

# LE DEVOIR

## MEDAC calls on Quebec government to modernize Companies Act

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MEDAC (Mouvement d'éducation et de défense des actionnaires), a shareholders' rights group, is calling on the Charest government to get its planned review of the Companies Act back on track.

Former Finance Minister Monique Jérôme-Forget announced plans to update this legislation well before retiring from political life. In December 2007, she said that the law, which defines the framework for establishing and developing companies incorporated in Quebec, was an important piece of legislation and in urgent need of reform. MEDAC expressed its support for the plan at the time.

MEDAC chairman Claude Béland says it is deplorable that the government has been silent on this initiative for several months. According to Mr. Béland, MEDAC still believes that the legislation needs to be reviewed and modernized to meet new challenges.

Mr. Béland also referred to a similar bill recently introduced by Senator Céline Hervieux-Payette, noting that it was "interesting" and could set the tone for possible legislative amendments by the Quebec government.

Last month, Senator Hervieux-Payette introduced a bill that would put a \$500,000 cap on salaries paid to the executives of companies receiving government assistance and restrict the salaries of executives of publicly traded companies. The Liberal senator's bill also targets other areas of corporate activity.

Ms. Jérôme-Forget's successor, Raymond Bachand, does not seem particularly interested in taking similar action, even though Washington, Paris and Berlin have each moved in this direction to varying degrees.

Founded by Yves Michaud, MEDAC encourages economic regulatory agencies to support or even impose advisory votes. MEDAC was successful in convincing several major companies and all Canadian banks to introduce an advisory vote on a strict executive compensation policy prepared by an independent committee.

Mr. Béland emphasized that the global financial and economic crisis highlights the need to regulate capitalism and make it more ethical, as French President Nicolas Sarkozy said last fall in Quebec City.

The former president of the Desjardins Group said that the federal and Quebec governments are faced with a choice: either introduce half-hearted measures to address shortcomings in the current economic system, or take more far-reaching action.