CORPORATE COMMUNICATIONS POLICY

1.0 PURPOSE
This policy is to establish guidelines for British Columbia Ferry Services Inc. (“BCFS” or the “Company”) for communications by the Company, including the release of material information about the Company to the general public, media, customers, bondholders, potential investors, and other stakeholders.

2.0 SCOPE
This policy applies to all BCFS personnel with respect to all information (general, confidential, or material) in whatever form or means, regarding the Company that is shared between the Company, BCFS personnel, and other parties.

3.0 OBJECTIVES
Ensure material information is disclosed in a timely, consistent, and appropriate manner. Provide guidelines for the broad dissemination of material information pursuant to all applicable legal requirements.

Prevent the improper use or premature disclosure of confidential material information.

Provide direction for all BCFS personnel in the appropriate treatment of material, confidential, general, and routine Company information.

The Company has an obligation to ensure that all information material to the business and affairs of the Company is disclosed to the public in an appropriate manner. This policy will assist the Company in satisfying the objectives above, and in assigning responsibility for the implementation and oversight of these policies and procedures.
4.0 DEFINITIONS

**BCFS Personnel** – any person employed by the Company, as well as members of the Board of Directors of the Company.

**BCFS Securities** – all securities as may be issued by the Company from time-to-time.

**Company** – BCFS, including its subsidiaries.

**Confidential Material Information** – material information not widely disseminated within or external to the Company which, if disclosed, would be unduly detrimental to the Company’s interests. For example, immediate disclosure might interfere with the Company’s pursuit of a specific objective or strategy, with ongoing negotiations, or with its ability to complete a transaction.

**Disclosure Committee** – a committee of Company personnel with a primary function to assist the Company’s President & Chief Executive Officer (“CEO”) and Executive Vice President & Chief Financial Officer (“CFO”) in fulfilling their oversight responsibilities with respect to certification of disclosure controls and procedures required under National Instrument 52-109. The Committee serves as an independent and objective party to help develop and monitor the Company’s disclosure system.

**General and Routine Information** – information that would not otherwise be classified as material information, and which is not otherwise required to be kept confidential because of privacy laws.

**Material Change** – a change in the business, operations, or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company, and includes a decision to implement such a change made by the Board of Directors or by Senior Management who believe that confirmation of the decision by the Board of Directors is probable.
**Material Fact** – where used in relation to securities issued, or proposed to be issued, means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of such securities.

**Material Information** – any information relating to the business and affairs of the Company that when publicly released would significantly affect, or would reasonably be expected to have a significant effect, on the market price or value of BCFS securities (or the securities of other reporting issuers with which BCFS may be conducting confidential negotiations). Material information includes both material facts and material changes.

**Management’s Discussion and Analysis ("MD&A")** – a narrative explanation, through the eyes of Management, of how the Company performed during the period covered by the financial statements, and of the Company’s financial condition and future prospects. The MD&A complements and supplements the financial statements (interim and annual), but does not form part of the financial statements.

**SEDAR** – the system for electronic document analysis and retrieval, developed in Canada for the Canadian Securities Administrators to, among other things, allow for the public dissemination of Canadian securities information collected in the securities filing process.

**Selective Disclosure** – disclosure of confidential material information to one or more individuals or companies and not broadly to the investing public.

**Senior Officer** - includes all Directors and Senior Officers of BCFS, and its subsidiaries. A Senior Officer includes (i) the Chair and Vice Chair of the Board of Directors, (ii) the CEO, (iii) any Executive Vice President or Vice President, (iv) the Corporate Secretary, (v) the Comptroller, (vi) the Treasurer, (vii) any General Manager, (viii) the Executive Director, Public Affairs, and (ix) any other individual who performs functions for BCFS or its subsidiaries similar to those normally performed by an individual occupying those functions.
4.1 Disclosure of Information

The Company is committed to timely, accurate, and complete disclosure of material information in an appropriate manner. The Company recognizes that it must meet the disclosure expectations of external stakeholders and the continuous disclosure obligations prescribed by securities legislation.

In the normal course of business, the Company will make all financial information filings as required by securities legislation. This includes, but is not limited to, quarterly and annual financial statements, quarterly and annual MD&A, annual reports, and news releases. The Company considers these documents material information.

It is important to ensure that selective disclosure of material information does not occur. Thus, up to such time as it is broadly disclosed to the investing public, material information will be considered confidential material information.

Material information includes both material changes and material facts.

a. Confidential Material Information

Confidential material information of the Company is subject to strict confidentiality restrictions and care must be taken to ensure the information is used only to further the approved business purposes of the Company. Access to confidential material information is restricted to authorized persons who should be aware of their confidentiality obligations and who have signed confidentiality agreements where required by the Company.

Wherever practical, confidential material information should:

- be identified as such;
- be stored in locked cabinets to which access is restricted;
- be removed promptly from meeting rooms at the conclusion of meetings;
- be subject to secure limited access of electronically stored computer information;
- not be discussed in places where the discussion may be overheard; and
- not be copied unnecessarily or discarded where others can easily retrieve it.
b. Material Changes

Material changes in the business are required by law to be immediately broadly disclosed by the Company once the change has occurred. Material changes initiated by the Company are considered to have ‘occurred’ once the decision has been made to implement them, regardless of Board of Directors’ approval, if the Company thinks it is probable that the Board of Directors will approve implementation. This includes any and all significant Company changes that potentially impact the perceived or real value of the Company, such as purchases or modification of major assets and future plans for service development.

Securities legislation permits a company to delay disclosure of a material change and to keep it confidential temporarily where immediate release of the information would be unduly detrimental to that company’s interests. For example, immediate disclosure might interfere with the company’s pursuit of a specific objective or strategy, with ongoing negotiations, or with its ability to complete a transaction. If the harm to the company’s business from disclosure outweighs the general benefit to the market of immediate disclosure, withholding disclosure is justified. In such cases the company may withhold public disclosure, but it must make a confidential filing with the securities regulators.

The CEO and CFO are the authority on whether or not information constitutes a material change. Prior to withholding disclosure of a material change, the CEO and CFO will consult legal counsel for concurrence, and to ensure that the administrative requirements of applicable securities legislation are met.

Material changes will be broadly disclosed by way of a news release. Unfavourable news will be disclosed just as promptly and completely as favourable news. The news release will contain enough detail to enable the media and investors to understand the substance and importance of the change being disclosed.

Securities legislation requires that when a material change occurs, a material change report will be filed as soon as practicable and no later than ten days after the change occurred. The Corporate Secretary will ensure required material change reports are filed in accordance with securities legislation.
Until such time as public disclosure is complete, in order to prevent selective disclosure, material changes will be considered confidential material information.

c. Material Facts
If the Company chooses to disclose a material fact, it will be broadly disclosed.

Until such time as public disclosure is complete, in order to prevent selective disclosure, material facts will be considered confidential material information.

Please note that tipping and insider trading provisions apply to both material facts and material changes. Please see BCFS’ Corporate Disclosure and Securities Trading Policy for more information.

d. Materiality Determinations
There is no simple standard or test for determining materiality of information. When assessing whether any particular matter should be disclosed, a number of factors need to be considered, including the nature of the information itself, the volatility of BCFS securities, and prevailing market conditions.

4.2 Media Relations, Public Comments, and Designated Spokesperson(s)
a. Media Relations
All media relations activities are coordinated by the Public Affairs department.

Unless otherwise authorized by the Executive Director, Public Affairs, media-relations activities and media interviews are restricted to the CEO; the Executive Director, Public Affairs; and the Manager, Public Affairs. In addition, the Chair of the Board of Directors is the primary spokesperson for the Company on matters of corporate governance. In specific circumstances, the following exceptions are made:

- in addition to the CEO, the CFO or CFO’s designate is the principal respondent to all media enquiries and interviews respecting financial reporting and securities;
- employees/Managers responsible for processing requests under the Freedom of Information and Protection of Privacy Act may communicate with media applicants about administrative matters related to their requests; and
from time-to-time, Senior Officers and/or other subject-matter experts may be called upon to speak to the media regarding specific areas of responsibility or subject matter. These opportunities will be pre-arranged in consultation with the Executive Director, Public Affairs.

Unless in conflict with the business requirements of the Company, media deadlines are to be respected wherever possible.

BCFS personnel who are not authorized to serve as spokespersons will not respond on behalf of the Company to any enquiry from, or initiate communication with, the media.

All media enquiries must be referred to the Public Affairs department as soon as possible for follow up by a designated spokesperson.

b. **Roles and Responsibilities of the Designated Spokesperson**
The designated spokesperson has a duty to speak truthfully and openly to the best of his/her knowledge regarding the Company, subject to the disclosure restrictions as discussed in the previous section.

c. **Public Comments at Industry Conferences**
BCFS personnel who are invited to make speeches or presentations about BCFS to industry groups, conferences, or public meetings, as a part of their normal area of responsibility, should receive the approval of their supervising Executive Vice President or Vice President prior to accepting such invitations.

Should such an opportunity be pursued, the roles and responsibilities of the designated spokesperson stipulated above will apply.

d. **Public Statements of Personal Opinion**
BCFS personnel should refrain from making public statements of personal opinion regarding the Company and from presenting a personal opinion regarding BCFS as a fact.
e. Duty of Loyalty

Common law imposes on all employees, the fiduciary duties of confidentiality and loyalty to one’s employer, obligating employees not to compete with their employer, and prohibiting them from disclosing or using their employer’s confidential material information to the employer’s detriment.

In the broadest sense, the Company extends this responsibility to each and every person employed by the Company, and requires all employees to act with good faith, honesty, and loyalty, and to avoid placing their own personal interests above those of the Company. For more information, please see BCFS’ Code of Business Conduct and Ethics.

4.3 Release of Information

a. Principles of Material Information Disclosure

When releasing material information, the Company will adhere to the following:

- where a determination has been made to disclose material information (as described in section 4.1 of this policy), such material information will immediately be broadly disclosed to the public via news releases;
- disclosure must include any information the omission of which would make the rest of the disclosure misleading (half-truths can be misleading);
- unfavourable material information must be disclosed as promptly and completely as favourable information;
- disclosure on the Company’s website does not by itself constitute adequate disclosure of material information;
- no selective disclosure. Confidential material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with a significant investor); and
- disclosure must be corrected if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

For more information, please refer to BCFS’ Corporate Disclosure and Securities Trading Policy.
The Corporate Secretary will ensure that all required information is filed in accordance with securities legislation. This includes ensuring approvals (CEO, CFO, and Board of Directors, as applicable) have been obtained, and ensuring the queuing of news release distribution and filings to SEDAR.

b. **Unintentional Selective Disclosure**
If confidential material information has been inadvertently disclosed to an analyst or any other person not bound by a confidentiality obligation, such information must be broadly disclosed immediately via news release. Upon becoming aware of an unintentional selective disclosure, BCFS personnel are required to advise the CEO and CFO of the circumstances.

c. **News Releases**
News releases containing material information will be issued as soon as practicable via a news wire service that provides simultaneous national distribution and will be posted to SEDAR. In addition, the news release will be transmitted to major and local media (as appropriate) in the Province of British Columbia, as well as being posted on the Company’s website.

The Public Affairs department is responsible for the appropriate dissemination of information to the media. For more information, please refer to section 4.2 of this policy.

d. **Routine Information Requests**
Enquiries from the public for general and routine information can be answered by the appropriate employee/Manager if the information requested is contained in records/publications previously released for public distribution.

Enquiries from the public cannot be answered if the enquiry is regarding Company activities that constitute confidential material information. If such an enquiry is made, the employee/Manager will respectfully decline the request as containing confidential or proprietary information.
e. The Use of Forecasts and Other Forward-Looking Information

The use of forecasts and/or other forward-looking information should only be released with caution. All forward-looking information must contain a statement that the information is forward-looking, a description of the factors that may cause actual results to differ materially from the forward-looking information, all material assumptions and appropriate risk disclosure, and cautionary language. Release of such forecasts and forward-looking information must first be approved by either the CEO or CFO.

The MD&A necessarily includes some degree of prediction or projection. For example, the MD&A requires a discussion of known trends or uncertainties that are reasonably likely to affect the Company’s business. Forward-looking statements may be considered misleading when they are unreasonably optimistic or aggressive, or lack objectivity, or are not adequately explained.

f. Responding to Rumours

In general, no comment will be made in response to rumours or speculation regarding the Company. However, certain exceptions may be made under the direction of the Executive Director, Public Affairs (for example, if the safety or security of the travelling public is subject to speculation). If such an exception is authorized, section 4.2 of this policy will apply.

g. Electronic Communication and the Corporate Website

All communications, including electronic communications, must comply with securities laws. This includes email, the internet, the intranet, and SEDAR. Proper precautions should be taken when using electronic communications to discuss confidential material information.
The Treasurer is responsible for monitoring financial information on the Company’s website and for updating the investor relations section of the website. Any financial information on the Company’s website will include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent events. All financial information posted on the website, including text and audiovisual material, will show the date that such material was prepared or posted. Financial information posted on the website will be kept current.

Any links from the Company’s website to a third party website should, if appropriate, include a notice that advises the reader that he or she is leaving the Company’s website and that the Company is not responsible for the contents of the other site.

Disclosure on the Company’s website does not by itself constitute adequate public disclosure of information that is considered material information. Any disclosures of previously confidential material information on the Company’s website must be preceded by a news release.

h. Internet Discussion Forums, Chat Rooms, Bulletin Boards, and Electronic Mail
Due to the immediacy of electronic information, BCFS personnel are discouraged from participating in discussions about the Company on internet discussion forums, chat rooms, or bulletin boards. BCFS personnel may not, at any time, discuss confidential material information. Posting on official BCFS social media forums by BCFS personnel is restricted to authorized Marketing, Customer Care, and Operations & Security Centre employees. The content of such postings must adhere to guidelines set from time-to-time by the Vice President responsible for Marketing.

i. Quiet Periods or Blackouts
From time-to-time, quiet periods or blackouts, which will generally relate to periods before financial results are disseminated to the public and during a distribution of BCFS securities, may be prescribed. During this time, communications are limited to commenting on publicly available or non-material information. For more information, please see BCFS’ Corporate Disclosure and Securities Trading Policy.
4.4 Reporting Significant Events

a. Legal Actions, Deaths, and Unusual Incidents

The CEO and other Senior Officers of the Company must be immediately informed of all deaths and unusual incidents involving the Company. The Corporate Secretary must be immediately informed of all legal actions involving the Company.

Please see BCFS’ Safety Manual for procedures on reporting incidents causing death, damage, or harm.

b. Information to the Board of Directors

Information to the Board of Directors, as a whole or to individual Board members, must be disseminated through or with the approval of the Corporate Secretary’s office.

4.5 Investor Relations

All investor relations activities are coordinated by the investor relations representative, the Treasurer. Investor relations activities are generally limited to:

- the CEO;
- the CFO; and
- the Treasurer.

All communications must comply with securities legislation and other sections of this policy. Prior to external release of investor relations communications materials, the Treasurer will ensure approvals (CEO, CFO, Corporate Secretary, External Auditor, and Board of Directors, as applicable) have been obtained.

Opportunities for other BCFS personnel to speak to investors should be pre-arranged in consultation with the Treasurer.

a. General Dealings with the Investment Community

Disclosure in individual or group meetings does not constitute adequate public disclosure of material information. If the Company intends to announce previously confidential material information at an analyst or bondholder meeting, a press conference, or conference call, the announcement must be preceded by a news release.
The Company will provide only non-material information through individual and group meetings, in addition to previously disclosed material information. Upon request, the Company will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

Where practicable, spokespersons will keep notes of telephone conversations with analysts and investors, and more than one Company representative will be present at all individual and group meetings. Spokespersons should consult the CEO or CFO if questions arise concerning the selective disclosure of previously confidential material information.

b. Conference Calls/Meetings with Investors
The Company will not disseminate financial information to third parties via conference calls without first consulting legal counsel for acceptable procedures, including appropriate preceding news release, opening mandatory cautionary language with regard to forward-looking statements, required tape recordings and access to such tape recordings, and subsequent debriefing to ensure no selective disclosure occurred.

c. Procedures for Reviewing Briefings and Discussions with Analysts, Institutional Investors, and Other Market Professionals
Normally, the Treasurer (or designate) will review briefings and attend discussions with analysts, institutional investors, and other market professionals. Consistency in messages and disclosure will be upheld. The Company will endeavour to prevent selective disclosure. Where practicable, statements and responses to anticipated questions will be scripted or discussed in advance with the CEO and CFO.

Analysts’ reports are proprietary products of the analysts’ firm. Re-circulating a report may be viewed as an endorsement by the Company of such report. For this reason, the Company should not provide analysts’ reports through any means to persons outside the Company. The Company may provide a complete list of firms and analysts known to provide coverage on the Company.
4.6 Consequences for Non-Compliance with this Policy

BCFS personnel will be advised of this policy and its importance.

BCFS personnel are responsible for consulting, understanding, and complying with this policy. There is no circumstance in which any law or regulation should be disregarded in the conduct of the Company’s business.

Failure to comply with this policy may result in disciplinary action, up to and including termination of employment with the Company. The violation of this policy may also violate certain securities laws. If the Company discovers that securities laws have been violated by BCFS personnel, it may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines, or imprisonment.

4.7 Annual Review of Policy

BCFS’ Disclosure Committee will review and update, if necessary, this policy on an annual basis or as needed to ensure compliance with changing regulatory requirements.