



MOVE ACHIEVE SUCCEED

2012 Activities Report

SOCIETY IN MOTION







TWO MERCURIADES FOR THE STM!

The STM took top honours in the Fédération des chambres de commerce du Québec's 32nd annual Les Mercuriades awards. The company won two Mercures Administration publique in the productivity increase and sustainable development categories.

More than 800 businesspeople were present at the gala awards show at the Palais des congrès de Montréal on April 12, 2012, hosted by Monique F. Leroux, president and CEO of Desjardins Group. Then-CEO Yves Devin accepted these prestigious awards on behalf of the STM from Alain Paquet, then the minister for finance.

THE STM HONOUR ROLL

Besides the Mercuriades, the STM won 14 awards in 2012:

- Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA), for a third straight year
- Silver Cassies award for the *Society in Motion/Mouvement collectif* campaign, from the Institute of Communication Agencies
- A third consecutive Best Green Initiative Award for the STM's overall environmental achievement, presented at the Metrorail conference for métro operators worldwide
- Two leadership prizes from the Canadian Urban Transit Association (CUTA): one in the environmental category for its renewal project for the surface transit supervision vehicle fleet, and the other in the marketing communications category, for the quality of internal communications regarding the *2020 Strategic Plan*
- The Mission Design Facteur D Award for the STM's brand image
- An award from the Black Coalition of Québec for the STM's employment equity program
- Boomerang award in the *Best mobile application—content* category for the Audiosphère Montréal app

Employees and members of the board also earned distinctions:

- Transport 2000 Québec presented the Prix Guy-Chartrand to board member Marie Turcotte for her work for universal accessibility in public transit
- The Black Coalition of Québec presented the Mathieu Da Costa Award to board member Marvin Rotrand for his work for social justice and minority rights
- CEO Yves Devin received the Prix PDG vert for his contribution to the adoption of sustainable development practices
- Yves Devin also received Université Laval's Prix Grands diplômés
- The Association du transport urbain du Québec (ATUQ) also presented an award to Yves Devin for his exceptional service as CEO of the STM
- Finally, CUTA recognized Yves Devin's service with an award as well

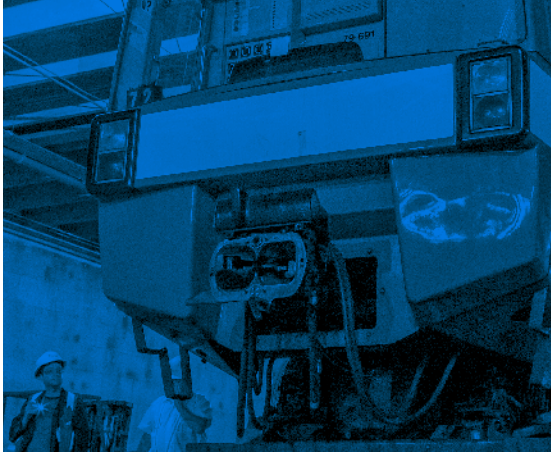


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ANOTHER RECORD-BREAKING YEAR

The past six years have seen the successful completion of the STM's 2007-2011 Public Transit Service Improvement Plan (PASTEC), which increased the overall service offer (bus and métro) by 25%, exceeding the Québec government's goal of 16%. In 2012, the service offer reached 168.3 million kilometres, while the overall customer satisfaction level rose to 88%, breaking the 2006 record of 84%. Montrealers' love for public transit comes across clearly in the 2012 ridership figures, which reach a historic record of 412.6 million passenger trips, an increase of 1.9% over 2011 levels. We owe this success to the concerted efforts of all our employees. I also want to highlight the exceptional contribution of Yves Devin, who served as CEO from 2006 to April 2012.

Building on these accomplishments, the STM is continuing to invest in maintaining its assets and increasing its service offer, aiming for the *2020 Strategic Plan*'s ambitious goal of 540 million passenger trips per year in 2020. While these investments are funded in part by various Québec and federal government programs, there will be a significant effect on debt servicing. The STM's absolute priority is to replace its aging buses, métro cars, systems, and equipment. At the same time, users and the community at large want to see new public transit services coming into operation. This will be the key issue in coming years: debt servicing will reach \$78.9 million in 2013, \$99.6 million in 2014, and \$113.6 million in 2015.

It is clear that our financial resources, a significant portion of which comes from passenger fares and funding from the agglomeration, will not be sufficient to meet the *2020 Strategic Plan* objectives. Only a dedicated, index-linked, and recurring funding source will suffice. In accordance with the regional consensus reached by the Communauté métropolitaine de Montréal (CMM), as stated in its report of August 16, 2012, the STM has for several years been calling for an increased contribution from Montréal-area motorists. The government's openness to studying these recommendations is good news for the maintenance and development of public transit.

Worsening traffic congestion is costing the Québec economy billions of dollars and damaging the quality of life of the 3.8 million residents of the greater Montréal region. The way to fight these harmful effects is to increase and improve public transit services to meet the mobility needs of a proportion of current single-occupancy drivers. This will result in a modal shift that will stabilize and even diminish road congestion—a win-win situation for both drivers and public transit users.

The competitiveness, desirability, and quality of life of Canada's large urban areas depend and will continue to depend on increasing the mobility of people (as opposed to vehicles) and goods. Doing nothing and not investing in public transit networks are not viable options, because they will result in far higher costs. Instead, we need dedicated, index-linked, and recurring funding so that Montréal's public transit can move, achieve, and succeed!



MICHEL LABRECQUE
Chairman of the Board of Directors



Once again, the STM has broken its ridership records, with 412.6 million passenger rides representing a 1.9% increase over 2011. We achieved these results by increasing the overall service offer over the last six years to 168.3 million kilometres. The bus network saw a 29.1% increase of 20.3 million kilometres, while the métro network added 18.3 million kilometres of service, a 30.6% increase.

The STM also continued work on several major projects, such as the new AZUR métro cars (including modifications to allow the Youville minor repairs workshop to receive the first nine-car train in autumn 2013), métro station renovations, and the renewal of the bus fleet and associated installations, including the start of construction work at the Stinson transport centre, projects relating to the electrification of the surface network, and modernization of the bus operations computer systems (iBUS).

Several challenges arose in maintaining métro performance, especially in the first half of the year. Several events, in particular dynamiting on the CHUM construction site and acts related to the social tensions of the “Maple Spring,” paralyzed the métro network at various times, most often during rush hour. However, the STM showed its ability to react to situations, stabilizing the situation between May and August and considerably reducing service outages for the last four months of the year (18% fewer outages than the average of the same months from 2008 to 2011). This involved taking several measures to reduce avoidable interruptions, specifically those linked to passenger behaviour. As for rolling stock, the MR-73s turned in their best performance ever. Despite being among the oldest métro trains still in service in the world, these 37-year-old cars had a mean distance of 576,896 km between failures of five minutes or longer. Finally, for a fourth straight year, Imperial College London declared that the Montréal métro’s overall performance made it the most productive in the world.

Turning to the surface network, the STM created line 71 in Pointe-Saint-Charles, introduced a shared taxi service for seniors on Nuns’ Island and in Pointe Claire and Dorval, and augmented the existing shared taxi service in Senneville. It also implemented four new reserved lanes as part of the *Bus priority measures plan*, bringing the total length of reserved lanes to 147.8 km. However, the large number of roadwork sites throughout the city caused significant traffic congestion, posing a constant challenge for punctuality. Accordingly, the STM’s buses had a punctuality rate of 81.8%, slightly lower than the target of 82.5%. Nevertheless, customer satisfaction with bus service reached a five-year high of 82%.

This year was also a significant one for labour relations as we renewed four collective agreements, ensuring six years of labour peace with more than 95% of employees. I want to emphasize their hard and excellent work, without which these successes would be impossible. On behalf of the Board of Directors and the executive committee, I would like to salute all of the STM’s employees for their work in meeting the challenge of growing ridership in 2012, and I know they will rise to the challenges of 2013 and later years as we aim for the ambitious objectives of the *2020 Strategic Plan*.



CARL DESROSIERS

Chief executive officer

CORPORATE MISSION

The STM is a key driver of economic development in the Montréal area and contributes to sustainable development and Montrealers' overall quality of life. The STM is tasked with developing and operating an integrated bus and métro system, as well as paratransit service, to enable people to get around reliably, quickly, safely and comfortably. The STM's customers and employees, as well as its institutional and business partners, are all proud to be associated with the company, which is well known as a provider of high quality service at a fair price.

A FEW FIGURES

14th

LARGEST COMPANY
IN QUÉBEC

9,409

PERMANENT EMPLOYEES

ANNUAL BUDGET

\$1,297 million

ASSET REPLACEMENT VALUE

\$14.5 billion

MÉTRO SYSTEM



The métro comprises four lines totalling 71 km and serving 68 stations. Its fleet of rolling stock consists of 759 cars—336 MR-63s and 423 MR-73s—which travelled 78.2 million km in 2012.

BUS NETWORK



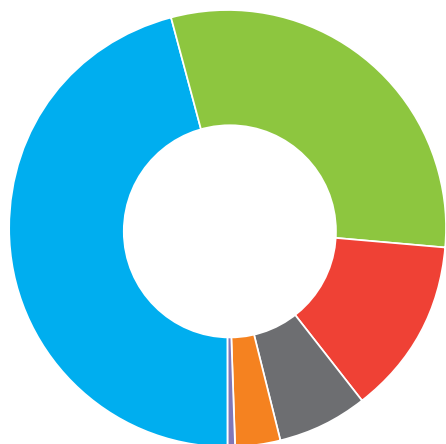
The STM operates a fleet of 1,712 buses, including 8 hybrid and 202 articulated buses, as well as 102 minibuses (86 paratransit and 16 urban minibuses). Its network extends over the island of Montréal, an area of nearly 500 km². It operates 219 lines, 167 of which are wheelchair-accessible; 23 are night routes. Also, some 147.8 km of streets are equipped with bus priority measures, including 130.9 km of reserved bus lanes, helping to reduce travel times. The offer of bus service reached 80.1 million km in 2012.

PARATRANSIT



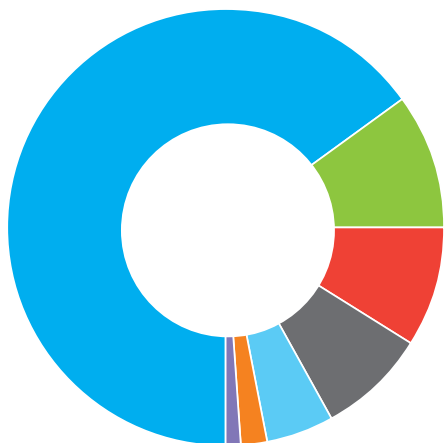
The STM provides door-to-door paratransit service for people with disabilities. As a result, over 24,000 customers use the STM's minibuses and 14 regular and wheelchair-accessible taxi services to travel over 3.1 million km in the greater Montréal area each year.

DISTRIBUTION OF REVENUE



	IN THOUSANDS OF \$	%
Customers	563,602	46
Agglomeration of Montréal	372,900	30
Subsidies	160,567	13
Regional contributions and contribution from non-agglomeration municipalities	82,034	7
Other revenues	39,660	3
Deferred surplus	5,721	1
Total	1,224,484	100

DISTRIBUTION OF EXPENSES



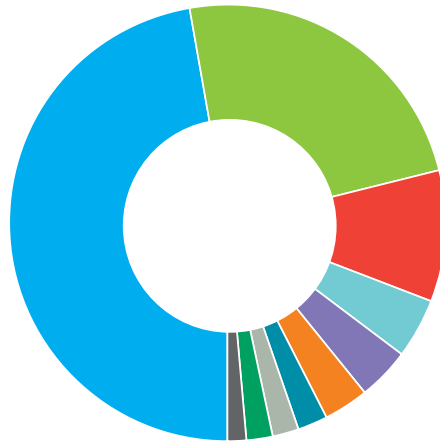
	IN THOUSANDS OF \$	%
Remuneration	800,068	65
Energy costs, taxes, and licenses	119,653	10
Interest and financing costs	108,968	9
Professional services	103,119	8
Equipment and supplies	57,213	5
Miscellaneous expenses	21,487	2
Rentals	9,914	1
Total	1,220,422	100

Operating surplus for the fiscal year * 4,062

* As presented on page 64 of the 2012 Annual Financial Report.

WORKFORCE DISTRIBUTION

Permanent staff as of December 31, 2012



4,446	Drivers, operators, and support services employees <i>Syndicat des chauffeurs d'autobus, opérateurs de métro et employés des services connexes au transport de la STM (CUPE local 1983)</i>
2,258	Maintenance employees <i>Syndicat du transport de Montréal (maintenance employees – CSN)</i>
927	Unionized office employees <i>Syndicat du personnel administratif, technique et professionnel du transport en commun (CUPE local 2850 – FTQ)</i>
394	Operations managers
385	Unionized professionals <i>Syndicat des professionnelles et professionnels de la STM</i>
303	Managers
209	Division clerks <i>Syndicat des travailleurs et travailleuses de la STM (CSN)</i>
188	Constables and peace officers (inspectors)
184	Foremen and forewomen
115	Non-unionized professionals and office employees

9,409

PERMANENT EMPLOYEES

- Representation of women: 24.29%
- Representation of visible and ethnic minorities: 22.06%
- Average age: 44.96 years
- Average years of service: 10.62 years
- Eligible for retirement: 1,051 employees
- Retiring: 256 employees



RIDERSHIP

In 2012, ridership reached 412.6 million trips, a record unmatched in the history of public transit in Montréal and a 1.9% increase over 2011. This outstanding result means that ridership has grown 13.6% since the Public Transit Service Improvement Plan (PASTEC) began in 2007, exceeding this program's target of 8%.

The STM achieved this result by significantly expanding its service offer since 2007. For the bus network, this has meant a 29.1% increase, some 20.3 million more kilometres, while the métro system saw a 30.6% increase, some 18.3 million more kilometres. Overall customer satisfaction also rose from 84% to 88% from 2006 to 2012.

412.6

MILLION TRIPS BY BUS
AND MÉTRO, AN INCREASE
OF 1.9% OVER 2011

3.1

MILLION TRIPS BY PARATRANSIT,
AN INCREASE OF 6.9%
OVER 2011

1.3 M

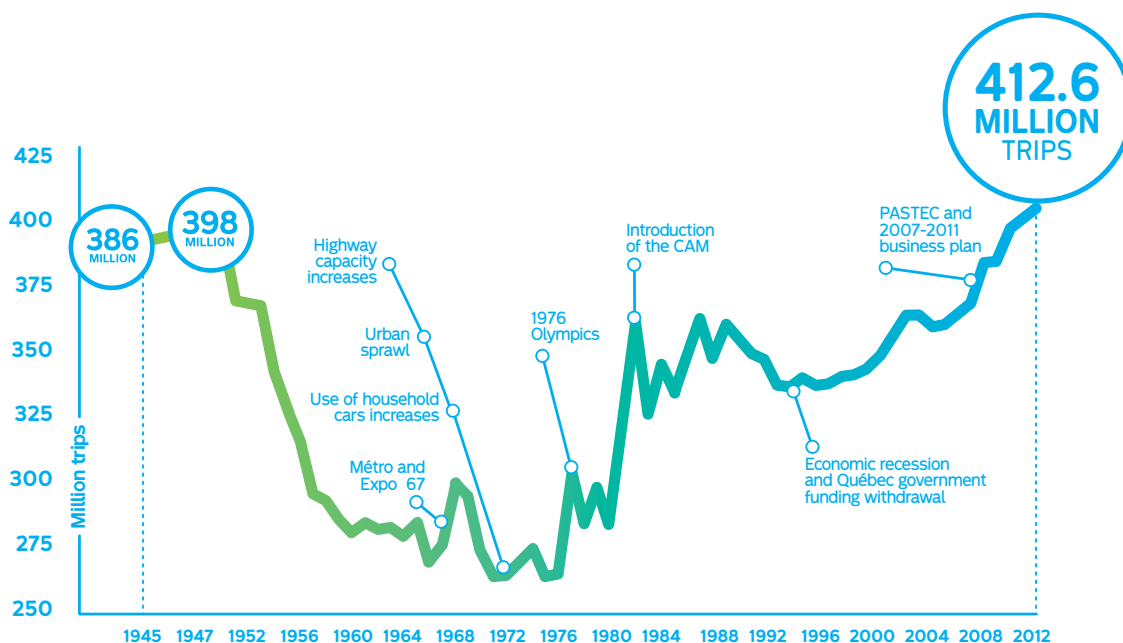
TRIPS PER AVERAGE WEEKDAY

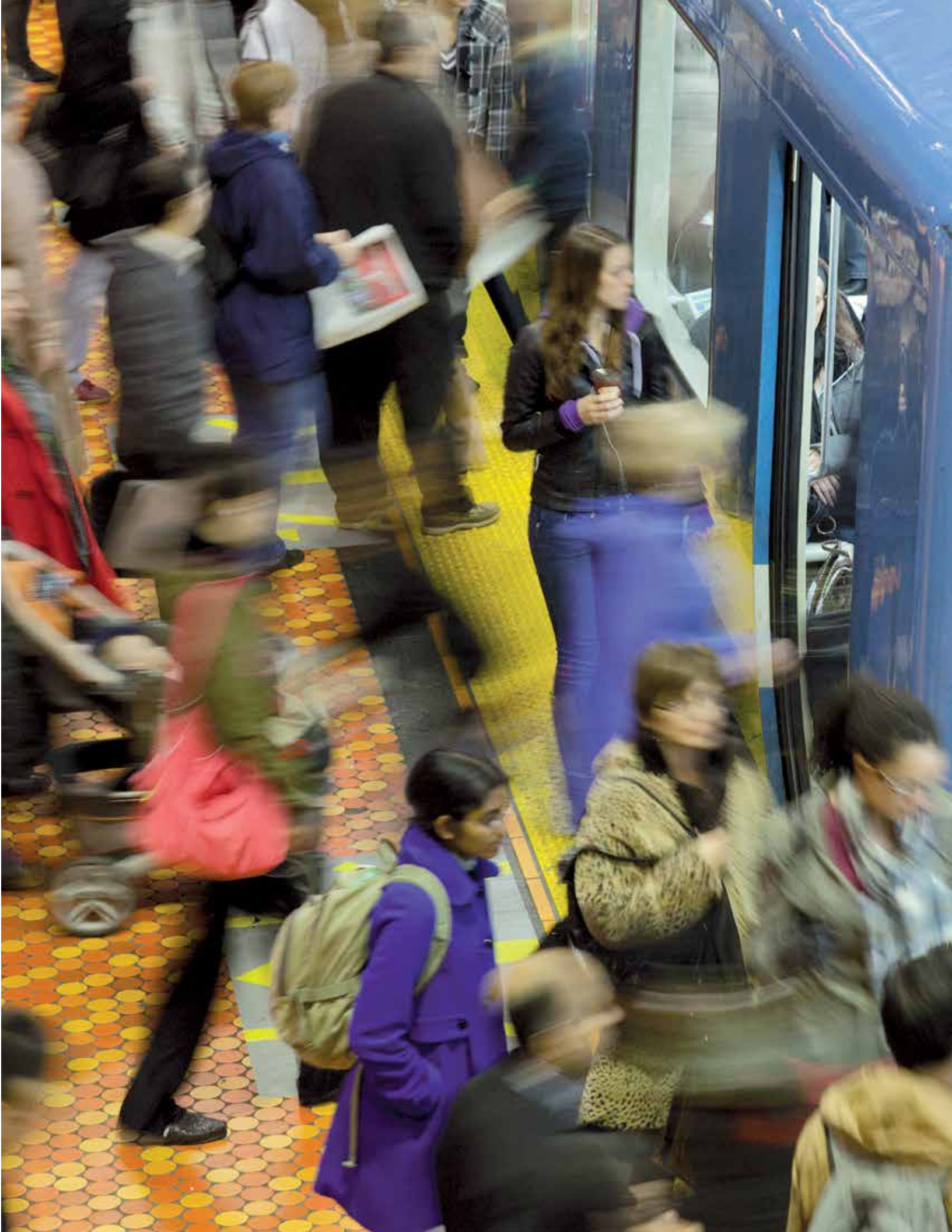
40% BY MÉTRO
31% BY BUS AND
29% USING BOTH

88%

GENERAL CUSTOMER
SATISFACTION RATE

895,000 TRIPS BY MÉTRO
AND **784,000** BY BUS PER
AVERAGE WEEKDAY





EXCELLENT
CREDIT RATINGS

A +

Standard &
Poor's

Aa2

Moody's

THE MONTRÉAL MÉTRO REMAINS THE WORLD'S MOST PRODUCTIVE

For a fourth straight year, Imperial College London declared that the STM's métro system stands out among its peers in numerous categories, despite its trains being among the oldest in the world. First, the STM has the world's most productive workforce in terms of vehicle-kilometres. Second, the reliability rate of its métro cars remains sound, helping to ensure service quality. In particular, 2012 was the MR-73s' best year for reliability. The Montréal métro is also considered to have one of the lowest carbon footprints in the world.

EXCEPTIONAL RESULTS WITH OPUS

In addition to speeding up fare control operations and providing a more flexible fare structure, the introduction of the OPUS card has allowed the STM to reduce fraud and recover some \$13 million per year.

THE STM'S 2012 BUDGET RECEIVES AN AWARD FOR EXCELLENCE

For a third consecutive year, the STM received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). This association of U.S. and Canadian government representatives presents this award to public bodies that produce a budget document that meets standards of excellence for a general policy document, an activity guide, a financial planning document, and a communications tool all at once.

A SUCCESSFUL AGREEMENT

As part of the May 2012 renewal of the collective agreement with the Syndicat des employés d'entretien, the parties agreed to renew the agreement on performance improvement for 2012-2017. The scope of the agreement was broadened to include maintenance of métro rolling stock.*

By focusing on employee mobilization, recognizing performance gains, and passing along savings, the STM and its maintenance employees successfully met the challenge of improving performance, as these figures clearly show:

- Bus network service offer rose significantly from 69.8 million kilometres in 2006 to more than 90.1 million in 2012, an increase of 29%.
- The rate of out-of-service buses (reflecting bus availability) decreased from 22.9% in 2007 to 16.3% in 2012, an improvement equivalent to 113 extra buses on the road, based on fleet numbers as of December 31, 2012.
- Reference cost per kilometre decreased from \$1.22 (2007 indexed) to \$1.03 in 2011. Combined with the reduced out-of-service rate, these results allowed cumulative savings of \$34.3 million by the end of the first agreement.
- Though the new reference year is 2011, the first year of the new agreement saw savings of \$2.5 million in bus maintenance and \$1.6 million in métro rolling stock maintenance, a total of \$4.1 million.

*The performance indicator for the métro is the cost per kilometre, and the indicator for triggering payment is the train delivery rate. For the bus network, savings performance indicators stayed the same (cost per kilometre and availability rate), as did the indicator for payment (service delivery rate), but they were updated based on 2011 results, the new reference year for both networks. In both Bus and Métro executive branches, a joint performance evaluation committee has been set up to discuss issues and problems and recommend solutions.

THE STM'S GOOD GOVERNANCE RECOGNIZED AGAIN

In recent years, the STM has taken numerous steps to modernize its governance. To take stock of its accomplishments, the company mandated the École nationale d'administration publique to evaluate its governance practices. This mandate was headed up by André Dicaire, former secretary general of the government of Québec. The report shows that the initiatives taken in recent years have successfully integrated the general principles of governance: accountability, effectiveness, integrity, and transparency, thereby confirming the 2011 governance report by the Washington Metropolitan Area Transit Authority.

PASTEC

Through its Public Transit Service Improvement Program (PASTEC), the STM achieved a 4% increase in service in 2012. This was attained through a series of new measures, chiefly in the bus network:

- ▶ Line 71 – Du Centre was created in the neighbourhood of Pointe-Saint-Charles, providing access to the area's main traffic sources and to the Lionel-Groulx, Charlevoix, and LaSalle métro stations;
- ▶ Shared taxi services for seniors were implemented on Nuns' Island and in Pointe Claire and Dorval.
- ▶ Service was increased on the Senneville collective shared taxi route.

In addition, in advance of the reconstruction work on the Turcot interchange, four new bus routes were created to ensure passenger mobility between the West Island and downtown:

- ▶ Lines 405 – Express Bord-du-Lac, 425 – Express Anse-à-l'Orme, and 485 – Express Antoine-Faucon, all terminating at Lionel-Groulx métro station;
- ▶ Line 475 – Express Dollard-des-Ormeaux, running between the park-and-ride lot at the Dollard-des-Ormeaux Civic Centre and Côte-Vertu métro station.

Elsewhere, the reconfiguration of the Henri-Bourassa/Pie-IX intersection has allowed certain buses on line 139 – Pie-IX to continue on to a park-and-ride lot in Laval.

To make its bus network easier to understand, the STM has grouped its lines according to service type. Five service families were created: the local network (lines 10 to 299), the 10 minutes max network (lines 10 to 250), the night network (lines 300 to 399), the express network (lines 400 to 499), and the shuttle network (lines 700 to 799).

Finally, as part of the Bus Priority Measures (MPB) plan, four new reserved bus lanes were set up on Boulevard Saint-Jean, Rue Sherbrooke Ouest, Boulevard Pie-IX, and Boulevard Léger, in the latter two cases with the aim of reducing the impact of major roadwork.





NEW AZUR MÉTRO CARS

Development of the new métro cars continued through the year. Consortium Bombardier-Alstom (CBA) began production of the cars and planned the trial phase, with tests to be conducted on a specially constructed track at the La Pocatière plant.

In the meantime, the STM has invested more than \$110 million in a variety of preparatory work for the arrival of the new cars. In particular this has included: a major renovation of the Youville minor repairs workshop (more than 70% complete); development and implementation of compact driving simulators for operators; raising the platforms of certain stations to be equipped with elevators; correction of interference between tunnel equipment and the new cars; transformation of the training programs for the operation of the new trains, using simulation and online learning technology; and completion of the development of the broadband radio system and start of installation work in the tunnels.

The cars' development phase alone required nearly 660 engineering meetings, more than 6,000 formal notices exchanged with the CBA, and multiple meetings with suppliers. Following the various consultations carried out since the beginning of this major project, a large-scale poll selected the name for the new cars: in May, the name AZUR was chosen from among the 6,000 suggestions from employees and users.

On June 1, as part of a collaboration with the Board of Trade of Metropolitan Montréal for the Forum on Transportation Infrastructure, the STM unveiled the future métro cars before numerous Montréal and Québec elected officials and businesspeople. Then, from June 8 to July 2, a full-scale model of one of the new cars was displayed at Berri-UQAM station, allowing thousands of users to discover its features and make comments to the STM's experts. The model was also displayed to the public on Avenue McGill College during the *Go Green Event—Ride and Save!*, held in September as part of *En ville sans ma voiture*. The first nine-car train will undergo testing in the métro in autumn 2013.

MAJOR PROJECTS

RÉNO-MÉTRO

Modernization work on the métro system continued under phase I of Réno-Infrastructures, phases I, II, and III of Réno-Systèmes, and the Embelli-Stations program, grouped together under the name Réno-Métro. This work aims to improve and maintain the system's stationary equipment and infrastructures.

This year the STM began or continued several major projects, chiefly in the stations and tunnels. These included installing drainage for water infiltration in four station vaults and the replacement of staircases in Mont-Royal, Fabre, Outremont, Parc, De Castelnau, and Université-de-Montréal stations. The company also carried out major renovations on the Saint-Mathieu entrance of Guy-Concordia station, as well as modernizing the ceilings in another part of the station. Renovations also began at McGill station, which has had its wall finishings replaced.

Major works on stationary equipment also began: the construction of a new mechanical ventilation station serving the tunnel between Place-d'Armes and Square-Victoria stations and a major overhaul of Champ-de-Mars station, making it universally accessible by adding three elevators, including one connecting to the underground passage to the CHUM research centre. Replacement of the public address system in the system's last 20 stations also began in 2012 and will be completed in 2013. The construction of the Fleury mechanical ventilation station, begun in 2011, continued and will also be completed in 2013. Work on track switches on wooden ties is progressing, and replacement of the ties with concrete pieces poured in situ, an internally developed innovation unique in the world, will continue until 2017. A program for the replacement of the system's rail fastenings began in 2012 with the award of a contract for development and production of special fastenings that can be replaced without having to lift the rail. Work will begin in 2013.

Finally, the STM's Embelli-Stations program saw numerous renovations such as landscaping, addition of lighting, sidewalk repair, foundation parging, painting, and installation of new windows at Cadillac, Parc, Jarry, Peel, Angrignon, Joliette, Viau, Fabre, Pie-IX, Charlevoix, Assomption, Georges-Vanier, Frontenac, Atwater, Verdun, Saint-Michel, Jean-Talon and De l'Église stations.





Activation of the new control and communications centre

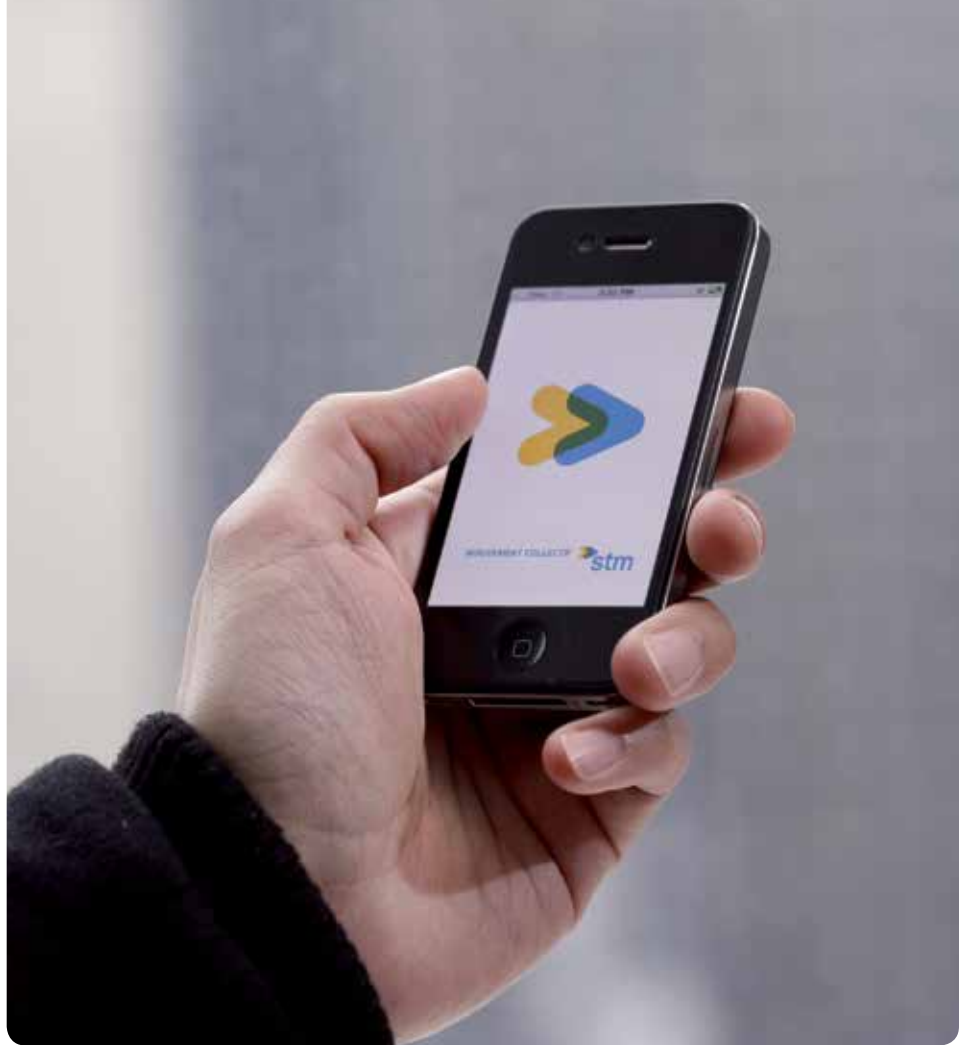
The March 2012 activation of the control centre, the nerve centre of the Montréal métro, gave the STM a modern, powerful, and above all, open-ended system. In the new centre, integrated management of all data on the métro ensures reliable, safe, and fluid transportation on all four of the system's lines.

Major renovations to Berri-UQAM station

In 2010, the STM began a major renovation of the métro's busiest station, with 12.7 million entries a year. This work chiefly includes the removal and stabilization of most of the station's cinderblock walls and wall finishings, as well as certain ceilings in the station's public areas. The round grey wall tiles that adorned the métro's central station since its inauguration in 1966 have gradually been removed and replaced with a temporary finishing.

Following this first stage of work, the STM will refurbish most of the station's mechanical, electrical and architectural components. The interior work (phase 1), representing a total investment of \$90.2 million, will be carried out over a seven-year span (2010-2017). In particular, this work will involve enhancing the visibility of the station's signage, while respecting its heritage value. Additional renovation work, chiefly on the waterproofing membrane and the areas surrounding the station, will also be carried out as part of a later stage of the Réno-Infrastructures program.

MAJOR PROJECTS



iBUS PROJECT

In September, the STM granted a contract for the acquisition and implementation of a computer-aided dispatching and automatic vehicle location (CAD/AVL) system, the keystone of the iBUS project featured in the *2020 Strategic Plan*. This contract includes the technology solution (GPS, software, on-board computers, consoles, audio systems), displays, information posts, the radio communication system, and installation. Starting in late 2014, following the design phase and a testing and trial period, the CAD/AVL system will be gradually installed in the STM's buses and service vehicles.

This \$200 million project will allow the STM to improve bus punctuality through real-time management of the fleet, increase revenue service speed on express and reserved lanes, reduce crowding on buses, provide better co-ordination with the métro network and commuter trains, and improve safety for bus drivers and passengers.

STINSON BUS GARAGE

The first phase of the Stinson bus garage project was completed in 2012 on time and within budget. This phase involved decontamination of the land, demolition of existing buildings, and construction of perimeter foundations.

The second phase, begun in late 2012, includes the construction of the building and its surroundings, with opening scheduled for January 2014. Located in the borough of Saint-Laurent at Rue Stinson and Boulevard Montpellier, this two-storey building with a total floor area of 38,400 m² will house 300 buses, including 200 regular buses and 100 articulated buses, with more than 750 employees on site. It will be the only bus garage where vehicles circulate entirely indoors, and the first STM building to be constructed according to universal accessibility principles.

The STM aims to receive LEED GOLD certification for this building, which would be a first in Canada. This is part of the STM's commitment to put sustainable development at the heart of its activities.



MAJOR PROJECTS



ELECTRIFICATION OF THE SURFACE NETWORK

In 2012, the STM took several steps towards its goal of acquiring only electric vehicles after 2025, as stated in the *2020 Strategic Plan*.

Hybrid buses

In July 2012, the STM, along with Québec's eight other public transit companies, awarded a group purchase contract to Nova Bus, a Québec company, for 509 regular buses by 2016 with an option for 2017 and 2018. These will be hybrid diesel-electric buses, a technology tested in 2008-2009 by the STM and the Société de transport de l'Outaouais thanks to subsidies from Transport Canada and the Ministère des Transports du Québec (MTQ). The results of these tests, an average fuel savings of 30% over traditional diesel buses, were so positive that this type of bus is now the standard for all public transit companies in Québec. The STM plans to obtain 203 of these buses over the next three years, with the first buses to be delivered in summer 2014.



Electric midibuses

The Board of Directors approved the award of a contract for seven midibuses to the American company Design Line in May 2012. The STM will perform initial tests of these entirely electric vehicles in autumn 2013, and they will be put into service in Old Montréal in summer 2014.

Trolleybuses

In early 2012, a study on the implementation of a trolleybus network was launched in collaboration with the City of Montréal, the MTQ, and Hydro-Québec. The objective of this study is to define the optimal network and its parameters and to evaluate the implementation costs for this project. The results of the study will be available in spring 2013. Currently, trolleybuses are the only technology that would allow the STM to electrify its regular bus network while maintaining performance standards of reliability, speed, and energy autonomy.

Tramways

In October 2012, the Board of Trade of Metropolitan Montréal unveiled the findings of the think tank on funding for a tramway, in which the STM had been participating since 2011. In addition to evaluating various approaches for funding the capital costs for a tramway project in Montréal, the report made several recommendations for the City of Montréal as the project's promoter.

Electric service vehicles

The STM acquired two Chevrolet Volt electric cars in December 2011. Tests of these vehicles throughout 2012 were positive, and as a result the company plans over the coming years to continue replacing its service vehicles with energy-efficient vehicles (electric, hybrid, and fuel-efficient).

2020 STRATEGIC PLAN

Prepared in compliance with the *Act respecting public transit authorities*, the *2020 Strategic Plan* was passed by the STM Board of Directors on September 7, 2011, then by the Montréal agglomeration council on October 27, 2011, and the Communauté métropolitaine de Montréal on June 14, 2012. The ambitious plan calls for reaching 540 million passenger rides annually by 2020, thereby ensuring the public's mobility needs are met by one of the best-performing public transit systems in North America, including fully electric métro and surface networks in the long term.

PRIORITIES		
 <p>EXPAND SERVICES</p>	 <p>IMPROVE CUSTOMER EXPERIENCE AND MARKETING</p>	 <p>ATTRACT, DEVELOP AND MOBILIZE TALENT</p>
STRATEGIES		
<ol style="list-style-type: none"> 1. Renovate and expand the métro system and increase service offer 2. Improve bus service offer and diversify the bus network 3. Open a first tramway line 4. Help implement all public transit projects on the island of Montréal 5. Consolidate paratransit service offer 	<ol style="list-style-type: none"> 6. Develop the <i>Mieux respirer</i> brand image 7. Implement a service quality program 8. Improve service reliability and punctuality 9. Improve the quality of user information 10. Offer a safe, welcoming and pleasant environment 11. Implement universal accessibility measures 12. Diversify transit fare options 	<ol style="list-style-type: none"> 13. Use innovative means to recruit personnel and develop their skills 14. Maintain efforts to mobilize employees and managers 15. Maintain our labour relations' collaborative dynamic 16. Contribute to creating a healthy, safe, and inclusive work environment

PRIORITIES

4

OPTIMIZE
INVESTMENT
MANAGEMENT

5

FURTHER
IMPROVE
PERFORMANCE

6

PLACE SUSTAINABILITY
AT THE CENTRE OF
ALL DECISIONS

STRATEGIES

17. Generate added value
when renewing assets

18. Optimize project portfolio
management and improve
project management

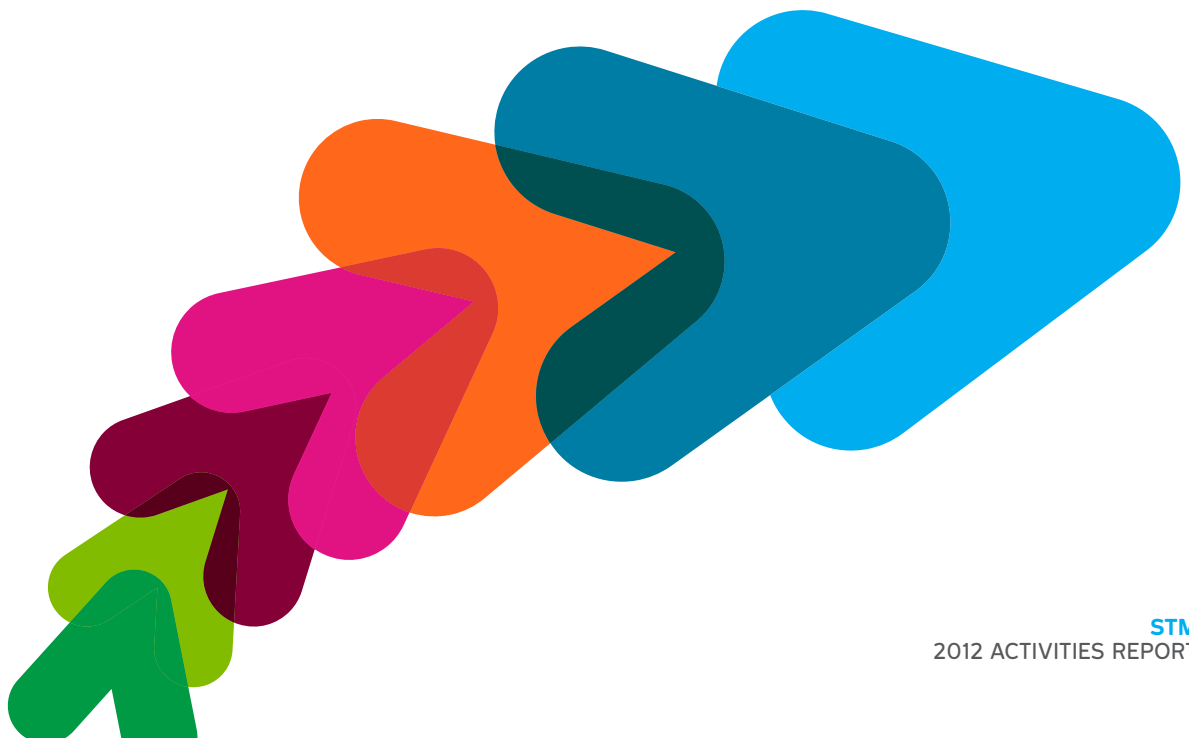
19. Increase and diversify
revenue

20. Closely monitor
expenditures

21. Contribute to the government's efforts to
move to electrically-powered transportation

22. Reduce the company's environmental
footprint

23. Promote sustainable development



BASES OF THE 2020 STRATEGIC PLAN

Public transit, the preferred way to travel

The STM's goals follow on the orientations of the MTQ's *Politique québécoise du transport collectif*, the City of Montréal's *Plan de Transport*, and the *Montréal Community Sustainable Development Plan 2010–2015* and *Vision 2025* of the Communauté métropolitaine de Montréal (CMM), whose chief aim is to make public transit the Montréal region's preferred way to get around.

Strategic role of public transit in reducing greenhouse gas emissions

During the 2005 United Nations Climate Change Conference, the City of Montréal signed the *World Mayors and Municipal Leaders Declaration on Climate Change*, committing itself to reducing greenhouse gas emissions by 30% by 2020. Following the Copenhagen Climate Change Conference in 2009, the Québec government followed suit by fixing a target of a 20% reduction below 1990 levels by 2020. Transportation is Québec's main source of greenhouse gas emissions, representing 43% of emissions in 2010.

Towards North America's first all-electric public transit system

Following the Québec government's intention to develop an electric transportation sector and its new 2011-2020 action plan on electric vehicles, the STM plans to have all its new vehicles equipped with electric propulsion from 2025 onward.

Public transit, a major player in the Québec economy

Public transit generates significant economic activity for Québec. According to a study published in November 2010 by the Board of Trade of Metropolitan Montréal, in a single year (2009), public transit operators in the Montréal region alone injected \$1.8 billion into the economy, generating \$1.1 billion dollars of value added, and supported 14,110 job-years, of which 10,595 were in direct jobs and 3,515 were in indirect jobs among their suppliers. Public transit has a significant effect on the Québec economy as a whole:

- Its impact on the Québec economy is nearly three times greater than that of private automobile transport, owing to its much smaller import rate.
- Cost per passenger-mile is one-third that of private automobile transport, saving Montrealers nearly \$800 million in transportation costs. This results in increased household purchasing power, which can go to food, housing, or recreation, doubling economic benefits for the Montréal region.
- Public transit generates increased tax revenue of \$217 million for the Québec government and \$86 million for the federal government.
- The overall costs of traffic in the Montréal region are evaluated at \$1.4 billion, having increased by 10.5% annually over the 1995-2000 period.

INFLUENCING FACTORS

To reach its goal of 540 million passenger trips in 2020, the STM will have to continually adapt its services and practices to the various significant factors influencing its activities. The following factors will directly affect the structure of demand for public transit, and consequently its service offer and ridership: trends in the transportation market, urbanization, demographic factors, changes in the job market, real estate development and Montréal's urban characteristics, increasing household car usage, and increasing gasoline prices.

FOUR CONDITIONS FOR THE SUCCESS OF THE 2020 STRATEGIC PLAN

1. Dedicated, index-linked, and recurrent funding

Over the coming years, even the current large and sustained contributions from passengers, the Montréal agglomeration, and other municipalities in the metropolitan region will remain insufficient to reach the goals of the *2020 Strategic Plan*. The company needs to be able to rely on the renewal and increase of current funding sources, and indeed the creation of new, dedicated, index-linked, and recurrent funding sources to finance the improvement of its service offer and the implementation of new transit systems.

The continuation and improvement of the Québec government's existing policies and programs, such as the *Politique québécoise du transport collectif*, the program for government aid for the improvement of public transit services, the regular aid programs for public transit and paratransit, and the Société de financement des infrastructures locales (SOFIL), are strategically important. In order to reach the goals of its strategic plan, thereby ensuring the quality of public transit services and contributing to the goal of reducing greenhouse gas emissions, the STM will need additional revenue sources to underwrite the costs of maintaining and improving its services.

2. New regional governance

Governance of public transit in the Montréal region must be overhauled to facilitate decision-making and the completion of projects. The STM wants to see the CMM's role in transportation issues consolidated, giving it all the powers necessary to pursue an integrated, multisectorial strategy to ensure the competitiveness of the Agglomeration of Montréal and the metropolitan region.

3. Urban development favourable to public transit

By taking appropriate measures in urban development, local and regional authorities can bring balance to the use of public space. They can make central districts more attractive through quality design and layout of urban spaces; ensure more space for public transit on the city's major streets, focusing on the number of people transported rather than the number of vehicles on the road; and move towards patterns of urban development that are more favourable to public transit and other modes of transportation that replace single-occupancy vehicles. As part of the CMM's consultation on the preliminary version of the *Plan métropolitain d'aménagement et de développement*, the STM submitted a brief containing some 20 recommendations, reaffirming its conviction that only a global, integrated approach combining more efficient land usage with public transit measures will allow the Montréal region to develop sustainably.

4. Measures to manage demand for single occupancy vehicle use

The STM is counting on the municipalities of the Agglomeration of Montréal and on the Government of Québec to bring in measures to incite a certain share of motorists to change their transportation habits. In its opinion, the region's road and highway capacity must not be increased, in order to keep public transit competitive. Also, parking lot management must be reviewed so as to increase the demand for public transit.

FINANCIAL FRAMEWORK 2011-2020

Investments

To meet the service improvement goals set for the next few years, the *2020 Strategic Plan* calls for a total investment of \$11.5 billion in the métro, bus, and tramway systems. This amount is divided as follows: \$6.2 billion for asset maintenance, \$3.7 billion for development, and \$1.6 billion for métro extensions. Nearly 58% of the prioritized maintenance projects have been or will soon be authorized by the MTQ, and 20% of development projects have been as well, including the new métro cars, bus purchases, and the bus priority measures program.

DISTRIBUTION OF \$11.5 BILLION OF INVESTMENT PROJECTS FOR 2011-2020

ASSET MAINTENANCE

PROJECTS	MILLIONS \$
1 Replacement of 342 MR-63 métro cars by MPM-10 cars*	1,513
2 Refitting workshops to accommodate MPM-10s*	262
3 Réno-Systèmes phase II*	122
4 Réno-Systèmes phase III* and IV	995
5 Replacement of buses*	717
6 Berri-UQAM station – major renovations phase I*	86
7 Réno-Infrastructures (métro) phases I* and II	500
12 Replacement of MR-73 métro cars	917
14 Replacement of vehicle scheduling and operations systems (iBUS)*	199
15 Repairing bus network infrastructure (Saint-Denis and Crémazie)	444
20 Other maintenance projects	443
Total	6,198

OPTIMIZATION AND DEVELOPMENT

PROJETS	MILLIONS \$
8 Addition of 126 métro cars (ridership* and expansion)	557
9 Infrastructure for bus network (new bus garage)*	278
10 Bus acquisition*	565
11 Bus Priority Measures program (partial)	153
13 Refitting workshops for replacement of MR-73 cars	654
16 BRT lane on Henri-Bourassa	307
17 Métro extensions	1,610
18 Tramway (Downtown–Côte-des-Neiges)	1,122
19 Other optimization and development projects	40
Total	5,286

* Projects for which the STM has received MTQ approval, either through the PQI 2010-2014 or SOFIL programs.



Funding the investments

The total amount of necessary investments in the métro, bus, and tramway systems is \$11.5 billion. Based on the programs already in place, funding would come from the federal government (\$860 million or 7%), the Québec government (\$7.5 billion or 65%), and the City of Montréal and the STM (\$3.2 billion or 28%).

INVESTMENT FUNDING SOURCES FOR 2011-2020

IN MILLIONS OF DOLLARS		GOVERNMENT FUNDING		MONTRÉAL		NEW SOURCES
SECTORS	INVESTMENTS	FEDERAL	PROVINCIAL	CITY	STM	OTHER
		Cash	Debt	Cash	Cash/Debt	
Métro	5,735	18	4,355	4	1,359	-
Bus and paratransit	3,017	792	1,527	240	458	-
Tramway	1,122	-	-	-	-	1,122
Métro extensions	1,610	-	1,610	-	-	-
Total	11,484	810	7,491	244	1,816	1,122

Additional funding required

Carrying out the *2020 Strategic Plan* will require additional funding in the upcoming years. In 2020, the amount needed will reach \$262 million, including \$68 million for normal operation and service development for the bus, métro, tramway, and paratransit, and \$194 million for capital programs connected with maintenance and development. Financial projections for the 2011-2020 financial framework were based on the assumption that the financial parameters, including those dedicated to the métro, government programs and initiatives, and direct and indirect contributions from the Agglomeration of Montréal, would be conserved and renewed.

FINANCIAL FRAMEWORK 2011-2020: PROJECTIONS OF CURRENT FUNDING SOURCES (IN MILLIONS OF \$)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUE SOURCES										
Customers	514	533	549	564	607	643	709	754	802	850
Other	39	36	37	38	38	40	41	43	45	46
Governments	229	257	298	363	472	611	732	798	872	909
Agglomeration of Montréal	390	395	405	415	425	435	445	455	465	475
Vehicle licensing tax	19	25	30	30	30	30	30	30	30	30
Parking lot tax	19	19	19	19	19	19	19	19	19	19
Indexed assessment	352	351	356	366	376	386	396	406	416	426
Regional	90	88	88	88	88	88	88	88	89	89
Additional funding required	0	64	106	145	162	196	236	254	265	262
	1,262	1,373	1,483	1,613	1,792	2,013	2,251	2,392	2,538	2,631
EXPENSES										
Remuneration, goods and services	1,024	1,103	1,157	1,213	1,267	1,329	1,425	1,489	1,552	1,604
Investments	238	270	326	400	525	684	826	903	986	1 027
	1,262	1,373	1,483	1,613	1,792	2,013	2,251	2,392	2,538	2,631

Caution

When each annual budget is adopted, the financial framework for the subsequent years is revised to match, up to 2020. Thus, in 2013, there will be a normal discrepancy between the financial results listed in the framework (revised at the end of 2010) and those in this document. To reconcile its financial framework to the financial projections of the Agglomeration of Montréal, the following adjustments were made with respect to its contribution:

- Addition of the contribution to the SOFIL program for 2012 (\$17 million) and for 2013 to 2020 (\$22 million/year). The STM considers this contribution a reinvestment of investment costs, keeping it from having to go into debt to fund its assets.
- Recurring decrease of the Agglomeration of Montréal's contribution by \$15 million for 2012.





MÉTRO INDICATORS

KILOMETRES
TRAVELLED

78.2

MILLION CAR-KILOMETRES
IN 2012, COMPARED TO
77.1 MILLION IN 2011 AND
76.6 MILLION IN 2010

DELIVERY OF
PLANNED SERVICE

99.7%

IN 2012, 100.2% IN 2011,
AND 99.5% IN 2010

RELIABILITY
PERCENTAGE OF PASSENGERS
ARRIVING ON TIME

97.6%

IN 2012, 97.6% IN 2011, AND 97.9% IN 2010

BUSIEST STATIONS (BY NUMBER OF PASSENGER ENTRIES)

	STATION	2012	2011
1	Berri-UQAM	12,666,794	13,131,841
2	McGill	11,598,353	11,852,430
3	Guy-Concordia	7,827,880	8,437,671
4	Côte-Vertu	7,817,254	7,648,466
5	Bonaventure	7,794,853	7,928,139

NUMBER OF TRIPS DELAYED BY FIVE OR MORE MINUTES

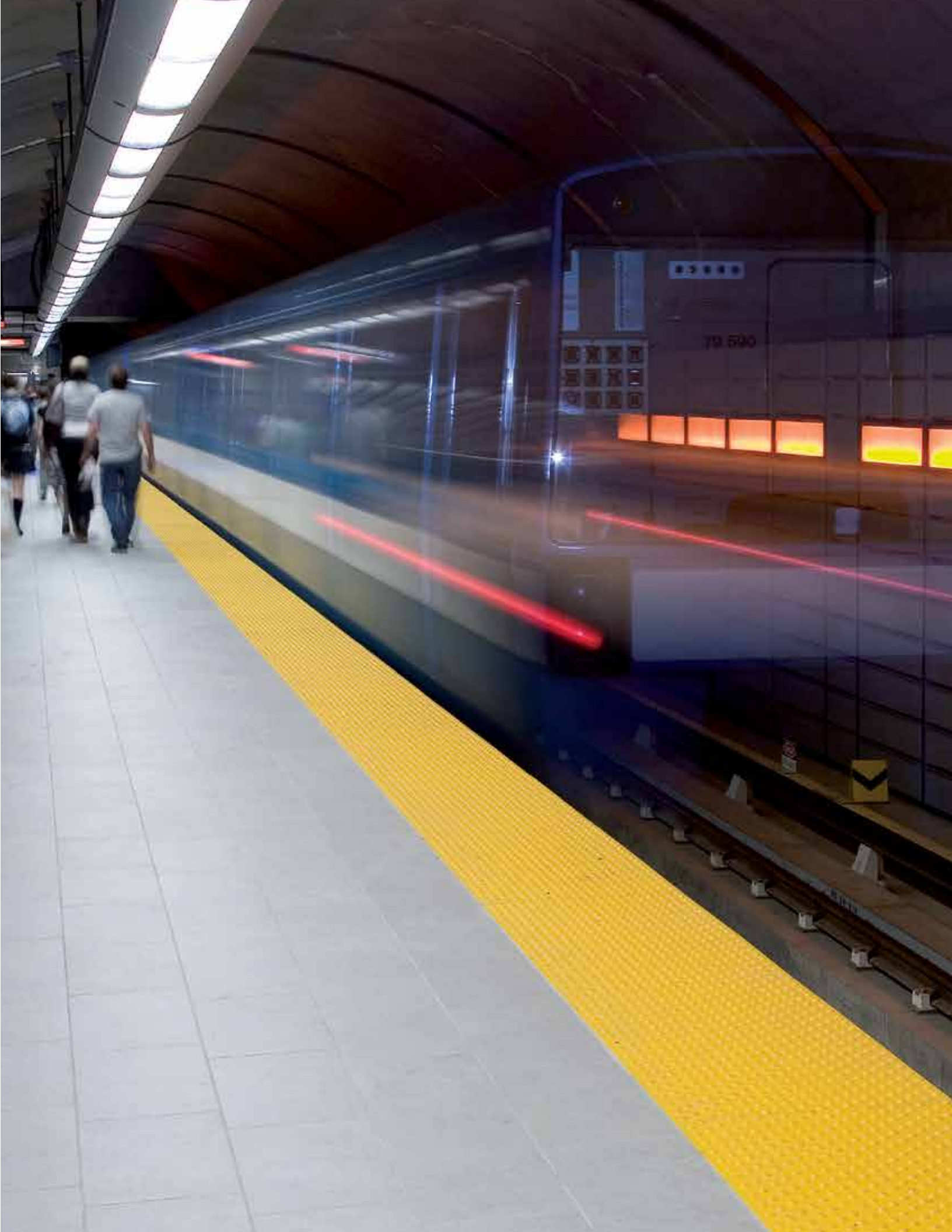
CAUSES	2012	2011
Misconduct, passenger illness	3,219,558	3,053,036
Rolling stock	1,498,116	1,667,114
Stationary equipment	361,668	406,024
Other	1,097,916	819,241
Total	6,177,258	5,945,415

Note: In reading this table, it should be remembered that the métro was used for nearly 250 million trips in 2012, and that several events, in particular dynamiting on the CHUM construction site and acts related to the social tensions of the "Maple Spring", paralyzed the métro network at various times, most often during rush hours.

NUMBER OF INCIDENTS LASTING FIVE OR MORE MINUTES

CAUSES	2012	2011	2010
Misconduct, passenger illness	510	503	458
Rolling stock	221	249	215
Stationary equipment	75	67	80
Other	223	160	138
Total	1,029	979	891

Note: In reading this table, it should be remembered that métro service increased by 1,033,402 km in 2012, a 1.3% increase over 2011, and that several events, in particular dynamiting on the CHUM construction site and acts related to the social tensions of the "Maple Spring," paralyzed the métro network at various times, most often during rush hours.





BUS INDICATORS

KILOMETRES
TRAVELLED

90.1

MILLION IN 2012 COMPARED
TO 84.9 MILLION IN 2011

DELIVERY OF PLANNED
SERVICE

102.4%

IN 2012 AND 99.5% IN 2011

BUS PUNCTUALITY

81.8%

IN 2012 AND 82.6% IN 2011

BUSIEST LINES (AVERAGE WEEKDAY)

BUS LINE	2012	2011
1 121 – Sauvé/Côte-Vertu	35,636	35,943
2 139 – Pie-IX	35,238	36,266
3 141 – Jean-Talon Est	30,408	29,197
4 165 – Côte-des-Neiges	29,769	28,304
5 51 – Boulevard Édouard-Montpetit	29,557	27,197

Bus maintenance indicators

With the commitment and cooperation of maintenance employees and support services, the STM has continued the work initiated in recent years and obtained excellent results, as demonstrated by the following indicators:

OUT-OF-SERVICE RATE (% OF
FLEET UNDERGOING REPAIR)

16.3%

IN 2012 AND 16.3% IN 2011

RUSH HOUR AVAILABILITY
(AVERAGE)

1,427 buses

IN 2012 AND 1,403 BUSES IN 2011

RELIABILITY (AVERAGE
DISTANCE TRAVELLED
BETWEEN BREAKDOWNS)

5,187 km

IN 2012 AND 4,656 KM IN 2011

DOOR-TO-DOOR TRIPS
BY PARATRANSIT

3,057,982

IN 2012 AND 2,858,573 IN 2011

These results represent an average annual increase of 7%, and a total increase of 55.6% since 2006.





USER SATISFACTION

The results of recent surveys demonstrate that overall user satisfaction level was 88% on average in 2012. Satisfaction levels are on the rise for the bus network, reaching 82% for general satisfaction, bus frequency both during and outside rush hour, and punctuality. Satisfaction levels are also higher with respect to cleanliness inside buses. For the métro, levels went up for frequency of métro trains during rush hour, speed of service by fare booth attendants, police presence, and escalator function. The level of satisfaction among paratransit users rose to 94%.

QUALITY OF SERVICE PROGRAM



In 2010, the STM implemented a quality of service program consisting of 18 standards in four broad areas of service: bus punctuality, métro reliability, hospitality, and passenger information. Sixteen of the 18 standards are evaluated by mystery customers who travel throughout the STM network to observe service situations aboard buses and the métro, make phone calls, and visit various user contact points. Over the course of the year, 2,280 observations were made throughout the network and collected in such a way as to give a representative portrait of the service. Bus punctuality and métro reliability are measured by operating systems that collect thousands of pieces of data each year, a highly useful information source. Performance measurements in 2012 showed improvement over the previous year.



1 BUS PUNCTUALITY

The bus arrives at bus stops less than one minute ahead of the planned schedule or no more than three minutes later than the planned schedule.

OBJECTIVE

82.5%

RESULT

81.8%

2 MÉTRO RELIABILITY

Travel time does not exceed normal travel time by more than five minutes.

OBJECTIVE

97.6%

RESULT

97.6%

3 HOSPITALITY

A visual contact, a smile, a nod or a verbal greeting. A courteous tone. Users are listened to carefully when they speak. Answers are quick and clear. Hospitality prevails throughout the nine company sectors that have contact with users.

OBJECTIVE

90%

RESULT

95%

4 INFORMATION

Necessary information for trip planning is available at bus stops, in buses, in métro cars and stations, at the fare booth, and via the STM-INFO phone line. Notices of events affecting services, if known 72 hours in advance, are posted at bus stops.

OBJECTIVE

90%

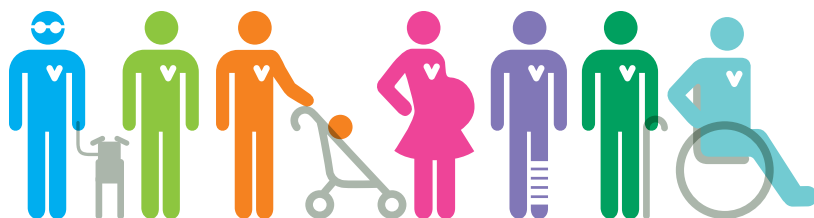
RESULT

96%



The STM also worked to develop cleanliness standards for métro stations and cars, buses, and bus shelters. An international benchmarking study was carried out to identify other public transit operators' best practices. Early in the year, discussion groups were held with employees responsible for cleanliness to determine what aspects they find important in their daily work. Their managers were also involved in the process. The various aspects identified were integrated into a survey that identified users' priorities for cleanliness in buses, métro cars, bus shelters, and stations. In 2013, standards will be measured so that objectives for these standards can be targeted. Finally, the text and objectives of the new standards will be ratified by the affected departments so they can be officially implemented.





UNIVERSAL ACCESSIBILITY

In 2012, as part of its ongoing work to constantly increase the accessibility of its network, the STM adopted a three-year universal accessibility plan for 2012-2015. Community representatives were consulted at multiple points during each stage of the production of this development plan.

The STM is working with community organizations representing the whole range of people with disabilities in order to integrate their needs into all public transit projects. The company has also established a committee of universal accessibility associations to conduct regular monitoring of its projects, in accordance with the accessibility plan. This committee consists of STM representatives, people with disabilities, and representatives of the Regroupement des usagers du transport adapté et accessible de l'île de Montréal (RUTA) and the Office des personnes handicapées du Québec.

Furthermore, the STM, the City of Montréal, and RUTA have united in calling on the government of Québec to implement a new program for universal accessibility on Montréal's regular public transit system.

Here are some examples of recent work for universal accessibility in the system:

- Beginning of accessibility refits at Champ-de-Mars station
- Integration of universal accessibility criteria from the start in designing the new AZUR métro cars
- Beginning of platform raising work at Snowdon station
- Tactile warning tiles added to three new stations
- Installation of yellow stripes on the first and last step of each flight of stairs completed throughout the network
- Work begun on public address system in stations
- Continuing development of a new signage system, taking needs of disabled users into account
- Work to increase the accessibility of the bus network, incorporating a consultation process with community groups
- Beginning of work to overhaul the STM website to meet the Double A accessibility standard, making all elements of the site accessible to visually impaired people who use screen readers or screen magnifier software



Vocal messages for visually impaired users

In order to adapt the ticket sales systems to universal accessibility guidelines, a new vocal function has been added to the ticket machines. Visually impaired users can connect headphones to the terminal to hear instructions and complete their transaction. Vocal messages are available in French and English. We would like to note the collaboration of the Institut Nazareth et Louis-Braille and the Agence métropolitaine de transport throughout this part of the project.

PASSENGER INFORMATION

The experience of the last year has confirmed that our customers are interested in having diverse mobility tools at their disposal, such as the mobile website, SMS schedules, and apps. Use of these systems went up by 31%, due in particular to an increase in service offer in recent years.

For the first time, use of the stm.info website, SMS schedules, and the mobile site decreased. Users turned instead to mobile apps, in numbers that are no doubt underestimated because our statistics only count apps produced by the STM. The rapid uptake of the STM's Android app, launched in March 2012, is a good illustration of the trend.

On top of these figures is the use of third-party apps. Since the release of General Transit Feed Specification (GTFS) data in March, multiple apps have been put on the market, meaning that overall use of this kind of tool is even higher.

TOOLS	2009	2010	2011	2012
AUTOBUS telephone system	9,727,175	8,660,985	8,138,285	7,537,706
Website	16,689,031	17,526,298	18,392,360	17,878,515
Mobile site	62,756	197,312	427,201	364,752
SMS	149,161	1,034,536	1,988,123	1,783,154
iPhone app	-	-	884,490	9,728,254
Android app	-	-	-	1,734,244
Total	26,628,123	27,419,131	29,936,387	39,284,752

A promising pilot project

With the modernization of métro stations and the launch of new equipment, spatial layout is changing and the information on display needs to be redesigned so as to be more visible, legible, structured, comprehensible, and accessible.

In 2012, a new signage design was tested in Jean-Talon and Henri-Bourassa stations. According to various studies referred to, this new signage approach successfully meets the effectiveness standards proposed by consultants in design and universal accessibility. The pilot project reached a strikingly high success rate (> 90%) in ease of navigation, uniformity of information transmission, and coherence with the modernization of the STM's brand image. These results were positively received both among transit users at large and among those living with intellectual, visual, motor, and auditory disabilities.

At the same time, the STM received nearly 500 comments in a suggestion box on its website. A significant majority of these comments, from users of all walks of life, were in favour of the change (> 75%). For the most part, users seem receptive to the project and to their experience with the signage in the two test stations. Consultations and discussion with various groups and associations helped to refine the proposed designs tested in the two stations.

Comments and complaints

With the availability of multiple well-used platforms, user contact has been rising over the last few years. The volume of questions, comments, and complaints received via the Internet is now almost as great as by telephone. At the same time, the creation of an information base for call centre staff has helped to respond to users effectively, and in the end, comments and complaints have only risen by 1%, with a total of 27,303 complaints and 2,762 comments (suggestions, compliments, and others).

User consultation

Over the course of the year, the STM asked for user input on more than a hundred subjects, feeding the company's decision-making process regarding satisfaction, service quality, and evaluation of remote recharging, the addition of straps in métro cars, interest in air conditioned buses, and the new stm.info website.

The launch of the online research panel *My voice, my STM* also drew attention in 2012. After six months of activity, more than 6,000 users have joined the community. *My voice, my STM* is a unique survey platform because it allows targeted consultations based on user profiles, while maintaining a special relationship with users who, through their participation, contribute to the success of public transit.

The STM's social networks

In recent years, communication with users has evolved to include new electronic channels, transforming traditional platforms and creating a new digital universe for the STM. Already active on Twitter, Facebook, and YouTube, the company joined LinkedIn in 2012 to connect with potential job candidates.

Social networks mean engaged users. Since the Facebook page was launched, the community of users who follow, participate, and interact with the company in the various digital platforms has expanded. Users do not all have the same interests, but what they do have in common is that they have all taken action—whether liking the page, downloading the app, reading the newsletter, or signing up for service disruption alerts—in order to stay aware of what's happening at the STM.

COMPLAINTS BY CATEGORY	2012
Employees	8,822
Service	11,468
Equipment	2,955
Customer information	1,340
Other	2,718
Total	27,303



ENGAGED USERS	2010	2011	2012
Twitter	5,500	12,482	28,376
Facebook	3,900	7,109	27,663
Subscription to métro alerts	-	4,314	7,784
iPhone app	-	53,572	270,094
Android app	-	-	61,286
<i>Society in Motion</i> newsletter	-	35,351	87,693



➤ The year 2012 saw increasing interest in information about service disruptions. The STM's Twitter account, @stminfo, originally developed as a one-way information feed from the STM to its users, transformed into a guidance service in case of major disruptions such as protest marches. The growing number of subscriptions shows both the interest and the relevance of this kind of service. Downloads of the iPhone app have also increased 400%, and the Android app, launched in March 2012, has also been a success with over 60,000 downloads.

To take its dialogue with users still further, the STM organized two realtime question-and-answer sessions on the *Society in Motion* blog with board chairman Michel Labrecque. These discussions regarding the return of tramways to Montréal and priorities for major public transit projects drew more than 100 interactions.

PROMOTION AND MOTIVATION CAMPAIGNS

Underlying everything the STM does is the desire to be there for current and potential users in order to promote and encourage the use of public transit.

Promoting and encouraging the use of public transit

Continuing the strategy launched in 2009 to position public transit as a way of being environmentally friendly, two broad advertising campaigns were deployed in the spring and autumn of 2012. In a parody of car dealership ads, the STM's advertisements, placed in a variety of media (radio, web, bus shelters, newspapers, bus, métro), were eye-catching, informative, and humorous.

In addition, two contests were launched on a web microsite and on the STM's Facebook page, aiming to thank users for choosing public transit. Some winners had their names written in stars displayed on the floor of various métro stations, like a walk of fame, while others had their voice and environmental message broadcast over the public address system throughout the métro over a ten-day period. The grand prize winner of the second contest was awarded 25 years of free public transit!

Finally, in fall, the STM set out to thank its users for having taken an active part in greatly increasing the rate of recycling in the métro (recyclable materials management program). Advertisements in the métro and a spectacular display at Sherbrooke métro station communicated users' contribution to a 60% increase of recovered recyclable materials.

With a performance exceeding advertising industry standards, these large-scale campaigns have succeeded in promoting public transit and increasing user engagement with it. Other communications campaigns were carried out through the year, specifically to inform users of certain fare options and encourage their use. The *Family Outings* fare program, the *Unlimited Evening* fare, and the *OPUS à l'année* and *OPUS & Cie* were promoted through campaigns designed to stimulate their use.



Discovering talented métro performers

Launched in early 2012, the *Les Étoiles du métro* program is intended to promote 40 métro performers, selected by audition, by providing them with visibility and promotional support. Management of performances is handled by the Regroupement des musiciens du métro de Montréal (RMMM), the program's chief partner. This initiative, part of the drive to improve the user experience, aims to improve the musical repertoire performed in the métro and promote the careers of talented musicians.

The stars perform at strategic sites in the métro indicated by panels with the program's name. The *Étoiles* program is also promoted via Montréal's major festivals, such as the Festival international de Jazz de Montréal, Les Francolies de Montréal and the Just for Laughs Festival. This successful program was renewed for a second year, and new auditions in November identified 60 stars for 2013.



Taking public transit to shop

Fun shopping with us, by métro and bus is a program of promotional activities in collaboration with the city's shopping districts, to encourage Montrealers to use the bus and métro when shopping on the island of Montréal. Six events involving more than 500 merchants took place on Rue Saint-Denis, Boulevard Saint-Laurent, Plaza Saint-Hubert, and Promenade Wellington, in Notre-Dame-de-Grâce, and on Avenue McGill College as part of *En ville sans ma voiture*. During these events, the STM presented activities and participating merchants offered discounts to public transit users.

Moving to the beat of Montréal's festivals

The STM has become an essential partner of Montréal's major festivals and contributes greatly to their success. The growing number of partnerships clearly shows that public transit is a key element of their success. This choice is confirmed by consultations with the festivals' attendees.

In 2012, 80 partnership agreements were concluded, including:

- A Taste of the Caribbean Festival
- Arab World Festival
- Art souterrain
- Blue Metropolis
- Cirque du Soleil
- Défi sportif
- Earth Day
- Écocité 2011
- En ville sans ma voiture
- Espace pour la vie
- Féria du vélo de Montréal
- Festival du film pour enfants
- Festival du nouveau cinéma
- Festival Montréal complètement cirque
- Festival Montréal en lumière – Nuit Blanche
- Festival Nuits d'Afrique
- Festival TransAmériques
- Festival Vue sur la relève
- Fête des Neiges
- Grand Prix du Canada
- Igloofest
- Journées de la culture
- Just for Laughs Festival
- La Tohu
- Les Francolies de Montréal
- Les Grands Ballets Canadiens
- Love
- McCord Museum
- Montréal Alouettes
- Montréal Canadiens
- Montréal Museums Day
- Mutek
- Opéra de Montréal
- Osheaga Music and Arts Festival
- Parks Canada
- Piknic Electronik
- Quartier des Spectacles
- Santa Claus Parade
- Tall Ships (Old Port of Montréal Corporation)
- Tennis Canada – Rogers Cup
- Théâtre Jean-Duceppe
- World Film Festival

Transportation Cocktail

The Transportation Cocktail is the joint use of public transit (métro, bus, commuter trains, minibuses, shared taxis) and active and private modes of transportation such as cycling, taxis, car rental, and carpooling. In order to increase availability, the STM is working to facilitate transfer between different modes by implementing measures such as adding bus-mounted bike racks, installing bike slides on métro station stairs, increasing the number of bicycle stands at métro stations, and developing reserved lanes usable by cyclists. An additional pilot project is testing sheltered bicycle parking.

The company has also signed several partnership agreements with sustainable transportation organizations. For example, the *DUO auto + bus* program with Communauto and *Bixi-bus* with the Société de vélo en libre-service offer reduced fees for these services for STM users.

PARTNERS

➤ Communauto ➤ Vélo Québec ➤ Bixi ➤ OPUS plus ➤ Voyagez Futé ➤ Clear the Air Program

FARE SALES

	REVENUE*			FARES PURCHASED		
	2012	2011	VARIATION	2012	2011	VARIATION
REGULAR FARE						
Monthly CAM	\$197,107,733	\$185,751,909	6.1%	2,610,698	2,546,874	2.5%
Weekly CAM	\$30,518,686	\$31,941,432	-4.5%	1,298,667	1,451,883	-10.6%
Single fare	\$71,926,416	\$70,232,345	2.4%	23,975,472	23,417,735	2.4%
2 trips	\$31,706,935	\$17,440,009	81.8%	11,529,795	6,341,821	81.8%
6 trips	\$2,825,261	\$28,577,480	-90.1%	1,187,084	12,021,853	-90.1%
10 trips	\$51,582,767	\$41,776,625	23.5%	21,492,819	18,593,099	15.6%
1-day	\$11,271,655	\$7,899,783	42.7%	1,408,837	987,473	42.7%
3-day	\$8,635,611	\$5,701,159	51.5%	539,731	356,322	51.5%
Unlimited Evening	\$3,297,548	\$1,250,620	163.7%	824,387	312,655	163.7%
747 – Aéroport P.E. Trudeau / Centre-Ville	\$743,789	\$820,492	-9.3 %	92,974	102,562	-9.3%
REDUCED FARE						
Monthly CAM	\$66,567,042	\$64,591,563	3.1%	1,530,271	1,577,583	-3.0%
4-month CAM	\$5,336,567	\$3,478,847	53.4%	130,160	89,712	45.1%
Weekly CAM	\$1,859,570	\$1,772,526	4.9%	135,241	139,022	-2.7%
Single fare	\$2,600,669	\$2,837,589	-8.3%	1,300,335	1,420,519	-8.5%
2 trips	\$1,106,900	\$683,404	62.0%	632,514	390,516	62.0%
6 trips	\$224,818	\$2,635,003	-91.5%	158,322	1,864,303	-91.5%
10 trips	\$12,138,149	\$9,577,750	26.7%	8,670,107	7,384,785	17.4%
Group fare	\$258,739	\$200,099	29.3%	18,481	15,392	20.1%
Other fares**	\$678,128	\$1,020,880	-33.6%	406,064	272,042	49.3%

* Revenues from blanket discounts are not included in these fares

** Promotional fares, convention fares, and special event fares



TRENDS IN FARE SALES AND REVENUES 2011-2012

Spurred by the price strategy encouraging users to use unlimited passes, and by the renewal of Transports Québec's promotions program, sales of regular-fare monthly CAM passes showed a noticeable increase of 2.5% in 2012. However, this increase would have been stronger had it not been for the change in fares accepted at Longueuil–Université-de-Sherbrooke station: monthly pass users who used the CAM Longueuil in 2011 to board at this station had to turn to the TRAM 3 in 2012. Without this effect, growth in monthly CAM sales would have reached 4.6%. As for reduced-fare monthly CAM passes, several factors influenced sales, including the CAM Longueuil effect, the student strikes, and resulting disruptions of students' semesters, as well as the positive effect of the CAMPUS program; these fares ended the year with a modest growth of 0.4%. It should be noted that the market share of the 4-month CAM rose significantly in 2012, a good sign for increased awareness of this product and increased loyalty among reduced-fare users.

Short-term unlimited passes (Unlimited Evening, 1-day, and 3-day fare cards) showed exceptional results in 2012, due in part to the introduction of sales modules for occasional-use chip cards in métro fare booths. Finally, the Unlimited Evening fare, introduced in January 2011, came into its own with occasional users in 2012; sales increased 164%.

The six-trip fare was discontinued in 2012; revenues in this category are attributable to tickets purchased in 2011 and used in 2012. Transit users who purchased this fare turned to the two- or ten-trip fares, both of which showed substantial increases. The significant decrease in reduced-fare single tickets was due to the expansion of the *Family Outings* program, which was offered throughout summer 2012. Overall, sales of all types of individual fares decreased (-3.5%), in accordance with the price strategy favouring sales of long- and short-term unlimited passes.



FARE STRUCTURE

FARES	2012	2011	SAVINGS ON 2012 REGULAR FARE
REGULAR FARE			
Monthly CAM	\$75.50	\$72.75	-
CAM Longueuil	-	\$82.00	-
Weekly CAM	\$23.50	\$22.00	-
Single fare	\$3.00	\$3.00	-
2 trips	\$5.50	\$5.50	-
6 trips	-	\$14.25	-
10 trips	\$24.00	\$22.50	-
1-day	\$8.00	\$8.00	-
3-day	\$16.00	\$16.00	-
Unlimited Evening	\$4.00	\$4.00	-
Cash fare 747 – Aéroport P.E. Trudeau / Centre-Ville	\$8.00	\$8.00	-
REDUCED FARE			
Monthly CAM	\$43.75	\$41.00	42.1%
CAM Longueuil	-	\$49.00	-
Weekly CAM	\$13.75	\$12.75	41.5%
4-month CAM	\$164.00	\$155.00	-
Single fare	\$2.00	\$2.00	33.3%
2 trips	\$3.50	\$3.50	36.4%
6 trips	-	\$8.50	-
10 trips	\$14.00	\$13.00	41.7%
Group fare	\$14.00	\$13.00	-

SPECIAL FARE PROGRAMS

Family Outings program



This program was expanded in 2012 to be valid during the March school break and throughout summer from the Fête nationale through Labour Day, a total of 174 days. This program allows up to five children under 12 years of age to travel free during certain periods with an adult holding a valid fare.

OPUS à l'année



Subscriptions to the annual OPUS card program increased 66% in 2012, reaching 20,000 subscribers. Special offers from partners, the renewal of the free-month promotion from Transports Québec, and the addition of a fare freeze as a retention measure helped to popularize the program, drawing more and more public transit users with the promise of savings and the convenience of not having to recharge their OPUS card each month.

OPUS & Cie



Launched in autumn 2011, *OPUS & Cie* targets Montréal companies that wish to encourage public transit use among their employees. Participating employees receive a minimum of one free month of transit, co-funded by the employer and the STM. As the Transports Québec promotion also applies to these subscribers, the program has become more attractive than ever, with the number of subscribers rising spectacularly to 3,500.

CAMPUS program



The CAMPUS pilot project wrapped up in April 2012 with the end of the semester at the Université de Montréal. Although all three parties are still interested, this year's university calendar, with two different semesters in the autumn, made it impossible to roll out a CAMPUS program for 2012-2013. Efforts are now directed at optimizing processes to create a permanent project which is logistically simple and easy to extend to other schools.

Tailored fares for major events



For the 2012 Grand Prix and Osheaga festival, occasional-use chip cards featured the events' branding for easier use by attendees. Chip cards can be validated much faster than traditional magnetic-strip tickets, ensuring better traffic flow and métro car load management. Also, an innovative pilot project allowed electronic chips to be integrated directly into admittance tickets for major events, allowing certain ticket holders for the Grand Prix and Rogers Cup to use the same ticket both for transit to the site and for admittance to the event.

Public transit for convention-goers



With the February 2012 adoption of a fare structure featuring volume discounts for private event organizers in Montréal, the STM is helping to position Montréal as an ecologically sound convention location, an aspect that is becoming increasingly important to organizers selecting sites for their events. An occasional-use chip card was created for these fares, under the evocative name of *Rendez-vous Montréal*.

Greater range of fares for occasional users



With the goal of offering its entire range of fares at all sales points, the STM launched a pilot project in June 2012 at 24 sales points in the borough of Le Plateau-Mont-Royal, allowing fares to be sold on the L'occasionnelle disposable chip card. Following encouraging results, the project was extended to the entire sales network in December 2012. As more than 20% of passengers use only the bus network, it makes sense to offer an alternative to cash fares for use on buses for users who do not hold an OPUS card.

Expiration of first-issue OPUS cards



Four years after their introduction, the earliest OPUS cards began to expire in early 2012. An information campaign was conducted in concert with all public transit operators, referring users to the *carteopus.info* website to find out their card's expiration date and how to replace it. Signs were also posted on all fare machines in the métro and on fare booths.

2012 IN FIGURES

1,041

NEW HIRES (PERMANENT, TEMPORARY, AND STUDENT POSITIONS)

42,608

APPLICATIONS RECEIVED VIA THE WEBSITE

241,382

TRAINING HOURS, COMPARED TO 242,026 IN 2011¹

IMPROVEMENT IN ACCIDENT RATE, DECLINING FROM 6.4 IN 2011 TO

6.1 IN 2012

A year marked by the renewal of our collective agreements

This year saw the renewal of four of the five collective agreements expiring in January 2012, a process conducted with transparency before the public and without any labour disruption. The STM will now enjoy labour peace with more than 95% of unionized personnel for the next six years. The agreement on bus maintenance performance was renewed in the maintenance employees' collective agreement, and enlarged in scope to include maintenance of métro rolling stock.

25 years of diversity

The STM marked the 25th anniversary of its employment equity action plan in 2012 with activities for employees, managers, and partners to showcase the progress made and reinforce its positioning as a leader in this area. It also took an additional measure to promote diversity and inclusion with a declaration on that subject adopted by the Board of Directors on November 7.

REPRESENTATION OF WOMEN IN NON-TRADITIONAL POSITIONS

CATEGORY	1987	2000	2012	SHARE IN 2012
Drivers and operators	137	575	1130	25.7%
Inspectors	6	34	22	13.7%
Maintenance employees	22	91	199	33.6%

¹ The reduced number of hours is chiefly due to the deployment of the new training strategy for bus maintenance in all bus garages. This strategy introduced "just in time, just as needed" training, with skill targets based on planning, and operates on shift.



AWARENESS INITIATIVES

- Presentation of a video on diversity, respect for the person, and racial profiling to four groups of trainee inspectors and four groups of inspectors
- Continuance of *Sécuribus 2* training, including three hours of content on diversity for drivers and staff in contact with the public; more than 51% of drivers trained to date
- Meetings with Alliés Montréal (initiative of the Montréal CRÉ)
- Mentorat Montréal (21 STM employees volunteering as mentors to recent immigrants looking for work)
- Co-creation of Le Réseau d'Annie - Diversity section
- Membership in the Association québécoise du codéveloppement
- Increased involvement in CAMO-PH (Comité d'adaptation de main-d'œuvre pour les personnes handicapées)
- Participation in launching the *Mon entreprise! Ma réussite!* contest to recognize entrepreneurs with disabilities

Development

- Creation of an approach to supporting the integration of people with disabilities
- Integration of the principle of diversity:
 - in the various programs and processes for reinforcing management style
 - in the new manager skills profile
 - in the succession planning process
 - in the intake process for new employees

ATTRACTING AND DEVELOPING TALENT

In the current socioeconomic situation of labour shortages in certain job sectors, the STM is taking proactive measures in recruitment. Following up on the *2020 Strategic Plan*, the company identified areas in which recruitment has proven more difficult. Management, engineering, IT, and certain specialized maintenance sectors were identified as needing careful oversight. A complete analysis of the job market was performed, along with a projection of staffing needs for each targeted sector.

In order to meet its hiring goals, the STM implemented a series of measures to increase its pool of potential candidates so as to be more competitive in the job market:

- Launch of a social media presence with a multifunctional LinkedIn profile
- Organization of an open house day for engineering positions
- Active solicitation of walk-in applications
- Networking activities
- Career workshops to present management positions
- A staffing presentation for hiring committee members to help them choose the best talents
- Partnerships with various education organizations and establishments (job fairs, presentations in various schools, etc.)
- More than 180 internships in various sectors

➤ A large-scale survey of job-seekers who applied to the STM in the last four years was also carried out, with 5,050 responding. This survey aimed to improve the processes, craft more effective and targeted staffing strategies, and improve understanding of what influences applicants' satisfaction. An improved applicant experience is a unique way to increase the STM's hiring attractiveness.

REINFORCING MANAGEMENT STYLE

Continuing efforts to mobilize employees and managers, the STM entered into agreements with two Québec universities, the Université de Sherbrooke and HEC Montréal, to develop and present leadership development programs for all of its managers at every management level.

These programs, fully adapted to STM management realities and emphasizing training through experience, will give managers the tools they need to make them even more effective in their roles with their teams, partners, and customers.

STM
+ VOUS

UN SERVICE
AMÉLIORÉ

Contremaîtres et
surintendants recherchés

stm.info/emplois/gestion

ART AND THE MÉTRO

More than ever, the Montréal métro is known throughout the world for the aesthetic qualities of its stations. Once again in 2012, several lists of the world's most beautiful metros featured Champ-de-Mars station and its magnificent stained-glass windows by Marcelle Ferron. Radio-Canada also showcased the system's beautiful stations with a series of articles on its website. Finally, the STM used the occasion of the *Rendez-vous 2012 of Montréal, métropole culturelle* to reiterate its commitment as a proud partner in supporting Montréal culture.

The Montréal métro features 85 art projects in 53 of its 68 stations, each consisting of one or more works by some of Québec's most renowned artists. The STM is honoured to maintain and showcase this collection of public art, the envy of metro systems around the world. Accordingly, it regularly presents these works on the *Info STM* page of the newspaper *24 Heures* and on social media. It is also preparing to post interpretive panels for each artwork in the stations and to update the métro artwork section of its website.

In 2012, nearly \$60,000 was invested in restoring the artworks at Monk (two sculptures by Germain Bergeron) and Parc (sculpture and glass installation by Claire Sarrasin). Over the next three years, the STM plans to invest more than \$700,000 to restore a dozen of its artworks. Since 2007, the STM has invested more than \$750,000 in its maintenance and restoration program for the métro's art collection, enhancing nearly thirty works.

When a métro station undergoes major renovation work, the STM takes the opportunity to conduct conservation work on its artworks. For example, at McGill station, the five stained-glass murals by Nicolas Sollogoub were removed in late 2012 to be entirely restored by the Centre de conservation du Québec. As the work on the station is being funded by the government of Québec, the \$177,000 cost of the work on the murals is as well.

For another year, the STM expanded its Métro Arts partnerships, presenting quality performances in the métro. Among its 2012 partners were the Opéra de Montréal, Les Rendez-vous du cinéma québécois, Art Souterrain, Bande à part (Radio-Canada), the Conseil des arts de Montréal, the Festival Vue sur la Relève, Tohu, Quartier des spectacles, the MUTEK Festival, the Fantasia International Film Festival, FestiBlues international de Montréal, Tangente—Laboratory for contemporary movements, the Consulate-General of Chile in Montréal, Les Journées de la culture, the Festival du nouveau cinéma, the Montréal International Documentary Festival, Les Grands Ballets Canadiens, and Cirque Alfonse.





ANNUAL GENEROSITY CAMPAIGN



As part of the annual generosity campaign, several charitable events were organized to raise money for a variety of causes sponsored by the STM:

- Fundraising drive among employees and retirees
- STM benefit golf tournament
- Security and control department golf tournament
- Christmas basket drive
- In-house fundraising activities such as Réchaud-bus visits, half-and-half draws, apple products sale, etc.
- Volunteer recruitment appeal

THE ACTIVITIES HELD BY EMPLOYEES AND RETIREES HELPED TO RAISE
A RECORD SUM OF

\$1,086,255

WHICH WAS DISTRIBUTED AMONG A NUMBER OF CHARITABLE ORGANIZATIONS



\$393,670

FOR RÉCHAUD-BUS

An initiative by current and retired employees that utilizes a disused bus transformed into a mobile canteen to deliver hot meals and snacks to children in underprivileged neighbourhoods in Montréal, at 65 schools and 45 youth centres.

\$196,264

FOR CENTRAIDE OF GREATER MONTRÉAL

\$175,215

FOR THE CANADIAN RED CROSS,
QUÉBEC CHAPTER

\$155,169

FOR PARTENAIRESANTÉ QUÉBEC

\$70,141

FOR THE LES PETITS TRÉSORS FOUNDATION
AT THE HÔPITAL RIVIÈRE-DES-PRAIRIES

\$95,795

FOR THE CHRISTMAS BASKET DRIVE

For 650 underprivileged families referred by local organizations, with funds collected through a three-day drive in métro stations and an in-house raffle, through the volunteer work of more than 500 employees and retirees.

BOARD OF DIRECTORS

The STM's Board of Directors is appointed by the Montréal agglomeration council from among the city councils of Montréal and the other municipalities in the agglomeration. In addition, three members of the board are chosen from among agglomeration residents, including two public transit users and one paratransit user. The designation of two public transit users must ensure that at least one person under age 35 at the time of nomination is included on the Board of Directors.

The agglomeration council also chooses the chair and vice-chair among the council members. The current chairman, Michel Labrecque, serves on a full-time basis.

The Board reflects the company's values of diversity and plurality. It currently consists of six elected municipal officials and three user representatives, including three women and six men.



Michel Labrecque

Chairman
Public transit users
representative



Edward Janiszewski

Mayor of the City
of Dollard-des-Ormeaux



Marvin Rotrand

Vice-chairman
Montréal city councillor
Snowdon district, borough of
Côte-des-Neiges–
Notre-Dame-de-Grâce



Dominic Perri

Montréal city councillor
Saint-Léonard-Ouest
district, borough of
Saint-Léonard



Bernard Blanchet

Montréal city councillor
Borough of Lachine



Monica Ricourt

Montréal borough
councillor
Ovide-Clermont district,
borough of
Montréal-Nord



Francesco Miele

Montréal city councillor
Côte-de-Liesse district,
borough of Saint-Laurent



Marie Turcotte

Paratransit users
representative



Claudia Lacroix Perron

Public transit users
representative –
member under 35

Roles and responsibilities of the Board of Directors

The Board of Directors exercises the functions and powers of the STM and sets its major orientations. It adopts the strategic plan for the development of public transit on the territory it serves; adopts the budget, the staffing plan and the three-year capital expenditures programs (CEP) on an annual basis; establishes the various fare products and price structure; and approves, cancels or replaces public transit routes and approves permanent changes to the routes.

- 22** meetings of the Board of Directors
- 55** meetings of the Board's technical committees and 11 subcommittee meetings
- 346** issue files reviewed
- 21** loan bylaws approved, totalling \$65,516,975
- 156** contracts awarded for the purchase of goods and services, totalling approximately \$1 billion

Board committees and their role

In order to aid in the proper governance of the STM and help it execute its mandates, the Board of Directors maintains a number of technical committees, each in a specific field of endeavour. These committees were formed for the most part between 2006 and 2008, as part of the governance rules review process, to help the STM conduct its activities. The committees consist of members of the Board of Directors and independent external experts.

The chairman of the board is an ex officio member of all committees. The secretary general attends the meetings and serves as permanent secretary of each committee, without actually being a member.

CUSTOMER SERVICE COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to the STM's public transit services, and makes recommendations to the Board of Directors. Two subcommittees have been created to deal more specifically with accessibility and diversity issues. The committee organizes public consultations on a yearly basis to keep abreast of passengers' opinions.

Marvin Rotrand

Vice-chairman of the board
Committee chair

Marie Turcotte

Committee member

Claudia Lacroix Perron

Committee member

Suzanne Sauvage

External member

Chantal St-Pierre

External member

Denise Vaillancourt

Executive director –
Planning, Marketing and Communications
Committee coordinator

HUMAN RESOURCES COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to human resources management at the STM, and to submit its recommendations to the Board of Directors.

Every year, the committee studies and assesses the Chief executive officer's performance relative to specific, pre-established personal and corporate objectives, and establishes his annual compensation within the limits set by the Board of Directors. When required, the committee calls on external experts to study the salaries paid to STM executives and bring them into line with those earned by senior managers at Québec's public corporations and at North American public transit companies.

The committee also determines, on recommendation by the Chief executive officer, the performance assessments and annual compensation of management committee members according to pay scales and internal management rules or, as the case may be, the parameters established by the Board of Directors

Marie Turcotte

Committee chair

Linda Gosselin

External member

Monica Ricourt

Committee member

Alain Brière

Executive director –
Human Resources and
Shared Services
Committee coordinator

Edward Janiszewski

Committee member

Gilles Dulude

External member

GOVERNANCE

FINANCE COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to the management of the STM's financial activities, and to submit its recommendations to the Board of Directors.

Michel Labrecque

Chairman of the board
Committee chair

Marvin Rotrand

Vice-chairman of the board
Committee member

Dominic Perri

Committee member

Daniel Leclair

External member

Robert Juneau

External member

Luc Tremblay

Executive director –
Finances and Control
Committee coordinator

AUDIT COMMITTEE

This committee's mandate is to supervise the functions of the STM's Auditor General (internal) and outside auditors, and to follow up on their recommendations. The ultimate aim is to contribute to improving the means and solutions for ensuring, on behalf of the Board of Directors, the STM's operational and administrative affairs are being conducted effectively, efficiently, and economically, and making available all information required to accurately reflect the company's activities and results. The STM has had an Auditor General since 1982.

Yves Gauthier

Committee chair
External member

Michel Labrecque

Chairman of the board
Committee vice-chair

Francesco Miele

Committee member

Yves J. Beauchesne

External member

Suzanne Bourque

Auditor General
Committee coordinator

GOVERNANCE AND ETHICS COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with regard to governance and ethics in the management of the STM's activities, and to submit its recommendations to the Board of Directors.

Francesco Miele

Committee chair

Marvin Rotrand

Vice-chairman of the board
Committee member

Claudia Lacroix Perron

Committee member

Diane Girard

External member

Karin Marks

External member

Sylvie Tremblay

Secretary General and
Executive director –
Legal Affairs
Committee coordinator

ASSET MAINTENANCE, MAJOR PROJECTS, AND ENVIRONMENT COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with respect to the maintenance of STM assets (operating equipment and systems, computer equipment and infrastructure). It is also charged with studying all major projects supporting the implementation of the STM's business plan, and with overseeing the company's environmental policy. It then submits its recommendations to the Board of Directors. A subcommittee has been formed to deal specifically with information technology issues.

Bernard Blanchet

Committee chair

Dominic Perri

Committee member

Monica Ricourt

Committee member

Roland Gagnon

External member

Jean-Guy René

External member

Pierre Dauphinais

Executive director – Major Projects
Committee coordinator

ARTS AND HERITAGE COMMITTEE

This committee's mandate is to promote the integration of art in the STM network and to deal with the protection, conservation, proper use, and development of the artistic heritage assets under the STM's stewardship, and to submit its recommendations to the Board of Directors.

Monica Ricourt

Committee chair

Marie Turcotte

Committee member

Francesco Miele

Committee member

France Vanlaethem

External member

Louise Desseault-Letocha

External member

Odile Paradis

Senior director –
Public Affairs
Committee coordinator

OPERATIONS COMMITTEE

This committee's mandate is to study the needs, means and optimal solutions with respect to the management of STM operations, and to submit its recommendations to the Board of Directors.

Bernard Blanchet

Committee chair

Dominic Perri

Committee member

Claudia Lacroix Perron

Committee member

Roland Gagnon

External member

Jean-Guy René

External member

François Chamberland

Executive director –
Technical Services
Committee coordinator

TRANSGESCO S.E.C. (COMMERCIAL ACTIVITIES)

The Board of Associates of Transgesco S.E.C., which includes three members of the STM Board of Directors, is charged with establishing Transgesco's orientations, adopting its strategic development plan, appointing external auditors, and reviewing its financial statements.

Limited partner's representatives

Dominic Perri

Chair

Bernard Blanchet

Michel Labrecque

General partner's representatives

Carl Desrosiers

Administrator

Sylvie Tremblay

Secretary

Pierre Rocray

Administrator

Denise Vaillancourt

Administrator

Alain Fraser

Treasurer

MEETINGS OF BOARD OF DIRECTORS COMMITTEES IN 2012 AND MAIN TOPICS OF DISCUSSION

COMMITTEE	MEETINGS	MAIN TOPICS
ARTS AND HERITAGE	4	<ul style="list-style-type: none"> ➤ Stinson bus garage ➤ Architectural concept for new Crémazie complex ➤ Signage in the métro ➤ Identification and restoration of métro artworks
FINANCE	6	<ul style="list-style-type: none"> ➤ New regulations for approval of treasury transactions ➤ Three-year capital expenditures program and Québec infrastructure plan ➤ Four-month review of the STM's financial situation ➤ 2012 financial statements and 2013 budget forecasts ➤ Project portfolio management ➤ Financial prioritization and perspectives ➤ Funding for métro cars
GOVERNANCE AND ETHICS	5	<ul style="list-style-type: none"> ➤ Study of a new corporate policy on public consultations ➤ Studies of report by the École nationale d'administration publique (ENAP) analyzing the STM's governance practices ➤ Study of politics on corporate donations, participations, and fundraising ➤ Participation in developing intranet support tools for ethical decision-making and updating the ethics section of the website
ASSET MAINTENANCE, MAJOR PROJECTS, AND ENVIRONMENT	11	<ul style="list-style-type: none"> ➤ Sustainable development ➤ Monitoring of major projects: <ul style="list-style-type: none"> ➤ Réno-Systèmes – phases I, II, and III ➤ Réno-Infrastructures ➤ AZUR métro cars
OPERATIONS	5	<ul style="list-style-type: none"> ➤ 2011 operations report and 2012 issues ➤ Indicators – main figures (métro and bus) ➤ Electric buses and midibuses ➤ International benchmarking ➤ Paratransit
HUMAN RESOURCES	6	<ul style="list-style-type: none"> ➤ Mobilization index survey of employees and 2012 objectives ➤ Leadership development program ➤ Targeted attraction planning and strategies
CUSTOMER SERVICE	8	<ul style="list-style-type: none"> ➤ Service development: performance monitoring, new lines, Navettes Or, bus priority measures (BPM) ➤ Price strategy ➤ Passenger surveys ➤ Partnership program ➤ Creation of a user recognition and rewards program
AUDIT	10	<ul style="list-style-type: none"> ➤ Audit reports on: <ul style="list-style-type: none"> ➤ priority issues ➤ financial aspects of administration ➤ service and development planning, bus network ➤ IT risk management ➤ Follow-up of recommendations of STM Auditor General and external auditors ➤ Financial statements and external auditors' reports

Remuneration of Board of Directors members

The remuneration of all members of the company's Board of Directors is set in accordance with the provisions of the *Act respecting the remuneration of public officials*, the *Act respecting public transit authorities*, and Bylaw R-076, *Règlement établissant les règles de gouvernance applicables à l'accomplissement de diverses fonctions par les membres du conseil d'administration* (bylaw establishing the rules of governance applicable to the accomplishment of various functions by the members of the Board of Directors).

In addition to the annual remuneration paid for their participation on the Board of Directors, members receive an attendance allowance of \$175 each time they participate in the work of a technical committee. This fee rises to \$300 when a member acts as chair of a committee.

REMUNERATION OF THE MEMBERS OF THE BOARD OF DIRECTORS

NAME	ANNUAL SALARY ^(a)	ATTENDANCE ALLOWANCE ^(b)
Michel Labrecque	\$126,755 ^(c)	-
Marvin Rotrand	\$27,224	\$3,300
Bernard Blanchet	\$21,779	\$4,075
Dominic Perri	\$21,779	\$4,525
Monica Ricourt	\$21,779	\$5,925
Marie Turcotte	\$21,779	\$6,300
Francesco Miele	\$21,779	\$4,250
Claudia Lacroix Perron	\$21,779	\$3,150
Edward Janiszewski	\$21,779	\$875

(a) Compensation for service as a member of the Board of Directors

(b) Amount received for participation in the Board's technical committees

(c) The Chairman of the Board's position is full-time

MANAGEMENT COMMITTEE



Carl Desrosiers

Chief executive officer



Odile Paradis

Senior director
Public Affairs



Michel Lafrance

Executive director
Commercial
Activities



Sylvie Tremblay

Secretary General
and Executive
director
Legal Affairs



Stéphane Forget

Executive director
External Relations
and Strategic
Planning



Luc Tremblay

Executive director
and Treasurer
Finance and
Control



Pierre Dauphinais

Executive director
Major Projects



Dominique Lemay

Executive director
Métro System



André Poisson

Executive director
Bus Network



François Chamberland

Executive director
Technical Services



Alain Brière

Executive director
Human Resources
and Shared
Services



Denise Vaillancourt

Executive director
Planning, Marketing,
and Communications

REMUNERATION OF MANAGEMENT COMMITTEE MEMBERS

NAME	TITLE	2012 ANNUAL SALARY	REIMBURSEMENT OF EXPENSES INCURRED WHILE CARRYING OUT OFFICIAL DUTIES
Carl Desrosiers	Chief executive officer	\$296,813	\$60.89
André Poisson	Executive director – Bus Network	\$225,662	\$900.93
Dominique Lemay	Executive director – Métro System	\$209,275	\$613.65
François Chamberland	Executive director – Technical Services	\$180,532	\$517.40
Denise Vaillancourt	Executive director – Planning, Marketing, and Communications	\$231,047	\$1,444.90
Pierre Dauphinais	Executive director – Major Projects	\$213,932	\$1,130.31
Sylvie Tremblay	Secretary general and Executive director – Legal Affairs	\$208,710	\$589.08
Alain Brière	Executive director – Human Resources and Shared Services	\$223,971	\$1,091.39
Luc Tremblay	Executive director and Treasurer – Finance and Control	\$211,360	\$884.97
Michel Lafrance	Executive director – Commercial Activities	\$200,107	\$0.00
Stéphane Forget	Executive director – External Relations and Strategic Planning	\$179,400	\$1,127.14
Odile Paradis	Senior director – Public Affairs	\$161,984	\$0.00

INTERNATIONAL RELATIONS AND RESEARCH AND DEVELOPMENT MISSIONS

With the goal of improving its performance, sharing its expertise, and exchanging ideas on best practices, the STM is a member of various national and international public transit organizations, in which management and Board representatives sit on various policy and technical committees. Over the past year, STM representatives participated in the Annual Conference and other conferences held by the Canadian Urban Transit Association (CUTA), as well as in the conventions and technical committees of the American Public Transportation Association (APTA) and the International Association of Public Transport (UITP). The company is part of the Nova group (benchmarking) of Imperial College London.

Expenses incurred for research and development missions by members of the Board of Directors

	DESTINATION	AMOUNT
MICHEL LABRECQUE		
Velo-City Global Conference 2012	Vancouver	\$2,422.18
UITP International Bus Conference	Istanbul	\$3,544.48
Meeting with representatives of Metrolinx and the Toronto Transit Commission	Toronto	\$873.47
Visit to Bombardier factory facilities	La Pocatière	\$141.28
CUTA Conference	Québec City	\$489.06
TOTAL		\$7,470.47
MARVIN ROTRAND		
IT Solutions For Public Transport Conference (UITP)	Germany	\$2,803.92
CUTA Annual Conference	Victoria	\$1,924.98
ATUQ visit to the National Assembly	Québec City	\$215.77
Public transit awareness day organized by CUTA	Ottawa	\$383.48
CUTA conference	Québec City	\$534.79
TOTAL		\$5,862.94
BERNARD BLANCHET		
APTA legislative conference	Washington	\$1,385.78
CUTA Annual Conference	Victoria	\$1,827.37
ATUQ visit to the National Assembly	Québec City	\$252.77
Public transit awareness day organized by CUTA	Ottawa	\$704.10
Metrorail 2012	London	\$4,005.10
Participation in APTA annual meeting	Seattle	\$1,576.80
APTA Transit Board Member seminar	Atlanta	\$1,722.81
CUTA conference	Québec City	\$525.24
TOTAL		\$11,999.97
MONICA RICOURT		
Conference: <i>Les transports au Québec, parcours de femmes d'action</i>	Québec City	\$361.84
TOTAL		\$361.84
GRAND TOTAL		\$25,695.22

Expenses incurred for research and development missions by members of the management committee

	DESTINATION	AMOUNT
CARL DESROSIERS		
Speaker – Transit CEOs Seminar organized by APTA	Orlando	\$1,675.58
Visit to Bombardier factory facilities	La Pocatière	\$149.33
Speaker – Metrorail 2012	Londres	\$3,706.45
Presentation of Université Laval's Prix Grands diplômés	Québec City	\$509.40
Speaker – APTA Conference	Dallas	\$2,084.94
Speaker – APTA annual meeting	Seattle	\$1,770.60
Meeting with representatives of Metrolinx and the Toronto Transit Commission	Toronto	\$872.61
CUTA conference	Québec City	\$971.34
TOTAL		\$11,740.25

ALAIN BRIÈRE		
UITP Commission on Business and Human Ressources Management	Paris	\$1,943.95
TOTAL		\$1,943.95

ANDRÉ POISSON		
Signature of an agreement with Iveco corporation	Lyon	\$2,371.84
UITP International Bus Conference	Istanbul	\$4,182.13
CUTA conference	Québec City	\$1,519.17
TOTAL		\$8,073.14

DENISE VAILLANCOURT		
APTA Marketing & Communications workshop	Miami	\$2,158.36
IT Solutions For Public Transport conference (UITP)	Germany	\$2,765.94
Finalist – Gala des grands prix d'excellence en transport (Association québécoise du transport et des routes)	Québec City	\$512.97
Conference of the Canadian Pension & Benefits Institute	La Malbaie	\$306.60
Speaker – <i>Les transports au Québec, parcours de femmes d'action</i> conference	Québec City	\$598.33
Speaker – ATUQ conference	Chicoutimi	\$828.39
CUTA conference	Québec City	\$1,017.67
TOTAL		\$8,188.26

Expenses incurred for research and development missions by members of the management committee (cont'd)

	DESTINATION	AMOUNT
DOMINIQUE LEMAY		
Annual technical meeting of Nova benchmarking group	Belgium and UK	\$3,572.41
Speaker – APTA conference	Dallas	\$3,554.83
Rail subcommittee – APTA conference	Washington	\$1,362.44
Meeting of Nova benchmarking group	Bangkok	\$4,210.05
Rail subcommittee – APTA conference	Seattle	\$3,046.52
Rail subcommittee – APTA conference	Washington	\$1,220.36
TOTAL		\$16,966.61

FRANÇOIS CHAMBERLAND		
UITP Rolling Stock subcommittee	Paris	\$3,341.25
UITP Rolling Stock subcommittee	Warsaw	\$3,698.92
UITP Rolling Stock subcommittee	Berlin and Munich	\$3,776.32
TOTAL		\$10,816.49

ODILE PARADIS		
ATUQ visit to the National Assembly	Québec City	\$152.77
Presentation of Université Laval's Prix Grands diplômés	Québec City	\$258.17
Participation in the Entretiens Jacques Cartier 2012 and meeting with directors of the Société des transports intercommunaux de Bruxelles	France and Belgium	\$1,286.39
TOTAL		\$1,697.33

PIERRE DAUPHINAIS		
Meeting with Bombardier	La Pocatière	\$159.33
CUTA conference	Québec City	\$447.52
TOTAL		\$606.85

**Expenses incurred for research and development missions
by members of the management committee (cont'd)**

	DESTINATION	AMOUNT
STÉPHANE FORGET		
CUTA executive committee	Ottawa	\$882.34
CUTA executive committee and conference	Vancouver	\$1,433.38
Presentation of Université Laval's Prix Grands diplômés	Québec City	\$346.05
Meeting with representatives of Metrolinx and the Toronto Transit Commission	Toronto	\$890.47
ATUQ conference	Chicoutimi	\$710.24
CUTA executive committee	Sherbrooke	\$524.74
CUTA executive committee and conference	Québec City	\$1,579.44
TOTAL		\$6,366.66
SYLVIE TREMBLAY		
Presentation of Université Laval's Prix Grands diplômés	Québec City	\$258.17
Réseau d'éthique organisationnelle du Québec conference	Québec City	\$241.01
APTA Transit Board Member seminar	Atlanta	\$1,391.11
TOTAL		\$1,890.29
GRAND TOTAL		\$68,289.83

ETHICS AT THE STM

The STM has had its own code of ethics for nearly 25 years. The first version was adopted on November 17, 1988, and was most recently updated in 2011.

The code of ethics is based on the company's five values:

- teamwork
- conscientiousness
- respect
- accountability
- transparency

It must be used to guide ethical decision-making by:

- employees of the STM and its subsidiary Transgesco S.E.C.;
- administrators and external members of the various committees of its Board of Directors.

In addition, any person doing business with the STM or providing services to it must also respect the code of ethics.

Among others, the code of ethics lays down that the STM:

- accords its highest priority to user service;
- considers personal safety to be essential and does not accept any compromise that might endanger anyone's safety;
- does not tolerate any form of racial profiling.

The code also indicates the company's expectations of its employees in regards to ethics:

- complete compliance with the STM's commitment to its users, by acting as the STM's ambassadors;
- serving passengers with respect and dignity;
- sensitivity to the realities of the diverse and multicultural population served by the STM.

The Board of Directors is responsible for adopting the code of ethics and its contents. The Secretary General and Executive director – Legal Affairs is the first responder to ethics issues. She supports the work of employees, managers, the Board of Directors, and its committees in this area.



Pic et Pelle
Artwork by Germain Bergeon at Monk station
Restored in 2012

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stm.info

You can also view the *2012 Sustainable Development Report*,
the *2012 Financial Report*, as well as the *2013 Budget*,
the *2013-2015 Three-year Capital Expenditures Program*
and the *2020 Strategic Plan* on our website.

