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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

## Bill 29

(2007, chapter 24)

### **An Act to amend the Act respecting the Société d'habitation du Québec**

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**Introduced 17 October 2007**  
**Passed in principle 30 October 2007**  
**Passed 27 November 2007**  
**Assented to 28 November 2007**

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## **EXPLANATORY NOTES**

*The purpose of this bill is to make the Société d'habitation 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, at least two thirds of whose members, including the chair, must qualify as independent directors.*

*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.*

*Lastly, 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 d'habitation du Québec (R.S.Q., chapter S-8).

## Bill 29

### AN ACT TO AMEND THE ACT RESPECTING THE SOCIÉTÉ D'HABITATION DU QUÉBEC

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE SOCIÉTÉ D'HABITATION DU QUÉBEC

**1.** Section 3.4 of the Act respecting the Société d'habitation du Québec (R.S.Q., chapter S-8) is repealed.

**2.** 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 of directors, 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.”

**3.** The Act is amended by inserting the following section after section 6:

**“6.0.1.** The board of directors must strike a governance, ethics and human resources committee and an audit committee. The provisions of the Act respecting the governance of state-owned enterprises (chapter G-1.02) that concern the governance and ethics committee and the human resources committee apply to the governance, ethics and human resources committee.”

**4.** Section 6.2 of the Act is replaced by the following section:

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

**5.** Section 8 of the Act is repealed.

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

**“9.** The quorum at meetings of the board of directors is the majority of its members.

**“9.1.** The Société may establish rules for its internal management.”

**7.** Section 10 of the Act is repealed.

**8.** Section 12 of the Act is amended

(1) by replacing “for the unexpired portion of the term of the member to be replaced” in the second and third lines by “in accordance with the rules of appointment to the board”;

(2) by adding the following paragraph at the end:

“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 the rules.”

**9.** Section 13 of the Act is replaced by the following sections:

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

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

**“13.0.1.** If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 13 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

**“13.0.2.** If the president and chief executive officer is absent or unable to act, the board of directors may designate a member of the Société’s personnel to exercise the functions of that position.”

**10.** Section 13.1 of the Act is amended by striking out the last sentence.

**11.** Section 13.2 of the Act is amended by striking out “of the president and chief executive officer and”.

**12.** Section 15 of the Act is amended by replacing “chairman of the board of directors” wherever it appears by “chair”.

**13.** Section 15.1 of the Act is amended

(1) by inserting “by the chair of the board of directors,” after “signed” in the second line of the first paragraph;

(2) by inserting “The chair of the board of directors,” at the beginning of the second paragraph.

**14.** Section 23 of the Act is amended by replacing “December” by “March”.

**15.** Section 24 of the Act is amended by replacing “June” in the first paragraph by “September”.

**16.** Section 86 of the Act is amended by striking out “adopt by-laws for its internal management and the conduct of its affairs and, if necessary,” in subparagraph *l* of the first paragraph.

#### ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

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

#### TRANSITIONAL PROVISIONS

**18.** The requirements relating to the number of independent directors on the board of directors of the Société d’habitation du Québec and to the independence of the chair and the requirement provided in the second paragraph of section 19 of the Act respecting the governance of state-owned enterprises 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.

**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 d’habitation du Québec in office on 27 November 2007 has the status of independent director.

**20.** A member of the board of directors of the Société d’habitation du Québec in office on 27 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 section 19 of the Act respecting the governance of state-owned enterprises until the number of independent directors on the board of the Société corresponds to two thirds of the board members.

**21.** The members of the board of directors of the Société d’habitation du Québec in office on 27 November 2007 continue in office on the same terms, for the unexpired portion of their term, until they are replaced or reappointed.

The chair of the board of directors and the president and chief executive officer of the Société continue in office on the same terms, for the unexpired portion of their term, until they are replaced or reappointed.

**22.** Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société d'habitation du Québec from the fiscal year beginning on 1 April 2008.

**23.** Section 14 of this Act applies to the fiscal year of the Société d'habitation du Québec that began on 1 January 2007.

**24.** This Act comes into force on 28 November 2007.