

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

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

FRIDAY, AUGUST 19, 2016

**C300 Theatre, UBC Robson Square
800 Robson Street, Vancouver, BC**

MINUTES

Bruce Williams, Moderator, 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. ("BC Ferries" or the "Company").

Mr. Williams introduced Roderick D. Dewar, Chair of the Board of Directors of the Authority, Donald P. Hayes, Chair of the Board of Directors of BC Ferries, and Michael J. Corrigan, President & Chief Executive Officer and Dennis M. Dodo, Chief Financial Officer, both from BC Ferries.

Mr. Williams 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 - Authority

Mr. Dewar welcomed the group and called the joint meetings to order.

As the first order of business, Mr. Dewar tabled the following document as required for the Authority under the *Coastal Ferry Act*:

- annual report of the Authority, including the audited financial statements, for the fiscal year ended March 31, 2016.

In his remarks, Mr. Dewar provided an overview of the principal responsibilities of the Authority, and the actions taken by the Authority during the year to fulfill its mandate. He described the high standards of accountability that must be met by the Authority, noting that public meetings, such as this, reflect the Authority's continued commitment to ensuring transparency and public accountability.

Mr. Dewar introduced the current Directors of the Authority.

Mr. Dewar closed his presentation by noting that the Authority Board looks forward to continuing to execute its mandate over the next year.

Chair's Report – BC Ferries

Mr. Hayes opened his remarks by stating that the past year was both successful and exciting for BC Ferries. He acknowledged that the employees of BC Ferries, and their dedication to safety and customer service excellence, are the key to the Company's success and on behalf of the Board, commended them for their commitment to safety, customer service and reliability in delivering ferry service along coastal British Columbia.

As his first order of business, Mr. Hayes tabled the following documents as required for BC Ferries under the Coastal Ferry Services Contract:

- the annual report of BC Ferries, including the audited financial statements, for the fiscal year ended March 31, 2016;
- the annual report of BC Ferries to the British Columbia Ferries Commissioner for the fiscal year ended March 31, 2016; and
- the business plan of BC Ferries for the fiscal year ended March 31, 2017.

In his remarks, Mr. Hayes reflected on some of the significant accomplishments of the past year, including the achievement of WorkSafe BC's Certificate of Recognition, and a new five year Collective Agreement with the BC Ferry & Marine Workers' Union. He highlighted some of the significant capital investments made in vessels, terminals and other infrastructure. He reported on the entry into service of the new cable ferry, the *Baynes Sound Connector*, and noted that construction of the three dual-fuel Salish class vessels continued. Citing the cable ferry with its lower emissions and the planned conversion of the Spirit class vessels to dual-fuel among

many other initiatives, Mr. Hayes confirmed that BC Ferries continues to place priority on safeguarding the environment and improving the sustainability of its operations.

Mr. Hayes reported on BC Ferries' strong financial performance in the year and commented that for the first time in 13 years, the average fares paid by BC Ferries' customers remained unchanged at the start of the fiscal year. He also noted that the Company was pleased to be able to continue to offer a variety of fare promotions during the year.

Mr. Hayes stated that excellent customer service remains a key focus for BC Ferries and reviewed the strong results achieved during the year in regard to the overall customer satisfaction rating, on-time performance and service reliability.

Mr. Hayes introduced the current Directors of BC Ferries.

Mr. Hayes closed his presentation by confirming BC Ferries' commitment to the safety of its customers and crew, providing excellent customer service, demonstrating strong environmental stewardship and ensuring prudent fiscal management.

President's Report

Mr. Corrigan commenced his presentation by confirming the Company's continued commitment to the safety and security of its customers and employees. He reviewed the activities undertaken during the year to achieve enhanced safety performance and the successes realized in this area.

Mr. Corrigan advised that the Company experienced growth in traffic levels this past year and reported on historic traffic trends, noting the correlations with gasoline prices and the U.S. / Canadian dollar exchange rate.

He provided an overview of the governance of BC Ferries. He reported that the Company exceeded the aggregate number of round trips it was required to deliver under the Coastal Ferry Services Contract with government in the year, and realized year-over-year improvements in capacity utilization.

He provided a report on the annual financial contributions of BC Ferries' catering and retail services, drop trailer/commercial services and BC Ferries Vacations. He also reviewed the significant investments made in the fleet and terminals in the year.

Mr. Corrigan spoke about the continued focus on fare affordability, noting inflationary tariff increases of 1.9 percent per year for the next four years. He observed that the 1.9 percent fuel rebate introduced this year fully offset the tariff increase. He spoke about the pricing promotions the Company has been able to offer and indicated more are planned.

Mr. Corrigan confirmed the Company's commitment to protecting the environment. He noted BC Ferries' membership in Green Marine and the recognition it has received under the program.

Mr. Corrigan summarized the outcomes of the 2015 collective bargaining process.

He concluded his presentation by reviewing the corporate strategic drivers of operational excellence, financial sustainability, innovation and continuous improvement, employee engagement, and environmental and social governance that will continue to shape the Company's actions in the year ahead.

Chief Financial Officer's Report

Mr. Dodo provided an overview of the operational highlights, financial results and capital expenditure program of the Company for the fiscal year ended March 31, 2016.

Chair's Announcement – BC Ferries

Mr. Hayes announced that Mr. Corrigan will be stepping down from his role as President & Chief Executive Officer effective March 31, 2017, at the completion of his current contract. He stated that an executive search has already commenced to identify Mr. Corrigan's successor. He thanked Mr. Corrigan for his ongoing dedication and determination to ensuring BC Ferries delivers the safest and best service possible to BC residents and visitors.

Open Dialogue


A question and answer session ensued. This session was facilitated by Mr. Williams.

Closing Remarks

Mr. Dewar closed the Annual General Meeting of the Authority and the Annual Public Meeting of BC Ferries.



Roderick D. Dewar
Chair
B.C. Ferry Authority



Donald P. Hayes
Chair
British Columbia Ferry Services Inc.