



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-NINTH LEGISLATURE

Bill 22

(2009, chapter 41)

**An Act respecting the governance of the
Régie des rentes du Québec and amending
various legislative provisions**

**Introduced 17 March 2009
Passed in principle 14 May 2009
Passed 6 October 2009
Assented to 8 October 2009**

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EXPLANATORY NOTES

The purpose of this Act is to make the Régie des rentes du Québec subject to the Act respecting the governance of state-owned enterprises and to introduce new governance rules into its constituting act, in particular as regards the composition and operation of its board of directors.

The Act stipulates that the board of directors will consist of 15 members, at least two thirds of whom must qualify as independent directors. It distinguishes between the functions of the chair of the board of directors and those of the president and chief executive officer, and prescribes new rules for appointing board members. The Act also establishes an investment policy committee and a citizen service committee, in addition to the committees listed in section 19 of the Act respecting the governance of state-owned enterprises.

The Régie des rentes du Québec will also be subject to new rules concerning the disclosure and publication of information.

The Act changes the date on which the Board's fiscal year ends as well as the date on which its activities report for the preceding fiscal year must be submitted to the Minister.

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 Québec Pension Plan (R.S.Q., chapter R-9);
- Supplemental Pension Plans Act (R.S.Q., chapter R-15.1).

Bill 22

AN ACT RESPECTING THE GOVERNANCE OF THE RÉGIE DES RENTES DU QUÉBEC AND AMENDING VARIOUS LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE QUÉBEC PENSION PLAN

1. The Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) is amended by replacing sections 14 to 23.4 by the following sections:

“**14.** The Board is administered by a board of directors consisting of 15 members, including the chair and the president and chief executive officer.

“**15.** 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, after consultation with bodies that the Minister responsible for the administration of this Act considers representative of the business sector, labour, the socio-economic sector and retired persons.

These members are appointed for a term of up to four years.

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

“**17.** 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.

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

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

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

“19. A vacancy on the board of directors is filled in accordance with the rules of appointment to the board.

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

“20. If the president and chief executive officer is absent or unable to act, the board of directors may designate a vice-president to exercise the functions of that position.

“21. 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 that may be determined by the Government.

They are, however, entitled to the reimbursement of expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.

“22. The board of directors shall establish an investment policy committee and a citizen service committee in addition to the governance and ethics committee, audit committee and human resources committee prescribed by section 19 of the Act respecting the governance of state-owned enterprises (chapter G-1.02).

“23. The functions of the investment policy committee include

(1) formulating and submitting to the board of directors a policy for investing the sums deposited with the Caisse de dépôt et placement du Québec under this Act;

(2) making recommendations on the investment policy to the board of directors; and

(3) reporting to the board of directors on the implementation of the investment policy by the Caisse de dépôt et placement du Québec, the yield of the sums deposited and any other issue concerning the investment policy.

“23.1. The functions of the citizen service committee include formulating policy directions for services to citizens, submitting them to the board of directors and following up on them.

“23.2. The rules relating to the quorum at meetings of the board of directors and meetings of its committees are determined by the Board’s internal by-law.

“23.3. The president and chief executive officer is assisted by one or more vice-presidents appointed by the Government.

The vice-presidents are appointed for a term of up to five years.

On the expiry of their term, the vice-presidents shall remain in office until they are replaced or reappointed.

“23.4. The Government shall determine the remuneration, employee benefits and other conditions of employment of the president and chief executive officer and the vice-presidents.

“23.4.1. The president and chief executive officer and the vice-presidents are the senior officers of the Board. The office of president and chief executive officer and the office of vice-president are full-time positions.

“23.4.2. If a vice-president is absent or unable to act, the president and chief executive officer shall designate a member of the Board’s personnel to exercise the functions of that position.

“23.4.3. Every internal by-law of the Board comes into force on the date of its publication on the Board’s website or any subsequent date specified in the by-law.”

2. Section 23.6 of the Act is amended

(1) by replacing “by the president” in the first paragraph by “by the chair of the board of directors or the president and chief executive officer”;

(2) by replacing “by-laws of internal management” in the first paragraph by “internal by-laws”.

3. Section 31 of the Act is amended by replacing “by the president” in the second paragraph by “by the president and chief executive officer”.

4. Section 33 of the Act is amended by replacing “The indemnities and allowances provided for in section 19, the salaries of the president” by “The remuneration and the reimbursement of expenses provided for in section 21, the remuneration of the president and chief executive officer”.

5. Section 36 of the Act is amended by replacing “March” by “December”.

6. Section 37 of the Act is amended

(1) by replacing “June” in the first paragraph by “April”;

(2) by inserting “, in addition to the information under sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises,” after “That report must also contain” in the first paragraph.

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

7. 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 rentes du Québec” in alphabetical order.

SUPPLEMENTAL PENSION PLANS ACT

8. Section 251 of the Supplemental Pension Plans Act (R.S.Q., chapter R-15.1) is amended

(1) by replacing “by the president of the Régie or by” by “by the chair of its board of directors, the president and chief executive officer of the Régie or”;

(2) by replacing “internal management by-laws” by “internal by-laws”.

TRANSITIONAL AND FINAL PROVISIONS

9. The requirements relating to the number of independent members of the board of directors of the Régie des rentes du Québec and to the independence of the chair of the board of directors provided in section 4 of the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) 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 as set out in the second paragraph of section 23 of that Act.

10. 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 rentes du Québec in office on 7 October 2009 has the status of independent director.

11. The members of the board of directors of the Régie des rentes du Québec in office on 7 October 2009 continue in office for the unexpired portion of their term on the same terms, until they are replaced or reappointed.

A member of the board of directors of the Régie des rentes du Québec in office on that date who has not obtained the status of independent director 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.

12. The president and general manager of the Régie des rentes du Québec continues in office as president and chief executive officer for the unexpired portion of the term on the same terms.

He exercises the functions of chair of the board of directors until the position is filled in accordance with section 16 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) enacted by section 1 of this Act.

13. The vice-presidents of the Régie des rentes du Québec in office on 7 October 2009 continue in office for the unexpired portion of their term on the same terms.

14. This Act comes into force on 8 October 2009, except section 5, which comes into force on 1 April 2010, and paragraph 1 of section 6, which comes into force on 1 July 2010.