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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 194

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

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**Introduction**

**Introduced by  
Mr Jean Garon  
Member for Lévis**

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**Québec Official Publisher  
1996**

## **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, in particular one whose stocks are listed on a stock exchange, and every legal person that issues securities described in one of paragraphs 4.1 to 5.1 of section 3 of that Act, in particular a federation or confederation of savings and credit unions, a cooperative or federation of cooperatives or a mutual insurance association, to include, in its annual report to its shareholders or members, a statement setting out the compensation of its five most highly compensated executive officers and of its other executive officers.*

*The statement of compensation paid must indicate separately, for each of the five most highly-paid executive officers,*

*(1) all amounts that constitute income within the meaning of the Taxation Act, distinguishing between basic salary and bonuses ;*

*(2) all reimbursed expenses, allowances and benefits, including travel expenses, entertainment expenses, and the use of housing or accommodation ;*

*(3) all benefits, within the meaning of the Taxation Act, granted in the course of the year to the officer as a shareholder or member of the legal person, including loans ;*

*(4) the nature and value of each long-term benefit and compensation granted, including severance pay, stock options and employer's contributions to a pension plan or deferred profit sharing plan.*

*The statement of compensation must indicate, with respect to other executive officers, their number and the total amounts paid under each of the above headings.*

*Finally, the bill provides that the Commission des valeurs mobilières is responsible for the carrying out of this Act and will exercise for that purpose all the powers conferred on it by its constituent 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) or that issues a form of investment described in paragraphs 4.1 to 5.1 of section 3 of that Act shall prepare a statement of the compensation received by its five most highly compensated executive officers and by its other executive officers.

The statement of compensation shall be included in the annual report transmitted, as prescribed by law, to shareholders, or to the members of a legal person by the federation with which it is affiliated or the confederation of which the federation is a member.

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

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

(1) all amounts that must be included in the executive officer's income pursuant to the Taxation Act (R.S.Q., chapter I-3) ,distinguishing between basic salary and bonuses ;

(2) all reimbursed expenses, and all allowances and benefits not otherwise included in such income ;

(3) all benefits, within the meaning of the Taxation Act, granted in the course of the year to the officer as a shareholder or member of the legal person ;

(4) the nature and value of each long-term benefit or compensation granted.

The statement of compensation must indicate, with respect to other executive officers, their number and the total amounts paid under the first paragraph.

4. For the purposes of section 3, a legal person must include, in its statement of the compensation paid to its executive officers, all amounts referred to in that section that are paid by a legal person to which the legal person is related within the meaning of the Taxation Act or pursuant to its constituent Act.

## **DIVISION II**

### **MISCELLANEOUS PROVISIONS**

5. The Commission des valeurs mobilières is responsible for the administration of this Act and for that purpose may exercise all the powers conferred on it by the Securities Act.

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

7. This Act comes into force on (*insert here the date of assent to this Act*).