

Regulations and other acts

Gouvernement du Québec

O.C. 1340-96, 23 October 1996

An Act respecting the Caisse de dépôt
et placement du Québec
(R.S.Q., c. C-2)

Caisse de dépôt et placement du Québec — Internal management — Amendments

Regulation amending the Regulation respecting the internal management of the Caisse de dépôt et placement du Québec

WHEREAS the board of directors of the Caisse de dépôt et placement du Québec made, by resolution, at its meeting of 31 May 1996, the Regulation to amend the Regulation respecting the internal management of the Caisse de dépôt et placement du Québec attached hereto;

WHEREAS at the same time, the board of directors of the Caisse de dépôt et placement du Québec authorized the management of the Caisse to make the necessary adjustments to the Regulation to take the discussions with the Government into account and those adjustments have been made;

WHEREAS under section 13 of the Act respecting the Caisse de dépôt et placement du Québec (R.S.Q., c. C-2), the Regulations made by the board of directors of the Fund shall be submitted to the Government for approval;

WHEREAS under section 15 of the Act respecting the Caisse de dépôt et placement du Québec, the officers and other employees shall be appointed in the manner provided in its regulations and in accordance with the staff requirements established thereunder and the remuneration standards and scales, as well as other conditions of employment applicable to them shall also be submitted to the Government for approval;

WHEREAS the Regulation amending the Regulation respecting the internal management of the Caisse de dépôt et placement du Québec contains provisions respecting the management of funds and portfolios and the subjects governed by section 15;

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

THAT the Regulation amending the Regulation respecting the internal management of the Caisse de dépôt et placement du Québec, attached to this Order in Council, be approved.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation amending the Regulation respecting the internal management of the Caisse de dépôt et placement du Québec

An Act respecting the Caisse de dépôt
et placement du Québec
(R.S.Q., c. C-2, ss. 13, 15 and 23, sub. *a* and *e*)

1. The Regulation respecting the internal management of the Caisse de dépôt et placement du Québec (R.R.Q., 1981, c. C-2, r.2), amended by the Regulations made by Orders in Council 3569-81 dated 22 December 1981, 2505-82 dated 3 November 1982, 2985-82 dated 21 December 1982, 980-85 dated 29 May 1985, 2444-85 dated 27 November 1985, 1468-87 dated 23 September 1987, 1869-87 dated 9 December 1987, 32-88 dated 13 January 1988, 663-88 dated 4 May 1988, 578-89 dated 19 April 1989, 1867-89 dated 6 December 1989, 359-90 dated 21 March 1990, 437-92 dated 25 March 1992 and 330-94 dated 9 March 1994, is further amended by this Regulation.

2. Section 16 is amended as follows:

a) by the replacement, in the second line of the first paragraph, of the words “in Schedule A” with the words “by this Regulation”;

b) by the insertion, in the third line of the first paragraph, after the word “remuneration”, of the words “and their working conditions”;

c) by the addition, at the end of the first paragraph, of the following sentence: “The staff of the Fund shall be determined by its board of directors according to the maximum ratio of one point three (1.3) person-year per one hundred (100) million of assets under management.”;

d) by the replacement, in the second paragraph, of the words “in categories IV, V and VI within the functional group” with the words “at level 10 and higher”.

3. Section 17 is amended by the deletion, in the last line of the first paragraph, of the words “in accordance with the staff requirements established in Schedule A”.

4. Section 18 is amended as follows:

a) by the insertion, in the second line, after the word “appoint”, of the words “and assign”;

b) by the deletion, in the second line, after the word “employees”, of the words “within the functional group of technical staff and support staff”.

5. Section 19 is amended by deleting the words “,in the opinion of the general manager,”.

6. Section 20 is amended as follows:

a) by the replacement, in the first paragraph, of the words “his employment may be terminated by a simple notice of the general manager” with the words “his employment may be terminated”;

b) by the replacement, in the second paragraph, of the words “the general manager may set a longer or shorter probationary period” with the words “a longer or shorter probationary period may be set”;

c) by the replacement, in the second paragraph, of the words “He may also renew or extend the probationary period of an employee” with the words “The probationary period of an employee may also be renewed or extended”.

7. Section 21 is replaced with the following:

“**21.** The remuneration and other working conditions of the officers and other employees of the Fund shall be determined by the board of directors in accordance with the standards and scales appearing in Schedule “A”, which is an integral part of this Regulation.”.

8. The following sections are inserted following Section 21:

“**21.1** The remuneration of the officers and other employees of the Fund shall be adjusted by the board of directors in accordance with the standards and scales provided in section 21. More specifically, as regards the variable remuneration plan, the board of directors shall set the targets to be achieved, study the annual results and, if applicable, approve the distribution of the sums generated.

21.2 The board of directors shall annually deposit a report to the government, following the requested form, level of staff, the application of Schedule “A” and their underlying data. The government may communicate its observations to the board of directors, which shall be bound to take note of them.

21.3 The resources committee, formed by the board of directors, shall be responsible for the advance study of the subjects covered by this section and shall formulate recommendations to the board. The general manager, in the same manner, may formulate any recommendations he deems relevant.”.

9. Section 22 is replaced by the following:

“**22.** The staff shall not exceed the standards and scales of remuneration and the other working conditions established by this section without approval in advance by the government.”.

10. The following section is inserted after Section 22:

“**22.1** Section 15 of the Act is added to the list of sections stipulated in the second paragraph of section 37.1 of the Act. It shall be applied by the board of directors of the Fund, taking this division into account and making the necessary adaptations thereto.”.

11. Section 23 is amended by the replacement, in both paragraphs, of the words “belonging to officer categories IV,V and VI” with the words “at level 10 or higher”.

12. Sections 45.1, 45.2 and 45.4 are repealed.

13. Section 48.1 is amended by the addition, after subsection “(6)”, of the following:

“(7)” specific bond portfolios.”.

14. Section 48.3 is amended by the addition, at the end, of the following: “However, for the purposes of section 45, a portfolio’s net income for an exercise shall consist of the gross income minus the expenses mentioned therein.”.

15. Schedule A is replaced by the contents of the schedule of this Regulation, as an integral part thereof, entitled, “Method of establishing standards and scales of remuneration and other working conditions”.

16. This Regulation shall take effect on the date of its publication in the *Gazette officielle du Québec*.

SCHEDULE "A"

(s. 21)

**METHOD OF ESTABLISHING STANDARDS
AND SCALES OF REMUNERATION AND OTHER
WORKING CONDITIONS**

1. The remuneration and other working conditions of the officers and other employees of the Fund shall be adjusted annually or on a spot basis according to the provisions of this Schedule.

2. The remuneration and other working conditions of the officers and other employees of the Fund shall fall between the base level corresponding to the conditions in force at the time of adoption of this Regulation, as approved by C.T. 184152 dated November 16, 1993, and the maximum level, which must fall within the upper decile of the reference market. However, for non investment duties, the total remuneration must be within the third quartile of the reference market.

3. For the purposes of this Schedule "A", the reference market for non investment duties shall be Quebec and includes namely duties in the public sector.

For investment duties, the reference market shall be the Canadian institutional investment market; reference may however be made to the North American institutional investment market for those duties related to foreign or international markets such as managers or analysts of foreign stocks or bonds, as well as any products or securities traded on foreign and international markets and their derivatives, such as foreign currencies and commodities and for the assignments such as the responsibility of portfolios including such securities or products or the responsibility of deciding asset mix between foreign markets.

The reference market shall include a representative sample of entities such as institutions, insurance companies, trust companies, pension funds, investment advisers, brokerage firms and funds or other similar industries managers.

4. The data reflecting the reference market profile shall be computed by means of an annual or spot survey, conducted by a recognized firm, administered and analyzed according to a methodology and rules generally recognized in this field.

5. Adjustments to the remuneration of the officers and other employees of the Fund shall not exceed, for each officer or employee, except in the case of a promotion in accordance with the rules in force, the amount equivalent to the total remuneration observed for a matching job in the reference market.

6. The total payroll generated shall not exceed 100 % of the midpoint of the salary scales developed in accordance with section 2 above.

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