

DIVERSIFIED
by
DESIGN





Message from the CEO

The Port of Halifax is a regional economic engine worth over \$1.6 billion to the economy of Atlantic Canada. This is supported by over \$250 million in infrastructure investment since 2004. Prudent asset management continues to provide the

Halifax Port Authority with a diversified revenue base.

Diversification is critical to the long-term success of the Port of Halifax. It means investment and development of all three lines of business – cargo, cruise and real estate – to maximize potential opportunities and protect against cyclical downturns.

The \$66 million Richmond Terminals project is now complete and positions Halifax to capitalize on cargo moves resulting from \$122 billion in planned or developing Atlantic Mega Projects. With Richmond Terminals, the Port of Halifax is uniquely positioned to handle large project cargo as we saw in October with the first cargo shipment of cranes for the national shipbuilding project at the Irving Halifax Shipyard.

The Halifax cruise industry remains solid. A significant piece of infrastructure was added during the 2014 cruise season – the shore power system – which allows properly equipped vessels to turn off their auxiliary diesel engines and plug into the electrical grid while in port. Halifax is the first major cruise port on the east coast of North America to offer this option.

The Port of Halifax is Canada's deep water, east coast gateway to the world. As global shipping evolves, efficiency will play an increasingly important role. In order to stay ahead of the coming changes, the necessary investment into modern infrastructure that can accommodate increasingly larger vessels has already been made.

We appreciate your continued support and look forward to working together.

Karen Oldfield, QC

President and CEO
Halifax Port Authority



Message from the Chair

The Port of Halifax is a diversified economic engine having much influence over the economy of our province and region.

We continue solidifying the Port's presence in Europe and in Asia, as well as helping to promote Atlantic Canadian exporters to these markets. As one of Canada's leading ports with Europe, the Port of Halifax stands ready to facilitate the increase in trade between Europe and Canada that the Comprehensive Economic and Trade Agreement will bring.

The Halifax Port Authority remains in a solid financial position. In addition to maintaining our Standard & Poor's investment grade credit rating, we saw it improve in 2014 from A to A+. The diverse revenue streams we have achieved over the last few years provide us – the entire port community – with options. A strong financial position means flexibility and the ability to go after opportunities best suited for our port and our economy. On behalf of the Board of Directors of the Halifax Port Authority, I want to extend my sincere thanks to all of the employees, partners and stakeholders who have contributed to the Port of Halifax.

We will continue to work with government and all of the port community to further develop and grow the Port of Halifax. Thank you for your partnership and collaboration.

D. Geoffrey Machum, QC

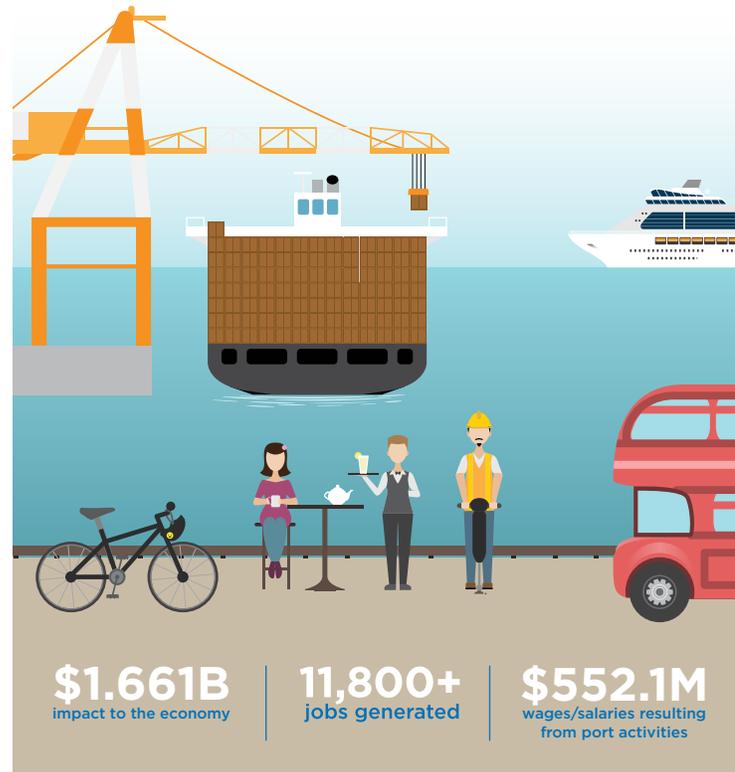
Chair, Board of Directors
Halifax Port Authority

Diversified by Design

The Halifax Port Authority is committed to developing and promoting business through the Port of Halifax. Our business includes cargo, cruise and real estate. Over the past several years we have made a concerted effort to diversify the lines of business to protect against the cyclical nature of the international shipping industry. Cruise traffic has increased considerably over the past 10 years. We have also seen significant development of the Halifax Seaport.

Working with stakeholders and partners to develop a stronger distribution network through Halifax is a key focus for the Halifax Port Authority. This is supported by over \$100 million in infrastructure investment since 2011 that is being used to develop trade. We see opportunities on the horizon with CETA and the overall move to larger vessels.

The Halifax Port Authority is working aggressively with our port partners and stakeholders to ensure our service offering port-wide are competitive as we retain and grow business. Global shipping is a competitive industry. The Halifax port community is working together to compete against other North American ports.



Containerized Cargo and Connectivity

The Port of Halifax is Atlantic Canada's cargo connection. Offering a natural, deep harbour and world-class infrastructure, Halifax can accommodate large volumes of containerized cargo, bulk cargo and project cargo of any size. Thanks to strategic infrastructure investment, Halifax is efficient, reliable and big-ship ready.

The Port of Halifax is a full day closer to Asia via the Suez Canal than any other North American container port on the Atlantic Coast. Combining low terminal dwell time and efficient on-dock intermodal rail service, the Port of Halifax is able to provide the shortest scheduled times to the commercial centres of Montreal, Toronto, Detroit and Chicago. The cargo interest benefits from a shorter logistics time, quicker cargo availability and a reduced cost of capital.

Since 2011, over \$100 million has been invested into infrastructure. This includes pier extensions, new truck marshaling facilities, and super post-Panamax cranes.

- Connected to 150 countries worldwide
- 18 shipping lines
- Deep container terminals – 16 metres (52 feet)
- World-class infrastructure
- Big-ship ready
- Super post-Panamax cranes
- 1,000 reefer plugs
- 1.4 million TEU capacity with room to grow
- Daily intermodal rail and truck connections
- Reliable, efficient labour

With 18 direct liner services, including transshipment and feeder services, the Port of Halifax plays a vital role in serving world markets. On any given day, a wide range of products shipped through the port find their way into homes, offices and communities here and around the globe.

Outreach efforts in the critical markets of Southeast Asia and Northern Europe continue. Trade with Asia accounts for 45% of the goods moving through Halifax and trade with Europe makes up 43%.



Richmond Terminals

Non-Containerized and Project Cargo

The Port of Halifax is uniquely situated to handle large project cargo. The \$66 million Richmond Multipurpose Terminals project is now complete and positions Halifax to capitalize on cargo moves resulting from \$122 billion in planned or developing Atlantic Mega Projects including the National Shipbuilding Procurement Strategy, energy projects, offshore oil and gas development, and mineral extraction.

Many of these projects are now at the stage where material and equipment is required. A good example is the national shipbuilding program now underway at Halifax Shipyards located next door to Richmond Multipurpose Terminals. The first major piece of heavy equipment for that project arrived in October 2014 and it was the first cargo move through Richmond Terminals.

With Richmond Terminals, the Port of Halifax can handle large project cargo with easy access to international shipping lanes, national rail service and major provincial highways. Cargo through Ocean Terminals remains strong and the Halifax Grain Elevator Ltd. continues to pursue new opportunities to export agri-food product such as Eastern Canadian soybeans. Green energy exports such as wood pellets are another focus area.

The Port of Sheet Harbour is an ideal choice for oversized project cargo and complements the existing facilities of the Halifax Port Authority. Labour hours through the Port of Sheet Harbour doubled in 2014 compared to 2013.

Cruise Halifax

The Port of Halifax is the marquee port for cruise in Eastern Canada. In 2014, Halifax welcomed 134 cruise vessels carrying over 217,000 passengers plus crew. 2014 also saw the installation of a shore power system for cruise vessels. This system allows properly equipped vessels to turn off their auxiliary diesel engines while in port. Halifax is the first port on the east coast of North America to offer this service to cruise customers. The cruise industry in Halifax is now worth over \$100 million in annual economic benefit.

Shore Power Substation



Halifax Seaport Farmers' Market

Facilities: Maximizing Land Assets

There are six categories of property managed by the Halifax Port Authority, including: container terminals, the grain elevator, cargo handling facilities, non-cargo facilities, the Halifax Harbour and the Halifax Seaport. Demand at these properties remains high.

The Halifax Seaport, thanks to key tenants including the Cunard Centre, NSCAD University, the Cultural Federation of Nova Scotia, the Canadian Museum of Immigration at Pier 21, Garrison Brewing Co. and several others, is emerging as a unique arts and cultural district within Halifax. An estimated 1.2 million people visited the Halifax Seaport in 2014, taking in cultural events and trade shows, and experiencing the best in local food, culture and entertainment.

Halifax Seaport Farmers' Market

The Halifax Seaport Farmers' Market is home to over 200 vendors. A 2013 economic impact study undertaken by the *Farmers' Markets of Nova Scotia* found on Saturdays alone, over \$12 million is spent annually at the Halifax Seaport Farmers' Market, and an additional \$9 million is spent at surrounding businesses by Seaport Market patrons. Many of the vendors who sell at the market are from rural areas across Nova Scotia, which means the economic benefits extend far beyond the municipal borders of Halifax.

Environment and Community

Environment

As the first port in Canada to achieve ISO 14001 certification, the Halifax Port Authority is committed to the sustainability of the Halifax Harbour and the local community in which the port operates.

Since 2011, the port has participated in **Green Marine**, a North American environmental program.

Over time, the port has achieved top level ratings in three categories measured against the Green Marine criteria. This places Halifax among the top-rated Canadian ports as measured by Green Marine. The Halifax Port Authority will continue to encourage environmental stewardship throughout the Port of Halifax.

Community Investment and Engagement

The Halifax Port Authority supports various community events and causes in the areas of direct port-related activities, arts and culture, and the environment. In 2014, the Port supported Mission to Seafarers, Clean Nova Scotia, Atlantic Film Festival, Neptune Theatre, NSCAD University's Artist for a Day, Cold Waters Seafood Festival, the Multicultural Festival, and Nocturne.

As part of ongoing outreach efforts the Halifax Port Authority is involved with several engagement sessions each year including stakeholder meetings, industry workshops, and public port tours.



Corporate Governance and the Board of Directors

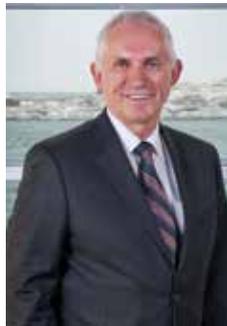
The Halifax Port Authority is governed by a board of seven directors who are appointed for three-year terms, chosen as follows:

- One member nominated by the Minister of Transport and appointed by the Governor in Council (Federal Director)
- One member chosen and appointed by the Province of Nova Scotia (Provincial Director)
- One member chosen and appointed by the Halifax Regional Municipality (Municipal Director)
- Four members nominated by the Minister of Transport in consultation with Port User groups and appointed by the Governor in Council Board of Directors and Committees (Port User Directors)

Board of Directors (As of April 1, 2015)



Geoffrey Machum, QC
Board Chair
Port User Director ^{1*, 3, 5*, 6}



David Henderson
Board Vice-Chair
Port User Director ^{1, 4, 6}



Tom Hayes
Provincial Director ^{2*, 5, 6}



Hector Jacques, OC
Municipal Director ^{1, 3, 4*, 5}



Ted Larsen
Port User Director ^{1, 2, 6*}



Lantz Siteman
Port User Director ^{2, 3*, 4}

Board Committees

1. Governance Committee
2. Audit Committee
3. Human Resources and Compensation Committee
4. Security, Environment and Safety Committee
5. Seaport Committee
6. Infrastructure and Gateway Strategy Committee

* Committee Chair

Federal Director – *Vacant as of March 2015*

Officers

Chair **D. Geoffrey Machum, QC**
 Vice-Chair **David Henderson**
 President & CEO **Karen Oldfield, QC**
 Senior Vice-President **Paul MacIsaac, CA**

Vice-President, Business
 Development & Operations **George Malec**
 Vice-President, Real Estate **Krista Dempsey**
 Director, Strategy
 & Corporate Secretary **Michele Peveril**

Halifax Port Authority

1215 Marginal Road • P.O. Box 336 • Halifax, Nova Scotia, Canada • B3J 2P6 • 902.426.8222 • info@portofhalifax.ca • portofhalifax.ca

