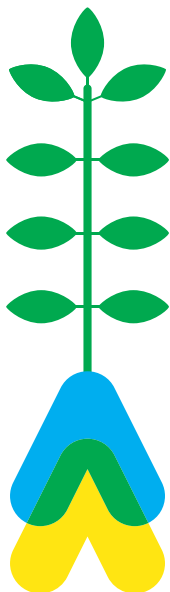




ON THE MOVE

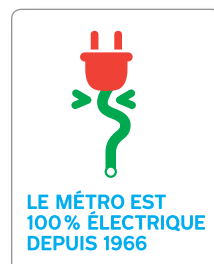
2009
ACTIVITY REPORT



BRANDING CAMPAIGN

In May, the Société de transport de Montréal launched a branding campaign designed to encourage more people to take public transit, whether regularly or occasionally. Under this initiative, the **company** (in blue) and the **public** (in yellow) make a joint environmental commitment (in green) to open up a dialogue. The STM will continue to upgrade its service in keeping with its customers' different needs, while taking environmental action in its daily operations. It also invites citizens to do their part for the environment by opting for public transit. By making this choice, they can enhance quality of life for all citizens.

We're on the move! Join us!



LE MÉTRO EST
100% ÉLECTRIQUE
DEPUIS 1966



LA STM A UNE BONNE CONDUITE
En formant ses chauffeurs à la conduite écologique, elle a économisé
plus de deux millions de litres de carburant.



AVEC 350 NOUVEAUX BUS
C'EST PLUS FACILE D'ÊTRE VERT

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Yves Devin

Michel Labrecque

MESSAGE FROM THE CHAIRMAN AND THE DIRECTOR GENERAL

Against the economic and financial crisis that marked 2009, Société de transport de Montréal made strategic choices that helped it slightly surpass the historic level of ridership reached in 2008, with an unprecedented 382.8 million rides taken overall. Together, service improvements brought on throughout the year by PASTEC, the public transit service improvement program, fare strategy and marketing activities explain most of this good performance. Efforts that appear to be appreciated by clients as well, with the average level of customer satisfaction about all aspects of service at 86%.

PASTEC, financed in equal parts by the ministère des Transports du Québec and the Montréal Urban Agglomeration, saw overall transit services grow in 2009, with a 7.2% increase in bus service to 77.3 million kilometres, and a slight increase in métro service to 76.9 million kilometres. Aimed at expanding services by 16% to raise ridership by 8% before the end of 2011, the program is already paying off. For the period extending from January 1, 2007, to December 31, 2009, ridership grew by 5.4%, while the STM increased bus and métro service by 18.5%.

Bolstered by such encouraging results, the STM knows it can do more. Indeed, last November, as part of the National Assembly's parliamentary commission on climate change, it presented a brief about the determining role the company can play. Considering that the transportation sector is responsible for 40% of all greenhouse gas emissions in Québec, the STM believes that public transit represents a preferred solution in the fight against climate change. From that perspective, it submitted an ambitious scenario aiming for a 5% modal transfer, that would translate into ridership levels of 540 million rides annually by the end of 2019, or the avoidance of 780 000 tonnes of GHGs, equal to the output of some 160 000 cars. To that end, the STM must be able to count on new dedicated, indexed and recurrent sources of financing, to support the networks' growing ridership and thus contribute significantly to Québec's objective of a 20% reduction in greenhouse gas emissions by 2020. Following the lead of Ville de Montréal, the STM proposed gradually increasing the tax on gasoline by up to 13.2 cents a litre to provide it with a stable and recurring financial framework.

The Government of Québec's budget for 2010 included several measures in favour of public transit. In particular, it authorized the Montréal Metropolitan Community (CMM) to raise the tax on gasoline by 1.5 cent in the greater Montreal area, raising the tax on gas by another 1 cent on April 1, as well as similar increases for the next three years throughout the province of Québec. The announcement of an industrial sector policy for the development of electric vehicles – including electric buses – is excellent news for public transportation!

On behalf of members of the Board of Directors and management committee, we wish to applaud the work achieved by all employees who took on the challenge of upholding ridership levels in 2009 and who will take on the many projects slated for 2010 and in the years to come. Thanks to them, the STM ranks among the very best companies, most notably in terms of the productivity of its bus and métro operators and of the company's commitment to sustainable development. Indeed, both groups are among the most productive in the world! And our new corporate branding reflects this commitment. We're on the move. Join us!



Yves Devin
Director General



Michel Labrecque
Chairman of the Board
of Directors

COMPANY PROFILE

The Société de transport de Montréal (STM), a public transit corporation, plays a key role in economic growth in the Montréal region, and contributes to citizens' quality of life and to sustainable development. It develops and operates an integrated transit network for its customers, providing them with fast, reliable, safe and comfortable transportation, offered with courtesy. Customers, employees, and institutional and business partners are all proud to be associated with the STM, which is known for delivering quality services at a fair price.

RANKED 14th among top
Québec corporations

8247          **employees**

OBJECTIVE Increase ridership by **8%** by the end of 2011

Budget \$1 029 M
\$1 680 M including investments

Métro system

The métro consists of four lines totalling 71 km and serving 68 stations. The fleet of rolling stock is made up of 759 railcars, of which 336 are MR-63 and 423 are MR-73 models, that have covered 76.3 million kilometres in 2009 and provided 235.2 million rides.

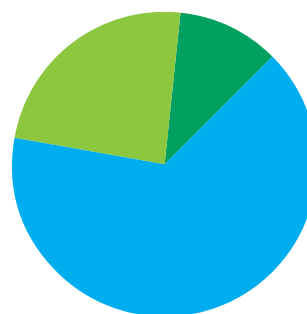
Bus Network

The STM has a fleet of 1 680 buses. Its bus network covers the island of Montréal, or some 500 km². It includes 202 bus routes, 155 of which are wheelchair-accessible, and 20 are dedicated to night service. In addition, 95.4 km of reserved lanes facilitate rapid transit. In 2009, total bus service reached 77.3 million kilometres.

Paratransit

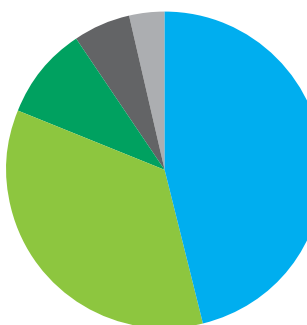
The STM offers door-to-door adapted transportation services for persons with functional disabilities. Thus, each year, over 20 000 clients take more than 2.4 million rides in Montréal and its surrounding areas, thanks to the STM's fleet of minibuses, along with 14 regular and accessible taxi service providers.

EXPENSES BY CATEGORY



65.5% Wages
23.9% Goods and services
10.6% Debt servicing and financing costs

REVENUES BY CATEGORY

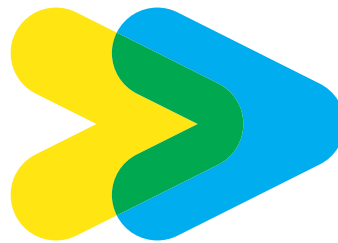


46.2% Clients
35% Contribution from the Montréal Urban Agglomeration*
9.5% Subsidies from the Government of Québec
5.8% Regional contributions and from municipalities outside of the Montréal Urban Agglomeration
3.5% Other revenues

* The annual contribution by the Montréal Urban Agglomeration includes an additional contribution of \$18.9 M to cover the operating deficit for fiscal 2009.



MAJOR PROJECTS



PASTEC

As part of the public transit service improvement program (PASTEC), aimed at expanding transit service by 16% to raise ridership levels by 8% between now and the end of 2011, the STM increased overall transit services by 4% in 2009, thus maintaining the historic level of ridership achieved in 2008, despite the difficult economy. To that end, the company implemented a series of measures, mainly during off-peak periods:

- A 1% increase in service on the métro's Green, Orange and Blue lines, or an additional 623 000 kilometres-cars;
- A 7% increase in service on 42 bus routes throughout the territory of Montréal, representing nearly 300 000 additional hours of service annually;

The creation of two new bus routes:

- 21 – Place du commerce and 467 – Express Saint-Michel, as well as four new Navette Or shuttles: 256 – LaSalle, 257 – Rivière-des-Prairies, 258 – Hochelaga-Maisonneuve and 259 Mercier-Ouest;
- The addition of 18.4 km of reserved lanes and of bus priority measures at traffic lights on boulevards Saint-Michel and Rosemont, and on rue Beaubien.

New branding campaign

The STM is actively working on developing its offer of service and has adopted a new strategy to convince targeted segments of the population to forgo single car use in favour of public transit. The strategy has led to the adoption of a new brand positioning focused on the environment and a new visual identity. The company gradually deployed an original and efficient branding campaign.

In less than a year, perceptions have changed. A survey conducted in August 2009 by Ipsos Descarie showed a significant change in perceptions and intentions. Indeed, some 85% of respondents said they appreciated the campaign, while 86% indicated that it made them feel that the STM cares for the environment. Such results are superior to most standards in the communications industry!



Réno Métro

Consolidated under the Réno Métro name, the second phases of Réno-Systèmes and Réno-Stations are ensuring the on-going modernization of the métro system, with the objective of maintaining stationary equipment and infrastructure in good working order.

Totalling \$191.4 M in 2009, the renovation work allowed several projects to be started up or carried out mainly inside stations and tunnels, such as replacing 25 escalators, upgrading public address systems in nine stations, and refurbishing Joliette, Pie-IX, Charlevoix and Place Saint-Henri stations. Work on the Clark-Providence ventilation station continued, while work began on the Dickson and Bélanger power stations.

In terms of accessibility, the aim of the STM is to gradually make the entire métro system accessible to persons with functional disabilities. To that end, the company continued with the installation of elevators in Henri-Bourassa and Côte-Vertu stations, while putting into service the ones at Lionel-Groulx, Bonaventure and Berri-UQAM. It also installed warning tiles by the edge of train platforms in 16 stations to increase safety for persons with visual disabilities.

In 2009, the STM also proceeded with the restoration of seven works of art in as many métro stations, namely the stained glass panels by Mario Merola and Pierre Osterrath at Charlevoix station, a sculptural mural by Eddy Tardif at D'Iberville, murals by Jean-Charles Charuest at De Castelnau, a sculpture by Joseph Rifesser at Lionel-Groulx, murals by Jean Cartier and George Juhasz at Papineau, tile circles by Jean-Paul Mousseau at Peel and the murals by Claude Guité at Snowdon.



Opus smart card

Launched in April 2008, the new fare card system has since been gradually deployed. There are now more than a million Opus card holders, and a survey shows that their level of satisfaction with the new technology reaches 90%.

In spring 2009, the STM introduced *a posteriori* fare control. Some 120 inspectors for the métro's Service de la surveillance are raising awareness among transit users about having to pay their fare whenever they board the bus or enter the métro. Thus, clients must, upon demand, allow an STM inspector to check for their proof of payment, as well as verify the validity and compliance of the fare media being used.

New métro railcars

Over the past year, the STM continued to negotiate with the Bombardier-Alstom consortium for the procurement of new métro railcars to replace the MR-63 rolling stock, with parties reaching a draft agreement in December 2009. However, due to significant changes in the contract, most notably with regards to the number of railcars to be replaced rising from 342 to 765 to include the MR-73, and in compliance with conditions established by the Government of Québec, the STM must publish a declaration of intent on the international market in order to allow any and all companies having the required technical and financial capabilities to express their interest, which it did on January 23, 2010. The dossier is on-going.

RIDERSHIP

An already significant market share continues to grow

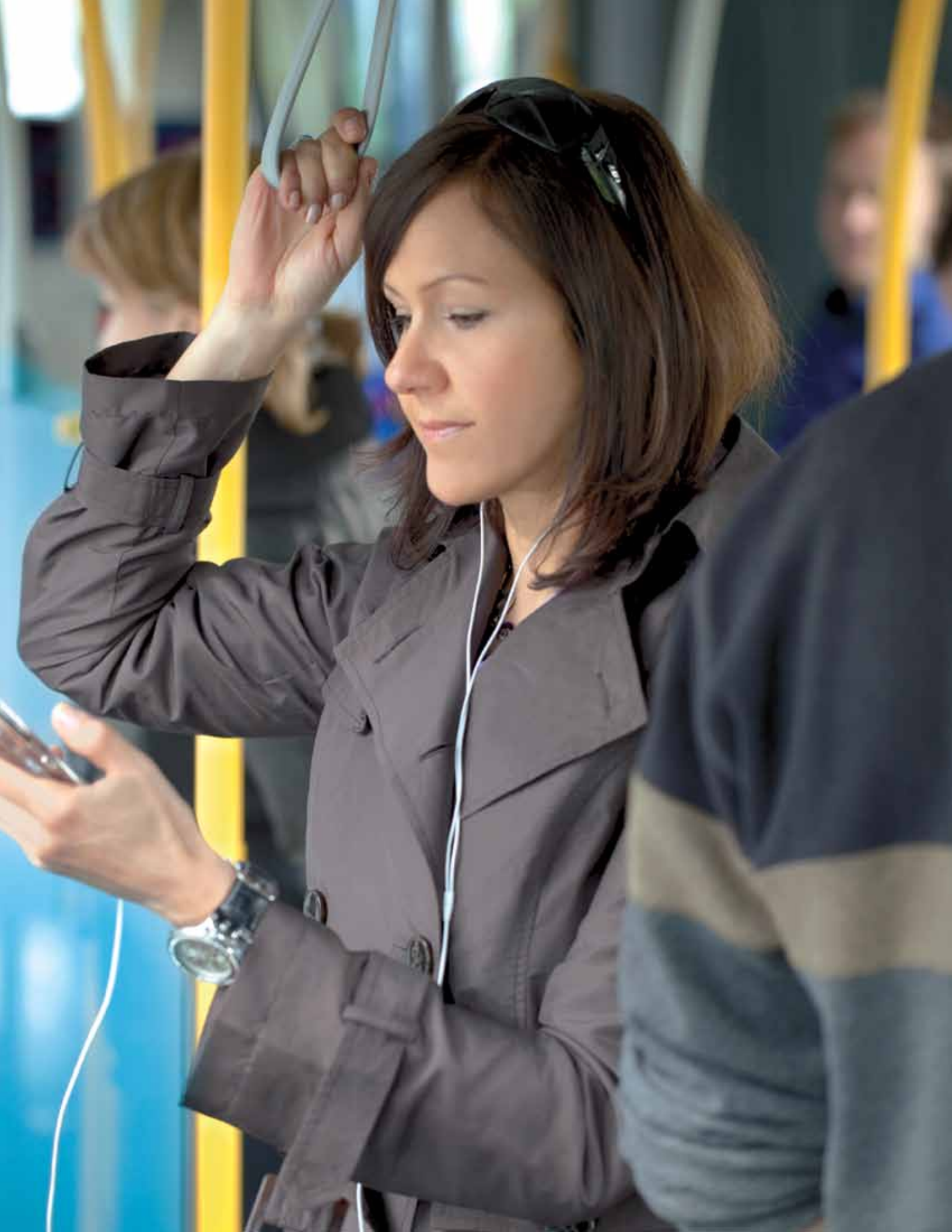
The STM provides more than 80% of public transit trips in the greater Montréal region and nearly 70% of all public transit trips made throughout Québec, where public transit is most used in Canada. The most recent Origin-Destination survey confirms this. On the island of Montréal, car usage has dropped by 6%, the highest in the metropolitan area, while public transit ridership grew by 10%. Also, the overall number of trips headed for downtown during morning rush hour has increased 10 points, from 56% in 2003 to 66% in 2008. A first in North America!

Moreover, Ville de Montréal ranks first regarding the number of public transit trips taken per person. On an annual basis, Montrealers ride public transit 204 times, compared to Toronto residents who use it 188 times, and to those of major American cities such as Boston, Chicago, New York, Washington, Philadelphia and Seattle who take 93 trips on average.

382.8 million
bus and métro trips, or 1.2 million
rides per average weekday, a
historic level dating back to 1949.

More than 2.4 million trips taken with paratransit, or
an average of over 7 000 trips per weekday.

Customer satisfaction level at 86%





Excellent credit ratings

A+

Standard & Poor's

Aa2

Moody's

Standard & Poor's and Moody's recognize the STM performance with respect to ridership over the past few years, particularly how 2009 ridership levels were kept stable despite a slowing economy.

Moody's also emphasizes the quality of financial risk management, including refinancing risks. For its part, Standard & Poor's emphasizes the efficient financial management of the STM and of its operating expenses over the last five years, the potential for improvement of its financial flexibility through expanded sources of operating revenue, and an improved debt management policy that focuses on long-term liquid assets and debt load.

The Montréal métro is the most productive in the world

As part of the 2008 benchmark study conducted by Imperial College London that surveyed 27 métro systems worldwide, results showed that the Montréal métro ranks as the most productive one in the world, meaning that its workforce productivity is the highest in terms of kilometres-car and that its operating costs are among the lowest. The STM also stands out : despite having some of the oldest railcars in the world, its rolling stock consistently maintains a strong level of reliability.

PERFORMANCE



MÉTRO INDICATORS

Kilometres covered

76.3 million km-car compared with 75.7 million km-car in 2008

Delivery of planned service

100.17% in 2008 and 99.64% in 2009

Reliability

97.9% of clients arrive on time

Number of incidents lasting 5 minutes or more

	2008	2009
All causes	896	865

Most heavily frequented stations (admissions)

1	Berri-UQAM	12 508 687
2	McGill	11 448 152
3	Guy-Concordia	7 797 351
4	Longueuil – Université-de-Sherbrooke	7 713 711
5	Bonaventure	7 214 074



BUS INDICATORS

Kilometres covered (actual)

	2008	2009
Bus	72 144 394	77 334 589
Paratransit minibuses	2 824 731	2 979 308

Delivery of planned service

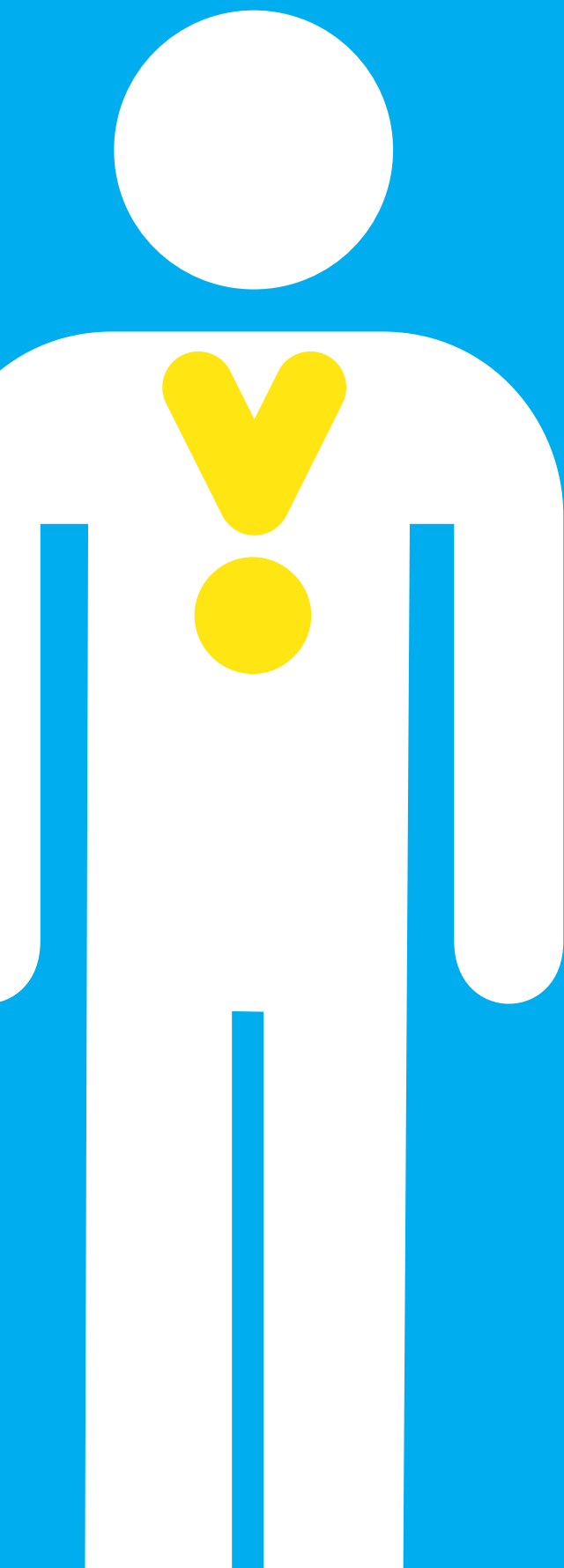
	2008	2009
	98.4%	98.9%

Bus punctuality (Objective: 83%)

	2008	2009
	82.6%	83.6%

Most heavily used bus routes (average weekday)

1	139 – Pie-IX	36 999
2	121 – Sauvé/Côte-Vertu	36 764
3	535 – Voies réservées du Parc/ Côte-des-Neiges	33 425
4	141 – Jean-Talon Est	28 078
5	69 – Gouin	27 095



THE STM STANDS OUT

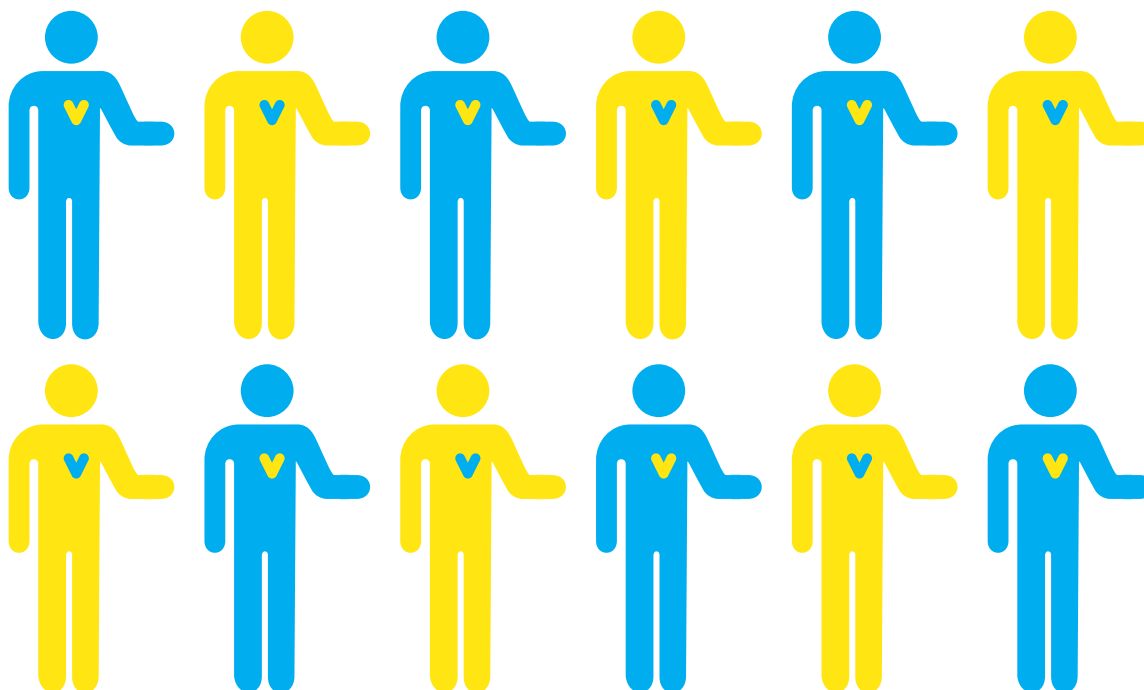
- Distinction award from AQTR for PASTEC
- Two awards of excellence from CUTA (green driving program and PASTEC) and four Employee Awards of Excellence
- Prix du génie-conseil québécois for upgrading the métro network's telecommunications
- Coup de cœur award from Pour un Québec famille for the Family Outings Program
- Award from ATUQ for our branding campaign
- Award of Excellence 2009 for steel construction by AMEQ – Green Building category – for the Legendre transportation centre and bus body shop
- Grand Prix, interactive marketing category, by Boomerang for the cultural outings planner
- Honourable mention from Grands Prix du tourisme québécois for its museums, events and convention fare cards.

THE STM MAKES A COMMITMENT

► This year's generosity drives raised over \$816 000. ► The benefit golf tournament alone raised \$110 000 that was shared by Centraide, Réchaud-bus, the Québec chapter of the Red Cross, Partenairesanté-Québec, Les petits frères des Pauvres and the Fondation des petits trésors. ► Some 250 employees and pensioners collected \$56 000 for the Christmas food baskets, making it possible to deliver over 400 food baskets. ► Thirty employees signed up for the STM team entering the CIBC Run for Life to benefit the Québec Breast Cancer Foundation. ► Twenty drivers took on the Défi 767 challenge for the special Olympics. ► 160 STM volunteers took part in Camp Papillon's spring clean-up.

THE STM TAKES A STAND

► Brief entitled *Développer un axe performant de transport collectif entre le centre-ville et l'ouest de l'île de Montréal*, presented to the Bureau d'audiences publiques sur l'environnement (BAPE), as part of the public consultation on the project for the reconstruction of the Turcot Interchange. ► Brief entitled *Réduction des gaz à effet de serre : Le rôle déterminant de la Société de transport de Montréal*, presented to Madam Line Beauchamp, ministre du Développement durable, de l'Environnement et des Parcs, as part of the National Assembly's parliamentary commission on climate change and the greenhouse gas reduction target for 2020. ► Brief entitled *Projet de Quartier Bonaventure : Pour une solution intégrée de transport collectif*, presented to the Office de consultation publique de Montréal on the blueprint for the redevelopment of the Bonaventure Expressway.



THE STM MAKES THE FRONT PAGE

Centre Legendre: inauguration of a \$102 M project

Transports Québec Minister, Madam Julie Boulet, and Michel Labrecque, Chairman of the STM Board of Directors, inaugurated the new Legendre bus body shop and expanded Legendre transportation centre, projects evaluated at \$102 M, of which 75% is funded by the MTQ. Integrating several eco-energetic characteristics, the vast building houses the 202 articulated buses the STM ordered from Nova Bus. The project was completed on time and within initial budget estimations. Indeed, as a result, the STM received the 2009 Award of Excellence in Steel Construction from the Canadian Institute of Steel Construction in the Green Building category. The Institute indicated the award was given because of the potential for reducing urban heat islands and for the integration of a sustainable, efficient and aesthetically pleasing steel structure.

Hybrid drive buses pass the test with flying colours!

The eight hybrid drive buses being tested by the STM for the past year have surpassed predicted fuel savings, consuming on average 30% less than conventional vehicles. Taken from the STM study on performance and broadcast on Radio-Canada's *Découverte*, these numbers are higher than the 20% savings anticipated by the company when testing of the hybrid buses started a year ago.

Articulated buses hit the streets of Montréal

Nova Bus delivered the first articulated buses ordered by the STM. Acquiring this type of bus is one of the strategies put forward by the Société to better meet the needs of its clients, particularly in terms of comfort aboard the vehicles. In addition to larger passenger capacity, 115 people, the buses feature 47 seats. The buses are equipped with new access ramps and include improved, redesigned spaces for wheelchairs and strollers, and feature a new design for seats and support bars, a wider centre aisle, new types of windows and cameras for better security for everyone. A total investment of \$182 M.



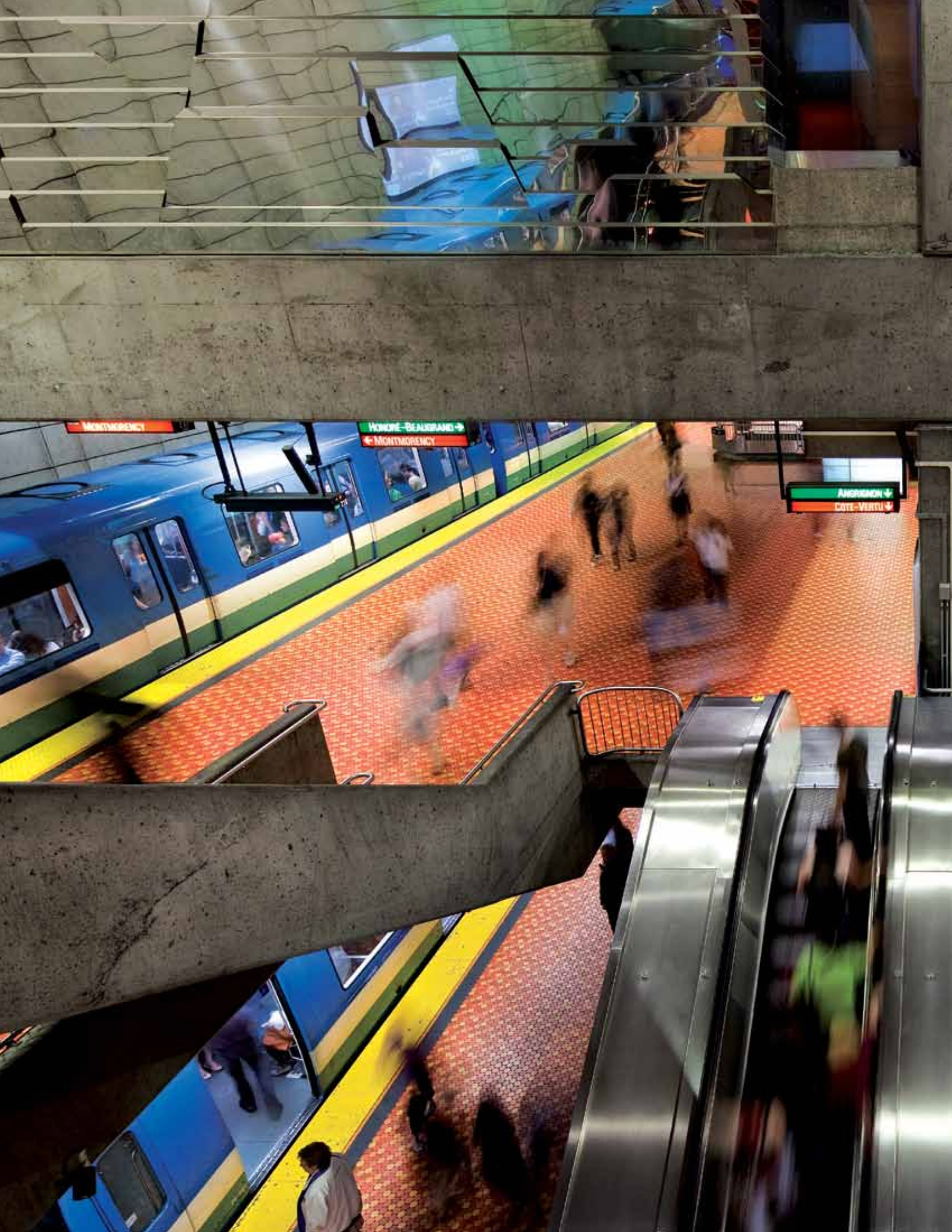
Pilot project for access to planned bus and métro schedules

In September 2009, the STM offered its clients the opportunity to test a new service that displays planned bus schedules, as well as métro opening and closing times. The service is available by means of a wireless portal compatible with most types of screens on wireless telephones having Internet access. For clients with access to text messaging, the STM also offers the opportunity to obtain the arrival times of the next three buses at any requested stop. The purpose of the six-month pilot project is to determine the interest clients may have in obtaining such information about service.

A winning agreement!

An agreement was reached at the last collective bargaining session with maintenance workers, with the objective of improving the performance of bus maintenance. Implemented in February, soon, results proved conclusive with an annual average of 41 more buses available each day for customer service, \$3.8 M less in costs over 2007, and 31% less complaints about service delivery. Also, this new way of doing business led to delivering 5.2 million kilometres of additional service and to increasing bus reliability by 18.5%.







HONORE-BEAUGRAND →
← MONTMORENCY

HONORE-BEAUGRAND →
← MONTMORENCY

HONORE-BEAUGRAND

SCENSEUR

CUSTOMER SERVICE

The A-U-T-O-B-U-S telephone service provides planned bus timetables, while the STM.INFO line offers pre-recorded, general information about the STM as well as access to the call centre.

	2008	2009	Variation
Number of calls			
A-U-T-O-B-U-S	10 586 787	9 727 175	- 9%
STM.INFO	787 511	713 799	- 9%
Total	11 374 298	10 440 974	- 9%

Number of visitors

Web site	17 429 498	16 689 013	- 4%
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Comments and complaints

27 338, or 5% fewer, with 24 272 complaints and 3 066 suggestions and compliments

66% by telephone and 34% by email

59% are related to the bus network and 12% to the métro

Complaints per type

Service delivery	7 815 ¹
Employees	7 360
Equipment	4 160
Information	2 271 ²

- (1) The significant 30% drop in complaints related to service delivery is mainly due to the availability of buses in 2009, compared to 2008 when a shortage of buses occurred (APS 1).
- (2) The increase in complaints related to information was mainly caused by the deployment of a new version of the *Tous Azimuts* trip calculator on the STM Web site, that required several adjustments during the first few days.

MÉTRO INDICATORS

Supplemental information

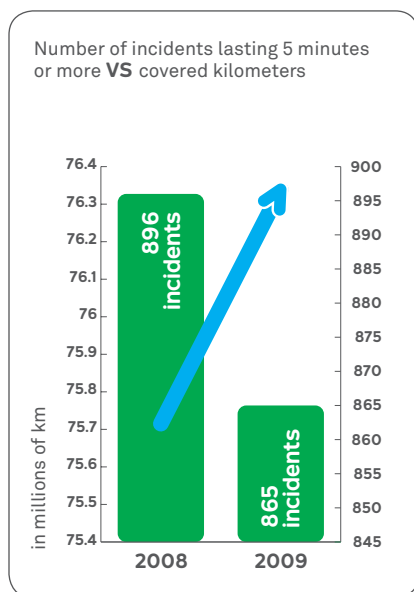
Number of rides delayed by 5 minutes or more*

	2008	2009
Causes		
Mischief, ill passengers	2 032 948	1 971 345
Rolling stock	1 492 590	1 309 846
Train operations	378 788	357 650
Stationary equipment	326 631	356 459
External factors	158 597	85 204
Miscellaneous	224 243	285 896
All causes	4 613 797	4 366 400

* When reading chart, consider that the métro provided 235.2 million rides in 2009 compared to 233.4 million in 2008.

Number of incidents lasting 5 minutes or more*

	2008	2009
Causes		
Mischief, ill passengers	411	438
Rolling stock	256	223
Train operations	87	79
Stationary equipment	68	75
External factors	32	11
Miscellaneous	42	39
All causes	896	865



* When reading chart, consider that the métro covered 76.3 million kilometres in 2009, compared to 75.7 million in 2008.

FARE SALES

	2008	2009
Regular fare (in millions of fares)		
CAM	2.4	2.5
CAM hebdo	1.5	1.4
Tickets (6)	36.5	22.5
Tickets (10)	-	12.4
Cash	20.6	21.4

Reduced fare (in millions of fares)		
CAM	1.6	1.6
CAM hebdo	0.2	0.2
Tickets (6)	13.7	5.8
Tickets (10)	-	4.0
Cash	2.3	1.4

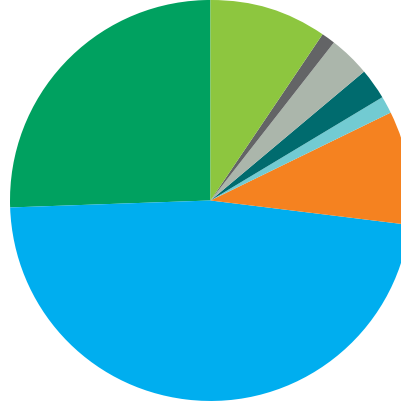
Tourist Card (in thousands of fares)		
1 day	64.2	87.9
3 days	65.1	81.4

TRANSIT FARE STRUCTURE

	2008	2009	Discount over regular fares
Regular local fares			
CAM	\$66.25	\$68.50	-
CAM hebdo	\$19.25	\$19.25	-
Tickets (6)	\$12.00	\$12.75	-
Tickets (10) on OPUS card only	-	\$20.00	-
Ticket – Cartier, De la Concorde and Montmorency stations	\$2.75	\$2.75	-
Cash	\$2.75	\$2.75	-
Reduced local fare			
CAM	\$36.00	\$37.00	46%
CAM hebdo	\$11.00	\$11.25	43%
Tickets (6)	\$6.50	\$6.75	47%
Tickets (10) on OPUS card only	-	\$10.75	46%
Ticket – Cartier, De la Concorde and Montmorency stations	\$1.75	\$1.75	36%
Cash	\$1.75	\$1.75	36%
Tourist Card			
1 day	\$9.00	\$9.00	-
3 days	\$17.00	\$17.00	-

WORKFORCE DISTRIBUTION

(permanent staff at December 31, 2009)



3 911 Drivers, operators and related services workers

Syndicat des chauffeurs d'autobus, opérateurs de métro et employés des services connexes au transport de la STM (section locale 1983 – SCFP)

2 107 Maintenance workers

Syndicat du transport de Montréal (employés d'entretien – CSN)

791 Management

754 Unionized office staff

Syndicat du personnel administratif, technique et professionnel du transport en commun (SCFP 2850 – FTQ)

277 Unionized professionals

Syndicat des professionnelles et professionnels de la STM

200 Divisional clerks

Syndicat des travailleurs et travailleuses de la STM (CSN)

122 Inspectors

Fraternité des constables et agents de la paix de la STM

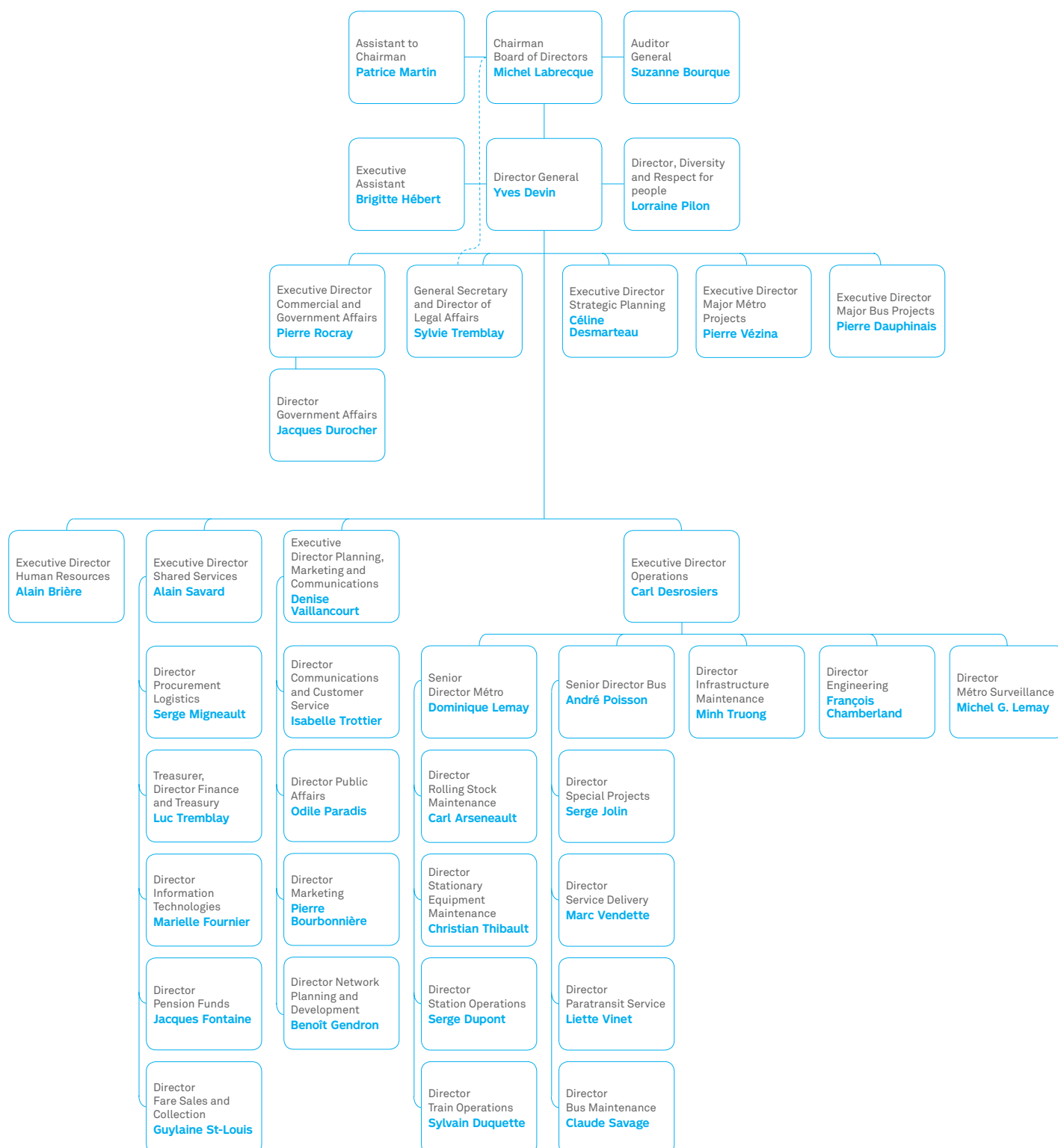
85

Non-union professionals and office staff

8 247 employees

- Proportion of women: 23.5%
- Proportion of visible and ethnic minorities: 16.9%
- Average age: 44.6 years
- Average years of service: 11.5 years
- Newly hired (temporary and permanent positions): 722
- Retirement eligibility: 1 051 employees
- Actual retirements: 301 employees

ORGANIZATION CHART – SENIOR EXECUTIVES



PARTNERSHIPS

The STM is the undisputed partner of Montréal's biggest events and contributes to their success. Indeed, the growing number of partnerships clearly shows that public transit is a key factor in the success of these events. Together, these STM initiatives reflect the corporate strategy of gaining greater visibility and being closer to current and potential clients, in order to promote the use of public transit and meet the diverse needs expressed by clients. In 2009, over 40 partnerships were conducted, for public visibility valued at some \$3 M, including:

➤ Montréal Alouettes ➤ Montréal Canadiens ➤ Grey Cup ➤ Défi sportif for disabled athletes ➤ En ville sans ma voiture (Car-Free Day) ➤ Osheaga Music Festival ➤ Just for Laughs Festival ➤ Montréal High Lights Festival ➤ Fête des enfants de Montréal ➤ Montréal Museums Day ➤ Nuit Blanche (All Nighter) ➤ Opéra de Montréal ➤ Santa Claus Parade ➤ Salon national de l'environnement ➤ Salon des générations ➤ Tennis Canada – Rogers Cup ➤ The Montréal Bike Fest

Transportation Cocktail

Since 2007, the STM is firmly committed to sustainable development. In addition to implementing a major service improvement program and launching a new corporate branding campaign, the STM developed a multimodal program called the Transportation Cocktail.

The concept revolves around the meshing between major public transit services (métro, bus, commuter trains, minibuses and shared taxis) and other active and private means of transportation, such as bicycles, taxis, car rentals and car pools. Citizens of both city centre and surrounding suburbs can count on a full range of diversified transportation options as alternatives to single occupant car use.

To that end, the STM reached several partnership agreements with other transportation providers. For example, the DUO auto + bus program with Communauto and the Bixi-bus program with Montréal's Public Bike System provide discounts for these services for STM clients. Also, the Tandem VÉLO – STM package offers Vélo-Québec Association members six free trips with the purchase of five monthly fares.

By helping to improve urban mobility, the STM wants to make active and public means of transportation the preferred way to lower greenhouse gas emissions and thus improve the quality of life for all Montrealers.

Partnerships:

➤ Communauto ➤ Vélo Québec ➤ Bixi ➤ Allégo ➤ Voyagez Futé ➤ Faites de l'air



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SERVICE
15N1 15N1-0108

16N



RENNER

NORD

14N

VÉRIN
G10012

13N

VÉRIN
G100526

3-17

S1

GOVERNANCE

The Board of Directors

Acting through its agglomeration council, Ville de Montréal appoints members to the Société de transport de Montréal Board of Directors from within its own regular council members and the councils of other municipal located within the agglomeration's territory. It also chooses two members from among agglomeration residents, one public transit user and one paratransit user.

The Board's membership is a reflection of the values of diversity and plurality advocated by STM. It consists of seven municipal elected officials and two customer representatives, four women and five men, three of whom are members of cultural communities.

Claude Trudel*

Chairman of the Board of Directors
Mayor of Verdun Borough

Marvin Rotrand

Vice-chairman of the Board of Directors
Ville de Montréal Councillor
Côte-des-Neiges–Notre-Dame-de-Grâce Borough

Dominic Perri

Ville de Montréal Councillor
Saint-Léonard Borough

Monique Worth

Ville de Montréal Councillor
Mayor of Pierrefonds-Roxboro Borough

Bernard Blanchet

Borough Councillor
Lachine Borough

Marcel Tremblay

Ville de Montréal Councillor
Côte-des-Neiges–Notre-Dame-de-Grâce Borough

Karin Marks

Mayor of City of Westmount

Brenda Paris

Public transit users' representative

Marie Turcotte

Paratransit users' representative
Assistant Director - Ex-Aequo

* Claude Trudel was replaced on January 29, 2009, by Michel Labrecque, Ville de Montréal Councillor for the Mile-End District of Plateau – Mont-Royal Borough, as Chairman of the Board of Directors.

After the November 1, 2009, municipal elections, the Borough Council for Ville de Montréal, during its regular meeting on Thursday, December 3, 2009, adopted the following resolution:

1) to appoint the following persons as members of the STM Board of Directors:

- Mr. Marvin Rotrand;
- Mr. Bernard Blanchet;
- Mr. Dominic Perri;
- Mrs. Monica Ricourt;
- Mrs. Jocelyn-Ann Campbell;
- Mr. John W. Meaney

2) to appoint the following person as a member of the STM Board of Directors representing transit users:

- Mrs. Marie Turcotte;
- Mr. Michel Labrecque.

3) to appoint, among the above-mentioned members, Mr. Michel Labrecque as Chairman, and Mr. Marvin Rotrand as Vice-chairman of the Société de transport de Montréal.

ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

The Board of Directors performs duties and exercises authority conferred by the STM, while determining the corporation's future direction. It adopts a strategic plan for developing public transit within its operating area. Each year, it adopts a budget, workforce recruitment plan, and three-year capital works programs. It establishes fare categories and sets fare prices. It approves, terminates or changes public transit routes, and approves any permanent changes to them.

24 Board of Directors meetings and 47 technical committee meetings were held in 2009

284 important issues were debated and decided upon

8 loan by-laws totalling \$397 M were approved

93 procurement contracts for goods and services were awarded for a total value of \$189 M

Board of Directors Committees and their role

For assistance in carrying out their duties, the Board of Directors created technical committees, each of which is dedicated to a specific field. The committees were created from 2006 to 2008 to help conduct STM activities. They are formed of members of the Board of Directors, members of the management committee and external members.

The chair of the Board of Directors is an ex-officio member of every committee, and the Director General is appointed to each committee. The STM Secretary General attends all committee meetings and acts as permanent secretary to all committees without being a member.

Finance Committee

The committee's mandate is to study the needs, methods and solutions to be applied in managing the STM's financial activities, and providing appropriate recommendations to the Board.

Marvin Rotrand
Vice-chairman, Board of Directors
Committee Chair

Dominic Perri
Member, Board of Directors

Monique Worth
Member, Board of Directors

Alain Savard
Executive Director – Shared Services
Committee Coordinator

Daniel Leclair
External member

Note : Mr. Luc Tremblay, Treasurer and Director, Finance and Treasury, attends all Finance committee meetings

Human Resources Committee

The committee's mandate is to study the needs, methods and solutions to be applied in managing the STM's human resources, and providing appropriate recommendations to the Board.

Karin Marks
Member, Board of Directors
Committee Chair

Brenda Paris
Member, Board of Directors

Monique Worth
Member, Board of Directors

Alain Brière
Executive Director – Human Resources
Committee Coordinator

Gilles Dulude
External member

Linda Gosselin
External member

Assets maintenance, Major projects and Environment Committee

The committee's mandate is to study the needs, methods and solutions to be applied to ensure the maintenance of STM assets (operational systems and equipment, infrastructure and computer population), the execution of major projects supporting the implementation of its Business Plan, the management of the Société's environmental policy, as well as to provide appropriate recommendations to the Board.

Bernard Blanchet
Member, Board of Directors
Committee Chair

Dominic Perri
Member, Board of Directors

Marie Turcotte
Member, Board of Directors

Pierre Vézina
Executive Director – Major Projects – Métro

Pierre Dauphinais
Executive Director – Major Projects – Bus
Committee Coordinator

Claude Boivin
External member

Jean-Guy René
External member

Audit Committee

In addition to the legal requirement calling for the review of financial statements, the committee oversees internal controls and systems that identify and manage risk, assesses compliance with legal, regulatory and ethical requirements, and handles special mandates.

Marcel Tremblay
Member, Board of Directors
Committee Chair

Dominic Perri
Member, Board of Directors
Committee Chair

Suzanne Bourque
Auditor General
Committee Coordinator

Yves J. Beauchesne
External member

Yves Gauthier
External member

Customer Service Committee

The committee's mandate is to study the needs, methods and solutions to be applied in the area of public transit services offered to clients by the Société as well as to provide appropriate recommendations to the Board. Two sub-committees were formed to specifically handle issues related to accessibility and diversity. To sound out the opinions of clients, the committee organizes public consultations each year.

Marvin Rotrand
Vice-chairman, Board of Directors
Committee Chair

Marie Turcotte
Member, Board of Directors

Brenda Paris
Member, Board of Directors

Denise Vaillancourt
Executive Director – Planning, marketing and communications
Committee Coordinator

Governance and Ethics Committee

The committee's mandate is to study the needs, methods and solutions to be applied in the area of governance and ethics in the management of the Société's activities, as well as to provide appropriate recommendations to the Board.

Monique Worth
Member, Board of Directors
Committee Chair

Marvin Rotrand
Vice-chairman, Board of Directors

Marcel Tremblay
Member, Board of Directors

Sylvie Tremblay
Secretary General and Director – Legal Affairs
Committee Coordinator

Diane Girard
External member

Operations Committee

The committee's mandate is to study the needs, methods and solutions to be applied in the area of operations in the management of the Société's activities, as well as to provide appropriate recommendations to the Board.

Bernard Blanchet
Member, Board of Directors
Committee Chair

Dominic Perri
Member, Board of Directors

Karin Marks
Member, Board of Directors

Carl Desrosiers
Executive Director - Operations
Committee Coordinator

Claude Boivin
External member

Jean-Guy René
External member

Arts and Artistic Heritage Committee

The committee's mandate is to promote the integration of Art in the transit network of the Société and to take an interest in the protection, conservation, enhancement and proper use of artistic heritage assets held by the Société, as well as to provide appropriate recommendations to the Board.

Claude Trudel
Committee Chair

Karin Marks
Member, Board of Directors

Marie Turcotte
Member, Board of Directors

Sylvie Tremblay
Secretary General and Director – Legal Affairs
Committee Coordinator

Transgesco

Two members of the STM Board of Directors serve on Transgesco's Board of Associates, who is charged with determining the business orientation, adopting a strategic development plan, appointing external auditors and taking note of its financial statements

Dominic Perri
Chairman

Claude Trudel*
Vice-chairman

Yves Devin
Administrator

Sylvie Tremblay
Secretary

Pierre Rocray
Administrator

Denise Vaillancourt
Administrator

Luc Tremblay
Treasurer

Alain Gauthier
External member

* Mr. Claude Trudel was replaced by Mr. Michel Labrecque on June 2, 2009.

For a second consecutive year, the STM presents an abridged version of its annual results. You can also consult the *Sustainable Development Report 2009*, the *Financial Report 2009*, the *Budget (French only)* and the three-year capital program *PTI 2009-2011 (French only)*. These documents are all available on the STM Web site at www.stm.info.

PUBLISHED BY SOCIÉTÉ DE TRANSPORT
DE MONTRÉAL

Direction principale des affaires publiques
800, rue de La Gauchetière Ouest
Bureau 9080
Montréal (Québec) H5A 1J6

www.stm.info

Legal Deposit
Bibliothèque et Archives nationales du Québec, 2010
Ce document est disponible en français.



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