necessary to compensate for any reduction in earnings during this period. The employee may not make such request more than once per 12-month period.

Should the employee die during the postponement period, his spouse is entitled to a pension, the value of which is equal to the value of the pension that would have been payable to the employee, had payment of the pension began on the day preceding the date of death.

(d) Spousal pension

Upon the death of a pensioner who had retired after December 31, 1989 or of an employee whose period of continuous service had ended after this date and who is expecting the commencement of a benefit payable pursuant to Section 22, and provided the employee's spouse has not waived the right to a 60% pension at the time of the employee's retirement pursuant to Part I, the employee's spouse shall receive a lifetime pension equal to 60% of the pension that the pensioner was receiving or was entitled to receive at the time of his death, such pension being the actuarial equivalent of the pension he would have been entitled to receive in the absence of the right conferred herein to the spouse.

Prior to the date on which pension payments begin, the employee's spouse, if any, may waive the right to a spousal pension by so notifying the Committee in writing. This waiver may be revoked by notifying the Committee in writing within the period provided for above.

(e) Payment of benefits and transfer

The provisions of 7.9, 7.10, 7.11, 7.12, 7.13, 7.14 and 27.7 apply, *mutatis mutandis*, to the benefits provided under Section 22.

(f) Payment of retirement benefits guaranteed for 10 years

The provisions of 14.2 of the plan also apply, *mutatis mutandis*, to the benefits provided under Section 22 with the exception of the 50% reduction of the adjustment by actuarial equivalence.

(g) Spouse

Spousal status for the purposes of 22.6 shall be established in accordance with Sections 6 and 14 of the plan.

(h) Designation of ex-spouse as beneficiary

The provisions of 6.2.5c, 6.2.5d and 6.3.3b of the plan also apply, *mutatis mutandis*, to the benefits provided under Section 22.

- i. Partition of entitlements between spouses and adjustment of the pensioner's entitlements

The provisions of Section 8 also apply, *mutatis mutandis*, to the benefits provided under Section 22.

SECTION 23

PENSION PLAN FOR EMPLOYEES OF THE COMPAGNIE D'ÉLECTRICITÉ DU NORD DU QUÉBEC LIMITÉE

23.1 Provisions of Section 23 are added to the Hydro-Québec Pension Plan further to the merger of the Compagnie d'électricité du nord du Québec Limitée Employees Pension Plan with the Hydro-Québec Pension Plan. These provisions correspond to the provisions of the Compagnie d'électricité du nord du Québec Limitée Employees Pension Plan, with the required adaptations. Subject to applicable legislation, benefits payable to an employee who has left the Company prior to January 1, 1999 are based on the provisions of the northern Quebec Power Company, Limited Employees Pension Plan or the Compagnie d'électricité du nord du Québec Limitée Employees Pension Plan, as the case may be. The provisions of this Section apply only to benefits arising from participation in the Compagnie d'électricité du nord du Québec Limitée Employees Pension Plan.

23.2 Definitions

For purposes of Section 23, the following terms mean:

“Company”: the Compagnie d'électricité du nord du Québec Limitée, its successors or assigns;

“Employee”: a permanent employee of the Company of either gender. An active employee at December 31, 1965 who participates in the Hydro-Québec Pension Plan from January 1, 1966 continues to be an employee for purposes of this Section 23, even if he becomes employed by Hydro-Québec or of one of its subsidiaries.

“Normal retirement age”: sixty-five (65) years old for men and sixty (60) years old for women;

“Participation date”: the date set in the agreement between the Company and Hydro-Québec from which the Company employees become members of the Hydro-Québec Pension Plan, i.e., January 1, 1966;

“Pensioner”: a person, other than a spouse, a beneficiary or a successor, receiving pension benefits under the northern Quebec Power Company, Limited Employees Pension Plan or the Compagnie d'électricité du nord du Québec Limitée Employees Pension Plan or under this Section 23.

23.3 Special provisions

Employees in active service on the participation date have ceased to accrue pension credits under the northern Quebec Power Company, Limited Employees Pension Plan and the Compagnie d'électricité du nord du Québec Limitée Employees Pension Plan.

Employees in active service on the participation date retain all their pension credits for service or participation prior to that date. These credits will be paid to them according to the provisions of this Section 23.

Where Section 23 mentions the average of an employee's total monthly earnings received during his final 10 years of service, it means the average of total monthly earnings received by an active employee on participation date during his last 10 years of service in the employment of either the Company or Hydro-Québec.

For purposes of this Section 23, years of service accrued after the participation date by permanent or regular employees of Hydro-Québec or one of its subsidiaries count as years of service with the Company for purposes of establishing the right to a pension, but not to establish the amount of such pension. In this case, only the years of service prior to January 1, 1966 are computed.

23.4 Benefits

(a) Normal retirement

Employees who have reached normal retirement age and who have been continuously employed by the Company for 10 years or more are entitled to the payment of the accrued pension.

(b) Disability pension

Employees who have been continuously employed by the Company for a period of 10 years or more and who can no longer perform their regular tasks on account of physical or intellectual disability are entitled to receive payment of their accrued pension (but only during the period where such physical or intellectual disability prevents them from going back to full active service with the Company).

(c) Accrued pension

The amount of the monthly pension is 1% for each year of service with the Company, based on the employee's average total monthly earnings during his last 10 years of service, subject to a minimum of \$50 per month or 50% of the average of such monthly earnings, whichever is lower.

The determination of any additional amount required to bring the pension benefits to the \$50 monthly minimum takes into account the amount of pension paid under Part I and Part II of the Plan, excluding any additional amount payable on account of provisions regarding minimum pension or half-pension.

(d) Death benefits

On the death of a male employee who was receiving a pension pursuant to *a* above, a monthly pension equal to half the monthly pension payable to such employee is paid to his widow for life. Such half-pension is not payable to widows of employees who retired prior to January 1, 1956.

23.5 Miscellaneous provisions

(a) The pension payment commencement date is the first day of the month following the month during which the employee retired, or any other date as determined by the Committee.

(b) Retirement pensions granted to employees are paid from the employees retirement dates until death.

(c) The service period includes fractions of year.

(d) Leaves of absence or temporary lay-offs due to staff reductions, or leaves to satisfy military obligations are not considered as breaks in service.

(e) Former employees counting 20 years or more of continuous service who have left and been rehired by the Company lose only the period during which they were not employed by the Company.

(f) Termination benefits

Any employee aged 50 or more having completed 20 years or more of continuous service with the Company is entitled to a monthly pension payable from his normal retirement age if he terminates his employment prior to normal retirement age. This monthly pension is based on accrued service as of the first of the following dates:

- i. the employee's termination date, or
- ii. the employee's date of participation.

However, in such cases, the provision relevant to the minimum monthly retirement benefit pursuant to 23.4c does not apply.

23.6 This section adds to the preceding provisions of Section 23, without reducing the rights conferred by such Section 23.

(a) Deferred pension

Any employee who meets the following conditions at the time of his termination of employment at the employer's service is entitled to a deferred pension at least equal to the monthly pension payable from the normal retirement age:

- i. having reached age 45, but not the normal retirement age;
- ii. having completed at least 10 years of continuous service.

(b) Early retirement

An employee who has completed a minimum of 10 years of continuous service and whose period of continuous service ends in the 10 years immediately preceding the date on which he reaches his normal retirement age is entitled to receive an early retirement pension. The early retirement pension is the actuarial equivalent of the pension payable at normal retirement age.

(c) Postponed retirement

An employee who remains in the employer's service after his normal retirement date may retire as of the first day of any month following this date. The monthly retirement benefit of the employee shall then be postponed until his actual retirement date, but no later than December 1 of the year in which the employee reaches the age limit provided for in applicable legislation, even if he remains in the employer's service after this date. The amount of the postponed retirement benefit is an actuarial equivalent based on the retirement benefit payable at normal retirement age and the length of the postponement period.

During the postponement period, the employee may request the total or partial payment of his retirement benefit, but only insofar as is necessary to compensate for any reduction in earnings during this period. The employee may not make such request more than once in any 12-month period.

Should the employee die during the postponement period, his spouse is entitled to a pension, the value of which is equal to the value of the pension that would have been payable to the employee, had payment of the pension began on the day preceding the date of death.

(d) Spousal pension

Upon the death of a pensioner who had retired after December 31, 1989 or of an employee whose period of continuous service had ended after this date and who is expecting the commencement of a benefit payable pursuant to Section 23, and provided the spouse has not waived the right to a 60% pension at the time of the employee's retirement pursuant to Part I, the employee's spouse shall receive a lifetime pension equal to 60% of the pension that the pensioner was receiving or was entitled to receive at the time of his death, such pension being the actuarial equivalent of the pension he would have been entitled to receive in the absence of the right conferred herein to the spouse.

Prior to the date on which pension payments begin, the employee's spouse, if any, may waive the right to a spousal pension by so notifying the Committee in writing. This waiver may be revoked by notifying the Committee in writing within the period provided for above.

(e) Payment of benefits and transfer

The provisions of 7.9, 7.10, 7.11, 7.12, 7.13, 7.14 and 27.7 apply, *mutatis mutandis*, to the benefits provided under Section 23.

(f) Spouse

Spousal status for the purposes of 23.6 shall be established in accordance with Sections 6 and 14 of the plan.

(g) Designation of ex-spouse as beneficiary

The provisions of 6.3.3b of the plan also apply, *mutatis mutandis*, to the benefits provided under Section 23.

(h) Partition of entitlements between spouses and adjustment of the pensioner's entitlements

The provisions of Section 8 also apply, *mutatis mutandis*, to the benefits provided under Section 23.

SECTION 24 PENSION PLAN FOR EMPLOYEES OF THE COMPAGNIE ÉLECTRIQUE DU SAGUENAY

24.1 The provisions of Section 24 are added to the Hydro-Québec Pension Plan further to the merger of the Compagnie électrique du Saguenay Employees Pension Plan with the Hydro-Québec Pension Plan. These provisions correspond to the provisions of the Compagnie

électrique du Saguenay Employees Pension Plan, with the required adaptations. Subject to applicable legislation, benefits payable to an employee who has left the Company prior to January 1, 1999 are based on the provisions of the Supplément à la caisse de retraite et d'assurance-vie des employés de la Compagnie électrique du Saguenay or the Compagnie électrique du Saguenay Employees Pension Plan, as the case may be. The provisions of this Section apply only to benefits arising from participation in the Compagnie électrique du Saguenay Employees Pension Plan.

24.2 Definitions

For purposes of Section 24, the following terms mean:

“Company”: the Compagnie électrique du Saguenay, its successors or assigns;

“Employee”: a permanent employee of the Company of either gender. An active employee at December 31, 1965 who participates in the Hydro-Québec Pension Plan since January 1, 1966 continues to be an employee for purposes of the Supplément à la caisse de retraite et d'assurance-vie des employés de la Compagnie électrique du Saguenay even if he becomes employed by Hydro-Québec or of one of its subsidiaries;

“Normal retirement age”: sixty-five (65) years old for men and sixty (60) years old for women;

“Participation date”: the date set in the agreement between the Company and Hydro-Québec from which Company employees become members of the Hydro-Québec Pension Plan, i.e., January 1, 1966;

“Pension and life insurance fund”: the plan or funds accumulated as of January 1, 1966 under any of the following contracts:

- Contract no. G.22 issued by the Department of Labour of Canada, Annuities Branch
- Policy no. 8918 G., issued by Sun Life Assurance Company of Canada
- Policy no. P.W. 10805, issued by the Standard Life Assurance Company;

“Pensioner”: a person, other than a spouse, a beneficiary or a successor, receiving pension benefits under the Supplément à la caisse de retraite et d'assurance-vie des employés de la Compagnie électrique du Saguenay or the Compagnie électrique du Saguenay Employees Pension Plan;

24.3 Special provisions

Employees in active service on the participation date have ceased to accrue pension credits under the Supplément à la caisse de retraite des employés de la Compagnie électrique du Saguenay or the Compagnie électrique du Saguenay Employees Pension Plan.

Employees in active service on the participation date retain all their pension credits for service or participation prior to that date. These credits will be paid to them according to the provisions of this Section 24.

For purposes of this Section 24, years of service accrued after the participation date by permanent or regular employees of Hydro-Québec or one of its subsidiaries count as years of service with the Company for purposes of establishing the right to a pension, but not to establish the amount of such pension. In this case, only the years of service prior to January 1, 1966 are computed.

24.4 Benefits

(a) Retirement benefits

Employees in active service on December 31, 1965 who become members of the Hydro-Québec Pension Plan after that date are entitled to a retirement pension equal to the difference between the amount of pension accrued to them under the pension and life insurance fund before any option and the amount established as follows, if such amount is higher:

1.5% of the annual average earnings for the 36 consecutive months during which such earnings are the highest, whether these months have been spent in the service of the Company, Hydro-Québec or one of its subsidiaries, multiplied by the number of years of credited service prior to January 1, 1966, up to 50% of such average annual earnings. However, a deduction is made for any pension payable under the Federal Old Age Security Act at the time the employee retires, such government pension being reduced for purposes of this calculation in proportion of the number of years of credited service as of January 1, 1966 over such number increased by the number of years of participation from such date.

(b) Early retirement reduction

Should the employee retire prior to his normal retirement date, any pension benefits payable under 24.4a shall be reduced by actuarial equivalence, as shall be any retirement income to which he may be entitled to receive from the retirement and life insurance fund.

(c) Death after retirement

In the event of the death of an employee before 60 monthly pension payments have been made, the remaining monthly payments will continue to be made to his designated beneficiaries or, failing that, to his successors, until 60 monthly payments have been made in total.

24.5 Miscellaneous provisions

The provisions, definitions, conditions and privileges set out under the pension and life insurance fund shall also apply to the benefits provided for under this Section 24 unless it is obvious that they are not applicable or that the provisions of Section 24 are contrary to such provisions, definitions, conditions and privileges or different in nature. In any instance where interpretation is required, the decision of the Committee is final.

24.6 This section adds to the preceding provisions of Section 24, without reducing the rights conferred by such Section 24.

(a) Deferred pension

Is entitled to a deferred pension at least equal to the monthly pension payable from the normal retirement age any employee who meets the following conditions at the time he leaves the service of the employer:

- i. having attained age 45, but not the normal retirement age;
- ii. having completed at least 10 years of continuous service.

(b) Early retirement

An employee who has completed a minimum of 10 years of continuous service and whose period of continuous service ends in the 10 years immediately preceding the date on which he attains his normal retirement age is entitled to receive an early retirement pension. The early retirement pension is the actuarial equivalent of the retirement benefit payable at normal retirement age.

(c) Postponed retirement

An employee who remains in the employer's service after his normal retirement date may retire as of the first day of any month following this date. The monthly retirement benefit of the employee shall then be post-

poned until his actual retirement date, but no later than December 1 of the year in which the employee reaches the age limit provided for in applicable legislation, even if he remains in the employer's service after this date. The amount of the postponed retirement benefit is an actuarial equivalent basis based on the retirement benefit payable at normal retirement age and the length of the postponement period.

During the postponement period, the employee may request the payment of his retirement benefit, in whole or in part, but only insofar as is necessary to compensate for any reduction in earnings during this period. The employee may not make such request more than once per 12-month period.

Should the employee die during the postponement period, his spouse is entitled to a pension, the value of which is equal to the value of the pension that would have been payable to the employee, had payment of the pension commenced on the day preceding the date of death.

(d) Spousal pension

Upon the death of a pensioner who had retired after December 31, 1989 or of an employee whose period of continuous service had ended after this date and who is expecting the commencement of a benefit payable pursuant to Section 24, and provided the employee's spouse has not waived the right to a 60% pension at the time of the employee's retirement pursuant to Part I, the employee's spouse receives a lifetime pension equal to 60% of the pension that the pensioner was receiving or was entitled to receive at the time of his death, such pension being the actuarial equivalent of the pension he would have been entitled to receive in the absence of the right conferred herein to the spouse.

Prior to the date on which pension payments begin, the employee's spouse, if any, may waive the right to such spousal pension by so notifying the Committee in writing. This waiver may be revoked by notifying the Committee in writing within the period provided for above.

(e) Payment of benefits and transfer

The provisions of 7.9, 7.10, 7.11, 7.12, 7.13, 7.14 and 27.7 apply, *mutatis mutandis*, to the benefits provided under Section 24.

(f) Spouse

Spousal status for the purposes of 24.6 shall be established in accordance with Sections 6 and 14 of the plan.

(g) Designation of ex-spouse as beneficiary

The provisions of 6.3.3b of the plan also apply, *mutatis mutandis*, to the benefits provided under Section 24.

(h) Partition of entitlements between spouses and adjustment of the pensioner's entitlements

The provisions of Section 8 also apply, *mutatis mutandis*, to the benefits provided under Section 24.

SECTION 25

PENSION PLAN FOR EMPLOYEES OF LA COMPAGNIE DE POUVOIR DU BAS ST-LAURENT

25.1 The provisions of Section 25 are added to the Hydro-Québec Pension Plan further to the merger of La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan with the Hydro-Québec Pension Plan. These provisions correspond to the provisions of La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan, with the required adaptations. Subject to applicable legislation, benefits payable to an employee who has left the Company prior to January 1, 1999 are based on the provisions of the Caisse de retraite des employés de La Compagnie de Pouvoir du Bas St-Laurent or La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan, as the case may be. The provisions of this Section apply only to benefits arising from participation in La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan.

25.2 Definitions

For purposes of Section 25, the following terms mean:

“Company”: La Compagnie de Pouvoir du Bas St-Laurent, its successors or assigns;

“Contributions”: the amounts that each member was required to pay to La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan prior to the participation date;

“Earnings”: any regular compensation for services rendered to the Company, excluding any additional compensation or bonuses;

“Member”: any regular employee of La Compagnie de Pouvoir du Bas St-Laurent who joined and made regular contributions to the Caisse de retraite des employés de La Compagnie de Pouvoir du Bas St-Laurent;

“Participation date”: the date set in the agreement between the Company and Hydro-Québec from which the employees of the Company participate into the Hydro-Québec Pension Plan, i.e., January 1, 1966;

“Pensioner”: any person who has been a member and who receives a pension pursuant to the provisions of the Caisse de retraite des employés de La Compagnie de Pouvoir du Bas St-Laurent or La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan, or pursuant to the provisions of this Section 25.

25.3 Special provisions

Employees in active service from the participation date have ceased to accrue pension credits under the Caisse de retraite des employés de La Compagnie de Pouvoir du Bas St-Laurent, the Pension plan for employees of La Compagnie de Pouvoir du Bas St-Laurent or this Section 25.

Employees in active service on the participation date retain all their pension credits for service or participation prior to that date. These credits will be paid to them according to the provisions of this Section 25.

For purposes of this Section 25, years of service after the participation date accrued by employees as permanent or regular employees of Hydro-Québec or one of its subsidiaries count as years of services with the Company only for the purposes of establishing the right to a pension.

25.4 Benefits

(a) Normal retirement date

The normal retirement date for a male member is the first day of the month following his 65th birthday anniversary.

The normal retirement date for a female member is the first day of the month following her 60th birthday anniversary.

(b) Annual pension at normal retirement date

The annual pension of a pensioner, payable from the normal retirement date or later, is equal to 2% of the amount of earnings used as the basis for contributions from the date such pensioner joined the Caisse de retraite des employés de La Compagnie de Pouvoir du Bas St-Laurent and until payment of such pension or, for members on the participation date, until such participation date.

(c) Early retirement

Any member may retire during the 10 years immediately preceding the normal retirement date. In the event of total and permanent disability, a member may retire at any time following the completion of 10 years of service. In either case, the member receives an immediate reduced pension, based on the actuarial equivalent of the pension calculated pursuant to 25.5*b*.

(d) Death after retirement

In the event of the death of an employee before pension payments have been made for a period of 5 years, and failing his choice of an optional form of payment pursuant to the provisions of 25.5*c* hereinafter, the remaining payments will continue to be made to his designated beneficiaries or, failing that, to his successors.

(e) Death prior to retirement

Subject to the provisions of 25.5*a*, in the event of the death of an employee prior to his retirement, his designated beneficiaries or, failing that, his successors shall receive the contributions made by such employee, plus interest.

25.5 Miscellaneous provisions

(a) Payment option

The member, or his designated beneficiary after death, if any, may elect to receive payments spread over a maximum of 10 years, in lieu of the lump sum payment pursuant to 25.4*e*.

(b) Termination prior to retirement

A member who terminates employment with the employer prior to being entitled to a retirement pension pursuant to the above shall receive a refund of his contributions, with interest. However, where the member has completed 10 years of service or more, he may elect to leave his contributions in the Pension Plan for Employees of La Compagnie de Pouvoir du Bas St-Laurent and receive, from his normal retirement date, the pension accrued to him from his contributions plus a percentage of or the totality of the balance of the pension accrued to him pursuant to the provisions of 25.4*b*, as per the following table :

Years of service	Percentage (%)
10 years but less than 11	25.0
11 years but less than 12	32.5
12 years but less than 13	40.0
13 years but less than 14	47.5
14 years but less than 15	55.0
15 years but less than 16	62.5
16 years but less than 17	70.0
17 years but less than 18	77.5
18 years but less than 19	85.0
19 years but less than 20	92.5
20 years or more	100.0

In the event of the death, prior to the normal retirement date, of a former employee who had elected to leave his contributions in La Compagnie de Pouvoir du Bas St-Laurent Employees Pension Plan, his designated beneficiaries or, failing that, his successors shall receive the contributions made by such former employee, plus interest.

(c) Optional forms of pension

Provided he retires on his normal retirement date or later, any member, prior to his retirement, may elect a form of pension payment other than the 5-year guaranteed pension set out under 25.4*d*; in such case, the pension payments are based on the actuarial equivalent of the pension established pursuant to such provisions. The member may select from three optional forms of payment:

Lifetime only pension: payments are made for life.

10 years guaranteed pension: payments are made to the member for life. Should the member's death occur before he has received 10 years of pension payments, the remaining payments will be made to his designated beneficiaries or, failing that, to his successors.

Joint and survivor pension: payments are made to the member for life. After his death, partial or full payments are continued to his surviving spouse based on the choice made by the member at retirement time.

Adjustment to account for the pension payable under the Old Age Security Act: the pension amount is adjusted so that the sum of the pension payable from the Pension plan for employees of La Compagnie de Pouvoir du Bas St-Laurent and the Old Age Security pension payable at the time of retirement by the federal government result in equal monthly payments to the member for life.

25.6 This section adds to the preceding provisions of Section 25, without reducing the rights conferred by such Section 25.

(a) Normal retirement

Notwithstanding any of the above, the member is entitled to receive, from his normal retirement date, a pension at least equal to the pension resulting from his contributions, accumulated with interest.

(b) Deferred pension

Any employee who meets the following conditions at the time he leaves the service of the employer is entitled to a deferred pension at least equal to the monthly pension payable from the normal retirement age:

- i. having attained age 45, but not the normal retirement age;
- ii. having completed at least 10 years of continuous service.

In addition, the amount of the deferred pension must be at least equal to the pension resulting from his contributions, accumulated with interest.

(c) Early retirement

Any employee who has completed a minimum of 10 years of continuous service and whose period of continuous service ends in the 10 years immediately preceding the date on which he attains his normal retirement age is entitled to receive an early retirement pension. The early retirement pension is the actuarial equivalent of the pension payable at normal retirement age.

(d) Postponed retirement

An employee who remains in the employer's service after his normal retirement date may retire as of the first day of any month following this date. The employee's monthly retirement benefit shall then be postponed until his actual retirement date, but no later than December 1 of the year in which the employee reaches the age limit provided for in applicable legislation, even if he remains in the employer's service after this date. The amount of the postponed retirement benefit is an actuarial equivalent based on the retirement benefit payable at normal retirement age and the length of the postponement period.

During the postponement period, the employee may request the payment of his retirement benefit, in whole or in part, but only insofar as is necessary to compensate for any reduction in earnings during this period. The employee may not make such request more than once in any 12-month period.

Should the employee die during the postponement period, his spouse is entitled to a pension, the value of which is equal to the value of the pension that would have been payable to the employee, had payment of the pension commenced on the day preceding the date of death. In addition, the actual value of the spousal pension must be at least equal to the pension resulting from the member's contribution, accumulated with interest.

(e) Spousal pension

Upon the death of a pensioner who had retired after December 31, 1989 or of an employee whose period of continuous service had ended after this date and who is expecting the commencement of a benefit payable pursuant to Section 25, and provided the spouse has not waived the right to a 60% pension at the time of the employee's retirement pursuant to Part I, the spouse receives a lifetime pension equal to 60% of the pension that the pensioner was receiving or was entitled to receive at the time of his death, such pension being the actuarial equivalent of the pension he would have been entitled to receive in the absence of the right conferred herein to the spouse.

Prior to the date on which pension payments begin, the employee's spouse, if any, may waive the right to a spousal pension by so notifying the Committee in writing. This waiver may be revoked by notifying the Committee in writing within the period provided for above.

(f) Payment of benefits and transfer

The provisions of 7.9, 7.10, 7.11, 7.12, 7.13, 7.14 and 27.7 apply, *mutatis mutandis*, to the benefits provided under Section 25.

(g) Spouse

Spousal status for the purposes of 25.6 shall be established in accordance with Sections 6 and 14 of the plan.

(h) Designation of ex-spouse as beneficiary

The provisions of 6.3.3b of the plan also apply, *mutatis mutandis*, to the benefits provided under Section 25.

(i) Partition of entitlements between spouses and adjustment of the pensioner's entitlements

The provisions of Section 8 also apply, *mutatis mutandis*, to the benefits provided under Section 25.

SECTION 26 CONTRIBUTIONS

The Employer shall make up any unfunded actuarial liability of Part III of the plan through one or more payments, the terms and conditions of which shall be determined by the employer, in accordance with the provisions then in force of the Hydro-Québec Act and the Supplemental Pension Plans Act.

PART IV MISCELLANEOUS PROVISIONS

SECTION 27 BENEFITS PAYMENTS

27.1 The retirement benefit shall be payable as of the retirement date or a date no later than December 1st of the year in which a member reaches the age limit provided for by applicable legislation. Spousal or children's benefits shall be payable as of the 1 day of the month following the death of the member, pensioner or spouse.

27.2 Retirement benefits shall be paid by cheque on a monthly basis at the end of each month. Benefits shall be payable up to but not including the 1 day of the month following the death of a pensioner or member who receives it and the balance, if any, of the last month benefit shall be paid to his successors.

27.3 The spouse's survivor benefit shall be paid in the same manner as provided for in 27.2. This benefit shall be payable up to but not including the 1st day of the month following the death of the spouse and the balance, if any, of the last monthly benefit shall be paid to his successors.

27.4 If, pursuant to Section 6, survivor benefits are payable to a member's children, the amount of these benefits shall be split equally among all the children and shall be paid in the manner provided for in 27.2. These benefits shall accrue until the 1st day of the month following the date on which the last child ceases to be entitled thereto. In the event of the death of a child, the balance of the last monthly benefit to which he was entitled shall be paid to his successors.

27.5 Upon his retirement but no later than December 1st of the year in which he reaches the age limit provided for by applicable legislation, a member shall be entitled to the retirement benefit provided for by the plan, but not to a refund of contributions.

27.6 Notwithstanding the provisions of 27.2, Hydro-Québec reserves the right to change the method of payment.

27.7 Notwithstanding the provisions of 27.5:

(a) the provisions of 7.11 and 7.14 apply to the pensioner's retirement benefit before its payment has begun;

(b) the provisions of 7.13 apply also to the pensioner, whether or not the payment of his retirement benefit has begun;

(c) As of January 1, 2004, the member and former member have the right, before they start collecting a retirement benefit, to transfer the present value of the retirement benefit, pursuant to the provisions of 7.9.

27.8 When contributions or, where applicable, the present value of a benefit are refunded under the plan, the member, the former member, the pensioner or, where applicable, his spouse, may authorize, in writing, the transfer of all or part of the amount payable to him by the pension fund to another registered plan, except if the refund is made pursuant to the last paragraph of 13.6.

27.9 At any time during which the plan is not 100% solvent, the present value of any benefits to which a member or beneficiary is entitled under the plan will be paid out in a lump sum only in proportion to the degree to which the plan is solvent.

This Section will not affect the periodic payments of a retirement or survivor benefit which has become payable.

27.10 The present value of any benefit which cannot be paid out under the terms of 27.9 shall be funded and will be paid pursuant to the provisions of the Supplemental Pension Plans Act.

27.11 (a) Unless there are provisions to the contrary in any applicable act, the following shall be non-assignable and exempt from seizure:

i. any contributions paid or payable to the Hydro-Québec Pension Fund, plus interest;

ii. any benefits paid or amounts refunded or transferred under the plan;

iii. any amount allocated to the spouse of a member, a former member or a pensioner as a result of the partition or transfer of entitlements according to the provisions of Section 8, plus interest.

In addition, the benefits of a member, a former member, a pensioner or a beneficiary shall not be transferred, mortgaged, anticipated or offered in guarantee or waived.

(b) Notwithstanding the provisions of 27.11a ii hereinabove, when a retirement benefit becomes payable on or after January 1, 2001 to a former member, a pensioner, a spouse or a beneficiary, the Committee shall be entitled, where applicable, to withhold any retirement benefit or refund to which such former member, pensioner, spouse or beneficiary is entitled as payment for debts incurred by him with respect to the pension fund in the course of the normal administration of the plan. The amount of such withholding shall not exceed the higher of the following:

i. 25% of the benefit or refund payable;

ii. 1/12 of the debt to be collected without exceeding 50% of the benefit or refund payable.

However, the amount of such withholding may be 100% of the benefit or refund payable if the former member, pensioner, spouse or beneficiary so authorizes the Committee in writing.

Moreover, the Committee may withhold from the survivor benefit payable to the successors of a deceased member, former member or pensioner any sum required to repay a debt incurred by such deceased member, former member or pensioner.

27.12 Before the member, former member or beneficiary is entitled to any benefits under this plan, proof of age and any other information or documents as the committee deems necessary must be provided.

27.13 All payments under this plan shall be made in the legal currency of Canada.

27.14 Notwithstanding any provisions to the contrary, a member, a former member or a spouse who is entitled to a pension may elect to replace such pension in whole or in part, before commencement, by a lump sum payment, but only to such extent as allowed under applicable legislation. The residual rights resulting from the payment of such benefit are established pursuant to applicable legislation.

SECTION 28

TRANSFER AGREEMENT

Hydro-Québec may draw up an agreement with any Government, corporation, company or legal entity who has a pension plan, to facilitate the mutual transfer of their employees and to establish the conditions and terms of transfer for purposes of retirement.

A member who, following termination of his employment, exercises the provisions of this Section, shall not be entitled to any termination benefits. If any payment of benefits has been authorized, it shall be cancelled. If the member has received a refund of contributions made prior to January 1, 1966, he shall repay the reimbursed amount plus interest for the period which has elapsed since the date the refund was made and the date on which the option is exercised pursuant to this Section.

A pensioner or member who, on termination of his employment, had contributions or the present value of his deferred retirement benefit reimbursed pursuant to the provisions of 7.9, 7.11, 7.2 or 7.13 may not avail himself of the provisions of this Section.

SECTION 29 PLAN MEMBERSHIP AGREEMENT

29.1 The plan shall also apply to companies of which Hydro-Québec holds at least 90% of the shares and with which it has drawn up a plan membership agreement, effective as of the date on which the agreement was reached between Hydro-Québec and the said company.

29.2 The plan membership agreement may make provisions for the transfer of the funds accumulated under pension plans of subsidiaries to the Hydro-Québec Pension Fund and for any payments from the Hydro-Québec Pension Fund of benefits already granted under such plans.

SECTION 30 VESTED BENEFITS

This By-law does not in any way affect the rights and benefits of those receiving a retirement benefit or spousal or children's benefit as at January 1, 2004, nor of former members for whom entitlement to a deferred retirement benefit was vested as a result of their termination of employment prior to this date.

SECTION 31 SPECIAL PROVISIONS

31.1 The plan provisions in respect of members who were employed by a subsidiary before January 1, 1966 shall apply to any person who becomes a member as a result of the acquisition by Hydro-Québec of any facility used for the production or distribution of electricity, based on the provisions of the plan.

31.2 Any pension plan in which a member as referred to in 31.1 participated while employed for a company or organization whose facility for the production or distri-

bution for electricity were acquired in whole or in part by Hydro-Québec, shall be deemed a supplemental plan for the purposes of the plan.

31.3 If the member referred to in 31.1 is entitled to a deferred retirement benefit under an individual pension agreement issued after the wind-up or partial wind-up of the supplemental plan, in which the member participated, the said deferred retirement benefit shall be deemed a retirement benefit under a supplemental plan.

31.4 (a) If a member referred to in 31.1 receives a refund of contributions prior to his retirement from a supplemental plan in which he participated, the applicable years of credited service are not to be considered until such time as the member has accumulated 10 years of contributory service.

The retirement benefit guarantee formula shall not apply during the number of years calculated by dividing A by B below :

A total amount of the refund of contributions

B annual amount of supplement resulting from the retirement benefit guarantee

If the member dies before the number of years calculated by dividing A by B above has expired, the retirement benefit guarantee formula shall not apply to the spouse or children until that period has elapsed.

(b) Where the member referred to in 31.1 has received an amount representing the present value of a portion of the deferred retirement benefit, the retirement benefit guarantee formula shall not apply during the number of years calculated by dividing A by B below :

A the present value of said portion of the deferred retirement benefit

B the annual amount of supplement derived from the retirement benefit guarantee formula

If the member dies before the number of years calculated by dividing A by B above has expired, the guaranteed retirement benefit shall not apply to the spouse or children until such period has elapsed.

However, the member shall be credited with the total number of years of certified service.

Where the member receives the present value of the total deferred retirement benefit, Section 31.3 shall apply.

31.5 In applying the retirement benefit guarantee formula to a member referred to in 31.1, January 1, 1966 as it appears in Section 18 shall be replaced by the date on which the member was placed on the Hydro-Québec payroll.

SECTION 32 EFFECTIVE DATE

32.1 (a) This By-law shall come into force on the date of its approval by the Government of Québec and is effective on January 1, 2004.

32.2 This By-law shall replace Hydro-Québec By-law no. 699.

CERTIFIED TRUE COPY

STELLA LENEY,
Assistant Corporate Secretary

6083

Gouvernement du Québec

O.C. 1385-2003, 17 December 2003

Building Act
(R.S.Q., c. B-1.1)

Construction Code — Amendments

Regulation to amend the Construction Code

WHEREAS, under section 173 of the Building Act (R.S.Q., c. B-1.1), the Régie du bâtiment du Québec shall by regulation adopt a Building Code that contains building standards concerning buildings, facilities intended for use by the public and installations independent of a building or their vicinity;

WHEREAS, under section 176 of the Act, the Building Code may require manufacturers to provide instructions regarding the assembly, erection, maintenance and inspection of materials, facilities and installations;

WHEREAS, under section 176.1 of the Act, the Building Code may, with respect to the matters to which it applies, contain provisions concerning the subjects listed in section 185 of the Act;

WHEREAS, under section 178 of the Act, the Building Code may require observance of a technical standard drawn up by another government or by an agency empowered to draw up such standards and provide that any reference it makes to other standards include subsequent amendments;

WHEREAS, under section 179 of the Act, the Board may determine the provisions of the Building Code of which the infringement shall constitute an offence under paragraph 7 of section 194 of the Act;

WHEREAS, under section 192 of the Act, the contents of the Building Code may vary according to the classes of persons, contractors, owner-builders, owners of buildings, facilities intended for use by the public or installations independent of a building, and classes of buildings, pressure installations, facilities or installations to which the Code applies;

WHEREAS the Board adopted the Regulation to amend the Construction Code;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation to amend the Construction Code was published in Part 2 of the *Gazette officielle du Québec* of 3 September 2003 with a notice that it could be approved by the Government, with or without amendment, on the expiry of 45 days following that publication;

WHEREAS consideration has been given to the comments received;

WHEREAS, under section 189 of the Building Act, a regulation of the Board is subject to approval by the Government which may approve it with or without amendment;

WHEREAS it is expedient to approve the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Labour:

THAT the Regulation to amend the Construction Code, attached to this Order in Council, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation to amend the Construction Code*

Building Act

(R.S.Q., c. B-1.1, ss. 173, 176, 176.1, 178, 179, 185, 1st par., subpars. 3, 6.2, 6.3, 7, 20, 21, 24, 29, 31, 36, 37 and 38, and s. 192)

1. Section 5.01 of the Construction Code is amended

(1) by substituting “*dix-neuvième édition, norme CSA C22.1-02*” for “*dix-huitième édition, norme CSA C22.1-98*” in the first paragraph;

(2) by substituting “*Nineteenth Edition, CSA Standard C22.1-02*” for “*Eighteenth Edition, CSA Standard C22.1-98*” in the first paragraph.

2. The following is inserted after section 5.03:

“**5.03.01. Electrical installation** means the installation of any wiring in or upon any land or in a building from the point or points where electric power or energy is delivered therein or thereon by the supply authority or from any other source of supply, to the point or points where such power or energy can be used therein or thereon by any electrical equipment and shall include the connection of any such wiring with any of the said equipment. (See Appendix B)”.

3. Section 5.04 of the Code is amended

(1) by deleting paragraphs 10 and 12, subparagraph 2 of paragraph 15, paragraphs 16, 17, 19 and 21, subparagraph 1 of paragraph 22, paragraphs 23, 24, 26 to 30, 33, 35, 36, 38, 43, 44, 46, 47, 49 to 52, 55, 59 to 61, 69 to 71, 74 and 75, and subparagraphs 3 and 6 of paragraph 77;

(2) by substituting the following for subparagraph 2 of paragraph 1:

“(2) by deleting the definition of “Electrical Installation””;

(3) by inserting “not exceeding a power of 10 kW” after “or for work” in the English text of paragraph 3 of the first paragraph of Rule 2-004;

(4) in paragraph 9,

(1) by substituting “apparatus” for “fixtures” in the English text of Subrules 3(a) and (b) of Rule 2-024;

(2) by inserting “North” after “of” in the English text of Subrule (1)h of the first paragraph of Rule 2-028;

(3) by inserting the following subrule after Subrule 1(h) of Rule 2-028: “(h.1) TUV Product Service, Inc. (cTUV Product Service)”;

(4) by inserting “or with the requirements of Standard C22.2 No. 125-M1984 Équipement électromédical and Standard C22.2 No. 125-M1984 Electromedical Equipment” after “Electrical Equipment” in the second paragraph of Rule 2-028 (1);

(5) by substituting the following for paragraph 11:

“(11) by adding the following subrule in Rule 4-022:

(5) Notwithstanding Subrule (3), for underground consumer’s service rated at more than 600 A and supplied by conductors in parallel, each neutral conductor shall be of the size specified in Table 66.”;

(6) by adding “in a raceway” in paragraph 18 after “service”;

(7) by substituting the following for paragraph 20:

“(20) by adding the following subrule in Rule 8-106:

(9) The method of calculation stated in Subrule (8) shall also be permitted for the replacement of an existing service or feeder, with or without additional load.”;

(8) by replacing subparagraph 1 of paragraph 25 by the following:

“(1) by deleting the definition of “Restricted””;

(9) by substituting the following for paragraph 45:

“(45) in Rule 26-714:

(1) by adding “ground floor” before “single dwelling” in Paragraph (a);

(2) by substituting the following for Paragraph (c):

(c) At least one duplex receptacle shall be provided for each garage or carport of single dwellings.”;

* The Construction Code approved by Order in Council 953-2000 dated 26 July 2000 (2000, G.O. 2, 4437) was last amended by the regulation approved by Order in Council 875-2003 dated 20 August 2003 (2003, G.O. 2, 2730). For previous amendments refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2003, updated to 1 September 2003.

(10) by inserting the following after paragraph 68 :

“(68.1) in Rule 68-302, by adding “(See Appendix B)” after “Control” in the title”;

(11) by substituting the following for the English text of paragraph 73 :

“(73) in Rule 76-016, by substituting the words “unless an acceptable warning has been posted at all interconnecting points or other dangerous places” for the words “except by special permission.””;

(12) by substituting “(See Rule 4-022(5))” for “(See Rule 4-022(6))” in paragraph 76 ;

(13) by substituting “1201 - 2000” for “1200 - 2000” in the English text in the first column of the Table in paragraph 76 ;

(14) by substituting “before” for “after” in the English text of the first paragraph of subparagraph 1 of paragraph 77 ;

(15) by substituting “Circuit” for “Neutral” in the English text of the first paragraph of subparagraph 2 of paragraph 77 ;

(16) by substituting the following for subparagraph 5 of paragraph 77 :

“(5) in Rule 12-504, by adding the following note :

Nonmetallic sheathed cables must meet the requirements provided for in Rule 2-126.”;

(17) by substituting the following for subparagraph 7 of paragraph 77 :

“(7) by adding the following note after the note related to Rule 26-700(11) :

26-710(e)(iv) It is understood, from the expression “unfinished”, that, even after the installation of the wall covering (gypsum, etc.), it could be impossible to find the appropriate location of the receptacles required by Rule 26-712(a), when partitions and usable wall space have not yet been delimited. Thus, a basement shall not be considered as a finished basement, even if the foundation walls are finished, while the ceiling is not finished or is partly finished. However, the installation of a duplex receptacle required under Rule 26-710(e)(iv) does not exempt from the installation of receptacles of specific use already required by other rules of this Code.”;

(18) by substituting the following for subparagraph 8 of paragraph 77 :

“(8) in Rule 30-322(3), by adding the following note :

However, if this requirement cannot be met, control devices should be installed as far as possible from the bathtub and shower, but never outside the room (bath-room).”;

(19) by adding the following subparagraph at the end of paragraph 77 :

“(9) by adding the following note after the note related to Rule 68-068 :

68-302 If this requirement cannot be met, control devices should be installed as far as possible from the bathtub and shower, but never outside the room (bath-room).”.

4. This Regulation comes into force on the ninetieth day following the date of its publication in the *Gazette officielle du Québec*.

6082

Gouvernement du Québec

O.C. 1386-2003, 17 December 2003

An Act respecting collective agreement decrees (R.S.Q., c. D-2)

Matériaux de construction

— Attendance allowance and travelling expenses of the members of the Comité conjoint

Regulation respecting the attendance allowance and travelling expenses of the members of the Comité conjoint des matériaux de construction

WHEREAS, under paragraph 1 of section 22 of the Act respecting collective agreement decrees (R.S.Q., c. D-2), a parity committee may, by regulation approved with or without amendment by the Government, determine the amount of the attendance allowance to which its members are entitled in addition to their actual travelling expenses ;

WHEREAS the Regulation respecting the travelling expenses (no. 8) of the members of the Comité conjoint des matériaux de construction was approved by Order in Council No. 1673-74 dated 8 May 1974 and amended by Order in Council No. 4668-74 dated 18 December 1974 ;

WHEREAS it is expedient to replace that Regulation ;

WHEREAS the Comité conjoint des matériaux de construction adopted the “Regulation respecting the attendance allowance and travelling expenses of the members of the Comité conjoint des matériaux de construction” at its meeting held on 8 July 2003;

WHEREAS, under paragraph *l* of section 22 of the Act respecting collective agreement decrees, the Regulation must be approved with or without amendment by the Government;

WHEREAS it is expedient to approve the Regulation with amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Labour:

THAT the Regulation respecting the attendance allowance and travelling expenses of the members of the Comité conjoint des matériaux de construction, attached hereto, be approved.

ANDRÉ DICAIRE,
Clerk of the Conseil exécutif

Regulation respecting the attendance allowance and travelling expenses of the members of the Comité conjoint des matériaux de construction

An Act respecting collective agreement decrees (R.S.Q., c. D-2, s. 22, par. *l*)

- 1.** The Comité conjoint des matériaux de construction shall pay an attendance allowance to its members of \$125 per meeting to attend meetings of the Committee or of one of its subcommittees.
- 2.** The Committee shall reimburse its members, upon the presentation of vouchers, for their actual travelling expenses incurred to attend meetings of the Committee or of one of its subcommittees.
- 3.** This Regulation replaces the Regulation respecting the travelling expenses (no. 8) of the members of the Comité conjoint des matériaux de construction, approved by Order in Council No. 1673-74 dated 8 May 1974 and amended by Order in Council No. 4668-74 dated 18 December 1974.
- 4.** This Regulation comes into force on the date of its approval by the Government.

6077

Gouvernement du Québec

Agreement

An Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2)

AGREEMENT CONCERNING NEW METHODS OF VOTING IN REFERENDUMS USING “PERFAS-MV” BALLOT BOXES

AGREEMENT ENTERED INTO

BETWEEN

The MUNICIPALITY OF DEUX-MONTAGNES, a legal person established in the public interest, having its head office at 803, chemin d’Oka, Deux-Montagnes, Province of Québec, represented by the mayor, Pierre-Benoît Forget, and the clerk or secretary-treasurer, Paul Allard, under a resolution bearing number 2003.525, hereinafter called

THE MUNICIPALITY

AND

Mtre Marcel Blanchet, in his capacity as CHIEF ELECTORAL OFFICER OF QUÉBEC, duly appointed to that office under the Election Act (R.S.Q., c. E-3.3), acting in that capacity and having his main office at 3460, rue de La Pérade, Sainte-Foy, Province of Québec, hereinafter called

THE CHIEF ELECTORAL OFFICER

AND

the Honourable Jean-Marc Fournier, in his capacity as MINISTER OF MUNICIPAL AFFAIRS, SPORTS AND RECREATION, having his main office at 10, rue Pierre-Olivier-Chauveau, Québec, Province of Québec, hereinafter called

THE MINISTER

WHEREAS the council of the MUNICIPALITY, by its resolution No. 2003.521 passed at its meeting of October 30th 2003 expressed the desire to avail itself of the provisions of the Act respecting elections and referendums in municipalities to enter into an agreement with the CHIEF ELECTORAL OFFICER and the MINISTER in order to allow the use of electronic ballot boxes for the referendum on December 14th of the year 2003 in the MUNICIPALITY;

WHEREAS sections 659.2 and 659.3 of the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2) provide the following :

“**659.2.** A municipality may, in accordance with an agreement made with the Minister of Municipal Affairs and Greater Montréal and the Chief Electoral Officer, test new methods of voting during a poll. The agreement may provide that it also applies to polling held after the poll for which the agreement was entered into ; in such case, the agreement shall provide for its period of application.

The agreement must describe the new methods of voting and mention the provisions of this Act it amends or replaces.

The agreement has the effect of law.

659.3. After polling during which a test mentioned in section 659.2 is carried out, the municipality shall send a report assessing the test to the Minister of Municipal Affairs and Greater Montréal and the Chief Electoral Officer.” ;

WHEREAS the MUNICIPALITY expressed the desire to avail itself of those provisions for the referendum of December 14th of the year 2003 and could, with the necessary adaptations, avail itself of those provisions for polls held after the date of the agreement, the necessary adaptations to be included in an addendum to this agreement ;

WHEREAS it is expedient to provide the procedure that applies to the territory of the MUNICIPALITY for that referendum ;

WHEREAS an agreement must be entered into between the MUNICIPALITY, the CHIEF ELECTORAL OFFICER and the MINISTER ;

WHEREAS the MUNICIPALITY is solely responsible for the technological choice elected ;

WHEREAS the council of the MUNICIPALITY passed, at its meeting of November 6th 2003, resolution No. 2003.525 approving the text of the agreement and authorizing the mayor and the secretary-treasurer/director general to sign this agreement ;

WHEREAS the secretary-treasurer/director general of the MUNICIPALITY is responsible for the application of this agreement and the means necessary to carry it out ;

THEREFORE, the parties agree to the following :

1. PREAMBLE

The preamble to this agreement is an integral part of the agreement.

2. APPLICABLE PROVISIONS

The Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2) applies to the referendum of December 14th 2003 in the municipality, subject to the provisions of the Act amended or replaced by this agreement.

With the necessary adaptations, and to the extent that they are compatible, the following provisions of Title I of the Act respecting elections and referendums in municipalities apply to Title II of the aforementioned Act :

(1) the provisions of Divisions III and IV of Chapter V dealing with election officers and the Chief Electoral Officer ;

(2) the provisions of Division II of Chapter VI dealing with the preparation, revision, and coming into force of the list of electors for a referendum for the municipality or sector concerned, as the case may be.

However, the clerk or secretary-treasurer is not obliged to submit a request pursuant to section 100 if he or she has already submitted a request pursuant to section 546, based on the same reference date and with regard to the territory covered by the referendum or a territory including that territory ;

(3) the provisions of subdivisions 2 to 6 of Division IV of Chapter VI dealing with the advance poll, polling stations, materials required for the poll, formalities prior to the opening of polling stations, and polling proceedings ;

(4) the provisions of Division V of Chapter VI dealing with the counting and addition of votes ;

(5) the provisions of subdivision I of Division VII of Chapter VI dealing with the recount or re-addition of votes ;

(6) the provisions of Chapter VII dealing with the electoral code of ethics.

Notwithstanding paragraph 3 of the second paragraph, the provisions of subdivision 2 of Division IV under Chapter VI of Title I dealing with the advance poll do not apply in the case of a referendum that concerns only some of the qualified voters in the municipality, unless the council of the municipality orders that those provisions

shall apply to the referendum, or unless a facility contemplated in the second paragraph of section 50 is located in the territory in which the referendum will take place.

3. INTERPRETATION

Unless stated otherwise, expressly or as a result of the context of a provision, the following expressions, terms and words have, for the purposes of this agreement, the meaning and application given in this section.

3.1 “electronic voting system” means an apparatus consisting of the following devices:

— a computer containing in its memory the list of electors, used for the preparation of electronic voting cards;

— a reader of electronic voting cards;

— one or more printers;

— one or more autonomous voting terminals;

— electronic cards used to place the terminals in “election” mode, to vote (electronic voting cards), to place the terminals in “end of election” mode, and to record the results from each autonomous voting terminal;

3.2 “voting terminal” means an independent device containing a display with a graphical representation of a ballot paper, buttons used by qualified voters to vote, and a memory card to record and compile the votes cast by qualified voters;

3.3 “electronic card reader” means a device allowing the information required for a qualified voter to vote to be transferred onto an electronic card;

3.4 “rejected ballot paper” means a ballot paper for which the button corresponding to “I do not wish to vote for the office of mayor” or “I do not wish to vote for this referendum” has been pushed by a qualified voter on the voting terminal;

3.5 “operations trail” means a print-out of the operations (audit) of a voting terminal.

4. ELECTION

4.1 For the purposes of the referendum on December 14th of the year 2003 in the municipality, a sufficient number of “PERFAS-MV” model electronic voting systems will be used.

4.2 As soon as the resolution ordering the holding of a referendum has been passed, the municipality must take the necessary steps to provide its qualified voters with adequate information concerning the testing of the new method of voting.

5. SECURITY MECHANISMS

Each electronic voting system must include the following security mechanisms:

(1) a report displaying a total of “zero” must be automatically produced by the electronic ballot box when a voting terminal is turned on on the first day of advance polling and on polling day;

(2) a verification report must be generated on a continuous basis and automatically saved on the memory card of the voting terminal, and must record each procedural operation;

(3) a mechanism which prevents a voting terminal from being placed in “end of poll” mode while polling is still under way, because the terminal can only be placed in “end of poll” mode by the insertion of an “end of poll” card;

(4) a mechanism to ensure that the compilation of results is not affected by any type of interference once the electronic ballot box has been placed in “poll” mode;

(5) each voting terminal must be equipped with seals, two to prevent the opening of the box and one covering the screws of the voting terminal;

(6) each voting terminal must be equipped with a back-up power source (battery) able to operate for two to five hours, unless all the terminals are connected to a generator;

(7) if a voting terminal is defective, its internal memory card may be removed and transferred immediately into another voting terminal in order to allow the procedure to continue.

6. PROGRAMMING

Each electronic voting system used is specially programmed by the firm PG Elections inc. for the municipality in order to recognize and tally ballot papers in accordance with this agreement.

7. AMENDMENTS TO THE ACT RESPECTING ELECTIONS AND REFERENDUMS IN MUNICIPALITIES

7.1 Election officers

Section 68 of the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2) is amended by inserting the words “senior deputy returning officer, assistant to the senior deputy returning officer” after the word “assistant.”.

7.2 Senior deputy returning officer, assistant to the senior deputy returning officer

The following is substituted for section 76 of the Act:

“**76.** The clerk or secretary-treasurer shall appoint the number of senior deputy returning officers and assistants to the senior deputy returning officer that he deems necessary for each polling place.

The clerk or secretary-treasurer shall appoint a deputy returning officer and a poll clerk for each polling station.”.

7.3 Duties of the senior deputy returning officer, assistant to the senior deputy returning officer and deputy returning officer

The following is substituted for section 80 of the Act:

“**80.** The senior deputy returning officer shall, in particular,

(1) see to the installation and preparation of the electronic voting systems (voting terminal and electronic card reader);

(2) ensure that the polling is properly conducted and maintain order in the vicinity of the voting terminals in the polling place;

(3) facilitate the exercise of the right to vote and ensure that voting is secret;

(4) ensure that the electronic voting systems function correctly;

(5) print out the results compiled by the voting terminals at the closing of the poll;

(6) complete an overall statement of votes from the partial statements and the results compiled by each voting terminal;

(7) give the clerk or secretary-treasurer, at the closing of the poll, the results compiled by each voting terminal, the overall statement of votes and the number of qualified voters at each polling station who were given an electronic voting card;

(8) give the clerk or secretary-treasurer the memory card on which the results of each voting terminal are recorded, the card used to place terminals in “poll” mode, the card used to place terminals in “end of poll” mode, and the voting terminals in sealed cases.

80.1. The assistant to the deputy returning officer shall, in particular,

(1) assist the senior deputy returning officer in the latter’s duties;

(2) receive any qualified voter referred by the senior deputy returning officer;

(3) verify the polling booths in the polling place.

80.2. The deputy returning officer shall, in particular,

(1) see to the arrangement of the polling station;

(2) see that the polling is properly conducted and maintain order at the polling station;

(3) facilitate the exercise of the right to vote and ensure that voting is secret;

(4) receive proof of identity from qualified voters;

(5) give qualified voters an electronic voting card to exercise their right to vote;

(6) check that each electronic voting card returned after the vote has been used. If a card has not been used, a record shall be made in the poll book that a qualified voter has failed to exercise the right to vote;

(7) at the close of the poll, give the senior deputy returning officer a statement indicating the total number of qualified voters given an electronic voting card by the deputy returning officer at the polling station.”.

7.4 Duties of the poll clerk

The following is substituted for section 81 of the Act:

“**81.** The poll clerk shall, in particular,

(1) enter in the poll book the particulars relating to the conduct of the polling;

(2) note on the paper list of electors “has voted” next to the names of qualified voters to whom the deputy returning officer gives ballot paper cards;

(3) assist the deputy returning officer.”.

7.5 Discretion of the Chief Electoral Officer upon observing an error, emergency or exceptional circumstance

The following is substituted for section 90.5 of the Act:

“**90.5.** Where, during the period beginning the fortieth day preceding polling day and ending on polling day at the time of closing of the polling stations, it comes to the attention of the Chief Electoral Officer that, subsequent to an error, emergency or exceptional circumstance, a provision referred to in section 90.1 or in the agreement provided for in section 659.2 of the Act respecting elections and referendums in municipalities does not meet the demands of the resultant situation, the Chief Electoral Officer may adapt the provision in order to achieve its object.

The Chief Electoral Officer shall first inform the Minister of Municipal Affairs, Sports and Recreation of the decision he intends to make.

Within 30 days following polling day, the Chief Electoral Officer shall transmit to the President or the Secretary General of the National Assembly a report of the decisions made pursuant to the first paragraph. The President shall table the report in the National Assembly within 30 days of receiving it or, if the National Assembly is not sitting, within 30 days of resumption.”.

7.6 Polling subdivisions

The following is substituted for section 104 of the Act:

“**104.** The clerk or secretary-treasurer shall divide the list of electors for the referendum into polling subdivisions, each comprising not more than 750 qualified voters.

The clerk or secretary-treasurer shall provide a sufficient number of polling stations at each polling place to receive qualified voters, establish their identity and give them an electronic voting card.

In the polling place, the qualified voters may report to any polling station. They shall be directed to the first available voting terminal to exercise their right to vote.”.

7.7 Verification of electronic voting systems

The Act is amended by inserting the following subdivision after subdivision 1 of Division IV of Chapter VI of Title I:

“§1.1 Verification of electronic voting systems

173.1. The clerk or secretary-treasurer shall, not later than the fifth day preceding the first day of advance polling and the fifth day preceding polling day, in cooperation with the firm’s representative and, if necessary, the representatives of the committees, for each polling place, test the electronic voting system to ensure that it tallies the number of votes cast accurately and precisely.

173.2. During the testing of the electronic voting system, adequate security measures must be taken by the clerk or secretary-treasurer to guarantee the integrity of the system as a whole and of each component used to record, compile and memorize results. The clerk or secretary-treasurer must ensure that no electronic communication that could change the programming of the system, the recording of data, the tallying of votes, the memorization of results or the integrity of the system as a whole may be established.

173.3. The clerk or secretary-treasurer shall conduct the test by performing the following operations:

(1) he shall prepare a pre-determined number of electronic voting cards and transfer onto them the information relating to the vote;

(2) he shall record on the voting terminal a pre-determined number of votes that have been manually tallied. The votes shall include:

(a) a sufficient and pre-determined number of ballot papers in favour of the “yes” or the “no”;

(b) a sufficient and pre-determined number of ballot papers that are not correctly marked;

(c) a sufficient and pre-determined number of ballot papers marked to indicate a “yes” and a “no” vote;

(d) a sufficient and predetermined number of ballot papers with a mark opposite the statement “I do not wish to vote for this referendum”;

(3) he shall ensure that it is not possible to record more than one vote;

(4) the clerk or secretary-treasurer shall ensure that the button used to record a vote can be pushed only after the button used to vote in favour of the “yes” or the “no” has been pushed;

(5) he shall ensure that the information relating to the vote contained on the electronic voting cards is consistent with the information transferred to the cards by the clerk or secretary-treasurer;

(6) he shall place the system in “end of poll” mode and ensure that the results compiled by the voting terminal are consistent with the results compiled manually;

(7) once the test has been successfully completed, the clerk or secretary-treasurer shall reset the voting terminal to zero and replace it in a sealed case; the clerk or secretary-treasurer and the representatives who so wish may affix their signature;

(8) where an error in the compilation of the results compiled by the terminals is detected, the clerk or secretary-treasurer shall determine with certitude the cause of error, proceed with a further test, and repeat the operation until a perfect compilation of results is obtained; any error or discrepancy shall be noted in the test report;

(9) the clerk or secretary treasurer may not change the programming established by the firm PG Elections inc.”.

7.8 Advance polling

The following is substituted for sections 182, 183 and 185 of the Act:

“**182.** At the close of the advance polling station, the poll clerk shall enter the following particulars in the poll book:

(1) the number of qualified voters who were given an electronic voting card;

(2) the total number of votes recorded on each terminal, as transmitted by the senior deputy returning officer;

(3) the names of the persons who performed duties as election officers or as representatives.

The deputy returning officer shall place in separate envelopes the forms, the verification reports printed out at each terminal, the poll book and the list of electors for the referendum, and shall then seal the envelopes. The deputy returning officer, the poll clerk and the representatives who wish to do so shall affix their initials to the seals of the envelopes. The envelopes, except the

envelope containing the list of electors for the referendum, shall be given to the senior deputy returning officer for deposit in a large envelope. The large envelope shall be sealed. The persons present may affix their initials to the seal.

182.1. At the close of the advance polling station, the senior deputy returning officer shall:

(1) place the voting terminals in “end of poll” mode;

(2) transfer the data contained in the memory of the electronic ballot box onto a memory card;

(3) print the operations trail (audit);

(4) place the memory card (memory chip) and the operations trail in separate envelopes, and seal the envelopes;

(5) forward the envelopes to the clerk or secretary-treasurer, who shall keep them safely in separated locations;

(6) set each voting terminal to zero, seal it and place it in its plastic case;

(7) affix his initials to all the seals and give the candidates or representatives present an opportunity to affix their initials.

182.2. The senior deputy returning officer shall place the card used to place the terminals in “poll” mode and “end of poll” mode in the large envelope.

The senior deputy returning officer shall seal the large envelope and each terminal. The senior deputy returning officer and the representatives who wish to do so shall affix their initials to the seal of the large envelope.

The senior deputy returning officer shall then give the large envelope, the envelopes containing the list of electors, the memory card and the operations trail, as well as the voting terminals, to the clerk or secretary-treasurer or the person designated by the clerk or secretary-treasurer.

The clerk or secretary-treasurer shall keep in safety, in separate locations, the envelopes containing the memory card and the operations trail.

182.3. The clerk or secretary-treasurer shall, using the various lists of electors for the referendum used in the advance polling, draw up an integrated list of all the electors who voted in the advance poll. The clerk or secretary-treasurer shall make as many copies of the list as there are to be polling stations on polling day.

183. Immediately before the time fixed for the opening of the polling station on the second day, where applicable, the senior deputy returning officer, before the persons present, shall open the large envelope and give each deputy returning officer the poll books and the forms. Each deputy returning officer shall open the envelopes and take custody of their contents.

The senior deputy returning officer shall take possession of the verification reports indicating the total number of votes recorded on each terminal, the card used to place the terminals in “poll” mode and the card used to place the terminals in “end of poll” mode.

The senior deputy returning officer shall verify for each terminal, using the memory card, that the number of votes recorded matches the number entered the previous day in the poll book by the poll clerk for that polling station.

The clerk or secretary-treasurer, or the person designated by the clerk or secretary-treasurer, shall return the list of electors for the referendum to each deputy returning officer.

At the close of the advance poll on the second day, the senior deputy returning officer, the deputy returning officer and the poll clerk shall perform the same actions as at the close of the advance poll on the first day.

185. From 7:00 p.m. on polling day, the clerk or secretary-treasurer or the person designated by the clerk or secretary-treasurer shall, using the memory card or cards on which the results are recorded, print out the results compiled by each voting terminal used in the advance poll in the presence of the deputy returning officers, the poll clerks and the representatives who wish to be present.

The results shall be printed out at the location determined by the clerk or secretary-treasurer. The print-out shall be performed in accordance with the rules applicable to the printing-out of the results from polling day, adapted as required.”.

7.9 Revocation

Sections 186 and 187 of the Act are revoked.

7.10 Polling place

The following is substituted for the first paragraph of section 188 of the Act:

“**188.** The polling place must be in premises that are spacious and easily accessible to the public.”.

7.11 Ballot papers and electronic voting cards

The following is substituted for section 192 of the Act:

“**192.** The clerk or secretary-treasurer shall ensure that a sufficient number of electronic voting cards are available to facilitate the exercise of the qualified voters’ right to vote.”.

The following is substituted for sections 193 to 195 of the Act:

“**193.** The graphical representation of a ballot paper that appears on the voting terminal shall be consistent with the model set out in Schedule I to the agreement provided for in section 659.2 of the Act respecting elections and referendums in municipalities.”.

7.12 Number of voting terminals

The following is substituted for sections 200 and 201 of the Act:

“**200.** The clerk or secretary-treasurer must ensure that there are as many electronic ballot boxes as polling places available and that a sufficient number of replacement electronic ballot boxes are available in the event of a breakdown or technical deficiency.

201. The upper surface of the voting terminal must be in conformity with the model described in Schedule II to this Agreement.

The voting terminal must be designed so that the button used to vote in favour of the “yes” is placed opposite the particulars relating to the “yes”, and that the button used to vote in favour of the “no” is placed opposite the particulars relating to the “no”.

The instructions to the qualified voters on how to vote must be clearly indicated on the upper surface of the voting terminal.”.

7.13 Provision of polling materials

The following is substituted for section 204 of the Act:

“**204.** Not later than one hour before the time fixed for the opening of the polling station, the clerk or secretary-treasurer shall give or make available to the deputy returning officer, in a sealed envelope, after affixing his initials to the seals,

(1) the copy of the list of electors for the polling subdivision used for the advance poll and comprising the qualified voters who are entitled to vote at that polling station;

(2) a poll book;

(3) electronic voting cards;

(4) the forms and other documents necessary for the poll and the closing of the polling station.

The clerk or secretary-treasurer shall give or make available to the deputy returning officer, as well as to the senior deputy returning officer, any other materials required for the poll, the closing of the polling office, and the tallying and the recording of votes.”

7.14 Examination of polling materials and documents

The following is substituted for section 207 of the Act:

“**207.** In the hour preceding the opening of the polling stations, the senior deputy returning officer, before the persons present, shall initialize the electronic voting system for the polling place. The senior deputy returning officer shall ensure that the system computer displays a total of zero qualified voters having voted, and that each voting terminal displays a total of zero recorded votes, by verifying the printed reports from those devices.

The senior deputy returning officer shall ensure that as many small envelopes are available for the memory cards used to record results as there are voting terminals under his responsibility.

The senior deputy returning officer must inform the clerk or secretary-treasurer of any discrepancy observed upon activating a voting terminal or during the poll.

The senior deputy returning officer shall keep the reports and show them to any person present who wishes to examine them.

The senior deputy returning officer must, in addition, before the persons present, ensure that two seals are affixed to each terminal.

In the hour preceding the opening of the polling stations, each deputy returning officer and poll clerk shall examine the polling documents and materials provided by the clerk or secretary-treasurer.”

POLLING PROCEDURE

7.15 Presence at the polling station

The following is substituted for the third paragraph of section 214 of the Act:

“In addition, only the deputy returning officer, the poll clerk and the representatives assigned to the polling station, together with the clerk or secretary-treasurer, the assistant to the clerk or secretary-treasurer, the senior deputy returning officer and the assistant to the senior deputy returning officer may be present at the station. The officer in charge of information and order may be present, at the request of the deputy returning officer for as long as may be required. The poll runner may be present for the time required to perform his duties. Any other person assisting a qualified voter under section 226 may be present for the time required to enable the qualified voter to exercise his right to vote.”

7.16 Electronic voting cards

The following is substituted for section 221 of the Act:

“**221.** The deputy returning officer shall give each qualified voter admitted to vote an electronic voting card to which the information required to exercise the right to vote has been transferred.

In no case may the information transferred to the card allow a link to be established between the casting of a vote and the identity of a qualified voter.”

7.17 Voting

The following is substituted for section 222 of the Act:

“**222.** The qualified voter shall enter the polling booth and exercise the right to vote by:

(1) inserting the electronic voting card in the opening provided for that purpose and clearly identified on the upper surface of the voting terminal;

(2) pressing the button placed opposite the particulars relating to the “yes” or the “no in favour of which the elector wishes to vote, causing a mark to appear in the rectangle;

(3) recording the vote by pressing the red button placed on the upper surface of the voting terminal, causing the red lights placed above the button to go out.”

7.18 Following the vote

The following is substituted for section 223 of the Act:

“**223.** After removing the electronic voting card from the voting terminal, the qualified voter shall leave the booth and give the electronic voting card to the polling officer designated for that purpose by the clerk or secretary-treasurer.

If a qualified voter indicates one or more votes but leaves the booth without recording them, the senior deputy returning officer or the latter’s assistant shall record the votes.

If a qualified voter fails to indicate and record a vote and leaves the polling place, the senior deputy returning officer or the latter’s assistant shall press the button corresponding to the statement “I do not wish to vote in this referendum”, and shall then record the qualified voter’s vote.

The electronic voting card shall then be removed from the voting terminal and given to the deputy returning officer. The occurrence shall be recorded in the poll book.”.

7.19 Cancelled and spoiled ballot papers

Sections 224 and 225 of the Act are revoked.

7.20 Assistance for qualified voters

The following is substituted for section 226 of the Act:

“**226.** A qualified voter who declares under oath, before the senior deputy returning officer or the assistant to the senior deputy returning officer, that he is unable to use the electronic ballot box or to vote, may be assisted either:

(1) by a person who is the qualified voter’s spouse or a relative within the meaning of section 131;

(2) by the senior deputy returning officer, in the presence of the assistant to the senior deputy returning officer.

A deaf or mute qualified voter may be assisted, for the purposes of communicating with the election officers and representatives, by a person capable of interpreting the sign language of the deaf.

The senior deputy returning officer shall advise the deputy returning officer concerned that a qualified voter has availed himself of this section, and the occurrence shall be entered in the poll book.”.

7.21 Visually impaired person

Section 227 of the Act is amended:

(1) by substituting the following for the second and third paragraphs:

“The assistant to the senior deputy returning officer shall indicate to the qualified voter the order in which the “yes” and the “no” appear on the ballot paper.

The senior deputy returning officer shall help the qualified voter to register his vote.”; and

(2) by striking out the fourth paragraph.

7.22 Transfer of information to electronic voting cards

The following is substituted for section 228 of the Act:

“**228.** The electronic voting system shall ensure that the information required for a qualified voter to exercise the right to vote is transferred once only to the electronic voting card.”.

COMPILATION OF RESULTS AND TALLYING OF VOTES

7.23 Compilation of results and tallying of votes

The following is substituted for section 229 of the Act:

“**229.** After the closing of the poll, the senior deputy returning officer shall compile the results by:

(1) placing the election terminals of the polling place in “end of poll” mode;

(2) recording the results of each voting terminal;

(3) printing out the results compiled by each voting terminal.

The reports on the compiled results shall indicate the total number of qualified voters who have voted, the number of valid votes, the number of rejected ballot papers and the number of valid votes for the “yes” and for the “no”.

The senior deputy returning officer shall gather from each poll clerk the number of qualified voters admitted to vote.

The senior deputy returning officer shall allow each person present to consult the results.”.

7.24 Entries in poll book

The following is substituted for section 230 of the Act:

“**230.** After the closing of the poll, the poll clerk of each polling station shall enter in the poll book:

- (1) the number of qualified voters who have voted;
- (2) the names of the persons who have performed duties as election officers or as representatives assigned to that polling station.

230.1. The deputy returning officer shall place the poll book and the list of electors in separate envelopes.

The deputy returning officer shall seal the envelopes, and the representatives assigned to the polling station who wish to do so shall affix their initials to the seals.

The deputy returning officer shall then give the envelopes to the senior deputy returning officer.”.

7.25 Compiling sheet

Section 231 of the Act is revoked.

7.26 Counting of the votes

Section 232 of the Act is revoked.

7.27 Rejected ballot papers

The following is substituted for section 233 of the Act:

“**233.** The electronic voting system shall be programmed in such a way that every ballot paper for which the button corresponding to “I do not wish to vote in this referendum” is pushed by the qualified voter on the voting terminal is rejected.

For the purposes of the poll, the memory card shall be programmed in such a way that the electronic voting system processes and conserves all the votes cast, in other words both the valid ballot papers and the rejected ballot papers.”.

Sections 234 to 237 of the Act are revoked.

7.28 Partial statement of votes and copy for representatives

The following is substituted for sections 238 and 240 of the Act:

“**238.** The deputy returning officer shall draw up the partial statement of votes, setting out the total number of qualified voters admitted to vote.

A separate statement shall be drawn up for each polling station.

The deputy returning officer shall draw up sufficient copies of the partial statement of votes for himself, the senior deputy returning officer, the clerk or secretary-treasurer and every representative assigned to the polling station.

238.1 Using the partial statements of votes and the results compiled by the electronic voting system, the senior deputy returning officer shall draw up an overall statement of votes.

240. The senior deputy returning officer shall immediately give a copy of the overall statement of votes to the representatives.

The senior deputy returning officer shall retain a copy of the statement and a second copy for the clerk or secretary-treasurer for the purposes of section 244.”.

7.29 Separate envelopes

The following is substituted for section 241 of the Act:

“**241.** After printing out the results compiled by each voting terminal in the polling place, the senior deputy returning officer shall:

(1) place the memory card used to record the results from each voting terminal in a small envelope bearing the serial number of the terminal concerned, seal the envelope and affix his initials, along with those of the representatives who wish to do so;

(2) place all the reports on the results compiled in an envelope, together with the partial statements and the overall statement of votes.”.

7.30 Seals

The following is substituted for section 242 of the Act:

“**242.** The senior deputy returning officer shall place in a large envelope:

- (1) the small envelopes prepared pursuant to paragraph 1 of section 241;
- (2) the envelopes provided for in section 230.1;
- (3) the card used in the polling place to place the terminals in “poll” mode and “end of poll” mode;
- (4) the electronic voting cards.

The senior deputy returning officer shall seal the large envelope. The senior deputy returning officer and the representatives who wish to do so shall affix their initials to the seal of the large envelope.”

7.31 Placing in ballot box

Section 243 of the Act is revoked.

7.32 Delivery to clerk or secretary-treasurer

The following is substituted for section 244 of the Act:

“**244.** The senior deputy returning officer shall deliver to the clerk or secretary-treasurer or the person designated by the clerk or secretary-treasurer

- (1) the envelope containing the reports of the results compiled by each voting terminal, the partial statements and the overall statement of votes;
- (2) the large envelope provided for in section 242.”

7.33 Addition of votes

The following is substituted for section 247 of the Act:

“**247.** The clerk or secretary-treasurer shall proceed with the addition of the votes using the overall statement of votes drawn up by each senior deputy returning officer.”

7.34 Adjournment of the addition of votes

The following is substituted for section 248 of the Act:

“**248.** The clerk or secretary-treasurer shall, if unable to obtain an overall statement of votes that should have been provided, adjourn the addition of votes until the statement is obtained.

Where it is not possible to obtain an overall statement of votes, or the printed report on the results and a partial statement of votes, the clerk or secretary-treasurer shall, in the presence of the senior deputy returning officer and the representatives, print out a new report using the appropriate memory card for recording results and the copy of the partial statements of votes taken from the large envelope, opened in the presence of the aforementioned persons.”

7.35 Placing in envelope

The following is substituted for section 249 of the Act:

“**249.** After printing out the results, the clerk or secretary-treasurer shall place the memory card used to record results in an envelope, seal the envelope, and affix his initials and allow the representatives to affix their initials if they so wish. He shall place the copy of the partial statements of votes in the large envelope, seal it, and allow the representatives present to affix their initials.”

7.36 New counting of the votes

Section 250 of the Act is revoked.

7.37 Notice to the Minister

The following is substituted for section 251 of the Act:

“**251.** Where it is impossible to obtain the electronic cards used to record the results, where applicable, the clerk or secretary-treasurer shall advise the Minister of Municipal Affairs, Sports and Recreation in accordance with Division III of Chapter XI.”

7.38 Access to voting papers

Section 261 of the Act is revoked.

7.39 Application for a recount or re-addition

The following is substituted for the first paragraph of section 262 of the Act:

“**262.** Any person who has reasonable grounds to believe that a voting terminal has produced an inaccurate statement of the number of votes cast, or that a deputy returning officer has drawn up an inaccurate partial statement of votes, or that a senior deputy returning officer has drawn up an inaccurate overall statement of votes, may apply for a new compilation of the results. The applications may be limited to one or more voting terminals, but the judge is not bound by that limitation.”

7.40 Notice to the representatives of qualified voters

The following is substituted for section 267 of the Act:

“**267.** The judge shall give one clear day’s advance notice in writing to the representatives concerned of the date, time and place at which he will proceed with the new compilation of the results or re-addition of the votes.

The judge shall summon the clerk or secretary-treasurer of the municipality and order him to bring the electronic cards on which the results of the votes are recorded, the reports of the compiled results, and the partial and overall statements of vote. Where the new compilation is limited to one or certain polling subdivisions, the judge shall order only the electronic cards on which the results of the votes are recorded, the reports of the compiled results, and the partial and overall statements of votes he will need.”

7.41 Procedure for a new compilation of results or re-addition of votes

The following is substituted for section 268 of the Act:

“**268.** On the appointed day, the judge, in the presence of the clerk or secretary-treasurer of the municipality, shall, in the case of a new compilation of results, print out the results compiled by the voting terminal display or displays under inquiry.

In the case of a re-addition of votes, the judge shall examine the reports of the compiled results and the partial and overall statements of votes.

The representatives concerned and the clerk or secretary-treasurer may, at that time, examine all the documents and items examined by the judge.”

7.42 Repeal

Section 269 is revoked.

7.43 Missing electronic card for recording results and partial statements of votes

The following is substituted for the first paragraph of section 270 of the Act:

“**270.** If an electronic card on which results are recorded or a required document is missing, the judge shall use appropriate means to ascertain the results of the vote.”

7.44 Custody of items and documents, and verification

The following is substituted for sections 271, 272 and 273 of the Act:

“**271.** During a new compilation or a re-addition, the judge shall have custody of the voting system and of the items and documents entrusted to him.

272. As soon as the new compilation is completed, the judge shall confirm or rectify each report of compiled results and each report on a partial statement of votes and carry out a re-addition of the votes.

273. After completing the re-addition of the votes, the judge shall certify the results of the poll.

The judge shall give the clerk or secretary-treasurer the electronic cards used to record the results and all the other documents used to complete the new compilation or the re-addition.”

7.45 Public notice of referendum poll

Section 572 of the Act is amended by adding the following after paragraph 7:

“(8) the fact that the voting method is voting by means of an electronic ballot box.”

7.46 Polling booth

The following is substituted for section 574 of the Act:

“**574.** Where the poll takes place by electronic ballot box, the polling station shall include as many polling booths as shall be determined by the clerk or secretary-treasurer.”

8. APPLICATION OF AGREEMENT

The clerk or secretary-treasurer of the municipality is responsible for the application of this agreement and, consequently, for the proper conduct of the trial application of the new method of voting for the holding of any poll held before December 31st 2005, provided the necessary amendments are made to this agreement.

9. AMENDMENT

The parties agree that this agreement may be amended if need be to ensure the proper conduct of the referendum of December 14th in the year 2003.

Mention of that fact shall be made in the assessment report.

10. ASSESSMENT REPORT

Within 120 days following the holding of a referendum, the clerk or secretary-treasurer of the municipality shall forward, in accordance with section 659.3 of the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2), an assessment report to the Chief Electoral Officer and the Minister addressing, in particular, the following issues :

- the preparations for the referendum (choice of the new method of voting, communications plan, etc.);
- the conduct of the advance poll and the poll;
- the cost of using the electronic voting system :
- the cost of adapting referendum procedures ;
- non-recurrent costs likely to be amortized ;
- a comparison between the actual polling costs and the estimated polling costs using the new methods of voting and the projected cost of holding the referendum using traditional methods ;
- the number and duration of incidents during which voting was stopped, if any ;
- the advantages and disadvantages of using the new method of voting ;
- the results obtained during the addition of the votes and the correspondence between the number of votes cast and the number of qualified voters admitted to vote.

11. EFFECT OF AGREEMENT

This agreement has effect from the time when the clerk or secretary-treasurer performs the first act for the purposes of a poll to which this agreement applies.

AGREEMENT SIGNED IN THREE COPIES :

In Deux-Montagnes, this 7th day of November 2003

MUNICIPALITY OF DEUX-MONTAGNES

By : _____

PIERRE-BENOÎT FORGET, *Mayor*

PAUL ALLARD, *Clerk or secretary-treasurer*

In Québec, on this 18th day of November 2003

THE CHIEF ELECTORAL OFFICER

MARCEL BLANCHET

In Québec, on this 27th day of November 2003

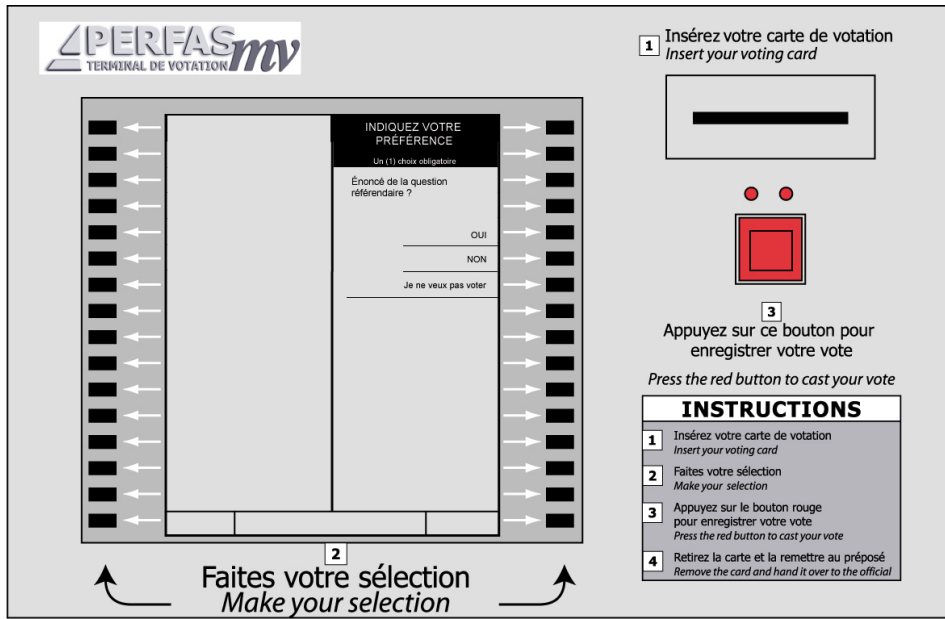
THE MINISTER OF MUNICIPAL AFFAIRS,
SPORTS AND RECREATION

By : _____

DENYS JEAN, *Deputy Minister*

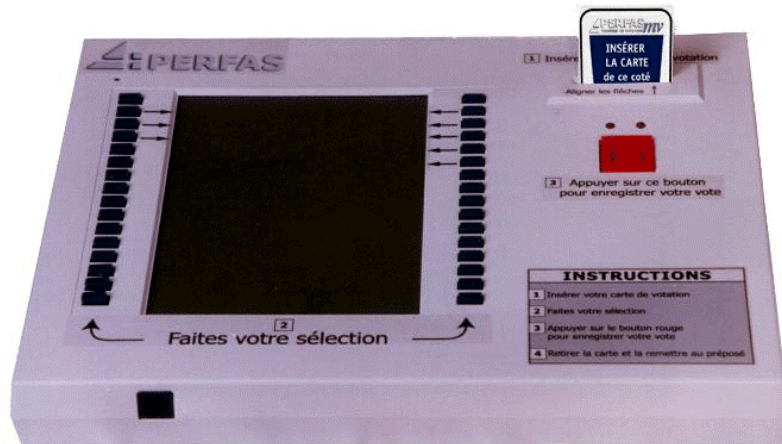
SCHEDULE I

BALLOT PAPER



SCHEDULE II

VOTING TERMINAL



Draft Regulations

Draft Regulation

An Act respecting safety in sports
(R.S.Q., c. S-3.1)

Combat sports — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting combat sports, the text of which appears below, may be made by the Régie des alcools, des courses et des jeux and approved by the Government on the expiry of 45 days following this publication.

The draft Regulation proposes the introduction of anti-doping testing to establish whether a contestant having taken part in a combat sports event has taken a substance appearing on the list of Prohibited Substances and Prohibited Methods contained in the Olympic Movement Anti-Doping Code.

The draft Regulation abolishes standardized forms for contracts between a contestant and an organizer, manager or trainer. In their place it determines the content of the contracts.

Under the draft Regulation, contestants domiciled in Québec will be required to undergo a CAT scan of the brain on making their professional debut and every two years thereafter.

The notion of “unsportsmanlike conduct” is modified to ensure that conduct may be considered a foul even if it does not injure an opponent.

Lastly, the draft Regulation introduces various amendments to harmonize, streamline and update the provisions of the Regulation respecting combat sports.

To date, study of the draft Regulation has shown no impact on businesses, including small and medium-sized businesses.

Further information may be obtained by contacting :

Mario Latraverse, Régie des alcools, des courses et des jeux, 1, rue Notre-Dame Est, bureau 9.01, Montréal (Québec) H2Y 1B6; telephone: (514) 864-2789; fax: (514) 873-4850.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to François Côté, Secretary of the Régie des alcools, des courses et des jeux, 560, boulevard Charest Est, Québec (Québec) G1K 3J3.

CHARLES CÔTÉ,
*President of the Régie des alcools,
des courses et des jeux*

Regulation to amend the Regulation respecting combat sports*

An Act respecting safety in sports
(R.S.Q., c. S-3.1, s. 55.3, 1st par., subpars. 2, 4, 7 to 12)

1. The Regulation respecting combat sports is amended by inserting the following after section 36:

“**36.1.** The organizer shall, for a period beginning 3 hours before a sports event and ending 6 hours after the event, place at the disposal of the Régie a closed facility that is clean and sanitary and can be locked, for use in the anti-doping testing of contestants.

The facility must be situated on the premises where the sports event is to take place and be divided into two adjacent, separate rooms, namely

(1) a room with a minimum capacity of 10 persons, equipped with chairs or benches; or

(2) a closed room with a minimum capacity of 3 persons, equipped with a washbasin and a toilet.”

2. Section 56 is amended by striking out paragraph 3.

3. Section 58 is amended

(1) by replacing “the following items” in the part preceding paragraph 1 by “the following”;

* The Regulation respecting combat sports, approved by Order in Council 662-95 dated 17 May 1995 (1995, *G.O.* 2, 1511), was last amended by the regulation approved by Order in Council 275-99 dated 24 March 1999 (1999, *G.O.* 2, 361). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2003, updated to 1 September 2003.

(2) by replacing paragraph 3 by the following :

“(3) water, or a solution of water that may contain electrolytes, in a container made of flexible material;”.

4. Section 62 is amended by adding the following paragraph at the end :

“The gloves may be put on in the ring before the bout or in the dressing room of each contestant.”.

5. Section 63 is amended

(1) by replacing “18.288 m (20 yd)” in the first paragraph by “36.56 m (40 yd)”;

(2) by replacing “2.743 m (9 ft)” in the second paragraph by “3.658 m (12 ft)”;

(3) by replacing “3.353 m (11 ft)” in the second paragraph by “4.572 m (15 ft)”.

6. The following division is inserted after section 71 :

“DIVISION IX.1 ANTI-DOPING TESTING

71.1. A person authorized by the president of the board under section 46.2.2 of the Act respecting safety in sports (R.S.Q., c. S-3.1) and designated to take urine samples may take urine samples from a contestant up to 3 hours before and 6 hours after a bout.

The taking of samples is intended to establish whether a contestant having taken part in a combat sports event has taken a substance, in excess of the permitted quantity, appearing on the list of Prohibited Substances and Prohibited Methods contained in the Olympic Movement Anti-Doping Code published by the International Olympic Committee (IOC) whose headquarters are located at Château de Vidy, 1007 Lausanne, Switzerland, accessible via the electronic address (<http://www.olympic.org>), as it reads on the date of the sampling.

71.2. Each contestant shall report to the sampling facility at the place and time specified by an official and shall, in the presence of the authorized person designated to take urine samples, provide a urine sample of at least 50 ml.

The person authorized pursuant to section 71.1 shall establish security measures to ensure the integrity of the chain of custody of the sample until it is remitted to the laboratory for analysis. The person shall record the chain of custody of the sample in a report.

71.3. Unless accompanied by an inspector, the contestant may not leave the sampling facility while the urine sampling procedure is taking place. The contestant may only drink or eat what is provided or authorized by the person authorized pursuant to section 71.1.

71.4. The contestant may be accompanied by a person of his or her choice during the urine sampling procedure. The person shall identify himself or herself to the person authorized pursuant to section 71.1.

71.5. The authorized person designated to take urine samples must be of the same sex as the contestant providing the sample.

The contestant must be dressed during the sampling. In the case of a male contestant, the authorized person shall remain three metres behind the contestant. A female contestant shall provide the sample while in a cubicle and the authorized person may listen to what is taking place inside the cubicle.

71.6. Notwithstanding paragraph B of Division III of Appendix A of the Olympic Movement Anti-Doping Code, a contestant is considered to obtain a positive result when the analysis for cannabinoids indicates a concentration in urine greater than 50 nanograms per millilitre. A contestant is also considered to obtain a positive result when the analysis indicates the presence of phencyclidine (PCP).”.

7. Section 73 is amended by replacing “24” by “30”.

8. Section 105 is amended by inserting “following a legal blow from his opponent” after “ring mat” in paragraph 1.

9. Section 127 is amended by replacing paragraph 1 by the following :

“(1) the recurrence and power of legal blows;”.

10. Section 130 is amended by replacing “7” in the second paragraph by “6”.

11. Section 131 is amended by replacing paragraph 20 by the following :

“(20) indulging in any unsportsmanlike conduct or any conduct that could be detrimental to the good name of boxing;”.

12. Section 137 is replaced by the following :

“**137.** Notwithstanding section 136, where circumstances described in that section occur and where the contestants have fought less than half the scheduled number of rounds for the bout, the decision shall be a “technical draw”.”.

13. Section 139 is amended by replacing “following” by “preceding”.

14. The following section is inserted after section 148:

“**148.1.** A contestant who obtains a positive result in an anti-doping test, or who refuses or fails to submit to an anti-doping test, shall be disqualified.”.

15. Section 149 is amended by adding “in a men’s bout, and 2 minutes in a women’s bout” after “minutes”.

16. Section 151 is revoked.

17. Section 159 is amended by adding the following subparagraph at the end of the first paragraph:

“(6) where a contestant is domiciled in Québec, a CAT scan of the brain when the contestant makes his professional debut and every two years thereafter.”.

18. Section 166 is amended by adding the following paragraph at the end:

“(6) his reflexes, physical condition and state of health.”.

19. Section 168 is amended by replacing “that is drawn up in the form in Schedule 2-A provided by the board.” by “that is valid for a single sports event and that provides for or stipulates, in particular,

(1) the minimum amount of the purse or the percentage of the receipts from the sports event that the contestant is entitled to receive as remuneration, which shall not be less than \$100 for each round covered by the contract;

(2) the place and date of the sports event;

(3) that the organizer undertakes to pay the contestant’s accommodation expenses and the remuneration to which the contestant is entitled under the contract where the contestant is present at the official weigh-in but where his opponent or a substitute opponent is unable to fight as scheduled;

(4) that, except as provided for by law or required by an organization sanctioning a championship bout, the organizer undertakes not to deduct any amount from the purse or remuneration of the contestant;

(5) that the organizer undertakes not to require the contestant to repay any amount disbursed for the contestant’s benefit;

(6) that the organizer undertakes not to require the contestant to pay any amount of money for any purpose;

(7) the maximum weight that the contestant must achieve at the official weigh-in;

(8) that 20% of the purse or of the contestant’s remuneration will be deducted and paid to his opponent where the contestant fails to achieve the weight specified in the contract at the official weigh-in;

(9) the number of rounds in which the contestant must take part;

(10) the name, weight, and results of the previous bouts of the contestant’s opponent;

(11) that the contestant undertakes to provide the organizer with the official results of his previous bouts;

(12) the cancellation of the contract

(a) if the contestant’s or organizer’s licence is cancelled or suspended; or

(b) if the contestant is declared unfit to fight following a medical examination; and

(13) that the organizer undertakes not to transfer any or all of his rights and obligations to a third person.”.

20. Section 169 is amended

(1) by replacing “1 year” by “2 years”;

(2) by adding “along with any amendment to the contract, no later than before the holding of the sports event” after “signing”.

21. The following section is inserted after section 169:

“**169.1.** A contract binding an organizer and a contestant for more than one sports event shall provide for or stipulate, in particular,

(1) the duration of the contract and the number of scheduled bouts;

(2) the amount of the purse for each bout;

(3) the renegotiation of the contestant's remuneration if the contestant takes part in a championship bout before the end of his contract; the renegotiation will involve, in particular, the contestant's remuneration and the expenses relating to sparring partners and training camps;

(4) that the organizer may not charge more than 10% of the contestant's purse if he provides him with the services of a trainer;

(5) that the organizer undertakes to pay all the contestant's travel expenses if a bout is to take place outside Québec;

(6) except if the contract is cancelled, that the contestant undertakes not to sign a contract with another organizer before the expiry date of the contract;

(7) that the organizer undertakes not to transfer his rights to a third person, unless the contestant agrees to the transfer and benefits from at least 80% of the difference between the consideration paid for the transfer of the rights for each bout and the amount of the purse to which the contestant is entitled for each bout; and

(8) the cancellation of the contract

(a) if the organizer's or contestant's licence is cancelled or suspended for the unexpired duration of the contract; or

(b) if the contestant is declared unfit to fight following a medical examination for the unexpired duration of the contract.”

22. Section 172 is amended by striking out “and shall not exceed \$500 or 25% of the amount of the contestant's purse or remuneration, whichever sum is greater”.

23. Section 173 is amended by replacing the second paragraph by the following:

“The contract shall provide for or stipulate, in particular,

(1) that the manager undertakes not to require the contestant to repay any amount disbursed for the contestant's benefit;

(2) that neither the manager nor the contestant may transfer his rights and obligations to a third person, except if both parties agree; and

(3) the cancellation of the contract

(a) if the manager's or contestant's licence is cancelled or suspended for the unexpired duration of the contract; or

(b) if the contestant is declared unfit to fight following a medical examination, for the unexpired duration of the contract.”

24. Section 175 is amended by replacing the second paragraph by the following:

“The contract shall provide for or stipulate, in particular,

(1) that the trainer undertakes not to require the contestant to repay any amount disbursed for the contestant's benefit;

(2) that both the trainer and the contestant undertake not to transfer their rights and obligations to a third person, except if both parties agree; and

(3) the cancellation of the contract

(a) if the trainer's or contestant's licence is cancelled or suspended for the unexpired duration of the contract; or

(b) if the contestant is declared unfit to fight following a medical examination, for the unexpired duration of the contract.”

25. Section 195.1 is amended in the English text by inserting “submission” after “permitted”.

26. Section 195.2 is amended

(1) by striking out “124 to 130”;

(2) by striking out “150”;

(3) by striking out “155 “;

(4) by adding the following paragraph at the end:

“Paragraphs 2, 3 and 5 of section 68 apply with the necessary modifications to mixed boxing.”

27. Chapter II.1 is amended by striking out Division IV.

28. Section 195.7 is amended

(1) by replacing “6.85” in the first paragraph by “6.80”;

(2) by replacing “88.45 kg (195 lbs)” in the second paragraph by “90.71 kg (200 lbs)”.

29. Section 195.8 is replaced by the following:

“**195.8.** Only 1 person may be present in a contestant’s corner during a bout. Only that person is authorized to ask the referee to stop the bout by entering the ring, or to speak to the referee to obtain information between rounds.

The name of the person must be given to the referee before the bout begins.”.

30. Section 195.9 is amended

(1) by striking out the second sentence of the first paragraph;

(2) by replacing the second paragraph by the following paragraph:

“The referee may stop the bout and declare the opponent the winner when a contestant is no longer able to defend himself adequately.”.

31. Sections 195.10 and 195.12 are revoked.

32. Section 195.14 is amended by striking out “and the counts at knock-downs”.

33. Section 195.15 is revoked.

34. Section 195.22 is replaced by the following:

“**195.22.** Notwithstanding section 195.21, where the circumstances described in that section occur before the first round of a 3-round bout or before the second round of a 5-round bout, except during a ladder tournament, the decision shall be a “technical draw”.”.

35. Section 195.24 is amended by replacing “2 formal warnings” by “1 formal warning”.

36. Section 195.28 is amended

(1) by replacing paragraph 12 by the following:

“(12) hitting the opponent with the bent knee or bent elbow;”;

(2) by replacing paragraph 17 by the following:

“(17) indulging in any unsportsmanlike conduct or conduct which could be detrimental to the good name of boxing;”.

37. Section 195.32 is replaced by the following:

“**195.32.** A bout shall last a maximum of 15 minutes, including between 1 and 3 rounds lasting no more than 5 minutes each and including a 1-minute break between rounds.

A championship bout shall last a maximum of 20 minutes, including a maximum of 4 rounds lasting no more than 5 minutes each and including a 1-minute break between rounds.

In a ladder tournament, a contestant may not fight more than 3 bouts.

There shall be a 7-day rest period between bouts for a contestant who has fought a bout of 2 rounds or fewer. The rest period shall last 14 days for a contestant who has fought a 3-round bout, 21 days for a contestant who has fought a 4-round bout, and 28 days for a contestant who has fought a 5-round bout.

During a rest period, a contestant shall not participate as a contestant in the program of a combat sports event.

For the purpose of determining a rest period, a ladder tournament is deemed to be a single bout.”.

38. Schedules 2-A, 2-B and 2-C are revoked.

39. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

6079

Draft Regulation

An Act respecting safety in sports
(R.S.Q., c. S-3.1)

Combat sports licensing — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting combat sports licensing, the text of which appears below, may be made by the Régie des alcools, des courses et des jeux and approved by the Government on the expiry of 45 days following this publication.

To encourage the presentation of international-level combat sports events in Québec, the draft Regulation proposes changes to the duties payable to obtain an organizer's licence valid for a single sports event to increase competitiveness with the duties charged in the United States.

The administrative costs charged to a person whose application for an organizer's licence for a single sports event is rejected are increased from \$150 to \$300. The administrative costs charged when a sports event is cancelled following a serious injury to one of the contestants are increased from \$300 to \$600.

A person whose licence has been suspended or cancelled in the year preceding a new application will be able to obtain a new licence provided his right to obtain a licence has not been suspended by the board.

An American contestant who applies for a contestant's licence in Québec will have to provide proof of registration under the American Act entitled Professional Boxing Safety Act of 1996.

The draft Regulation introduces standards concerning conflicts of interest between organizers, managers, trainers and competitors.

It also streamlines the procedure for issuing licences.

To date, study of the draft Regulation has shown the following impact on businesses, including small and medium-sized businesses :

— the new standards concerning conflicts of interest could require changes to be made to the way certain businesses are managed, to prevent a person from acting concurrently as an organizer, manager and trainer;

— the new duties payable for an organizer's licence for a single sports event will allow Québec organizers involved in professional combat sports to be more competitive at the international level and will encourage the presentation of international-level events in Québec.

Further information may be obtained by contacting :

Mario Latraverse, Régie des alcools, des courses et des jeux, 1, rue Notre-Dame Est, bureau 9.01, Montréal (Québec) H2Y 1B6; telephone: (514) 864-2789; fax: (514) 873-4850.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to François Côté, Secretary of the Régie des alcools, des courses et des jeux, 560, boulevard Charest Est, Québec (Québec) G1K 3J3.

CHARLES CÔTÉ,
*President of the Régie des alcools,
des courses et des jeux*

Regulation to amend the Regulation respecting combat sports licensing*

An Act respecting safety in sports
(R.S.Q., c. S-3.1, s. 55.3, 1st par., subpars. 1 to 4 and 6 and 2nd par.)

1. Section 3 of the Regulation respecting combat sports licensing is amended by striking out "supported by oath," in the first paragraph.

2. Section 9 is amended by replacing the second paragraph by the following :

"In addition, the applicant's right to obtain a licence must not have been suspended pursuant to section 63."

3. Section 10 is amended

(1) by replacing "in the form prescribed in Schedule 2-A to" in paragraph 5 by "as provided for in section 168 of";

(2) by replacing paragraph 8 by the following :

"(8) submit, using the form provided by the board, an attestation from an insurer certifying that the applicant holds a civil liability insurance policy of the type and in the amount prescribed in sections 49 and 50;"

(3) by adding "or an attestation of payment" at the end of paragraph 9;

(4) by adding "or an attestation of payment" at the end of paragraph 10.

4. Section 12 is amended by replacing the second paragraph by the following paragraph :

* The Regulation respecting combat sports licensing, approved by Order in Council 663-95 dated 17 May 1995 (1995, G.O. 2, 1543), has not been amended since.

“In addition, the applicant’s right to obtain a licence must not have been suspended pursuant to section 63.”

5. Section 13 is amended

(1) by inserting “documents attesting to” after “provide” in paragraph 2;

(2) by replacing paragraph 8 by the following:

“(8) not have had his right to obtain a licence suspended pursuant to section 63.”

6. Section 15 is amended

(1) by striking out “and 8” in the part preceding paragraph 1;

(2) by adding the following paragraph at the end:

“(4) an attestation showing that his name is entered in the register provided for in the Professional Boxing Safety Act of 1996 (15 U.S.C. 6301 et seq.) as it reads at the time of application, if the applicant is required to be registered.”

7. Section 17 is amended by replacing paragraph 3 by the following:

“(3) not have had his right to obtain a licence suspended pursuant to section 63.”

8. Section 19 is amended by replacing paragraph 3 by the following:

“(3) not have had his right to obtain a licence suspended pursuant to section 63.”

9. Section 24 is amended by replacing paragraph 6 by the following:

“(6) not have had his right to obtain a licence suspended pursuant to section 63.”

10. Section 27 is amended by adding “Every fraction of a dollar of remuneration shall be rounded up to the next highest dollar.” at the end of the second paragraph.

11. Section 31 is replaced by the following:

“**31.** A licence application shall be made using the form provided by the board and contain the following information:

(1) the applicant’s name;

(2) the applicant’s address;

(3) the class of licence applied for; and

(4) a description of the applicant’s judicial record, if any.”

12. Section 35 is amended by replacing the second and third paragraphs by the following:

“However, the duties payable for an application for an organizer’s licence for 1 sports event are the aggregate of

(1) 5% of the gross receipts from ticket sales, up to \$500,000 of gross receipts;

(2) 3% of the gross receipts from ticket sales in excess of \$500,000 where applicable; and

(3) 3% of the gross receipts from broadcasting and rebroadcasting rights.

The maximum amount of duties payable shall be \$55,000 on ticket sales and \$75,000 on broadcasting and rebroadcasting rights.

In all cases, the duties payable for an application for an organizer’s licence valid for 1 sports event shall not be less than \$2,512 nor more than \$130,000.

Where the amount of duties payable is greater than the minimum duties required, the organizer of a sports event shall pay the balance from ticket sales within 15 days following the sports event and the balance from broadcasting and rebroadcasting rights within 120 days following the sports event.

The duties payable pursuant to this section bear interest at the legal rate.”

13. Section 36 is amended by replacing “\$0.25 or multiple thereof” by “dollar”.

14. Section 38 is amended

(1) by replacing “\$150” in the first paragraph by “\$300”;

(2) by replacing “\$300” in the second paragraph by “\$600”.

15. Section 43 is amended

(1) by replacing “in the form prescribed in Schedule C-1” in the first paragraph by “made using the form provided by the board”;

(2) by replacing “in the form prescribed in Schedule C-2” in the second paragraph by “made using the form provided by the board”.

16. The heading of Division XI is replaced by the following :

“CIVIL LIABILITY”.

17. Section 49 is replaced by the following :

“**49.** An applicant for an organizer’s licence valid for 1 sports event shall submit an attestation, using the form provided by the board, certifying that he holds a civil liability insurance contract providing at least \$1,000,000 coverage per incident for the financial liability arising from an incident occurring in the performance of his duties or at the time he is performing his duties, throughout the term of the licence, for bodily injury, moral damage or material damage.”.

18. Section 54 is amended by replacing “45” in paragraph 4 by “46.2.1”.

19. Section 55 is amended

(1) by replacing paragraph 1 by the following :

“(1) has a financial interest of any kind whatsoever with a manager or an official”;

(2) by adding the following paragraph at the end :

“(3) concurrently acts as a manager.”.

20. Section 56 is amended

(1) by adding the following paragraphs at the end :

“(7) obtains a positive result at or refuses or neglects to undergo an anti-doping test pursuant to Division IX.1 of Chapter I of the Regulation respecting combat sports; or

(8) concurrently acts as an organizer and manager, except if acting for himself.”.

21. Section 57 is amended by adding the following paragraphs at the end :

“(4) concurrently acts as an organizer; or

(5) has a financial interest of any kind whatsoever with an organizer.”.

22. Section 58 is amended by adding the following paragraph at the end :

“(4) concurrently acts as an organizer.”.

23. Section 60 is revoked.

24. Section 63 is amended by replacing the first paragraph by the following :

“**63.** Where a person’s licence has been cancelled or suspended, the board may suspend that person’s right to obtain a new licence under this Regulation, for a maximum period of 3 years in the case of a cancellation and for a maximum period of 1 year in the case of a suspension.”.

25. Section 66 is amended

(1) by replacing “paragraph 3 of” by “paragraph 3 of each of”;

(2) by inserting “, the third paragraph of section 29” after “section 24”.

26. The following is inserted after section 70 :

“**CHAPTER II.1**
MIXED BOXING

70.1. The provisions of Chapter I apply with the necessary modifications to mixed boxing within the meaning of section 195.1 of the Regulation respecting combat sports, except for paragraph 3 of section 15, section 16, paragraph 3 of section 25, the last paragraph of section 29 and paragraphs 3 and 4 of section 62 of this Regulation.

70.2. The board may suspend, for a maximum period of 1 year, the licence of a contestant who has committed a foul listed in sections 195.28 to 195.30 of the Regulation respecting combat sports.”.

27. Schedules A-1, B1 to B4, C-1, C-2 and D-1 are revoked.

28. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

Draft Regulation

An Act respecting government services to departments and public bodies
(R.S.Q., c. S-6.1)

Gazette officielle du Québec

— Rates

— Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the *Gazette officielle du Québec*, the text of which appears below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to change the current publication and subscription rates for the *Gazette officielle du Québec*, taking into account marketplace rules. It also sets a rate for certain products now offered on information technology-based media and fixes the percentage and timetable for future increases in the cost of the products.

Further information may be obtained by contacting Marie-Claude Lanoue, Director, Publications du Québec, 1500D, rue Jean-Talon Nord, 1^{er} étage, Sainte-Foy (Québec) G1N 2E5; telephone: (418) 644-1342; fax: (418) 644-7813; e-mail: marie-claude.lanoue@mrci.gouv.qc.ca

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the Minister of Relations with the Citizens and Immigration, 360, rue McGill, 4^e étage, Montréal (Québec) H2Y 2E9.

MICHELLE COURCHESNE,
*Minister of Relations with
the Citizens and Immigration*

Regulation to amend the Regulation respecting the *Gazette officielle du Québec**

An Act respecting government services to departments and public bodies
(R.S.Q., c. S-6.1, s. 26, pars. 4 and 5)

1. Division II of the Regulation respecting the *Gazette officielle du Québec* is replaced by the following:

“DIVISION II RATES

6. The annual subscription price for the *Gazette officielle du Québec* is

(1) \$165 for Part 1 in paper form and \$145 for Part 1 on a medium based on information technology; and

(2) \$225 for the English or French edition of Part 2 in paper form and \$195 for the English or French edition of Part 2 on a medium based on information technology.

7. The selling price of an issue of the *Gazette officielle du Québec* is \$8.50 per copy in paper form and \$8 per copy on a medium based on information technology.

8. The price of a technology-based document included in an issue of the *Gazette officielle du Québec* is \$6.

9. The rate payable for the publication of documents, notices and announcements in Part 1 is \$1.15 per agate line.

The costs shall be paid by the person or authority requesting the publication or, where the publication is requested by the Government, by the person or authority issuing the document, notice or announcement.

10. The rate payable for publishing a document in Part 2 is \$0.75 per agate line. A minimum rate of \$165 is applied, however, in the case of a publication of fewer than 220 agate lines.

The costs shall be paid by

(1) in the case of an Act, Proclamation or Order in Council for the coming into force of an Act, the Minister responsible for the application of the Act concerned;

(2) the person or authority adopting or making regulations or other statutory instruments or, where they are made by the Government, the Minister recommending they be adopted or made;

(3) the person or authority recommending the adoption or making of an Order in Council, Conseil du trésor decision or Minister's order, in the case of Orders in Council, Conseil du trésor decisions or Minister's orders;

(4) the court or tribunal adopting rules of practice, in the case of rules of practice of a court or tribunal; or

(5) in all other cases, the person or authority issuing the document.

* The Regulation respecting the *Gazette officielle du Québec*, made by Order in Council 1259-97 dated 24 September 1997 (1997, G.O. 2, 5107), has not been amended since it was made.

If the costs may be paid by more than one person or authority, they shall be paid by the issuer of the document.

11. The amounts set forth in sections 6 to 10 shall be indexed on 1 January 2005 and on 1 January of each year thereafter on the basis of the rate of increase in the general Consumer Price Index for Canada for the period ending on 30 September of the preceding year, as determined by Statistics Canada.

The rates and prices thus indexed that are less than \$35 shall be reduced to the nearest cent if they contain a fraction of a cent less than 0.5¢; they shall be increased to the nearest cent if they contain a fraction of a cent equal to or greater than 0.5¢.

The rates and prices thus indexed that are equal to or greater than \$35 shall be reduced to the nearest dollar if they contain a fraction of a dollar less than \$0.50; they shall be increased to the nearest dollar if they contain a fraction of a dollar equal to or greater than \$0.50.

The Québec Official Publisher shall publish the result of the annual indexing in the *Gazette officielle du Québec*.

12. The Québec Official Publisher shall send the *Gazette officielle du Québec* free of charge to the public bodies, public servants and other persons listed in Schedule I.”

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

6087

Draft Regulation

An Act respecting the conservation and development of wildlife
(R.S.Q., c. C-61.1)

Hunting and fishing controlled zones — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting hunting and fishing controlled zones, the text of which appears below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to grant agencies managing controlled zones more latitude, enabling them to self-finance their operations, establish conditions for the carrying on of recreational activities and offer new products to users.

To that end, the draft Regulation establishes the registration procedure for recreational activities, allows for a maximum of five lakes to be excluded from the lump-sum fee payment and to be subject only to a daily fee which may be doubled, allows for a limit to be set on the number of fishers on those five lakes, increases the maximum daily fees by approximately 5% per year for the next three years, fixes the maximum daily fee for travel by car at \$7.50, sets lump-sum travel fees according to the number of vehicles used, sets a new type of lump-sum travel fee applicable to the holder of a right of access and to any person travelling with the holder; it allows, as of 1 April 2007, for the maximum amounts required for hunting and fishing and for travel in a vehicle to be indexed, for the conditions for the carrying on of recreational activities other than camping to be determined by the agency by by-law and for standards to apply specifically to camping, without restricting camping activities.

Study of the matter has shown a negative impact because users will eventually have to pay additional fees to travel in a vehicle and to hunt and fish.

Further information may be obtained by contacting :

Michel Jean
Société de la faune et des parcs du Québec
Direction des territoires fauniques et de la réglementation
675, boulevard René-Lévesque Est, 11^e étage, boîte 96
Québec (Québec)
G1R 5V7

Telephone : (418) 521-3880 ext. 4095
Fax : (418) 646-5179

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the Minister for Forests, Wildlife and Parks, 5700, 4^e Avenue Ouest, bureau A-308, Charlesbourg (Québec) G1H 6R1.

SAM HAMAD, <i>Minister of Natural Resources, Wildlife and Parks</i>	PIERRE CORBEIL, <i>Minister for Forests, Wildlife and Parks</i>
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Regulation to amend the Regulation respecting hunting and fishing controlled zones*

An Act respecting the conservation and development of wildlife

(R.S.Q., c. C-61.1, s. 110, 1st par., subpars. 1, 2, 2.1, 3, 4, 5.2, 6, subpars. *b*, *d*, *e* and 2nd par.)

1. The Regulation respecting hunting and fishing controlled zones is amended in section 1 by adding “or a limit on the number of persons who may enter daily to fish” in the definition of “limited access sector” after “moose”.

2. Section 3 is amended

(1) by inserting the following after subparagraph 3 of the second paragraph:

“(3.1) specify to the officer a location or, where applicable, a sector where the person will carry on a recreational activity that is part of a development plan approved by the Société in accordance with section 106.0.1 of the Act and the date of each day on which the activity will be carried on;”;

(2) by replacing the third and fourth paragraphs by the following paragraph:

“Subject to the fourth paragraph, a person may, without paying additional fees or by paying the difference if the person requests to be transferred to a location or sector for which the fees are higher, have a registration officer modify the choice of location or sector for hunting, fishing or recreational activity referred to in subparagraph 3.1 of the second paragraph; this paragraph does not apply to the person who hunts in a limited access sector.”;

(3) by adding the following paragraph at the end:

“If places are available and subject to the payment of fees, a person may also have a registration officer modify the choice of fishing location or sector in the following cases:

(1) to replace a non-limited access sector by a limited access sector or a body of water referred to in section 17.1;

(2) to replace a limited access sector or such a body of water by another limited access sector or another such body of water; and

(3) to replace a limited access sector or such a body of water by a non-limited access sector.”.

3. The Regulation is amended by inserting the following before section 8:

“§1. *Moose hunting sector*”.

4. The Regulation is amended by inserting the following after section 15:

“§2. *Fishing sector*

15.1. An agency may determine, by by-law, for fishing purposes, the maximum number of fishers who may be admitted daily to each sector it has established, to the extent that each sector corresponds to a body of water referred to in section 17.1, up to five sectors; the number of fishers must be at least six per sector.

15.2. To be able to fish in a limited access sector, a person must have been selected as provided in section 15.3.

15.3. The agency shall select fishers according to one of the following methods:

(1) at least two months before the fishing season, by an annual draw of lots or by telephone reservation, for the purpose of selecting at least half the number of fishers who may be admitted daily to all the limited access sectors in the ZEC;

(2) on the second day before the day on which the activity is to take place, by a draw of lots or by telephone reservation;

(3) on the day before the day the activity is to take place, by telephone reservation; and

(4) on the day the activity is to take place, by a draw of lots from among the persons present at the reception station.

* The Regulation respecting hunting and fishing controlled zones made by Order in Council 1255-99 dated 17 November 1999 (1999, G.O. 2, 4381) has been amended once, by the regulation made by Order in Council 1093-2002 dated 18 September 2002 (2002, G.O. 2, 5272).

15.4. At least one month prior to selecting the fishers, the agency shall publish the terms and conditions for participation in the draw of lots or telephone reservation in two newspapers, one of which with province-wide circulation and the other circulated in the region of the ZEC, or where that is not possible, in the nearest region.

15.5. Following a draw of lots held in accordance with paragraph 1 or 2 of section 15.3, each person selected shall be assigned a rank for the choice of a date and a limited access sector.

Following a draw of lots held in accordance with paragraph 4 of that section, each person selected shall be given the choice of a limited access sector.

15.6. A person selected following a draw of lots or who makes a telephone reservation shall be assigned only one reservation by the agency for a limit of three persons in the same limited access sector.”

5. Section 17 is amended by replacing the first paragraph by the following:

“A person may not fish or hunt in a ZEC unless the person has paid the fees set by by-law of the agency; the fees may not exceed the amounts prescribed in Schedule II or set in accordance with section 24 in the case of a non-resident.”

6. The Regulation is amended by inserting the following after section 17:

“**17.1.** An agency may also, for no more than five bodies of water, set daily fishing fees by by-law, the amount of which may be increased up to double the amount the agency has set in accordance with the first paragraph of section 17; in such a case, any lump-sum fishing fee set by the agency does not apply to those bodies of water.”

7. Section 19 is amended by replacing subparagraphs 1 and 2 of the first paragraph by the following:

(1) (a) \$7.50 if the person is travelling alone, whether or not the person is bringing in additional vehicles;

(b) \$7.50 if the person is travelling with other persons but is not bringing in additional vehicles;

(c) \$7.50 per person, if the person is travelling with other persons and bringing in additional vehicles or, where applicable, \$7.50 per vehicle, if the number of vehicles including the main vehicle is less than the number of persons travelling; and

(2) when entering or leaving the ZEC between 10:00 p.m. and 7:00 a.m. from 16 April to 14 September, or between 9:00 p.m. and 6:00 a.m. from 15 September to 15 April, an additional amount of \$3.00 may be charged to the driver of the main vehicle.”

8. Section 22 is replaced by the following:

“**22.** An agency may set, by by-law, for the benefit of any person, the person’s spouse and their minor children, an annual lump-sum fee not exceeding an amount prescribed in Schedule III, to travel by vehicle in the territory of the ZEC under its management.

An agency may also set, by by-law, for the benefit of any person, the person’s spouse, their minor children and the persons accompanying them, an annual lump-sum fee, the amount of which may be increased up to double the amount the agency has set in accordance with the first paragraph, to travel by vehicle in the territory of the ZEC.

Payment of the lump-sum fee referred to in the first and second paragraphs does not exempt the person from payment of the fees under subparagraph 2 of the first paragraph of section 19.”

9. Section 23 of the Regulation is revoked.

10. The Regulation is amended by inserting the following after section 25:

“DIVISION IV.1 RECREATIONAL ACTIVITIES

25.1. An agency may, by by-law, determine the conditions on which a recreational activity may be carried on, other than camping, in the sector it has established for recreational activities, provided that the activity is part of a development plan approved by the Société in accordance with section 106.0.1 of the Act.

25.2. No person may, for the purposes of carrying on a recreational activity, install equipment in the right of way of a road or trail or in a loading or unloading zone, except where required for the proper management of the territory of the ZEC.

25.3. No person in a location other than a campground managed by the agency may leave camping equipment in the location once the person ceases camping, unless a storage site is placed at the person’s disposal by the agency, in which case the person is required to store the equipment at that site.”

11. The Regulation is amended by inserting the following after section 27:

“**27.1.** No person may travel in a vehicle on a road or trail laid out for recreational activities that are part of a development plan approved by the Société in accordance with section 106.0.1 of the Act and identified as such.

27.2. No person may park a vehicle in the right of way of a road or trail in such manner as to impede traffic or in a loading or unloading zone.”.

12. The Regulation is amended by inserting the following after section 28:

**“DIVISION VI.1
INDEXING**

28.1. As of 1 April 2007, the maximum amounts of fees payable for fishing or hunting, set pursuant to sections 17 and 20, and the maximum amounts of travel fees set pursuant to sections 19 and 22 shall be indexed annually by applying to their value for the preceding year the percentage of annual increase in the unadjusted Canadian Consumer Price Index (recreation component), computed for the month of June of the preceding year, as published by Statistics Canada.

The Société de la faune et des parcs shall inform the public of the results of the indexing under this section through the *Gazette officielle du Québec* or by any other means the Société considers appropriate.”.

13. Section 29 is amended by replacing “19 and 28” by “19, 25.2, 25.3, 27.1, 27.2 and 28”.

14. Section 30 is amended

(1) by replacing “sectors for hunting or fishing” by “sectors for hunting, fishing or other recreational activities”;

(2) by replacing “additional hunting or fishing sector” by “additional sector for hunting, fishing or other recreational activities”.

15. The Regulation is amended by adding Schedules II and III attached to this Regulation.

16. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

**SCHEDULE II
(s. 17)**

MAXIMUM FEES PAYABLE TO FISH AND HUNT

As of (insert the date of coming into force of this Regulation)

(1) \$17.25 per day for fishing from 1 December to 15 April;

(2) \$17.25 per day for fishing from 16 April to 30 November;

(3) \$17.25 per day for hunting, other than white-tailed deer, moose, caribou or black bear hunting;

(4) \$29.00 per day for white-tailed deer hunting;

(5) \$29.00 per day for moose hunting;

(6) \$29.00 per day for caribou hunting;

(7) \$29.00 per day for black bear hunting.

As of 1 April 2005

(1) \$18.00 per day for fishing from 1 December to 15 April;

(2) \$18.00 per day for fishing from 16 April to 30 November;

(3) \$18.00 per day for hunting, other than white-tailed deer, moose, caribou or black bear hunting;

(4) \$30.25 per day for white-tailed deer hunting;

(5) \$30.25 per day for moose hunting;

(6) \$30.25 per day for caribou hunting;

(7) \$30.25 per day for black bear hunting.

As of 1 April 2006

(1) \$19.00 per day for fishing from 1 December to 15 April;

(2) \$19.00 per day for fishing from 16 April to 30 November;

(3) \$19.00 per day for hunting, other than white-tailed deer, moose, caribou or black bear hunting;

- (4) \$31.50 per day for white-tailed deer hunting;
- (5) \$31.50 per day for moose hunting;
- (6) \$31.50 per day for caribou hunting;
- (7) \$31.50 per day for black bear hunting.

SCHEDULE III

(s. 22)

MAXIMUM ANNUAL LUMP-SUM FEES TO TRAVEL BY VEHICLE

- (1) \$75.00 where only one vehicle is used;
- (2) \$90.00 where two vehicles are used;
- (3) \$100.00 where three or more vehicles are used.

6080

Draft Regulation

Education Act
(R.S.Q., c. I-13.3)

School board

— Norms, conditions and procedure for disposing of an immovable

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation respecting the norms, conditions and procedure for disposing of an immovable of a school board, the text of which appears below, may be made by the Government on the expiry of 45 days following this publication.

The purpose of the draft Regulation is to replace the current Regulation respecting the norms, conditions and procedure for disposing of an immovable of a school board and principally to

— modify the cases in which a written invitation to tender may be used;

— add new rules pertaining to a public call for tenders for the disposal of an immovable;

— add rules pertaining to the disposal of an immovable for a price below its value;

— add bodies for the benefit of which an immovable may be disposed of by agreement with the Minister's authorization and at a nominal price fixed by the Minister; and

— add, for the Minister's authorization to dispose of an immovable by agreement, a condition that a clause be inserted giving the school board a right of first refusal.

To date, study of the matter has shown no impact on businesses, including small and medium-sized businesses.

Further information may be obtained by contacting Gilles Marchand, Direction générale du financement et de l'équipement, ministère de l'Éducation, 1035, rue De La Chevrotière, 14^e étage, Québec (Québec) G1R 5A5; telephone: (418) 644-2525.

Any interested person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the Minister of Education, 1035, rue De La Chevrotière, 16^e étage, Québec (Québec) G1R 5A5.

PIERRE REID,
Minister of Education

Regulation respecting the norms, conditions and procedure for disposing of an immovable of a school board

Education Act
(R.S.Q., c. I-13.3, s. 452, 1st par., subpar. 2 and 2nd par.)

CHAPTER I DEFINITIONS AND SCOPE

1. For the purposes of this Regulation,

(1) "value" means the standardized assessment of an immovable obtained by multiplying the values entered on the assessment roll of a municipality for the immovable by the comparative factor established for the roll under section 264 of the Act respecting municipal taxation (R.S.Q., c. F-2.1);

(2) "school board" means a school board and the Comité de gestion de la taxe scolaire de l'Île de Montréal.

2. This Regulation does not apply to a servitude granted by a school board where the consideration does not exceed \$20,000.

CHAPTER II DISPOSAL OF AN IMMOVABLE HAVING A VALUE EXCEEDING \$100,000

DIVISION I AUTHORIZATION OF THE MINISTER

3. A school board must obtain authorization from the Minister of Education to dispose of an immovable having a value exceeding \$100,000.

DIVISION II DISPOSAL BY PUBLIC TENDER

4. The disposal of an immovable of a school board having a value exceeding \$100,000 must be made through a public call for tenders. Notwithstanding the foregoing, if the immovable is enclosed, it may be disposed of through a written invitation to tender to the owners of adjacent immovables or, if only one owner is concerned, by agreement.

5. A public call for tenders shall be published in French

(1) in a daily newspaper of Québec City or Montréal and in a regional weekly newspaper circulated in the region where the immovable is located; or

(2) through an electronic tendering system.

The period for receiving tenders may not be less than 4 weeks.

The date, time and place fixed for submitting and opening tenders shall be indicated in the public call for tenders. The opening of tenders shall be public.

The tender documents shall state that the school board is not bound to accept any tender.

The disposal following a public call for tenders shall be made in favour of the tenderer who presented the highest conforming tender.

6. A school board may not dispose of an immovable for less than its value. Notwithstanding the foregoing, where all the bids received are below the value of the immovable,

(1) the Minister may authorize the school board to dispose of the immovable to the highest bidder; or

(2) the school board may, if it does not ask for the authorization referred to in subparagraph 1, entrust the sale of the immovable to a real estate broker.

Where all the bids received by the real estate broker are below the value of the immovable, the Minister may authorize the school board to dispose of the immovable to the highest bidder.

DIVISION III DISPOSAL BY AGREEMENT TO CERTAIN BOD- IES

7. Despite section 4, the Minister may authorize a school board to dispose of an immovable by agreement, at a nominal price fixed by the Minister, to

(1) a school board whose territory includes all or part of its own territory or is adjacent to it;

(2) a general and vocational college;

(3) a university;

(4) a private educational institution accredited for purposes of subsidies in accordance with the Act respecting private education (R.S.Q., c. E-9.1);

(5) a public institution within the meaning of the Act respecting health services and social services (R.S.Q., c. S-4.2) or the Corporation d'hébergement du Québec;

(6) the Société d'habitation du Québec or Immobilière SHQ;

(7) the Société immobilière du Québec;

(8) a local municipality within the meaning of the Act respecting municipal territorial organization (R.S.Q., c. O-9), a regional county municipality or an urban community, within whose territory the immovable is located;

(9) a housing cooperative for it to acquire and use the immovable for purposes of social housing;

(10) a body or institution that is a registered charity for the purposes of the Taxation Act (R.S.Q., c. I-3) or a non-profit organization whose purposes are cultural, scientific, recreational, charitable or social, so that those purposes may be pursued; or

(11) a childcare centre, a day care centre, a kindergarten or a stop over centre, within the meaning of the Act respecting childcare centres and childcare services (R.S.Q., c. C-8.2), so that the centre or kindergarten may be set up in the immovable.

Notwithstanding the foregoing, such an authorization is conditional on the insertion in the contract of sale of a right of first refusal clause in favour of the school board, under which the body shall, if it wishes to dispose of the immovable, first offer it to the school board at the price it initially paid.

DIVISION IV DISPOSAL FOR NON-MONETARY CONSIDERATION

8. Despite sections 4 and 7, the Minister may authorize the disposal of an immovable by agreement to a person offering a non-monetary consideration of a value not less than the value of the immovable.

CHAPTER III FINAL

9. This Regulation replaces the Regulation respecting the norms, conditions and procedure for disposing of an immovable of a school board made by Order in Council 37-90 dated 17 January 1990.

10. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

6086

Draft Regulation

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1)

An Act to facilitate the establishment of a pension plan for employees working in childcare services
(R.S.Q., c. E-12.011)

Charter of Ville de Montréal
(R.S.Q., c. C-11.4; 2003, c. 3)

Supplemental Pension Plans Act — Application of provisions — Exemption of certain pension plans

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the “Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act”, the text of which appears below, may be made by the government upon the expiry of 45 days following this publication.

The purposes of the proposed regulatory provisions are to exempt the Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec from certain provisions of the Supplemental Pension Plans Act concerning the employer’s consent to plan amendments, the payment of the members’ benefits and the withdrawal of an employer party to a multi-employer plan. The provisions also exempt certain pension plans whose members are employees of the Ville de Montréal from the application of specific rules concerning the funding of those plans so as to facilitate the implementation of a debt refunding plan making it possible to eliminate the initial unfunded actuarial liability affecting those plans. The proposed provisions finally exempt the Supplemental Pension Plan for Employees of the Québec Construction Industry from certain provisions of the Supplemental Pension Plans Act the application of which would cause excessive difficulties in view of the specific characteristics of the said plan. Furthermore, the draft regulation contains specific rules intended to replace the provisions of the Act that are set aside or deferred and provides for changes in the said rules so that the plan ensures the members thereof of rights similar to those provided for in the Supplemental Pension Plans Act.

Further information may be obtained from Ms. Jacqueline Beaulieu or from Ms. Carole D’Amours, Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, Sainte-Foy (Québec) G1V 4T3 (tel.: (418) 657-8715, fax: 643-7421, e-mail: jacqueline.beaulieu@rrq.gouv.qc.ca or carole.damours@rrq.gouv.qc.ca).

Any person having comments to make on this matter is asked to send them in writing, before the expiry of the period mentioned above, to Mr. Guy Morneau, President and General Manager of the Régie des rentes du Québec, Place de la Cité, 2600, boulevard Laurier, 5^e étage, Sainte-Foy (Québec) G1V 4T3. Comments will be forwarded by the Régie to the Minister of Employment, Social Solidarity and Family Welfare, who is responsible for the application of the Supplemental Pension Plans Act.

CLAUDE BÉCHARD,
*Minister of Employment,
Social Solidarity and Family Welfare*

Regulation respecting the exemption of certain pension plans from the application of provisions of the Supplemental Pension Plans Act

Supplemental Pension Plans Act
(R.S.Q., c. R-15.1, s. 2)

An Act to facilitate the establishment of a pension plan for employees working in childcare services
(R.S.Q., c. E-12.011, s. 8)

Charter of Ville de Montréal
(R.S.Q., c. C-11.4, Schedule C (s. 37.1); 2003, c. 3, s. 2)

DIVISION I

PROVISIONS CONCERNING THE RÉGIME DE RETRAITE DU PERSONNEL DES CPE ET DES GARDERIES PRIVÉES CONVENTIONNÉES DU QUÉBEC

1. The Régime de retraite du personnel des CPE et des garderies privées conventionnées du Québec is exempted from the following provisions of the Supplemental Pension Plans Act:

- (1) subparagraph 3 of the second paragraph of section 24;
- (2) sections 142 to 146;
- (3) sections 198 to 203.

DIVISION II

PROVISIONS CONCERNING CERTAIN PENSION PLANS TO WHICH THE VILLE DE MONTRÉAL IS PARTY

2. This division applies to the following pension plans:

- (1) the Régime de retraite des contremaîtres de la Ville de Montréal, registered with the Régie des rentes du Québec under number 27693;
- (2) the Régime de retraite des fonctionnaires de la Ville de Montréal, registered under number 27543;
- (3) the Régime de retraite des professionnels de la Ville de Montréal, registered under number 28739;
- (4) the Régime de retraite des cadres de la Ville de Montréal, registered under number 27542.

3. The second paragraph of section 132 and section 133 of the Supplemental Pension Plans Act notwithstanding, the contribution paid by the Ville de Montréal to the pension fund of a plan in execution of an agreement referred to in the resolutions of the Council of the Ville de Montréal bearing the numbers CM03 0504 and CM03 0618 and made between the Ville de Montréal and the person, or if such be the case, the workers' association representing the majority of the plan's members, adjusted where required according to the said agreement, shall be used for the immediate reduction of the outstanding amortization amounts related to the initial unfunded actuarial liability identified in the report on the most recent complete actuarial valuation of the plan submitted to the Régie prior to 1 July 2003.

4. Any excess amount determined by the application of the first paragraph of section 134 of the Supplemental Pension Plans Act shall, if need be, and sections 133 and 134 of the Act notwithstanding, be allocated to the redemption of the bond credited to the pension fund of the plan concerned as a result of the execution of the agreement referred to in section 3 until the value as at 1 July 2003 of the excess amounts thus allocated is equal to the amount related to the plan among the following amounts:

- (1) in the case of the plan referred to in paragraph 1 of section 2: \$16 974 000;
- (2) in the case of the plan referred to in paragraph 2 of the said section: \$27 195 000;
- (3) in the case of the plan referred to in paragraph 3 of the said section: \$37 191 000;
- (4) in the case of the plan referred to in 4 of the said section: nil.

5. Sections 133 and 134 of the Supplemental Pension Plans Act notwithstanding, where the value as at 1 July 2003 of the excess amounts determined by applying the first paragraph of section 134 of the Act to a pension plan reaches the amount indicated in section 4 with respect to the said plan, a portion equal to 40% of any excess amount thus determined shall be allocated to increasing the benefits of the plan's members and beneficiaries, the balance of such excess being allocated, if need be, to the redemption of the bond referred to in section 4.

The first paragraph applies with respect to a pension plan until the value referred to therein reaches the later of the following: the amount set for that plan by the second paragraph of section 32 of the Act respecting the negotiation of agreements concerning the reduction of labour costs in the municipal sector (1998, chapter 2) or the bond credited to the pension fund of the plan concerned as a result of the execution of the agreement referred to in section 3 has been redeemed in full.

6. The first paragraph of section 172 of the Supplemental Pension Plans Act applies to the said pension plans by replacing the percentage “10%” by the percentage “17.5%”.

7. The said pension plans are exempted from the application of sections 135.2 to 135.5 and 306.2 to 306.6 of the Supplemental Pension Plans Act.

8. Section 32 of the Act respecting the negotiation of agreements concerning the reduction of labour costs in the municipal sector (1998, c. 2), as amended by section 6 of the Act to amend various legislative provisions concerning municipal affairs (2003, c. 3), is further amended by inserting the following paragraphs, after the first paragraph:

“As at 1 July 2003, the value of the actuarial gains to be used for the purposes provided for in the first paragraph is, for the following plans referred to in the first paragraph, set at the following corresponding amount:

- 1° the plan referred to in paragraph 1: \$32 719 000;
- 2° the plan referred to in paragraph 3: \$219 669 000;
- 3° the plan referred to in paragraph 5: \$83 951 000;
- 4° the plan referred to in paragraph 6: \$33 793 000.

“Upon agreement thereto between the Ville de Montréal and the person, or if such be the case, workers’ association representing the majority of the members of a pension plan referred to in the second paragraph, such gains may likewise be used, in accordance with the terms and conditions set out in a regulation made pursuant to section 2 of the Supplemental Pension Plans Act, to provide for the redemption of a bond referred to in such regulation or to pay the employer portion of the current service contribution. Where such gains are not sufficient to redeem in full such bond, gains determined subsequently may also, insofar as the agreement so provides, be used to provide for the redemption of the bond or to increase the benefits of the plan’s members or beneficiaries, until the balance of the bond is nil.”

DIVISION III **PROVISIONS CONCERNING THE SUPPLEMENTAL PENSION PLAN FOR EMPLOYEES OF THE QUÉBEC CONSTRUCTION INDUSTRY**

9. The Supplemental Pension Plan for Employees of the Québec Construction Industry, registered with the Régie des rentes du Québec under number 25299, is, on the conditions set forth hereinafter, exempted from the application of the following provisions:

(1) subparagraph 13 of the second paragraph of section 14, subparagraph 3 of the second paragraph of section 24, sections 26, 48, 51, 60.1, 66.1, 69.1, 77, 89.1, 91.1 and 92.1, the third paragraph of section 99, sections 166 and 198 to 203 of the Supplemental Pension Plans Act;

(2) section 44 of the Act, provided any contribution referred to therein bears interest, from the first day of the month following the one in which it must be paid into the pension fund, at the rate of return obtained on the investment of the assets credited to the account to which it must be paid, or in the case of a member contribution that must be paid to the general account, at the rate obtained monthly on five-year personal term deposits in chartered banks, as compiled by the Bank of Canada;

(3) section 66 of the Act, provided a member who ceases to be an active member but who is not entitled to a pension benefit is entitled to the refund of his member contributions, with accrued interest;

(4) section 69 of the Act, provided that every member who ceases to be an active member after having accumulated at least 2,800 hours worked as an active member is entitled to a deferred pension at least equal to the sum of the basic pension from the general account and the pension related to his complementary account;

(5) the first paragraph of section 71 of the Act, provided every member who ceases to be an active member after having accumulated at least 2,800 hours worked as an active member and whose period of continuous service ended within the ten years preceding the date on which he reaches the normal retirement age is entitled to an early pension;

(6) section 78 of the Act, provided the member is entitled to the refund of all the contributions paid in his behalf during the postponement period;

(7) the third paragraph of section 87 and the provisions of the first paragraph of section 88.1 of the Act that allow the spouse of a member to waive the benefits

granted him under section 87 of the Act, provided the said spouse has the right to waive, to the benefit of such member, the right to receive a portion of the pension provided for in the second paragraph of section 87;

(8) the provisions of the first paragraph of section 88.1 of the Act that allow the spouse of a member to renounce the rights accorded to said spouse pursuant to section 86 of the Act;

(9) the second sentence of the first paragraph of section 99 of the Act but only to allow further restriction of the transfer right of a member who is entitled to an early pension;

(10) section 112 of the Act, provided the Commission de la construction du Québec transmits:

(a) within nine months following the end of each of the Plan's fiscal years, to each active member, a statement containing the information referred to in section 112 of the Act and, where appropriate, the notice provided for in the second paragraph of that section;

(b) every five years, to each non-active member and beneficiary, a statement and a notice containing information similar to that contained, respectively, in the statement and notice provided for in subparagraph (a), which applies with the required adaptations;

(11) the third paragraph of section 299 of the Act, with respect to the right of the spouse of a member to renounce the pension benefit referred to therein;

(12) section 15 of the Regulation respecting supplemental pension plans approved by Order in Council 1158-90, dated 8 August 1990, provided the Commission has made with the Régie des rentes du Québec an agreement related to the application of section 165 of the Act and provided such agreement is in effect;

(13) the provisions of Division V of the Regulation that prescribe the determination in months of the period between two dates, provided such determination is made on the basis of the hours worked credited to the worker between those dates;

(14) sections 56.2 to 59.0.2 of the Regulation, provided the information provided for in sections 57, 58, excluding the information provided for in subparagraph *n* of subparagraph 5 of that section, and 59 of the Regulation as it read on 30 December 2002 is provided to those concerned thereby;

(15) subparagraphs *b* and *c* of subparagraph 8 of section 58 as well as subparagraphs *e* and *f* of subparagraph 4 of section 59 of the Regulation, provided the information provided for by those provisions are provided to the applicant for a refund or transfer of his benefits or the payment of a pension benefit.

10. The following provisions of the Supplemental Pension Plans Act apply to the plan, subject to the following changes:

(1) section 46, by replacing, in the first paragraph, the words "the actuary" with the words "a person who is a member of the Canadian Institute of Actuaries";

(2) section 60.1, by replacing, in the second paragraph, the words "the date the member ceases to be an active member" with the words "the end of the member's last period of active membership in the plan";

(3) section 66, by replacing, in the first paragraph, the words, "ceases to be an active member" with the words "applies for a refund";

(4) section 111, by replacing, in the second paragraph, the number "90" with the number "120";

(5) Section 290.1, by replacing, in the first paragraph, the number "2001" with the number "2006".

11. For applying sections 60 and 61 of the Supplemental Pension Plans Act where a member has had several periods of active membership in the plan, the sum of the member's member contributions and the value of any pension benefit to which he is entitled shall be determined at the last date as of which he became entitled to such pension benefit, taking into account his accrued benefits and the member contributions that he has paid with respect to all of such periods, with the exception of any periods for which he has already obtained a refund or transfer of his benefits.

12. A member or spouse who has become entitled to a pension whose value is less than 4% of the Maximum Pensionable Earnings established pursuant to the Act respecting the Québec Pension Plan (R.S.Q., c. R-9) for the year in which he becomes entitled to such pension, may elect, before payment of the pension begins, to receive instead a lump-sum payment.

13. The spouse of a member is entitled to a refund of the value of the benefits payable to him as a result of the member's death if such value is less than 20% of the Maximum Pensionable Earnings established pursuant to

the Act respecting the Québec Pension Plan for the year in which the member died. The spouse may not exercise that right once a pension arising from the death begins to be paid to him.

Where the conditions set forth in the first paragraph are met, the Commission may likewise make a full payment of the spouse's benefits by refunding to him the sum corresponding to the value of his pension. Beforehand, the Commission must ask the spouse by notice in writing to make known to it his instructions as to the method of refund; failing receipt of a reply with 30 days from the transmission of such notice, the Commission may make the refund. The notice transmitted to the spouse must mention that eventuality.

14. The Commission may, upon application of the spouse who benefits therefrom, make a refund of the residual value of a pension that began to be paid prior to the coming into effect of this section, provided the value is less than 20% of the Maximum Pensionable Earnings established pursuant to the Act respecting the Québec Pension Plan for the year in which the refund application is made.

DIVISION IV **FINAL PROVISIONS**

15. This Regulation replaces the Regulation respecting the exemption of the Supplemental Pension Plan for Employees in the Québec Construction Industry from the application of certain provisions of the Supplemental Pension Plans Act, which was made by Order in Council number 215-98 dated 25 February 1998.

16. The following provisions have effect from:

(1) 26 April 1998, the provisions of paragraph 1 of section 9 with respect to section 91.1 and the third paragraph of section 99 of the Supplemental Pension Plans Act, paragraph 6 of the same section, paragraph 1 of section 10 and section 11;

(2) 1 January 2001, the provisions of paragraph 1 of section 9 with respect to sections 60.1, 66.1, 89.1, 92.1 and 198 to 203 of the Supplemental Pension Plans Act, paragraphs 2, 3, 7, 8, 10 and 11 of the same section, paragraphs 4 and 5 of section 10 and section 12;

(3) 31 December 2002, the provisions of paragraph 14 of section 9;

(4) 1 April 2003, the provisions of Division I;

(5) 1 July 2003, the provisions of Division II

17. Section 6 will cease to have effect with respect to a pension plan to which Division II applies upon the expiry of the period prescribed for transmitting to the Régie the report on the complete actuarial valuation of the plan the date of which is after 1 July 2003 and that shows, for the first time, that the bond referred to in section 4 has been fully redeemed.

Furthermore, the following provisions will cease to have effect:

(1) 1 July 2004, paragraphs 3, 4 and 5 of section 9 and the provisions of section 12 respecting a member;

(2) 1 January 2005, the provisions of paragraph 1 of section 9 respecting section 92.1 of the Supplemental Pension Plans Act;

(3) 1 July 2005, the provisions of paragraph 1 of section 9 respecting section 89.1 of the Supplemental Pension Plans Act and the provisions of paragraph 2 of the same section that refer in particular to the member contribution that must be paid into the general account of the plan's pension fund;

(4) 1 January 2006, the provisions of paragraph 1 of section 9 respecting section 60.1 of the Supplemental Pension Plans Act, paragraphs 8, 11 and 14 of the same section, paragraph 3 of section 10 as well as the provisions of section 12 respecting a spouse;

(5) 1 July 2006, the provisions of paragraph 1 of section 9 respecting sections 66.1 and 91.1 of the Supplemental Pension Plans Act;

(6) 31 December 2007, the provisions of section 14.

18. This Regulation comes into force on the fifteenth day following its publication in the *Gazette officielle du Québec*, with the exception of paragraph 3 of section 9, which will have effect from 1 July 2004 and paragraph 15 of section 9, paragraph 2 of section 10 and sections 13 and 14, which will have effect from 1 January 2006.

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Parliamentary Committees

Committee on Agriculture, Fisheries and Food

General consultation

The new issues surrounding food security in Québec

The Committee on Agriculture, Fisheries and Food has resolved to study the new issues surrounding the biofood industry from the farm to the table, in particular GMOs, traceability and labelling in order to improve the food security level in Québec. The Committee has published a consultation paper which can be obtained through the clerk or consulted in the Committee's Internet site at the following address :

<http://www.assnat.qc.ca/fra/37legislature1/commissions/Capa/index.shtml>

The Committee will hold public hearings on this subject beginning on 3 February 2004. Individuals and organizations who wish to express their views on this matter must submit a brief to the above Committee not later than 23 January 2004. Every brief must be accompanied by a concise summary of its contents, and both documents must be submitted in 25 copies printed on letter-size paper. Those who wish to have their brief forwarded to the press gallery must provide an additional 25 copies. You may also add an electronic version of your brief by e-mailing it to the Clerk of the Committee. However, this does not exempt you from producing a written version. The Committee will select the individuals and organizations it wishes to hear from among those who have submitted a brief. You may produce a brief even if you do not wish to be heard. All briefs will be considered.

Briefs, correspondence, and requests for information should be addressed to: Mr. Christian A. Comeau, Clerk of the Committee on Agriculture, Fisheries and Food, Édifice Pamphile-Le May, 1035, rue des Parlementaires, 3^e étage, Québec (Québec) G1A 1A3.

Telephone: (418) 643-2722 ; facsimile: (418) 643-0248
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