

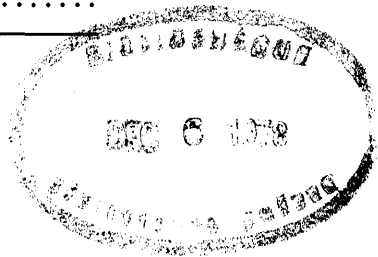
THIRD SESSION
THIRTY-FIRST LEGISLATURE

ASSEMBLÉE NATIONALE DU QUÉBEC

Bill 97

An Act to amend the Québec Wood Salvage, Logging
and Forest Development Company Act

First reading
Second reading
Third reading



M. YVES BÉRUBÉ
Ministre des terres et forêts

L'ÉDITEUR OFFICIEL DU QUÉBEC

EXPLANATORY NOTES

This bill amends certain provisions of the REXFOR Act, mainly

(a) to increase to a maximum of nine the number of members of its board of directors;

(b) to reduce from ten to five years the possible duration of their term of office;

(c) to fix the proportion of its directors that must be domiciled in Québec at two-thirds or over;

(d) to strike from the act the provision dealing with the exclusive employment of the president and vice-president of the Company and the provision dealing with interests prohibited to the members of the board of directors.

Furthermore, the bill is intended to authorize the Company, with the approval of the Ministre des terres et forêts, to make agreements with any person and any public or private body to promote the establishment and development of the forest industry and the creation of new employments.

It is also the object of the bill to enable the Government

(a) to guarantee the payment of any loan of a subsidiary of the Company and the carrying out of any obligation of such a subsidiary; and

(b) to authorize the Ministre des finances to advance to a subsidiary of the Company any amount considered necessary for the exercise of the powers of such a subsidiary.

Finally, it is the object of this bill to enable the Ministre des terres et forêts to issue guidelines on the objectives and orientation of the Company in the carrying out of the duties entrusted to it by law.

Sec. 1. *Section 10 of the act presently reads as follows:*

“10. The Company’s affairs shall be administered by a board of five directors, including a president and a vice-president, appointed by the Lieutenant-Governor in Council for a period that must not be less than one year or more than ten years. At least one of such directors must be an officer of the government or a government body.

The members of the board of directors are directors of the Company within the meaning of the Companies Act.”

Sec. 2. *Section 11 of the act presently reads as follows:*

“11. The Lieutenant-Governor in Council shall determine the salary or where necessary the additional salary of the president, the vice-president and the other members of the board of directors and the indemnities to which they are entitled. Once fixed, their salaries cannot be reduced.”

Sec. 3. *Section 11a of the act, enacted by section 3 of the bill, introduces new law.*

Bill 97

An Act to amend the Québec Wood Salvage, Logging and Forest Development Company Act

HER MAJESTY, with the advice and consent of the Assemblée nationale du Québec, enacts as follows:

1973, c. 21,
s. 10, re-
placed.

1. Section 10 of the Québec Wood Salvage, Logging and Forest Development Company Act (1973, chapter 21) is replaced by the following section:

Board of
directors.

“10. The Company's affairs are administered by a board of directors composed of the president of the Company and of not fewer than six nor more than eight other members.

Directors.

The members of the board of directors are the directors of the Company within the meaning of the Companies Act.”

1973, c. 21,
s. 11, re-
placed.

2. Section 11 of the said act is replaced by the following section:

Contract
fixing term
and
remunera-
tion.

“11. The members of the board of directors, including the president, may be elected for a term exceeding two years but not exceeding five years; in such a case, they shall not hold office nor be remunerated except in accordance with the conditions of a contract binding them with the Company for the whole duration of their term of office. Such a contract has effect only if it is ratified by the Lieutenant-Governor in Council.”

1973, c. 21,
s. 11a,
added.

3. The said act is amended by inserting, after section 11, the following section:

Salary,
etc.

“11a. Where the members of the board of directors are elected for two years or less, the Lieutenant-Governor in Council shall fix the salary of the president and the indemnities and al-

Sec. 4. *Section 12 of the act presently reads as follows:*

“12. Each member of the board of directors shall remain in office after the expiry of his term until replaced or reappointed.”

Sec. 5. *Section 13 of the act presently reads as follows:*

“13. No person may be a member of the board of directors unless he is domiciled in the province of Québec but he need not be a shareholder.”

Sec. 6. *Section 14 of the act enacts that no member of the board of directors nor any officer or employee of the Company may, under pain of forfeiture of office, have a direct or indirect interest in an undertaking putting his personal interest in conflict with the Company's interest.*

Sec. 7. *Section 15 of the act presently reads as follows:*

“15. The president and the vice-president shall devote their time exclusively to the work of the Company and the duties of their office.

The president shall be responsible for the administration of the Company within the scope of its by-laws.”

Sec. 8. *Section 16 of the act presently reads as follows:*

“16. The secretary and the employees of the Company who are not governed by any collective labour agreement shall be remunerated in accordance with the standards and scales established by by-law of the Company approved by the Lieutenant-Governor in Council.”

Sec. 9. *Section 19 of the act enables the Company to make agreements with the approval of the Ministre des terres et forêts.*

Sec. 10. *Section 19a of the act, enacted by section 10 of the bill, introduces new law.*

lowances to which the president and the other members are entitled.

No reduction.

Once fixed, the salary of the president cannot be reduced."

1973, c. 21,
s. 12, re-
placed.

4. Section 12 of the said act is replaced by the following section:

Vacancy,
etc.

"12. In the case of a vacancy or where a member is unable to act, his duties shall be temporarily assumed by a person appointed by the Lieutenant-Governor in Council, who shall fix his indemnities and allowances."

1973, c. 21,
s. 13, re-
placed.

5. Section 13 of the said act is replaced by the following section:

Qualifica-
tion.

"13. At least two-thirds of the directors must be domiciled in Québec. A person need not be a shareholder to be a director of the Company."

1973, c. 21,
s. 14, re-
pealed.

6. Section 14 of the said act is repealed.

1973, c. 21,
s. 15, re-
placed.

7. Section 15 of the said act is replaced by the following section:

Respon-
sibility of
president.

"15. The president of the Company, who may also be the chairman of the board of directors, is responsible for the administration and the direction of the Company within the scope of its by-laws."

1973, c. 21,
s. 16, re-
pealed.

8. Section 16 of the said act is repealed.

1973, c. 21,
s. 19, am.

9. Section 19 of the said act is amended by adding, after paragraph *c*, the following paragraph:

"(d) make agreements with any person and any public or private body, to promote the establishment and development of the forest industry and the creation of new employments."

1973, c. 21,
s. 19a,
added.

10. The said act is amended by inserting, after section 19, the following section:

Sec. 11. *Subparagraphs a and c of the first paragraph of section 22 of the act presently read as follows:*

“22. The Lieutenant-Governor in Council may, on such conditions as he determines:

(a) guarantee the payment in principal and interest of any loan of the Company and the performance of any of its obligations;

(c) authorize the Minister of Finance to advance to the Company any amount considered necessary for the carrying out of the other provisions of this act, at such rate of interest, for such period and on such other conditions as the Lieutenant-Governor in Council determines.”

Paragraph c of section 11 of the bill is for concordance.

Sec. 12. *Section 24a introduces new law.*

Guidelines. “**19a.** The Ministre des terres et forêts may, within the scope of the responsibilities and powers entrusted to him, issue guidelines on the objectives and orientation of the Company in the carrying out of the duties entrusted to it by law.

Approval. Those guidelines must be submitted to the Lieutenant-Governor in Council for approval. If they are thus approved, they are binding upon the Company, which must comply with them.

Tabling. Every guideline issued under this section must be tabled before the Assemblée nationale, if it is in session, within fifteen days of its approval by the Lieutenant-Governor in Council. If the guideline is issued while the Assemblée nationale is not in session, the guideline must be tabled within fifteen days of the opening of the next session or within fifteen days of resumption, as the case may be.”

1973, c. 21,
s. 22, am. [[**11.** Section 22 of the said act is amended:

(a) by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) guarantee the payment in principal and interest of any loan of the Company or of a subsidiary of which it holds more than fifty per cent of the shares, and the carrying out of any of the obligations of the Company or of any such subsidiary;”;

(b) by replacing subparagraph *c* of the first paragraph by the following subparagraph:

“(c) authorize the Ministre des finances to advance to the Company or to a subsidiary contemplated in subparagraph *a* any amount considered necessary for the exercise of the powers of the Company or of such a subsidiary, at such rate of interest, for such period and on such other conditions as the Lieutenant-Governor in Council determines.”;

(c) by replacing the last paragraph by the following paragraph:

Sums required. “The sums that the Government may be called upon to pay under those guarantees or that the Ministre des finances advances to the Company or to a subsidiary are taken out of the consolidated revenue fund.”]]

1973, c. 21,
s. 24a,
added. **12.** The said act is amended by inserting, after section 24, the following section:

Development plan. “**24a.** The Company must also submit each year its development plan and that of its subsidiaries to the Lieutenant-Governor in Council for approval.

Form and
tenor.

The Lieutenant-Governor in Council determines the form and tenor of the development plan and the time when it must be presented."

Coming
into force.

13. This act comes into force on the day of its sanction, except sections 1, 2 and 3, which will come into force on the date to be fixed by proclamation of the Government.