



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 16

(2007, chapter 37)

An Act to amend the Act respecting the Société du Centre des congrès de Québec and the Act respecting the Société du Palais des congrès de Montréal

Introduced 17 October 2007

Passed in principle 24 October 2007

Passed 5 December 2007

Assented to 21 December 2007

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EXPLANATORY NOTES

The purpose of this bill is to make the Société du Centre des congrès de Québec and the Société du Palais des congrès de Montréal subject to the Act respecting the governance of state-owned enterprises, and to introduce new governance rules into the constituting acts of those enterprises.

The new governance rules determine the composition of the board of directors of the two enterprises and prescribe rules for appointing board members. For each enterprise the bill distinguishes between the functions of the chair of the board and those of the president and chief executive officer.

New rules will also apply to the operation of the board of directors, the constitution of the committees responsible to the board and the disclosure and publication of information.

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 du Centre des congrès de Québec (R.S.Q., chapter S-14.001);
- Act respecting the Société du Palais des congrès de Montréal (R.S.Q., chapter S-14.1).

Bill 16

AN ACT TO AMEND THE ACT RESPECTING THE SOCIÉTÉ DU CENTRE DES CONGRÈS DE QUÉBEC AND THE ACT RESPECTING THE SOCIÉTÉ DU PALAIS DES CONGRÈS DE MONTRÉAL

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE SOCIÉTÉ DU CENTRE DES CONGRÈS DE QUÉBEC

1. Section 5 of the Act respecting the Société du Centre des congrès de Québec (R.S.Q., chapter S-14.001) is replaced by the following section:

“5. The Société is administered by a board of directors consisting of 11 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. Members of the board are appointed for a term of up to four years, and at least three of them are appointed after consultation with bodies representative of the sector.”

2. Section 6 of the Act is repealed.

3. Section 7 of the Act is amended by replacing the first paragraph by the following paragraph:

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

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

“8. A vacancy on the board of directors is filled in accordance with the appointment rules set out in this Act.”

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

“9. 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.

“9.1. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 9 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the members of the board.

“9.2. 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.”

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

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

7. Section 11 of the Act is amended

(1) by striking out the first paragraph;

(2) by inserting “other than the president and chief executive officer” after “directors” in the first line of the second paragraph.

8. Section 15 of the Act is amended

(1) by striking out the first paragraph;

(2) by replacing the second paragraph by the following paragraph:

“Members of the personnel of the Société may not, under pain of forfeiture of office, have any direct or indirect interest in any undertaking causing their interest to conflict with that of the Société. However, forfeiture is not incurred where the interest devolves to them by succession or gift, provided they renounce or dispose of it with dispatch.”

9. Section 16 of the Act is amended by replacing the second paragraph by the following paragraph:

“The by-laws of the Société, except by-laws made under section 14 and internal management by-laws, come into force on the date they are approved by the Government or on any other date determined in the by-laws.”

10. Section 21 of the Act is amended

(1) by replacing “director general” in the second line of the first paragraph by “president and chief executive officer” and by replacing “by-law” in the third line by “the internal management by-laws”;

(2) by replacing “The Société may allow, by by-law” in the first line of the second paragraph by “In those by-laws, the Société may allow” and by replacing “by-law of the Société” in the last line of that paragraph by “those by-laws”;

(3) by replacing “president” in the second line of the first paragraph by “chair”.

11. Section 22 of the Act is amended

(1) by replacing “by-law” in the third line by “the internal management by-laws”;

(2) by replacing “president” in the second line by “chair”.

ACT RESPECTING THE SOCIÉTÉ DU PALAIS DES CONGRÈS DE
MONTRÉAL

12. Section 5 of the Act respecting the Société du Palais des congrès de Montréal (R.S.Q., chapter S-14.1) is replaced by the following section:

“5. The Société is administered by a board of directors consisting of 11 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. Members of the board are appointed for a term of up to four years, and at least three of them are appointed after consultation with bodies representative of the sector.”

13. Sections 6 to 11 of the Act are replaced by the following sections:

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

On the expiry of their term, board members remain in office until they are replaced or reappointed.

“7. A vacancy on the board of directors is filled in accordance with the appointment rules set out in this Act.

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

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

“9. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 8 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

“10. 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.

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

“11.1. Board members other than the president and chief executive officer receive no remuneration, except in the cases, on the conditions and to the extent that may be determined by the Government. They are entitled, however, to the reimbursement of expenses incurred in the exercise of their functions on the conditions and to the extent determined by the Government.”

14. Section 12 of the Act is amended

(1) by striking out the first paragraph;

(2) by replacing the second paragraph by the following paragraph:

“Employees of the Société may not, under pain of forfeiture of office, have any direct or indirect interest in any undertaking causing their interest to conflict with that of the Société. However, forfeiture is not incurred where the interest devolves to them by succession or gift, provided they renounce or dispose of it with dispatch.”

15. Section 13 of the Act is repealed.

16. Section 16 of the Act is amended by inserting “and those made for its internal management under section 15” after “14” in the first line.

17. Section 17 of the Act is amended by replacing “president” by “chair”.

18. Section 18 of the Act is amended by striking out paragraph 4.

19. Section 19 of the Act is repealed.

20. Section 21 of the Act is amended by replacing paragraph 1 by the following paragraph:

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

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

21. Section 34 of the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) is amended by inserting “obligation to establish such a plan under the” after “subject to the”.

22. Schedule 1 to the Act is amended by inserting the following in alphabetical order:

“Société du Centre des congrès de Québec

“Société du Palais des congrès de Montréal”.

TRANSITIONAL PROVISIONS

23. The vice-president appointed under section 5 of the Act respecting the Société du Centre des congrès de Québec as it read before 21 December 2007 continues in office until a person is appointed to replace the chair of the board under section 13 of the Act respecting the governance of state-owned enterprises.

24. The vice-president appointed under section 6 of the Act respecting the Société du Palais des congrès de Montréal as it read before 21 December 2007 continues in office until a person is appointed to replace the chair of the board under section 13 of the Act respecting the governance of state-owned enterprises.

25. The Société du Centre des congrès de Québec and the Société du Palais des congrès de Montréal must satisfy the requirements of section 34 of the Act respecting the governance of state-owned enterprises not later than 21 March 2009.

26. The requirements relating to the number of independent members of a board of directors 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 to the Société du Centre des congrès de Québec and the Société du Palais des congrès de Montréal 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 as set out in the second paragraph of section 23 of that Act.

27. 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 Centre des congrès de Québec or the Société du Palais des congrès de Montréal in office on 20 December 2007 has the status of independent director.

28. A member of the board of directors of the Société du Centre des congrès de Québec or a member of the board of directors of the Société du Palais des congrès de Montréal in office on 20 December 2007 who has not obtained the status of independent director under section 27 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 in question corresponds to two thirds of the membership.

29. The members of the board of directors of the Société du Centre des congrès de Québec and of the Société du Palais des congrès de Montréal in office on 20 December 2007 continue in office for the unexpired portion of their term on the same terms, until they are replaced or reappointed.

The president of the board of directors and director general of the Société du Centre des congrès de Québec continues in office, on the same terms, for the unexpired portion of the term, as president and chief executive officer. The president of the board of directors and director general exercises the functions of chair of the board of directors until that office is filled in accordance with section 7 of the Act respecting the Société du Centre des congrès de Québec, amended by section 3 of this Act.

The president and director general of the Société du Palais des congrès de Montréal continues in office, on the same terms, for the unexpired portion of the term, as president and chief executive officer. The president and director general exercises the functions of chair of the board until that office is filled in accordance with section 6 of the Act respecting the Société du Palais des congrès de Montréal, replaced by section 13 of this Act.

30. The Société du Centre des congrès de Québec must submit to the Government for approval the variable pay policy applicable to its officers and employees not later than 31 December 2008.

The Société may not change its variable pay policy in force on 21 December 2007 unless the change is approved by the Government.

31. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société du Centre des congrès de Québec and the Société du Palais des congrès de Montréal as of the fiscal year of the enterprise that ends after 31 March 2008.

32. Paragraph 1 of section 21 of the Act respecting the Société du Palais des congrès de Montréal continues to apply until the Government determines an amount under paragraph 1 of section 21 of that Act, replaced by section 20 of this Act.

33. This Act comes into force on 21 December 2007.