



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 194
(1997, chapter 61)

**An Act respecting the disclosure of the
compensation received by the executive
officers of certain legal persons**

**Introduced 18 December 1996
Passage in principle 10 June 1997
Passage 17 June 1997
Assented to 19 June 1997**

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EXPLANATORY NOTES

The object of this bill is to require every legal person that is a reporting issuer within the meaning of the Securities Act and who is required to establish a circular in connection with a solicitation of proxies in accordance with that Act to provide, in that circular, a statement of the compensation received by its five most highly compensated executive officers.

The requirement also applies to a confederation governed by the Savings and Credit Unions Act which must provide the same information in its annual report.

The bill also provides that the Government may, by regulation, prescribe that any other legal person or class of legal persons it determines include in its annual report a statement of the compensation received by its five most highly compensated executive officers.

The statement of compensation must indicate separately for each of the five most highly compensated executive officers

(1) the officer's annual compensation, including salary, premiums and all other forms of compensation ;

(2) the officer's long-term compensation, including any stock option plan or entitlement to stock appreciation and any other long-term benefit ;

(3) any other information concerning compensation prescribed by the Regulation respecting securities made under the Securities Act.

Finally, the bill provides that the Commission des valeurs mobilières and the Inspector General of Financial Institutions are responsible for the carrying out of this Act and that they may order a legal person to take the necessary steps to ensure compliance with this Act.

Bill 194

AN ACT RESPECTING THE DISCLOSURE OF THE COMPENSATION RECEIVED BY THE EXECUTIVE OFFICERS OF CERTAIN LEGAL PERSONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

DIVISION I

APPLICATION

1. Every legal person that is a reporting issuer within the meaning of section 68 of the Securities Act (R.S.Q., chapter V-1.1) and that is required to establish a circular in connection with a solicitation of proxies in accordance with that Act must, in that circular, provide a statement of the compensation received by its five most highly compensated executive officers.

2. A confederation governed by the Savings and Credit Unions Act (R.S.Q., chapter C-4.1) must include, in its annual report, a statement of the compensation received by the five most highly compensated executive officers of the group to which it belongs within the meaning of section 8 of the Savings and Credit Unions Act.

3. The Government may, by regulation, require any other legal person or class of legal persons that it determines to include in its annual report a statement of the compensation received by its five most highly compensated executive officers.

The regulation shall determine the body responsible for the administration of this Act as regards such legal person or class of legal persons.

4. Every person holding office as a director, president, vice-president, secretary, treasurer, comptroller or director general, or performing similar functions, is an executive officer.

5. The statement of compensation must indicate separately for each of the five most highly compensated executive officers

(1) the officer's annual compensation, including salary, premiums and all other forms of compensation ;

(2) the officer's long-term compensation, including any stock option plan or entitlement to stock appreciation and any other long-term benefit ;

(3) any other information concerning compensation prescribed by the Regulation respecting securities, approved by order in council 660-83 (1983, G.O. 2, 1269).

The statement of compensation must include any compensation paid by a subsidiary of the legal person.

6. A body responsible for the administration of this Act may order a legal person to take the necessary steps to ensure compliance with this Act.

DIVISION II

MISCELLANEOUS PROVISIONS

7. The Commission des valeurs mobilières is responsible for the administration of this Act with respect to the legal persons referred to in section 1.

The Inspector General of Financial Institutions is responsible for the administration of this Act with respect to the legal persons referred to in section 2.

8. The Government shall designate the minister responsible for the carrying out of this Act.

9. This Act comes into force on 19 June 1997.