

Building for our **passengers**

2015 Annual Report





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Message from the Chair of the Board and the President and CEO

Aéroport de Québec inc. (AQi) is a private corporation responsible since November 1, 2000, for managing, operating, maintaining, and developing Québec City Jean Lesage International Airport (YQB).

2015: Another year of growth

It is with great pride and pleasure that we present our 2015 Annual Report. The year was marked by positive developments that reflect the can-do spirit that drives each and every one of us and gives substance to our primary value: *Passenger First*[®]. This ethos spurs us to pool our efforts as we work together to ensure Québec City Jean Lesage International Airport's ongoing development and long-term health.

In 2015, AQi consolidated its financial position and demonstrated the validity of its business model by meeting its growth objectives for the year. We registered a 2% increase in passenger traffic at our main terminal, resulting primarily from a 6% rise in domestic traffic, which reflects our increased offering of flights to major Canadian hubs.

Another positive sign in 2015 was the 3.2% uptick in international traffic, largely due to the increased number and frequency of flights to southern destinations. For the first time in its history, YQB served five sun destinations with direct flights year-round. And we added a further four new destinations during the winter season: Playa Blanca, Panama; Puerto Vallarta, Mexico; Saint-Martin, French West Indies; and La Romana, Dominican Republic.

On the transborder front, it was a year of steady growth for Delta Air Lines in terms of Québec passenger traffic. Celebrity Cruises' new slate of all-inclusive packages, featuring direct flights between Québec City and Miami, was also very popular. In light of their success, a new package will be offered with a flight from YQB to West Palm Beach, Florida, from January 31 to April 3, 2016.

Despite a slight downturn in global air travel, YQB saw increased passenger traffic for the 13th year running, with a total of 1,584,713 passengers transiting through Québec City Jean Lesage International Airport in 2015. These were respectable growth figures given the economic slowdown making itself felt in Canada and around the world.

Disciplined objectives, a focus on passengers and employees

Every year, the trust our passengers place in us inspires us to work twice as hard to offer more and better services and meet the highest standards in the airport industry.

One example: Our VIP lounge was voted best lounge in North America, all categories, by Priority Pass

program members in 2015, in recognition of the impeccable passenger experience on offer.

What is more, after being ranked Best Airport in North America (fewer than two million passengers) in 2011 and 2013, YQB placed second in 2015 (as in 2014). The ranking is based on Airport Service Quality (ASQ), a world-wide passenger satisfaction survey conducted by Airports Council International (ACI).

These distinctions are a point of pride for our dedicated teams who work tirelessly to achieve our objectives despite the sizable logistical challenges involved in a major terminal expansion.

The new terminal will enable AQi to handle growing traffic, predicted to double in the next twenty years. Our vision is to be ready to welcome 2 million passengers by 2020. Set out below is the ambitious development plan that will take us there.

YQB: A driver of growth for the whole region

Québec City Jean Lesage International Airport will be the site of major construction from now through 2018. Begun in spring 2015, the major expansion known as YQB 2018 is a collection of 26 construction



projects and cutting-edge technology upgrades. A total of \$277 million will be invested to expand the terminal and make the improvements necessary to support the airport's growth in the years ahead. YQB 2018 is nothing less than the largest expansion and redevelopment project in the history of Aéroport de Québec inc. (AQi).

The end of 2015 marked a critical juncture in expansion work, with the completion of the access roads to the new terminal. Today it is fully functional, making it the first element of the new terminal infrastructure to reach 100% completion.

To provide for passenger comfort during construction, we also built an access corridor serving gates 33 to 35. This modular corridor is fully air-conditioned, heated, and computerized to make accessing the international terminal a safe and pleasant experience for all.

YQB 2018 is a growth driver for the entire greater Québec City area: In addition to significant economic activity generated during the construction phase, the new terminal will be an important engine for the regional economy once it is completed.

Human capital

Successfully completing all our expansion and upgrade projects, and meeting our objectives, depends on the enthusiastic participation of our human resources. We have therefore focused on providing professional development opportunities through a range of internal and external training programs. A wealth of new initiatives have been designed to facilitate knowledge transfer to new employees and maximize employee engagement. Surveys measuring engagement levels have shown sustained and marked increases at AQi over the last three years.

Of course, our partners' employees must also take part in, and buy into, our development projects.

Only through successful teamwork, combined with the engagement of all project stakeholders, can YQB be ready to fully meet our passengers' needs.

As another measure to better equip our employees, we created a training school, AQi Academy, which offers management courses, technical training, and more. In 2015 and in the years ahead, AQi will focus on professional development at every level of the company.

Transversal management

In the quest to achieve, and exceed, our business objectives, AQi is working to foster a transversal management culture built on teamwork, matrix operations management, and optimal resource use.

Transversal management empowers us to form multidisciplinary work teams to meet the needs of specific projects. This means marketing, finance, IT, and engineering professionals can be called on to work together on a project until it is completed, then be reassigned to a new one.

In addition to matrix team structures, other valuable assets are experimentation, knowledge of others' work, communication, respect, and teamwork. The bottom line? We are fully convinced that transversal management provides added value, and firmly intend to continue in this direction.

Digital culture

AQi has always been at the forefront when it comes to digital technologies. As a company, we make digital a priority with our employees and partners. We keep our fingers on the pulse of the latest

developments and constantly strive to innovate, to better serve our passengers and boost productivity and efficiency.

Europe 2020

Increasing passenger traffic and adding new destinations are of course top of the list of AQi priorities, as they are fundamental to developing the greater Québec City area and making our region more globally connected and attractive.

According to the International Air Transport Association (IATA), global air travel traffic stands to double by 2034. This growth will come primarily from an increase in the standard of living in emerging nations, whose middle classes are growing at an astronomical rate. In the near future, fleets will also be transformed by the arrival of smaller, more efficient aircraft capable of direct transatlantic flights. This means we can expect growth in point-to-point flights, at the expense of flights routed through major hubs. This industry trend is a huge opportunity for YQB, especially for European flights, an area identified as a key driver of growth of AQi.

U.S. customs pre-clearance facility

By 2024, the U.S. government wants 33% of worldwide air traffic into the United States to undergo pre-clearance. There is a unique opportunity for YQB to favorably position itself to obtain a pre-clearance facility.

Establishing a U.S. customs pre-clearance facility at YQB, a possibility we have been considering for a decade now, would bring positive economic spinoffs and create employment, while making travel to the U.S. easier for our passengers.

A pre-clearance facility is essential for the future and the economic and tourism development of greater Québec City area, as well as eastern and northern Québec. And a survey by SOM¹ polling firm found that 95% of Québec City residents are in favor. Dozens of business leaders, politicians, municipal leaders, and chambers of commerce have added their voices to the chorus of support for a pre-clearance facility at Québec City Jean Lesage International Airport.

This support from the business community, the local population, and representatives from all three levels of government clearly shows the desire, and more importantly the need, for a U.S. customs pre-clearance facility at YQB, in the short term.

Aerotropolis

In an aerotropolis, the airport is the nucleus of a subregion, around which a wide range of interconnected services gravitate: businesses like manufacturing concerns, warehouses and distribution centers, office buildings, recreation and sports facilities, hotels, and shopping centers.

This configuration ensures fast, efficient, agile operations for all. The airport thus contributes to the economic development of businesses in the outskirts, and outside the region as well. In this new conception, a high level of coordination is needed between the airport authority, municipal officials, business leaders, and other industry stakeholders.

Today, around thirty airports in the world are recognized as aerotropolises. AQi has a long-term vision: make Québec City Jean Lesage International Airport one of the world's most dynamic aerotropolises. The company firmly believes that increasing the number of passengers and continuing to develop the airport, notably by establishing a U.S. customs pre-clearance facility, will help us reach this cherished goal.

Robust finances built on trust

Aéroport de Québec inc. posted comprehensive income of \$8.1 million in 2015, with revenues of \$55.4 million and operating expenditures of \$47.3 million.

Also in 2015, Aéroport de Québec inc. borrowed a total of \$315 million, including \$50 million in revolving credit, all earmarked for capital investments in the coming years as part of our international terminal expansion (YQB 2018). These loans, granted by premier Canadian financial institutions, are a clear sign of the trust placed in YQB, and recognition of our proven track record of sound financial management. Our financing strategy enables us to support the growth we are experiencing, and above all to complete the projects necessary to fulfill our primary value: *Passenger First*[®].

Aéroport de Québec inc. espouses an effective preventive management approach that includes management by activity, a new approach that notably lets us more closely monitor key performance indicators and evaluate results on an ongoing basis.

2016: A year of collaborations

2016 will be a year of collaboration, since many of YQB 2018 projects will directly impact our partners, beginning with runway resurfacing. To this end, we have been in dialogue with our stakeholders for a long time, always in the aim of minimizing potential inconvenience for passengers as a result of work.

AQi also wants to underscore the invaluable collaboration of our partners in these projects. According to consultations, our partners support the YQB's projects and understand the positive spinoffs that their own organizations will reap. AQi believes that strong communication and collaboration, at all

André Fortin, CPA, CA, ASC, Lawyer
Chair, Board of Directors

times and with all stakeholders, are the keys to success, and we will continue to work in this direction.

2016 is also a landmark year in the history of the Greater Québec City area. This September, Québec City Jean Lesage International Airport turns 75. It will be a moment rich in memories, and one we will be sure to celebrate.

In closing, we would like to extend our sincere thanks to Aéroport de Québec inc. board members for their contribution to achieving our objectives. Without these outstanding individuals AQi could not operate so successfully, year after year.

We would like to welcome newly appointed board member, Luc Dupont. Let me also take this opportunity to thank Alexandre Matte, whose broad-ranging experience in safety and security were precious assets during his tenure as chair of the Risk Management Committee. Special thanks also to Alain Vaillancourt, whose human resources expertise contributed so much to the Nominating, Governance, and Human Resources Committee. Over the past nine years, AQi has been enriched by the experience and know-how of these two seasoned board members. Our wholehearted thanks for their hard work and dedication throughout their terms.

And last but most certainly not least, we would like to thank our passengers: for their loyalty, and also for their recognition. By using the services of Québec City Jean Lesage International Airport, you contribute not only to the success of the airport, but to that of the region as a whole. Your satisfaction, and the trust you have placed in us, show us that we are right to put you, the passenger, at the very top of our list of priorities.

Gaëtan Gagné, C.D., LLIF, C. Dir., ASC
President and CEO

¹ SOM survey conducted on May 13 and 21, 2015, with a margin of error of 6.2%.

BOARD MEMBERS



André Fortin, CPA, CA, ASC, Lawyer
President, Imafa Inc.
Board Chair
Ex-officio Member
of all committees
Appointed by
the City of Lévis
Board Member since 2010



Gaëtan Gagné, C.O., LL.F., C. Dir., ASC
President and CEO
Director, AQI
Board Member from 1997 to
2010 then from 2013 until now



Jean-Claude L'Abbée
Vice Chair
Ex-officio Member
of all committees
Appointed by
the Government of Québec
Board Member since 2011



Alain April, ASC, ADMA
Co-owner and General
Manager, Le Bonne Entente
Audit Committee Member
Appointed by
the City of Québec
Board Member since 2012



Luc Dupont
President and CEO,
Immanence Intégrale
Dermo Correction
Appointed by
the Government of Canada
Board Member since 2015



Lise Lapierre, CPA, CA, ASC
Associate Director,
Accès Capital Québec
Audit and Risk Management
Committee Chair
Appointed by
Chambre de commerce
de Lévis
Board Member since 2012



Liliane Laverdière
Nominating, Governance,
and Human Resources
Committee Chair
Appointed by
Chambre de commerce
et d'industrie de Québec
Board Member since 2010



André Lortie
President, Lortie Aviation
Planning and Development
Committee Member
Appointed by the Board
of Aéroport de Québec inc.
Board Member since 2013



Alexandre Matte
Coordinator, Police
Technology Department
Campus Notre-Dame-de-Foy
Risk Management
Committee Chair
Appointed by
the City of Québec
Board Member since 2007



Jean-Guy Paquet, C.C., G.O.Q., ASC,
P. Eng.
Board Chair, Institut
national d'optique
Planning and Development
Committee Chair
Appointed by
the City of Québec
Board Member since 2012



Pierre Pelletier, Lawyer
Nominating, Governance,
and Human Resources
Committee member
Appointed by the Board
of Aéroport de Québec inc.
Board Member since 2013



Nathalie Rivierin, DEA, MSC
Risk Management
Committee Member
Appointed by
the Government of Canada
Board Member since 2012



Louis Têtu
President and CEO, Coveo
Planning and Development
Committee Member
Appointed by the Board
of Aéroport de Québec inc.
Board Member since 2013



Denis Therrien, CPA, CA
President and CEO, Marathon
des Deux Rives Lévis/Québec
Risk Management
Committee Member
Appointed by
the City of Lévis
Board Member since 2010



Alain Vaillancourt
President, V Stratégies Inc.
Nominating, Governance,
and Human Resources
Committee Member
Appointed by
Chambre de commerce
et d'industrie de Québec
Board Member since 2007



Sophie Lefrançois, ASC, Lawyer
Corporate Secretary, AQI
On the Board since 2009

MANAGEMENT TEAM



Gaëtan Gagné, C.D., LL.F., C. Dir., ASC
President and CEO
Director



Serge St-Laurent, M.Sc., IAP
Vice-President,
Operations



François Bilodeau, CPA, CA
Vice-President,
Finance



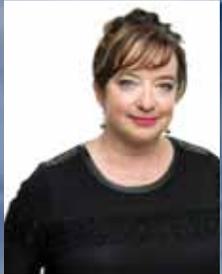
Daniel Perreault, P. Eng.
Vice-President,
Engineering
and Construction



Bernard Thiboutot, BAA
Vice-President,
Marketing and Development



Marc-André Bédard
Vice-President,
Information Technology



Sophie Lefrançois, ASC, Lawyer
Corporate Secretary



AMBITION

MAKE QUÉBEC CITY JEAN LESAGE INTERNATIONAL AIRPORT A WORLD-CLASS FACILITY AND SOURCE OF PRIDE FOR ALL THOSE IN THE QUÉBEC CITY AREA.

VISION

DEVELOP THE CAPACITY TO SERVE 2 MILLION PASSENGERS BY 2020, AND JOIN THE RANKS OF THE COUNTRY'S 10 BUSIEST AIRPORTS.

MISSION

TO OFFER HIGH-QUALITY, EFFICIENT AND SAFE FACILITIES AND SERVICES CAPABLE OF SUSTAINING GROWTH IN AIR TRAFFIC TO FULFILL OUR ROLE AS A MAJOR SOCIOECONOMIC FORCE IN THE GREATER QUÉBEC CITY AREA.



VALUES

PASSENGER FIRST®

IN COLLABORATION WITH OUR PARTNERS, WE MAKE PASSENGERS OUR TOP PRIORITY IN EVERYTHING WE DO TO PROVIDE A SAFE, SECURE AIRPORT EXPERIENCE OF UNPARALLELED QUALITY.

ATTENTION TO DETAIL

ALWAYS STRIVE TO OFFER OUR CUSTOMERS A UNIQUE AIRPORT EXPERIENCE.

"WINNING IS THE SCIENCE OF BEING TOTALLY PREPARED"

- GEORGE ALLEN Sr.

RESPECT

OFFER A STIMULATING WORKPLACE WITH AN EMPHASIS ON RESULTS, PERSONAL AND PROFESSIONAL DEVELOPMENT, AND RESPECT.

2015 HIGHLIGHTS

Airline development

Jean Lesage Québec City International Airport once again increased its offering of flights in 2015, which contributed to another year of passenger traffic growth. The number of sun destinations served in summer reached a new peak: for the first time, direct flights from YQB were available year-round to five different tropical destinations—Cancún, Cayo Coco, Cayo Santa Maria, Punta Cana, and Varadero—in addition to four new destinations served in winter only:

Playa Blanca, Panama	Sunwing	Winter 2014–2015 and 2015–2016
Puerto Vallarta, Mexico	Air Transat	Winter 2014–2015 and 2015–2016
Saint Martin, French West Indies	Sunwing	Winter 2015–2016
La Romana, Dominican Republic	Air Transat	Winter 2015–2016

It was also a year of growth for the main Canadian domestic carriers. Air Canada traffic to major hubs, Montréal and Toronto, grew steadily. WestJet boosted its offering through its regional carrier, WestJet Encore, which will offer more flights and seats to Toronto Pearson. Porter also increased traffic to and from Billy Bishop Toronto City Airport. Another highlight was the summer 2015 launch of a new Air Transat initiative to enhance its slate of connecting flights to and from Europe.

In transborder flights, Delta Air Lines led the way with sustained traffic growth. The new all-inclusive

program with Celebrity Cruises, featuring direct flights between Québec City and Miami, among other destinations, was also highly successful. The program will be upgraded in winter 2016 with direct flights from YQB to PBI in West Palm Beach, Florida. A merger between US Airways and American Airlines was concluded in October 2015; future flights will operate under the American Airlines banner.

2015 also brought a number of interlining and code-sharing agreements that promise to improve access to and from YQB. Passengers can now fly in and out of YQB with nearly every major carrier.

Passenger experience

In 2015 YQB was once again ranked among the Best Airports in North America by Airport Service Quality (ASQ). After first-place finishes in North America in 2010, 2011, and 2013, YQB placed second in 2012, 2014, and again in 2015. To recapture the prestigious top spot we have deployed an ongoing strategy to improve performance, along with an action plan to boost employee engagement. The initiative has been a resounding success: in 2015 we saw a 23% improvement in our team's Passenger Experience engagement levels.

In addition, our team is working harder than ever to minimize passenger impacts of the terminal expansion. Our *Passenger First*® philosophy continues to guide us as we strive to offer passengers flawless customer service each and every time.

Airport operations

Operational security remains a top priority that requires close cooperation with partners and the entire airport community. Again this year, despite a particularly harsh winter, there was not a single closure of the main runway due to weather. Our record, one of the best in Canada, reflects the quality of YQB's training and professional development programs, and our stringent preventive maintenance program.

In late 2015 the AQi Fire Department received its first Oshkosh trucks, state-of-the-art vehicles that will bring our aging fleet up-to-date. In November 2015, 23 AQi firefighters also took part in a large-scale, globally recognized certification exercise held at Dallas Fort Worth International Airport (DFW).



A new version of the Aerodromes Standards and Recommended Practices was published in 2015. Airports have three years to comply with the new standards, but many of the changes have already been implemented on the ground in order to make aircraft traffic safer. We also responded to International Civil Aviation Organization (ICAO) recommendations by creating a Safety Committee that brings together local aeronautics partners. The committee's mandate is to detect potential threats to security and operations and recommend corrective measures as needed.

Safety, security, and the Operations Control Center (CCO)

In keeping with AQi's mission, we have created a new department within Operations that brings together all members of the Operations Control Center (CCO), i.e., the entire airport safety team as well as duty managers. The director in charge is tasked with launching a new, state-of-the-art CCO that will

permit more efficient routine and emergency operations. Work on the new CCO should begin in 2016.

Again this year, duty managers were kept busy overseeing daily airport operations with our partners, carriers, and other organizations working on the site. The Emergency Coordination Center (CCU) was called on several times, including around ten calls to assist aircraft experiencing problems. Our response teams again demonstrated their speed and efficiency in one case where they saved the life of a person experiencing a serious medical problem. We would like to especially congratulate our firefighters, security guards, and the active duty manager who handled this dramatic situation.

2015 was also a year of change for the Airport Security Team, with the arrival of GardaWorld, our new security guard management partner. The transition was seamless and quality of service was not impacted. AQi and GardaWorld have also worked together closely throughout the year to optimize security operations. Changes to the management team have enabled us to quickly implement a management philosophy better suited to a fast-growing airport. In February, Airport Security also updated its fleet with the acquisition of two new emergency response vehicles.

In 2015 we led multiple awareness-raising campaigns with our full network of partners, designed to increase vigilance, make sure everyone is clear on the AQi airport safety and security policy, and remind everyone of their roles. These measures clearly contributed to halving the number of security incidents and infractions of all kinds on the airport site this year.

In response to new Transport Canada Non-Passenger Screening (NPS) requirements, we are planning to add new checkpoints for vehicles (NPS-V) at each end of the apron. Starting April 1, 2016, all drivers of vehicles using the critical restricted area must pass through a checkpoint where they may be subject to a Canadian Air Transportation Security Authority (CATSA) search.

In support of AQi infrastructure projects, CCO has had to handle over 242 requests to accompany workers in restricted access areas, a total of 8,432 person hours as of October 30, 2015. In 2016 we expect to be even busier on this front, and have implemented a rigorous process for managing requests of this kind.

2015 Highlights

Environment and sustainable development

AQI's 2015 sustainability and environmental performance was excellent. We were able to keep overall impacts to a minimum through sound airport management by AQI personnel and airport service providers and tenants. There are three main sources of undesirable environmental impacts at airports: de-icing products (salt for roads, acetate and formate for runways, and ethylene glycol for aircraft), petroleum hydrocarbons, and hazardous waste. In each of these three areas, our monitoring of surface and ground water shows that our team is effectively managing impacts.

AQI's Sustainable Development Policy goes beyond the environment: it also covers the social and economic dimensions of sustainable development, including AQI's social responsibility towards all stakeholders and the general public.

That's why in 2015 we took steps to assess the value of adopting the guidelines set out in the Global Reporting Initiative (GRI) G4 Sustainability Reporting

Guidelines for our next sustainable development report.

In 2015 we completed several GRI-related activities, including a survey of 159 YQB stakeholders on their concerns regarding sustainable airport development. The survey results enabled us to prioritize 23 key issues identified by respondents. As a result of this feasibility study, a GRI report could one day be completed to address priority issues and important concerns.

For example, to offset the loss of trees cut for its construction projects, AQI repeated its successful 2014 initiative and donated 1,000 trees to the L'Ancienne-Lorette Scouts, who organized a

fundraising event in May 2015 to distribute trees to local residents. Trees were given in exchange for a donation to support scout activities, and AQI made an additional cash donation of \$1,000.

On the noise management front, AQI worked jointly with NAV CANADA to implement specific procedures to improve the sonic landscape around the airport. We carefully analyze every noise complaint we receive in order to implement measures to minimize the noise impacts of airport operations. On October 30, 2015, the Noise Management Committee met with representatives of various levels of government and NAV CANADA to get a sense of their noise-related concerns.

YQB's Wildlife Management Plan is an effective, well-applied measure: our 2015 preliminary ratio of 0.7 strikes per 10,000 aircraft movements is well under the Transport Canada standard, which sets a maximum of 3 strikes per 10,000 movements.

2016 will be a challenging year for sustainability due to the many planned construction projects and upgrades. Several measures to reduce energy consumption have been adopted for the new terminal, starting with the use of geothermal power and heated floors in certain areas.



Human resources

2015 was a very active year in HR. For one, we held the first-ever Occupational Health and Safety Month, designed to educate employee on the importance of prevention for reducing accident risks. In addition to addressing employees' physical and psychological health, AQi used the program to introduce twice-weekly supervised drills. We are also proud to report that we finished 2015 without a single lost-time accident. All employees and managers also received training on penal and criminal liability, a reminder of their safety and security responsibilities.

We also implemented an automated HR management system in 2015 to streamline employee file management. In 2016, employees and managers will be trained on how to use the system's self-serve functionalities.

One focus this year was promoting respect, a value dear to our hearts here at AQi. All employees have received training on how to behave respectfully in the workplace. The Human Resources Department also adopted and published HR management policies designed to reinforce best practices.

Another initiative was a weekly satisfaction survey in certain departments designed to assess employee

engagement throughout the year. The multiple challenges AQi is currently facing have led to the creation of several new positions and internal promotions. The airport also continues to offer student internships to train the next generation of airport professionals.

Information technology

It was a year of achievements for the Information Technology Department. For one, the department installed several new state-of-the-art technologies in the terminal in order to fine-tune them ahead of our anticipated traffic growth.

These new technologies include the following:

- A new passenger processing system designed to facilitate passenger check-in and boarding for all carriers. The bulk of this process was undertaken in 2015, and it will be completed in 2016. YQB will be among the first airports in the world to adopt a totally cloud-based system to ensure smooth, effective airport operations.
- A new leading-edge parking system that enables drivers to reserve a parking spot via the YQB website.

- A major update to our safety and security systems and associated technology to keep our airport infrastructure safe for passengers.
- A new dynamic signage system that meets the various digital content needs to enhance passenger experience in the new terminal.
- New administrative systems and productivity tools designed to improve AQi performance and management. These systems are based on cloud architecture for the ultimate in flexibility and scalability.
- New physical telecommunications infrastructure connecting the airport to the outside world. With robust expansion capacity, this infrastructure will enable us to take immediate advantage of the latest technologies to offer enhanced passenger experience and the excellent performance standards our passengers demand.
- The beginning of a full overhaul of AQi's digital presence. A new website and first web app will be launched in 2016 with a view to offering YQB users a more personalized experience.

2015 Highlights

2015 was also a pivotal year in terms of managing change and overhauling processes at YQB. Adapting new technologies has demanded efforts from both AQi personnel and our partners. This transition period will enable us to implement the most stringent standards for technology use in our new terminal, raising the bar even higher to further enhance passengers' airport experience.

Real estate and commercial management and development

The Real estate and commercial management and development department administers around 100 revenue agreements. But that's not all: in 2015 the department's mandate expanded to integrate the commercial facet of terminal concessionaries' activities for their first full year of operations. The team created dashboards illustrating key performance indicators for commercial partners, to be used for weekly monitoring and to better assess the current offer in relation to comparable airports.

AQi management was able to determine the range of businesses and services for the YQB 2018 terminal expansion after a detailed survey of 900 passengers, companions, AQi employees, and other airport partners. The new list of partner restaurants and businesses will be unveiled in 2016 upon completion of our call for tenders, a process designed to ensure we continue to exceed

expectations and respect our *Passenger First*[®] philosophy. In 2015 we also worked actively to determine property values for the 2016–2018 municipal assessment.

Another important case in 2015 was the sale of the aircraft maintenance and repair company, Discovery Air Technical Services, to Premier Aviation.

Marketing and commercial development

In 2015, the Marketing and commercial development department focused on the main priority projects identified in its 2013 action plan. These included growing revenues, developing analytical tools, planning the range of businesses and services for the new terminal, crafting a brand strategy, implementing a new structure and scheduling system for Passenger Experience Team employees, liaising with airlines for runway repair, expanding air services, and collaborating on other AQi projects such as establishing the customs pre-clearance center, building employee engagement, and optimizing passenger travel paths in the terminal.

With new parking spaces now open, the team worked to install and deploy payment terminals and complete implementation of the online parking

reservation system. A new YQB parking policy has also been finalized, and a new parking facility opened in the 7^e Avenue area of the airport.

Advertising revenues continue to climb. The VIP lounge has been successful in terms of growth strategy, user numbers, and cost control, and has contributed to overall AQi revenue growth. The VIP lounge is a great source of pride for AQi, and in 2015 it was voted best passenger lounge in North America by *Priority Pass* customers.

Also in 2015 we completed planning for the future of taxi operations and preparing a cost recovery strategy. AQi also took part in an Urban Development Institute of Québec (UDI) seminar, where we presented our vision of a Québec aerotropolis and discussed airport access issues.



Airport planning

Several initiation and planning steps were undertaken in 2015 ahead of civil engineering works: a major repair of Runway 06-24 and replacement of its lighting system, the addition of a vehicle lane on Apron 3, the Apron 2 expansion, and the construction of new aircraft parking positions. The Airport Planning Department has also contributed expertise in the implementation of project management processes and the creation of a Project Portfolio Committee.

Technical services

Technical Services is responsible for ensuring passenger comfort and safety through the smooth operation of airport facilities and equipment. Our Technical Services professionals work closely with Airport Planning and Engineering & Construction for an integrated approach to services offered and responsible management of current and future assets.

With the terminal expansion now under way, the Technical Services team is currently working to optimize activities to facilitate the integration of new facilities and associated equipment. To do this, it is implementing maintenance planning software tailored to our needs. The team is also promoting mobility throughout our many teams and updating our customer service approach based on operational efficiency principles.

YQB 2018: ON THE CUTTING EDGE

Be ready to serve two million passengers in 2020, double the terminal area, coordinate a massive \$277 million project, propel passenger experience to new heights of excellence, and build today to meet the airport's needs of tomorrow: that, in a nutshell, is the challenge facing YQB 2018 project leadership.

Steeped in innovation

Daniel Perreault, AQi Vice President, Engineering and Construction, has to compose with a \$277 million budget and assure that the project will be delivered in 2018.

What's the secret? Integrated design and the intelligent use of a data modeling process known as a Building Information Model (BIM).

With BIM projects, an intelligent 3D model is created and updated with progress made by all professionals. Project teams work together to design, visualize, simulate, and collaborate throughout the project lifecycle. A 3D model of the project is updated weekly, enabling all stakeholders to visualize developments in real time as the new terminal progresses.

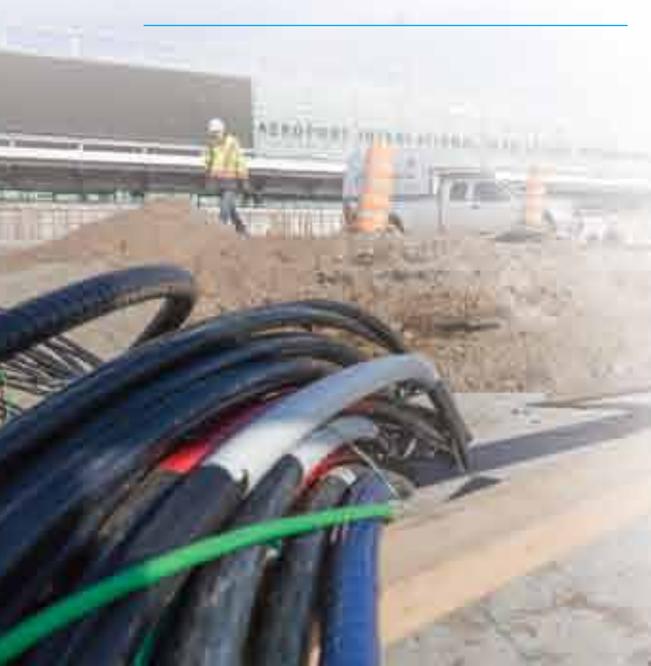
Because we believe good communication is half the battle, Aéroport de Québec inc. (AQi) has raised the bar for project management with cutting edge methods rarely seen in North America. A hangar has been repurposed as a project office to house some hundred professionals and managers from various firms and trades under one roof. This unorthodox approach gives service providers the rare privilege of sharing a space and communicating face-to-face on a daily basis, for the ultimate in fluid, efficient communication. Say a ventilation duct is interfering with a structural modification. When a snag like this is caught at the design phase, the architect can simply pop over to the

engineer's desk to chat about solutions. They then come up with a fix together, make the necessary adjustments, and—*voilà*, problem solved, and no unpleasant surprises during construction.

Unlike traditional approaches, integrated design brings together all project principals *at the building design phase*, enabling an optimized final plan that integrates environmental and other objectives and user needs while satisfying the technical requirements of every trade.

Once construction is complete, it's time to plan infrastructure maintenance. But Daniel Perreault is already on it, thanks to a leading edge IT platform developed by a talented Québec firm to add value to the BIM and get a head start on setting specifications for all building equipment and systems, and a preventive maintenance calendar. Gone are the days of different guides for every supplier: with a single click the new terminal's maintenance team can access all the monitoring information they need, now and for the years ahead.

But long before plans could be drawn up, we needed to ensure the YQB 2018 vision and requirements were clearly communicated to all stakeholders through a Functional and Technical Program (FTP). Project managers worked hard to develop an excellent FTP, a painstaking process that required the active participation of all during multiple sessions. The FTP sets out and precisely defines the current and future needs of all YQB users and partners.





For Daniel Perreault, YQB 2018 is the project of a lifetime. For one, it has a smaller environmental footprint, particularly on the energy front: a total of 60 new geothermal wells will join 31 existing wells to heat and cool the new terminal. The new-and-improved terminal space boasts an avant-garde configuration sure to wow terminal users. And there's the flexibility of a building designed with the next expansion already in mind—and plenty of room for a new U.S. Customs preclearance center.

Simpler. Faster. Less confusing. More pleasant.

Developing new concepts and integrating new technology are all part of achieving our overarching objective: raising customer experience to ever higher standards. From the moment our passengers set foot in the terminal until their flight takes off, only one question matters: Can technology make the process simpler, faster, less confusing, and more pleasant? These four ideas are constantly resonating in the head of Marc-André Bédard, AQi Vice President, Information Technology.

We believe there's no reason catching a plane shouldn't be as quick and easy as taking the Metro. Are we dreaming? Regulations may limit how fast we can get there, but mobile technologies are already pushing us in the right direction.

We plan to cut airport check-in time with online services passengers use before leaving home and self-serve kiosks in the terminal. Security checkpoints can be made more efficient and convenient by working with regulators. The day may

come when we can undergo a security scan as we stroll down a hallway full of amenities, without unpacking our luggage or lining up. Unless we have something special to report, we won't even have to stop walking. We may not be there yet, Marc-André Bédard notes, but while we strive to do better with today's technologies, tomorrow's prototypes are already being tested.

In 2016 passengers and those accompanying them will enjoy a brand new mobile app that provides personalized information based on their family situation and where they are in the boarding process. Coming to pick up a friend? You'll know exactly where they are in the airport. Pulling into the parking lot? Signage will guide you to the terminal. Waiting for a flight? You will be offered entertainment options to pass the time and a personalized alert will let you know when it's time to board.

While technology does make it possible to boost our processing capacity and achieve better efficiency per square meter in the new terminal, if you spend five minutes with the team of professionals behind YQB 2018 it quickly becomes apparent that their focus is first and foremost on providing the most efficient, comfortable, pleasant, and entertaining passenger experience possible.

OVER 100
PROFESSIONALS
WORK IN THE YQB
2018 PROJECT
OFFICE

SOME TEN
DIFFERENT
PROFESSIONS
AND TRADES ARE
REPRESENTED

AT PEAK TIMES,
OVER 200 PEOPLE
WILL BE WORKING
ON THE SITE

YQB HAS
22 NEW CHECK-IN
KIOSKS

A TEAM OF
OVER 20 IT
IS IN SERVICE
24 HOURS A DAY





YQB 2018: Serving our passengers through teamwork

If there's one thing that all Aéroport de Québec (AQI) employees have in common, it's a constant focus on providing unforgettable passenger experience. When a major expansion project is carried out, this means that every move must be carefully evaluated, planned, and coordinated to minimize passenger impacts.

Let's take a closer look at just what's happening on the ground, and in the minds of the inspiring leaders who thrive on challenges of this scale.

ONE STEP AT A TIME

In the Québec City Jean Lesage International Airport (YQB) Project Office, an impressive team 100 people strong has been assembled to shepherd the expansion project to completion. And then there are the workers onsite, numbering up to 200. All are united in a single aim: double the area of the current terminal while minimizing the impacts of the work on normal operations and, especially, the experience of YQB passengers.



In the words of Jean-François Leduc, Director, Engineering and Construction, the secret is to "take it one step at a time": simply break down the project into its many steps. To get there, a crack team of architects, engineers, and construction professionals has been assembled under one roof to jointly tackle the incredibly complex challenges through something as seemingly basic as ongoing dialogue.

Since YQB runs on innovation, don't go looking for the paper blueprint: we work with three, four, five, and even six-dimensional (6D) models using state-of-the-art technology. It's a bold approach, and getting it right takes time and focus, but it also enables us to closely monitor every aspect of project, from QA to budget to timelines. The environment is another daily focus, as evident in our inclusion of geothermal heating, a new thermal power plant, heated floors, and a slate of measures designed to achieve maximum energy efficiency.

YQB 2018 is also a feast for the eyes: when passengers exit the security checkpoint they will pass through a glassed-in walkway to a breathtaking new terminal room.

The Project Office is much more than just a workplace for our inspiring, talented multidisciplinary team. It's also a place where the excitement of being part of a larger-than-life project creates an electric atmosphere. Equally tangible is the pride driving each and every one of the workers to develop the airport of the future, and bring to life the promise of an unequalled passenger experience.

GREAT PASSENGER EXPERIENCE? YOU HAVE TO RUN A TIGHT SHIP!

At AQI the members of the Passenger Experience team are easy to pick out: just look for a contagious smile, a quick step, and an uncanny ability to take care of your every need before you've even expressed it.

When you meet our team of 25 customer service professionals, you'd swear they were born with an uncanny ability to anticipate passenger needs. The team works tirelessly behind the scenes to complete this massive project with minimal interruption.

The airport is open 365 days a year, and every day is different when it's your job to find the most logical, intuitive path for YQB passengers. Everything is planned down to the last detail, from the plastic wrap for the luggage wrapper to the VIP Room, to the layout of the children's play room to the cleanliness of the bathroom. Sophie Lambert is the conductor of this orchestra, and she's proud of her team's around-the-clock dedication to passenger experience excellence. They are honored to be on the front lines for some highly emotional moments, from marriage proposals and reunions to grieving and heartbreaking goodbyes.

What is passenger experience after all? It's a thousand little things done by every employee, partner, and service provider. It starts in the eagerly awaited multi-level parking facility that's finally open. It's having a team in costume to greet families and little ones with candy on Halloween, and a VIP room where business travellers can put the finishing touch on a presentation or keep up with the latest breaking news.

Passenger Experience team members are on the ground, ideally positioned to notice the little things that can disturb the normal sequence of events. Ever vigilant, the team makes the necessary adjustments and is always ready to roll up its sleeves to lend a hand and help passengers take ownership of YQB 2018. After all, this project will change the face of an airport that, now more than ever, will be a greater Québec City landmark. This small army of passionate helpers has earned a well-deserved reputation for excellence within AQI by building relationships with the many airport partners, sharing their vision, and making the voices of passengers heard at the highest levels.

The Passenger Experience team gives a whole new meaning to word "dedication," thanks to its inspiring attention to and sincere caring for customers. A case in point: when a passenger was inconsolable after losing the diamond from her wedding ring, the team got down on their hands and knees—or rather, opened their eyes—and retraced her steps until they were able to finally recover this passenger's invaluable token of love.



RUNNING ON INNOVATION: SPOTLIGHT ON TECHNOLOGY



Inspired by best practice, and driven by the desire to implement technologies that truly deliver an enhanced passenger experience, the information technology (IT) team is united in its mission to drive YQB forward while setting a new industry standard and keeping a human touch. As we undertake the largest expansion project in YQB history, the team is in its element. The challenge: anticipate needs, predict trends, and identify, test, and deploy tomorrow's IT solutions while continually improving the range of services.

Take Dave Rouillard. He's a man of action, a real character, and a far cry from the stereotype of an antisocial techie that unfairly plagues IT professionals. For Dave, and for the entire IT team, Aéroport de Québec inc.'s outstanding reputation for service and passenger experience comes with a huge responsibility: strengthening the airport's IT leadership and exceeding the highest expectations.

To get there the team is active on several fronts, from building a new website to reviewing the dynamic signage to ensure a uniform, consistent experience

for travellers, whether they are on their computer, their smartphone, or a screen in the terminal.

That's why the IT team is working closely with the Passenger Experience team on the self-service check-in kiosks designed to speed up the process and cut wait times, the main source of annoyance for most travellers.

And that's also why it's now possible to reserve a spot in the multi-level parking garage online. It's why we're already hard at work on a new multipurpose check-in hall (with kiosks for both checking in for flights and registering luggage), as well as a cloud-based online check-in platform that makes it easier for new carriers to join us at YQB, without requiring additional space. That's why people around here get excited when you talk about checking in, mobile apps, and border control kiosks that make customs that much faster.

It's a big challenge, especially since YQB depends on two distinct clienteles who travel very differently. Business travellers know the drill: they've usually already checked in on their smartphones and head straight to

security. But we also serve occasional flyers, maybe heading for a vacation in the South, who may be excited, nervous, and apprehensive as they approach the terminal, and need to be walked through the whole process. For Dave, self-service doesn't mean "no service." Quite the opposite: it's the job of every employee, partner, and service provider to maximize positive emotions and make passengers' lives easier.

The IT team is ready for the future—they already live there! Above all, they run on innovation, mobilizing partners one at a time, tirelessly rethinking and testing solutions. Because you only get one chance to make a good impression.

WHEN THE DEVIL'S IN THE DETAILS, YOU NEED A DEVIL'S ADVOCATE!

A project as big as YQB 2018 is like a giant puzzle: move even a single piece and things get complicated fast. Every action has an equal and opposite reaction, and often several; our job is to carefully anticipate them all. That's where Marie-Josée Blondeau comes in.

As head of planning and operational systems, Marie-Josée knows the airport like the back of her hand. She's the link between YQB 2018 and operations, and her mission is to minimize the expansion's impacts on day-to-day activities. To do that she has to see things from the point of view of the passenger, and of all involved partners as well. How will passengers get from Point A to Point B? What kind of signs will they need? How can we make a temporary corridor look better? How can we provide a tailored approach for a personalized experience? Nothing can be left to chance, and this is no time for making it up as you go. Marie-Josée understands that there's no worse waste of time than doing something twice, especially in an environment where something as simple as moving a

fence next to the runways can require up to ten different approvals.

Some of us get squeamish at the thought of handling this type of logistical puzzle on a daily basis—not Marie-Josée, who thrives on the thrill of a good challenge, insists on seamless communication and teamwork, and travels around the terminal to keep her finger on the pulse of operations and get a better sense of what life is like for the hundreds of people involved in the project. It's not just about solving problems: Marie-Josée is proud to add a human touch to this once-in-a-lifetime project, which involves overcoming resistance, achieving buy-in, and building enthusiasm.

Marie-Josée is fond of saying her job is to play "devil's advocate." She needs to weigh the repercussions of every decision. And the devil is always in the details. Luckily for us, Marie-Josée's got it covered!



YQB's *Passenger First*[®] ethos runs deep for our front-line ambassadors, who are proud to be part of this major expansion that will pave the way for the brightest of futures.

Québec City residents still strongly supportive of airport development

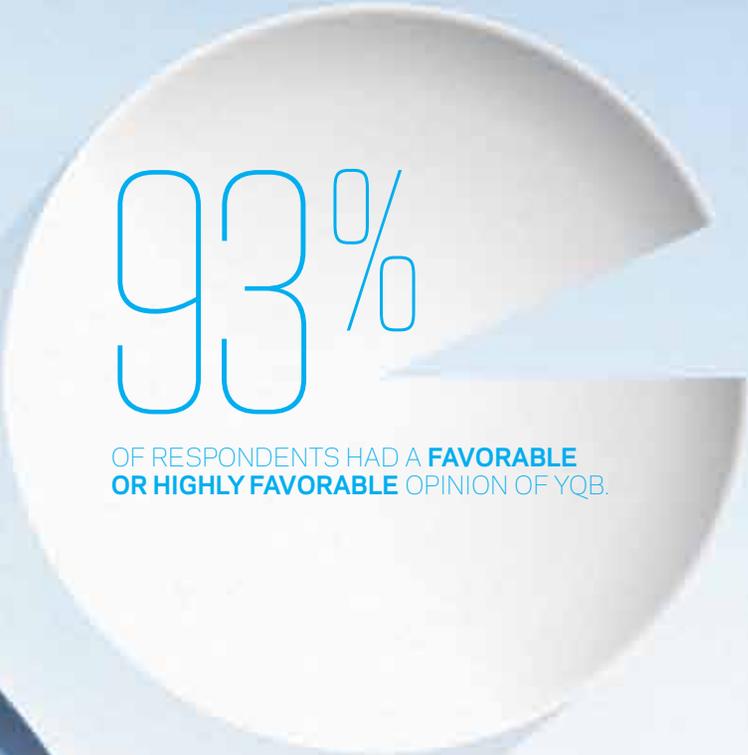
In 2015, Greater Québec City Area residents were witness to the beginning of our expansion work. This year, they have again expressed their support for Aéroport de Québec inc. (AQI) development plans. The results of a survey conducted in January 2016 show very high satisfaction rates for Québec City Jean Lesage International Airport.

Survey respondents stressed that the construction of a new international terminal was of vital importance to the local economy. For residents, YQB 2018 is necessary to ensure the economic growth of the Québec City region.

METHODOLOGY

ON JANUARY 12 AND 14, 2016, THE SOM POLLING FIRM CONDUCTED AN ONLINE SURVEY WITH A SAMPLE OF 520 RESPONDENTS IN THE CENSUS METROPOLITAN AREA (CMA) OF QUÉBEC¹.

¹ Maximum margin of error for all respondents: 4.6% (at a confidence level of 95%).



93%

OF RESPONDENTS HAD A **FAVORABLE**
OR HIGHLY FAVORABLE OPINION OF YQB.



91%

OF THE POPULATION EXPRESSED **TOTAL**
OR PARTIAL SUPPORT FOR THE \$277 MILLION
IN INVESTMENTS PLANNED BETWEEN NOW
AND 2018 TO PURSUE INFRASTRUCTURE
DEVELOPMENT AND BOOST YQB'S
PASSENGER CAPACITY.



93%

OF RESPONDENTS CONSIDER THE
DEVELOPMENT OF YQB TO BE **FAIRLY**
IMPORTANT OR VERY IMPORTANT FOR THE
REGION'S ECONOMIC PROSPERITY.

2015

PROJECTS



Throughout 2015 Aéroport de Québec inc. (AQi) continued work on infrastructure improvements with the following projects:

Replacement of field electrical centers (FECs)

Construction of two state-of-the-art airside FECs was completed in October 2015. FECs are critical airport infrastructure and a double layer of security has now been added as they are equipped with an emergency power supply.

Roadwork on 9^e Rue and extension of 6^e Avenue

AQi's long-term expansion plans mean we must make better use of all airport land. Roadwork on 9^e Rue and extending 6^e Avenue became necessary to provide access to various lots and develop future activities on the YQB site. We also relocated electrical infrastructure to expand Apron 3.

A redesigned customs area

To ensure we have enough space for a secondary search area in time for the opening of new customs facilities in 2017, we have redesigned the Canada Border Services Agency (CBSA) secondary search area to better serve the growing number of passengers we anticipate going forward.



2015 PROJECTS

Terminal expansion and renovation

To equip the airport to achieve its ambitions and strategic objectives, in 2015 AQi implemented a slate of measures designed to define governance rules and the roles and responsibilities of various project management stakeholders. We created a steering committee and a project team led by a project sponsor, a project director, and multidisciplinary project managers who are the backbone of what is now known as YQB 2018, the largest expansion and redevelopment in AQi history.

YQB 2018 is needed to enable the airport to meet the demands of increasing traffic, and thus better serve the economic interests of the Québec City area. This once-in-a-lifetime project is galvanizing the efforts of all YQB employees to work together to rise to this major challenge. Below is an overview of the projects that have been keeping our team busy throughout the year:

Construction of a pedestrian corridor

For the comfort and safety of passengers during construction, in July 2015 AQi opened a 165 m modular corridor to the international departure gates. The corridor is fully air conditioned, heated, and equipped with the latest digital technology. It was constructed from 128 prefabricated panels, with a steel beam structure weighing 100 tons and a 2,400 m² metal apron.

New curbside and covered walkway

Phase I of work on the curbside was begun in December 2014 and completed in November 2015. The loading zone has been improved with a covered walkway between lanes to shelter passengers from the elements while they wait for their ride. All work was coordinated and daily mitigation measures were implemented to minimize passenger impacts. Phase II of work on the curbside is planned for 2017.

New terminal construction

The terminal expansion (Phase I) kicked off in April 2015 and will continue until December 2017. In late 2015 we completed excavation, built forms, and poured concrete. In 2016 and 2017 work will continue, including the steel building frame, building envelope, new thermal power plants, and interior work. The renovation of the 1996 building and harmonization of services (phases II and III) are slated to begin in 2018 and wrap up in 2019.

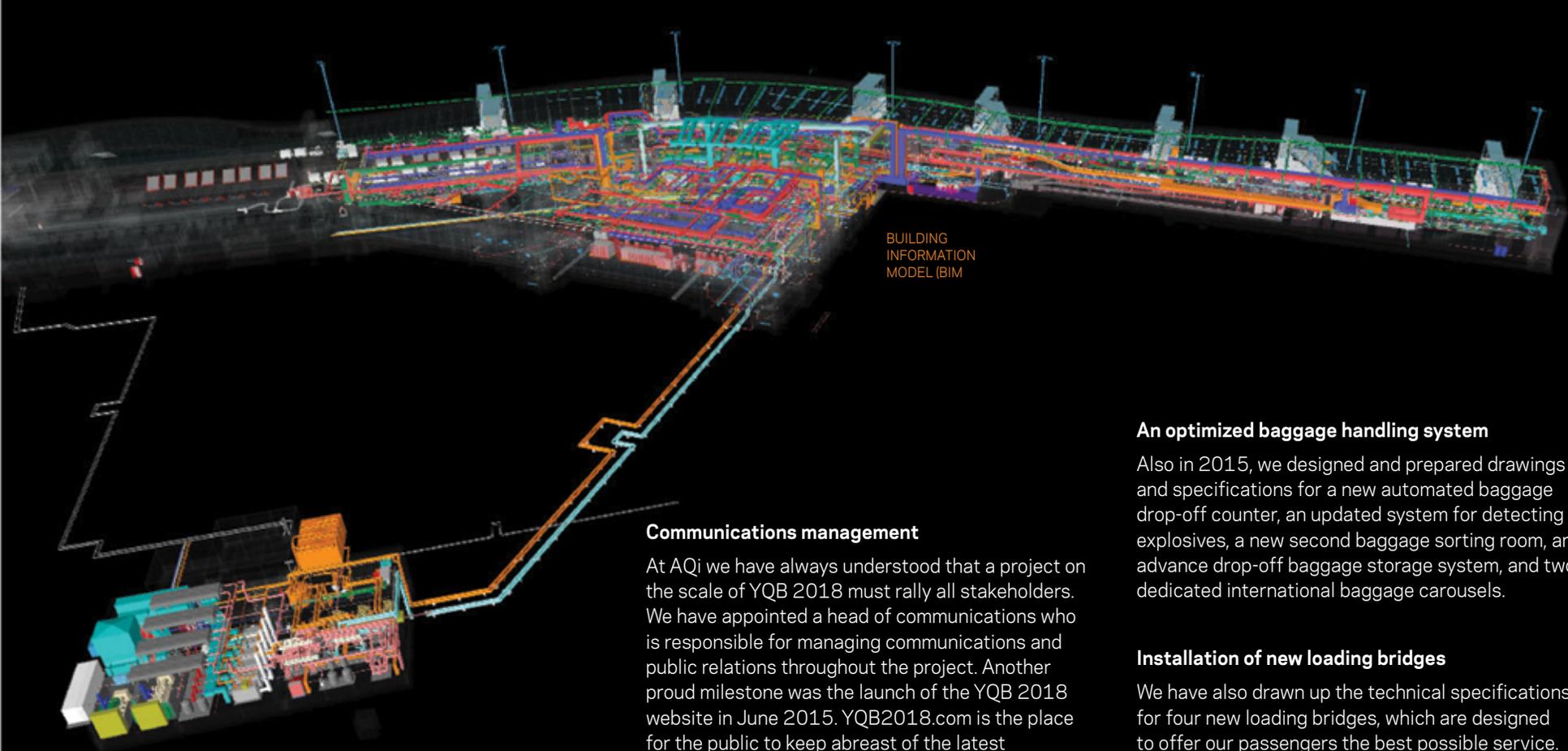
Building Information Model (BIM)

Driven by a strong culture of innovation, AQi is a Québec leader at the forefront of the latest construction project management techniques. One of these is the Building Information Model (BIM), in which digital modeling is used to support and integrate a range of processes.

Fostering collaboration, streamlining processes, and facilitating access to information for the whole team are the fundamentals of BIM: users create, share, and use multiple digital models representing the project's physical, technical, and functional characteristics. Models give the design team a strong sense of what the future building will look like, and lets team members correct problems that usually arise at the building phase before they happen.

During the design phase, the digital models are used for various analyses: energy performance, coordinating professions and trades, simulations of construction sequencing, and quantitative analyses. Once the building phase begins, the model serves mainly to monitor progress, ensure work goes forward according to plan, and prevent potential problems.

The valuable data contained in the model is also transferred directly to the team responsible for building operations and maintenance. All this work is designed to lessen risk, lower unexpected costs, and boost the performance of every project team.



BUILDING
INFORMATION
MODEL (BIM)

Redesign of leased spaces and integration of new concessions

In 2015 AQi carried out multiple exercises to determine the needs of tenants and partners on airport lands and coordinate the integration of new concessions. The main goal is to enlarge the food court to offer passengers an enhanced range of services. We also developed a concession layout guide ahead of the call for tenders planned for the coming months.

Communications management

At AQi we have always understood that a project on the scale of YQB 2018 must rally all stakeholders. We have appointed a head of communications who is responsible for managing communications and public relations throughout the project. Another proud milestone was the launch of the YQB 2018 website in June 2015. YQB2018.com is the place for the public to keep abreast of the latest developments in the airport project.

Other 2015 achievements include implementing a communication plan, creating a new visual identity for YQB 2018, holding information sessions for the public, producing a newsletter for airport employees and partners, creating visual content (photo and video) for short-, medium-, and long-term use, and deploying various advertising campaigns.

Now that the main project communication tools are up and running, the challenge in the year ahead is to make them as dynamic and interactive as possible. At AQi, ensuring that stakeholder communications are transparent and carefully planned is a priority.

An optimized baggage handling system

Also in 2015, we designed and prepared drawings and specifications for a new automated baggage drop-off counter, an updated system for detecting explosives, a new second baggage sorting room, an advance drop-off baggage storage system, and two dedicated international baggage carousels.

Installation of new loading bridges

We have also drawn up the technical specifications for four new loading bridges, which are designed to offer our passengers the best possible service.

Managing impacts on operations

To minimize the repercussions of construction on our passengers and partners, and mitigate the risks inherent in a project of this scope, AQi appointed a head of operations responsible for coordinating all operations during YQB 2018.

Integrating new technologies

In 2015 AQi also began studying various leading edge technologies designed to offer passengers the fastest, smoothest, most efficient airport experience possible.

Passenger safety and security

PREDICT THE UNPREDICTABLE, AND TAKE CONTROL

In the world of air transport, you can never be too careful. At Québec City Jean Lesage International Airport (YQB), the safety and security of our passengers, employees, and partners guides every one of our decisions.

Aéroport de Québec (AQI) manages, coordinates, and deploys our airport security program according to risk and threat management principles. AQi also demands proactive, collaborative participation from partners to achieve an integrated approach at every level. This strategy means AQi can swiftly adapt to the full range of airport security threats, while keeping YQB infrastructure and facilities under tight control.

Through effective prevention, intervention, enforcement, and regulation measures, the AQi Airport Security team makes a critical contribution to keeping Canadian air travel safe. The Aircraft Rescue and Firefighting Service (SLIA) is on call 24 hours a day. With four highly experienced teams of firefighters, SLIA leads from the front lines when an emergency response is needed at the airport.

Every detail counts

As head of the Mobile Equipment Maintenance Department, Jean-Guy Pelletier never forgets that all it took was a tiny strip of metal on the runway to cause the mighty Concorde to crash in France in 2000. There's no such thing as a "tiny problem" at an airport, where mere fragments of a broken runway light, or a tool left behind, can be a serious hazard. How can such situations be avoided? It's simple: Leave nothing to chance. Last spring AQi began practicing the 5 S methodology, a Japanese technique designed to improve task performance on a continuous basis. The first "S" stands for "Sort": mechanics sort their tools and only keep those they use regularly. Each tool is then given a designated indented space in a special drawer

for it alone. That way mechanics can tell at a glance whether a tool is missing before leaving the worksite.

Predict the unpredictable

On the airside, Simon-Xavier Cayouette is responsible for training and deploying the Safety Management System (SMS). His job is to predict the unpredictable and take control of every situation. Is runway traffic safe? Is signage adequate? Could we reduce runway lighting downtime? Replacing a single burnt-out bulb means clearing the runway for 15 minutes, and that can delay a landing. If more than one light is damaged, we may even have to fully

close a runway! Any foreign body on the runway can be a hazard, and must be eliminated, reported, and assessed to prevent a recurrence. How should baggage handlers move around aircraft? What's the best way to respond to a hazardous materials spill? How do you handle a crack on the runway? What caused the aircraft tire to puncture? These are just a few of the questions Simon-Xavier addresses through employee training and audits.

In close collaboration with Transport Canada, AQi personnel must identify all risks and classify them according to potential repercussions and control measures. AQi's 180-odd employees and many partners are all trained to apply



established procedures. Regularly assessing work methods, investigating incidents, and applying corrective measures are just a few of the methods used to constantly remind all employees that safety is indeed everyone's business.

Heightened surveillance

You can't just go wherever you want at airports, which have many restricted-access areas. Access Control Center (CCA) employees are responsible for strictly enforcing regulations and conducting background checks prior to issuing access cards for every member of airport staff, airlines, or suppliers working on airport construction projects.

The moment someone scans an access card, their face appears on one of the screens of the Security Operational Coordination Center (CCOS), the headquarters where every movement on airport premises is watched on fifteen-odd monitors displaying feed from 216 cameras. The CCOS is home base for all YQB security personnel, and is located just steps away from the Emergency Coordination Center

(ECC)—together, these two entities form the Operational Control Center (OCC), where you will find career military professionals alongside experienced pilots and flight attendants with on-flight emergency experience, as well as police officers and firefighters, all ready to work together to coordinate a response, and proud to serve under OCC Head of Security Christian Labrosse.

When the alarm sounds

A bird strikes an aircraft, a plane needs a tow, a passenger falls ill in the terminal or on an aircraft, an emergency landing and passenger evacuation is required, a fuel spill is detected, a suspect parcel identified, a fire breaks out—in all these situations and more, the alarm sounds simultaneously at the fire station and the OCC.

As first responders, airport firefighters implement the Emergency Measures Plan (EMP). Annie Boucher, one of few Québec women firefighters to have reached the rank of captain, can testify that the airport's 23 firefighters truly spring into action at a moment's notice. Within three minutes a first unit arrives on the runway and assigns a priority level: Code White, Code Yellow, or Code Red. For Yellow and Red incidents, City of Québec firefighters, police, and ambulances are automatically called in for backup.

Depending how serious the incident is, these forces will meet at the ECC, the coordination hub where every external partner will be assigned a task to achieve optimal efficiency in coordinating the emergency response.

DID YOU KNOW?

VEHICLE DRIVERS AND AIRCRAFT PILOTS WHO BREAK RUNWAY TRAFFIC RULES CAN BE FINED.

AQI EMPLOYS A PROFESSIONAL TRAPPER TO CONTROL WILDLIFE ON AIRPORT GROUNDS.



Financial highlights

2015 FINANCIAL PERFORMANCE

AÉROPORT DE QUÉBEC INC. POSTED COMPREHENSIVE INCOME OF \$8.1 MILLION FOR THE FINANCIAL YEAR ENDING DECEMBER 31, 2015. REVENUES WERE \$55.4 MILLION, INCLUDING FINANCIAL REVENUES, AND OPERATING EXPENDITURES WERE \$47.3 MILLION.

REVENUES

- ▶ Revenues derived from airport improvement fees (AIFs) totaled \$20.4 million. AIFs are entirely reinvested in airport improvement initiatives, including interest payments on AQI's debt.
- ▶ Landing fees generated \$6.2 million.
- ▶ Air terminal and loading bridge fees were \$6.9 million.
- ▶ Parking, concession, rental, and service revenues were \$16.9 million.
- ▶ Safety and security revenues were \$3.5 million.
- ▶ Overall revenue growth was 6.1%.

EXPENSES

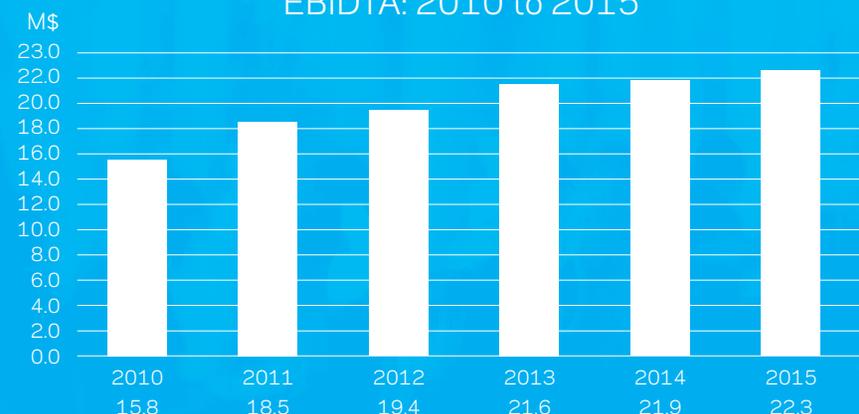
- ▶ Salary and payroll expenses were \$13 million.
- ▶ Rent paid to Transport Canada was \$3.1 million.
- ▶ Aéroport de Québec inc. also procured goods and services worth a total of \$12.7 million. Of this amount, \$8.1 million went to services and maintenance while \$2.8 million was spent on materials, supplies, and utilities.
- ▶ Aéroport de Québec inc. made \$4.1 million in payments in lieu of taxes.

EBITDA

Earnings before interest, taxes, depreciation, and amortization (EBITDA) totaled \$22.3 million in 2015.

Management uses EBITDA as an indicator to assess ongoing operational performance. The Corporation defines EBITDA as the excess of revenues over expenses before financial expenses, taxes and depreciation. The previous years includes the provincial contribution.

EBITDA: 2010 to 2015



PROJECTED REVENUES AND EXPENSES (2016–2020)

(in thousands of dollars)

	2016	2017	2018	2019	2020
Revenues*	59 292	58 456	72 209	80 242	82 574
Expenses**	43 140	44 095	58 474	61 616	62 733

*Lower revenues forecast for 2017 are due mainly to lower landing fees as a result of major work planned for Runway 06-24 in that fiscal year.

** Expenses do not include depreciation of fixed assets and amortization of revenues related to tangible fixed assets.

The above forecasts were established based on assumptions. Actual results may differ.

2015 INVESTMENTS

(in thousands of dollars)

	Forecast	Actual	Investments
Investments	49 055	39 422	Savings realized and postponement of certain projects and studies.

AQI's main investments in 2015 were the following:

- ▶ Construction of road (9^e Rue de l'aéroport)
- ▶ Reconfiguration of road access to terminal (curbside)
- ▶ Terminal expansion, international arrivals area
- ▶ CBSA – Renovation of customs area
- ▶ New field electrical centres (FECs) for runway lighting (Phase 2)

PLANNED INVESTMENTS (2016-2020)

The following are the main investments under consideration for 2016-2020:

- ▶ Major refurbishment of Runway 06-24
- ▶ Terminal expansion – international arrivals area
- ▶ Aircraft parking positions 31 and 32 – apron refurbishment
- ▶ Apron 2 – Enlargement to accommodate Code C aircraft
- ▶ Apron 3 – Construction of a vehicle lane
- ▶ Resurfacing of Runway 11-29
- ▶ Non-passenger screening - vehicles (NPS-V)
- ▶ Refurbishment of Delta and Echo taxiways
- ▶ Expansion and refurbishment of Delta taxiway vehicle lane
- ▶ New taxi stand



Independent Auditor's Report on Summary Financial Statements

To the Directors of
Aéroport de Québec inc.

The accompanying summary financial statements, which comprise the summary statement of financial position as at December 31, 2015, the summary statements of comprehensive income, changes in net assets and cash flows for the year then ended and the notes to summary financial statements, are derived from the audited financial statements of Aéroport de Québec inc. for the year ended December 31, 2015. We expressed an unmodified audit opinion on those financial statements in our report dated February 25, 2016.

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 Aéroport de Québec inc.

Management's responsibility for the summary financial statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with the criteria described in Note 2.

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 Aéroport de Québec inc. for the year ended December 31, 2015 are a fair summary of those financial statements, in accordance with the criteria described in Note 2.

*Raymond Chabot Grant Thornton S.E. N.C. R. L.*¹

Québec City

February 25, 2016

¹ CPA auditor, CA public accountancy permit no. A119912

Summary Statement of Comprehensive Income

Year ended December 31, 2015

	2015 \$	2014 \$
Revenues		
Landing and terminal	13,130,988	12,825,066
Airport improvement fees	20,354,222	19,198,149
Concessions	3,375,949	3,167,237
Rentals	2,017,437	1,644,286
Parking	5,901,206	5,069,928
Services and recoveries	5,647,140	5,607,323
Safety and security	3,485,031	3,333,435
Other income	39,769	1,018
	53,951,742	50,846,442
Expenses		
Employee benefit expenses	12,969,288	12,007,433
Rent	3,116,152	2,984,701
Goods and services	12,693,643	13,240,351
In lieu of taxes	4,143,626	3,388,355
Amortization of property, plant and equipment	11,641,566	9,463,237
Amortization of deferred expenses	78,820	177,210
Amortization of deferred revenues relating to property, plant and equipment	(2,216,167)	(1,761,446)
	42,426,928	39,499,841
Operating results		
	11,524,814	11,346,601
Finance income	1,394,852	1,462,322
Finance costs	(4,892,691)	(2,723,979)
Net revenues and expenses	8,026,975	10,084,944
Other comprehensive income		
Item that will not be reclassified subsequently to profit or loss		
Revaluation of net defined benefit pension plan liability	111,300	351,900
Comprehensive income	8,138,275	10,436,844

The accompanying notes are an integral part of the financial statements.

Summary Statement of Changes in Net Assets

Year ended December 31, 2015

	Accumulated revenues \$	Accumulated other comprehensive income \$	Total net assets \$
Balances as at January 1, 2015	102,519,855	(2,371,900)	100,147,955
Net revenues and expenses	8,026,975		8,026,975
Revaluation of net defined benefit pension plan liability		111,300	111,300
Comprehensive income			8,138,275
Balances as at December 31, 2015	110,546,830	(2,260,600)	108,286,230
Balances as at January 1, 2014	92,434,911	(2,723,800)	89,711,111
Net revenues and expenses	10,084,944		10,084,944
Revaluation of net defined benefit pension plan liability		351,900	351,900
Comprehensive income			10,436,844
Balances as at December 31, 2014	102,519,855	(2,371,900)	100,147,955

The accompanying notes are an integral part of the financial statements.

Summary Statement of Cash Flows

Year ended December 31, 2015

	2015 \$	2014 \$
Operating Activities		
Net revenues and expenses	8,026,975	10,084,944
Non-cash items		
Gain on disposal of property, plant and equipment	(39,769)	(1,018)
Amortization of transaction costs	32,058	
Amortization of property, plant and equipment	11,641,566	9,463,237
Amortization of deferred expenses	78,820	117,210
Amortization of deferred revenues relating to property, plant and equipment	(2,216,167)	(1,761,446)
Defined benefit pension plan liability	(66,389)	(180,489)
Net change in working capital items	(1,592,713)	1,816,728
Cash flows from operating activities	15,864,381	19,599,166
Investing Activities		
Term deposits	(141,949,058)	(2,838,477)
Receipt of note receivable	116,666	116,667
Acquisition of property, plant et equipment	(39,137,761)	(58,860,377)
Disposal of property, plant et equipment	45,731	7,800
Deferred expenses		41,403
Cash flows from investing activities	(180,924,422)	(61,532,984)
Financing Activities		
Receipt of grants receivable	9,586,232	4,637,899
Loans	267,000,000	44,000,000
Transaction costs	(1,199,684)	
Repayment of loans	(109,881,200)	(3,881,200)
Cash flows from financing activities	165,505,348	44,756,699
Net increase in cash	445,307	2,822,881
Cash, beginning of year	5,170,872	2,347,991
Cash, end of year	5,616,179	5,170,872

During the year, AQi paid a total of \$7,522,393 (\$3,216,639 in 2014) in interest and received a total of \$2,037,856 (\$1,312,586 in 2014) in interest.

During the year, AQi reclassified \$69,937 from last year's deferred expenses into the transaction costs.

The accompanying notes are an integral part of the financial statements.

Summary Statement of Financial Position

December 31, 2015

	2015 \$	2014 \$		2015 \$	2014 \$
Assets			Liabilities		
Current			Current		
Cash	5,616,179	5,170,872	Accounts payable	20,292,772	18,176,428
Term deposits	71,826,403	26,278,497	Provisions		850,000
Accounts receivable	8,225,049	5,461,468	Deferred revenues	485,658	227,296
Grants receivable	10,242,572	12,268,941	Customer deposits	535,686	580,008
Note receivable	116,667	116,667	Loans	7,220,767	5,091,000
Supplies in inventory	719,417	651,349		28,534,883	24,924,732
Prepaid expenses	651,653	475,558			
	97,397,940	50,423,352	<hr/>		
Non-current			Non-current		
Term deposits	123,091,153	26,690,001	Loans	293,252,623	141,875,000
Note receivable	2,091,667	2,208,333	Deferred revenues relating to property, plant and equipment	100,393,455	47,330,548
Grants receivable	51,845,364	6,500,000	Customer deposits	219,307	
Property, plant and equipment	256,755,296	228,980,403	Defined benefit pension plan liability	494,922	672,611
Deferred expenses		148,757		394,360,307	189,878,159
	433,783,480	264,527,494	<hr/>		
	531,181,420	314,950,846	Net Assets		
			Accumulated revenues and accumulated other comprehensive income	422,895,190	214,802,891
				108,286,230	100,147,955
				531,181,420	314,950,846

The accompanying notes are an integral part of the financial statements.

On behalf of the Board,

Signed:

André Fortin, CPA, CA, ASC, Lawyer
Chair of the Board

Signed:

Lise Lapierre, CPA, CA, ASC
Chair of Audit Committee

Notes to Summary Financial Statements

December 31, 2015

1 GOVERNING STATUTES AND NATURE OF OPERATIONS

Aéroport de Québec inc. (AQi) is a not-for-profit corporation without share capital, governed by the Canada Not-for-profit Corporations Act. AQi is exempted under the Income Tax Act. The corporation is in charge of managing, operating, maintaining and developing the Aéroport international Jean-Lesage de Québec ("YQB") in accordance with a 60-year ground lease signed on October 27, 2000 with the Canadian government, with an option to renew for another 20 years.

AQi's head office is located at 505 Principale Street, Québec, Québec G2G 0J4.

2 CRITERIA FOR THE PREPARATION OF SUMMARY FINANCIAL STATEMENTS

AQI prepared financial statements in accordance with International Financial Reporting Standards (IFRS). The financial statements were approved by the Board of Directors on February 25, 2016. The independent auditor expressed an unmodified opinion on these financial statements in the independent auditor's report dated February 25, 2016.

AQI elected to prepare summary financial statements using the following criteria:

- a) Presentation of one set of financial statements, except for the notes to financial statements;

- b) Use of the same format in the summary financial statements as that used for the financial statements, except for the references to the notes;
- c) Exclusion of the notes to financial statements, unless their omission prevents users from obtaining a structured view of AQi's economic resources and obligations at a given time or of any changes during a period.

The financial statements are prepared in Canadian dollars, AQi's functional currency.

3 AVAILABILITY OF THE FINANCIAL STATEMENTS

The audited financial statements are available on AQi's website (www.aeroportdequebec.com) after they have been presented at the annual public meeting.

Additionally, a paper copy of the audited financial statements may be obtained by contacting AQi.

Aérogare
Terminal



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BELTA

Board of Directors

Aéroport de Québec inc. (AQi), incorporated by virtue of Part II of the *Canada Corporations Act*, is a not-for-profit corporation without capital shares that is exempted under the *Income Tax Act*. It is responsible for managing, operating, maintaining and developing the Québec City Jean Lesage International Airport (YQB) and holds a 60 year lease signed on October 27, 2000, with the Government of Canada, with an option to renew for a period of 20 years.

Any surplus of revenues over expenses is reinvested in airport facilities to improve passenger services.

AQi subscribes to all the lease's accountability and transparency principles as well as its own general bylaws.

In addition to the regulatory framework provided by the lease, general bylaws, and letters patent, AQi is subject to other rules enabling it to meet its accountability and transparency obligations toward the public. AQi is evaluated every year under Transport Canada's lease monitoring program.

AQi has proved to be in compliance in recent years. All of Transport Canada's remarks have been properly followed up on without exception.

In compliance with Canadian airport administrations' public accountability principles and its own bylaws, AQi has a maximum of three (3) co-opted members named by the board of directors, two (2) members named by Her Majesty the Queen in Right of Canada¹, one (1) member named by the Government of Québec, five (5) members named by the cities of Québec and Lévis, and four (4) members named by Chambre de commerce et d'industrie de Québec and Chambre de commerce de Lévis. Each party is

invited to submit candidates for membership on the board of directors based on profiles submitted by the board.

In all, the board of directors is composed of no more than 15 members, who are known for their individual expertise in accounting, the environment, administration, air transportation management, law, labor organization, and engineering.

The board sets the organization's strategic orientations and oversees their implementation in conjunction with the management team.

In 2015 AQi was supported by a team of fifteen (15) directors, whose varied expertise and skills helped to actively support management in their work.

¹May be increased to a maximum of three (3) for each period during which the company receives financial aid from the Government of Canada.

Board of Directors

Committees

In 2015 four (4) committees helped lay the groundwork for the board's decisions:

- The Nominating, Governance, and Human Resources Committee
- The Audit Committee
- The Risk Management Committee
- The Planning and Development Committee

The committees act according to the guidelines set out by the board of directors and ensure that the organization meets its legal obligations in the day-to-day management of its operations. The board of directors is also supported by the Community Advisory Committee, which helps advance various issues related to the improvement of air services and airport facilities.

Conflict of interest rules

In accordance with its lease with Transport Canada, the Airport incorporated conflict of interest rules into its general bylaws that are applicable to its directors, managers and employees and are designed to avoid any real or apparent conflicts of interest. AQi complied with these rules in 2015, notably by means of an annual declaration of interest signed by each director and update notices published as needed.

Contracts in excess of \$109,300 awarded without public calls for tender

- Renewal of a contract for automated baggage handling system maintenance services at an annual amount of \$999,345 plus taxes granted to Cofely Services Inc. because of its renowned expertise in baggage handling systems.
- Housekeeping contract awarded to Les Entretien d'édifices Capitale inc., authorized by the board of directors on May 9, 2012, at hourly rates for an indefinite, cancellable term. From January to December 2015, AQi paid this provider \$979,571 plus taxes.
- Master System Integrator contract awarded to SITA on February 24, 2015 in the amount of \$1 079 104 because of its specialized and renowned expertise and its involvement in many IT projects for YQB. AQi paid this provider \$865 575 plus taxes from June to December 2015. The mandate is now completed.

Governance

The president and CEO is responsible for defining and implementing the organization's strategic orientations, objectives, and fundamental values. Our strategic orientations are based on operating as an economic entity so as to maximize value for our partners (various governments) and stakeholders (clients, employees, the public). The president and CEO, working under the supervision of

the board of directors, is also in charge of the financial performance of all the organization's operations and business, including revenues and expenses, financial statements, and monitoring of the chief indicators of customer value.

The president and CEO receives assistance from vice-presidents of operations, marketing and development, information technology, finance and the vice-president of engineering and construction.

Compensation of directors and managers

Since June 2009, the bylaws have set annual compensation for directors and managers as follows:

Annual fees

Chair	\$60,000
Vice-chair.....	\$10,000
Committee chair.....	\$10,000
Administrator (except the chair).....	\$8,000
Committee members *	\$2,000

(*Except the chair and vice-chair)

Meeting fees

\$600 per board or committee meeting or per half day of special activities.

Total meetings

Board	7
Nominating, Governance, and Human Resources Committee	6
Audit Committee	6
Risk Management Committee	2
Planning and Development Committee	4
Construction Committee	9
Community Advisory Committee	3
Annual general meeting (members)	1
Annual general meeting (public)	1
Annual meeting of nominating bodies	1

Management

In 2015 AQi had seven (7) managers who received a total of \$1,594,540 in compensation during the financial year ending December 31, 2015, including annual bonuses for achieving or exceeding their objectives.

Regular Remuneration			
Nom	Fees	Meeting Fees	2015 Total
Alain April	\$10,000	\$7,200	\$17,200
Michel Cadrin ¹	\$5,815	\$1,800	\$7,615
André Fortin**	\$60,000	\$27,000	\$87,000
Jean Claude L'Abbée***	\$18,000	\$24,000	\$42,000
Liliane Laverdière*	\$20,000	\$10,200	\$30,200
Alexandre Matte*	\$20,000	\$9,000	\$29,000
Jean-Guy Paquet*	\$20,000	\$10,200	\$30,200
Luc Dupont ²	\$2,978	\$1,800	\$4,778
Louis Têtu	\$10,000	\$5,400	\$15,400
Denis Therrien	\$10,000	\$4,800	\$14,800
André Lortie	\$10,000	\$7,800	\$17,800
Pierre Pelletier	\$10,000	\$9,600	\$19,600
Alain Vaillancourt	\$10,000	\$12,000	\$22,000
Lise Lapierre*	\$20,000	\$11,400	\$31,400
Nathaly Riverin	\$10,000	\$6,600	\$16,600

* Committee chair
** Board chair
*** Board vice-chair
¹ Left July 30, 2015.
² Appointed October 28, 2015.

2015 Destinations

orlando

salluit

la romana

kuujuaq

toronto

schefferville

gaspé

kangiqsujuaq

chicago

montréal

wabush

new york

sept-îles

ottawa

panama

quaqtaq

puerto vallarta

saint-hubert

varadero

fort lauderdale

montego bay

kangirsuk

puerto plata

holguin

santa clara

punta cana

philadelphia

cayo coco

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