

chapter H-5

HYDRO-QUÉBEC ACT

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DIVISION X

REPEAL SCHEDULE

DIVISION I

INTERPRETATIVE PROVISIONS

1. In this Act, unless the context indicates otherwise,

(1) “Company” means Hydro-Québec;

(2) “Régie” means the Régie de l’énergie;

(3) “Minister” means the minister entrusted with the application of this Act by designation of the Government;

(3.1) “officer” means the president and chief executive officer, who is the most senior officer of the Company, or any person with management responsibilities who reports directly to the president and chief executive officer;

(4) “Power” , or “energy” , means electricity, gas, steam and any other form of energy, hydraulic, thermic or other;

(5) “wholly-owned subsidiary” means a legal person all of whose voting shares are held directly or indirectly by the Company.

R. S. 1964, c. 86, s. 1; 1977, c. 5, s. 14; 1978, c. 41, s. 2; 1988, c. 23, s. 88; 1991, c. 74, s. 168; 1996, c. 61, s. 121; 1999, c. 40, s. 145; 2006, c. 59, s. 44.

2. The powers conferred upon the Company may be exercised from time to time, in whole or in part, as often as it may be deemed expedient to do so.

R. S. 1964, c. 86, s. 2; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

DIVISION II

CONSTITUTION OF THE COMPANY

1978, c. 41, s. 1; 1999, c. 40, s. 145.

3. There shall be a legal person called the “Commission hydroélectrique du Québec” or, in abbreviated form, “HYDRO-QUÉBEC”.

As of 1 October 1978, the Company shall be designated under the name of “Hydro-Québec”, only.

R. S. 1964, c. 86, s. 3; 1977, c. 5, s. 14; 1978, c. 41, s. 3; 1999, c. 40, s. 145.

3.1. As of 19 December 1981, the Company shall continue to exist as a joint stock company.

1981, c. 18, s. 1; 1999, c. 40, s. 145.

3.1.1. The Company, for the purposes of this Act, is, and has been ever since 14 April 1944, a mandatory of the State.

R. S. 1964, c. 86, s. 13; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 46.

3.1.2. The Company shall have power to possess property, and such power shall be unlimited.

The property possessed by the Company is, and has been since 15 April 1944, the property of the State but the performance of the obligations of the Company may be levied on such property.

R. S. 1964, c. 86, s. 14; 1968, c. 35, s. 1; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 46.

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

1968, c. 35, s. 2; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 46.

3.2. The authorized capital of the Company is \$5,000,000,000. It is divided into 50,000,000 shares of a par value of \$100 each.

1981, c. 18, s. 1; 1999, c. 40, s. 145.

3.3. The shares of the Company are part of the domain of the State, and are allotted to the Minister of Finance.

1981, c. 18, s. 1; 1999, c. 40, s. 145.

3.4. The total of the reserves for amortization of capital invested, contingencies and rate stabilisation of the Company as of 31 December 1980, in the amount of \$4,374,109,000, is allocated to the full payment of 43,741,090 shares of the Company.

1981, c. 18, s. 1; 1999, c. 40, s. 145.

3.5. The Government may, on such conditions as it may determine, authorize, from time to time, the Minister of Finance to pay, out of the Consolidated Revenue Fund, such additional number of shares as the Government may fix, up to the authorized capital of the Company.

1981, c. 18, s. 1; 1999, c. 40, s. 145.

3.6. The provisions of Part II of the Companies Act (chapter C-38) that are not inconsistent with this Act, except sections 142, 159 to 162, 184 and 190 to 196, apply to the Company.

2006, c. 59, s. 47.

DIVISION II.1

COMPOSITION AND OPERATION OF THE BOARD OF DIRECTORS

2006, c. 59, s. 47.

4. The Company is administered by a board of directors consisting of 17 members, including the chair and the president and chief executive officer.

The members of the board are the directors of the Company within the meaning of the Companies Act (chapter C-38); however, they need not be shareholders.

R. S. 1964, c. 86, s. 4; 1969, c. 34, s. 1; 1978, c. 41, s. 4; 1983, c. 15, s. 2; 1995, c. 5, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 48.

4.0.1. The Government shall appoint 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 approved by the board. Board members are appointed for a term of up to four years.

Board members may be reappointed twice to serve in that capacity only for a consecutive or non-consecutive term.

2006, c. 59, s. 49.

4.0.2. The Government shall appoint the chair of the board of directors for a term of up to five years.

In addition to terms served as a board member, the chair may be reappointed twice to serve in that capacity for a consecutive or non-consecutive term.

2006, c. 59, s. 49.

4.0.3. The positions of chair of the board of directors and president and chief executive officer of the Company may not be held concurrently.

2006, c. 59, s. 49.

4.0.4. The chair of the board of directors shall preside at meetings of the board and see to the smooth operation of the board. In the case of a tie vote, the chair has a casting vote.

The chair shall also see to the smooth operation of the board committees.

2006, c. 59, s. 49.

4.0.5. The chair of the board of directors shall assess the performance of the other board members according to criteria approved by the board.

The chair shall assume any other function assigned by the board.

2006, c. 59, s. 49.

4.0.6. At least two thirds of the board members, including the chair, must qualify as independent directors in the opinion of the Government.

Board members qualify as independent directors if they have no direct or indirect relationships or interests, for example of a financial, commercial, professional or philanthropic nature, likely to interfere with the quality of their decisions in relation to the interests of the Company.

A board member

(1) who is in the employ of the Company or one of its wholly-owned subsidiaries or having been in such employ in the three years preceding appointment to office,

(2) who is in the employ of the Government or a government agency within the meaning of section 4 of the Auditor General Act (chapter V-5.01), or

(3) whose immediate family member is a senior officer in the Company or any of its subsidiaries

is deemed not to be an independent director.

2006, c. 59, s. 49; 2013, c. 16, s. 108.

4.0.7. The Government may adopt a policy concerning situations it intends to examine to determine if a board member qualifies as an independent director. The Government may specify the meaning it intends to assign to the expression “immediate family member”.

2006, c. 59, s. 49.

4.0.8. For a member of the board of directors having the status of independent director, the sole fact of being in a limited and specific conflict of interest situation does not disqualify the board member as an independent director.

2006, c. 59, s. 49.

4.0.9. A board member appointed as an independent director must disclose in writing to the board and to the Minister any situation likely to affect the member's status.

2006, c. 59, s. 49.

4.0.10. No act or document of the Company or decision of the board of directors is invalid because less than two thirds of the members of the board are independent directors.

2006, c. 59, s. 49.

4.1. After their terms expire, the members of the board of directors remain in office until they are replaced or reappointed.

1983, c. 15, s. 2.

4.2. A vacancy on the board of directors shall be filled for the remainder of the unexpired term in accordance with the rules of appointment to the board.

Non-attendance at a number of board meetings determined by by-law of the Company constitutes a vacancy in the cases and circumstances specified by by-law.

1988, c. 36, s. 1; 1994, c. 13, s. 15; 1999, c. 40, s. 145; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2006, c. 59, s. 50.

5. If the chair of the board of directors is absent or unable to act, the board designates, depending on its priorities, the chair of a committee established under section 7.6 to temporarily replace the chair of the board.

R. S. 1964, c. 86, s. 5; 1978, c. 41, s. 4; 1983, c. 15, s. 3; 1988, c. 36, s. 2; 1995, c. 5, s. 2; 1999, c. 40, s. 145; 2006, c. 59, s. 51.

6. *(Repealed).*

R. S. 1964, c. 86, s. 6; 1978, c. 41, s. 4; 1983, c. 15, s. 4.

7. A quorum of the board of directors is constituted by a majority of its members.

R. S. 1964, c. 86, s. 7; 1978, c. 41, s. 4; 1983, c. 15, s. 5.

7.1. The board of directors shall determine the Company's strategic directions, see to their implementation and inquire into any issue it considers important.

The board is accountable to the Government for the Company's decisions and the chair is answerable to the Minister for such decisions.

2006, c. 59, s. 52.

7.2. The functions of the board of directors also include

(1) adopting the strategic plan;

(2) approving the capital plan, the operating plan, the financial statements, the annual report and the annual budget of the Company;

(3) approving the governance rules of the Company;

(4) approving the code of ethics applicable to the board members and the codes applicable to the officers appointed by the Company and to the employees of the Company and of its wholly-owned subsidiaries, subject to a regulation made under sections 3.0.1 and 3.0.2 of the Act respecting the Ministère du Conseil exécutif (chapter M-30);

- (5) approving the expertise and experience profiles to be used in appointing board members;
- (6) approving the criteria for evaluating board members and those applicable to the president and chief executive officer;
- (7) approving the criteria for assessing the performance of the board;
- (8) establishing policies for management of the risks associated with the conduct of the operations of the Company;
- (9) making sure that the audit committee exercises its functions properly;
- (10) determining delegations of authority;
- (11) approving, in accordance with the applicable legislative provisions, human resources policies, as well as the standards and scales of remuneration, including, where applicable, a variable pay policy, and other conditions of employment of employees and officers appointed by the Company;
- (12) approving the succession planning program for officers appointed by the Company;
- (13) approving the appointment of officers other than the president and chief executive officer, and that of the most senior officer of each wholly-owned subsidiary of the Company;
- (14) approving human resources policies, as well as the standards and scales of remuneration, including a variable pay policy, if any, and other conditions of employment of the employees and officers of each wholly-owned subsidiary of the Company; and
- (15) adopting measures to assess the effectiveness and performance of the Company, including benchmarking against similar enterprises; such measures are to be carried out every three years by an independent firm.

2006, c. 59, s. 52.

7.3. The Company shall submit the variable pay policy referred to in paragraphs 11 and 14 of section 7.2 to the Government for approval.

2006, c. 59, s. 52.

7.4. The board of directors must review the integrity of internal controls, information disclosure controls and information systems, and approve a financial disclosure policy.

2006, c. 59, s. 52.

7.5. The board of directors shall make sure that initiation and ongoing training programs for board members are implemented.

2006, c. 59, s. 52.

7.6. The board of directors must establish the following committees:

- (1) a governance and ethics committee;
- (2) an audit committee; and
- (3) a human resources committee.

The committees are to be composed solely of board members who are independent directors.

2006, c. 59, s. 52.

7.7. The board of directors may establish other committees to examine specific issues or facilitate the proper operation of the Company.

2006, c. 59, s. 52.

7.8. The chair of the board of directors may take part in board committee meetings.

2006, c. 59, s. 52.

7.9. The functions of the governance and ethics committee include

(1) formulating governance rules and a code of ethics for the conduct of the operations of the Company;

(2) formulating a code of ethics applicable to the members of the board of directors, the officers appointed by the Company and the employees of the Company and its wholly-owned subsidiaries, subject to any applicable regulation made under sections 3.0.1 and 3.0.2 of the Act respecting the Ministère du Conseil exécutif (chapter M-30);

(3) developing expertise and experience profiles to be used in appointing the members of the board of directors, except the chair and the president and chief executive officer; the profiles must include management experience that is relevant to the position;

(4) formulating criteria for evaluating board members;

(5) formulating criteria for assessing the performance of the board; and

(6) developing initiation and ongoing training programs for board members.

The committee shall conduct the assessment referred to in subparagraph 5 of the first paragraph in accordance with the criteria approved by the board of directors.

2006, c. 59, s. 52.

7.10. The audit committee must include members with accounting or financial expertise.

At least one committee member must be a member of the professional order of accountants governed by the Professional Code (chapter C-26).

2006, c. 59, s. 52; 2012, c. 11, s. 32.

7.11. The functions of the audit committee include

(1) approving the annual internal audit plan;

(2) making sure that a plan for the optimal utilization of the Company's resources is put in place, and following up on that process;

(3) seeing to it that internal control mechanisms are put in place and making sure that they are appropriate and effective;

(4) making sure that a risk management process is put in place;

(5) reviewing any activity likely to be detrimental to the Company's financial health that is brought to its attention by the internal auditor or an officer;

(6) examining the financial statements with the Auditor General and the external auditor appointed by the Government; and

(7) recommending the approval of the financial statements by the board of directors.

2006, c. 59, s. 52.

7.12. The audit committee must notify the board of directors in writing on discovering operations or management practices that are unsound or do not comply with the law or the regulations or with the policies of the Company or its wholly-owned subsidiaries.

2006, c. 59, s. 52.

7.13. Internal audit activities are conducted under the authority of the audit committee.

The person responsible for internal auditing is under the administrative authority of the president and chief executive officer.

2006, c. 59, s. 52.

7.14. The functions of the human resources committee include

(1) making sure that human resources policies are put in place;

(2) developing and proposing an expertise and experience profile to be used in appointing the president and chief executive officer;

(3) formulating and proposing criteria for evaluating the president and chief executive officer, and making recommendations to the board regarding the remuneration of the president and chief executive officer in keeping with parameters set by the Government;

(4) assisting in the selection of officers; and

(5) establishing a succession planning program for officers appointed by the Company.

2006, c. 59, s. 52.

8. *(Repealed).*

R. S. 1964, c. 86, s. 8; 1978, c. 41, s. 4; 1983, c. 15, s. 6; 1988, c. 36, s. 3; 1995, c. 5, s. 3; 1999, c. 40, s. 145; 2006, c. 59, s. 53.

9. The Government shall, where applicable, fix the salary, allowances, indemnities and other conditions of employment of the chair of the board of directors and of the other members of the board of directors, which are paid out of the revenues of the Company.

R. S. 1964, c. 86, s. 9; 1978, c. 41, s. 4; 1983, c. 15, s. 7; 1988, c. 36, s. 4; 1995, c. 5, s. 4; 1999, c. 40, s. 145; 2006, c. 59, s. 45.

10. *(Repealed).*

R. S. 1964, c. 86, s. 10; 1978, c. 41, s. 4; 1983, c. 15, s. 8.

11. *(Repealed).*

R. S. 1964, c. 86, s. 11; 1978, c. 41, s. 4; 1983, c. 15, s. 8.

11.1. The head office of the Company shall be in the territory of Ville de Montréal.

1978, c. 41, s. 4; 1996, c. 2, s. 688; 1999, c. 40, s. 145.

11.2. *(Repealed).*

1978, c. 41, s. 4; 1988, c. 36, s. 5; 1995, c. 5, s. 5; 1999, c. 40, s. 145; 2006, c. 59, s. 53.

11.2.1. The members of the board of directors may, if they all agree thereto, participate in a meeting of the board by any means of communication, such as the telephone, which permits all persons participating in the meeting to communicate orally with each other. The members are deemed in that case to have attended the meeting.

1993, c. 33, s. 1.

11.3. The minutes of the sittings of the board of directors approved by it are authentic; the same rule applies to copies or extracts certified true by an officer authorized thereto by by-law of the Company.

1978, c. 41, s. 4; 1983, c. 15, s. 9; 1999, c. 40, s. 145.

11.4. *(Repealed).*

1978, c. 41, s. 4; 1983, c. 15, s. 10.

11.5. By-laws of the Company, except those regarding matters contemplated in paragraph *d* of subsection 2 of section 185 of the Companies Act (chapter C-38), come into force on the date of their approval by the Government or on any later date it determines.

The by-laws do not require to be confirmed by the shareholder.

1981, c. 18, s. 2; 1983, c. 15, s. 11; 1999, c. 40, s. 145.

DIVISION II.2

APPOINTMENT AND FUNCTIONS OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

2006, c. 59, s. 54.

11.6. On the recommendation of the board of directors, the Government shall appoint the president and chief executive officer based on the expertise and experience profile established by the Company.

The president and chief executive officer is appointed for a term of up to five years.

The board shall determine the remuneration and other conditions of employment of the president and chief executive officer in keeping with parameters set by the Government.

2006, c. 59, s. 54.

11.7. If the board of directors does not recommend a candidate for the position of president and chief executive officer in accordance with section 11.6 within a reasonable time, the Government may appoint the president and chief executive officer after notifying the board members.

2006, c. 59, s. 54.

11.8. The president and chief executive officer is responsible for the direction and management of the Company within the framework of its by-laws and policies.

The president and chief executive officer shall propose strategic directions to the board of directors, as well as a capital plan and an operating plan for the Company.

The president and chief executive officer shall assume any other function assigned by the board.

2006, c. 59, s. 54.

11.9. The president and chief executive officer must make sure that the board of directors is given, at its request, adequate human, material and financial resources to perform its functions and for its committees to perform their functions.

2006, c. 59, s. 54.

11.10. 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.

2006, c. 59, s. 54.

11.11. In French, the president and chief executive officer may be designated by the title "président-directeur général" or "président et chef de la direction".

2006, c. 59, s. 54.

DIVISION II.3

STRATEGIC PLAN

2006, c. 59, s. 54.

11.12. The strategic plan of the Company shall be established according to the form, content and timetable determined by the Government. The strategic plan must state

- (1) the context in which the Company acts and the main challenges it faces;
- (2) the Company's objectives and strategic directions;
- (3) the results targeted over the period covered by the plan;
- (4) the performance indicators to be used in measuring results; and
- (5) any other element determined by the Minister.

2006, c. 59, s. 54.

11.13. The strategic plan of the Company shall be submitted to the Government for approval.

2006, c. 59, s. 54.

12. *(Repealed).*

R. S. 1964, c. 86, s. 12; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

13. *(Section renumbered).*

R. S. 1964, c. 86, s. 13; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 46.



See section 3.1.1.

14. *(Section renumbered).*

R. S. 1964, c. 86, s. 14; 1968, c. 35, s. 1; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 46.



See section 3.1.2.

15. *(Section renumbered).*

1968, c. 35, s. 2; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 46.



See section 3.1.3.

DIVISION II.4

DIVIDENDS AND DUES

2006, c. 59, s. 55.

15.1. The dividends to be paid by the Company are declared once each year by the Government within thirty days after the transmission by the Company to the Government of the financial data relative to the distributable surplus. They are payable according to the terms and conditions determined by the Government. They cannot exceed, for a particular financial period, the distributable surplus as hereinafter established.

1981, c. 18, s. 3; 1999, c. 40, s. 145.

15.1.1. The Minister of Finance must pay into the Generations Fund the amount determined under or set out in each of the following subparagraphs, out of the dividends paid by the Company for each of its financial periods referred to in those subparagraphs:

(1) an amount corresponding to the revenues of the Company that the Government attributes to the indexation of the average cost of heritage pool electricity as of the year 2014, for each financial period ending in or after that year; and

(2) an amount of \$215,000,000 for each financial period ending in or after the year 2017 until that ending in 2043.

The Government may only declare dividends under those amounts if the distributable surplus is under those amounts or the dividends would result in a reduction of the rate of capitalization of the Company to less than 25%; in such a case, the Government must declare the maximum dividends possible under this Act and pay them into the Generations Fund in their entirety.

The information necessary to determine the Company's revenues attributable to the indexation of the average cost of heritage pool electricity must be submitted with the financial data referred to in section 15.1.

2010, c. 20, s. 57; 2013, c. 16, s. 131.

15.2. The distributable surplus for a financial period is equal to 75% of the Company's net profit. The net profit is computed on the basis of the annual consolidated financial statements established according to generally accepted accounting principles.

However, no dividend may be declared in respect of a financial period if the payment thereof would result in a reduction of the rate of capitalization of the Company to less than 25% at the end of that period.

1981, c. 18, s. 3; 1999, c. 40, s. 145; 2010, c. 20, s. 58.

15.3. *(Repealed).*

1981, c. 18, s. 3; 1999, c. 40, s. 145; 2010, c. 20, s. 59.

15.4. The rate of capitalization at the end of the financial period is the ratio between the Company's total equity capital, less the dividend declared in respect of that period, and its total long-term debt and equity capital, less the dividend declared in respect of the same financial period.

1981, c. 18, s. 3; 1999, c. 40, s. 145; 2010, c. 20, s. 60.

15.5. For the establishment of the rate of capitalization of the Company at the end of a financial period, the long-term debt includes all liabilities of the Company for which the contract term is more than twelve months, less the sinking funds; it also includes all notes payable. Furthermore, every loan contracted in foreign currency must be considered by taking into account the exchange rate applicable according to generally accepted accounting principles.

1981, c. 18, s. 3; 1999, c. 40, s. 145.

15.6. On the expiry of the time prescribed in section 15.1, any distributable surplus or part thereof which has not been declared as a dividend is no longer distributable to the shareholder as a dividend.

1981, c. 18, s. 3.

15.7. The Company, at the request of the Government, shall make provisional payments for a total amount that may in no case exceed the lesser of the following amounts: the dividend declared for the preceding financial period, and the distributable surplus projected from time to time by the Company for the current financial period.

Should the total of the provisional payments made by the Company in respect of a financial period exceed the dividend declared for that financial period pursuant to section 15.1, the Minister of Finance shall repay the excess amount to the Company.

1981, c. 18, s. 3; 1999, c. 40, s. 145.

16. The Company shall not pay rent or dues to the Government, except the charges under the second paragraph of section 32 and under section 68 of the Watercourses Act (chapter R-13), or any tax or contribution under the Taxation Act (chapter I-3); the same applies to companies in which it holds at least 90% of the shares.

However,

(a) the Company shall, for itself and for its subsidiaries, pay, on its consolidated capital, the capital tax provided for in Part IV of the Taxation Act; and

(b) the Company and the companies in which it holds at least 90% of the shares shall pay the public utility tax provided for in Part VI.4 of the Taxation Act.

1973, c. 19, s. 1; 1977, c. 5, s. 14; 1978, c. 41, s. 1; 1981, c. 18, s. 4; 1999, c. 40, s. 145; 2005, c. 23, s. 29; 2006, c. 24, s. 15.

DIVISION II.5

RIGHTS AND OBLIGATIONS OF BOARD MEMBERS

2006, c. 59, s. 56.

17. The members of the board of directors cannot be sued by reason of official acts done in good faith in the exercise of their functions.

No application for judicial review under the Code of Civil Procedure (chapter C-25.01) may be exercised and no injunction may be granted against the Company or the members of its board of directors acting in their official capacity.

R. S. 1964, c. 86, s. 15; 1969, c. 34, s. 2; 1978, c. 41, s. 5; 1999, c. 40, s. 145; I.N. 2016-01-01 (NCCP).

18. A judge of the Court of Appeal, on an application, may annul summarily a decision, order or injunction made or granted contrary to section 17.

R. S. 1964, c. 86, s. 16; 1969, c. 34, s. 2; 1974, c. 11, s. 2; 1979, c. 37, s. 43; I.N. 2016-01-01 (NCCP).

18.1. If a board member is sued by a third party for an act done in the exercise of the functions of office, the Company shall assume the board member's defence and pay any damages awarded as compensation for the injury resulting from that act, unless the board member committed a gross fault or a personal fault separable from those functions.

In penal or criminal proceedings, however, the Company shall pay the board member's defence costs only if the board member was discharged or acquitted, or if the Company deems that the board member acted in good faith.

2006, c. 59, s. 57.

18.2. If the Company sues a board member for an act done in the exercise of the functions of office and loses its case, it must pay the board member's defence costs if the court so decides.

If the Company wins its case only in part, the court may determine the amount of the defence costs it must pay.

2006, c. 59, s. 57.

19. A board member who exercises functions within the Company on a full-time basis shall not have a direct or indirect interest in a body, enterprise or association that places the board member's personal interests in conflict with the Company's interests. If such an interest devolves to the board member, including by succession or gift, it must be renounced or disposed of with dispatch.

Any other board member who has a direct or indirect interest in a body, enterprise or association that places the member's personal interests in conflict with the Company's interests shall disclose it in writing to the chair of the board of directors and abstain from participating in any discussion or decision involving the body, enterprise or association in which the member has that interest. The member must also withdraw from a meeting for the duration of the discussion or vote on such a matter.

This section does not prevent a board member from expressing an opinion on general measures relating to conditions of employment within the Company which would also apply to the member.

A member of the board of directors may hold the shares required to qualify him to be a director of a company of which the Company has acquired shares under section 39 or of Churchill Falls (Labrador) Company Limited.

R. S. 1964, c. 86, s. 17; 1969, c. 34, s. 3; 1978, c. 41, s. 6; 1999, c. 40, s. 145; 2006, c. 59, s. 58.

DIVISION II.6

ANNUAL REPORT AND INFORMATION

2006, c. 59, s. 59.

20. Each year, the Company shall send the Minister its financial statements and its annual report including a detailed statement of the property in its possession.

The Minister shall table the financial statements and the annual report in the National Assembly within 15 days after receiving them or, if the Assembly is not sitting, within 15 days of resumption.

R. S. 1964, c. 86, s. 19; 1968, c. 9, s. 90; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 60.

20.1. The annual report of the Company must contain a summary of the following reports, submitted to the board of directors:

(1) the report of the governance and ethics committee on its activities during the fiscal year, including a summary of its assessment of the performance of the board of directors;

(2) the report of the audit committee on the discharge of its mandate and on the optimal resource utilization plan; and

(3) the report of the human resources committee on the discharge of its mandate.

The report must also state the results obtained from the benchmarking measures adopted by the board of directors.

2006, c. 59, s. 61.

20.2. The Company shall make public the code of ethics applicable to its employees.

2006, c. 59, s. 61.

20.3. The annual report of the Company must comprise a section on its governance, including the following information relating to the board members:

(1) the dates of appointment and expiry of term of all board members, as well as the identification of those with the status of independent director;

(2) the identification of any other board of directors on which a board member sits;

(3) a summary of the expertise and experience profile of each board member and a statement of the board members' attendance at board and committee meetings; and

(4) the code of ethics and rules of professional conduct applicable to board members.

2006, c. 59, s. 61.

20.4. The annual report of the Company must state

(1) the remuneration and benefits paid to each board member;

(2) the remuneration, including variable pay and other benefits, paid to each of the Company's five most highly remunerated officers;

(3) the remuneration, including variable pay and other benefits, paid to the managers and the five most highly remunerated officers of every wholly-owned subsidiary of the Company; and

(4) the fees paid to the external auditor.

2006, c. 59, s. 61.

21. *(Repealed).*

R. S. 1964, c. 86, s. 20; 1973, c. 19, s. 2; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2006, c. 59, s. 62.

21.1. The Company shall furnish the Minister with all such information as he may require on the Company and its subsidiaries.

1978, c. 41, s. 7; 1999, c. 40, s. 145; 2006, c. 59, s. 63.

21.2. *(Repealed).*

1981, c. 18, s. 5; 1983, c. 15, s. 12; 1999, c. 40, s. 145; 2006, c. 59, s. 64.

21.3. *(Repealed).*

1983, c. 15, s. 13; 1996, c. 61, s. 122; 1999, c. 40, s. 145; 2006, c. 59, s. 64.

21.4. *(Repealed).*

1996, c. 46, s. 1; 1996, c. 61, s. 124.

DIVISION II.7

AUDITING

2006, c. 59, s. 65.

21.5. The books and accounts of the Company shall be audited jointly every year by the Auditor General and an external auditor appointed by the Government. The remuneration of the external auditor shall be paid out of the revenues of the Company. The joint report must accompany the Company's annual report.

2006, c. 59, s. 65.

DIVISION III

OBJECTS OF THE CORPORATION

1978, c. 41, s. 1; 1983, c. 15, s. 14.

22. The objects of the Company are to supply power and to pursue endeavours in energy-related research and promotion, energy conversion and conservation, and any field connected with or related to power or energy.

The Company must supply the heritage electricity pool as established by the Act respecting the Régie de l'énergie (chapter R-6.01).

The Government shall determine the characteristics of the supply to Québec markets of 165 terawatt-hours of heritage pool electricity. The supply must include all necessary and generally recognized services to ensure its security and reliability.

R. S. 1964, c. 86, s. 22; 1978, c. 41, s. 1; 1981, c. 18, s. 6; 1983, c. 15, s. 15; 1999, c. 40, s. 145; 2000, c. 22, s. 62.

22.0.1. The rates and the conditions for the distribution of power shall be fixed by the Régie.

However, notwithstanding paragraph 1 of section 31 of the Act respecting the Régie de l'énergie (chapter R-6.01), the Government may fix, in respect of a special contract, the rates and conditions for the distribution of electric power by the Company to a consumer or a class of consumers.

1983, c. 15, s. 15; 1996, c. 61, s. 123; 1999, c. 40, s. 145; 2000, c. 22, s. 63.

22.1. To attain its objects, the Company shall estimate, in particular, the needs of Québec in energy and the means of meeting them within the scope of the energy policies that the Government may otherwise establish.

The Company must implement the programs and measures for which it is responsible under the energy transition, innovation and efficiency master plan prepared under the Act respecting Transition énergétique Québec (chapter T-11.02).

1978, c. 41, s. 8; 1981, c. 18, s. 7; 1983, c. 15, s. 16; 1999, c. 40, s. 145; 2016, c. 35, s. 1.

23. The Company shall supply electric power to every municipality in whose territory it does not distribute such power, that wishes to distribute such power itself, and that complies with the Act respecting municipal and private electric power systems (chapter S-41), unless the Company is not at that time in a position to serve the territory economically.

It shall likewise, subject to the same proviso, in any territory wherein it does not distribute electric power, supply such power to any electricity cooperative applying to it therefor.

The Company shall supply all information required for consideration of the project to any municipality wishing to avail itself of the provisions of the first paragraph of this section.

R. S. 1964, c. 86, s. 23; 1978, c. 41, s. 1; 1983, c. 15, s. 17; 1988, c. 23, s. 89; 1996, c. 2, s. 689; 1999, c. 40, s. 145.

24. The Company shall maintain its power rates at a sufficient level to defray, at least,

- (1) all operating expenditures;
- (2) the interest on its debt;
- (3) the amortization of its fixed assets over a maximum period of fifty years.

R. S. 1964, c. 86, s. 24; 1973, c. 19, s. 4; 1977, c. 5, s. 14; 1978, c. 41, s. 1; 1979, c. 81, s. 21; 1981, c. 18, s. 8; 1983, c. 15, s. 18; 1999, c. 40, s. 145.

24.1. *(Repealed).*

2000, c. 22, s. 64; 2010, c. 20, s. 61.

25. *(Repealed).*

R. S. 1964, c. 86, s. 25; 1973, c. 19, s. 5; 1977, c. 5, s. 14; 1978, c. 41, s. 1; 1979, c. 81, s. 22; 1981, c. 18, s. 9.

26. The decisions made by the Company under this division shall not be subject to revision by the Courts and no person may plead the provisions of this division against a tariff fixed by the Régie or by the Government or against any obligation contracted in favour of the Company.

R. S. 1964, c. 86, s. 26; 1978, c. 41, s. 1; 1996, c. 61, s. 125; 1999, c. 40, s. 145.

DIVISION IV

FINANCING OF THE CORPORATION

1978, c. 41, s. 1; 1993, c. 33, s. 2.

27. The Company may, with the authorization of the Government, borrow money and issue notes or bonds bearing interest at such rate as it may fix, payable at such time and place and in such manner as it may determine, either in Canadian currency or in any other currency, in Canada or elsewhere.

R. S. 1964, c. 86, s. 27; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

27.1. The second paragraph of section 3 does not apply to certificates issued in replacement of notes, bonds, debentures and other negotiable instruments in respect of loans made before 1 October 1978.

1978, c. 41, s. 9.

27.2. The Company may also, with the authorization of the Government, provide for its financing by any other means and enter into any contract in that respect.

1993, c. 33, s. 3; 1999, c. 40, s. 145.

27.3. The authorizations referred to in sections 27 and 27.2 shall not, however, be required if the loan or financing of the Company is effected within the framework of a borrowing or financing plan authorized by the Government.

The maximum amount, the main characteristics and the limits applicable to the transactions under each borrowing or financing plan shall be approved by the Government. The par value, the other characteristics, the terms and the special conditions of each transaction shall be established by the Company.

The Company may authorize generally a person to conclude a borrowing or financing transaction under a plan referred to in the first paragraph, to establish the amounts and other characteristics of the transactions, and to agree to the terms and conditions relating to each of the transactions.

1993, c. 33, s. 3; 1999, c. 40, s. 145.

27.4. The Company may, for the purposes of this division, acquire any property. It may also, for those purposes, lease, convey, alienate or encumber any property other than an immovable intended for the production, transmission or distribution of energy.

1993, c. 33, s. 3; 1999, c. 40, s. 145.

28. The Government may, upon such conditions as it may fix, guarantee the payment in principal and interest of any loans effected by the Company under this Act.

The Government may also guarantee the performance of any obligation of the said Company for the payment of sums of money.

The Government may authorize the Minister of Finance to advance to the Company any sum deemed necessary for its operations, such advances bearing interest at the rate paid on the loans contracted by the Province for such purpose, as determined by the Government.

The funds required for advances or guarantees under this section shall be taken out of the Consolidated Revenue Fund.

R. S. 1964, c. 86, s. 28; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

DIVISION V

SPECIAL POWERS OF THE CORPORATION

1978, c. 41, s. 1.

29. The Company may generate, acquire, sell, transmit and distribute power.

The Company may, for such purpose, construct, purchase or lease any immovables, constructions or apparatus required.

The Company may dispose of any by-products arising out of its operations and transform the same; it may manufacture all apparatus necessary for its purposes or for the utilization of power by itself or by other persons and deal in such apparatus.

The Company may acquire or lease any immovables required for establishing thereon plants, offices, stores or warehouses and it may lease any space in its immovables not required for its own purposes.

The Company may acquire, by transfer or licence, patents of invention and may dispose of the same.

The Company may, for its purposes, acquire, lease, convey, alienate or encumber any movable property.

However, the construction of immovables intended for the production of electric power by the Company must first be authorized by the Government in the cases and under the conditions determined by the Government.

The Company may convey any immovable by emphyteusis whenever required by its operations, or alienate any immovable no longer required for the pursuit of its operations.

The Company itself, or through a subsidiary constituted under the Companies Act (chapter C-38), alone or in association with other persons, may act as adviser in the fields of production, transmission and distribution of energy and provide services relating to its technical expertise and to the experience it has acquired in those fields, in connection with work or services intended to be carried out or utilized outside Québec.

R. S. 1964, c. 86, s. 29; 1978, c. 41, s. 1, s. 10; 1983, c. 15, s. 19; 1993, c. 33, s. 4; 1999, c. 40, s. 145; 2000, c. 22, s. 65.

30. The Company may place poles, wires, conduits or other apparatus on, across, over, under or along any public road, street, public square or watercourse, upon conditions fixed by agreement with the municipality concerned. Failing such agreement, the Régie, upon the application of the Company, shall fix such conditions, which shall become binding upon the parties.

Any agent of the Company may, at any reasonable time, enter upon any immovable to install conduits, wires or other apparatus required for the supplying of power or to repair them and to do all work required for such purpose, subject to compensating any damage which may be caused.

R. S. 1964, c. 86, s. 30; 1975, c. 31, s. 4; 1977, c. 5, s. 14; 1978, c. 41, s. 1; 1988, c. 8, s. 86; 1996, c. 61, s. 127; 1999, c. 40, s. 145; 2003, c. 19, s. 202.

31. (1) The conduits, wires, meters and other apparatus placed by the Company in any immovable cannot be seized by or against the owner of the immovable and do not form part of the immovable in which they are placed.

(2) Where the Company has sold movable property and the price has not been paid, it may exercise the right to revendicate the property subject only to the condition that the property can be identified, notwithstanding article 1741 of the Civil Code.

(3) The property in the possession of the Company is imprescriptible in the same way as the property of the domain of the State. This provision does not apply to debts owing to the Company or for which it is liable, which are subject to the ordinary provisions of law.

(4) The Company shall have a legal hypothec for the price of power supplied for the carrying on of an industrial or commercial enterprise.

The legal hypothec affects the debtor's property designated in the notice of registration and used for the carrying on of the enterprise.

R. S. 1964, c. 86, s. 31; 1978, c. 41, s. 1; 1983, c. 15, s. 20; 1992, c. 57, s. 588; 1999, c. 40, s. 145.

32. The Minister of Natural Resources and Wildlife or the Minister of Sustainable Development, Environment and Parks, each according to his competence, may, with the authorization of the Government and on the conditions it may fix, place at the disposal of the Company, for purposes of development, any immovables or water powers forming part of the domain of the State and required for the objects of the Company.

As of 1 January 2007 the Company shall pay a charge into the Generations Fund, in the manner described in section 69.3 of the Watercourses Act (chapter R-13), for the water power it develops.

The rate of the charge is \$0.625 per 1,000 kilowatt-hours computed on 1 January 2006 and shall be adjusted on 1 January each year according to the percentage of increase, in relation to the preceding year, in the Consumer Price Index for Canada, as published by Statistics Canada under the Statistics Act (Revised Statutes of Canada, 1985, chapter S-19). For that purpose, the Consumer Price Index for a year is the average monthly index for the 12 months ending on 30 September of the preceding year.

If an annual average or the percentage computed under the third paragraph, or the rate of the charge so adjusted, has more than two decimals, it is rounded off to the second decimal place. If the third decimal digit is equal to or greater than 5, the second decimal digit is rounded up.

The Minister of Natural Resources and Wildlife shall publish, in the *Gazette officielle du Québec*, the rate of the charges so adjusted.

R. S. 1964, c. 86, s. 32; 1973, c. 19, s. 6; 1978, c. 41, s. 1; 1979, c. 81, s. 23; 1983, c. 15, s. 21; 1994, c. 13, s. 15; 1994, c. 17, s. 75; 1999, c. 40, s. 145; 1999, c. 36, s. 158; 2003, c. 8, s. 6; 2006, c. 3, s. 35; 2006, c. 24, s. 16.



For 2017, the Company shall pay a charge of \$0.75 per 1,000 kilowatt-hours of gross energy generated. (2016) 148 G.O. 1, 1296.

33. With the authorization of the Government, the Company may:

(1) *(subparagraph repealed)*;

(2) sell its distribution system of manufactured gas, with the lands, constructions, works, servitudes and other property and rights related thereto, and agree, as shareholder of Montreal Coke & Manufacturing Company and of Keystone Transports Limited, to the sale of the respective assets of these companies;

(3) acquire by expropriation:

(a) any undeveloped waterpower;

(b) any immovable, servitude or construction required for the exploitation of waterpowers held by the Company or for the generation, transmission or distribution of power;

(c) any immovable required for the building of roads to give access to the Company's plants or to replace roads rendered unserviceable by its works.

The authorization of Parliament is required for the expropriation of a developed waterpower of more than two hundred horsepower and of immovables required for its operation and for the generation, transmission or distribution of power so developed.

R. S. 1964, c. 86, s. 33; 1965 (1st sess.), c. 33, s. 1; 1978, c. 41, s. 1, s. 11; 1999, c. 40, s. 145.

34. When a portion only of an immovable is required, the Government may authorize the Company to expropriate it in its entirety and the Company may then dispose of the portion which it does not need.

R. S. 1964, c. 86, s. 34; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

35. The powers of expropriation granted to the Company may be exercised in view of proposed work and before the execution of such work is authorized.

R. S. 1964, c. 86, s. 35; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

36. The Company may, with the authorization of the Government, purchase or lease or otherwise acquire any waterpowers, immovables or real rights situated partly in Québec and partly in a neighbouring province, or entirely situated in an adjoining province but in the immediate vicinity of the boundary separating Québec from the adjoining province and perform therein all works such as those authorized by this division, and for such purpose make any contract deemed expedient.

R. S. 1964, c. 86, s. 36; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

37. As regards work in navigable rivers, the Company may, with the authorization of the Government, enter into any agreement with the Government of Canada deemed expedient and observe any formality deemed necessary.

R. S. 1964, c. 86, s. 37; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

38. The powers of expropriation conferred by this Act may be exercised with regard to any immovable even though it be devoted to a public use and be not even liable to expropriation by reason of some general law or special Act other than chapter 20 of the statutes of 1943.

R. S. 1964, c. 86, s. 38.

39. In no case may the Company, without the authorization of the Government, acquire or hold over 50% of the shares of another legal person or a sufficient percentage of them to elect the majority of the directors of the other legal person.

In no case where the Company acquires or holds either described percentage of the shares of another legal person may that other legal person itself, without the authorization of the Government, acquire or hold either such percentage of the shares of a third legal person.

The second paragraph does not apply to a legal person in which the Company holds shares on 26 April 1983.

R. S. 1964, c. 86, s. 40; 1978, c. 41, s. 1; 1983, c. 15, s. 22; 1999, c. 40, s. 145.

39.0.1. The Company may grant financial assistance to defray the cost of the fixed equipment necessary for the electrification of shared transportation services to a public transit authority or a public body providing public transport referred to in section 88.1 or 88.7 of the Transport Act (chapter T-12), to the Caisse de dépôt et placement du Québec or to one of its wholly-owned subsidiaries within the meaning of section 88.15 of that Act.

The financial assistance must be authorized by the Government on the conditions and in the manner it determines, on the joint recommendation of the minister responsible for the administration of this Act and the minister responsible for the administration of the Transport Act.

2016, c. 35, s. 20.

DIVISION V.1

SOCIÉTÉ D'ÉNERGIE DE LA BAIE JAMES

1978, c. 41, s. 12.

39.1. The Société d'énergie de la Baie James, a company constituted by letters patent issued by the Lieutenant-Governor in virtue of section 21 of the James Bay Region Development Act (chapter D-8), and hereinafter called "the company", has, as its object, the pursuit, on behalf of the Company, of hydro-electric resources development works in the basin of the La Grande river and in the adjoining basins for Phase I of the Complexe La Grande, that is, the laying out of the sites of the LG2, LG3 and LG4 stations and the diversion works of the Caniapiscau, Eastmain, Opinaca and Petite Opinaca rivers.

Its objects are also those conferred on it by its letters patent; such letters patent may be amended by supplementary letters patent granted under Part I of the Companies Act (chapter C-38).

1978, c. 41, s. 12; 1983, c. 15, s. 23; 1999, c. 40, s. 145.

39.2. All the shares issued by the company are held by the Company, which has the exercise of all the rights attached to them.

1978, c. 41, s. 12; 1983, c. 15, s. 24; 1999, c. 40, s. 145.

39.3. The company has the powers of a company constituted under Part I of the Companies Act (chapter C-38) and is governed by that Part except where inconsistent with this Act.

1978, c. 41, s. 12; 1999, c. 40, s. 145.

39.4. *(Repealed).*

1978, c. 41, s. 12; 1983, c. 15, s. 25.

39.5. The affairs of the company are administered by a board of directors composed of not more than nine members appointed by the Company for a term not exceeding two years.

The members of the board are the directors of the company within the meaning of the Companies Act (chapter C-38); however, they need not be shareholders.

1978, c. 41, s. 12; 1983, c. 15, s. 26; 1999, c. 40, s. 145.

39.5.1. On the expiration of their terms, the directors remain in office until they are replaced or reappointed.

1983, c. 15, s. 26.

39.6. *(Repealed).*

1978, c. 41, s. 12; 1983, c. 15, s. 27.

39.7. *(Repealed).*

1978, c. 41, s. 12; 1983, c. 15, s. 27.

39.8. The operations of the company in the territory described in the schedule to the James Bay Region Development Act (chapter D-8.0.1) are not governed by the Watercourses Act (chapter R-13) or the Transport Act (chapter T-12).

1978, c. 41, s. 12; 1983, c. 15, s. 28; 1988, c. 23, s. 90; 1988, c. 8, s. 87; 1997, c. 83, s. 44; 2001, c. 61, s. 17.

39.9. *(Repealed).*

1978, c. 41, s. 12; 1983, c. 15, s. 29.

39.10. Sections 17 to 19 apply, with the necessary modifications, to the company and to the members of its board of directors.

1978, c. 41, s. 12; 1983, c. 15, s. 30.

39.11. The assets acquired by the Société d'énergie de la Baie James in the territory described in the schedule to the James Bay Region Development Act (chapter D-8.0.1) for the development of hydro-electric resources in the basin of the La Grande river and in parts of the adjoining basins for the Complexe La Grande are transferred to Hydro-Québec on the dates and on the terms and conditions established by agreement between the two legal persons.

1978, c. 41, s. 27 (*part*); 1999, c. 40, s. 145; 2001, c. 61, s. 17.

39.12. The company may also enter into any agreement with the Régie des installations olympiques for the completion of the immovable known as the "Stade olympique de Montréal".

1980, c. 36, s. 1.

DIVISION VI

TAXATION

40. The Company shall pay all municipal and school taxes imposed on the immovable property which it possesses, except power-houses and dams.

Subject to the second paragraph of section 16, it shall not be subject to any other impost.

The Company may, nevertheless, notwithstanding any legislative provision to the contrary, enter into agreements with municipalities and with school boards, for the payment of fixed sums of money in lieu of all taxes, contributions, assessments and dues for municipal services, whatever may be the nature of such taxes, contributions, assessments and dues.

The agreements made and the decisions taken for such purposes by the Company and by such municipalities and school boards between 1 January 1945 and 1 April 1946 are declared valid and shall take effect as from 1 January 1945.

The agreements made after 1 April 1946 in virtue of the first paragraph of this section shall come into force as soon as approved by the Government.

R. S. 1964, c. 86, s. 41; 1978, c. 41, s. 1; 1981, c. 18, s. 10; 1988, c. 84, s. 619; 1996, c. 2, s. 690; 1999, c. 40, s. 145.

DIVISION VII

Repealed, 1996, c. 2, s. 691.

1996, c. 2, s. 691.

41. *(Repealed).*

R. S. 1964, c. 86, s. 43; 1978, c. 41, s. 1; 1996, c. 2, s. 691.

42. *(Repealed).*

R. S. 1964, c. 86, s. 44; 1978, c. 41, s. 1; 1996, c. 2, s. 691.

43. *(Repealed).*

R. S. 1964, c. 86, s. 45; 1978, c. 41, s. 1; 1996, c. 2, s. 691.

44. *(Repealed).*

R. S. 1964, c. 86, s. 46; 1978, c. 41, s. 1; 1996, c. 2, s. 691.

45. *(Repealed).*

R. S. 1964, c. 86, s. 47; 1978, c. 41, s. 1; 1996, c. 2, s. 691.

DIVISION VIII

SPECIAL PROVISIONS

46. *(Repealed).*

R. S. 1964, c. 86, s. 48; 1978, c. 41, s. 1; 1988, c. 23, s. 91.

47. *(Repealed).*

R. S. 1964, c. 86, s. 49; 1978, c. 41, s. 1; 1999, c. 40, s. 145; 2005, c. 7, s. 67.

48. The Company may avail itself of the provisions of sections 26, 27, 28, 29 and 32 of chapter 66 of the Statutes of Québec, 1897-1898.

It may also take advantage of the provisions of sections 16, 18 and 19 of the Act 12 Victoria, chapter 183 (Provincial Statutes of Canada) and of section 20 of the said Act as amended by section 8 of chapter 61 the Statutes of Québec, 1872.

R. S. 1964, c. 86, s. 50; 1978, c. 41, s. 1; 1999, c. 40, s. 145.



Statutes of Québec, 1897-1898, chapter 66; An Act to amend and consolidate the act incorporating the Royal Electric Company (...)

— *section 26: penalty for making illegal connections to the electric system or illegally altering meters or other appliances;*

— *section 27: suspension of service if rent not paid;*

— *section 28: access to premises for disconnection purposes;*

— *section 29: contracts may vary sections 27 and 28;*

— *section 32: recovery of penalties.*

Provincial Statutes of Canada (1849), 12 Victoria, chapter 183; An Act to amend the Act incorporating the New City Gas Company of Montreal, and to extend the powers of the said Company

— *section 16: penalty for damage or alteration to gas meters or other appliances;*

— *section 18: recovery of damage caused by carelessness or accident; recovery of amount representing the excess of gas obtained without entitlement;*

— *section 19: penalty for making illegal connections to the gas system;*

— *section 20: suspension of service if rent not paid; access to premises.*

48.1. The operations of the Company in the territory described in the schedule to the James Bay Region Development Act (chapter D-8.0.1) are not governed by the Watercourses Act (chapter R-13) or the Transport Act (chapter T-12).

1983, c. 15, s. 31; 1988, c. 23, s. 92; 1988, c. 8, s. 88; 1997, c. 83, s. 44; 1999, c. 40, s. 145; 2001, c. 61, s. 17.

48.2. Any provision of an Act or regulation prescribing an obligation to file an assessment or certificate of compliance with the municipal by-laws in support of an application for authorization under the Act respecting the preservation of agricultural land and agricultural activities (chapter P-41.1) or the Environment Quality Act (chapter Q-2) does not apply to the Company, provided each municipality concerned is notified within 45 days of the application so that it may submit its comments to the Company.

2016, c. 35, s. 17.

DIVISION IX

RETIREMENT PLAN

49. The Company is authorized to establish by by-law a retirement plan for its members appointed after 30 June 1973 and its employees, including benefits in case of disability or death, and to adopt all provisions deemed necessary for such purpose.

It may determine the pension and benefits payable to its employees or to third parties, the terms of payment of the said pensions and benefits, the rate of contribution of the Company and that of its employees and the other conditions of entitlement to such pensions and benefits.

The by-laws may determine

- (1) that only a member, a beneficiary or the mandatary of either may make an application for communication or correction of information contained in the retirement plan;
- (2) the mode and frequency of applications for communication and correction of such information;
- (3) the time allowed the person in charge of access to documents to follow up such an application.

This section applies notwithstanding sections 83, 94 and 98 of the Act respecting Access to documents held by public bodies and the Protection of personal information (chapter A-2.1).

1965 (1st sess.), c. 33, s. 3; 1977, c. 22, s. 56; 1978, c. 41, s. 1; 1987, c. 68, s. 79; 1999, c. 40, s. 145.

49.1. The board of directors may, by by-law, amend the retirement plan to grant the members of the Commission hydro-électrique de Québec appointed between 30 June 1973 and 1 October 1978 who cease to

participate in the retirement plan the option of an immediate or of a deferred retirement pension, together with the other benefits provided for in that retirement plan.

1978, c. 41, s. 13.

50. The Company may make by-laws to provide, on such conditions as it determines therein, for the membership in such plan of the employees of companies of which it holds 90% of the shares, whether they enter the employ of the Company or remain in the employ of one of such companies.

For such purpose, and for all other purposes of its retirement plan, the Company may make agreements with:

(a) each of such companies;

(b) the companies or associations which insure the retirement plans of such companies or of electricity cooperatives whose property it has acquired;

(c) the trustees administering the retirement funds of such companies;

(d) the government of Canada with respect to Government Annuities.

1965 (1st sess.), c. 33, s. 3; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

51. The retirement fund shall be constituted and maintained by the following contributions and amounts:

(a) a contribution by each member and a contribution by his employer;

(b) the assets accumulated under amended by-law number 12 of Hydro-Québec in virtue of the Act to assure pensions to the employees of Hydro-Québec and under this Act;

(c) the retirement fund handed over to the Company by Montreal Trust Company, under paragraph 10 of section 4 of the Act to establish the Québec Hydro-Electric Commission (1944, chapter 22);

(d) any retirement fund which may be handed over to the retirement fund of Hydro-Québec pursuant to an agreement.

Should the fund so constituted be or become insufficient to meet the pensions and benefits provided for, the Company shall make good the deficit by one or more special contributions the terms of which it determines.

1965 (1st sess.), c. 33, s. 3; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

52. Out of the fund so constituted, the Company shall:

(a) continue to pay the retirement pensions granted by Montreal Light, Heat & Power Consolidated before 15 April 1944 or by the Company after such date in virtue of article 17 of the by-laws of the said company;

(b) pay the pensions and benefits payable under the retirement plan of a company or electricity cooperative respecting which it has made an agreement for the handing over of the fund of such plan;

(c) pay the pensions and benefits payable under by-law number 12 or a new by-law.

1965 (1st sess.), c. 33, s. 3; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

53. The administration of the pension plan of the Company shall be entrusted to a committee called the Comité de retraite d'Hydro-Québec.

The composition and powers of such committee shall be determined by by-law.

However, the Company alone shall have, as trustee, the management of the retirement fund.

1965 (1st sess.), c. 33, s. 3; 1977, c. 5, s. 14; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

54. The assets of the retirement fund shall be invested in accordance with the Supplemental Pension Plans Act (chapter R-15.1).

1965 (1st sess.), c. 33, s. 3; 1989, c. 38, s. 319.

55. Every by-law passed under this division shall be subject to the Supplemental Pension Plans Act (chapter R-15.1) and shall not come into force until approved by the Government.

1965 (1st sess.), c. 33, s. 3; 1989, c. 38, s. 319.

56. No pension benefit, other benefit or right of refund resulting from this division shall be capable of assignment or alienation.

1965 (1st sess.), c. 33, s. 3.

57. No provision of any by-law passed under this division, or amendment of the retirement plan of any company of which the Company has acquired 90% of the shares or of any electricity cooperative whose property it has acquired, shall reduce the pension credits of any member in respect of remuneration and service or membership in the plan prior to 1 January 1966, except, in respect of each plan, with the consent of two-thirds of the members of the plan.

1965 (1st sess.), c. 33, s. 3; 1978, c. 41, s. 1; 1999, c. 40, s. 145.

58. No amendment of the retirement plan of a company or electricity cooperative shall reduce the pension credits of any member in respect of remuneration and service or membership in the plan prior to the date of acquisition of the shares of the company or of the assets of the electricity cooperative, except with the consent of two-thirds of the members of the plan.

1965 (1st sess.), c. 33, s. 3.

59. In this division, the expression “pension credit” means the value at a particular time of the pension and other benefits provided under a retirement plan to which a member of the plan has become entitled.

1965 (1st sess.), c. 33, s. 3.

60. The Company may make an agreement with any government, legal person, association or body having a retirement plan, to facilitate reciprocal transfers of their employees and to determine the terms and conditions of such transfers for purposes of retirement.

1965 (1st sess.), c. 33, s. 3; 1977, c. 5, s. 14; 1978, c. 41, s. 1; 1983, c. 15, s. 32; 1999, c. 40, s. 145.

61. Amended by-law number 12 passed under the Act to assure pensions to the employees of Hydro-Québec shall be deemed a by-law under this division.

1965 (1st sess.), c. 33, s. 3.

DIVISION IX.1

POWERS AND RESPONSIBILITIES OF THE MINISTER

2006, c. 59, s. 66.

61.1. The Minister may issue directives on the direction and general objectives to be pursued by the Company.

The directives must be approved by the Government, and come into force on the day of their approval. Once approved, they are binding on the Company and the Company must comply with them.

The directives shall be tabled in the National Assembly within 15 days after they are approved by the Government or, if the Assembly is not sitting, within 15 days of resumption.

2006, c. 59, s. 66.

61.2. At least once every 10 years, the Minister must report to the Government on the carrying out of this Act. The report must include recommendations concerning a review of the mission of the Company.

The Minister shall table the report in the National Assembly.

2006, c. 59, s. 66.

62. The Minister is responsible for the application of this Act.

1978, c. 41, s. 14.



The Minister of Energy and Natural Resources is responsible for the application of this Act. Order in Council 288-2016 dated 13 April 2016, (2016) 148 G.O. 2 (French), 2327.

DIVISION X



This Division ceased to have effect on 17 April 1987.

63. *(This section ceased to have effect on 17 April 1987).*

1982, c. 21, s. 1; U. K., 1982, c. 11, Sch. B, Part I, s. 33.

REPEAL SCHEDULE

In accordance with section 17 of the Act respecting the consolidation of the statutes (chapter R-3), chapter 86 of the Revised Statutes, 1964, in force on 31 December 1977, is repealed, except sections 37*a* and 37*b*, effective from the coming into force of chapter H-5 of the Revised Statutes.

