



BRITISH COLUMBIA FERRY SERVICES INC.

Coastal Ferry Act - Executive Compensation Disclosure
For the fiscal year ended March 31, 2021

June 17, 2021

COASTAL FERRY ACT
EXECUTIVE COMPENSATION DISCLOSURE

1.0 PURPOSE

The *Coastal Ferry Act* (British Columbia) contemplates that B.C. Ferry Authority ("BCFA") will approve and publish an executive compensation plan which will govern the remuneration of certain executives of British Columbia Ferry Services Inc. ("BC Ferries" or the "Company").

This document sets out the details of the remuneration provided to the individuals who held certain executive positions with BC Ferries in the fiscal year ended March 31, 2021 ("fiscal 2021").

2.0 EXECUTIVE COMPENSATION PLAN

An executive compensation plan describes the philosophy for executive compensation and the maximum remuneration that the executives 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.

An executive compensation plan applies to the executives of the Company whose remuneration is set or changed on or after the effective date of that plan. In fiscal 2021, executives of the Company were the individuals holding the positions of, or acting in a similar capacity or performing similar functions to, the Chief Executive Officer, Executive Vice President, or Vice President of BC Ferries.

In fiscal 2020, as a consequence of amendments to the *Coastal Ferry Act* effective May 16, 2019, which broadened the definition of "executive" to include Vice Presidents, a committee of Directors of the BCFA Board of Directors and the BC Ferries Board of Directors, with the assistance of an independent compensation advisor, undertook a review of executive remuneration limits in conjunction with market data from appropriate Canadian general industry and transportation sector companies and provincial public sector employer organizations. Based on this review, a new executive compensation plan was approved by BCFA, with an effective date of September 1, 2019 (the "Plan").

The Plan is effective for a three-year term, ending on August 31, 2022, and the compensation limits set out within it are adjusted on an annual basis by the percentage change in the Consumer Price Index as published by Statistics Canada for British Columbia ("CPI"). The compensation limits for fiscal 2021, as adjusted by the 0.38% change in CPI from September 2019 to September 2020, are as follows:

President & Chief Executive Officer	\$613,322
Executive Vice President/Chief Officer	\$518,965
Vice President	\$416,577

3.0 COMPENSATION DISCLOSURE

The total remuneration provided to the individuals who held executive positions with BC Ferries in fiscal 2021 is set out below.

**Remuneration
for the year ended March 31, 2021
(\$)**

Name and position	Salary ²	Benefits and Statutory Contributions						All Other	TOTAL
		Pension ³	Benefits ⁴	Statutory Contributions ⁵	Vehicle Allowance ⁶	Other ⁷	Total		
Mark F. Collins President & Chief Executive Officer	488,544	37,627	23,320	3,978	6,679	2,904	74,508	-	563,052
Jill N. Sharland Vice President, Finance & Chief Financial Officer	363,750	33,244	16,378	3,978	12,596	817	67,013	-	430,763
Corrine E. Storey Vice President & Chief Operating Officer	388,227	35,174	20,031	3,978	7,897	92	67,172	-	455,399
Brian J. Anderson Vice President, Strategy and Community Engagement	258,500	24,133	10,790	3,978	8,640	727	48,267	-	306,767
Jason W. Barabash Vice President, General Counsel & Corporate Secretary	263,900	24,133	12,703	3,978	5,943	432	47,188	-	311,088
Janet E. Carson Vice President, Marketing and Customer Experience	274,950	24,999	13,255	3,978	10,278	-	52,509	-	327,459
John D'Agnolo ¹ Former Vice President, People	260,390	24,133	12,009	3,978	6,796	718	47,632	-	308,023

Jamie D.W. Marshall Vice President, Shipbuilding & Innovation	294,500	27,482	14,928	3,978	12,537	492	59,416	-	353,916
Erwin Martinez Vice President & Chief Information Officer	269,310	24,999	10,401	3,978	5,400	2,552	47,330	-	316,640

Notes:

1. Mr. D'Agnolo served as Vice President, People for the period April 1, 2020, to March 18, 2021.
2. 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. The held back portion of annual maximum salary for each of the executives was 10 percent.

In fiscal 2021, in order to reduce demand on the Company's financial resources during the recovery from the COVID-19 pandemic, each of the executives voluntarily decided to forego the portion of the holdback payable for corporate financial performance. Taking into account this reduction, in fiscal 2021, Ms. Carson earned 75% of her maximum entitlement under the salary holdback compensation plan, Ms. Storey earned 73%, Ms. Sharland and Mr. Barabash each earned 70%, Mr. D'Agnolo earned 57%, Mr. Martinez earned 55%, Capt. Marshall and Mr. Anderson each earned 50%, and Mr. Collins earned 42.5%.

Mr. Collins' salary in fiscal 2021 also includes a one-time payment of \$88,269 representing banked vacation time earned from fiscal 2018 through fiscal 2020.

3. 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.
4. 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, which are available to other management and exempt employees.
5. The statutory contributions shown are the Company's contributions to the Canada Pension Plan and Employment Insurance.
6. 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.
7. The amount shown as other compensation is the taxable income arising from the ferry travel pass program.