This was a transformative year for the Port of Halifax - the next generation of big ships started calling, and containerized cargo volume grew year-over-year. Cruise saw a record number of vessel calls, and the Seaport district including the Halifax Seaport Farmers’ Market continued to develop as one of Nova Scotia’s top tourist destinations.

It is fair to summarize 2015 as a good year for the Port of Halifax and I want to credit the many partners and stakeholders who made it happen.

Over the past 12 months, a number of long-term projects and initiatives came together providing the teamwork for the “big picture” for the foreseeable future. Developing the pieces—planning, investment, building of infrastructure, critical partnerships—has been years in the making.

We are now turning our attention to the next 15 years. We have commenced an infrastructure master planning exercise where we will work closely with big partners to look at all parts of the business which includes cargo and industrial marine activities, cruise, and real estate. At the same time, we will, with your help, continue to pursue growth.

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

Karen Oldfield, QC
President and CEO, Halifax Port Authority

The Halifax Port Authority remains committed to working with our partners to increase cargo volumes moving through the Port of Halifax, enhance our cruise business and fully utilize our land holdings for the benefit of Nova Scotians and all Canadians. For us, partnerships and relationships are critical to moving forward.

Over the past decade, we have maintained our strong financial position. In 2015, Standard and Poor’s affirmed an investment-grade credit rating of A+ on the Halifax Port Authority. This is confirmation that our long-term strategies concerning investment, development and cash management are prudent.

On behalf of the Board of Directors, it is my privilege to recognize and thank the many groups and organizations that are so critical to reaching our shared goals. On the cargo side this includes the terminal operators, shipping lines, cargo owners, CN, labour groups, logistics providers, tug operators and Atlantic Pilotage Authority to name just a few. Add to that the tour operators, suppliers, vendors and local tourism providers who work together to make cruise so successful, the real estate partners and tenants across the Halifax Seaport district, and the countless number of people involved in maintaining and growing the Halifax Seaport Farmers’ Market.

We will continue to work with partners, stakeholders and all levels of government to further develop economic opportunities through the Port of Halifax.

David Henderson
Chair, Board of Directors, Halifax Port Authority
Capacity and Opportunities

The big ship strategy at the Port of Halifax has been underway for several years now. The Halifax Port Authority, private sector and government have been working together to strategically invest in infrastructure that will accommodate the larger vessels that we are now seeing along the east coast of North America. Over $250 million has been invested since 2004, and that money has gone into such things as extended piers, truck marshalling facilities, new gates, and the terminal operators have invested in super post-Panamax cranes and yard equipment.

In August last year, it became clear why this level of planning and investment is important. The first of the big ships to arrive was the CMA CGM Vivaldi, a 334 metre vessel capable of carrying over 8,400 20-foot cargo containers. This was followed by the 8,700 TEU Hapag-Lloyd Budapest Express four days later. These large vessels are part of the new Ocean Three Alliance service and expanded G6 service through the Port of Halifax.

Why is this important to you?

1. **Big ships offer capacity.** There is room on these large vessels to move more cargo through the Halifax Gateway. Thanks to available capacity at the terminals, goods are able to be moved quickly and efficiently through the supply chain. This is why companies who ship through Halifax can get their goods to market more quickly than by shipping through other ports that may be geographically closer to the market.

2. **Global connectivity.** These new and expanded services through Halifax offer direct connections to key markets such as the southern region of the Pearl River Delta in China’s Guangdong province via the Port of Shenzhen.

Shenzhen is the main container hub in the South China region and is a key growth market. The Port of Halifax is the first inbound port for ships coming direct from Asia via the Suez Canal and is up to two days faster to major North American markets in Central Canada and the US Midwest than other North American east coast ports. Of course, Europe has always been a natural trade route through Halifax and the historic connection will become even more important once CETA, the Comprehensive Economic and Trade Agreement between Canada and Europe, is ratified.

Small Change. Big Impact.

The Port of Halifax is working closely with supply chain partners to minimize transit times, reduce operating costs, mitigate risks and add value to those customers moving goods through Halifax.

**Big Impact**

- Improve financial forecasting
- Reduce inventory level to free up capital
- Improve customer satisfaction
- Reduce landed cost
- Reduce cut orders

**Big Performance**

- No congestion delaying vessel operation
- Highest terminal productivity
- On-dock rail, no transfer delay from berth
- The lowest port dwell time at 48 hours or less
- Highest export rail to vessel at 93% or more
- Fastest logistics time to and from eastern North American economic centres
- Lower overall cost

**The Port of Halifax Advantage**

- Connected to 150 countries worldwide
- 20 shipping lines
- Deep container terminals – 16 metre (52 feet) draft
- World-class infrastructure
- Big-ship ready
- Super post-Panamax cranes
- 1000 reefer plugs
- 1.4 million TEU capacity with room to grow
- Daily intermodal rail and truck connections
- Reliable, efficient, dedicated labour

Small change. BIG IMPACT.

Making the Port of Halifax part of your supply chain can have a huge impact on your bottom line. See how at shiphalifax.com.
Non-Containerized and Project Cargo

The Port of Halifax and its supply chain partners are uniquely situated and equipped to handle non-containerized breakbulk, bulk, ro/ro and large project cargo. The $66 million Richmond Multipurpose Terminals equips Halifax with modern infrastructure to capitalize on cargo moves resulting from the $129 billion in planned or developing Atlantic Canada major projects including the National Shipbuilding Procurement Strategy, energy, offshore oil and gas development, and mineral extraction. Many of these projects are now at the stage where material and equipment have been moved over the Port of Halifax. With Richmond Terminals, the Port of Halifax can handle the most challenging and heavy shipments with easy access to international shipping lanes, national rail service and major highways.

Cargo through Ocean Terminals remains strong and the Halifax Grain Elevator Ltd. continues to handle dry bulk cargoes and pursue new opportunities to export agri-food product such as eastern Canadian soybeans and western Canadian special crops. Green energy dry bulk shipments such as wood pellets are another focus area for the Grain Elevator and its partners. The Port of Sheet Harbour is an ideal choice for oversized project cargo and complements the existing facilities of the Halifax Port Authority. Vessel calls, labour hours and facility-use through the Port of Sheet Harbour has increased in 2015 and the facility is also catering to growth in the major project outlook for Atlantic Canada.
Cruise Halifax

The Port of Halifax is the marquee port for cruise in eastern Canada. In 2015 Halifax welcomed 141 cruise vessels carrying over 222,000 passengers plus crew. This was the first full year in which shore power was available to cruise vessels calling on Halifax with this capability. This system allows these vessels to turn off their auxiliary diesel engines while in port. In 2015, 17 shore power connections were made. Halifax is the first port on the east coast of North America to offer this service to cruise customers. The cruise industry in Halifax generates over $100 million in annual economic benefits.

Halifax Seaport Farmers' Market

In 2015, the Halifax Seaport Farmers’ Market celebrated 265 years of operation, making it the oldest, continuously operating farmers’ market in North America. The Market also launched The Shelf, a staff operated store featuring Nova Scotia food products, crafts, and Nova Scotia wines. Open during the week days, The Shelf provides the opportunity for many of the vendors from rural areas across Nova Scotia to sell the products normally only sold on the weekends.

Facilities:
Maximizing Land Assets

Properties managed by the Halifax Port Authority include: container terminals, the grain elevator, cargo handling facilities, non-cargo facilities, 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 a popular arts and cultural district within Halifax. New tenants include locally owned East Coast Lifestyle, an international clothing company and Tomavinos, a pizzeria. The Seaport continues to deliver the best in local food, culture and entertainment to the estimated 1.2 million yearly visitors.
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. Highlights of 2015 were the Halifax Seaport Farmers’ Market being officially awarded the LEED Gold certification and the first full year of shore power for cruise ships at the Port of Halifax. The Halifax Port Authority will continue to encourage environmental stewardship throughout the port.

Halifax is among the top-rated Canadian ports as measured by Green Marine. Since 2005, the port has participated in Green Marine, a North American environmental program. Over the years, the port has achieved top level ratings in three categories measured against the Green Marine criteria.

Community Investment and Engagement

In 2015, as part of the One Nova Scotia initiative to keep international students in Nova Scotia, the Halifax Port Authority partnered with Saint Mary’s University on a new international student internship program. Through this program, international students at the Sobey School of Business at Saint Mary’s University gain valuable work experience through paid internship programs with the Halifax Port Authority.

Yearly, the port supports various community events and causes in the areas of direct port-related activities, arts and culture, and the environment. The Halifax Port Authority supported the Mission to Seafarers, Halifax Experience, Atlantic Film Festival, Neptune Theatre, NSCAD Artist for a Day, Eastern Shore Cold Waters Seafood Festival, the Nova Scotia 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, 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 (Port User Directors)

Board of Directors (As of March 31, 2016)

<table>
<thead>
<tr>
<th>Name</th>
<th>Role and Directorship</th>
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<tbody>
<tr>
<td>David Henderson</td>
<td>Chair Port User Director 1, 3, 5, 6</td>
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<tr>
<td>Hector Jacques, OC</td>
<td>Vice-Chair Municipal Director 1, 3, 4, 5</td>
</tr>
<tr>
<td>Tom Hayes</td>
<td>Provincial Director 1, 2, 5, 6</td>
</tr>
<tr>
<td>Ted Larsen</td>
<td>Port User Director 2, 4, 6</td>
</tr>
<tr>
<td>Lantz Siteman</td>
<td>Port User Director 2, 3, 4</td>
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</tbody>
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Note: Two vacancies as of March 31, 2016.

* Committee Chair

Officers

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<thead>
<tr>
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<tr>
<td>Chair</td>
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<td>Vice-Chair</td>
<td>Hector Jacques, OC</td>
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<tr>
<td>President &amp; CEO</td>
<td>Karen Oldfield, QC</td>
</tr>
<tr>
<td>Senior Vice-President</td>
<td>Paul Maclsaac, CA</td>
</tr>
<tr>
<td>Vice-President Business Development &amp; Operations</td>
<td>George Malec (Retired as of March 31, 2016)</td>
</tr>
<tr>
<td>Vice-President, Real Estate</td>
<td>Krista Dempsey</td>
</tr>
<tr>
<td>Director, Strategy &amp; Corporate Secretary</td>
<td>Michele Peveril</td>
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