



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 30

(2007, chapter 26)

An Act to amend the Act respecting the Société de la Place des Arts de Montréal, the Act respecting the Société de télédiffusion du Québec and the Act respecting the Société du Grand Théâtre de Québec

Introduced 17 October 2007**Passed in principle 30 October 2007****Passed 29 November 2007****Assented to 4 December 2007**

EXPLANATORY NOTES

The purpose of this bill is to make the Société de la Place des Arts de Montréal, the Société de télédiffusion du Québec and the Société du Grand Théâtre de Québec subject to the Act respecting the governance of state-owned enterprises and to include new, specially adapted governance rules in each 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 de la Place des Arts de Montréal (R.S.Q., chapter S-11.03);
- Act respecting the Société de télédiffusion du Québec (R.S.Q., chapter S-12.01);
- Act respecting the Société du Grand Théâtre de Québec (R.S.Q., chapter S-14.01).

Bill 30

AN ACT TO AMEND THE ACT RESPECTING THE SOCIÉTÉ DE LA PLACE DES ARTS DE MONTRÉAL, THE ACT RESPECTING THE SOCIÉTÉ DE TÉLÉDIFFUSION DU QUÉBEC AND THE ACT RESPECTING THE SOCIÉTÉ DU GRAND THÉÂTRE DE QUÉBEC

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE SOCIÉTÉ DE LA PLACE DES ARTS DE MONTRÉAL

1. Section 4 of the Act respecting the Société de la Place des Arts de Montréal (R.S.Q., chapter S-11.03) is replaced by the following sections:

“4. The Société is administered by a board of directors consisting of 11 members, including the chair and the president and chief executive officer.

After consultation with Ville de Montréal and with socio-economic and cultural bodies active throughout Québec or at a regional level, 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. Members of the board are appointed for a term of up to four years.

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

“4.2. 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 established 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.

“4.3. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 4.2 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the members of the board.

“4.4. 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.”

2. Section 5 of the Act is amended

(1) by adding the following paragraph at the beginning:

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

(2) by replacing “The members of the board of the Corporation” in the first line by “The other members of the board of directors”.

3. Section 6 of the Act is repealed.

4. Section 7 of the Act is amended by replacing “of the Société” in the first line by “of the board of directors”.

5. Section 8 of the Act is amended by replacing “Five members are a quorum at sittings of the Société” by “The quorum at meetings of the board is the majority of its members”.

6. Sections 9 to 15 of the Act are repealed.

7. Section 16 of the Act is amended by replacing “The secretary and the other” in the first line of the first paragraph by “The”.

8. Section 17 of the Act is replaced by the following section:

“17. The Société may make by-laws for its internal management.

The by-laws may provide in particular that failure to attend a specific number of board meetings constitutes a vacancy in the cases and circumstances specified in the by-law.”

9. Section 18 of the Act is repealed.

10. Section 26 of the Act is replaced by the following section:

“26. The Société’s strategic plan must be consistent with the strategic directions and objectives the Minister gives the Société.”

11. Section 30 of the Act is amended by striking out “or by an auditor recommended by the Société with the approval of the Government” at the end.

12. Section 32 of the Act is amended by replacing “Corporation” wherever it appears by “Société”.

ACT RESPECTING THE SOCIÉTÉ DE TÉLÉDIFFUSION DU QUÉBEC

13. Section 5 of the Act respecting the Société de télédiffusion du Québec (R.S.Q., chapter S-12.01) is replaced by the following sections:

“5. The Société is administered by a board of directors consisting of 11 members, including the chair and the president and chief executive officer.

After consultation with bodies considered by the Minister to be representative of the sectors concerned by the activities of the Société, 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. At least three of the members must come from various regions of Québec, other than the Montréal region.

Members of the board, other than the chair and the president and chief executive officer, are appointed for a term of up to four years.

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

“5.2. 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 established 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.

“5.3. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 5.2 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the members of the board.

“5.4. 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.”

14. Section 6 of the Act is repealed.

15. Sections 8 and 9 of the Act are repealed.

16. Section 10 of the Act is amended by striking out the second paragraph.

17. Sections 11 and 14 of the Act are repealed.

18. Section 15 of the Act is amended by replacing the second paragraph by the following paragraph:

“The by-laws may provide in particular that failure to attend a specific number of board meetings constitutes a vacancy in the cases and circumstances specified in the by-law.”

19. Section 19 of the Act is amended

(1) by striking out the first paragraph;

(2) by replacing “the plan” in the first line of the second paragraph by “the Société’s strategic plan provided for in section 34 of the Act respecting the governance of state-owned enterprises (chapter G-1.02)” and by adding the following sentence at the end of that paragraph: “The strategic plan is not subject to section 35 of that Act.”

20. Section 21 of the Act is amended by replacing “March” by “August”.

21. Sections 24 and 25 of the Act are amended by replacing “chairman” wherever it appears by “chair”.

22. The Act is amended by adding the following section after section 28:

“**28.1.** The Société must also provide the Minister with any information the Minister may require concerning the Société.”

ACT RESPECTING THE SOCIÉTÉ DU GRAND THÉÂTRE DE QUÉBEC

23. Section 4 of the Act respecting the Société du Grand Théâtre de Québec (R.S.Q., chapter S-14.01) is replaced by the following sections:

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

After consultation with Ville de Québec and with socio-economic and cultural bodies active throughout Québec or at a regional level, 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. Members of the board are appointed for a term of up to four years.

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

“4.2. 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 established 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.

“4.3. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 4.2 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the members of the board.

“4.4. 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.

“4.5. The board of directors must strike an audit committee and a governance, ethics and human resources 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.”

24. Section 5 of the Act is amended

(1) by adding the following paragraph at the beginning:

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

(2) by replacing “The members of the board of the Société” in the first line by “The other members of the board of directors”.

25. Section 6 of the Act is repealed.

26. Section 7 of the Act is amended by replacing “of the Société” in the first line by “of the board of directors”.

27. Section 8 of the Act is amended by replacing “Five members are a quorum at sittings of the Société” by “The quorum at meetings of the board is the majority of its members”.

28. Sections 9 to 15 of the Act are repealed.

29. Section 16 of the Act is amended by replacing “The secretary and the other” in the first line of the first paragraph by “The”.

30. Section 17 of the Act is replaced by the following section:

“**17.** The Société may make by-laws for its internal management.

The by-laws may provide in particular that failure to attend a specific number of board meetings constitutes a vacancy in the cases and circumstances specified in the by-law.”

31. Section 18 of the Act is repealed.

32. Section 26 of the Act is replaced by the following section:

“**26.** The Société’s strategic plan must be consistent with the strategic directions and objectives the Minister gives the Société.”

33. Section 30 of the Act is amended by striking out “or by an auditor recommended by the Société with the approval of the Government”.

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

34. Schedule I to the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) is amended by inserting “Société de la Place des Arts de Montréal”, “Société de télédiffusion du Québec” and “Société du Grand Théâtre de Québec” in alphabetical order.

TRANSITIONAL AND FINAL PROVISIONS

35. The requirements relating to the number of independent members on the board of directors of the Société de la Place des Arts de Montréal 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 sections 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.

36. 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 de la Place des Arts de Montréal in office on 3 December 2007 has the status of independent director.

37. A member of the board of directors of the Société de la Place des Arts de Montréal in office on 3 December 2007 who has not obtained the status of independent director under section 36 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 corresponds to two thirds of the membership.

38. The members of the board of directors of the Société de la Place des Arts de Montréal, including the chair, in office on 3 December 2007 continue in office on the same terms, for the unexpired portion of their term, until they are replaced or reappointed.

39. The director general of the Société de la Place des Arts de Montréal in office on 3 December 2007 continues in office as president and chief executive officer on the same terms, for the unexpired portion of the term, until replaced or reappointed.

40. For the purposes of sections 34 and 35 of the Act respecting the governance of state-owned enterprises, the three-year activity plan drawn up by the Société de la Place des Arts de Montréal under section 26 of the Act respecting the Société de la Place des Arts de Montréal and in force on 4 December 2007 is considered to be its strategic plan.

41. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société de la Place des Arts de Montréal from the fiscal year that ends after 31 August 2008.

42. The requirements relating to the number of independent members of the board of directors of the Société de télédiffusion 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. The date must be set as soon as possible and the sections 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.

43. 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 de télédiffusion du Québec in office on 3 December 2007 has the status of independent director.

44. A member of the board of directors of the Société de télédiffusion du Québec in office on 3 December 2007 who has not obtained the status of independent director under section 43 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 corresponds to two thirds of the membership.

45. The members of the board of directors of the Société de télédiffusion du Québec in office on 3 December 2007 continue in office on the same terms until they are replaced or reappointed, except the member of the personnel of the Société, whose term of office ends on 4 December 2007.

The president and chief executive officer of the Société continues in office on the same terms, for the unexpired portion of the term, until replaced or reappointed.

46. The Société de télédiffusion du Québec must meet the requirements provided in section 34 of the Act respecting the governance of state-owned enterprises not later than 31 August 2009.

47. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société de télédiffusion du Québec from the fiscal year that ends after 31 August 2008.

48. The requirements relating to the number of independent members of the board of directors of the Société du Grand Théâtre de 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. The date must be set as soon as possible and the sections 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.

49. 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 du Grand Théâtre de Québec in office on 3 December 2007 has the status of independent director.

50. A member of the board of directors of the Société du Grand Théâtre de Québec in office on 3 December 2007 who has not obtained the status of independent director under section 49 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 corresponds to two thirds of the membership.

51. The members of the board of directors of the Société du Grand Théâtre de Québec, including the chair, in office on 3 December 2007 continue in office on the same terms, for the unexpired portion of their term, until they are replaced or reappointed.

52. The director general of the Société du Grand Théâtre de Québec in office on 3 December 2007 continues in office as president and chief executive

officer on the same terms, for the unexpired portion of the term, until replaced or reappointed.

53. For the purposes of sections 34 and 35 of the Act respecting the governance of state-owned enterprises, the three-year activity plan drawn up by the Société du Grand Théâtre de Québec under section 26 of the Act respecting the Société du Grand Théâtre de Québec and in force on 4 December 2007 is considered to be its strategic plan.

54. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société du Grand Théâtre de Québec from the fiscal year that ends after 31 August 2008.

55. In addition to the transitional provisions in this Act, the Government may, by a regulation made before 4 December 2008, enact any other transitional provision or measure useful for the purposes of this Act.

A regulation made under this section is not subject to the publication requirement set out in section 8 of the Regulations Act (R.S.Q., chapter R-18.1).

56. This Act comes into force on 4 December 2007.