

**ANNUAL GENERAL MEETING OF
B.C. FERRY AUTHORITY**

**ANNUAL PUBLIC MEETING OF
BRITISH COLUMBIA FERRY SERVICES INC.**

WEDNESDAY AUGUST 27, 2008

**The Ballroom
Coast Tsawwassen Inn
1665 56th Street
Delta, BC**

MINUTES

Mark Stefanson, Vice President, Public Affairs of British Columbia Ferry Services Inc., welcomed those in attendance to the Annual General Meeting of B.C. Ferry Authority ("Authority") and the Annual Public Meeting of British Columbia Ferry Services Inc. ("Services" or the "Company").

Mr. Stefanson introduced Elizabeth J. Harrison, Chair of the Board of Directors of both the Authority and Services, David L. Hahn, President & Chief Executive Officer and Robert P. Clarke, Executive Vice President & Chief Financial Officer, both from Services.

Mr. Stefanson noted some general guidelines for the conduct of the meeting and reviewed the agenda for the proceedings.

Disclaimer

A caution regarding forward looking statements was provided to the meeting.

Chair's Report

Mrs. Harrison welcomed the group and, as Chair of the proceedings, called the joint meetings to order. As the first order of business, she tabled the following documents as required for the Authority under the *Coastal Ferry Act* and as required for Services under the Coastal Ferry Services Contract:

B.C. Ferry Authority:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2008.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2008;
- the annual report to the British Columbia Ferries Commissioner ("Commissioner"), pursuant to Section 66 of the *Coastal Ferry Act*, for the fiscal year ended March 31, 2008; and
- the business plan for the current fiscal year.

Mrs. Harrison introduced the members of the Boards of Directors of the Authority and Services.

Mrs. Harrison then offered her opening remarks to the meeting, including a description of the high standards of accountability that must be met by the Authority and Services.

Mrs. Harrison confirmed the Company's continued commitment to safety as its number one priority, and commented on the successful launch of SailSafe, a joint initiative of the Company and the BC Ferry & Marine Workers' Union. She also noted as priorities of the Company, the continued commitment to improving customer service, developing and supporting its employees, renewing the Company's assets and investing in its infrastructure. Ms. Harrison closed her presentation by saying the Company is looking forward to celebrating the arrival of two more new ships in the coming year.

President's Report

Mr. Hahn provided a report on the accomplishments of the Company during the past year and noted the various initiatives and opportunities that are either currently underway or that will be addressed in the future. He gave an overview of the fleet and the services provided by the Company and reported on the Company's achievements in respect of service reliability.

Mr. Hahn confirmed the Company's continued focus on safety, noting the Company's commitment to the SailSafe initiative and to providing safety training for its employees. He reported on the marine rescues undertaken by crew during the year,

as well as measures undertaken by the Company to enhance security and develop its employees.

Mr. Hahn addressed customer satisfaction and provided an overview of the initiatives launched during the year to continue to improve the customer travel experience. Mr. Hahn noted the Company's investment and role in the coastal communities, and the relations with its stakeholders. He also confirmed that ensuring the highest environmental standards is a priority of the Company and provided an overview of the Company's environmental initiatives.

Mr. Hahn reported on the price caps set by the Commissioner for the second performance term (April 1, 2008 - March 31, 2012) and also addressed issues respecting the rising cost of fuel, as well as the initiatives that are underway respecting the alternative service provider's process.

Mr. Hahn reported that the Company is continuing its extensive asset renewal program. He reported on the investments made in terminals, vessel upgrades and modifications, as well as the new ships the Company has recently added to its fleet and those expected to be welcomed into service in the year ahead. He also noted the Company's plans to retire four vessels.

Mr. Hahn reported on new business opportunities currently in development. He closed his presentation by identifying the Company's priorities for the coming year.

Financial Report 2007/08

Mr. Clarke provided an overview of the 2007/08 fiscal year financial results and capital expenditure program for the Company.

Open Dialogue

A question and answer session ensued. This session was facilitated by Mr. Stefanson, with questions being directed to the Chair of the Board of Directors of both the Authority and Services, and to the President & Chief Executive Officer and the Executive Vice President & Chief Financial Officer of Services.

Closing Remarks

Mrs. Harrison closed the Annual General Meeting of the Authority and the Annual Public Meeting of Services.



Elizabeth J. Harrison, Q.C.
Chair
B.C. Ferry Authority
British Columbia Ferry Services Inc.