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2017 Annual Report



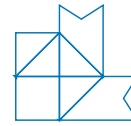
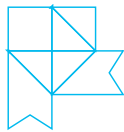
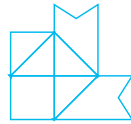
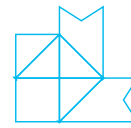
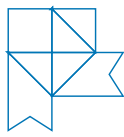
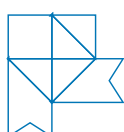


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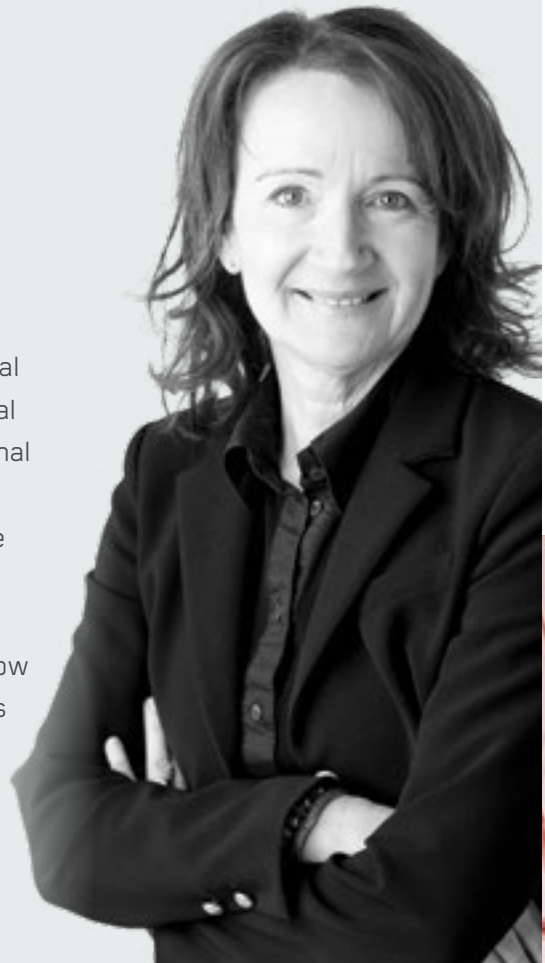




Message from the Chair of the Board of Directors

2017 was a good year for the Port of Québec –a second consecutive year of growth. Much of this growth was due to our transshipment operations and our position as a key port of call for International St. Lawrence River cruises. Despite all the geopolitical changes taking place around the world and international trade agreements such as NAFTA being called into question, the economies of Canada and Québec have posted solid performances. The fact that global trade continues to grow in the face of resurgent American protectionism shows how the Port can, now more than ever, play a leading role in the continent's economy as a strategic anchor in the Canadian port system.

2017 was a growth year, but it was also a positive year for the Beauport 2020 Project, which made significant progress.



Marie-France Poulin
Chair of the Board of Directors

A big, promising project

The Beauport 2020 Project has made progress in obtaining the required environmental approvals. The project reached an important milestone when the Canadian Environmental Assessment Agency held public hearings in early 2017. It should be noted that various steps have been taken to inform the public about the project. Our teams have been working all year round to carry out studies and inform discussions with environmental authorities.

Progress was also made regarding the project's commercial use. It was confirmed that the Beauport 2020 Project would be used as a container terminal, following an overarching trend toward an increasingly global economy.

By approving the container terminal project, the QPA has consolidated its position as a deepwater transshipment port for the large Midwest and Great Lakes markets.





Bringing in new talent A sustainable and long-term vision

The QPA Board of Directors underwent a significant overhaul with the arrival of three new members. For the first time in its history, the Board now has a female majority. With our society calling for greater parity in organizational governance, the QPA is taking a big step toward making it happen. Bringing in this new talent strengthens our vision of sustainable long-term development.

The Board of Directors worked closely with the Management Team throughout the year to monitor developments in Port projects and operations and to ensure that the organization stayed in line with long-term plans.

Since the Port plays such an important role in the community and the region, the Board is always mindful of maintaining a long-term approach, whether on the economic, urban, or social front. The Port of Québec is crucial to the vitality of our community; it oversees a maritime hub generating over 8,000 local jobs and various urban sites providing shore access. Well-aware of this crucial role, the Board will continue to promote sustainable port development to the benefit of all.


Marie-France Poulin
Chair of the Board of Directors



By approving the container terminal project, the QPA has consolidated its position as a deepwater transshipment port for the large Midwest and Great Lakes markets.



Message from the President and CEO

The Port of Québec has a strategic position in North America. As the last deepwater port before the Great Lakes and the Midwest, it plays a key role in the continent's supply chain, serving one of the most prosperous trade corridors in the world with over 110 million consumers.



Mario Girard
President and Chief Executive Officer

With the Beauport 2020 Project, the Port of Québec is looking to take advantage of its competitive edge and opportunities emerging on the global stage by expanding its facilities. The expansion project foresees the development of a 610-meter wharf, a 17-hectare area behind the wharf, and road and rail connections.

Beauport 2020 reached a big milestone in 2017. The Port of Québec is proud to announce that the major project will include a dedicated container terminal. This commercial use was confirmed at a public hearing held by the Canadian Environmental Assessment Agency in January, during which a number of concerns were addressed. The Port of Québec also confirmed that the breakwater and reorganization and consolidation of Beauport Bay beach has been abandoned.

That brings us one step closer to seeing this promising project for the St. Lawrence trade corridor come to fruition. It has been 40 years since the Port of Québec has contemplated a major development project aimed at expanding the number of wharfs at the port and its development area. The specifics of the project may have changed, but the Québec Port Authority is still proud of this major socioeconomic project and is determined to see it through.



Beauport 2020 reached a big milestone in 2017. The Port of Québec is proud to announce that the major project will include a dedicated container terminal.

The shipping industry turned on its head

The opening of the new Panama Canal after nine years of construction has had a huge impact on the industry. The next generation of container ships to serve the East Coast requires a water depth of 15 meters. These New Panamax ships have 14,000 TEU cargo capacities, compared to the 5,000 TEU capacities of older vessels. This has transformed the shipping industry. Shipping goods from Asia to the East Coast can cost 30% less thanks to economies of scale. The Port of Québec could become an attractive economic option for major international container lines shipping goods to the North American interior.

The St. Lawrence River must go with the flow and adjust to this new reality to remain competitive.

East Coast ports in the U.S. have been conducting major dredging operations for over ten years now to become more attractive and to accommodate next-generation ships. No less than \$150 billion will be invested in American ports over the next four years. The goal is clear: to reach a depth of 15 meters, the new industry standard.

The Port of Québec is a natural deepwater harbor with strong potential due to its 15 m depth at low tide.

The Port has been accommodating ships requiring this depth for years.





The importance of staying competitive

Over the last 20 years, global shipping has more than doubled, from 4 trillion tons to over 10 trillion tons. While international shipping has experienced solid growth, traffic along the Great Lakes–St. Lawrence Seaway System has slowed considerably, even shrinking in relation to the 70s and 80s. This decline in tonnage shows how the St. Lawrence has struggled to keep up with global growth.

In addition to its stagnating business volume, the St. Lawrence–Great Lakes trade corridor will also be adversely affected by the massive investments being made stateside. The Port of Québec's deepwater container terminal project is a way for the St. Lawrence to get back in the game and compete with U.S. ports. This competitive solution for maritime carriers should allow growth to resume in the corridor.

Keen interest from international stakeholders

To support its efforts, the Port de Québec has thoroughly assessed the commercial potential and feasibility of its big project with the help of specialized firms. Logistics and traffic flow studies show that the terminal project has everything it needs to become a competitive intermodal hub. The Beauport 2020 Project has excellent rail and highway access and all the space it needs to efficiently handle at least 500,000 TEU a year, in addition to having the expansion capacity for future development.



Supplementing container traffic from Montréal, Beauport 2020 will help restore Canada's competitiveness on the East Coast.

Market studies show that the Port of Québec's container terminal project should be highly competitive, in particular regarding shipping services from Southeast Asia to the St. Lawrence–Great Lakes trade corridor.

That's why Beauport 2020 is generating real interest from major international players in the shipping industry. The Port has also set up an advisory committee of international experts to help push the project forward.

Supplementing container traffic from Montréal, Beauport 2020 will help restore Canada's competitiveness on the East Coast. It will bring new economic benefits to the country, which are currently concentrated in the U.S., and will turn Québec City into a premier North American logistics hub.

Setting sail for Québec City

Québec City also received many visitors in 2017, including some of the tallest ships in the world. Almost 415,000 visitors flocked to the docks and boardwalks of the Port of Québec and Louise Basin for Canada's 150th anniversary to attend the Tall Ships Regatta and get a good look at the 40 tall ships in harbor. From celebrations to major projects, the Port of Québec continues to bring people together.



Mario Girard
President and Chief Executive Officer



The Port of Québec: A Major International Trade Hub in Québec City

Business continues to grow

2017 saw a big increase in tonnage, with over 27.6 million tons transshipped over the course of the year. That's the Port of Québec's third best year ever in terms of tonnage, which bodes well for the future as it seems that the Port's recent growth is set to continue.



Patrick Robitaille

Vice President, Business Development

An important Canadian trade hub

Most of the cargo transshipped at the Port is neither consumed nor produced in Québec City. Year after year, shippers and importers choose the Port of Québec to load and unload their merchandise because of its economic and geographic benefits. The Port of Québec serves as a hub for many industries including the steel, agri-food, transportation, construction, and mining and metal industries, all of which made extensive use of the port this year. The steel industry had the strongest growth in 2017 (70%), in particular due to the transshipment of steel production inputs.

High-capacity terminals

A lot of goods flow through Port of Québec terminals. One such terminal, the Énergie Valéro refinery, is the largest oil refinery in Québec and second-largest in Canada. Its facilities have a production capacity of 265,000 barrels of oil per day, accounting for 70% of Québec's refining capacity.

With the Vopak and IMTT Québec terminals, the Port of Québec is the main liquid bulk hub on the St. Lawrence River.

Last year, some of the refinery's crude oil was shipped in from Montréal aboard two Desgagnés vessels—the Laurentia and Espada—and then redistributed throughout Québec by truck, rail, or pipeline, demonstrating how the two ports complement each other.



With their 15 m low-tide depths, Port of Québec wharves allow goods to be transhipped from bigger vessels to smaller ones (lightening port) and vice versa, further enhancing synergy between the ports. More than half the goods transhipped at the Port's various terminals in 2017 required drafts over 12 m, meaning they could not have been shipped anywhere else on the St. Lawrence River.

A container terminal

Since 2014, the Québec Port Authority (QPA) has commissioned well-known firms to carry out multiple commercial studies and has sought the advice of many international experts to determine the ideal development scenario for its Beauport 2020 Project.

The container market has tremendous potential, especially since Québec City can meet a need that cannot be met anywhere else in the country. The St. Lawrence River needs a deepwater container terminal to accommodate increasingly larger ships and to maintain the country's supply chains.

The experts we consulted all agreed that the St. Lawrence needs facilities adapted to new market realities if it is to remain competitive, especially with U.S. East Coast ports. As such, a deepwater container terminal is a must to forestall a potentially imminent drop in maritime traffic on the St. Lawrence River. It should be noted that, over the last ten years, U.S. East Coast ports have accounted for almost all container growth and are posting record volumes year after year. In December 2017, the QPA announced that the Beauport 2020 Project would be a dedicated container terminal, a fully justified decision from an environmental, technical, and commercial perspective.

Patrick Robitaille

Vice President, Business Development



2017 saw a big increase in tonnage, with over 27.6 million tons transhipped over the course of the year.



The Environment and Sustainable Development

The QPA's first sustainable development action plan (SDAP) ended in 2015. A second plan was developed in 2016 and presented and implemented in 2017. Comprising 27 priority actions, the QPA's 2017-2022 SDAP will lay the groundwork for a progressive and participatory sustainable development approach. The actions, some of which were launched in 2017, center on three sustainable development themes, each divided into seven objectives.



Pascal Raby
Vice President, Operations and Environment

The first of the 27 priority actions set out in the QPA's SDAP involves developing and implementing continuous management of the noise environment. In late 2017, the QPA deployed its first noise monitoring system in the Anse au Foulon sector. This state-of-the-art monitoring system allows the QPA to monitor noise generated by operations on or near its property, the goal being to identify potential noise sources and establish suitable mitigation measures.

Determined to comply with environmental legislation and requirements, the QPA has rolled out an environmental compliance audit (ECA) program over the last few years to keep an eye on its operations and those of its users. The ECA program allows us to monitor non-conformities and implement QPA and user action plans. The first ECA cycle ended in 2017, and the second one starts in 2018.

In fall 2017, the QPA built a second bank swallow nest box in the Beauport Bay sector. This follows the QPA's 2015 decision to implement an innovative pilot project to build a temporary artificial bank swallow habitat.





The artificial habitat features three different types of nest boxes and its use has been closely monitored and analyzed every year. The pilot project has been such a success that swallow colonies have tripled in size in just three years. In 2017, it was decided to construct another artificial habitat to maximize use by the species. This structure was designed to be permanent, unlike the 2015 pilot project. The new nest box is similar to the first: sand of an appropriate particle size is compacted behind a pre-drilled concrete wall. Both structures, i.e., the temporary one built in 2015 and the permanent one built in 2017, will be in use in 2018. The effectiveness of the permanent nest box will be assessed during the next nesting season according to the same methods used since 2015.

Beauport 2020

The environmental impact study (EIS) was submitted in December 2016. The assessment process continues: the QPA held a public event to present sectoral studies, and public hearings were held on the EIS in February 2017 as part of the federal assessment process.

In April 2017, following this EIS consultation and analysis period with Canadian Environmental Assessment Agency (CEAA) experts, the QPA was asked to provide additional information. The project team worked to have the required sectoral studies carried out or updated, and produced a response document the same year, taking into account the updated information regarding the development of the area behind the wharf. The QPA took another step forward by announcing the commercial nature of the Beauport 2020 Project, thereby addressing concerns raised by the public and relevant government ministries and responding to needs and opportunities emerging on the global stage. This decision was based on independent commercial studies conducted over

the course of two years. On December 12, 2017, it was announced that the project's commercial component would be completely dedicated to container storage and handling. The QPA also confirmed that the breakwater and the reconfiguration of Beauport Bay beach had been abandoned.

The project's location remains unchanged and everything has been done to minimize any impact on the river. The Beauport 2020 Project still includes the construction of a new 610 m wharf line, the infill development of a handling area, a railway extension, and the extension of the Québec City emergency outfall. The Port of Québec is still proposing to develop a 17-hectare deepwater area behind the wharf for business development purposes. It should be noted that a hypothetical operating scenario was submitted at the CEAA's request because the Port of Québec was not in a position to make a final decision regarding the project's operation phase at the time of preparing and submitting the EIS.

 **Pascal Raby**
Vice President, Operations and Environment



International Cruises

The Port of Québec's facilities can accommodate the world's largest cruise lines. The city's undeniable charm, European flair, and status as a UNESCO World Heritage City make it a prime destination for Canada and New England cruises.




Nancy Houley
Director, Cruise Development

A record year

The Port of Québec continued its growth in 2017, reaching the historic milestone of 200,000 visitors (over 202,081 total). 2017 was a record year in many ways, with 25 different cruise lines and 34 different ships combining for 131 stopovers over the course of the season.



Of the 34 cruise ships that arrived in Québec City in 2017, more than ten could not have sailed farther upstream due to their size or high clearance requirements. This represents over 35% of total passengers and accounts for a substantial portion of growth along the St. Lawrence. If Québec City's port facilities were unable to accommodate these ships, all other destinations on the St. Lawrence River would be affected.

Québec City is a top destination in the Canada and New England cruise markets. Among the season's highlights were the first visits of five ships: Le Soléal (Ponant), the Viking Sky and Viking Sea (Viking Cruises), the Silver Muse (Silverseas Cruises), and the Norwegian Jade (Norwegian Cruise Line).



Québec City is a top destination for Canada and New England cruises. In 2017, five cruise ships visited the city for the first time.

**The Port of Québec
passes the
200,000
visitor mark
for the first time**



An award-winning destination

In addition to attracting the world's largest cruise lines, the Port and City of Québec have continued to leverage their assets to entice cruise customers. Their efforts have raised the city's profile, earning it positive reviews in the international press and many major awards:



Best Canadian Port



Top Cruise Destination
in the U.S. & Canada



Top city in Canada



One of three finalists for Top Cruise
Destination of the Year in the 2017
Seatrade Cruise Awards



Best Destination
Experience

These awards position Québec City as a world-renowned cruise destination, enhancing its visibility and making it more attractive to cruise lines.





A promising development – Disney Cruise Line to visit Québec City in 2018

In May 2017, the Port proudly announced that the very prestigious Disney Cruise Line would be coming to Québec City in 2018. The Port of Québec is thrilled about this development, which will showcase our city to international family customers. The arrival of the Disney Magic in Québec City will be a huge milestone for the cruise industry in Québec City and Eastern Canada.

The Port of Québec is a new port of call for Disney Cruise Line, which will be stopping over in September 2018 as part of a new itinerary from New York City to Québec City. Passengers will stay in the national capital for two whole days, giving them the opportunity to fully explore the city.

This good news is the result of a joint business development initiative with the cruise industry. At the 2014 cruise forum, the industry set a clear goal to welcome 400,000 passengers by 2025. The combined efforts of all partners involved have made it possible to work on developing the summer and winter seasons.

The first cruise ship in Lévis

October 1 marked the opening of Paquet wharf with the arrival of the first cruise ship on Lévis's side of the river. With a passenger capacity of 706, Saga Cruises' Saga Sapphire was the very first international cruise ship to berth on the South Shore. Despite certain marketing limitations, the QPA is delighted to have this docking facility available for cruise ships.



Photo Credit: Karina Chabot

An industry promoting the growth of regional tourism

The cruise industry is a major boon for tourism in the Québec City area. A study conducted by Business Research & Economic Advisors (BREA) in April 2017 valued the economic benefits for Québec at over \$221 million and for Québec City at \$106 million—\$73 million from cruise line spending and \$30 million from passenger spending. These figures show how important the industry is to both the municipality and the province.

Strong regional cooperation

The QPA would like to acknowledge the contributions of all stakeholders, in particular the City of Québec, whose Centre de coordination d'événements spéciaux was instrumental to ensuring good traffic flow on peak days.

We would also like to thank our partners involved in developing the industry in Québec City, including Québec City Tourism, the City of Québec, Secrétariat à la Capitale-Nationale, the Québec City Chamber of Commerce, the Cruise the Saint Lawrence Association, and Ministère du Tourisme.

Development plan review

In 2017, the QPA undertook a major update to the cruise development project submitted in 2015, which was originally valued at \$90 million. The project proposed a number of facilities in the Pointe-à-Carcy and Estuary sectors to improve the Port's cruise ship berthing capacity.

A changing landscape and the absence of certain partners from the business plan have forced the QPA to re-examine the project and reduce the investments initially planned. Late in the year, the QPA commissioned a firm specialized in the cruise industry to work on the project's design, development, and marketing with the purpose of reviewing it and considering new operational options. Recommendations to be submitted in early 2018 will allow the QPA to redefine the development plan, get financial support from the Government of Québec and City of Québec, and reach the objective of 400,000 visitors by 2025.



Nancy Houley
Director, Cruise Development

2017 at a glance:

- Record of 131 ship calls
- Record of 34 different ships belonging to 25 different cruise lines
- 202,081 visitors, including 145,581 cruise passengers and 56,500 crew members
- 5 cruise ships in Québec City for the first time
- Opening of Paquet cruise wharf in Lévis
- Busy weekend: 8 ships carrying a total of nearly 45,000 passengers spend 3 days in port at the same time
- Season started on May 4 and ended on October 28

The Terminal

Espaces Dalhousie has become one of Québec's finest locations for event hosting. Boasting two state-of-the-art facilities—the Terminal and Salle du Quai du Cap-Blanc, in Anse Brown—it rents out unique spaces perfect for any type of event and offers an unparalleled, postcard-worthy view of the river.

Onsite staff caters to guests, providing a range of high-end services to make events memorable: contemporary decor, public address system, lighting, unique atmosphere, Wi-Fi access, mobile acoustic partitions, security service, and nearby parking. All these services are provided by a team dedicated to meeting your needs.



Patrick Turcotte
Director, Cruise Operations and Events

A popular event hosting venue

The Cruise Terminal's modern and multi-purpose facilities hosted an astounding 174 events last year. Over 124,920 guests got to mix and mingle in magnificent rooms with a breathtaking view of the river. A large number of cruise passengers also pass by during the international cruise season.



A variety of events

Espaces Dalhousie stands out for the variety of events it can hold: press conferences, fundraisers, weddings, private events, trade shows, and many more.

Quite a few high-profile events were held last year, including:

- › Web à Québec (WAQ)
- › Pixel Challenge
- › 6th Cocktail des restaurateurs du Carnaval de Québec
- › 32nd Salon Info-Vélo
- › 13th Grande Braderie de la mode québécoise
- › 11th Festival des vins de la Californie
- › 5th Cocktail annuel du Club Lions – Sillery–Ste-Foy
- › Art Tattoo Québec



Patrick Turcotte

Director, Cruise Operations and Events

Boasting two state-of-the-art facilities—the Terminal and Salle du Quai du Cap-Blanc, in Anse Brown—Espaces Dalhousie rents out unique spaces perfect for hosting any type of event and offers an unparalleled, postcard-worthy view of the river.





The Marina: A Prime Location in the Heart of Town

The Port of Québec Marina hosted Rendez-vous 2017. Anchored in the heart of Québec City's historical and touristic area, it is ideally located. Spanning from the Petit Champlain neighborhood to the old city's ramparts, the marina is within walking distance of the city's main attractions. This makes it a unique port of call for those who wish to discover the city.



Kathleen Paré
Marina Director

400 members call the Marina their home port. In 2017, the Marina welcomed almost 1,000 pleasure craft from Québec, Ontario, and the United States. Visitors often make annual trips, enchanted by the city and its entertainment and amenities.

Marina membership and certification:

- › Member of the Québec Maritime Association
- › Member of Station nautique Québec-Lévis
- › 4 golden anchors under the Marinas Classification Program
- › 5 eco drops under the Eco-Marina Program




Kathleen Paré
Marina Director



Testimonials



« I'm proud to work for the Québec Port Authority. Because of my responsibilities, I'm in contact with all the organization's departments. My day-to-day work requires a great deal of attention and regular monitoring. I have the privilege of working with a highly qualified and effective team every day. Together, we do what it takes to help build the organization. »

 **Cathy Ménard**
Director of Accounting, Real Estate, and Procurement

« I've been director of maintenance for seven years now. Every day, the schedule has to be adjusted multiple times to make up for unforeseen events and to make sure all needs are met. I find this unpredictability challenging and stimulating. My team and I have to give it our all day in and day out. »

 **Dominique Tanguay**
Director of Maintenance 



« I've worked for the Port Authority for over 23 years. Together with the employees of the Harbor Master's Office, I plan all maritime operations, among other things. I oversee the safety of these operations as well as port security. Our team is committed to carrying out its tasks professionally and efficiently. »

 **Michel Petit**
Harbor Master
Director of Port Services 



Health and Safety: A Commitment

The QPA views occupational health and safety as a top priority. It is committed to providing a safe and healthy work environment to all employees within the organization.

Concerned about the health and wellness of its employees, the QPA has made the Rendez-vous Santé Program available to them for a fifth year running.

In 2017, the OHS management system was completed and rolled out. Every day, through various actions and efforts, the QPA promotes OHS and monitors culture changes in this regard. The OHS coordinator and operations managers are on site to ensure that employees are aware of potential risks and use safe work methods. In that sense, the arc flash, padlocking, and confined spaces programs are crucial and must be maintained.

Employees get over 800 hours of basic OHS and job-specific training. OHS training sessions are also given to security officers working on Port property and to cruise partners. Some contractors involved in development projects also take these training sessions.

The Port Users Health and Safety Committee has continued to take measures to ensure that all parts of the Port are safe to work in. In keeping with its commitment, the QPA worked together with Port users to develop a standard port entry process for all users. The first phase of the project produced a video presenting basic rules regarding OHS, the environment, security, and emergency measures. The video complements the particularities and obligations specific to each user and highlights a deep and shared concern for everyone's health and safety.

**Employees get over
800 hours of basic OHS
and job-specific training.**



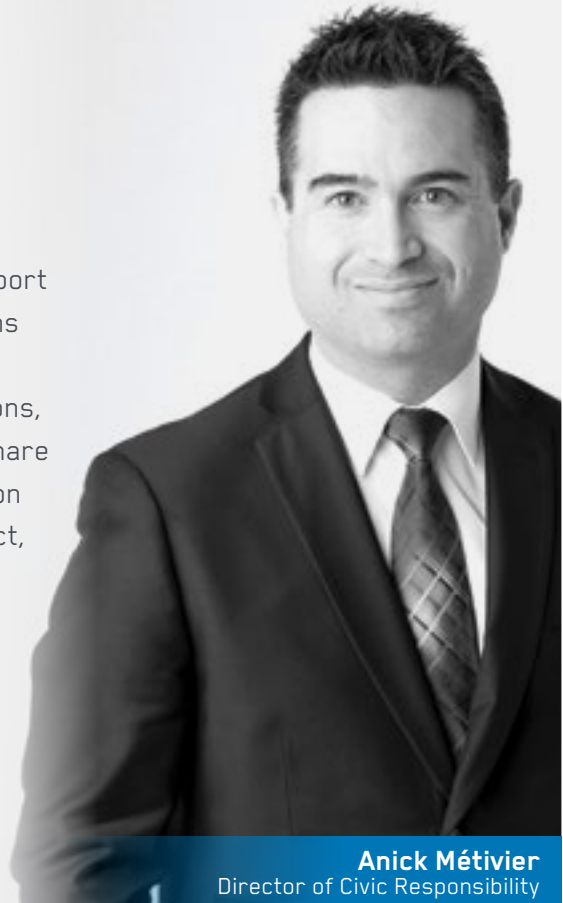




Civic Responsibility

Summary of activities and outlook

2017 was a very busy year in terms of community relations. Public hearings and meetings with Beauport 2020 stakeholders were at the heart of discussions between the QPA and the neighboring population. These frequent meetings with citizens, organizations, First Nations, and various institutions looking to share their concerns or opinions about the port expansion project have allowed the QPA to improve the project, which is vital to the region, the province, and the country. In the wake of these discussions, the QPA has also continued to work with the Beauport Bay Users Forum. This workgroup set up by the QPA has led to many fruitful discussions that have helped the QPA identify what Beauport Bay users need and better understand their circumstances.



Anick Métivier
Director of Civic Responsibility

The Community Relations Committee (CRC) was once again very active this year, holding five meetings. Among the items covered this year were the 2017–2022 Sustainable Development Action Plan (2017–2022 SDAP), the Québec-Lévis industrial port zone, the liquefied natural gas ship refueling project, the “Mon environnement, ma santé” air quality study project led by Direction de la santé publique, Beauport 2020, etc. The QPA is truly grateful to CRC members for their hard work and dedication regarding these meetings.

The QPA has continued its positive and constructive relationship with the Huron-Wendat Nation. In 2017, the QPA and Wendake Tourism launched a pilot project for welcoming cruise passengers with an emphasis on Indigenous historical and cultural heritage.

Proud to have carried out its first sustainable development action plan (2014–2015 SDAP), the QPA released its second action plan for 2017–2022. This action plan is the result of the second phase of an initiative launched in 2013. The QPA chose to focus on 27 actions that will help consolidate the foundations of a progressive and participatory sustainable development approach.

The QPA has continued to collaborate with the Worldwide Network of Port Cities (AIVP), taking part in all preparations for the next world conference, to be held in Québec City. In June 2018, the Port and City of Québec will be hosting AIVP's annual general meeting and world conference. This major international gathering of the AIVP community will bring together 40 countries and hundreds of participants to discuss challenges and opportunities relating to sustainable port–community coexistence. AIVP will also be celebrating its 30th anniversary at the event.

The QPA got involved in the community in various ways in 2017, mainly by giving some sixty citizen groups and organizations tours of port facilities and by giving various seminars. The QPA also backed many causes and organizations in 2017.



This includes commitments to the various Patros, Fondation Élan, Fondation Hôtel-Dieu de Lévis, Carnaval de Québec, Club Lions Sillery–Sainte-Foy–Québec, and dozens of other equally important organizations.

It should also be noted that the QPA's collaboration with Fondation Monique-Fitz-Back (FMFB) has borne fruit. FMFB and the QPA worked together to create an educational document for primary and secondary school teachers and students on the issues and challenges of maintaining successful and sustainable port–community relations. With the teaching guides being distributed to various Québec schools, the QPA took the opportunity to hold a contest. Many participating classes got a tour of the Port of Québec, and the luckiest ones got to visit the Maritime Simulation and Resource Centre (MSRC).



Anick Métivier
Director of Civic Responsibility



The Board of Directors

Board of Directors

The Board of Directors structures its work around four committees, each made up of at least three directors. The Board and these committees met 17 times in 2017. Due to director turnover (three departures and three new arrivals), some committee meetings had to be canceled to allow committees to reform. In such cases, the Board of Directors made sure to cover any items usually handled by the committees.

Executive Committee

The Executive Committee meets under special circumstances and when the Board of Directors gives it special tasks. As permitted under its letters patent, the Board of Directors has delegated some of the Executive Committee's monitoring and oversight functions to the Governance and Human Resources Committee.

Audit Committee

The purpose of this committee is to help the Board of Directors fulfill its supervisory responsibilities by ensuring that accounting systems are reliable and internal control mechanisms are adequate. To do this, the Audit Committee reports to the Board of Directors regarding the integrity of the internal control and management systems, reviews annual budgets and financial statements before their submission, and reviews the QPA's long-term financial projections and the impact of each major investment project.

In 2017, the Audit Committee asked Management to launch an invitation to tender for the services of an auditing firm. This process takes place every five years. After analyzing the tenders, the Audit Committee recommended that the Board of Directors award the mandate to Deloitte.

Governance and Human Resources Committee

The mandate of this committee is to provide guidance to the Board of Directors regarding governance and management practices, including the application of the code of ethics and the remuneration of Port Authority directors and senior officers. The committee also oversees the implementation of human resource policies.

Environment, Security, and Health and Safety Committee

This committee helps the Board assume its supervisory responsibilities regarding environmental, security, and OHS policies, programs, and management practices. It oversees the implementation of and compliance with environmental and OHS best practices. It periodically monitors the operations of the Port Authority and its users for environmental compliance.



Board of Directors



1 Marie-France Poulin

- › Chair of the Board of Directors
- › Member of the Environment, Security, and Health and Safety Committee
- › Member of the Governance and Human Resources Committee

2 Claude Rousseau

- › Vice Chair of the Board of Directors
- › Chair of the Audit Committee

3 Marie-Huguette Cormier

- › Member of the Board of Directors
- › Chair of the Governance and Human Resources Committee

4 Esther Gaulin

- › Member of the Board of Directors
- › Member of the Audit Committee
- › Member of the Environment, Security, and Health and Safety Committee

5 Richard Savard

- › Member of the Board of Directors
- › Chair of the Environment, Security, and Health and Safety Committee

6 Marie-Soleil Tremblay

- › Member of the Board of Directors
- › Member of the Audit Committee
- › Member of the Governance and Human Resources Committee

Management Team



1 Mario Girard

› President and Chief Executive Officer



2 Patrick Robitaille

› Vice President Business Development



3 Pascal Raby

› Vice President Operations and Environment



4 Dennis Turpin

› Vice President and Chief Financial Officer



5 Alain Sans Cartier

› Vice President Public Affairs and Strategic Partnerships



6 Manon Bélanger

› Vice President Organizational Development and Human Resources



7 Marc Drouin

› Director of Information Technology and Telecommunications



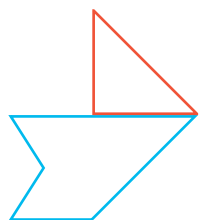
8 Karine Hébert

› Corporate Secretary and Director of Legal Affairs, Real Estate, and Compliance



Financial Results





Independent auditor's report on the summary financial statements

To the directors of the Québec Port Authority

The accompanying summary financial statements, which comprise, the summary statement of financial position as at December 31, 2017 and the summary statements of net income and comprehensive income and cash flows for the year then ended, are derived from the audited financial statements of Québec Port Authority for the year ended December 31, 2017. We expressed an unmodified opinion on those financial statements in our report dated April 25, 2018. Neither the summary financial statements nor the audited financial statements reflect the effects of events which have occurred after April 25, 2018.

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of Québec Port Authority.

Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements on the basis described in Note 1.

Auditor's Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, "Engagements to report on Summary Financial Statements".

Opinion

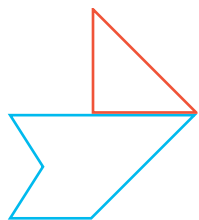
In our opinion, the summary financial statements derived from the audited financial statements of Québec Port Authority for the year ended December 31, 2017 are a fair summary of those financial statements, on the basis described in Note 1.

*Deloitte S.E.N.C.R.L./s.r.l.*¹

May 16, 2018

¹ CPA auditor, CA, public accountancy permit No. A116139

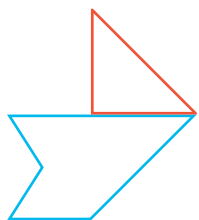
Member of Deloitte Touche Tohmatsu Limited



Summary statement of net income and comprehensive income

Year ended December 31, 2017

	2017 \$	2016 \$
Revenue from operations and other revenue	35,358,862	31,739,279
Expenses	21,854,282	21,818,672
Income before depreciation, amortization and other items	13,504,580	9,920,607
Depreciation and amortization	7,707,343	7,275,181
Income before other items	5,797,237	2,645,426
Other items	(92,834)	(19,346)
Net income	5,704,403	2,626,080
Other comprehensive income	(286,400)	780,900
Comprehensive income	5,418,003	3,406,980



Summary statement of financial position

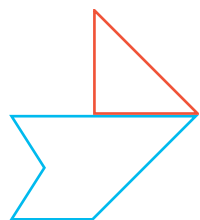
As at December 31, 2017

	2017 \$	2016 \$
Assets		
Current assets	14,092,005	12,522,037
Term loan	81,306	92,645
Trade incentives	2,060,447	3,111,518
Property, plant and equipment	142,909,398	146,213,962
Net investments in finance leases	1,774,457	3,476,217
Intangible asset	1,500,000	—
Environmental costs recoverable	579,318	585,195
	162,996,931	166,001,574
Liabilities		
Current liabilities	9,986,497	14,110,433
Note payable, without interest, maturing in 2022	750,000	—
Deferred grants	41,684,892	44,506,145
Liabilities related to trade incentives	—	2,323,258
Environmental liabilities	2,917,509	2,991,808
Employee benefits	2,526,800	2,356,700
	57,865,698	66,288,344
Authority's equity	105,131,233	99,713,230
	162,996,931	166,001,574

Approved by the Board

Director

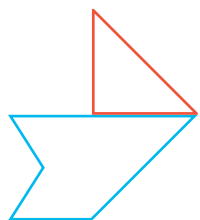
President – Chief Executive Officer



Summary statement of cash flow

Year ended December 31, 2017

	2017 \$	2016 \$
Operating activities	13,006,105	8,871,246
Investing activities		
Acquisition of property, plant and equipment	(5,983,923)	(7,947,582)
Receipts from finance leases	1,641,774	2,114,561
Receipts from term loan	10,787	128,911
Acquisition of an intangible asset	(750,000)	—
Interest received	191,472	263,768
	(4,889,890)	(5,440,342)
Financing activities		
Decrease in bank loans	(5,299,091)	(3,449,472)
Interest paid	(127,308)	(189,618)
Payment of debt related to trade incentives liabilities	(2,271,618)	—
	(7,698,017)	(3,639,090)
Net increase (decrease) in cash	418,198	(208,186)
Cash, beginning of year	126,964	335,150
Cash, end of year	545,162	126,964



Note to the financial statement

Year ended December 31, 2017

1. Summary financial statements

The summary financial statements include historical financial information derived from the complete financial statements that have been prepared in accordance with International Financial Reporting Standards (IFRS) and are less detailed than these.

They only include the statement of financial position, the statement of net income and comprehensive income and the statement of cash flows. They do not include the statement of changes in the Authority's Equity nor the notes to the financial statements included in the complete financial statements.

To obtain a copy of the complete financial statements, a request must be made to the Québec Port Authority's management.





ADMINISTRATION PORTUAIRE DE QUÉBEC
QUÉBEC PORT AUTHORITY

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