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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-NINTH LEGISLATURE

Bill 27

**An Act respecting the Société du Plan Nord**

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**Introduction**

**Introduced by  
Madam Nathalie Normandeau  
Minister of Natural Resources and Wildlife**

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## **EXPLANATORY NOTES**

*This bill establishes the Société du Plan Nord, whose mission is to contribute to the integrated and coherent development of the area covered by the Northern Plan, in keeping with the principle of sustainable development and with the five-year plans prepared by the Government in connection with the Northern Plan.*

*In pursuing its mission, the Company may contribute, financially or otherwise, to the initiatives set out in the five-year plans and ensure the coordination of those initiatives. It may also engage in infrastructure development and operation, assist and support local and Native communities in realizing their community, social and economic development projects, advise the Government on any matter the latter submits to it and carry out any other mandate given to it by the Government.*

*The Company is required to establish a strategic plan aligning the initiatives to which it contributes with the five-year plans. The strategic plan is submitted to the Government and laid before the National Assembly.*

*The Company is to finance its activities out of the contributions it receives, the fees it collects and the other sums that are put at its disposal. A financial contribution made by the Company in the course of its activities may be in the form of financial assistance or of sums to be allocated to the activities of a government department, in keeping with the Northern Plan.*

*Rules as to how the Company is to be organized and operated are introduced.*

## **LEGISLATION AMENDED BY THIS BILL:**

- Financial Administration Act (R.S.Q., chapter A-6.001);
- Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02);
- Act respecting the Ministère de l'Éducation, du Loisir et du Sport (R.S.Q., chapter M-15);

- Act respecting the Ministère de l’Emploi et de la Solidarité sociale and the Commission des partenaires du marché du travail (R.S.Q., chapter M-15.001);
- Act respecting the Ministère de la Culture et des Communications (R.S.Q., chapter M-17.1);
- Act respecting the Ministère de la Santé et des Services sociaux (R.S.Q., chapter M-19.2);
- Act respecting the Ministère des Affaires municipales, des Régions et de l’Occupation du territoire (R.S.Q., chapter M-22.1);
- Act respecting the Ministère des Transports (R.S.Q., chapter M-28);
- Act respecting the Ministère du Développement durable, de l’Environnement et des Parcs (R.S.Q., chapter M-30.001);
- Act respecting the Ministère du Tourisme (R.S.Q., chapter M-31.2);
- Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., chapter R-8.2).



# **Bill 27**

## **AN ACT RESPECTING THE SOCIÉTÉ DU PLAN NORD**

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

### **CHAPTER I**

#### **CONSTITUTION**

**1.** A joint stock company to be known as the “Société du Plan Nord” is constituted.

**2.** The Company is a mandatary of the State.

The property of the Company forms part of the domain of the State, but the performance of the obligations of the Company may be levied against its property.

The Company binds none but itself when it acts in its own name.

**3.** The head office of the Company is located in the area covered by the Northern Plan, at the place determined by the Government.

Notice of the location or of any change in the location of the head office is published in the *Gazette officielle du Québec*.

The Northern Plan covers all of Québec located north of the 49th degree of north latitude and north of the St. Lawrence River and the Gulf of St. Lawrence.

### **CHAPTER II**

#### **MISSION, ACTIVITIES AND POWERS**

##### **DIVISION I**

###### **MISSION**

**4.** The Company’s mission is to contribute to the integrated and coherent development of the area covered by the Northern Plan, in keeping with the principle of sustainable development and as set out in the five-year plans prepared by the Government in connection with the Northern Plan.

**5.** In pursuing its mission, the Company may

(1) contribute, financially or otherwise, to the initiatives set out in the five-year plans referred to in section 4 and ensure the coordination of those initiatives;

(2) engage in infrastructure development and operation, including as a rail carrier;

(3) assist and support local and Native communities in their community, social and economic development projects;

(4) advise the Government on any matter the latter submits to it; and

(5) carry out any other mandate given to it by the Government.

**6.** The government departments and public bodies subject to the Act respecting Access to documents held by public bodies and the Protection of personal information (R.S.Q., chapter A-2.1) must inform the Company, on its request, of their actions and projects in the area covered by the Northern Plan.

**7.** The Company may establish any subsidiary whose object is limited to exercising activities the Company itself can exercise. The same applies to a subsidiary of such a subsidiary.

The subsidiary has the same powers as the Company in exercising its activities, unless its constituting act withdraws or restricts those powers. The subsidiary exercises its activities in accordance with the provisions of this Act that apply to it.

The establishment of a subsidiary by the Company or one of its subsidiaries must be authorized by the Government, on the conditions it determines.

**8.** For the purposes of this Act, a legal person or partnership controlled by the Company is a subsidiary of the Company.

A legal person is controlled by the Company when the Company holds, directly or through legal persons the Company controls, more than 50% of the voting rights attached to the equity securities of the legal person or is in a position to elect a majority of its directors.

A limited partnership is controlled by the Company when the Company or a legal person the Company controls is the general partner of the partnership; any other partnership is controlled by the Company when the Company holds, directly or through legal persons the Company controls, more than 50% of the equity securities.

**9.** The Company and its subsidiaries may not, without the Government's authorization, acquire control of a legal person or a partnership.

The Government may subject its authorization to conditions.

**10.** The Company is deemed to be a public body described in subparagraph 4 of the first paragraph of section 4 of the Act respecting contracting by public bodies (R.S.Q., chapter C-65.1).

## **DIVISION II**

### **STRATEGIC PLAN, CAPITAL PLAN AND OPERATING PLAN**

**11.** The Company must establish and send to the Minister, in accordance with the form, content and schedule determined by the Government, a strategic plan in which it aligns the initiatives to which it contributes or that it implements or operates with the five-year plans prepared by the Government in connection with the Northern Plan.

**12.** Expenditures and investments for the implementation of the strategic plan must correspond to the contributions that the Company receives, the monies that it collects and the other sums that are put at its disposal during the life of the plan.

**13.** The Minister submits the strategic plan to the Government for approval, after consultation with the Minister of Finance and other ministers whose responsibilities are related to the Company's sectoral activities.

**14.** The Minister lays the Company's strategic plan before the National Assembly within 15 days after approval of the plan or, if the Assembly is not sitting, within 15 days of resumption.

**15.** A strategic plan approved by the Government applies until it is replaced by another plan that has been so approved.

**16.** Each year, the Company must send its capital plan and its operating plan for the next fiscal year to the Minister, at the time and in accordance with the form and content determined by the Minister.

The plans are submitted to the Government for approval.

## **DIVISION III**

### **FINANCIAL CONTRIBUTION BY COMPANY**

**17.** A financial contribution by the Company may be made in the form of financial assistance or of sums to be allocated to the activities of a government department, in keeping with the strategic plan.

**18.** When granting sums to be allocated to the activities of a government department, the Company must enter with the Minister concerned into an agreement providing for their allocation. The Minister lays the agreement before the National Assembly within 15 days after it is entered into or, if the Assembly is not sitting, within 15 days of resumption.

The Minister concerned is accountable before the National Assembly for the obligations incumbent on the Minister under the agreement.

**19.** Sums to be allocated to the activities of a government department are paid into a special fund when permitted by law; otherwise, they are accounted for in a specified purpose account.

A specified purpose account is created by the Government on the sole proposal of the Minister concerned. Sections 6 and 7 of the Financial Administration Act (R.S.Q., chapter A-6.001) apply, in all other respects, to such an account.

## **DIVISION IV**

### **ACQUISITION OF PROPERTY**

**20.** The Company becomes the owner, from the date and on the terms determined by the Government, of the property that is part of the domain of the State and that is transferred to the Company by the Government.

The Government may, for the purposes of this Act, draw up the technical description of the transferred property.

The Company assumes the obligations and acquires the rights of the Government as regards the transferred property.

**21.** The value of the transferred property is its book value as at the date of the transfer.

**22.** The Company may request that a transfer of property under section 20 be registered in the land register by means of a notice containing the number of the order authorizing the transfer and the description of the transferred property.

**23.** For the purposes of this Act, the Minister may acquire by expropriation in favour of the domain of the State any property that the Company cannot otherwise acquire.

The Company acquires the property as soon as the transfer of ownership takes effect in accordance with the provisions of section 53 of the Expropriation Act (R.S.Q., chapter E-24).



**24.** The Act respecting duties on transfers of immovables (R.S.Q., chapter D-15.1) does not apply to transfers of property under this Act.

## **DIVISION V**

### **LIMITATIONS ON COMPANY'S POWERS**

**25.** The Company may not, without the authorization of the Government,

(1) contract a loan that causes the total of its current outstanding loans to exceed the amount determined by the Government;

(2) make a financial commitment in excess of the limits or in contravention of the terms determined by the Government;

(3) acquire, hold or dispose of assets in excess of the limits or in contravention of the terms determined by the Government; or

(4) accept a gift or legacy to which a charge or condition is attached.

The amounts, limits and terms determined under this section may also apply to the group formed by the Company and its subsidiaries or to one or more members of that group.

This section does not apply to the contracts or other commitments entered into by the Company in carrying out a mandate given it by the Government.

## **CHAPTER III**

### **ORGANIZATION AND OPERATION**

**26.** The Company is administered by a board of directors composed of 15 members, including the chair and the president and chief executive officer. At least eight members, including the chair, must qualify as independent directors in the opinion of the Government.

The Government appoints the members of the board of directors, other than the chair and the president and chief executive officer, based on the expertise and experience profiles adopted by the board. Those members are appointed for a term of up to four years.

**27.** The Government appoints the chair of the board of directors for a term of up to five years.

**28.** On the expiry of their term, the members of the board of directors remain in office until replaced or reappointed.

A vacant position on the board of directors is filled in the manner prescribed for the appointment of the member to be replaced.

**29.** On the recommendation of the board of directors, the Government appoints the president and chief executive officer based on 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 determines the remuneration and other conditions of employment of the president and chief executive officer.

**30.** If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 29 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

**31.** If the president and chief executive officer is absent or unable to act, the board of directors may designate a member of the Company's personnel to exercise the functions of that position.

**32.** Board members other than the president and chief executive officer receive no remuneration except in the cases, on the conditions and to the extent determined by the Government. They are, however, entitled to the reimbursement of expenses incurred in the exercise of their functions, on the conditions and to the extent determined by the Government.

**33.** The quorum at meetings of the board of directors is the majority of its members, including the president and chief executive officer or the chair of the board.

Decisions of the board are made by a majority vote of the members present. In the case of a tie vote, the chair of the meeting has a casting vote.

**34.** No act or document of the Company and no decision of the board of directors is invalid simply because the number of independent directors prescribed in this Act has not been reached.

**35.** The members of the board of directors may waive notice of a board meeting. The attendance of the members at a board meeting constitutes a waiver of notice, unless the members are present for the sole purpose of contesting the legality of the meeting.

**36.** The board of directors of the Company may sit anywhere in Québec.

**37.** Unless otherwise provided in the by-laws, the members of the board of directors may, if all consent, participate in a meeting of the board by means of

equipment enabling all participants to communicate directly with one another.

In such a case, they are deemed to be present at the meeting.

**38.** A written resolution, signed by all the members of the board of directors entitled to vote on that resolution, has the same value as if adopted during a meeting of the board of directors.

A copy of the resolution must be kept with the minutes of meetings of the board of directors or other equivalent record book.

**39.** The minutes of a meeting of the board of directors, approved by the board and certified true by the chair of the board, the president and chief executive officer or any other person so authorized by the by-laws, are authentic, as are the documents and copies emanating from the Company or forming part of its records if signed or certified true by one of those persons.

**40.** No act or document binds the Company or may be attributed to it unless it is signed by the chair of the board of directors, the president and chief executive officer or, to the extent determined in the by-laws of the Company, by another member of the Company's personnel.

The by-laws may provide for subdelegation of the power to sign acts and documents, and determine particulars as to how it is to be exercised.

Unless otherwise provided in the by-laws, a signature may be affixed on a document by any means.

**41.** The Company may, in its by-laws, provide for its internal management and determine a framework of operation for the board of directors, establish an executive committee or any other committee, and delegate the exercise of its powers to such a committee.

The by-laws may also provide for the delegation of the powers of the board of directors to a member of the Company's personnel.

**42.** For the purposes of section 19 of the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02), the board of directors must establish only two committees, namely, a governance, ethics and human resources committee and an audit committee. Each committee must consist of a majority of independent directors. Sections 22 and 27 of that Act apply to the governance, ethics and human resources committee.

**43.** The members of the Company's personnel are appointed in accordance with the staffing plan established by the board of directors.

Subject to the provisions of a collective agreement, the Company determines the standards and scales of remuneration and the employee benefits and other

conditions of employment of the members of its personnel in accordance with the conditions defined by the Government.

**44.** The Company adopts standards of ethics and professional conduct for its personnel. The standards must contain provisions that include, as a minimum, the requirements for public servants prescribed by the Public Service Act (R.S.Q., chapter F-3.1.1).

**45.** The Company fulfils the obligations set out in sections 10 and 11 of the Act respecting the governance of state-owned enterprises in respect of any person who acted at its request as a director of a legal person of which the Company is a shareholder or a creditor.

**46.** Sections 142, 159 to 162, 179, 180 and 184, subparagraph *b* of paragraph 2 of section 185 and sections 188 and 189 of the Companies Act (R.S.Q., chapter C-38) do not apply to the Company.

No by-law of the Company is subject to shareholder ratification.

## **CHAPTER IV**

### **FINANCIAL PROVISIONS**

#### **DIVISION I**

##### **FINANCING**

**47.** The Company finances its activities out of the contributions it receives, the fees it collects and the other sums that are put at its disposal.

The Company may make an agreement with any interested person concerning the payment of such a contribution toward the financing of an infrastructure.

**48.** The Government may, subject to the conditions and procedures it determines,

(1) guarantee the payment of the principal and interest of any loan contracted by the Company or one of its subsidiaries and the performance of their obligations;

(2) make any commitment in relation to the realization or financing of a project of the Company or one of its subsidiaries; and

(3) authorize the Minister of Finance to advance to the Company or one of its subsidiaries any amount considered necessary for the pursuit of its mission.

[[The sums required for the purposes of this section are taken out of the Consolidated Revenue Fund.]]

**49.** The Company may, by regulation, set the fees payable for the use of an infrastructure under its responsibility.

It may also, in connection with such an infrastructure, determine the contribution to be paid by beneficiaries it specifies.

A regulation under this section must be submitted for approval to the Government, which may approve it with or without amendment.

The Government may make or amend a regulation under this section if the Company does not do so within the time specified by the Government.

## **DIVISION II**

### **CAPITAL**

**50.** The authorized capital of the Company is made up of an unlimited number of shares of a par value of \$1,000 each.

**51.** The Company issues shares each time property of a book value greater than zero is transferred to it in accordance with sections 20 and 23.

No shares may otherwise be issued by the Company.

**52.** The value of the shares issued by the Company corresponds to the book value of the property transferred to the Company.

However, in the case of property transferred to the Company by expropriation, the value of the shares issued corresponds to the indemnity paid to the expropriated party and the other charges payable in connection with the expropriation.

**53.** If the book value of property transferred to the Company does not amount to a multiple of 1,000, the Company issues a fractional share such that the value of the shares issued as a result of the transfer of property corresponds to the value of that property.

The same applies if the indemnity paid to an expropriated party and the other charges payable in connection with the expropriation do not amount to a multiple of 1,000.

**54.** The shares and fractional shares issued by the Company are allotted to the Minister of Finance and form part of the domain of the State.

The Company issues share certificates to the Minister of Finance whenever it issues shares.

**55.** The dividends payable by the Company are set by the Government.

## **CHAPTER V**

### **ACCOUNTS AND REPORTS**

**56.** The fiscal year of the Company ends on 31 March.

**57.** Not later than 30 June each year, the Company must file its financial statements and an activity report for the preceding fiscal year with the Minister.

The financial statements and report must contain all the information required by the Minister. The report must also contain the information the directors are required to provide annually to the shareholders under the Companies Act.

**58.** The Minister lays the financial statements and activity report of the Company before the National Assembly within 15 days of receiving them or, if the Assembly is not sitting, within 15 days of resumption.

**59.** The books and accounts of the Company are audited every year by the Auditor General.

The Auditor General's report must accompany the Company's financial statements and activity report.

The Auditor General may audit the use by the recipients of any subsidies or other financial assistance granted by the Company or its subsidiaries.

The Auditor General may also conduct a value-for-money audit of the Company or its subsidiaries without obtaining the prior concurrence required by the second paragraph of section 28 of the Auditor General Act (R.S.Q., chapter V-5.01).

**60.** The Company must give the Minister or the Minister of Finance any information he or she requires concerning the Company or its subsidiaries.

## **CHAPTER VI**

### **AMENDING PROVISIONS**

#### **FINANCIAL ADMINISTRATION ACT**

**61.** Schedule 2 to the Financial Administration Act (R.S.Q., chapter A-6.001) is amended by inserting "Société du Plan Nord" in alphabetical order.

ACT RESPECTING THE GOVERNANCE OF STATE-OWNED ENTERPRISES

**62.** Schedule I to the Act respecting the governance of state-owned enterprises (R.S.Q., chapter G-1.02) is amended by inserting “Société du Plan Nord” in alphabetical order.

ACT RESPECTING THE MINISTÈRE DE L'ÉDUCATION, DU LOISIR ET DU SPORT

**63.** Section 13.3 of the Act respecting the Ministère de l'Éducation, du Loisir et du Sport (R.S.Q., chapter M-15) is amended by adding the following paragraph at the end:

“(4) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*).”

ACT RESPECTING THE MINISTÈRE DE L'EMPLOI ET DE LA SOLIDARITÉ SOCIALE AND THE COMMISSION DES PARTENAIRES DU MARCHÉ DU TRAVAIL

**64.** Section 60 of the Act respecting the Ministère de l'Emploi et de la Solidarité sociale and the Commission des partenaires du marché du travail (R.S.Q., chapter M-15.001) is amended by inserting the following subparagraph after subparagraph 3.1 of the first paragraph:

“(3.2) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*).”

ACT RESPECTING THE MINISTÈRE DE LA CULTURE ET DES COMMUNICATIONS

**65.** Section 22.3 of the Act respecting the Ministère de la Culture et des Communications (R.S.Q., chapter M-17.1) is amended by adding the following paragraph at the end:

“(6) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*).”

ACT RESPECTING THE MINISTÈRE DE LA SANTÉ ET DES  
SERVICES SOCIAUX

**66.** Section 11.3 of the Act respecting the Ministère de la Santé et des Services sociaux (R.S.Q., chapter M-19.2) is amended by inserting the following paragraph after paragraph 3:

“(3.1) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*);”.

ACT RESPECTING THE MINISTÈRE DES AFFAIRES MUNICIPALES,  
DES RÉGIONS ET DE L’OCCUPATION DU TERRITOIRE

**67.** Section 21.20 of the Act respecting the Ministère des Affaires municipales, des Régions et de l’Occupation du territoire (R.S.Q., chapter M-22.1) is amended by inserting the following paragraph after paragraph 3:

“(3.1) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*);”.

ACT RESPECTING THE MINISTÈRE DES TRANSPORTS

**68.** Section 12.32 of the Act respecting the Ministère des Transports (R.S.Q., chapter M-28) is amended by inserting the following paragraph after paragraph 2.9:

“(2.10) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*); and”.

ACT RESPECTING THE MINISTÈRE DU DÉVELOPPEMENT  
DURABLE, DE L’ENVIRONNEMENT ET DES PARCS

**69.** Section 15.4 of the Act respecting the Ministère du Développement durable, de l’Environnement et des Parcs (R.S.Q., chapter M-30.001) is amended by inserting the following paragraph after paragraph 3.1:

“(3.2) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*);”.



## ACT RESPECTING THE MINISTÈRE DU TOURISME

**70.** Section 21 of the Act respecting the Ministère du Tourisme (R.S.Q., chapter M-31.2) is amended by inserting the following paragraph after paragraph 2:

“(2.1) the sums paid into the Fund by the Société du Plan Nord under an agreement providing for their allocation, in accordance with section 18 of the Act respecting the Société du Plan Nord (*insert the year and chapter number of this Act*);”.

## ACT RESPECTING THE PROCESS OF NEGOTIATION OF THE COLLECTIVE AGREEMENTS IN THE PUBLIC AND PARAPUBLIC SECTORS

**71.** Schedule C to the Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors (R.S.Q., chapter R-8.2) is amended by inserting “— The Société du Plan Nord” in alphabetical order.

## CHAPTER VII

### TRANSITIONAL AND FINAL PROVISIONS

**72.** The requirements relating to expertise and experience profiles in the second paragraph of section 26 and the first paragraph of section 29 and the requirement for a recommendation of the board of directors in the latter paragraph do not apply to the appointment of the first board of directors.

**73.** The Minister of Natural Resources and Wildlife is responsible for the administration of this Act.

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





