



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 97

(1997, chapter 29)

**An Act respecting the Centre de recherche
industrielle du Québec**

Introduced 18 March 1997
Passage in principle 13 May 1997
Passage 6 June 1997
Assented to 12 June 1997

Québec Official Publisher
1997

EXPLANATORY NOTES

The object of this bill is to enable the Centre de recherche industrielle du Québec to continue as a legal person established in the public interest with share capital.

The purpose of the Centre will be to design, develop and test equipment, products or processes and operate, on its own or with partners, the equipment, products and processes it has developed or to which it holds the rights.

The bill amends the composition of the board of directors of the Centre which, in future, will consist of nine members appointed by the Government, including a president and general manager. In addition, it contains conflict of interest rules and provides for the defence of directors who are prosecuted.

The bill also contains financial provisions specifying, in particular, the authorized share capital of the Centre and the terms and conditions with which the Centre must comply when making the financial commitments within its purview. Lastly, the bill includes transitional provisions.

Bill 97

AN ACT RESPECTING THE CENTRE DE RECHERCHE INDUSTRIELLE DU QUÉBEC

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

CHAPTER I

ESTABLISHMENT AND ORGANIZATION

1. The industrial research centre known as the “Centre de recherche industrielle du Québec”, established by chapter 62 of the statutes of 1969, shall be continued under this Act as a legal person established in the public interest with share capital.

2. The Centre may be designated by the acronym “CRIQ”.

3. The head office of the Centre shall be in the territory of the Communauté urbaine de Québec. Notice of any change of location of the head office shall be published in the *Gazette officielle du Québec*.

The board of directors of the Centre may hold its meetings anywhere in Québec.

4. The Centre is a mandatary of the Government.

The property of the Centre forms part of the domain of the State, but the performance of the obligations of the Centre may be levied against its property.

The Centre binds none but itself when it acts in its own name.

5. The board of directors of the Centre is composed of

(1) the president and general manager, who is a member of the board *ex officio*, and

(2) eight other members appointed by the Government for a term not exceeding three years.

6. The Government shall appoint a chairman from among the members of the board of directors. The chairman shall preside at meetings of the board and see to its proper operation.

The offices of president and general manager and of chairman of the board of directors may be held by the same person.

7. At the expiry of their terms, the members of the board of directors shall remain in office until they are replaced or reappointed.

8. The Government shall appoint the president and general manager of the Centre for a term not exceeding five years. He shall be responsible for the administration and direction of the Centre within the scope of the by-laws and policies of the Centre.

The president and general manager shall perform his duties on a full-time basis.

9. The Government shall determine the remuneration, employment benefits and other conditions of employment of the president and general manager.

The other members of the board of directors shall receive no remuneration, except in such cases, to such extent and on such conditions as the Government may determine. However, they shall be entitled to the reimbursement of expenses incurred in the performance of their duties subject to the conditions and to the extent determined by the Government.

10. The members of the personnel of the Centre shall be appointed according to the staffing plan and the standards established by by-law of the Centre. The by-law shall also determine the standards and scales of remuneration, employment benefits and other conditions of employment of the personnel members.

11. No member of the board of directors holding office on a full-time basis with the Centre or one of its subsidiaries may, on pain of forfeiture of office, have a direct or indirect interest in an enterprise causing his personal interest to conflict with that of the Centre or one of its subsidiaries. However, forfeiture of office is not incurred where the interest devolves by succession or gift, provided it is renounced or disposed of with dispatch.

Any member of the board of directors, other than a member holding office on a full-time basis with the Centre or one of its subsidiaries, who has a direct or indirect interest in an enterprise causing his personal interest to conflict with that of the Centre or one of its subsidiaries must, on pain of forfeiture of office, disclose his interest and withdraw from the meeting while any matter connected with the enterprise in which he has an interest is being discussed and voted on.

Any member of the personnel of the Centre or one of its subsidiaries who has a direct or indirect interest in an enterprise causing his personal interest to conflict with that of the Centre or one of its subsidiaries must, on pain of forfeiture of office, disclose his interest in writing to the chairman of the board of directors of the Centre or, as the case may be, of the subsidiary.

12. The Centre shall assume the defence of any director of the Centre prosecuted by a third person for an act done in the performance of his duties and shall pay the damages, if any, resulting from that act, unless the director has committed a grievous offence or a personal offence separable from the performance of his duties.

Notwithstanding the foregoing, in a penal or criminal proceeding, the Centre shall assume the payment of the expenses of a director of the Centre only if he had reasonable grounds to believe that his conduct was in conformity with the law or if he has been discharged or acquitted.

13. The Centre shall assume the expenses of a director of the Centre if, having prosecuted him for an act done in the performance of his duties, it loses its case and the court so decides.

If the Centre wins its case only in part, the court may determine the amount of the expenses to be assumed by the Centre.

14. The Centre shall fulfil the obligations provided for in sections 12 and 13 in respect of any person who acted at its request as a director for a legal person of which the Centre is a shareholder or creditor.

CHAPTER II

OBJECTS AND POWERS

15. The objects of the Centre are as follows :

- (1) to design, develop and test equipment, products or processes ;
- (2) to operate, on its own or with partners, the equipment, products and processes it has developed or to which it holds the rights ;
- (3) to gather and disseminate technological and industrial information and data ;
- (4) to carry on any activity related to standardization and certification.

For such purposes, the Centre may act as an adviser and provide services in its areas of expertise.

16. The Centre shall carry out any mandate entrusted to it by the Government in any field related to its objects all or part of the costs of which are borne by the Government.

17. The Minister, within the scope of his responsibilities, may issue directives to the Centre concerning its objectives and policies. The directives must first be submitted to the Government for approval.

Every directive is binding on the Centre and must be tabled in the National Assembly within 15 days of its approval by the Government or, if the Assembly is not sitting, within 15 days of resumption.

18. The inventions, discoveries, improvements, processes and equipment made by a person within the scope of a contract of employment, of enterprise or for services which binds the person to the Centre shall be the property of the Centre, unless the contract provides otherwise.

19. The by-laws of the Centre are not subject to ratification by the shareholder.

20. The provisions of Part II of the Companies Act (R.S.Q., chapter C-38), except the provisions of sections 159 to 162, 179, 184, 189 and subsection 3 of section 196, and the provisions of sections 89.1 to 89.4 of Part I of the said Act apply to the Centre.

CHAPTER III

FINANCIAL PROVISIONS

21. The authorized share capital of the Centre is \$65,000,000. It is divided into 650,000 shares having a par value of \$100 each.

22. The shares of the Centre form part of the domain of the State and are allotted to the Minister of Finance.

23. The Minister of Finance may, with the approval of the Government, pay to the Centre, out of the consolidated revenue fund, the sum of \$65,000,000 for 650,000 fully paid-up shares of its share capital. A certificate shall be issued to the Minister for the shares.

The payment may be made in one or several instalments; if it is made in several instalments, each must be authorized by the Government.

24. Following a reduction in the share capital of the Centre and an equivalent repayment of capital to the Minister of Finance under the Act respecting the reduction of the share capital of legal persons established in the public interest and of their subsidiaries (1994, chapter 45), the Minister of Finance may, with the authorization of the Government and subject to the conditions it determines, subscribe for shares of the Centre, the value of which shall not exceed the amount of the repayment. The shares shall be paid for out of the consolidated revenue fund. The certificates shall be issued when the shares are fully paid up.

25. The Government may, subject to the terms and conditions it determines, transfer to the Centre the ownership of any property forming part of the domain of the State.

Where the consideration consists of shares of the share capital of the Centre, share certificates shall be issued by the Centre to the Minister of Finance for the value of the consideration.

26. Registration in the land register of the transfer of property under section 25 is obtained by filing a notice designating the immovable transferred and indicating the number of the order in council authorizing the transfer.

The provisions of the Act respecting duties on transfers of immovables (R.S.Q., chapter D-15.1) do not apply to such a transfer.

27. The Government may, subject to the terms and conditions it determines,

(1) guarantee repayment of the principal of and payment of the interest on any loan contracted by the Centre or one of its subsidiaries as well as the performance of any of their obligations;

(2) give any undertaking relating to the carrying out or financing of a project of the Centre or of one of its subsidiaries;

(3) authorize the Minister of Finance to advance to the Centre or one of its subsidiaries any amount considered necessary for the pursuit of their objects.

The sums required for the carrying out of this section shall be taken out of the consolidated revenue fund.

28. The Centre or a subsidiary of the Centre shall not, unless authorized by the Government,

(1) acquire or hold shares of a legal person, or shares in a partnership, beyond the limits or contrary to the terms and conditions determined by the Government;

(2) transfer shares of a legal person, or shares in a partnership, beyond the limits or contrary to the terms and conditions determined by the Government;

(3) contract a loan which increases total outstanding borrowings beyond the amount determined by the Government;

(4) grant loans or make any other financial commitment beyond the limits or contrary to the terms and conditions determined by the Government;

(5) acquire or transfer assets beyond the limits or contrary to the terms and conditions determined by the Government;

(6) accept a gift or legacy to which a charge or condition is attached.

The amounts, limits and terms and conditions fixed under this section may apply to the group consisting of the Centre and its subsidiaries or to one or several members of that group.

This section does not apply to transactions between the Centre and its subsidiaries or between the subsidiaries.

29. For the purposes of this Act, a legal person or partnership is a subsidiary of the Centre if the Centre holds more than 50% of the voting rights attached to all issued and outstanding shares of the legal person or more than 50% of the shares of the partnership, or may elect or appoint the majority of its directors.

30. The Government shall determine the dividends payable by the Centre.

CHAPTER IV

ACCOUNTS AND REPORTS

31. The fiscal year of the Centre shall end on 31 March.

32. The Centre shall, on or before 30 June each year, file with the Minister its financial statements and activity report for the preceding fiscal year.

The financial statements and the activity report shall include all information required by the Minister.

33. The Minister shall table the activity report and the financial statements of the Centre in the National Assembly within 15 days of receiving them or, if the Assembly is not sitting, within 15 days of resumption.

34. The Centre shall prepare, according to the form, tenor and intervals fixed by the Government, a development plan which must include the activities of its subsidiaries. The plan must be submitted to the Government for approval.

35. The books and accounts of the Centre shall be audited every year, and also whenever so ordered by the Government, by the Auditor General or, with the authorization of the Government, by an auditor designated by the Centre. The auditor's report shall accompany the activity report and the financial statements of the Centre.

36. The minutes of the meetings of the board of directors, approved by the board and certified by the chairman of the board of directors, the secretary or any other person authorized by the Centre are authentic. The same applies to documents and copies emanating from the Centre or forming part of its records, when so certified.

37. No act, document or writing shall be binding upon the Centre or may be attributed to it unless it is signed by the chairman of the board of directors or by the president and general manager or, only to the extent determined by by-law, by a member of the personnel of the Centre designated by the president and general manager.

The by-law may, subject to the conditions it determines, allow the signature to be affixed to the documents listed therein by means of an automatic device. It may, in the same manner, allow a facsimile of a signature to be engraved, lithographed or printed on the documents listed therein. Such a facsimile has the same value as the signature itself.

38. The Centre shall provide the Minister with any information he requires concerning its activities.

CHAPTER V

MISCELLANEOUS AND TRANSITIONAL PROVISIONS

39. The Centre shall remit to the Minister of Finance, subject to the terms and conditions he determines, an amount equal to the accumulated assets of the Centre as at 31 March 1997. The Minister shall subscribe for and pay the Centre for shares of a value equivalent to that amount. A certificate shall be issued to the Minister for the shares.

40. The terms of office of the members of the Centre in office on (*insert here the date of coming into force of this Act*), except the general manager's term which is, for its unexpired portion and subject to same conditions, continued as president and general manager of the Centre, shall end on that date.

41. This Act replaces the Act respecting the Centre de recherche industrielle du Québec (R.S.Q., chapter C-8).

Every reference to that Act or to any of its provisions is a reference to this Act or to the corresponding provision of this Act.

42. The Minister of Industry, Trade, Science and Technology is responsible for the administration of this Act.

43. This Act comes into force on the date to be fixed by the Government.