



# 2014

ANNUAL  
REPORT

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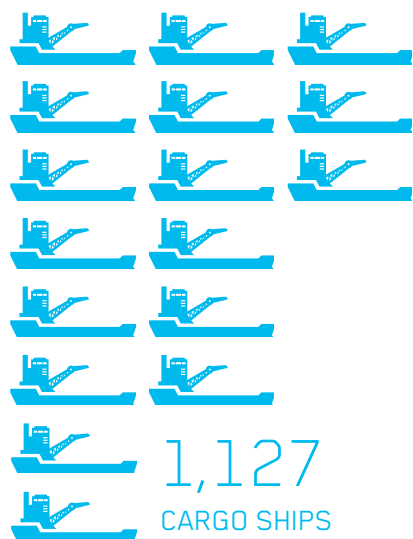
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# PORT OF QUÉBEC:

## MERCHANDISE



DRY BULK

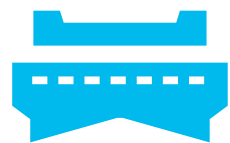


DRY AND LIQUID BULK: A TOTAL OF **24 MILLION TONNES** IN 2014

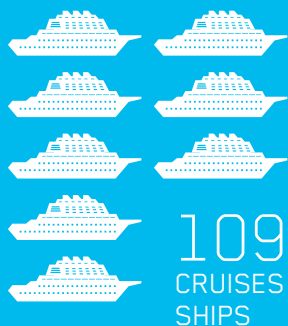


THE PORT OF QUÉBEC IS THE **MAIN TRANSFER POINT FOR INTERNATIONAL GOODS** COMING TO OR FROM THE GREAT LAKES REGION

THE PORT OF QUÉBEC IS THE **CONTINENTAL GATEWAY** FOR THE **ONTARIO-QUÉBEC TRADE CORRIDOR.**



## CRUISES



QUÉBEC IS A DESTINATION OF CHOICE ON THE ST. LAWRENCE



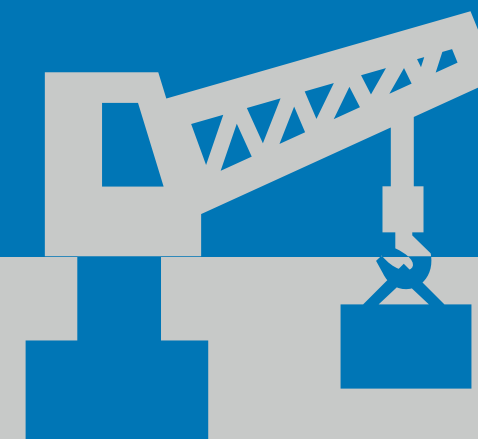
RECORD IN A SINGLE DAY

6 SHIPS DOCKED 20,000 VISITORS



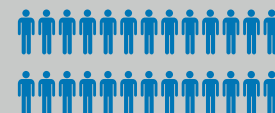
ON OCTOBER 10<sup>TH</sup>, THE **MILLIONTH PASSENGER** ARRIVED AT THE PORT OF QUÉBEC

# GENERAL STATISTICS

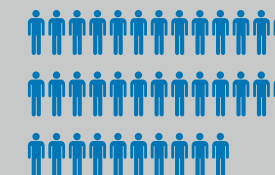


## INFRASTRUCTURES

THE QPA ACTS AS A MARITIME POLE TO CREATE AND MAINTAIN:



5,000  
JOBS IN THE GREATER QUÉBEC CITY AREA



7,000  
JOBS IN QUÉBEC



9,800  
JOBS IN CANADA

## JOBS

# Message from the Chairman of the Board of Directors

This word from the Chairman has a special significance, because it will be the last I deliver in this capacity. In addition to the annual review, I take the opportunity to review and reflect on my experience with the Port. If the Port of Québec is certainly a part of the foundation of Canadian trade, it is also part of the city's DNA, playing a role in its creation, its development and its success. Serving as Chairman has been both an honour and a pleasure.

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**Dr Éric Dupont,**  
Chairman of the Board of Directors

Upon taking on this role, I wanted to make the Port a modern organization in terms of governance, with reliable processes and clear rules. I sought an organization at the forefront in environment, community relations, health and safety, information technology and performance management. I am proud to say that, at the end of my term, we have attained a healthy and rigorous organization, capable of addressing the significant challenges and opportunities we face.

As the last deep-water port on the St. Lawrence, the Port of Québec specializes in the transshipment of liquid and solid bulk.

With a wide range of goods transiting through its facilities, it is undoubtedly an international port. Import and export operations are carried out on its wharves daily. Undeniably, the Port is likely the most international of Québec's organizations.



In 2014, the Port delivered a number of projects that had been in the preparation and planning phase during my term. The launch of the first sustainable development action plan in the Port's history is something I am very proud of. Many hours were devoted to this concrete plan that will push our organization and partners towards best practices in sustainable development. The Anse au Foulon harbour walkway is an exciting project that will combine port activities with recreational activities in the sector. This project will benefit citizens to better understand the history of Québec's port and the activities it carries out today.

We also saw last year the construction of a wood pellet terminal at Anse au Foulon. This groundbreaking terminal has a strategic position with respect to local producers. The Port of Québec is also the first deep-water port on the St. Lawrence River making it possible to load large quantities of wood pellets onto ocean-going vessels.

Another matter that has been a focus for the Board is a vision for the future of the Louise Basin perimeter, which forms the base of the Port of Québec. We discussed various possibilities in preparing the final project, which will soon be presented to the public and subject to a consultation. These discussions reminded us that the port has a long history dating back as far as the founding of the city, over 400 years ago. This historical reality reminds us that our most recent facilities were built almost 50 years ago. Continued global growth in the demand for marine transportation in recent decades has led to pressure on the Port of Québec's facilities; upgrading these facilities is becoming increasingly essential.

I mentioned this matter at the beginning of this text; we have updated the organization's governance and administration rules. The mission and responsibility of the Port's team is now to update these physical facilities.

## A CONTINENTAL GATEWAY

With its multimodal transport network allowing the use of multiple complementary modes of transport—ship, road and rail—to move commodities, the Port of Québec is the gate to an impressive North American trade corridor: the Ontario-Quebec Trade Corridor. This multimodal aspect is essential for the entire trade corridor because it provides access to a region's rural areas by road or rail via major maritime routes that are necessary for overseas trade, which often involves the transit of large volumes of freight. The Port of Québec is a continental gateway precisely because it makes this kind of transit possible.

In the context of a global economy in which production centres are distanced from major markets, trade corridors and continental gateways have become essential elements of a country's economic competitiveness. An efficient trade corridor facilitating quick and unencumbered passage of goods provides access to key global markets and production centres and reduces the cost of imported and exported goods. Québec has a major competitive advantage: the natural water depth at low tide. With a depth reaching 15 metres, the Port of Québec is the last port on the St. Lawrence before the Great Lakes that offers this key advantage. Port facilities in Québec make it possible for businesses that require an effective, flexible and cost-effective transport system to be competitive in a global economy.

The Port of Québec also symbolizes the presence in our community of the most eco-friendly mode of transport. With its enormous transport capacity, marine transportation offers a major competitive advantage in terms of the environment. For instance, a small-sized ship able to transport 25,000 tonnes of merchandise means 870 fewer trucks on the road, or 225 fewer railway cars. This is a real asset for a community such as Québec that defines itself by its quality of life.

Also in terms of quality of life, it is important to remember that the Port of Québec stands out with respect to urban planning. More than 20% of port territory is used for parks, bike and walking paths or for leisure activities. This feature characterizes the Port on an international perspective. The Port of Québec knows how to combine the needs of the city with the needs of the Port. It provides citizens with access to the territory and the river. With its orientation that undoubtedly fosters city-port integration; the Port is truly a development tool for the community.

The Port of Québec is  
the gate to an impressive  
North American trade  
corridor

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## JUSTIFIED INVESTMENTS

International marine transportation accounts for almost 90% of global trade tonnage. In terms of Canada's trade with countries other than the United States, marine transportation is used for more than 96% of the tonnage of Canadian exports; marine transportation is also the method used for 66% of the value of its exports. This type of transport is thus crucial for Canada's economic development.

As globalization of markets result in a significant increase in the trade between different regions of the world, marine transportation will play a bigger role in the global economy.

The importance of having and maintaining a trade corridor in Eastern Canada justifies significant and ongoing investments from private or public stakeholders that are involved in transporting various goods. To develop corridors and ports of entry and exit, transport infrastructures such as road, railways and port facilities must be built and updated.

In this context, Québec's port facilities find themselves at a crossroads. Major investment will be required to maintain and consolidate the Port of Québec's competitive position as a hub for international trade. In this respect, undertaking major infrastructure projects such as the expansion of the Beauport sector is essential to ensure the Port's sustainability, which will play a fundamental role in Canada's international trade supply chain.

We have implemented the necessary rules and procedures for port projects to be completed according to the highest standards and in compliance with the strictest rules. As Chairman, I am very proud to have contributed to the Port of Québec's economic, environmental and social development. The Port of Québec is and will remain a port that generates economic benefits, and a true provider of quality of life. Of this we should all be very proud.

Dr Éric Dupont  
Chairman of the Board of Directors



# Message from the President and CEO

I am proud to co-sign the annual report of the Québec Port Authority (QPA) for the fourth year in a row. 2014 was an eventful year for the Port, and I will share an overview with you.



## **SUSTAINABLE DEVELOPMENT: AT THE HEART OF OUR ACTIONS**

Through the concept of sustainable development, we are aiming to meet our current needs and our aspirations for growth, while also ensuring that future generations can meet their own needs.

It is within this context that the Port of Québec launched the first sustainable development action plan in the Port's history in April 2014. This plan follows up on a commitment I made as President and CEO in January 2011. Applicable to 2014 and 2015, the plan represents the biggest achievement in the sustainable development approach officially adopted by the QPA. The plan includes 3 key objectives and 16 priority actions that will push our organization and partners towards best practices in sustainable development for every project carried out on port territory.

This plan is a strategic tool that allows us to demonstrate aspects of governance and environmental performance, respect for communities and continuous improvement. Through this plan, the Port of Québec is creating a solid foundation to establish our administration as a port that listens to citizens and that is fully integrated into the community.

A tangible example of the proposed collaboration in our action plan is the restoration project for a marine environment at Anse Gilmour, located on the South Shore of the St. Lawrence. This project, planned in 2014 and completed early 2015, is the result of partnership with the City of Lévis. It allows the creation of a tidal marsh that will become an area for habitat, shelter, migration and feeding for all the species found there at high tide.



Among the other achievements of 2014 is the preliminary design for the future Anse au Foulon harbour walkway. This project proposes the development of a two-kilometre walkway between Côte Gilmour and Anse Brown. It includes a redesigned cycling path, the addition of a pedestrian path, lookouts and observation points, and features that highlight port heritage.

Through the concept of sustainable development, we are aiming to meet our current needs and our aspirations for growth

We also invited the public to discover their port during our open-house day on October 21, 2014. Approximately 7,000 people sailed the river for a guided tour of the port on Croisières AML's Louis Jolliet, visited the port with a guide via one of many buses provided, looked inside the Quebec Stevedoring Company's wood pellet terminal and visited the many booths at which all our Terminal operators showcased their activities. It was important for me to offer this event to the community so they could better understand our activities and answer their questions.

The QPA wants to thank all operators and partners for their participation, which made this day a great success.



**Mario Girard**  
President and CEO



## CARRYING OUT OUR MISSION

The Québec Port Authority also stands out at the international level. Strategic missions are carried out to promote and develop maritime trade, serve the economic interests of the Québec area and of Canada, and to ensure the Port of Québec's profitability in a way that respects both the community and the environment.

To strengthen our position at the local level and to create a better understanding of our responsibilities, we are holding a series of meetings with stakeholders in the greater communities of Québec and Lévis. During these meetings, we discuss common issues and shared concerns, and present our outlook for the coming year. This outlook covers various aspects: the economy, the community and the public. Economic leaders from Canada are also involved in our meetings to present the Port's strategic advantages and planned projects.

All members of our organization are making ongoing efforts to achieve our goals, partly through the planning of different missions and participation at various conferences. One of these important activities was our participation in the trade mission led by the Premier of Québec in China. The Port of Québec had the honour of being part of a large delegation made up of over 140 business people, school and research institution representatives and cultural industry stakeholders. This mission helped raise awareness about the Port, its strategic advantages and its development potential.

During the annual general meeting and conference of the Association of Canadian Port Authorities, we shared with our counterparts the actions our administration has implemented to mitigate the impact of our industrial activities on the environment. We also had the opportunity to do the same at Green Marine's GreenTech conference in Saint John.

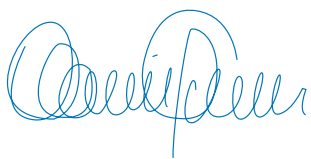
Missions were also organized in Western Canada and Norway to strengthen our economic ties with different partners and explore new opportunities.

Trade missions make it possible to open doors and develop long-term opportunities for trade and investment. These missions are a significant part of efforts to develop international trade for Canada and Québec. They offer an opportunity to showcase our expertise and competitiveness.

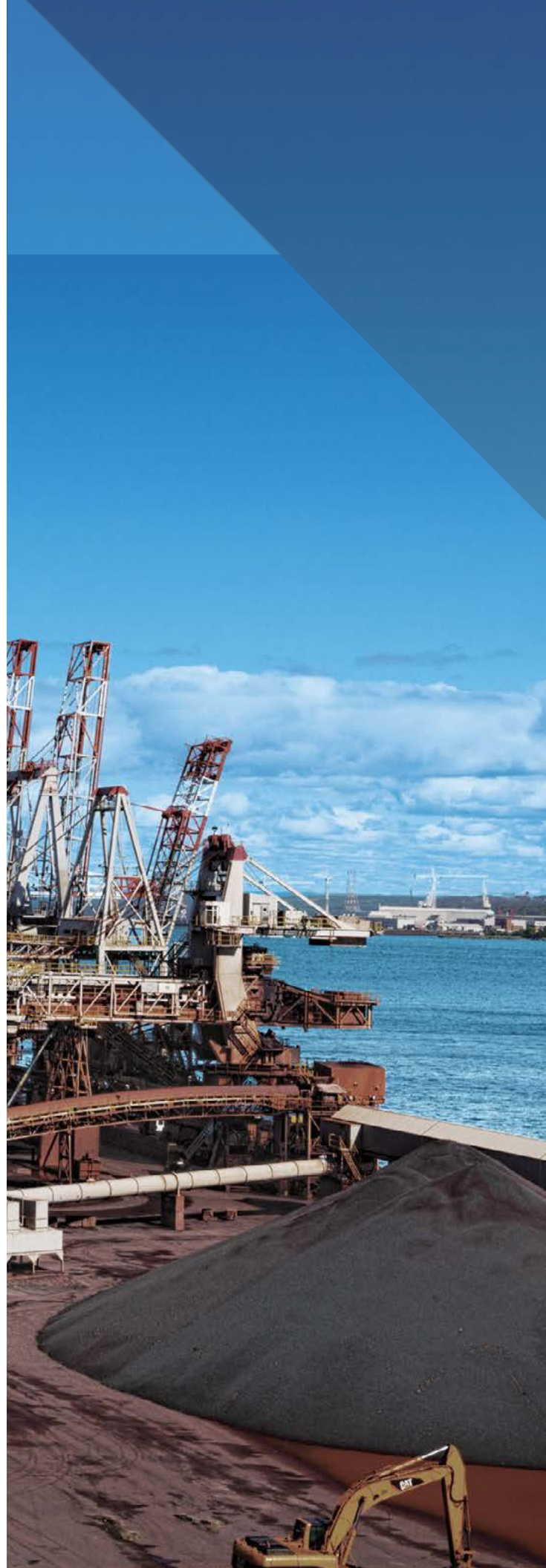
These activities help us demonstrate that marine transportation is an important link in the international transport chain. A small ship can transport 25,000 tonnes of merchandise; compared with other modes of transport, it would require 870 trucks or 225 railway cars to transport the same amount of freight. The Port of Québec can accommodate large ships with a capacity of more than 150,000 tonnes. During the last ten years, 260 million tonnes were handled at the Port of Québec. Of these 260 million tonnes, 120 million tonnes involved ships with a draft of 13 metres or more. The essential point is that without the Port of Québec, these ships would have nowhere to dock along the St. Lawrence. The region, the province and the country would lose these business opportunities to US ports.

## CONCLUSION

Whether it concerns the creation of sustainable and quality jobs, the economic impact or the strategic importance of its marine facilities, the Port of Québec is a key asset for the region and a top creator of wealth in the country. In recent years, our administration has shown that the economic growth essential for its continued success can be achieved in a responsible and sustainable way. The QPA is preparing for an important period in its history. The time has come to modernize its infrastructures to make new trade opportunities possible, and to plan the restoration of its current infrastructures. The QPA is planning structured modernization projects that meet sustainable development needs, allowing it to continue to meet growing demand from Canadian and North American economic industries and to generate the prosperity on which our country so greatly depends.



Mario Girard  
President and Chief Executive Officer



# Port of Québec: a continental gateway

Globalization has brought marine transportation into a period of sustained growth. Resources and goods circulate among various stakeholders before reaching their final use, and consumer products are rarely made in the same territory where they are consumed. The marine transportation market is therefore not stagnant or constrained by global economic growth. Generally, when the economy is growing, international trade increases twice as rapidly, which increases transportation needs and amplifies the need for public infrastructure. Port facilities in particular must be capable of meeting these needs when they occur.



In spite of recent decreases in volume, in line with the cyclic downturn in the price of natural resources, traffic at different wharves is still problematic at the Port of Québec, which is operating at maximum capacity. All land has been assigned in the long term, which affects development of new markets. In terms of tonnes handled and occupancy rates of wharves, the Port no longer has room to maneuver to properly respond to the growth of Canadian industries, resulting in significant economic losses for all sectors in the supply chain. Increasing the capacity of our infrastructures is vital, not only to meet current and future growth of Canada's foreign trade but also to restore our aging infrastructures.

## Québec is the Canadian port most used by domestic shipping fleets

Due to the nature of the freight traffic it handles and the type of logistics preferred by its clients—using ships to enter or exit the Port—Québec is the Canadian port most used by domestic shipping fleets in terms of visits and tonnage transported. Québec is also the main partner of the St. Lawrence Seaway, which greatly increases its impact on the country's economy.

The Port of Québec and its partners have established their niche by making Québec an extension of the Great Lakes, building on the ideal of transshipment between ocean-going vessels or rail carriers and Canada's fleet of lake vessels.

With its 15-metre depth at low tide, Québec is the last accessible port for an ever-growing portion of the world's fleet of large ships.

This strategic asset makes it possible to use larger ships that can travel as far as Québec, which can generate significant savings on long trips abroad, increasing the competitiveness of Canadian businesses.

## ACTIVITIES IN THE PAST YEAR

Due mostly to harsh winter conditions in 2013, 2014 was a record year for salt volumes in transit at the Port of Québec. Imported from Îles de la Madeleine, it is used for road maintenance. Significant growth was recorded for traffic related to the agri-food industry at the terminal operated by Bunge of Canada. The year 2014 also marked the return of raw sugar traffic from Brazil intended for the Canadian market, for a total of more than 3.3 million tonnes, a growth of over 80% in 2013. However, goods related to the export of inputs used for steel production (iron ore, scrap metal and others) decreased significantly due to the low price of the commodity and the incapacity of exporters to reach Asian and European markets. The drop in traffic related to the steel industry was the main cause for the overall drop in traffic recorded in 2014 at the Port. In the same manner, the slowdown in the aluminum industry and the closure of an aluminum smelter at Shawinigan considerably affected the volumes of goods related to the mining and metal industry. Coal exports destined for the European market reached a record level in 2014, for the first time surpassing 3 million tonnes transhipped. The Québec Port Authority aims to consolidate its role as an energy hub in the Ontario-Québec Trade Corridor, and the year 2014 was in line with this goal. We saw a slight slowdown in 2014 in terms of crude oil and refined petroleum products imports by ship, particularly due to the pipeline linking Valero's Jean Gaulin refinery with the Montréal market.



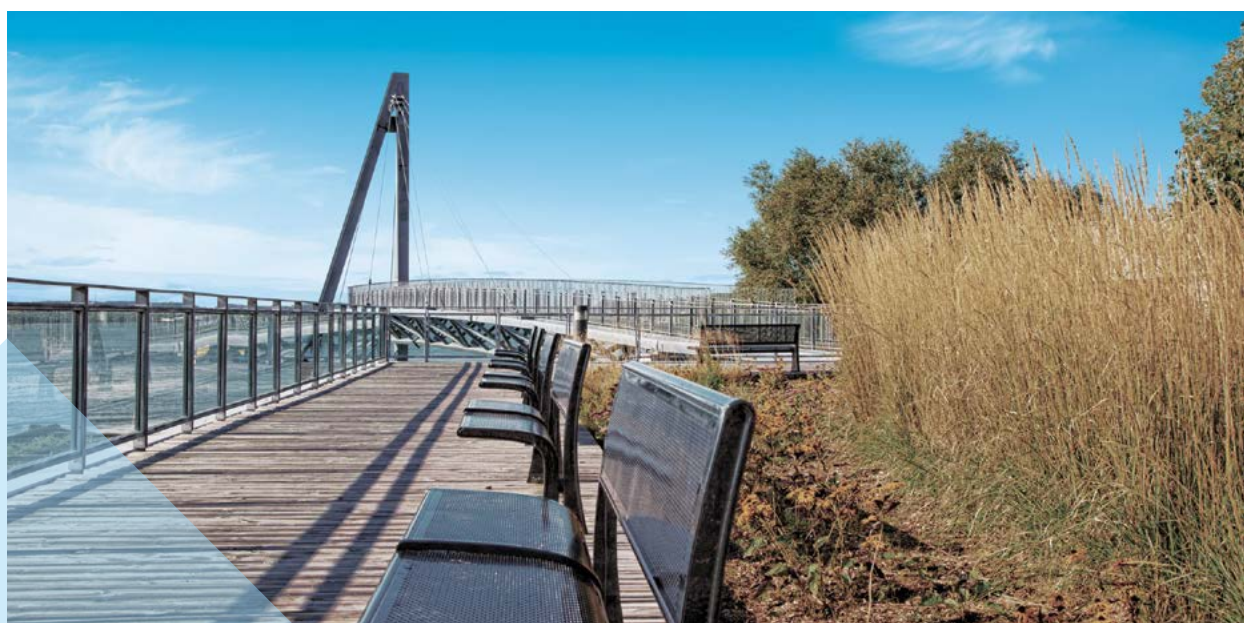
The Port of Québec and the marine industry provide many benefits to the community and generate a better quality of life in the regions of Québec and Lévis. In light of the quality of the jobs generated by the marine industry, the economic stability this industry provides, the multiple points of access to the river maintained by the Port, and the public and recreational spaces offered to citizens, it is clear that the QPA is a leading social actor.

The port and marine industry directly or indirectly generates approximately 5,000 jobs in the regions of Québec and Lévis, and the transportation of goods directly supports about 1,500 jobs.

Stability is another key element in quality of life. In that regard, the marine industry provides stability that very few other industries in Québec can offer. Regardless of macroeconomic trends, the marine transport industry continues to experience demand.

The Port also plays a strategic role in the value chain for certain materials and products, helping to maintain jobs and the competitiveness of the businesses involved. Ports are always a necessary part of the value chain for wealth creation in a country, regardless of the particular links in the chain. Investing in ports does not require that governments determine the winning links, but merely that they ensure the presence and strength of the value creation chain.

The QPA's social importance surpasses the fact that it is a workplace for its employees. The organization is a major player in developing land on both shores of the St. Lawrence. The QPA is expanding its involvement with local bodies to create extensive access to the river, to actively collaborate in urban life and to maintain a number of quality assets accessible to the entire public.



# The environment: concrete achievements

During the past year, the QPA implemented its first sustainable development action plan. Containing 3 major objectives and 16 priority actions, it positions the Port as a major player in sustainable development and further aligns the organization and its partners with best practices in every project carried out on Port territory in Québec.



The sustainable development action plan is an essential tool that allows us to focus on governance and environmental performance, respect for communities and continuous improvement.



Frédéric Maloney  
Director of the Environment

Through this plan, the Port of Québec is creating a solid foundation to establish our administration as a port that listens to citizens and that is fully integrated into the community, a port that is sustainable.

The plan also positions the Port of Québec among the leaders in the global port community. Our organization also participates in conferences that provide the opportunity to share important advances in sustainable development and to present ways to mitigate industrial impacts on its territory.

Along with these concrete actions, the Port carries out development work to maintain the environment. For this reason, in 2014, the Port planned a restoration project, in collaboration with the City of Lévis, for a marine environment at Anse Gilmour, located on the South Shore of the St. Lawrence. This project requires an investment of approximately \$1 million and allows for the creation of a tidal marsh that will become an area for habitat, shelter, migration and feeding for all the species found there at high tide. The future marsh, with an estimated area of more than 5,000 m<sup>2</sup> (the equivalent of three NHL rinks), could also serve as a nursery for certain species.



## A GROUNDBREAKING TERMINAL

The market for wood pellets has seen strong growth during recent years, particularly due to measures to reduce greenhouse gas emissions within the European Union. Environmental concerns have sparked interest in the use of wood pellets as an alternative energy source to fossil fuels. While this market is in its beginnings, it offers a number of distinct advantages, such as the use of wood waste as raw material, its high energy density and its consistency as a fuel. With the majority of exports being destined for Europe, the Port of Québec is in a strategic position for the wood pellet industry. In line with orientations for new projects in the Anse au Foulon sector, which focus on breakbulk, covered handling, low-carbon-footprint intermodality and global energy trends, a new terminal has been built to receive wood pellets.

This type of collaboration is directly inspired by our approach to sustainable development and is expressed within our action plan. The contribution of the City of Lévis not only helps to restore the marine environment, but also allows us to improve and protect urban development on the shore of Anse Gilmour.

This project is one of many carried out by the Port that exemplify our concern and respect for the environment. Since both human and industrial activities have an impact on the environment, the QPA invests each year to reduce its environmental footprint and to learn more about the environment and how it could be affected by our activities.

Along with its strategic positioning for local producers, the Port of Québec is the first deep-water port on the St. Lawrence River that makes it possible to load large quantities of wood pellets onto ocean-going vessels. This factor is fundamental in light of the significant impact of transport costs on the price of wood pellets, since logistical costs often make up more than 50% of the final costs of wood pellets. The ability to transport a significant quantity of goods on a single ship allows entrepreneurs from Eastern Canada to take advantage of major economies of scale that would otherwise be impossible to achieve. Wood pellets from Eastern Canada can therefore be sold at a competitive price on the European market. Québec and Ontario have excellent potential in this promising sector. The QPA is proud to offer a quality alternative for exports and to contribute to the environmentally friendly energy effort.



# International cruises: Québec, a destination of choice on the St. Lawrence

The charm of a World Heritage City and its first-class port facilities make Québec a destination that attracts each year thousands of cruise ship passengers to experience the tourist offerings of the Capitale-Nationale region. Still the busiest international cruise port on the St. Lawrence, Québec, now more than ever, is a unique and desirable destination for cruise ship passengers.



## BREAKING RECORDS

### A RECORD YEAR

For the third year in a row, the Port of Québec surpassed its own record, welcoming 180,836 visitors. Québec continues to be a premier destination for the Canada-New England market, hosting 26 different ships and 109 stopovers. The 180,000 or so visitors who set foot on the piers of Québec included over 45,000 crew members and 135,000 cruise ship passengers.

The Port of Québec continues to distinguish itself thanks to its embarkation/disembarkation operations. This year, 25 ships chose Québec as a destination, embarking and disembarking more than 62,000 cruise ship passengers, compared with 51,000 in 2013.

Québec continues  
to be a premier  
destination for the  
Canada-New England  
market



Nancy Houley  
Cruise Market Director

## A RECORD NUMBER OF SHIPS DOCKED

During the weekend of October 3<sup>rd</sup>, the Port reached full capacity for the very first time in its history by having six cruise ships docked at the same time with more than 20,000 passengers and crew members.

A qualified and trained workforce from various sectors was required to meet that day's challenges and to offer passengers a welcome that is on par with the world's premier destinations. 500 workers were involved in making that day a success, including 90 security guards, 60 dock labourers, 20 lines men, 25 customer service agents, 18 tourist information agents, 28 parking attendants, 100 tour guides and many others.

The Québec forum on international cruises, held in collaboration with Québec City Tourism in February, was very helpful for the creation of operational solutions for extremely busy days such as this one. The Port would like to acknowledge the contributions of all the stakeholders, including the City of Québec, through its Centre de coordination des événements spéciaux (special events coordination centre), which has helped to ensure coordination and a fluid flow of traffic on high-volume days like October 3<sup>rd</sup>.

## HISTORIC EVENTS

This year, the Port of Québec welcomed its one millionth passenger since the construction of the Ross Gaudreault Cruise Terminal in 2002. The passenger arrived on October 10<sup>th</sup> aboard the Seabourn Quest, a ship belonging to Holland America Line.

In addition, on October 24<sup>th</sup>, the Port celebrated the Queen Mary 2's 10<sup>th</sup> anniversary. This anniversary also marks the 10<sup>th</sup> anniversary of its first visit to the Port of Québec in 2004.

This was our longest international cruise season, which started on May 10<sup>th</sup> and concluded on November 12<sup>th</sup> with the arrival of the Hamburg.





# CRUISE SHIPS 2014

## TIMELINE



**FEBRUARY 27  
AND 28, 2014**

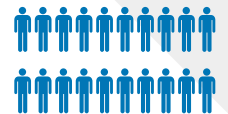
Forum on international cruises

**MAY 8, 2014**

Start of the international cruise season

**OCTOBER 10, 2014**

The Port of Québec welcomes its millionth passenger



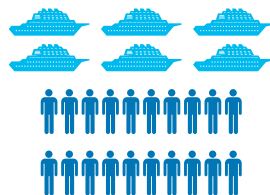
**DECEMBER 5, 2014**

New record year with 180,000 visitors



**MARCH 11, 2014**

Awarded the **Most Efficient Terminal Operations** award from *Cruise Insight Magazine*



**OCTOBER 3, 2014**

Six ships docked, 20,000 visitors



**OCTOBER 24, 2014**

10<sup>th</sup> anniversary of the *Queen Mary 2*; 10<sup>th</sup> anniversary of the first visit of the *Queen Mary 2*

# The Terminal: events on the river

A popular spot for those attending conventions, exhibitions or festive activities, the Terminal has facilities that are unique in the region.

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Its magnificent rooms offer a breathtaking view of the St. Lawrence River, and its modern, multifunctional facilities provide a complete range of services to its users.

With its wide selection of services and cutting-edge equipment, the Terminal is the ideal place to host press conferences, shows, weddings, banquets, benefits and conferences. It offers services such as Wi-Fi access, moveable sound partitions, security service, and 1,000 parking spots available nearby.

In 2014, the Terminal hosted over 100 events that were attended by 90,000 guests. The Terminal is also the main building used to welcome the thousands of cruise ship passengers who visit our region each year.

Apart from marine activities, the Port of Québec is unique because of the events held on its territory. Many gatherings are held each year, such as the Québec Winter Carnival restaurant partners' cocktail party, the California wine festival, the Sillery Lions Club's cocktail party, and the Salon Info-Vélo, which alone generates 17,000 visitors during the weekend of the event. The Terminal is also proud to present the "Big Fashion Sale by Québec Designers", which twice a year attracts over 20,000 shoppers.

All of these events, which benefit the region, are appreciated by the population of the greater Québec area.



**Patrick Turcotte**  
Terminal Director

# The Marina: a wharf in the heart of the city

With the most beautiful view in the city, the Port of Québec Marina continues to be a dream destination for boaters. Our marina offers access to a wharf in the heart of the city.

Home port for 400 members, the Marina also welcomes almost 1,000 visiting boats each season, for a total of 2,200 overnight stays in the last year. These tourist boaters come from the Maritime Provinces, Ontario and the United States, as well as Québec. Over the years, we have developed a clientele with luxurious 80- to 250-foot private boats known as mega yachts. This clientele values our Marina because of its services and its proximity to Old Québec. The Marina has the necessary facilities to accommodate these large boats and to provide services tailored to meet their specific needs, whether they be repairs, boat supplies or information on tourism.

After carrying out major work, the Port of Québec Marina now offers a brand new reception building with greatly improved services. Recent developments make it possible to provide complete services to boaters.

In 2014, the Marina was at the centre of different events such as the Rendez-vous naval, the Fête du Nautisme, an exhibition of hand-painted sails, guided tours of boats, a Canadian Power and Sail Squadrons gathering, a big family BBQ and many other activities. Another notable activity is Les Grands Voiliers, which took place from September 5<sup>th</sup> to 7<sup>th</sup> and attracted a huge turnout. Tens of thousands of visitors came to walk on the Marina's wharves to discover and enjoy the seven visiting tall ships in Québec.

Our marina offers access to a wharf in the heart of the city.



**Kathleen Paré**  
Marina Director

# Harbour services: monitoring and vigilance

The Port of Québec provides guaranteed harbour services around the clock. Day and night, our officers offer a wide range of services to port operators.

## THESE SERVICES INCLUDE:

- Ensuring safety, security and protection of the environment
- Authorizing entries, exits and movements on port territory
- Ensuring the enforcement of acts and regulations
- Coordinating and supervising the handling of hazardous goods
- Coordinating and monitoring the movements of ships and other buoyant apparatuses
- Providing technical and operational expertise
- Responding to and providing coordination during emergencies on port territory
- Providing customer service around the clock, 365 days a year



**Michel Petit**  
Portmaster and Director  
of Port Services

Harbour services provide the essential connexion for the fluidity of marine traffic and intermodal operations on port territory.

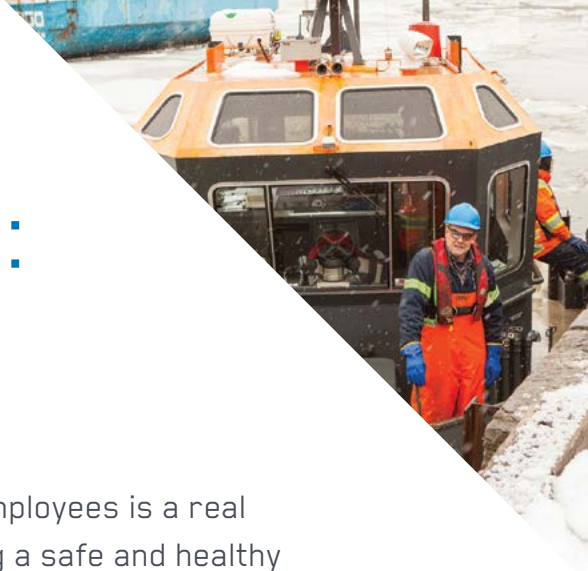
To enhance harbour services, a new system of high-performance cameras was installed to monitor operations on the ground in real time. In addition, in 2014, port territory signage was completely redone to better identify the premises.

The Port of Québec is renowned for the top-notch security of its facilities. It provides a secure and reliable venue for commercial activities, passengers, crew members, ground personnel and goods arriving from all over the world.

In addition, the Port has an obligation to ensure that safety standards are respected on its territory, in accordance with the ISPS (International Ship and Port Security) Code.

For a port as busy and dynamic as Québec's, the role of harbour and safety services is both strategic and essential. The Port serves as a platform for commercial, industrial, recreational and tourist activities. For the QPA, it is essential that all the elements required for ensuring safety and for the effectiveness of operations be firmly established and respected. Awareness is necessary in the different departments linked together in kind and function.

# Health and safety: a critical year



For the Québec Port Authority, the health and safety of employees is a real priority. The Authority is expressly committed to providing a safe and healthy work environment for all the organization's staff.



Health and safety are part of the welcoming and integration process for all new employees. The QPA invests continuously in training for its employees. In 2014, almost 1,000 hours of training were given to employees and managers.

Several major projects were completed during the past year. Specifically, the QPA demonstrated its willingness to do more than merely follow electrical regulation by establishing its project to protect against arc flashes. The Port of Québec has its own electrical distribution network, with more than 1,300 components of electrical equipment of all kinds, ranging from 600 V to 25 kV. In light of the seriousness of electrical hazards, this project, based on the CSA Z462-12 standard, helps ensure the safety of its workers through different actions. The QPA has optimized the settings on its equipment, identified the categories of its equipment, modified work procedures and required the wearing of proper personal protective equipment.

## The Authority is expressly committed to providing a safe and healthy work environment



In combination with the procedure for protecting against arc flashes, the lock-out procedure was improved and is now mandatory for subcontractors hired by the organization and for QPA staff.

The QPA has the health and well-being of its staff as its primary concern and launched a health program in February 2014. This program allowed employees to take part in a number of health meetings, conferences, individual health sessions with a nurse at the workplace, and a range of physical activities. The QPA would also like to acknowledge the exceptional performance of a team of employees who participated for the first time in the loop of the Grand défi Pierre Lavoie.

Each day, through its efforts and actions, the QPA is pursuing the development of a strong culture of health and safety on its territory.



**Dominique Tanguay**  
Maintenance Director

# Social responsibility

The Québec Port Authority is proud to participate and collaborate in a number of committees and working groups with the goal of sharing and exchanging on issues encountered by the business and general community in Québec.



## FOR EXAMPLE, WE PARTICIPATE IN THE FOLLOWING GROUPS:

- Intersectoral committee on environmental contamination in the Limoilou sector
- Oversight committee for the Port of Québec's port activities
- Old Québec working group
- Regional table for integrated management of the St. Lawrence
- Québec Port Authority community relations committee
- International cruise forum

## COMMUNITY RELATIONS COMMITTEE

Over the course of six meetings in 2014, the Port of Québec community relations committee accomplished the following:

- Contributed to the planning of the first sustainable development action plan in the Port of Québec's history.
- Reviewed and monitored the evolution of different issues and work related to the use of the Port and its operations, including the deployment of various mitigation measures and the preliminary design of the Anse au Foulon harbour walkway.
- Met and talked with primary users and operators of the Port of Québec during special committee meetings. The Port's partners addressed the committee to introduce their organizations and their activities and engaged in discussions with committee members.





The QPA also engages with the Québec community by backing a number of causes. The organization mainly supports events and organizations that are near Port territory. Discovery of the marine world, health, entrepreneurship, youth, education and amateur sports are fields of involvement on which we focus each year. The Port of Québec is especially involved in social causes; for example, we support activities carried out by different Patro centres on the territory of Québec that assist and inspire community life, as well as United Way campaigns. We also support local organizations that provide support for youth in difficulty, such as Piolet, Œuvres Jean Lafrance and the Fondation Élan.

## FONDATION DU CÉGEP DE LIMOILOU

The Québec Port Authority insists on making a significant positive impact on the region, at the economic and the social level. The value of actively contributing to promoting the emergence of future leaders is directly aligned with the goals set by the organization. The QPA is proud to have contributed to the success of the Fondation du Cégep de Limoilou during its last fundraising campaign by offering the amount of \$10,000 for scholarships for students in international internship programs at the institution. The Port of Québec supports the Fondation du Cégep Limoilou in its goal of using various strategies to promote success, prevent dropout, reduce academic failure and promote the value of a diploma.

The Port of Québec places great importance on this type of investment. It is essential to contribute to social, economic and environmental progress in the communities in which we work and live. As a result of this engagement, we form direct links with the communities around us. We are certain that proximity-based involvement benefits all of us and contributes directly to community development.

# The Board of directors and its committees

## BOARD OF DIRECTORS

In order to effectively structure its work, the Board of Directors is supported by four committees composed of at least three directors. The Board and its committees had 28 meetings in 2014.

## EXECUTIVE COMMITTEE

This committee's mandate is primarily concerned with the rules included in the code of ethics, remuneration for the Authority's officers and directors, and coordination of the appointment process for directors. The committee is authorized to study and explore any question it deems appropriate under its mandate.

## AUDIT COMMITTEE

The purpose of this committee is to help the Board fulfill its monitoring responsibilities by ensuring that accounting systems are reliable and that internal controls are adequate, by investigating the integrity of internal control and information management systems; reviewing the annual budget and financial statements before they are submitted to the Board; and reviewing the Authority's long-term financial projections and the long-term financial impact of each significant investment project submitted to the Board.

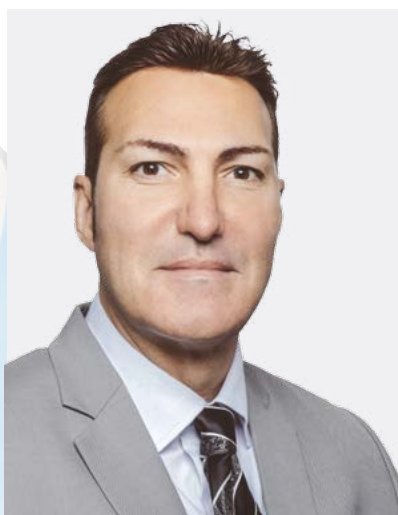
## GOVERNANCE AND HUMAN RESOURCES COMMITTEE

The mandate is mainly to guide the Board with regards to management practices for governance of the Authority and to ensure that human resource policies are implemented. The committee established a program for succession planning for the Authority's management. In addition, during the last year, the committee designed new assessment forms for each of the Board's committees, with the aim of ensuring that their mandates are respected and successfully lead to the necessary improvements, if any. The committee also implemented a training procedure for directors.

## ENVIRONMENT, HEALTH AND SAFETY COMMITTEE

This committee assists the Board in carrying out the monitoring responsibilities included its mandate in terms of environmental and occupational health and safety policies, programs and practices. It ensures that best environmental and health and safety practices are implemented. It performs periodic monitoring of QPA operations and of its lessees with respect to environmental issues.

# BOARD OF DIRECTORS



**Dr Éric Dupont**  
Chairman of the Board  
Chairman of the Executive  
Committee



**M. Claude Rousseau**  
Vice Chairman of the  
Board  
Member of the Executive  
Committee  
Member of the Audit  
Committee



**Me Pierre Rivard**  
Member of the Board  
Chairman of the Governance  
and Human Resources  
Committee  
Member of the Audit  
Committee  
Member of the Environment,  
Health and Safety Committee



**M. Denis Bernier**  
Member of the Board  
Chairman of the Environment,  
Health and Safety Committee  
Member of the Governance  
and Human Resources  
Committee



**Mme Marie-France Poulin**  
Member of the Board  
Chairman of the Audit  
Committee  
Member of the Governance  
and Human Resources  
Committee



**M. Bernard Généreux**  
Member of the Board  
Member of the Executive  
Committee  
Member of the Environment,  
Health and Safety Committee



**Me André Joli-Cœur**  
Member of the Board  
Member of the Environment,  
Health and Safety Committee

# MANAGEMENT TEAM



**Mario Girard**  
President and Chief  
Executive Officer



**Pierre Labbé**  
Vice President and  
Chief Financial Officer



**Mario Bernard**  
Vice President,  
Finance and  
Administration



**Patrick Robitaille**  
Vice President,  
Port Business  
Development



**Yoss Leclerc**  
Vice President  
and Chief of Maritime  
Operations



**Pascal Raby**  
Corporate Secretary  
and Director,  
Compliance, Legal  
and Property Affairs



**Alain Sans Cartier**  
Director, Public Affairs  
and Communications



**Marc Drouin**  
Director, IT and  
Telecommunications



**Manon Bélanger**  
Director, Organizational  
Development and Human  
Resources



**Éric Martineau**  
Director, Infrastructure  
Development

The background features a complex geometric pattern of overlapping triangles and polygons in various shades of blue and teal. A prominent dark blue chevron shape points to the right, overlapping a lighter blue area. The overall composition is modern and abstract.

# FINANCIAL RESULTS

# Report of the independent auditor 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, 2014, and the summary statements of comprehensive income and cash flows for the year then ended, are derived from the audited financial statements of the Québec Port Authority for the year ended December 31, 2014. We expressed an unmodified audit opinion on those financial statements in our report dated April 9, 2015. Neither these financial statements nor the summary financial statements reflect the effect of events that occurred after the date of our report on these financial statements.

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS). Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the 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. Management presents the summary statement of financial position and the summary statements of comprehensive income and cash flows. The notes to financial statements are not reproduced.

## 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 the Québec Port Authority for the year ended December 31, 2014 are a fair summary of those financial statements, in accordance with the criteria stated in the paragraph on management's responsibility for the summary financial statements.

*PricewaterhouseCoopers s.r.l./s.e.n.c.r.l.<sup>1</sup>*

PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l.  
April 9, 2015  
Place de la Cité, Tour Cominar  
2640 Boulevard Laurier, Suite 1700  
Québec (Québec) Canada G1V 5C2

"PwC" refers to PricewaterhouseCoopers LLP/s.r.l./s.e.n.c.r.l., an Ontario limited liability partnership.

<sup>1</sup> CPA auditor, CA, public accountancy permit No. A118597

# SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2014

|                                   | December 31, 2014    | December 31, 2013    |
|-----------------------------------|----------------------|----------------------|
| <b>Current assets</b>             | <b>\$ 15,491,533</b> | <b>\$14,160,374</b>  |
| <b>Non-current assets</b>         |                      |                      |
| Term loan                         | 232,343              | 231,278              |
| Trade incentives                  | 5,213,661            | 6,264,732            |
| Property, plant and equipment     | 148,425,158          | 140,770,221          |
| Net investments in finance leases | 7,232,551            | 10,281,061           |
| Employee benefits                 | -                    | 366,000              |
| Environmental costs recoverable   | 1,457,091            | 1,022,417            |
|                                   | <b>162,560,804</b>   | <b>158,935,709</b>   |
|                                   | <b>\$178,052,337</b> | <b>\$173,096,083</b> |
| <b>Current liabilities</b>        | <b>\$19,815,933</b>  | <b>\$13,756,882</b>  |
| <b>Non-current liabilities</b>    |                      |                      |
| Deferred contributions            | 50,432,587           | 53,395,808           |
| Debt relating to trade incentives | 2,497,033            | 2,602,222            |
| Environmental liabilities         | 4,208,780            | 3,109,485            |
| Employee benefits                 | 1,984,300            | 734,400              |
|                                   | <b>59,122,700</b>    | <b>59,841,915</b>    |
| <b>Authority's equity</b>         | <b>99,113,704</b>    | <b>99,497,286</b>    |
|                                   | <b>\$178,052,337</b> | <b>\$173,096,083</b> |

On behalf of the Board:

Chairman

President and Chief Executive Officer

## SUMMARY STATEMENT OF COMPREHENSIVE INCOME

### FOR THE YEAR ENDED DECEMBER 31, 2014

|                                                                              | 2014                | 2013         |
|------------------------------------------------------------------------------|---------------------|--------------|
| Revenue from operations                                                      | <b>\$30,541,043</b> | \$30,814,552 |
| Expenses                                                                     | <b>22,370,298</b>   | 19,681,438   |
| Income before depreciation and amortization and other items                  | <b>8,170,745</b>    | 11,133,114   |
| Depreciation and amortization, net of amortization of deferred contributions | <b>6,299,892</b>    | 5,865,018    |
| Income before other items                                                    | <b>1,870,853</b>    | 5,268,096    |
| Other items                                                                  | <b>(120,735)</b>    | (25,957)     |
| Net income                                                                   | <b>1,750,118</b>    | 5,242,139    |
| Other comprehensive income (loss)                                            | <b>(2,133,700)</b>  | 3,298,800    |
| Comprehensive income                                                         | <b>(\$383,582)</b>  | \$8,540,939  |

## SUMMARY STATEMENT OF CASH FLOWS

### FOR THE YEAR ENDED DECEMBER 31, 2014

|                                    | 2014                | 2013                 |
|------------------------------------|---------------------|----------------------|
| <b>Operating activities</b>        | <b>\$6,168,923</b>  | <b>\$8,041,138</b>   |
| <b>Investing activities</b>        |                     |                      |
| Property, plant and equipment paid | <b>(15,691,865)</b> | (13,278,677)         |
| Receipts from finance leases       | <b>2,893,426</b>    | 2,741,623            |
| Issue a term loan                  | <b>(123,456)</b>    | -                    |
| Decrease in term loan              | <b>106,910</b>      | 106,911              |
|                                    | <b>(12,814,985)</b> | (10,430,143)         |
| <b>Financing activities</b>        |                     |                      |
| Repayment of long-term debt        | <b>7,198,308</b>    | 1,199,676            |
| <b>Net change in cash</b>          | <b>\$552,246</b>    | <b>(\$1,189,329)</b> |





ADMINISTRATION PORTUAIRE DE QUÉBEC / QUÉBEC PORT AUTHORITY  
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