

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

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

THURSDAY JUNE 25, 2009

**Simon Fraser University, Harbour Centre
Fletcher Challenge Canada Theatre,
515 West Hastings, Vancouver**

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. In her opening remarks, Mrs. Harrison noted the continued focus of the Company in the past fiscal year on the safety and efficiency of its operations. She also reported that 2008/09 saw the balance of the Company's major new vessels commissioned into service, marking the successful completion of the Company's initial vessel capital program.

On behalf of the Board, Mrs. Harrison congratulated and thanked the employees for their continued professionalism, commitment to safety and dedication to customer service and excellence.

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, 2009.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2009;
- the business plan for the fiscal year ended March 31, 2010.

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

Mrs. Harrison then described the high standards of accountability that must be met by the Authority and Services.

Mrs. Harrison confirmed that safety and service to customers remain the primary focus of the Company. She noted the continuation of SailSafe, a joint initiative of the Company and the BC Ferry & Marine Workers' Union (the "Union"), and thanked the Union and the employees for their active participation in this program.

Mrs. Harrison noted the Company's investment of its profits to purchase vessels and upgrade its infrastructure, and the significant enhancements that have been made to all areas of the Company.

Mrs. Harrison closed her presentation by saying that although not immune to the effects of the global economic downturn, the Company remains optimistic about the future and

welcomes the opportunity to provide world-class service to the millions of customers the Company will serve in the coming fiscal year.

President's Report

Mr. Hahn provided a report on the accomplishments of the Company during the past fiscal 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 services provided by the Company and reported on the Company's achievements regarding service reliability, customer satisfaction, and investments in the fleet, terminals and information systems. He noted the continued focus on improving safety practices through SailSafe, and the operational training provided to employees in the past fiscal year. Mr. Hahn reported that all vessels are now equipped with Voyage Data Recorders, and new security measures were introduced throughout the Company, all enhanced by the opening of a new Operations & Security Centre.

Mr. Hahn reported on the recent addition of four new vessels to the fleet – *Coastal Inspiration*, *Coastal Celebration*, *Island Sky* and *Northern Adventure*, as well as the significant upgrade of the *Queen of New Westminster*. He noted that the addition of seven new vessels in the past 30 months has allowed for the retirement of some older ships and reported on the status of disposition of those assets. Mr. Hahn also noted the completion of the northern dock upgrades during the past fiscal year, as well as the Company's plans to invest in other terminals and marine structures in the coming years. A report on the Company's environmental initiatives was also provided.

Mr. Hahn advised of the financing transactions completed by the Company in the past fiscal year, and also reported that the Company has maintained its credit ratings of A low and A-, with the rating agencies assessing the Company's rating outlook as positive.

Mr. Hahn spoke to the business expansion projects initiated this past fiscal year: the drop-trailer service and the travel centre in downtown Vancouver. He also noted the Company's investment and role in the coastal communities, and the relations with its stakeholders, specifically the continued support provided by the Company and its employees to a number of non-profit organizations throughout British Columbia.

Mr. Hahn closed his presentation by affirming the Company's commitment to safety and security, improved service delivery, business expansion, and prudent management during the current economic environment.

Financial Report 2008/09

Mr. Clarke provided an overview of the 2008/09 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 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.