

NATIONAL ASSEMBLY
Thirty-second Legislature, fourth session

1983, chapter 27
**AN ACT RESPECTING THE SOCIÉTÉ
QUÉBÉCOISE DES TRANSPORTS**

Bill 25

Introduced by Mr Michel Clair, Minister of Transport

First reading: 31 May 1983

Second reading: 14 June 1983

Third reading: 22 June 1983

Assented to: 22 June 1983

Coming into force: by proclamation of the Government

— 5 July 1983: ss. 1 to 38

G.O., 1983, Part 2, p. 3081

Acts amended: None



CHAPTER 27

An Act respecting the Société
québécoise des transports

[Assented to 22 June 1983]

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

DIVISION I

ESTABLISHMENT AND COMPOSITION OF THE CORPORATION

- 1.** A joint-stock company, hereinafter called “the corporation”, is established under the name of “Société québécoise des transports”.
- 2.** The corporation is a mandatary of the Government.
- The property of the corporation is part of the public domain but the performance of its obligations may be levied against its property.
- The corporation binds only itself when it acts in its own name.
- 3.** The corporate seat of the corporation is at the place determined by the Government.
- Notice of the location or any change of location of the corporate seat of the corporation is published in the *Gazette officielle du Québec*.
- 4.** The affairs of the corporation are administered by a board of directors consisting of
- (1) a president, appointed by the Government for a term of not over five years;
 - (2) a managing director, appointed by the Government for a term of not over five years, subject to the contract contemplated in the second paragraph of section 10; and
 - (3) from five to nine other members, appointed by the Government for a term of not over two years.

- Plurality of functions The Government may, however, designate the same person to act as both president and managing director of the corporation.
- Directors **5.** The members of the board are the directors of the corporation within the meaning of the Companies Act (R.S.Q., chapter C-38) but are not required to be shareholders.
- Vice-president **6.** The members of the board of directors shall elect a vice-president from among the members contemplated in subparagraph 3 of the first paragraph of section 4, to carry on the functions of the president in his absence.
- Duties of the president **7.** The president shall preside over the meetings of the board, direct its operations and carry out the other functions vested in him by by-law of the corporation.
- Quorum **8.** At meetings of the board, a majority of the members, including the president or vice-president, constitute a quorum.
- Tie-vote **9.** In the event of a tie-vote, the president or, in his absence, the vice-president is entitled to a second vote or a casting vote.
- Managing director **10.** The managing director of the corporation is responsible for its management within the scope of its by-laws and policies. He holds office on a full-time basis.
- Remuneration His remuneration and the other conditions of employment attached to his position are established by a contract binding between him and the corporation. The contract has effect only if it is ratified by the Government.
- Remuneration **11.** The Government shall fix the remuneration of the president and vice-president and of the members contemplated in subparagraph 3 of the first paragraph of section 4.
- Expenses The members of the board of directors other than the managing director are indemnified or reimbursed for costs and expenses incurred in the discharge of their duties, in accordance with the scales and standards determined by by-law of the corporation.
- Continuance in office **12.** Each of the members of the board of directors remains in office notwithstanding the expiry of his term, until he is replaced or reappointed.
- Vacancies The Government shall fill a vacancy occurring before the expiry of a term in the manner and for the term provided in section 4.

- 13.** If the managing director is absent or unable to act, the Government may appoint a person to carry on his functions during his absence or incapacity, and fix the person's remuneration and other conditions of employment.
- 14.** Any member of the board of directors, other than the managing director, having a direct or indirect interest in an undertaking that causes such interest to conflict with that of the corporation shall, under pain of forfeiture of office, disclose it in writing to the managing director and abstain from participating in any decision involving the undertaking in which he has such interest.
- Neither the managing director nor any other officer or employee of the corporation may, under pain of forfeiture of office, have any direct or indirect interest in any undertaking causing such interest to conflict with that of the corporation. However, such forfeiture is not incurred if such an interest devolves to him by succession or gift, provided he renounces or disposes of it with all possible dispatch.
- 15.** The corporation may, by by-law, establish an executive committee, determine its functions and powers and fix the term of office of its members.
- 16.** The corporation may appoint a secretary and any other officer or employee required for its operations.
- The secretary and the other officers and employees of the corporation are appointed and remunerated in accordance with the scales and standards and the staffing plan established by the by-laws of the corporation.
- 17.** The corporation may adopt any by-law respecting the exercise of its powers and its internal management.
- 18.** The by-laws of the corporation come into force on being approved by the Government.
- 19.** The minutes of the sittings of the board of directors, approved by the board and certified by the president or by the secretary, are authentic, as are documents or copies emanating from the corporation or forming part of its records, if certified by the secretary.

DIVISION II

OBJECTS AND POWERS OF THE CORPORATION

- 20.** The objects of the corporation are to

(1) promote the establishment, modernization, expansion, development, consolidation or regrouping of undertakings in the transport sector to meet the commercial and industrial needs of Québec and to promote exports of goods produced in Québec;

(2) maximize for Quebecers any socio-economic repercussions resulting from transport activities or any related activities;

(3) carry on operations as a management or holding company in the transport sector.

Powers

21. The corporation has, in particular, the power to

(1) contract loans by notes, bonds or other securities at the rate of interest and on any other conditions determined by the Government;

(2) organize and hire technical administrative services for itself or for others;

(3) acquire, administer, operate and alienate undertakings, property, rights, shares, bonds and other securities of any kind;

(4) associate or contract according to law with any person or company for the carrying out of its objects.

Required
authoriza-
tions

22. In no case may the corporation, without the authorization of the Government, subject to the exceptions and conditions provided by government regulation,

(1) exercise the powers contemplated in paragraphs 2, 3 and 4 of section 21;

(2) contract any loan that increases its total outstanding borrowings to over \$1 000 000.

Coming into
force

Any government regulation provided for in this section comes into force on the tenth day after its publication in the *Gazette officielle du Québec* or on any later date fixed therein.

DIVISION III

FINANCING

Authorized
capital

23. The authorized capital of the corporation is \$75 000 000.

Shares

It is divided into 750 000 shares of a par value of \$100 each.

Public
domain

24. The shares of the corporation form part of the public domain and are allotted to the Minister of Finance.

Payment

25. The Minister of Finance is authorized to pay to the corporation out of the consolidated revenue fund, with prior authorization of the Government, a sum of \$75 000 000 for 750 000 fully paid-up shares of its capital stock, for which the corporation shall issue certificates to it.

Instalments

The payment may be made in one or several instalments; if it is made in several instalments, each instalment is subject to the approval provided for in the first paragraph.

Payment

Each instalment may also be spread over such period as may determine the Minister of Finance.

Transfer of
shares

26. The Minister of Transport is authorized to transfer to the corporation all or part of the shares of a company's share capital it acquired for the Government and to negotiate with it the number of certificates of fully paid-up shares of its capital stock which must be issued to the Minister of Finance as a consideration.

Advances
and
guarantees

27. The Government may, on such conditions as it may determine,

(1) guarantee the payment in capital and interest of any loan contracted by the corporation or a subsidiary of which it owns more than 50% of the shares and the payment of sums of money payable by the corporation or any subsidiary as a result of the non-fulfilment of its contracts;

(2) authorize the Minister of Finance to advance to the corporation or a subsidiary contemplated in subparagraph 1 any amount deemed necessary for the exercise of the powers and duties of the corporation or such subsidiary, at the rate of interest, for the term and on any other conditions the Government determines.

Sums
required

Any sums the Government may be called upon to pay under the guarantees or to advance to the corporation or a subsidiary are taken out of the consolidated revenue fund.

Fixing of
dividends

28. The dividends paid by the corporation are fixed by the Government and not by the directors.

DIVISION IV

ACCOUNTS AND REPORTS

- Fiscal year** **29.** The fiscal year of the corporation ends on the date fixed by government regulation, which must be published in the *Gazette officielle du Québec*.
- Annual report** **30.** Each year, four months after the end of its fiscal year, the corporation shall make a report of its activities for the preceding fiscal year to the Minister of Transport.
- Content** The report must further contain all the information prescribed by the Minister.
- Tabling** The report must be tabled before the National Assembly if it is in session or, if it is not sitting, within fifteen days after the opening of the next session or, as the case may be, within fifteen days after resumption.
- Directives of the Minister** **31.** The Minister of Transport may, within the scope of the responsibilities and powers granted to him, issue directives on the corporation's objectives and orientation in performing the duties conferred on it by this Act.
- Tabling** Any directive issued under this Act must be tabled without delay before the National Assembly if it is in session or, if it is not sitting, within fifteen days after the opening of the next session or, as the case may be, within fifteen days after resumption.
- Development plan** **32.** The corporation shall prepare a development plan in accordance with the form, tenor and periodicity fixed by the Government.
- Approval** The plan must be submitted to the Government for approval.
- Applicability** The first and second paragraphs apply to corporations of which the corporation holds more than 50% of the shares.
- Audit** **33.** The books and accounts of the corporation shall be audited every year and also whenever so ordered by the Government, by the Auditor General or, with the approval of the Government, by an auditor proposed by the corporation.
- Applicability** **34.** Sections 159 to 163 of the Companies Act (R.S.Q., chapter C-38) do not apply to the corporation.

DIVISION V

FINAL PROVISIONS

Effect of
section 2

35. Section 2 of this Act does not result in conferring an exclusive mandate on the corporation or of restricting the powers of the Minister to acquire, on behalf of the Government, capital shares of companies in the transport sector.

Minister
responsible

36. The Minister of Transport is responsible for the administration of this Act.

Exception

37. This Act shall operate notwithstanding the provisions of sections 2 and 7 to 15 of the Constitution Act, 1982 (Schedule B of the Canada Act, chapter 11 in the 1982 volume of the Acts of the Parliament of the United Kingdom).

Coming into
force

38. This Act comes into force on a date to be fixed by government proclamation, except for provisions excluded by the proclamation which come into force on any later date fixed by government proclamation.