



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 442

(1998, chapter 45)

**An Act respecting the combination of
certain state enterprises**

Introduced 14 May 1998

Passage in principle 27 May 1998

Passage 19 June 1998

Assented to 20 June 1998

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EXPLANATORY NOTES

This bill gives effect to the Budget Speech of 31 March 1998 and provides for the continuance of the Société de récupération, d'exploitation et de développement forestiers du Québec, the Société québécoise d'exploration minière, the Société québécoise d'initiatives agro-alimentaires and the Société québécoise d'initiatives pétrolières under Part IA of the Companies Act. The bill authorizes the Minister of Finance to transfer the shares of those companies to the Société générale de financement du Québec and to acquire in return common shares of the Société générale de financement du Québec for an equivalent value. The bill provides for the repeal of the constituting Acts of those companies on the date indicated on their certificates of continuance.

The bill amends the Act respecting the Société générale de financement du Québec as regards the authorized capital of the Société générale de financement, the means of participation in meetings of the board of directors and the enterprise's five-year development plan and annual operational plan.

Lastly, the bill provides that the chief executive officer of the Société générale de financement will be appointed by the Government which will determine the remuneration and terms of employment attached to that office.

LEGISLATION REPEALED BY THIS BILL :

- Act respecting the Société de récupération, d'exploitation et de développement forestiers du Québec (R.S.Q., chapter S-12);
- Act respecting the Société québécoise d'exploration minière (R.S.Q., chapter S-19);
- Act respecting the Société québécoise d'initiatives agro-alimentaires (R.S.Q., chapter S-21);
- Act respecting the Société québécoise d'initiatives pétrolières (R.S.Q., chapter S-22).

LEGISLATION AMENDED BY THIS BILL :

- Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10);

— Act respecting the Société générale de financement du Québec
(R.S.Q., chapter S-17).

Bill 442

AN ACT RESPECTING THE COMBINATION OF CERTAIN STATE ENTERPRISES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

CHAPTER I

SOCIÉTÉ DE RÉCUPÉRATION, D'EXPLOITATION ET DE DÉVELOPPEMENT FORESTIERS DU QUÉBEC

1. The Société de récupération, d'exploitation et de développement forestiers du Québec, constituted under the Act respecting the Société de récupération, d'exploitation et de développement forestiers du Québec (R.S.Q., chapter S-12), also known as "Rexfor", may be continued under Part IA of the Companies Act (R.S.Q., chapter C-38), and sections 123.133 to 123.139 of that Act apply to the continuance.

The directors of Rexfor must, not later than 20 July 1998, make a by-law for the continuance of Rexfor under Part IA of the Companies Act.

If the by-law is not made within the prescribed time, the by-law may be made by the Minister of Finance. In such a case, the first paragraph of section 123.133 of the Companies Act does not apply.

2. As soon as Rexfor becomes a company governed by Part IA of the Companies Act, the Minister of Finance is authorized to transfer all the shares of Rexfor to the Société générale de financement du Québec, at book value as at 31 March 1998. In return, fully paid common shares of the Société générale de financement du Québec, representing an equivalent value, shall be allotted to the Minister of Finance.

3. The head office of Rexfor may not be transferred outside the territory of the Communauté urbaine de Québec except with the approval of the Government.

4. Schedule II to the Act respecting the Government and Public Employees Retirement Plan (R.S.Q., chapter R-10), amended by section 58 of chapter 50 of the statutes of 1997, is again amended by replacing, according to alphabetical order, "the Société de récupération, d'exploitation et de développement forestiers du Québec, subject to section 27.1 of the Act respecting the Société de récupération, d'exploitation et de développement forestiers du Québec (chapter S-12)" in paragraph 1 by "the Société de récupération, d'exploitation

et de développement forestiers du Québec, but only with respect to its regular employees”.

5. The Act respecting the Société de récupération, d'exploitation et de développement forestiers du Québec is repealed on the date indicated on the certificate of continuance of Rexfor.

Notice to that effect shall be published by the Minister of Industry, Trade, Science and Technology in the *Gazette officielle du Québec*.

6. The by-laws made by Rexfor under the authority of the Act respecting the Société de récupération, d'exploitation et de développement forestiers du Québec shall remain in force until they are replaced or repealed.

CHAPTER II

SOCIÉTÉ QUÉBÉCOISE D'EXPLORATION MINIÈRE

7. The Société québécoise d'exploration minière, constituted under the Act respecting the Société québécoise d'exploration minière (R.S.Q., chapter S-19), also known as “Soquem”, may be continued under Part IA of the Companies Act, and sections 123.133 to 123.139 of that Act apply to the continuance.

The directors of Soquem must, not later than 20 July 1998, make a by-law for the continuance of Soquem under Part IA of the Companies Act.

If the by-law is not made within the prescribed time, the by-law may be made by the Minister of Finance. In such a case, the first paragraph of section 123.133 of the Companies Act does not apply.

8. As soon as Soquem becomes a company governed by Part IA of the Companies Act, the Minister of Finance is authorized to transfer all the shares of Soquem to the Société générale de financement du Québec, at book value as at 31 March 1998. In return, fully paid common shares of the Société générale de financement du Québec, representing an equivalent value, shall be allotted to the Minister of Finance.

9. The head office of Soquem may not be transferred outside the territory of the Communauté urbaine de Québec except with the approval of the Government.

10. The Act respecting the Société québécoise d'exploration minière is repealed on the date indicated on the certificate of continuance of Soquem.

Notice to that effect shall be published by the Minister of Industry, Trade, Science and Technology in the *Gazette officielle du Québec*.

11. The by-laws made by Soquem under the authority of the Act respecting the Société québécoise d'exploration minière shall remain in force until they are replaced or repealed.

CHAPTER III

SOCIÉTÉ QUÉBÉCOISE D'INITIATIVES AGRO-ALIMENTAIRES

12. The Société québécoise d'initiatives agro-alimentaires, constituted under the Act respecting the Société québécoise d'initiatives agro-alimentaires (R.S.Q., chapter S-21), also known as "Soquia", may be continued under Part IA of the Companies Act, and sections 123.133 to 123.139 of that Act apply to the continuance.

The directors of Soquia must, not later than 20 July 1998, make a by-law for the continuance of Soquia under Part IA of the Companies Act.

If the by-law is not made within the prescribed time, the by-law may be made by the Minister of Finance. In such a case, the first paragraph of section 123.133 of the Companies Act does not apply.

13. As soon as Soquia becomes a company governed by Part IA of the Companies Act, the Minister of Finance is authorized to transfer all the shares of Soquia to the Société générale de financement du Québec, at book value as at 31 March 1998. In return, fully paid common shares of the Société générale de financement du Québec, representing an equivalent value, shall be allotted to the Minister of Finance.

14. The head office of Soquia may not be transferred outside the territory of the Communauté urbaine de Québec except with the approval of the Government.

15. The Act respecting the Société québécoise d'initiatives agro-alimentaires is repealed on the date indicated on the certificate of continuance of Soquia.

Notice to that effect shall be published by the Minister of Industry, Trade, Science and Technology in the *Gazette officielle du Québec*.

16. The members of the personnel of Soquia who were in its employ on 31 May 1983 may not be dismissed except in accordance with section 33 of the Public Service Act (R.S.Q., chapter F-3.1.1).

17. The by-laws made by Soquia under the authority of the Act respecting the Société québécoise d'initiatives agro-alimentaires shall remain in force until they are replaced or repealed.

CHAPTER IV**SOCIÉTÉ QUÉBÉCOISE D'INITIATIVES PÉTROLIÈRES**

18. The Société québécoise d'initiatives pétrolières, constituted under the Act respecting the Société québécoise d'initiatives pétrolières (R.S.Q., chapter S-22), also known as "Soquip", may be continued under Part IA of the Companies Act, and sections 123.133 to 123.139 of that Act apply to the continuance.

The directors of Soquip must, not later than 20 July 1998, make a by-law for the continuance of Soquip under Part IA of the Companies Act.

If the by-law is not made within the prescribed time, the by-law may be made by the Minister of Finance. In such a case, the first paragraph of section 123.133 of the Companies Act does not apply.

19. As soon as Soquip becomes a company governed by Part IA of the Companies Act, the Minister of Finance is authorized to transfer all the shares of Soquip to the Société générale de financement du Québec, at book value as at 31 March 1998. In return, fully paid common shares of the Société générale de financement du Québec, representing an equivalent value, shall be allotted to the Minister of Finance.

20. The head office of Soquip may not be transferred outside the territory of the Communauté urbaine de Québec except with the approval of the Government.

21. The Act respecting the Société québécoise d'initiatives pétrolières is repealed on the date indicated on the certificate of continuance of Soquip.

Notice to that effect shall be published by the Minister of Industry, Trade, Science and Technology in the *Gazette officielle du Québec*.

22. The by-laws made by Soquip under the authority of the Act respecting the Société québécoise d'initiatives pétrolières shall remain in force until they are replaced or repealed.

CHAPTER V**SOCIÉTÉ GÉNÉRALE DE FINANCEMENT DU QUÉBEC**

23. Section 6 of the Act respecting the Société générale de financement du Québec (R.S.Q., chapter S-17) is replaced by the following:

"6. The authorized capital of the company is \$2,925,000,000, divided into 292,500,000 common shares of a par value of \$10 each."

24. Section 7 of the said Act is replaced by the following :

“7. The shares of the company shall form part of the domain of the State and shall be allotted to the Minister of Finance.”

25. Section 8 of the said Act is amended by replacing “not more than 50,250,000” in the first paragraph by “after 20 July 1998, not more than 244,750,000”.

26. The said Act is amended by inserting, after section 9, the following :

“9.1. The company is authorized to acquire at book value as at 31 March 1998 the shares of Rexfor, Soquem, Soquia and Soquip that are transferred to the company by the Minister of Finance. In return, the company shall issue to the Minister a certificate for a number of fully paid common shares representing an equivalent value.”

27. The said Act is amended by inserting, after section 14, the following :

“14.0.1. The chief executive officer of the company shall be appointed by the Government for a period of not more than five years. The chief executive officer shall be responsible for the administration and direction of the company within the scope of its by-laws and policies.

The office of chief executive officer is a full-time position.

“14.0.2. The Government shall determine the remuneration, the benefits and the other conditions of employment of the chief executive officer.”

28. The said Act is amended by inserting, after section 14.5, the following :

“14.6. The directors of the company may, if they all agree, participate in a meeting of the board using any means which allows them to communicate with each other orally, such as the telephone.”

29. Section 15.1 of the said Act is amended by replacing the first paragraph by the following :

“15.1. The company shall establish a five-year development plan to be submitted for approval to the Government by the Minister of Industry, Trade, Science and Technology, after consulting with the Minister of Natural Resources and the Minister of Agriculture, Fisheries and Food as regards the sectors of activity under each Minister’s responsibility.

The company shall also establish an annual operational plan to be submitted for approval to the Minister of Industry, Trade, Science and Technology who shall, before approving it, consult with the Minister of Natural Resources and the Minister of Agriculture, Fisheries and Food as regards the sectors of activity under their respective responsibilities. The company shall also submit

the financial provisions of its operational plan to the Minister of Finance for approval.”

30. The said Act is amended by inserting, after section 15.1, the following :

“15.2. The Minister shall lay the five-year development plan referred to in the first paragraph of section 15.1 before the National Assembly within 30 days after approval of the plan or, if the National Assembly is not sitting, within 30 days after resumption.

The competent parliamentary committee of the National Assembly shall examine the plan and for that purpose shall hear the representatives designated by the company.”

31. Sections 14.0.1 and 14.0.2 of the Act respecting the Société générale de financement du Québec, enacted by section 27 of this Act, apply to the appointment of a president of the Société générale de financement du Québec occurring after 20 June 1998 or, where applicable, to the renewal of the term of office of the president in office on that date.

32. This Act comes into force on 20 June 1998.