



NATIONAL ASSEMBLY

FIRST SESSION

THIRTY-EIGHTH LEGISLATURE

Bill 61
(2008, chapter 5)

**An Act to amend the Act respecting
the Société des établissements de plein
air du Québec and the Act respecting
the Société québécoise de récupération
et de recyclage**

**Introduced 7 December 2007
Passed in principle 13 March 2008
Passed 1 May 2008
Assented to 6 May 2008**

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EXPLANATORY NOTES

The object of this Act is to make the Société des établissements de plein air du Québec and the Société québécoise de récupération et de recyclage 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 each of those enterprises, with at least two thirds of the members, including the chair, being required to qualify as independent directors.

New rules 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.

Lastly, the Act includes transitional provisions and consequential amendments.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02);
- Act respecting the Société des établissements de plein air du Québec (R.S.Q., chapter S-13.01);
- Act respecting the Société québécoise de récupération et de recyclage (R.S.Q., chapter S-22.01).

Bill 61

AN ACT TO AMEND THE ACT RESPECTING THE SOCIÉTÉ DES ÉTABLISSEMENTS DE PLEIN AIR DU QUÉBEC AND THE ACT RESPECTING THE SOCIÉTÉ QUÉBÉCOISE DE RÉCUPÉRATION ET DE RECYCLAGE

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE SOCIÉTÉ DES ÉTABLISSEMENTS DE PLEIN
AIR DU QUÉBEC

1. Section 4 of the Act respecting the Société des établissements de plein air du Québec (R.S.Q., chapter S-13.01) is replaced by the following section:

“**4.** The Société is administered by a board of directors consisting of nine 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. Board members are appointed for a term of up to four years.”

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

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

3. Section 7 of the Act is repealed.

4. Section 8 of the Act is amended by replacing the second and third paragraphs by the following paragraphs:

“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 board meetings determined by by-law of the Société constitutes a vacancy in the cases and circumstances specified in the by-law.”

5. Section 10 of the Act is replaced by the following sections:

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

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

“10.1. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 10 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

“10.2. If the president and chief executive officer is absent or unable to act, the board of directors may designate an officer of the Société to exercise the functions of that position.”

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

“11. The members of the board of directors, other than the president and chief executive officer, are not remunerated, except in the cases, on the conditions and to the extent determined by the Government. They are entitled, however, to the reimbursement of the expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.”

7. 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 a 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.”

8. Section 13 of the Act is repealed.

9. Section 15 of the Act is amended by inserting “and the internal management by-law” after “14” in the second paragraph.

10. Section 17 of the Act is amended by replacing “president of the Société” in the first and second paragraphs by “president and chief executive officer of the Société”.

11. Section 30 of the Act is repealed.

12. Section 35 of the Act is replaced by the following section:

“**35.** The books and accounts of the Société are audited by the Auditor General every year and whenever ordered by the Government. The audit report must accompany the Société’s report of activities and financial statements.”

13. Section 36 of the Act is repealed.

14. The Act is amended by replacing “chairman” in sections 9, 16 and 41 by “chair”.

ACT RESPECTING THE SOCIÉTÉ QUÉBÉCOISE DE RÉCUPÉRATION ET DE RECYCLAGE

15. Section 5 of the Act respecting the Société québécoise de récupération et de recyclage (R.S.Q., chapter S-22.01) is replaced by the following section:

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

The Government shall appoint the members of the board of directors, other than the chair of the board and the president and chief executive officer, taking into consideration the expertise and experience profiles approved by the board.

The members, at least three of which must be representative of or come from the different sectors concerned by the activities of the Société, are appointed for a term of up to four years.”

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

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

17. Section 7 of the Act is replaced by the following sections:

“**7.** 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 office of president and chief executive officer is a full-time position.

“7.1. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 7 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

“7.2. If the president and chief executive officer is absent or unable to act, the board of directors may designate an officer of the Société to exercise the functions of that position.”

18. Section 8 of the Act is amended by striking out the first paragraph.

19. Section 9 of the Act is amended

(1) by replacing “for the unexpired portion of the term of the member to be replaced” in the first paragraph by “in accordance with the rules of appointment set out in this Act”;

(2) by inserting “president and” after “in the position of” in the first paragraph.

20. Section 10 of the Act is amended by inserting “president and” after “employment of the” in the first paragraph.

21. Section 12 of the Act is replaced by the following section:

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

22. Section 13 of the Act is amended by striking out “, which must be approved by the Government. It comes into force on the date of such approval or on any later date determined by the Government”.

23. Section 14 of the Act is amended

(1) by striking out “, the vice-chair”;

(2) by inserting “president and” after “certified by the”.

24. Section 15 of the Act is amended

(1) by striking out “or vice-chair”;

(2) by inserting “president and” after “signed by the”.

25. Section 24 of the Act is repealed.

26. Section 26 of the Act is repealed.

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

“30. The books and accounts of the Société are audited by the Auditor General every year and whenever ordered by the Government. The audit report must accompany the Société’s report of activities and financial statements.”

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

28. Section 43 of the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) is amended by adding the following paragraph at the end:

“In this section, “enterprises” includes, in addition to the enterprises and bodies listed in Schedule I, the Caisse de dépôt et placement du Québec and Hydro-Québec.”

29. Schedule I to the Act is amended by inserting “Société des établissements de plein air du Québec” and “Société québécoise de récupération et de recyclage” in alphabetical order.

TRANSITIONAL AND FINAL PROVISIONS

30. The requirements relating to the number of independent members on the board of directors of the Société des établissements de plein air du Québec and the board of directors of the Société québécoise de récupération et de recyclage provided for in the first paragraph of 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 to each of the enterprises 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 that Act.

31. 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 des établissements de plein air du Québec or the board of directors of the Société québécoise de récupération et de recyclage in office on 5 May 2008 has the status of independent director.

32. A member of the board of directors of the Société des établissements de plein air du Québec or the board of directors of the Société québécoise de récupération et de recyclage in office on 5 May 2008 who has not obtained the status of independent director under section 31 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.

33. The members of the board of directors of the Société des établissements de plein air du Québec in office on 5 May 2008 continue in office for the unexpired portion of their term on the same terms until they are replaced or reappointed.

The president and the chief executive officer of the Société continues in office as president and chief executive officer on the same terms until replaced or reappointed.

34. The members of the board of directors of the Société québécoise de récupération et de recyclage in office on 5 May 2008 continue in office for the unexpired portion of their term on the same terms until they are replaced or reappointed.

35. Sections 36, 38 and 39 of the Act respecting the governance of state-owned enterprises apply to the Société des établissements de plein air du Québec and the Société québécoise de récupération et de recyclage from the fiscal year that ends after 31 March 2008.

36. This Act comes into force on 6 May 2008.