



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 62
(2008, chapter 3)

An Act to amend the Act respecting the Régie des installations olympiques

Introduced 7 December 2007
Passed in principle 12 December 2007
Passed 2 April 2008
Assented to 3 April 2008

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EXPLANATORY NOTES

The purpose of this Act is to make the Régie des installations olympiques subject to the Act respecting the governance of state-owned enterprises and to include new, specially adapted governance rules in the Board's constituting Act.

The new rules affect such aspects as the composition of the board of directors and the procedure for appointing members of the board, at least two thirds of whom must qualify as independent directors. The Act also separates the office of chair of the board and that of president and chief executive officer.

The Board will also be subject to rules on the functioning of the board of directors, the constitution of the committees under the board of directors and the disclosure and publication of information.

Lastly, the Act contains transitional provisions.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02);
- Act respecting the Régie des installations olympiques (R.S.Q., chapter R-7).

Bill 62

AN ACT TO AMEND THE ACT RESPECTING THE RÉGIE DES INSTALLATIONS OLYMPIQUES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE RÉGIE DES INSTALLATIONS OLYMPIQUES

1. Section 3 of the Act respecting the Régie des installations olympiques (R.S.Q., chapter R-7) is amended by replacing the first paragraph by the following paragraphs:

“3. The Board 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 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 of directors. Those members are appointed for a term of up to four years and at least three of them are appointed after consultation with bodies that the Minister considers representative of the sectors concerned by the activities of the Board.”

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

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

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

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

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

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

“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 of directors.

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.

“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 of directors.

“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 Board’s personnel to exercise the functions of that position.

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

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

“6. The quorum at meetings of the board of directors is the majority of its members.”

5. Section 10 of the Act is repealed.

6. Section 11 of the Act is replaced by the following sections:

“11. The members of the personnel of the Board are appointed in accordance with the staffing plan established by by-law of the Board.

Subject to the provisions of a collective agreement, the Board shall determine by by-law the standards and scales of remuneration of the members of its personnel in accordance with the conditions defined by the Government.

“11.1. The members of the personnel of the Board may not, on pain of forfeiture of office, have a direct or indirect interest in an enterprise that places their personal interests in conflict with the Board’s interests. However, forfeiture is not incurred if the interest devolves to them by succession or gift, provided it is renounced or disposed of with dispatch.”

7. Section 12 of the Act is amended

(1) by replacing “approved by the board” in the first line by “of the board of directors, approved by the board of directors” and by striking out “of the board” in the fourth line;

(2) by replacing “chairman” everywhere it appears by “chair”.

8. Section 14 of the Act is amended

(1) by replacing “, its internal management and the functions of its personnel” in subparagraph *d* of the first paragraph by “and its internal management”;

(2) by striking out subparagraph *e* of the first paragraph;

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

“The by-laws of the Board, with the exception of the by-laws under section 11 and a by-law made for the internal management of the Board, come into force on the date of their approval by the Government or on any other date determined in those by-laws.”;

(4) by striking out the third paragraph.

9. Section 31 of the Act is amended by inserting “by the Auditor General” after “audited” in the first line and by replacing “, by the auditors designated by the Government; such auditors’ report” in the second and third lines by “; the audit report”.

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

10. Schedule I to the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) is amended by inserting “Régie des installations olympiques” in alphabetical order.

TRANSITIONAL PROVISIONS

11. The vice-chairman of the Régie des installations olympiques appointed under section 3 of the Act respecting the Régie des installations olympiques (R.S.Q., chapter R-7), as it read before 3 April 2008, continues in office until a person is appointed to replace the chairman of the board of directors of the Board in accordance with section 13 of the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02).

12. The Régie des installations olympiques must meet the requirements of section 34 of the Act respecting the governance of state-owned enterprises not later than 3 July 2009.

13. The requirements relating to the number of independent directors on 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 Régie des installations olympiques as of the date set by the Government. That date must be set as soon as possible and those 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.

14. 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 Régie des installations olympiques in office on 3 April 2008 has the status of independent director.

15. A member of the board of directors of the Régie des installations olympiques in office on 3 April 2008 who has not obtained the status of independent director under section 14 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 directors corresponds to two thirds of the membership.

16. The members of the Régie des installations olympiques in office on 2 April 2008 continue in office as members of the board of directors for the unexpired portion of their term, on the same terms, until they are replaced or reappointed.

17. The chairman of the Régie des installations olympiques in office on 2 April 2008 continues in office as chair of the board of directors for the unexpired portion of the term, on the same terms.

18. The general manager of the Régie des installations olympiques in office on 2 April 2008 continues in office as president and chief executive officer for the unexpired portion of the term, on the same terms.

19. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Régie des installations olympiques as of the fiscal year ending after 31 October 2008.

20. This Act comes into force on 3 April 2008.