

TORONTO PORT AUTHORITY
(Doing Business as PortsToronto)

MANAGEMENT'S DISCUSSION & ANALYSIS – 2015

(In thousands of dollars)

May 17, 2016

Management's discussion and analysis (MD&A) is intended to assist in the understanding and assessment of the trends and significant changes in the results of operations and financial condition of the Toronto Port Authority for the years ended December 31, 2015 and 2014 and should be read in conjunction with the audited financial statements and accompanying notes.

Summary

The Toronto Port Authority, doing business as PortsToronto (“the Port Authority” or “TPA”) continued to be profitable in 2015. Net Income for the year was \$5,897, down from \$14,887 in 2014. This MD&A will discuss the reasons for the decrease in Net Income as well as highlight other areas impacting the Port Authority’s financial performance in 2015.

The Port Authority presents its financial statements under International Financial Reporting Standards (“IFRS”). The accounting policies set out in Note 2 of the 2015 Audited Financial Statements have been applied in preparing the financial statements for the year ended December 31, 2015, and in the comparative information presented in these financial statements for the year ended December 31, 2014.

Introduction

The TPA was incorporated on June 8, 1999 as a government business enterprise under the *Canada Marine Act* as the successor to the Toronto Harbour Commissioners.

The Port Authority is responsible for operating the lands and harbour it administers in the service of local, regional and national social and economic objectives, and for providing infrastructure and services to marine and air transport to help realize these objectives.

The TPA is an important part of the Southern Ontario Gateway as it is one of five ports of significance in the province, while the Billy Bishop Toronto City Airport (the “BBTCA” or “Airport”) is one of four airport facilities (Toronto Pearson, Waterloo, Hamilton) in the region with the capability to provide international service. In this regard, the TPA is and will remain an important factor in the economic health of Southern Ontario.

The Port Authority’s main business areas are Port Operations, the Outer Harbour Marina (“OHM”), the BBTCA and Property/Other.

The TPA owns and operates Marine Terminal 51 and Warehouse 52 (collectively, “the Marine Terminals”) located in the Port of Toronto (the “Port”). The TPA also owns the International Marine Passenger Terminal (“IMPT”), which currently services the cruise ship industry and has been used as a location for film productions and event management.

(In thousands of dollars)

The TPA continues to promote mixed use of its Marine Terminals, including bulk handling and storage, general and project cargo, as well as container packing and unpacking services. With its preferred location and a growing population in Toronto and surrounding areas, there is renewed interest in the Port. The Port Authority will continue to pursue additional opportunities for the Marine Terminals in 2016.

The financial performance of the Outer Harbour Marina remains positive and consistent. Demand for winter storage, which includes two heated indoor storage facilities, remained strong in the 2015-2016 winter season and summer berthing renewals also remain strong. Low interest rates continue to create an inducement encouraging consumers, led by people aged 45 to 65, to buy more and bigger recreational boats. New technology in both the power and sail categories is making it much easier for novice boaters to operate larger boats. This is important as the Port Authority replaced its smaller twenty year old docks with an inventory of larger boat slips and is considering expanding the Marina to add 435 new and larger slips.

The Billy Bishop Toronto City Airport has a competitive advantage in a market that includes Pearson International Airport ("Pearson"), Hamilton, Waterloo and Oshawa airports. BBTCA's close proximity to downtown Toronto and introduction of the Pedestrian Tunnel on July 30, 2015 provides time sensitive travelers, the predictable convenience and service they demand.

According to an economic impact study released in February 2015 conducted by Intervistas Consulting Inc., a leading management consulting company, BBTCA generates \$2.1 billion in annual economic output and 6,220 jobs, which includes 1,860 directly associated with the Airport. The study also found that the ongoing operations of the Airport continue to "make a considerable contribution to local employment and the provincial economy." The study was an update to an economic impact study released in November 2012.

Pedestrian Tunnel to Airport (Please see Note 14 in the 2015 Audited Financial Statements)

On March 8, 2012, the Port Authority entered a Project Agreement with Forum Infrastructure Partners ("Forum") to design, build, finance, operate and maintain a pedestrian tunnel (the "Pedestrian Tunnel") under the Western Channel linking the Toronto mainland and the Airport. The Project takes the form of a twenty year Concession Agreement wherein the Port Authority will make monthly service payments ("MSPs") to Forum using a portion of the \$20.00 Airport Improvement Fee ("AIF") collected from enplaning (departing) passengers at the Airport. For comparison purposes, each passenger at Pearson currently pays an AIF of \$25.00 per departure. In addition, Pearson charges a connecting passenger fee of \$4.00 per passenger, while BBTCA currently does not have such a charge.

The base construction cost of the Pedestrian Tunnel was \$82.5 million and it was substantially complete and accepted by the Port Authority on May 29, 2015. The Tunnel was officially opened to the public and stakeholders on July 30, 2015. Ownership of the Pedestrian Tunnel is vested in the Port Authority.

The capital asset value recorded as at December 31, 2015 on the Pedestrian Tunnel was \$110,383, with a related liability of \$72,635. The capital asset includes the construction cost, as well as other costs such as engineering, legal, consulting and financing costs.

(In thousands of dollars)

30 Bay /60 Harbour Street Development Project (Please see Note 15 in the 2015 Audited Financial Statements)

On September 9, 2013 the Toronto Port Authority signed an Agreement with Oxford Properties to develop the approximately 1.8 acre site at 30 Bay Street and 60 Harbour Street, owned by the Port Authority. Subject to the satisfaction of certain conditions precedent, the development will consist of an office building and retail podium on the site and include the refurbishment of the historic Toronto Harbour Commission building. The Port Authority's contribution to the project is the property. Oxford will be performing the planning and development phases as part of the Agreement.

Proposed Runway Extension Project (Please see Note 16 in the 2015 Audited Financial Statements)

In April 2013, Porter Airlines initiated a process to seek approval to fly commercial jet aircraft at Billy Bishop Toronto City Airport which would involve a lifting of an existing jet-ban and a 200-metre extension of the land mass on either end of the main Runway 08-26.

The proposed extension of the runway would require amendments to the Tripartite Agreement. The City of Toronto, as a party to the Tripartite Agreement, began an assessment in April 2013 to review and ultimately render a decision on Porter Airline's proposal (the "Proposal"). At that time, the Port Authority advised it would take no position on the Proposal until a decision was first taken by the Toronto City Council. If Toronto City Council approved the introduction of jets at the airport, the Port Authority would then undertake its own review of the Proposal based on a strict, ten-point "Do No Harm" criterion.

In April 2014, the Port Authority undertook three studies, specifically an environmental assessment ("EA"), preliminary runway design and master planning exercise – to inform the discussion on the Proposal. In April 2015, the Port Authority requested that Waterfront Toronto conduct a "peer review" of the Environmental Assessment in an effort to ensure a transparent and professional process. No public funds were involved in paying for these studies.

Toronto City Council also passed a motion to commence a study on the surrounding area which has come to be known as the Bathurst Quay Neighbourhood Plan. This initiative is being conducted by the City of Toronto with the support and involvement of the Port Authority.

In November 2015, the federal Minister of Transport announced that the government would not amend the Tripartite Agreement to remove the prohibition on commercial jets at BBTCA. The Port Authority respects this decision.

The Port Authority has ceased work on the preliminary runway design and master planning exercise and is completing the technical work on the EA, but will not proceed with further public engagement-related activities pertaining to the Proposal to introduce jets. As such, these studies will not be completed as originally contemplated. The Port Authority will make data and information gathered as part of the technical component of the EA available to the City of Toronto to the degree that such information may be helpful to its Bathurst Quay Neighbourhood Plan.

Where appropriate the results and information from the EA, runway design and master planning exercise will be used for future projects such as traffic management on Eireann Quay; airfield rehabilitation needs and techniques; enhanced runway lighting systems; and, Runway End Safety Areas (RESA), which may be mandated by Transport Canada in the future for certain qualifying runways at Canadian airports.

(In thousands of dollars)

Payments to Government Stakeholders

The TPA annually pays a charge on its gross revenue to the federal government based on the calculated gross revenue in each fiscal year. For 2015, the amount paid to the federal government was \$2,748 (2014 - \$2,425). In addition, the TPA pays Payments-in-lieu of Taxes (“PILTs”) to the City of Toronto. The PILTs amount accrued by TPA for 2015 was \$6,343 (\$2,932 in 2014). This included amounts related to a settlement with the City of Toronto for the TPA’s non-airport properties for 2015 and prior years. The amounts accrued and paid to the federal government and to the City of Toronto together total \$9,091 for 2015 and \$5,357 for 2014, representing 16.3% and 10.6% of the Port Authority’s Operating Revenue, respectively in fiscal years 2015 and 2014.

(In thousands of dollars)

Fiscal Period – January 1 to December 31, 2015 versus 2014

Consolidated Statement of Operations and Comprehensive Income (Financial Statements – Page 3)

Revenues totaled \$55,894 in 2015, an increase of \$5,379 over 2014 Revenue of \$50,515. Expenses increased by \$10,853 in 2015 versus 2014, from \$32,645 to \$43,498.

Revenues reported as Port Operations, Outer Harbour Marina, Airport, Property and Other, not including the Airport Improvement Fees, were \$36,452 in 2015 versus \$31,769 in 2014, an increase of \$4,683. The main source of the increase was an increase in Airport revenue, with a year over year increase of \$3,969. Port Operations was higher by \$447, the Marina by \$333 and Property by \$721. Investment Income was lower by \$91.

In Expenses, Wages, Salaries and Employee Benefits were \$11,087 in 2015, higher by \$626 versus 2014. Overall increases were mainly due to higher Pension Expenses and hiring of staff at the Airport and Corporate departments.

Repairs and Maintenance for the Port Authority increased in 2015 by \$1,218, from \$4,198 in 2014 to \$5,416 in 2015. This was primarily due to opening of the tunnel in 2015 and related maintenance costs.

Professional and Consulting Fees increased by \$1,779 in 2015 to \$3,831, due to higher consulting fees at the Airport, offset by lower legal fees for Port Operation, lower consulting fees for Corporate.

Amortization increased in 2015 over 2014 by \$2,627, mainly due to amortization of the tunnel capital costs that commenced in 2015.

Other Operating and Administrative Expenses were up by \$1,649 in 2015 versus 2014, to \$11,661. The increase resulted from higher operating and rent expenses at the Port and Airport, higher public affairs costs and higher security costs.

Interest Expenses were up by \$2,697 in 2015 versus 2014, due to the opening of the tunnel as an operating asset.

Payments in lieu of taxes were higher in 2015 by \$3,411 due to Settlement with the City of Toronto and payments for prior years in 2015.

(In thousands of dollars)

Please refer to page 36, Note 17 as a reference for the following discussion.

In 2015, all four main business areas of the Toronto Port Authority were profitable. Included in Net Income from Operations are the Airport Improvement Fees collected from enplaning/departing passengers. The number of enplaned and deplaned passengers in 2015 combined (not including connecting passengers) slightly decreased from 2014. It should be noted that the Airport Improvement Fees are restricted revenues that can only be used for Airport capital projects and expenditures. Included under Airport expenses are interest and amortization related to the Tunnel and other Airport Capital expenditures.

The operating bottom line for Port Operations was Net Income of \$1,522 in 2015. This was higher than 2014 by \$367, as property revenues, ships services and dredging revenues were higher in 2015. Total Port tonnage was 1,650,990¹ in 2015 versus 2,006,471¹ in 2014, a decrease of 17.7%. This was primarily due to lower salt, sugar and aggregate cargo tonnages coming into Port, offset by slightly higher cement tonnages due to construction projects in the City of Toronto.

The Outer Harbour Marina continued its steady performance, with an operating profit of \$1,218, an increase of \$35 from the operating profit of \$1,183 in 2014.

Property and Other accounted for an operating profit of \$1,196 in 2015, an increase of \$675 versus 2014. This was mainly due to additional revenue from parking at 60 Harbour Street used for construction staging operations.

Investment Income was \$272 in 2015 versus \$363 in 2014. Corporate Services expenses were up \$394 and the Charge on Gross Revenue increased by \$323. The increase in Corporate Services expenses related to Sponsorships for the Pan Am games, higher Public Affairs expenses and higher salaries and wages expenses offset by lower cost of compliance and consulting expenses.

Payments in lieu of taxes to the City of Toronto increased in 2015 to \$6,343 due to Settlement with the City of Toronto and payments for prior years in 2015. There was a Loss on the Interest Rate Swap of \$156. These items accounted for the remaining change in the overall bottom line. Net Income was \$5,897 in 2015 versus \$14,887 in 2014, a decrease of \$8,990. Comprehensive Income decreased from \$10,496 in 2014 to \$5,842 in 2015.

Port Operations

Port revenues are generated from the operation of the Marine Terminals and include terminal handling charges, container services, terminal berthing and ships services. In addition, revenue is generated from the IMPT, including charges for cruise ships services, filming and event management. From waterside, there are Harbour User Fees paid by tour and charter boats and Cargo Dues paid by large industrial ships. Finally, the Works & Environmental Services department generates revenue from services provided to Port users and other general customers.

¹ Actual number, not rounded to the nearest thousand.

(In thousands of dollars)

Port revenue was up in 2015 by \$447 versus 2014, as Property Revenue, Ships Services and Dredging Revenue increased, while Terminal Handling Fees were lower due to a reduction in TPA's activities at the Marine Terminal operation.

Port expenses increased in 2015 versus 2014 by \$80, primarily due to higher Wages, Salaries and Benefits, Operating Materials and Utilities and Maintenance and Repairs expenses.

Outer Harbour Marina ("OHM")

The occupancy rate for summer berthing at the OHM remained at around 85% in 2015 and stayed at 100% for winter storage. The annual turnover rate remained low in 2015 at approximately 5% for summer contracts.

In addition to berthing and storage, marina services include shore power, pump-outs, power wash, fresh water and the sale of fuel and other products. There is also a 50-ton travellift for haul out and launch, and masting/demasting services.

Revenues at the Outer Harbour Marina were up \$333, as winter storage fees increased in 2015 versus 2014 due to an additional heated indoor storage facility. A trend towards larger boats as well as rate increases continues to push revenues higher.

Expenses were up \$298 from 2014 to 2015, as Salaries, Wages and Benefits, Repairs and Maintenance expenses and Public Affairs expenses were higher.

Billy Bishop Toronto City Airport ("Airport")

In 2015, operations at the Airport continued to grow under a managed growth strategy. The two main revenue sources at the Airport are the Airport Operating Fees charged to Scheduled Carriers based on slot allocation and usage and Airport Improvement Fees, currently at \$20.00, collected from enplaning/departing passengers. The Airport Improvement Fee is funding the Airport's ongoing capital expenditure program, including debt service on the existing Bank Loans and the Pedestrian Tunnel.

The increase in passenger volumes and Airport activity continued to drive Airport revenues in 2015 with revenue up to \$43,536 versus \$39,567 in 2014, an improvement of \$3,969. This generated \$19,442 in AIF in 2015 versus \$18,746 in 2014. Also included in the AIF are revenues generated from the Tunnel Advertising features.

On the expense side, there was an increase of \$9,712 in 2015, due primarily to an increase in expenses related to the opening of the tunnel in 2015. Other reasons for the increase were hiring of new staff, maintenance and repairs, public affairs, rent payments and security. In addition, amounts expensed for the Proposed Runway Extension Studies included expenses which were of benefit to operations including an enhanced understanding of mainland traffic management and furthered stakeholder relationships.

(In thousands of dollars)

Property and Other

Revenues were higher in 2015 compared to 2014 due to additional fees for the parking area at 60 Harbour Street that was used for construction staging operations.

Expenses increased by \$46 in 2015 versus 2014, mainly due to higher maintenance and repair expenses.

Investments

Investment Income was down \$91 in 2015 versus 2014, as investment rates on cash reserves were lower in 2015.

Corporate Services

Corporate Services support the operations of the Toronto Port Authority by providing general administrative support and services. These include executive, finance, accounting, human resources, communications, information technology, legal, risk management, promotion and the functioning of the Board of Directors. General expenses, related to TPA, but not related to any particular operation are assigned to Corporate Services.

Expenses in Corporate Services increased in 2015 by \$394, compared to 2014. Wages, Salaries and Benefits and Public Affairs were higher, partially offset by lower Consulting and various other expenses in 2015. The TPA continued to support and makes investments in the Toronto waterfront community and also contributed via sponsorship to the Pan Am Games.

Payments-in-Lieu of Taxes (“PILTs”) to the City of Toronto (Please see Note 8 in the 2015 Audited Financial Statements)

In 2015, the TPA and the City reached a Settlement on all non-airport PILTS eligible properties. As a result, a total cash payment of \$8,583 was made to the City of Toronto in 2015. This included \$5,490 for prior years. Of the eighteen Port Authorities in Canada, the TPA pays one of the highest PILTs amounts as a percentage of gross revenue, ranking number two on the list.

The TPA and City settled PILTS for BBTCA based on a per passenger amount.

Gain/ (Loss) on Interest Rate Swap

The TPA had been following hedge accounting rules on a “critical terms match” basis under GAAP. Under IFRS, the Swap was reevaluated and did not meet IAS 39 requirements in terms of necessary documentation and testing/assessment in 2010 and 2011. The unamortized accumulated other comprehensive loss due to losses in derivatives previously designated as cash flow hedge as at December 1, 2009 was \$1,087. This loss is being amortized over the remaining term of the Swap until maturity on January 4, 2022. As of January 1, 2012, the ineffective portion of the gains and losses on the Swap were recognized in the Statement of Operations. The total impact of gains and losses on derivatives including amortization in 2015 was (Loss 2015 - \$156) (Loss 2014 - \$51). The hedge for the Swap was redesignated effective January 1, 2012 and now continues to be effective.

(In thousands of dollars)

Consolidated Statement of Changes in Equity (Financial Statements – Page 4)

The Statement of Changes in Equity had an opening balance in Equity on January 1, 2014 of \$95,599, which included an Accumulated Other Comprehensive gain of \$8,877. The ending balance as at December 31, 2014 included the Net Income for the year of \$14,887, plus the Unamortized Loss and Past Service Costs – IAS19R of \$4,141, Amortization of the Accumulated Loss on Derivative Interest of \$91, plus the loss on Interest Rate Swap – Effective Portion of \$189, plus the Unrealized Loss on Available for Sale Assets of \$61, for a closing Equity balance as at December 31, 2014 of \$106,186. The Amortization of \$91 is included in the Loss on Interest Rate Swap in the Statement of Operations and Comprehensive Income.

The ending balance as at December 31, 2015 included the Net Income for the year of \$5,897, plus a Pension Loss as a result of Remeasurement of the liability - IAS19R of \$106, plus Amortization of the Accumulated Loss on Derivative Interest of \$91, plus the Gain on Interest Rate Swap – Effective Portion of \$51 for a closing Equity balance as at December 31, 2015 of \$112,119. The Amortization of \$91 is included in the Loss on Interest Rate Swap in the Statement of Operations and Comprehensive Income.

Consolidated Statement of Financial Position (Financial Statements – Page 5)

Cash and Cash Equivalents and Short-term Investments are separated into two groups, one being assets that are not restricted in use as to business unit, and the other, identified as AIF Restricted that can only be used for Capital Expenditures at Billy Bishop Toronto City Airport. Cash and Cash Equivalents and Short-term Investments have gone from \$21,492 at the end of 2014 to \$15,530 as at December 31, 2015, a decrease of \$5,962. Cash and Cash Equivalents and Short-term Investments that are AIF Restricted have gone from \$14,634 at the end of 2014 to \$5,467 as at December 31, 2015, a decrease of \$9,167. An analysis of the Statements of Cash Flows is included below.

Accounts Receivable decreased from \$6,838 at the end of 2014 to \$5,123 at the end of 2015. The details of the decrease are found on Page 20, Note 3 to the Audited Financial Statements. The decrease in receivables of \$1,715 was due to an advance payment of Airport Improvement Fees in Trade Receivables, 2015 versus 2014.

Comparing December 31, 2015 to December 31, 2014, Inventories were lower by \$15 and Prepaid Expenses increased by \$420.

The details on Capital Assets are found on Page 23 and 24, Note 5. Capital Assets increased by \$29,428 in 2015 and on a Net Book Value basis the increase was \$24,406, when amortization and outside funding for capital projects are taken into account.

The details of the gross increase are as follows:

Pedestrian Tunnel Project	\$24,322
Port Operations	\$2,528
Outer Harbour Marina	\$911
Billy Bishop Toronto City Airport	\$964
Property & Other	<u>\$703</u>
Total	<u>\$29,428</u>

(In thousands of dollars)

In addition to the Pedestrian Tunnel Project shown above, larger Capital Expenditures in 2015 included a new tug boat and a new barge for port and harbour operations and a new heated indoor winter storage building at the Marina and an environmental assessment related to the proposed runway extension project under Porter's Proposal.

Amortization allocated to the operations over the years is deducted from the Capital assets, as well as amounts received for capital funding from various sources

Accounts Payable and Accrued Liabilities have decreased by \$690, from 2014 to 2015. This is mainly due to a decrease in Trade Payables as a result of lower activities at the end of 2015 compared to 2014.

The Fair Value of the Interest Rate Swap represents the closing balance following the increase in the loss in value in 2015 of \$14.

The current portion of the Bank loan is the principal amount to be repaid in the next fiscal year, in this case 2016.

The reduction in liability for Payments in Lieu of Taxes to the City of Toronto from \$2,241 in 2014 to zero in 2015 is due to the Settlement and payment of all outstanding PILTS to the City of Toronto. Page 30, Note 8 describes this matter in detail.

Unearned Revenue increased by \$92, 2015 versus 2014. This liability records the amount of Unearned Marina revenue the Port Authority will provide to customers by way of services in the upcoming year, as well as Unearned Harbour Permits and Unearned Rents.

The Bank Loans are described on Page 29, Note 7 (a).

The Pedestrian Tunnel Concession Liability is described on Page 34, Note 14. The Tunnel officially opened to the public and stakeholders on July 30, 2015. As at December 31, 2015 an asset of \$110,383 has been included as part of Capital, with a related liability of \$72,635.

Employee Benefit Liabilities represents the liability recognized for Port Authority Benefit Plans and are described on Pages 24 to 28, Note 6.

Equity represents the difference between Assets and Liabilities. Equity increased in 2015 by \$5,933, as detailed on the Statements of Changes in Equity on Page 4.

The financial liquidity of the Port Authority remains strong, with a Current Ratio (Current Assets divided by Current Liabilities) of 2.20 as at December 31, 2015. This is a slight decline over the Current Ratio as at December 31, 2014 of 2.37.

The financial performance ratio was lower in 2015, with a Profit Margin (Net Income divided by Gross Revenue) of 11% in 2015 compared to 29% in 2014. This was mainly due to Settlement with the City of Toronto on payments in lieu of taxes, with substantial accruals and payments in 2015 for prior years; also due to the opening of Tunnel and incurring related expenses in 2015.

(In thousands of dollars)

Consolidated Statement of Cash Flows (Financial Statements - Page 6)

The Statements of Cash Flows begins with the Net Income reported in the Statement of Operations and Comprehensive Income and adds back any non-cash items. These include Amortization, Employee Future Benefit Expense, the Unamortized Gain and Past Service Costs – IAS19R, Interest Expense offset by Bank Interest Paid, AIF Restricted Cash and the (Gain)/Loss on the Derivative Designated as a Cash Flow Hedge. An amount is then added or deducted for non-cash working capital. In 2015, this amount resulted in a decrease in cash of \$1,529. This was due to a decrease in Accounts Payable and Accrued Liabilities of \$690, a decrease in Payments in Lieu of Taxes to the City of Toronto of \$2,241, offset by an increase in Prepaid Expenses of \$420, a decrease in Accounts Receivable of \$1,715 and a decrease in Inventories of \$15 and an increase in Unearned Revenue of \$92.

Investing Activities and Financing Activities are then listed. Investing Activities include an increase in Short-term Investments and the Acquisition of Capital Assets listed above. Financing Activities include items related to the Pedestrian Tunnel Project and the Bank Loans.

The end result is the Cash and Cash Equivalents position decreased in 2015 by a total of \$7,962 from \$21,492 to \$13,530. This balance does not include Short term investment of \$2,000 and Cash and Cash Equivalents – AIF Restricted \$5,467, which decreased by \$9,167 in 2015 from \$14,634 in 2014. As part of the Tunnel Project Agreement, as at December 31, 2015, the Port Authority had a Prepaid Threshold Tunnel Deposit of \$8,017. The TPA continues to invest its cash resources in infrastructure improvements that benefit all of its business operations.

Board of Directors Governance

The TPA is governed by a nine member Board appointed as per subsection 14 (1) of the Canada Marine Act, and as per section 4.6 of the Letters Patent issued to the Toronto Port Authority. There are six appointments by the Governor-in-Council as nominated by the Minister of Transport in consultation with the user groups, one appointment by the Governor-in-Council as nominated by the Minister of Transport, one appointment by the Province of Ontario and one City of Toronto appointment to the Board of Directors. There are five (5) Committees of the Board of Directors, namely the Board Executive Committee, the Audit & Finance Committee, the Governance, Nominating & Human Resources Committee, the Communications & Outreach Committee and the Pension Committee. The Chairmanship of the Board of Directors changed during 2015, with Mr. Robert Poirier elected as chair as of August 20, 2015.