



ANNUAL REPORT

2018



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Marie-France Poulin
Chair of the Board of Directors

Message from the Chair of the Board

Building on the momentum of the past two years, the Port of Québec delivered a strong performance in 2018, both in its tonnage handled and its financial results. This was a year that saw the renegotiation of NAFTA, new U.S. tariffs on steel and aluminum, political tensions between the world's major trade blocs, and the Brexit. Despite a global economy that is generally good but strongly tinged with uncertainties, the Port and its terminal operators have leveraged their strategic advantages for a thriving marine community in Québec City. Such results in an increasingly complex environment are well worth celebrating. They are also a source of pride for the entire Québec City community, which is ready to stake its claim as a major international port city.

Our strategic deepwater container terminal project, designed to strengthen our global competitiveness, made great strides in 2018. The Board of Directors was pleased to see the initiative pass an important milestone thanks to the commercial canvassing process put forward by Port management to select a partner for the project. The Port also conducted significant community outreach about the project. It continued the studies for the environmental assessment, organized public input sessions, and ran a media awareness campaign.

While development projects are essential to the future of the Port, maintaining current infrastructure is just as important, and remains a central concern of the Board. The newest sector of the Port was built in the 1960s, so the challenge is no small one. Funding from the National Trade Corridors Fund (NTCF) combined with major investments has enabled us to begin upgrading our docks, our intermodal areas, and certain public services.

This work kicks off a key reinvestment phase that will not only consolidate the foundation of our commercial activities but also have the potential to open up new markets for the Port and its operators.

We would not be able to grow without the support of our community. Relations between the Port and the community have always been important to the Board of Directors. So we have been pleased to see the Port working tirelessly to be actively involved in the community and to increase transparency around its projects and operations. Initiatives such as the Grande Fête maritime familiale, public consultations about our container terminal project, and the active participation of citizens in consultations on development projects as part of the citizen input component of our environmental process reflect the breadth and depth of our community engagement.

Within the Board itself, 2018 was an exciting year. We had three new directors join in 2017, and they have been putting their talents to work. Over the course of the year we finished making our new committee assignments to maximize the expertise of each member and make our work that much better.



Throughout the year, the Board and its committees remained hard at work innovating, integrating best governance practices, and staying focused on the Port's strategic priorities, especially in terms of sustainability and ensuring good relations between the Port and the community. All along the way, it never lost sight of the key issues facing Port Management.

We are proud to share that our steadfast efforts earned us a finalist nomination for the Fidéides award for sound governance from the Québec City Chamber of Commerce and Industry.

2018 proved to be another year of growth during which the Port continued to lay the groundwork for its long-term success. With such a solid foundation, our port will remain a strategic asset unlike any other for our community and the entire St. Lawrence Seaway.

This vitality would not be possible without the contributions of all the tradespeople who work day in and day out to develop our region's unique asset. I would like to salute the unfailing commitment of our commercial and socioeconomic partners, the Port Management Team, Port employees, and my colleagues on the Board of Directors. Their outstanding support is without a doubt the best assurance that the Port of Québec will thrive for a long time to come.



Mario Girard
President and Chief Executive Officer

Message from the President and CEO

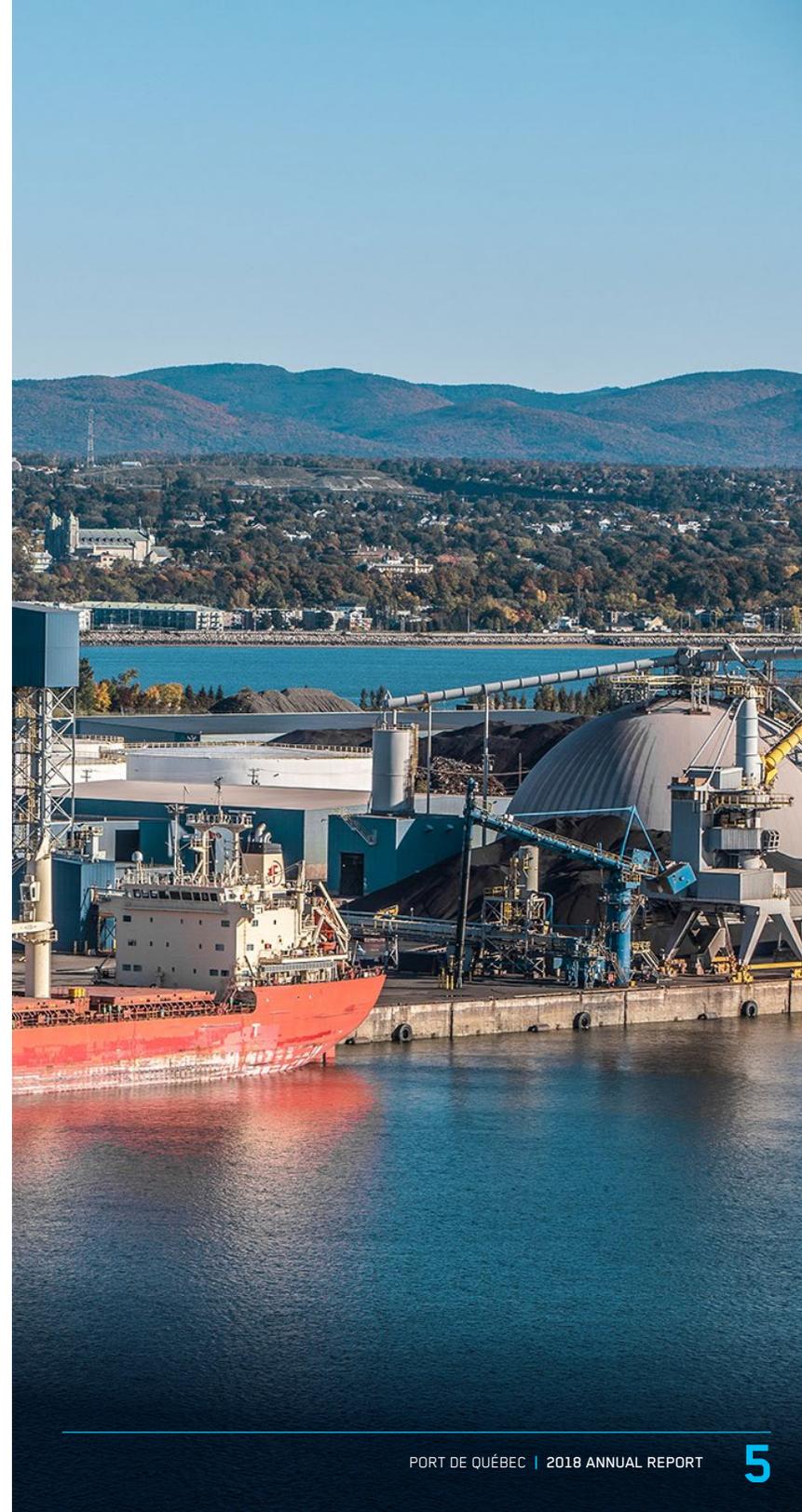
Looking back at the year that has just come to a close, we feel a great sense of pride. It has been a productive year of organizational growth. The Port of Québec and its partners have made significant progress on a number of matters, and several major projects will kick off in the coming year.

Restoration, phase one

The Port of Québec is the oldest port in Canada. While all of its infrastructure is in working condition, major investments are needed to modernize it, including some elements that were built more than a century ago.

We presented a number of restoration projects as part of the federal government's strategy to meet long-term infrastructure needs.

The National Trade Corridors Fund, created to help owners and users of infrastructure to invest in essential assets that support economic activity and transport of goods, enabled us to begin more than \$30 million in work. Rehabilitation of the drawbridge is now underway. Restoring the drawbridge is vital to economic activity in the port sector because it connects the Port's nerve centre to the rest of the city and the national road system. It provides fast, safe access for not only trucks but also buses carrying cruise passengers to tourist attractions and vehicles that need to get to and from the sector. Its reactivation will keep Canadian trade flowing smoothly as well. It serves a major terminal used for exporting grain products and importing dry bulk cargo for the construction industry.



A restoration phase will also begin with repair work on certain dock components in the Beauport and Anse-au-Foulon sectors. That work will help meet operator needs and aligns with the Port's mission to provide safe and reliable infrastructure to promote trade. The return on invested capital is not inconsiderable, as it will keep business thriving on the majority of the Port of Québec's most profitable docks.

Big plans on the business front

A highlight of 2018 was a landmark investment in the Anse-au-Foulon port sector. La Coop fédérée, an influential business partner with whom the Port has maintained a long relationship, announced a project valued at nearly \$110 million. The project will create a marine terminal for the export of grain from Québec and the rest of Canada. This will be the first Québec-owned grain terminal. That means this will be the first time our producers will be able to export their grain products themselves. In 2018, the project hit an important milestone when it went through the environmental citizen participation process and the developer held several public consultations.

The construction of a second cruise terminal, made possible with the financial support of the Québec government in the form of \$15 million in funding plus \$5 million from the City of Québec, will further enhance the quality of our facilities for welcoming international cruises, which are the envy of many North American port cities. The project represents an investment of \$30 million in the region, including site development and the purchase of specialized equipment for passenger disembarkation. The second cruise terminal will allow for simultaneous embarkation and disembarkation operations for large ships carrying 4,000 to 5,000 passengers. Once completed, this capacity-building project will help consolidate and grow the economic benefits of the cruise industry, which were estimated at more than \$221 million for the province in the most recent assessment by Business Research & Economic Advisor.

As for the Port of Québec's flagship project, the deepwater container terminal, 2018 proved pivotal on the commercial front. A tour that took us to all four corners of the planet confirmed the interest of the world's biggest players in the marine industry. Those meetings were productive and led to other, more technical discussions, which are ongoing. The deepwater container terminal is now a confirmed project that is being studied with engaged partners.

In short strong development projects have taken off and are proving the potential and attractiveness of the Port of Québec both as a port and as part of the city. The strategic initiatives that have been announced let the Port's vitality, energy, and entrepreneurial mettle shine.



The importance of social engagement

As a member of AIVP, the worldwide network of port cities, the Port of Québec hosted the 16th World Conference Cities and Ports: Next Generation in June 2018. It was the first time in 25 years that AIVP had held its world conference in North America, and Québec City was chosen in large part due to its innovative initiatives around city-port relations and sustainability. Speakers from across the globe came together to discuss best practices for changing port cities and the importance of working closely with local residents to better plan the port city of tomorrow. With its central location in Québec City, the Port has been committed to working with and for the community on all its projects in order to help improve quality life both for the current population and for future generations.

In an ongoing effort to improve our practices, we used a variety of methods to communicate our projects and activities to the community in 2018. We used well-developed methods and tools to engage with residents, we took their concerns and comments into consideration, and we adapted our projects accordingly. It is important to underscore the considerable work of the Community Relations Committee, with which the Port met six times in 2018, and to thank them for their active involvement.

The Port has also been active in the community. It contributed to the development of premium public spaces and events, for example. Between the beach at Beauport Bay, the launch of the green initiatives, the pop-up public square at Anse Brown, the opening of Strøm Spa, and countless riverfront events, the Port of Québec has really stood out in 2018.





International cruises

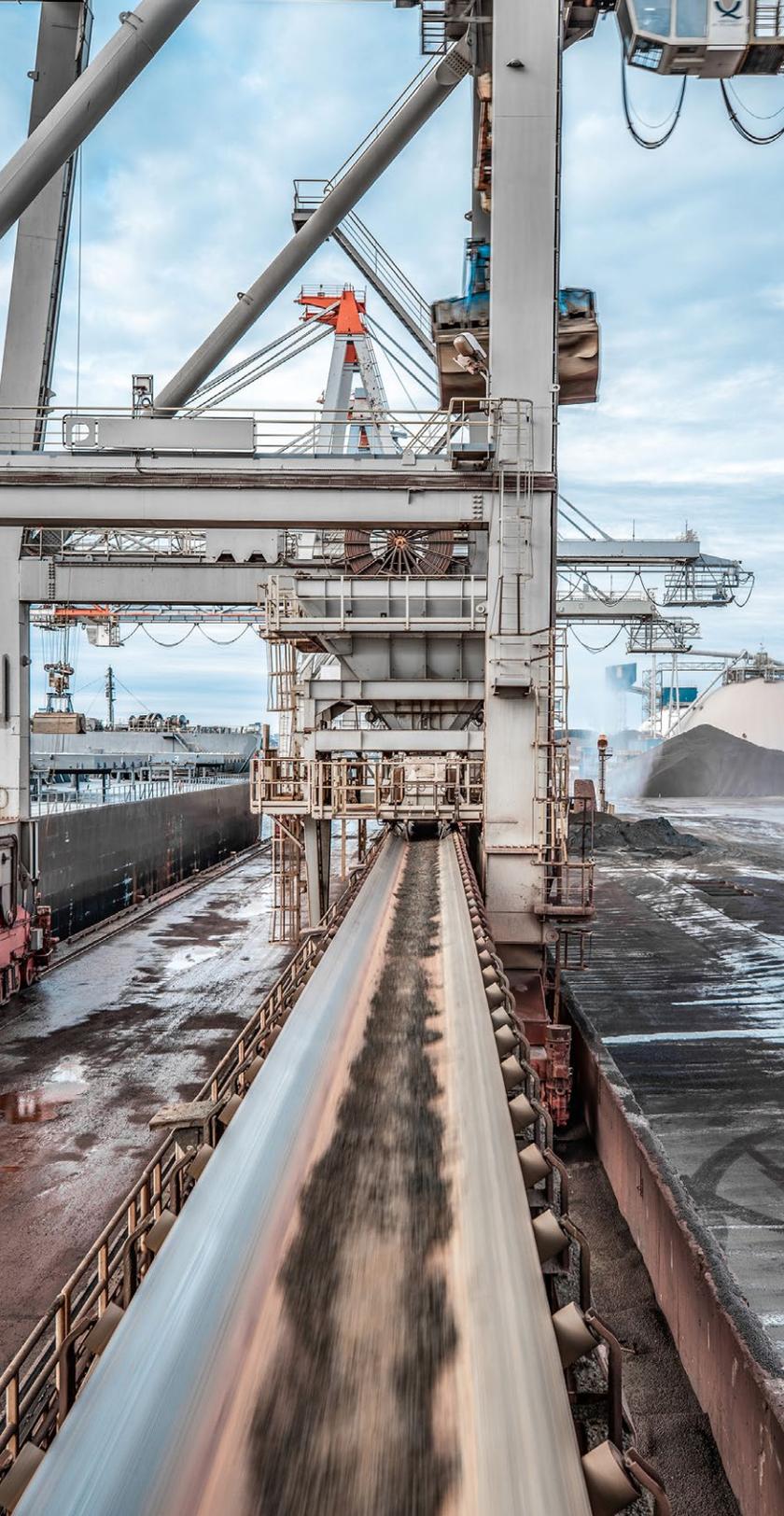
Not only was the Port of Québec picked as the Best Canadian Port by *Porthole Cruise Magazine* on the 20th anniversary of its Readers' Choice Awards, it also saw a big rise in the number of passengers that passed through it in 2018. After hitting a record of 200,000 visitors in 2017, the Port went on to accommodate over 230,000 visitors this year.

Québec City has made a name for itself in the Canada/New England market and is now known as a top destination. And now two more feathers have been added to its proverbial cap. In addition to being named the Top-Rated U.S. & Canada Destination by Cruise Critic, Québec City was also ranked third on the site's list of the World's Most Popular Cruise Destinations.

The *Disney Magic* also made a stop in Québec City in 2018—a historic event for the cruise industry in Québec City and Eastern Canada. The storied cruise ship drew a whole new clientele of families and young explorers. We are extremely proud to have hosted Disney Cruise Line, which inevitably gave the Port a chance to show off to the world.

The sum of many parts

The Port of Québec is constantly evolving. It is a place with big plans, strategic goals, and projects and events that bring an entire community together. It is a hub for both ideas and people, connecting Québec City to the rest of the world, and an engine for economic development. But most of all, it is an essential element in the DNA of the most beautiful city in North America: Québec!



Patrick Robitaille
Vice President of Business Development

Business Development

Growing strong

2018 was a big year in terms of tonnage, with more than 27.6 million tonnes transshipped. That includes a significant increase in the volume handled for the agrifood industry. The efficiency of the Québec City terminals operated by G3 and the Sillery Distribution Centre combined with the general business environment explain the uptick in tonnage for this sector.

In the liquid bulk sector, Vopak has had one of its best years of the past decade in terms of tonnage, and IMTT posted its second best year since it established its terminal in Québec City. Valéro continues to play the role of leading supplier of petroleum products and largest refinery in Québec, despite pausing production mid-year for maintenance.

For dry bulk, the Port of Québec is still an important hub for the Great Lakes steel industry, with large volumes of iron ore and co-products.

More than 1,000 freighters and cruise ships docked at the Port of Québec again this year, thanks to the invaluable work of everyone involved in logistics in Port of Québec waters.

Optimizing port land

Great strides were also made in optimizing and developing port land in 2018.

In the Estuary sector, construction began on a new warehouse to give ECRC and the Port maintenance team additional storage space. The decision to reserve Dock 30 entirely for recreational and tourist purposes was also confirmed, and the plan to build a new cruise terminal at Dock 30 is now underway. >

La Coop Fédérée's massive project has spurred a major reorganization of the western portion of the Anse-au-Foulon sector. This is actually the largest agri-food related project in Eastern Canada in recent years, and it is sure to strengthen the Port of Québec's position in the agri-food industry for the coming years.

Strategic positioning

The water depth at the Port of Québec's docks remains a clear strategic advantage. The ability to serve the market of the future rests on a port's ability to accommodate next-generation ships. The Port's geographic location is also important, because it enables large ships with up to 15 m of draft to sail as far as 1,300 km inland from the edge of the Atlantic to reach the U.S. Midwest. This advantage is undeniable, and it has been the cornerstone of the Port of Québec's commercial success for more than 40 years. Freighters can either offload in Québec City before continuing on to ports upstream, or they can add cargo in Québec City before heading out to sea to optimize utilization of their ship.

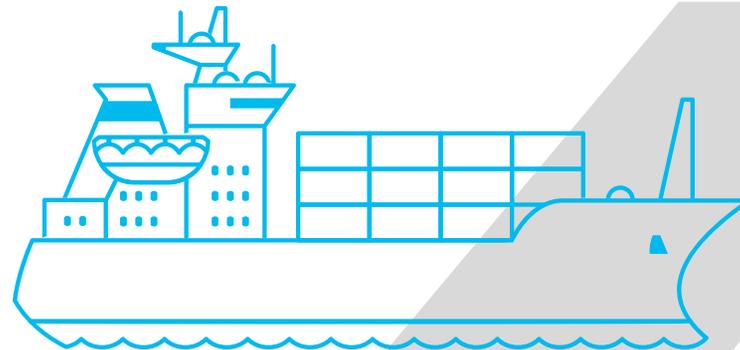
In addition, all of the Port's terminals are completely intermodal, with access to major road and rail corridors. The Port of Québec is the deepwater port for bulk—and soon container—cargo intended for the Great Lakes market.

Deepwater container terminal

Ships are only getting bigger in the maritime industry. This trend has led to major redevelopment work in recent years, such as the expansion of the Panama Canal in 2016 to allow ships that require a depth of 15 m to pass. The Bayonne Bridge in New York City was also raised as part of a four-year project completed in 2017 to accommodate the new ships using the Panama Canal. The new U.S. East Coast standards propose container ships that are over 11,000 twenty-foot equivalent units (TEU). Ports are now racing to develop deepwater capabilities and are investing massive amounts in these projects.

The Port of Québec has a solution with its new deepwater container terminal project in Beauport. The project leverages the Port's unique assets to offer new facilities that will multiply the benefits for the entire St. Lawrence Seaway, not just the Port of Québec. It enables us to respond to global trends and build alliances with other ports.

This year was an inflection point in our commercial progress on this project of strategic importance for the entire province. We went on a world tour to present the project to leading global terminal operators. The deepwater container terminal is now a confirmed project that is being studied with serious, engaged partners.





Pascal Raby
Vice President of Operations
and the Environment

We take care of our environment

Sustainable Development Action Plan (2017–2022)

Completed in 2018:

- Installed electric kiosks and purchased electric and hybrid vehicles
- Put in place a noise monitoring system, including testing stations in the Anse-au-Foulon sector

Industry leader: The Port of Québec is a leader in Québec's maritime and port community and a founding member of Green Marine (since 2008).

Awarded ICI on recycle + certification from Recyc-Québec, which recognizes measures taken to support sound waste management for QPA's six locations.

We love nature

Listening and responding

- If residents have complaints, questions, or concerns, they can call the Environment Line at any time at 418-263-3830.
- The Environment team responds to all calls and makes sure any necessary actions are taken. Anyone who contacts the Port will receive a call back.

Air quality

- Real-time information and data on air quality is available on our website: <https://www.portquebec.ca/en/were-committed/we-take-care-of-our-environment/continuous-management-of-the-air-quality>.
- QPA contributed to the public health department's "My Environment, My Health" project by sharing air quality data collected in the community since 2015.

Fauna

- Worked on gaining a detailed understanding of our aquatic and avian environment
- Improved the bank swallow habitat. The addition of a second nesting box considerably boosted the size of the bank swallow colony nesting in Beauport Bay.

Flora

- A green initiative—300 trees and shrubs planted in Beauport Bay—was created in cooperation with Association forestière des deux rives (AF2R). The ultimate objective is to green some 4.4 hectares of port land between now and 2022, which will represent a total of approximately 4,500 trees and shrubs.

Green Marine

Respecting and protecting the environment are extremely important to the Québec Port Authority (QPA). That's why the QPA is a founding member of Green Marine, an ambitious environmental certification program for the Canadian and American marine industry. To learn more about this organization and find out the QPA's certification level, visit www.green-marine.org.



Michel Petit
Harbour Master and Director of Port Services

"We're here to serve the port"

Fast Facts

Harbour Services

63,867 phone calls

Security

8,338 security reports produced in 2018
(an average of 23 per day)



Nancy Houley
Director of Cruise Development

Québec City, Best Canadian Port

The Port of Québec's 2018 season

This was another historic year for the Port with 230,940 visitors, up nearly 15% compared to 2017. Passengers and crew members came in on 156 cruise ships, 14 of which embarked and disembarked in Québec City. Even more exciting, the Port welcomed eight ships making their maiden call, including two new cruise lines sailing the St. Lawrence for the first time ever: Disney Cruise Line and Winstar Cruise.

Maiden calls for eight ships

- *Sea Princess*
- *Royal Princess* by Princess Cruises
- *Adventure of the Seas* by Royal Caribbean Cruise Line
- *Star Pride* by Windstar Cruises
- *Disney Magic* by Disney Cruise Line
- *Silver Spirit* and *Silver Wind* by Silversea
- *AIDAvita* by AIDA Cruises

Port of Québec the best in Canada

In recent years, Québec City has made a name for itself in the Canada/New England market and is now known as a top destination. In 2018, the Port was awarded Best Canadian Port by *Porthole Cruise Magazine* in the 20th anniversary of the Readers' Choice Awards. That was on top of two distinctions received in July. In addition to being named the Top-Rated U.S. & Canada Destination by Cruise Critic, Québec City was also ranked third on the site's list of the World's Most Popular Cruise Destinations.

DISTINCTIONS



BEST CANADIAN PORT



BEST CRUISE DESTINATION
CANADA-USA



3RD PLACE-BEST
CRUISE DESTINATION
IN THE WORLD

These awards show the international cruise industry that, in addition to being one of the best cruise destinations, Québec City has the infrastructure and port development projects needed to accommodate a growing industry.



Once upon a time...Disney

When the *Disney Magic* by Disney Cruise Line came to berth in a historic first, Place des Canotiers was full of festivities that had the children grinning from ear to ear. Disney fans young and old came dressed as their favourite Disney characters to see fireworks celebrating the cruise line's inaugural visit. The occasion was fun for both passengers and locals, and it generated incredible international visibility for Québec City as a cruise destination.

A big thanks to the partners who made it all possible: the City of Québec, AML Cruises, Les Créations Pyro, Radio-Canada ICI Québec, and Commission de la capitale nationale du Québec.

A second terminal to benefit the entire region

With the announcement of a \$15 million contribution to the Québec Port Authority from the Government of Québec and another \$5 million from the City of Québec, the Port of Québec will be able to improve its facilities for welcoming international cruises, a project that represents a \$30 million investment in the Québec City region.

The project involves building a second cruise terminal allowing for simultaneous embarkation and disembarkation operations for large ships (4,000 to 5,000 passengers), which includes site development and the purchase of specialized equipment for passenger disembarkation.

Bolstering tourism in the region

Cruises are a major boon for tourism in the Québec City area. According to a study conducted in April 2017 by Business Research & Economic Advisors (BREA), the economic impact of the industry is estimated at over \$221 million for the province. The economic impact for Québec City is estimated at \$106 million, including \$73 million in cruise line spending and \$30 million in passenger spending.

Strong regional collaboration

Following Québec City's International Cruise Forum in February 2014, the city's economic and tourism community rallied together to support the continued growth of the cruise industry. Together, they agreed to set an objective of welcoming 400,000 passengers by 2025. The Port of Québec and its partners have been actively developing cruise-related business, and their efforts have brought Québec City closer to its objective every year.

The Port would like to thank everyone involved for their contributions, especially the City of Québec, whose special events team helped ensure coordination and a smooth traffic flow on these high-volume days. We would also like to thank our partners involved in developing the cruise 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 St. Lawrence Association, and Ministère du Tourisme.





Geneviève Dupont
Director of Health and Safety

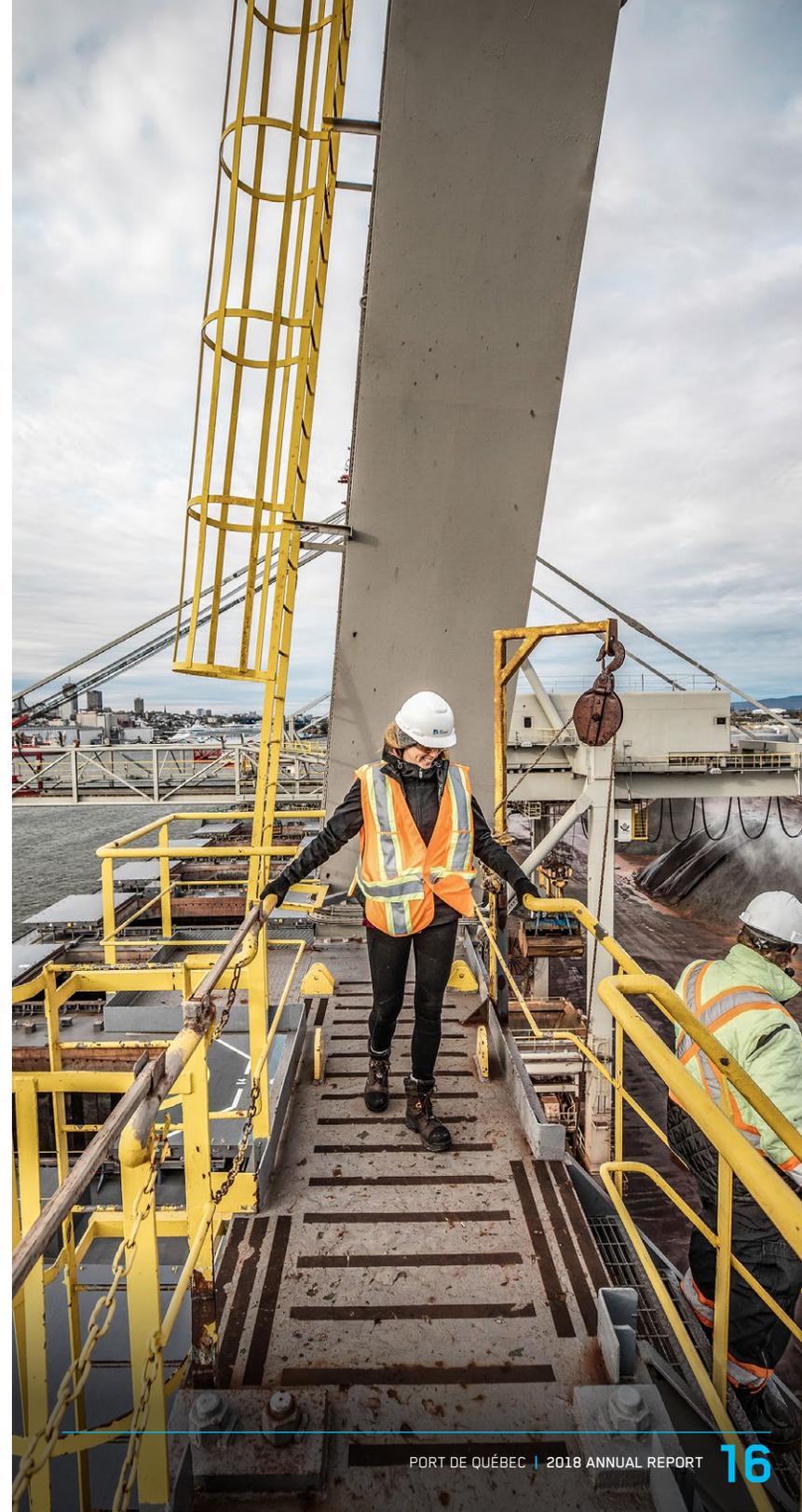
Health and Safety for Everyone

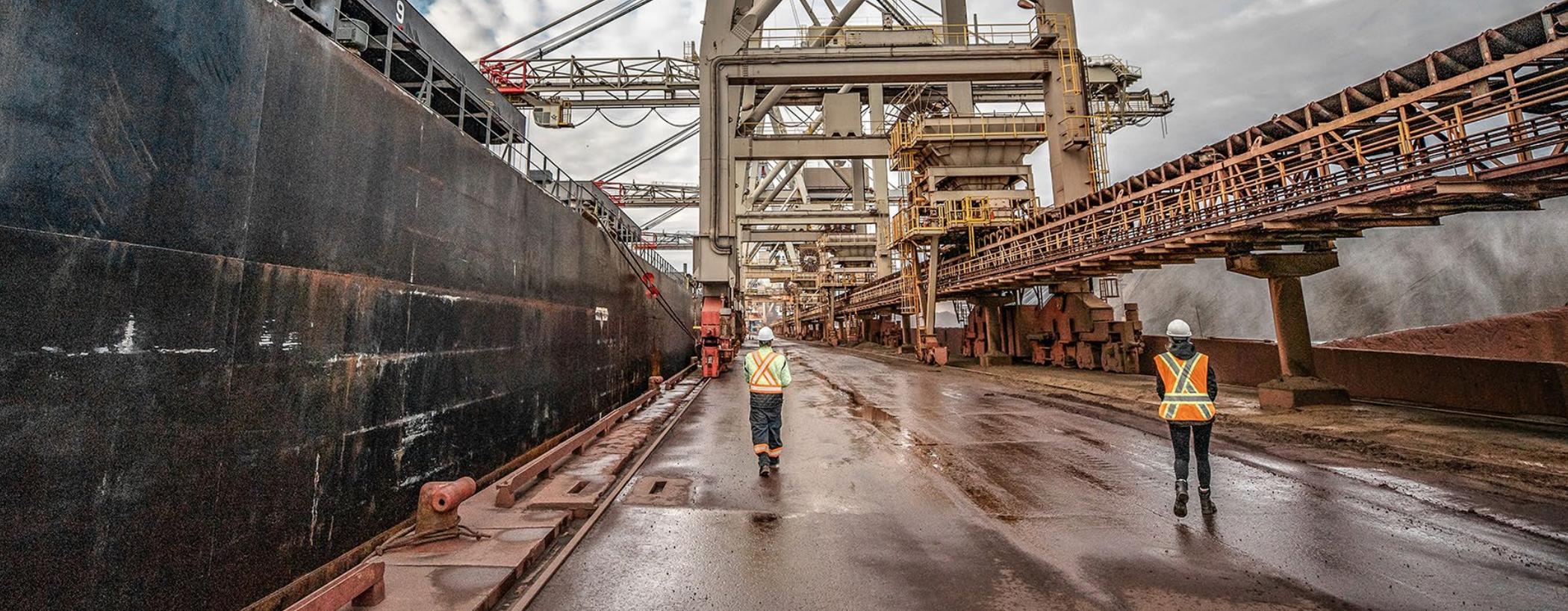
For the Québec Port Authority (QPA), the health and safety of our employees is a priority. The QPA's commitment to providing a safe, healthy workplace to all our staff is as strong as ever.

We also care about health and safety on the entire port territory. That is why the Committee on Operator Health and Safety continues its collaboration with the QPA to ensure a safe work environment across the territory. The QPA worked with the committee to improve its port territory access procedure, including a welcome video. The video goes over the common rules for the territory regarding health, safety, security, and the environment, which is essential for ensuring the safety and security of staff, operators, contractors, and the public. The new access procedure is being rolled out over a two-year period in phases based on the specifics of each stakeholder group.

The access permission procedure was aligned with the process for obtaining port passes and can be completed directly on the QPA website, which makes everything much easier.

Every day, through its actions and efforts, the QPA drives and promotes a culture of workplace health and safety. Maintaining the arc flash, lockout/tagout, and confined spaces programs remains a priority, in addition to implementing a number of work and document procedures from the OHS management system. The physical presence of operations officials and the OHS director will be essential to continue raising employee awareness of risks and dangers, especially as activity on the territory increases. As a result, the QPA plans to add an OHS professional in early 2019.





Training our workers is also key. It is a simple and effective way to pass on the information they need to properly manage OHS concerns and raise staff awareness. Every single new employee and safety officer at the QPA has received basic OHS training. Job-specific training has also been provided on topics ranging from rail work to driving a straddle carrier safely to testing energy efficiency. More than 500 hours of training were given to employees and safety officers in 2018. OHS welcome sessions were also given to cruise operator partners and contractors working on our projects on the territory.

To support employee health, we enhanced our facilities to encourage the use of bikes and physical activity. And for the sixth year in a row, the QPA offered a wellness program for staff including a health expo, talks, and athletic competitions. It will be back again in 2019 to respond even better to employees' needs.



Réjean Picard
Vice President of Infrastructure Development

Infrastructure Improvements

The first phase in the Port infrastructure upgrade project is underway thanks to the financial support of the Government of Canada, through the National Trade Corridors Fund. This \$15 million investment will help generate others, for a total of more than \$30 million. The construction prepared in 2018 will begin in 2019.

Key infrastructure work completed or begun in 2018

▶ Repair of precast keys in Anse-au-Foulon and Beauport

Repair work on the precast keys in Anse-au-Foulon began in 2018, with the goal of solving recurring issues with the docks settling. For the Beauport sector, studies were conducted in 2018 and corrective work was prepared to address deficiencies in the keys. Construction will begin in 2019. Note that the majority of the docks in service on the QPA territory are built on huge wooden or concrete footings that rest on the ocean floor, and structural components called “keys” are installed between the footings to connect them and close the gap between the structures.

► Drawbridge rehabilitation

Analysis and design work began in 2018 on the rehabilitation and reactivation of the drawbridge in the Estuary sector. These activities will continue in 2019, with construction set to begin in winter of the same year.

► Dock ladder upgrade

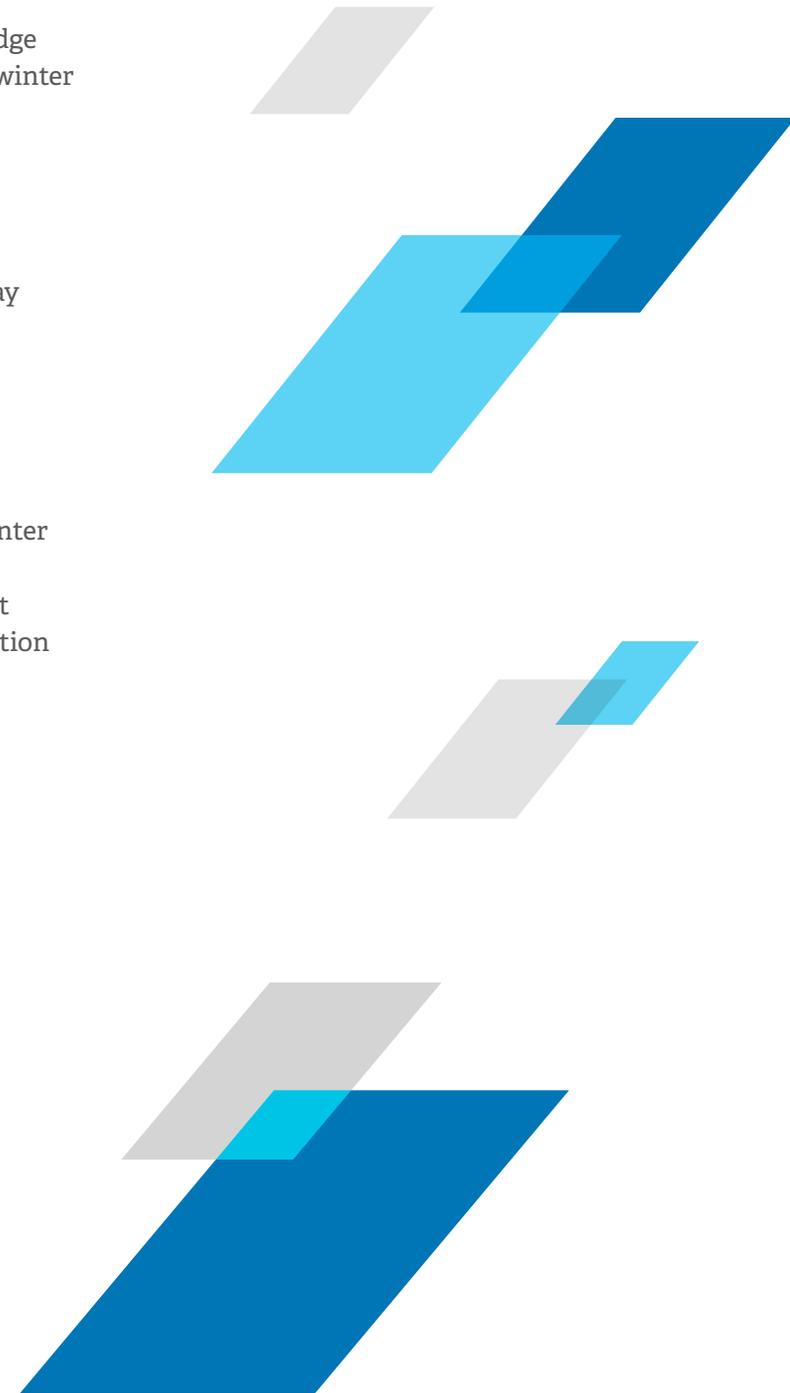
Preparation work related to the QPA program to refurbish the ladders on all docks is underway and will last two years.

► Repair of cope walls in Beauport sector

Analysis and design plans for repairing all the cope walls in the Beauport sector is underway. This repair work will improve worker safety and ensure the structures last. It will begin in winter 2019. Note that the cope walls are the upper part of the docks. They are made of concrete and supported by concrete or wood footings set on the sea floor. The cope walls are the visible part of the docks where the mooring bollards are installed. Keeping these structures in good condition is essential to the safety of linesmen. Repair work will begin in spring 2019.

► Meter room and water system looping in Anse-au-Foulon sector

A meter room that is part of the Anse-au-Foulon water distribution system was renovated, and the system was looped to better protect the potable water supply for the sector in the event a pipe breaks.





▶ **New grain terminal**

Analysis and design plans finalized for various projects related to construction of a new COOP grain terminal in the Anse-au-Foulon sector. The planned work will support the installation of this new terminal and includes the repair of Dock 107 and its staging area, partial relocation of the 25 kV electric power grid, redevelopment of certain access roads in the Anse-au-Foulon sector, addition or modification of certain water distribution, storm sewer, and natural gas systems to properly serve the new project and existing users, and renovation work on the Anse-au-Foulon rail yard. Work will begin in 2019.

▶ **Renovation of 150 Dalhousie**

The Port Authority's main building was repaired and updated. This included replacing the south-facing windows, repairing the masonry on the east face of the building, and updating the fire protection system.

▶ **Environmental updates for three buildings**

Three buildings in Anse-au-Foulon were updated to comply with environmental standards. The work involved separating the sanitary and storm drainage systems for each building to avoid contaminated water from ending up in the sector's stormwater systems.

▶ **Dock lighting upgrade**

Work upgrading the outdoor lighting systems for docks 17, 18, and 27 was begun in 2018. The upgrade will be completed in spring 2019.



Dominique Tanguay
Director of Infrastructure Maintenance



Patrick Turcotte
Director of Cruise Operations and Events

The Terminal

Espaces Dalhousie

Here are some of the major events hosted at the Terminal:

- AIVP World Conference Cities and Ports
- Relais & Châteaux Banquet
- Google symposium
- Semaine numériQC/WAQ

Semaine numériQC is the annual week-long event that brings tech lovers to Québec City. Organized by Québec numérique with the help of a score of partner organizations, this event is for professionals, researchers, students, entrepreneurs, organizations, artists, startups, and anyone interested in tech to meet, discover what's new and exciting, and be inspired by others who share their passion for all things digital.

Total guests: **107,043**

Nombre d'évènements réalisés à l'espace Dalhousie : **208**

OUTDOOR EVENTS IN 2018

Grands Feux Loto-Québec

Disney Magic

Crépuscule circus

Festibière terrace pub

Ribfest

Madeli-Aide lobster dinner

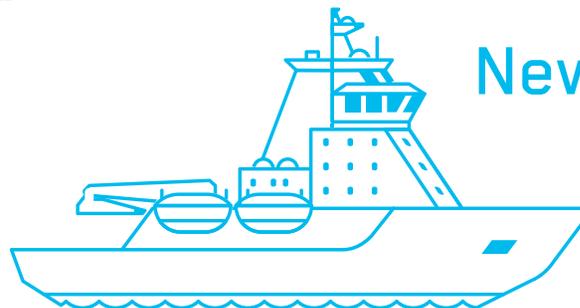
Winter Carnival boat race

Chez Victor boat race

New France Festival

Village Nordik

Dîner Entre Ciel et Terre





Kathleen Paré
Marina Director



The Port of Québec Marina: Recreation Destination

Between early May and late October the Marina comes alive as boat lovers gather for their favourite pastime. Whether they are new to the water or seasoned veterans, they share a sense of camaraderie and readiness to help one another as they enjoy this protected little body of water right in Old Québec between trips. And they love the boating events, family gatherings, training sessions, sailing classes, and other activities put on at the Marina throughout the season.

The Port of Québec Marina was awarded the Nautique d'Or gold medal in 2018 in the Marina *par excellence* category. This award from the Québec Marine Association recognizes those delivering the best in marine services in the province. This honour is concrete recognition of all our efforts to offer our community a world-class marina in terms of both facilities and services. But since we also know there is always room for improvement, this award also encourages us to continue developing our marina and to always aim higher.

The Marina also served as partner and host for the second annual In-Water Boat Show from September 14 to 16, 2018. Some 5,000 participants came to meet the exhibitors, tour yachts, take boats for a spin, learn boating safety essentials, or buy gear. The event is sure to grow and expand over the coming years, since it is the only opportunity of its kind in the city where visitors can view all sorts of vessels, try them out on the water, and take advantage of end-of-season discounts from dealers.

In addition to the 300 members who call the Marina home, we also welcomed thousands of visiting pleasure craft in 2018, including a surge in super yachts. Steady targeted canvassing efforts to get the word out about our destination among luxury private yacht owners worldwide have begun to bear fruit, with calls doubling in 2018 compared to 2017.

Nautical tourism brings a lot of energy and business to the Louise Basin in the high season.





Anick Métivier
Director of Community Relations

Community Relations

Activities and outlook

Here at the Community Relations Department (CRD), 2018 brought a wealth of insightful conversations and face time with the Port's various stakeholders.

The Québec Port Authority (QPA) is dedicated to preserving and strengthening this vital bond with our community. To that end, we meet with our stakeholders often to learn from these conversations and to explain the challenges we are tackling. This is the role of the CRD. The department reports to the CEO and is active in some twenty committees, roundtables, and working groups. It also participates in many meetings with local residents, retailers, and other members of the community. The QPA is involved with CVAP, a port watchdog group; CICEL, a cross-sector committee on environmental

contamination in La Cité-Limoilou; and Table de concertation du Vieux-Québec, to name just a few.

The CRD has also continued to seek public input as part of the process begun in 2016 for the deepwater container terminal. After updates were made to the project in December 2017, the QPA began meeting with stakeholders again to explain the changes to the project. We also held an open house in Sainte-Pétronille in response to a request from the mayor of the locale. We continued our work with the Beauport Bay User Forum as well.

Just over one year after the first meeting, the constructive discussions with this committee have led the QPA to make significant changes to respond to members' concerns.

The QPA's Community Relations Committee (CRC) also continued its work in 2018. Members met six times this year to stay informed on activities and projects taking place on the port territory. The conversations that come out of these meetings are rich and constructive, and enable the QPA to continuously improve its operations, projects, and environmental and social innovations. The CRC also held a working meeting to brainstorm ways to further develop Brown Basin in pursuit of the QPA's vision for the site: to show off Québec City's historical and maritime heritage in this unique public space. As always, the minutes from CRC meetings, the annual report drawn up by CRC members, and other informational documents are available on the QPA website.

In June 2018 the QPA hosted the World Conference of AIVP, the worldwide network of port cities. The biannual event was an impressive gathering of the global port community, making its return to North America for the first time in 25 years. This year more than 350 participants came together from more than 40 countries to discuss the next generation of port cities.

The QPA was also active in the community in 2018 by supporting 40-some organizations and embracing numerous causes closely connected to our values.



Cathy Ménard
Director of Accounting, Property,
and Purchasing

“Working at the Port of Québec is an exciting challenge. I’m fortunate to have a skilled and dedicated team that is eager to tackle these key projects that will grow and develop our organization.”

Board of Directors

The Board of Directors structures its work around four committees, each made up of at least three directors. The Board of Directors and its committees met 25 times in 2018.

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 this end, the Audit Committee 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.

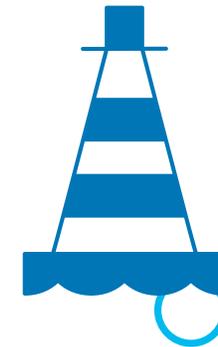
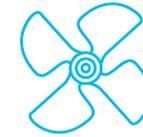
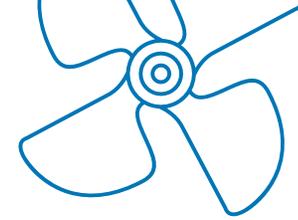
Governance and Human Resources Committee

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 resources policies.

The Board of Directors has delegated some of the Executive Committee's monitoring and oversight functions to the Governance and Human Resources Committee.

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.



Members of the Board of Directors



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



Claude Rousseau

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



Richard Savard

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



Esther Gaulin

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



Marie-Soleil Tremblay

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



Marie-Huguette Cormier

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

Management Team



Mario Girard
President and Chief Executive Officer



Réjean Picard
Vice President of Infrastructure
Development



Patrick Robitaille
Vice President of Business
Development



Pascal Raby
Vice President of Operations
and the Environment



Manon Bélanger
Vice President of Organizational
Development and Human Resources



Karine Hébert
Corporate Secretary and Director
of Legal Affairs and Compliance



Alain Sans Cartier
Vice President of Public Affairs
and Strategic Partnerships



Geneviève Lemaire
Vice President of Finance



Marc Drouin
Director of Information Technology
and Telecommunications



Don Krusel
Managing Director,
Container Terminal Project

Summary Financial statements of Québec Port Authority



Report of the Independent Auditor on the Summary Financial Statements

To the directors of Québec Port Authority

Opinion

The summary financial statements, which comprise the summary statement of financial position as at December 31, 2018, and the summary statements of net income and comprehensive income and cash flows for the year then ended, and related note, are derived from the audited financial statements of Québec Port Authority (the "Authority") for the year ended December 31, 2018.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, on the basis described in Note 1 to the summary financial statements.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the Authority's audited financial statements and the auditor's report thereon.

The summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated April 26, 2019.

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 to the summary financial statements.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standard (CAS) 810, *Engagements to Report on Summary Financial Statements*.

*Deloitte LLP*¹

April 26, 2019

¹ CPA auditor CA, public accountancy permit No. A116139



Summary statement of net income and comprehensive income

Year ended December 31, 2018

	2018 \$	2017 \$
Revenue from operations and other revenue	36,760,091	35,358,862
Expenses	25,023,898	21,854,282
Income before depreciation, amortization and other items	11,736,193	13,504,580
Depreciation and amortization	7,613,755	7,707,344
Income before other items	4,122,438	5,797,236
Other items	214,931	(92,833)
Net income	4,337,369	5,704,403
Other comprehensive income (loss)	870,300	(286,400)
Comprehensive income	5,207,669	5,418,003

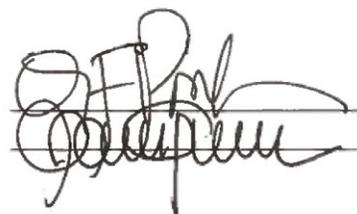


Summary statement of financial position

As at December 31, 2018

	2018 \$	2017 \$
Assets		
Current assets	18,098,826	14,092,005
Term loan	69,388	81,306
Grant receivable	84,682	—
Trade incentives	1,009,375	2,060,447
Property, plant and equipment	142,529,853	142,909,398
Net investments in finance leases	10,461	1,774,457
Intangible asset	3,500,000	1,500,000
Environmental costs recoverable	576,391	579,318
	165,878,976	162,996,931
Liabilities		
Current liabilities	10,418,147	9,986,497
Note payable, without interest, maturing in 2022	750,000	750,000
Deferred grants	39,759,905	41,684,892
Environmental liabilities	2,813,522	2,917,509
Employee benefits	1,798,500	2,526,800
	55,540,074	57,865,698
Authority's equity	110,338,902	105,131,233
	165,878,976	162,996,931

Approved by the board



, director



, president and chief executive officer



Summary statement of cash flows

Year ended December 31, 2018

	2018 \$	2017 \$
Operating activities	14,225,540	13,006,105
Investing activities		
Acquisition of property, plant and equipment	(10,223,192)	(5,983,923)
Receipts from finance leases	1,701,760	1,641,774
Receipts from term loan	11,338	10,787
Acquisition of an intangible asset	(2,000,000)	(750,000)
Interest received	166,955	191,472
Proceeds from the disposal of property, plant and equipment	97,500	—
	(10,245,639)	(4,889,890)
Financing activities		
Decrease in bank loan	(499,865)	(5,299,091)
Interest paid	(7,291)	(127,308)
Payment of debt related to trade incentives liabilities	(111,843)	(2,271,618)
	(618,999)	(7,698,017)
Net increase in cash	3,360,902	418,198
Cash, beginning of year	545,162	126,964
Cash, end of year	3,906,064	545,162



Note to the summary financial statements

Year ended December 31, 2018

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 a summary of the statement of financial position, of the statement of net income and comprehensive income and of 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.





PORT
QUÉBEC

ADMINISTRATION PORTUAIRE DE QUÉBEC
QUÉBEC PORT AUTHORITY

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