



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 33

(2007, chapter 23)

**An Act to amend the Act respecting
the Société des Traversiers du Québec
and other legislative provisions**

**Introduced 23 October 2007
Passed in principle 1 November 2007
Passed 21 November 2007
Assented to 22 November 2007**

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EXPLANATORY NOTES

The purpose of this bill is to make the Société des Traversiers du Québec subject to the Act respecting the governance of state-owned enterprises and to include new, specially adapted governance rules in the Société's constituting Act.

These new rules affect such aspects as the composition of the board of directors of the Société, which will consist of nine board members, including the chair and the president and chief executive officer. The bill separates the functions of the chair of the board and those of the president and chief executive officer of the Société and prescribes the rules of appointment for both positions.

New rules are also to apply to the functioning of the board of directors, the establishment of committees under the board, and the disclosure and publication of information. The bill also contains amendments designed to modernize the administration of the Société, in particular with regard to its powers.

Finally, the bill contains transitional provisions and consequential amendments.

LEGISLATION AMENDED BY THIS BILL:

- Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02);
- Act respecting the Société des Traversiers du Québec (R.S.Q., chapter S-14);
- Act respecting contracting by public bodies (2006, chapter 29).

Bill 33

AN ACT TO AMEND THE ACT RESPECTING THE SOCIÉTÉ DES TRAVERSIERS DU QUÉBEC AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

1. Section 2 of the Act respecting the Société des Traversiers du Québec (R.S.Q., chapter S-14) is amended

(1) by adding the following sentence at the end of the first paragraph: “Notice of its location or any relocation is published in the *Gazette officielle du Québec*.”;

(2) by adding the following paragraph after the first paragraph:

“The Société may hold its meetings anywhere in Québec.”

2. The Act is amended by inserting the following section after section 5:

“5.1. The Société enjoys the rights and privileges of a mandatary of the State.

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

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

3. Section 6 of the Act is replaced by the following section:

“6. The Société is administered by a board of directors consisting of nine members, including the chair and the president and chief executive officer.

The Government shall appoint the members of the board, other than the chair and the president and chief executive officer, taking into consideration the expertise and experience profiles approved by the board. Board members are appointed for a term of up to four years.”

4. Section 7 of the Act is replaced by the following section:

“7. Members of the board of directors other than the president and chief executive officer receive no remuneration except in the cases, on the conditions and to the extent determined by the Government. They are, however, entitled

to a reimbursement of the expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.”

5. Section 8 of the Act is replaced by the following sections:

“**8.** The Government shall appoint the chair of the board of directors for a term of up to five years.

“**8.1.** On the recommendation of the board of directors, the Government shall appoint the president and chief executive officer, taking into consideration the expertise and experience profile approved by the board.

The president and chief executive officer is appointed for a term of up to five years.

The Government shall determine the remuneration, employee benefits and other conditions of employment of the president and chief executive officer.

“**8.1.1.** If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 8.1 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

“**8.1.2.** If the president and chief executive officer is absent or unable to act, the board of directors may designate an officer under the authority of the president and chief executive officer to exercise the functions of that position.”

6. Section 9 of the Act is replaced by the following section:

“**9.** At the expiry of their term, the members of the board of directors remain in office until replaced or reappointed.

A vacancy on the board of directors is filled in accordance with the applicable rules governing appointments.

Non-attendance at a number of board meetings determined by the Société’s rules of internal management constitutes a vacancy in the cases and circumstances specified in those rules.”

7. Section 11 of the Act is repealed.

8. Section 12 of the Act is amended by replacing the first paragraph by the following paragraph:

“**12.** The office of president and chief executive officer is a full-time position.”

9. The Act is amended by inserting the following sections after section 12:

“12.1. The Société may establish rules for its internal management.

“12.2. The minutes of the meetings of the board of directors, approved by the board and certified by the chair, the president and chief executive officer, the secretary or another person authorized by the Société, are authentic.

The same applies to documents and copies of documents emanating from the Société or forming part of its records, if they are so certified.

“12.3. If all agree, the members of the board of directors may take part in a meeting by means of equipment enabling all participants to communicate directly with one another.”

10. Section 13 of the Act is replaced by the following section:

“13. The Société may do whatever is necessary to carry out its objects.”

11. Section 14 of the Act is amended

(1) by replacing paragraph *a* by the following paragraph:

“(a) contract a loan that causes the total of its current outstanding loans to exceed the amount determined by the Government;”;

(2) by striking out paragraph *d*.

12. Section 16 of the Act is repealed.

13. Section 19 of the Act is amended by replacing the first paragraph by the following paragraph:

“19. Not later than 30 June each year, the Société must report to the Minister of Transport on its activities for the preceding fiscal year.”

14. Sections 1 to 5, 12, 14, 15, 17, 18, 20 and 21 of the Act are amended by replacing “The Company” and “Company” wherever they are found by “The Société” and “Société” respectively.

15. Schedule I to the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) is amended by inserting “Société des Traversiers du Québec” in alphabetical order.

16. Section 52 of the Act respecting contracting by public bodies (2006, chapter 29) is amended by striking out paragraph 8.

17. The members of the board of directors of the Société des Traversiers du Québec in office on 21 November 2007 continue in office on the same terms until they are replaced or reappointed.

The president and general manager of the Société continues in office on the same terms, for the unexpired portion of the term, as president and chief executive officer and exercises the functions of chair of the board of directors until that office is filled in accordance with section 8 of the Act respecting the Société des Traversiers du Québec, enacted by section 5 of this Act.

18. The requirements relating to the number of independent directors on the board of directors of the Société des Traversiers du Québec and to the independence of the chair provided in the first paragraph of section 4 of the Act respecting the governance of state-owned enterprises and the requirement provided in the second paragraph of section 19 of that Act apply as of the date set by the Government. That date must be set as soon as possible and the provisions referred to in this section are to apply not later than 14 December 2011.

The same applies to the requirement that the audit committee include a member of a professional order of accountants, set out in the second paragraph of section 23 of the Act respecting the governance of state-owned enterprises.

19. The Government may, in accordance with the Act respecting the governance of state-owned enterprises, determine that a member of the board of directors of the Société des Traversiers du Québec in office on 21 November 2007 has the status of independent director.

20. A member of the board of directors of the Société des Traversiers du Québec in office on 21 November 2007 who has not obtained the status of independent director under section 19 of this Act may, despite section 19 of the Act respecting the governance of state-owned enterprises, be a member of a committee referred to in that section until the number of independent directors on the board of the Société corresponds to two thirds of the membership.

21. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société des Traversiers du Québec from the fiscal year ending after 31 March 2008.

22. Paragraph *a* of section 14 of the Act respecting the Société des Traversiers du Québec continues to apply until the Government determines an amount under paragraph *a* of section 14 of that Act, replaced by section 11 of this Act.

23. This Act comes into force on 22 November 2007.