BRITISH COLUMBIA FERRY SERVICES INC.

Coastal Ferry Act - Executive Compensation Disclosure
For the fiscal year ended March 31, 2019

June 21, 2019
1.0 PURPOSE
In the fiscal year ended March 31, 2019 ("fiscal 2019"), in accordance with the Coastal Ferry Act, the compensation for three executive positions of British Columbia Ferry Services Inc. ("BC Ferries" or the "Company") – Chief Executive Officer, Chief Operating Officer and Chief Financial Officer - was set and administered within a total annual remuneration limit prescribed by an executive compensation plan approved by the shareholder of the Company, B.C. Ferry Authority. This document sets out the details of the remuneration provided to the individuals who held these positions in fiscal 2019.

2.0 EXECUTIVE COMPENSATION PLAN
An executive compensation plan applies to the executives of the Company, as that term is defined in the Coastal Ferry Act, which in fiscal 2019 were the individuals holding the positions of, or acting in a similar capacity or performing similar functions to, the Chief Executive Officer or an Executive Vice President\(^1\). Pursuant to Miscellaneous Statutes Amendment Act (No.3) - 2010 ("Bill 20"), an individual who held such a position on the date Bill 20 received first reading in 2010 is excluded from the provisions of an executive compensation plan for so long as that individual remains in that executive position with BC Ferries.

An executive compensation plan describes the philosophy for executive compensation and the maximum remuneration that the individuals whose compensation is governed by such plan can receive in any fiscal year. The Coastal Ferry Act requires that the remuneration provided to the applicable executives be consistent with the remuneration that is provided to individuals who, in organizations in Canada that are of a similar size and scope to BC Ferries, perform similar services or hold similar positions, and not be greater than the remuneration that provincial public sector employers in British Columbia provide to individuals who, in those organizations, perform similar services or hold similar positions.

In the fiscal year ended March 31, 2017, B.C. Ferry Authority approved an executive compensation plan with an effective date of September 1, 2016 (the "2017 Plan").

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\(^1\) The Coastal Ferry Amendment Act - 2019 has broadened the definition of "executive" in the Coastal Ferry Act to include Vice Presidents, effective May 16, 2019.
The 2017 plan was developed with the assistance of an independent compensation advisor and the annual remuneration limits set out within it are as follows:

- Chief Executive Officer: $495,000
- Chief Operating Officer: $489,000
- Chief Financial Officer: $482,000

### 3.0 COMPENSATION DISCLOSURE

The total remuneration provided in fiscal 2019 to each of the executives whose remuneration was administered within a remuneration limit prescribed by the 2017 Plan is set out below.

**Remuneration for the year ended March 31, 2019**

<table>
<thead>
<tr>
<th>Name and position</th>
<th>Salary(^1)</th>
<th>Benefits(^2)</th>
<th>Statutory Contributions(^4)</th>
<th>Vehicle Allowance(^5)</th>
<th>Other(^6)</th>
<th>Total</th>
<th>All Other</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark F. Collins President &amp; CEO</td>
<td>418,120</td>
<td>37,627</td>
<td>14,917</td>
<td>3,663</td>
<td>14,168</td>
<td>2,215</td>
<td>72,590</td>
<td>490,710</td>
</tr>
<tr>
<td>Corrine E. Storey Vice President &amp; Chief Operating Officer</td>
<td>384,075</td>
<td>34,278</td>
<td>14,417</td>
<td>3,663</td>
<td>5,084</td>
<td>667</td>
<td>58,109</td>
<td>442,184</td>
</tr>
<tr>
<td>M. Alana Gallagher Vice President, Finance &amp; Chief Financial Officer</td>
<td>354,000</td>
<td>31,766</td>
<td>12,586</td>
<td>3,663</td>
<td>9,720</td>
<td>2,944</td>
<td>60,680</td>
<td>414,680</td>
</tr>
</tbody>
</table>

**Notes:**

1. Salaries include the earned salary holdback under the salary holdback compensation plan. Under that plan, a percentage of the participant’s maximum salary is held back and paid out based on the achievement of certain corporate and individual objectives and targets.

   In fiscal 2019, the held back portion of annual maximum salary for each of the three executives was 10 percent ($43,000 for Mr. Collins, $39,000 for Ms. Storey and $36,000 for Ms. Gallagher).

   Mr. Collins, Ms. Storey and Ms. Gallagher earned and received 84.0 percent, 92.5 percent and 87.5 percent, respectively of their maximum entitlements under the salary holdback compensation plan for fiscal 2019.

2. The pension figures shown are the amounts contributed by the Company to the Public Service Pension Plan of British Columbia, in which each of the executives have a vested and payable interest.
3. The executives each receive health and welfare benefits paid by the Company, such as medical, dental, extended health, life insurance, long term disability, workers’ compensation and health spending that are available to other management and exempt employees.

4. The statutory contributions shown are the Company’s contributions to the Canada Pension Plan and Employment Insurance.

5. The amounts shown include, as applicable, taxable monthly cash payments for vehicle expenses, reimbursement of fuel and vehicle insurance costs, and taxable income arising from the provision of head office parking.

6. The amount shown as other compensation is the taxable income arising from the ferry travel pass program.