

## CODE OF BUSINESS CONDUCT AND ETHICS

### 1.0 INTRODUCTION

Integrity is a core value of B.C. Ferry Authority (“**BCFA**”). It is a fundamental principle of BCFA that all directors, officers, and employees of BCFA (“**BCFA Personnel**”) be accountable for their actions and demonstrate integrity in their behaviour and general conduct of business, and that they act in an honest and ethical manner in the performance of their duties.

The purpose of this Code of Business Conduct and Ethics (this “**Code**”) is to set out certain principles and standards of conduct that BCFA Personnel are expected to follow.

### 2.0 APPLICATION OF POLICY

This Code applies to all BCFA Personnel. Compliance with this Code is a condition of the appointment or employment of each director, officer and employee of BCFA. All BCFA Personnel have the responsibility to understand and conduct themselves in accordance with this Code

### 3.0 COMPLIANCE WITH LAW

BCFA will comply with all laws and regulations that are applicable to its business and activities. There is no circumstance in which BCFA or BCFA Personnel should disregard any law or regulatory requirement in the conduct of BCFA business. Accordingly, BCFA Personnel are responsible for making themselves aware of, understanding and complying with those laws and regulations that relate to their respective duties or functions.

No director, officer or employee of BCFA will (i) commit an illegal act in the conduct of BCFA business or (ii) instruct or permit another director, officer or employee to commit an illegal act in the conduct of BCFA business.

If any BCFA Personnel are uncertain about the applicability of any laws or regulations, they should seek clarification from the Corporate Secretary.

## **4.0 CONFLICTS OF INTEREST**

### **4.1 General**

BCFA Personnel must avoid conflicts of interest with BCFA. A conflict of interest exists whenever an individual's personal interests directly or indirectly interfere or conflict with that individual's obligation to act in the best interests of BCFA. Conflicts of interest include:

- taking for oneself an opportunity discovered through the use of corporate information or position;
- using corporate property, information, or position for personal benefit, whether direct or indirect; and
- competing with BCFA or any of its subsidiaries.

Without limiting the generality of the foregoing, BCFA Personnel may not hold a significant financial interest or hold or accept a position as a director or officer in an entity or organization having business dealings with BCFA or any of its subsidiaries unless (i) that interest has been fully and properly disclosed to the Corporate Secretary and (ii) the Board of Directors has made a determination that a conflict of interest does not exist or appropriate steps have been taken to mitigate or remove the circumstances giving rise to the conflict. A "significant financial interest" in an entity or organization includes holding shares or other securities of such entity or organization (whether directly or indirectly through a holding company, relative or associate), but would not normally include a holding of less than 1% of the shares of a publicly traded company.

BCFA Personnel who perceive a conflict or potential conflict between this Code and any professional code of conduct or ethics to which they are subject should consult the Corporate Secretary.

In the case of any BCFA decision-making process that may result in a personal benefit to BCFA Personnel, the affected BCFA Personnel are required to abstain in all respects from participating in that decision-making process.

## **4.2 Disclosure of Conflicts**

Each director, officer and employee of BCFA must disclose all interests and relationships which will or may give rise to a conflict with his or her duties as a director, officer or employee of BCFA.

- (a) *Directors and Officers.* At the time of his or her appointment or employment and thereafter on an annual basis, each director and officer must complete a form disclosing any interests and relationships which will or may give rise to a conflict of interest. If a conflict of interest or potential conflict of interest should arise at any other time, the director or officer shall (i) immediately disclose the conflict to the Corporate Secretary who, in turn, will disclose such conflict to the Chair of the Board of Directors and (ii) take all necessary or appropriate steps to remove or mitigate the circumstances giving rise to the conflict. Directors of BCFA must also comply with the provisions relating to conflicts set forth in Section 8 of the *Coastal Ferry Act*.
  
- (b) *Other Employees.* All other employees are required to acknowledge that they have read the Code at the time of their employment and understand the consequences of a breach. If a conflict of interest or potential conflict of interest should exist at the time of employment or subsequently arises, the individual shall (i) immediately disclose the conflict to the Corporate Secretary and (ii) take all necessary or appropriate steps to remove or mitigate the circumstances giving rise to the conflict.

## **5.0 CONFIDENTIALITY AND INTEGRITY OF INFORMATION**

In the course of employment or performing their duties, BCFA Personnel may be given access to or become aware of confidential or proprietary information of BCFA and its subsidiaries. Confidential or proprietary information of BCFA and its subsidiaries includes their respective plans, strategies, records, reports, papers, internal communications, techniques, programs, software, formulas, developmental or experimental work, processes and methods.

Confidential or proprietary information of BCFA and its subsidiaries may not be disclosed to any third party except (i) in the ordinary course of business or (ii) to the extent and in the manner necessary in order for BCFA or any of its subsidiaries to comply with BCFA's disclosure requirements under applicable laws. In order to preserve the confidentiality of such information, BCFA Personnel must exercise caution and discretion in handling confidential and proprietary information and, in particular, should not discuss such information in social or public contexts.

BCFA Personnel may not trade in the securities of British Columbia Ferry Services Inc. ("**BCFS**") if they are in possession of material information with respect to the business or operations of BCFS that has not been disclosed to the public in accordance with Canadian securities laws. For more complete information, please refer to BCFA's Corporate Disclosure and Securities Trading Policy.

## **6.0 USE OF BCFA PROPERTY**

The property and assets of BCFA, including intellectual property and rights produced or developed during the course of employment or through the use of such property or assets, are and shall remain the property of BCFA. BCFA Personnel may only use such property and assets in the course of carrying out the business of BCFA and may not make use of these resources for other purposes or for their own personal gain.

BCFA Personnel are entrusted with the care, management, and cost-effective use of BCFA's property and assets, including the use of BCFA's name and intellectual property. BCFA Personnel should ensure that all property and assets of BCFA entrusted to them are maintained in good condition and should be able to account for such property and assets while assigned to them.

BCFA Personnel may not dispose of the Company's property or assets except in accordance with guidelines established by BCFA.

## **7.0 ENTERTAINMENT, GIFTS, AND FAVOURS**

It is essential to the promotion of fair dealing and efficient business practices that all third parties who engage in business with BCFA, whether as suppliers, contractors or

otherwise, be treated fairly and without favouritism. Accordingly, BCFA Personnel may not offer or accept entertainment, gifts or favours in order to secure preferential treatment for themselves, BCFA or a third party.

While BCFA does not have a blanket rule prohibiting BCFA Personnel from providing or receiving entertainment, gifts or favours to or from third parties, such entertainment, gifts and favours may only be given or received if and to the extent that (i) the entertainment, gift or favour does not and is not intended to influence the business judgment of the recipient and (ii) the entertainment, gift or favour is in such amount and form that it does not create a reasonable perception that it would or was intended to influence the business judgment of the recipient. In determining whether it is appropriate to accept or receive a gift or other benefit, the following criteria should be used as a guide:

- the size or amount of the gift or benefit should be modest (i.e. less than CDN\$250 or the equivalent in other currencies);
- the gift or benefit does not (and is not intended to) create a sense of obligation or otherwise influence the business judgment of the recipient;
- taking into account the circumstances, the gift or benefit would be considered to be within the bounds of propriety by the local business community;
- the gift or benefit is lawful; and
- the gift or benefit should not be provided on a frequent or recurring basis.

If you have any question about whether or not it is appropriate to provide or receive any entertainments, gifts or favours, you should consult with the Corporate Secretary before accepting or providing such entertainment, gift or favour.

## **8.0 SAFETY**

BCFA is committed to providing a safe and healthy workplace for all BCFA Personnel. All BCFA Personnel have a personal responsibility to take all prudent precautions to ensure personal safety and to avoid creating any unsafe condition or danger to others. If any BCFA Personnel has any concerns about safety issues, he or she must report them immediately to the Corporate Secretary.

## **9.0 ACCOUNTING AND AUDITING**

### **9.1 General**

BCFA will fully comply with all applicable laws and regulations regarding its books of account, business records, and financial reporting. Such books of account and records will be properly and accurately maintained.

All assets, liabilities, and transactions of BCFA must be accurately reflected in its financial records and reports, and must be supported by appropriate documentation. No BCFA Personnel may (i) create or condone the creation of a false record or (ii) destroy or condone the destruction of a record except in accordance with applicable policies.

No assets, liabilities or financial transactions may be concealed from the Board of Directors, management or any external or internal auditors of BCFA. BCFA will maintain appropriate accounting and financial policies, procedures, controls and audit processes in order to ensure that all assets, liabilities and financial transactions are accurately reflected in BCFA's financial records and reports.

### **9.2 Reporting Questionable Accounting and Auditing Matters**

All BCFA Personnel are expected to protect the integrity of BCFA's assets, data, and financial reports. If BCFA Personnel have questions or concerns about accounting or auditing matters, they must promptly report them to the Corporate Secretary. If an individual is uncomfortable with talking to the Corporate Secretary, or believes the Corporate Secretary has not reported the matter to the Chair of the Board of Directors, he or she may contact the Chair of the Board of Directors directly. If anonymity is desired, BCFA Personnel can report questions or concerns using an anonymous online reporting link. Contact information for reporting questions or concerns about accounting or auditing matters can be found on the last page of this Code.

The Corporate Secretary will advise the Chair of the Board of Directors of all reports received, unless the Corporate Secretary determines after a preliminary investigation that the matter reported is without merit. The Chair of the Board of Directors, in

consultation with the Corporate Secretary, will determine how each concern brought forward to the Corporate Secretary is to be further investigated and by whom. The Corporate Secretary will maintain a record of all reports received regarding accounting and auditing matters, and provide it to the Board of Directors each quarter.

## **10.0 QUALITY OF PUBLIC DISCLOSURE**

BCFA is committed to providing information about BCFA to the public in a manner that is consistent with all applicable legal and regulatory requirements. All reports and documents prepared and filed pursuant to applicable legal and regulatory requirements must include full, fair, accurate, timely, and understandable disclosure.

All BCFA Personnel who are involved in the disclosure process are responsible for ensuring that BCFA meets such requirements.

## **11.0 EMPLOYEE, CONTRACTOR AND SUPPLIER PRIVACY**

BCFA respects the personal privacy of BCFA Personnel, contractors and suppliers. BCFA Personnel are required to maintain the privacy and confidentiality of personal information in accordance with all applicable laws and regulations.

## **12.0 RESPECT IN THE WORKPLACE**

BCFA Personnel have a shared responsibility to exercise the basic principles of respect and dignity in all working relationships. All BCFA Personnel must treat one another, and all parties who engage in business or other relationships with BCFA and its subsidiaries, with dignity and respect. BCFA Personnel will not engage in abusive, intimidating, or demeaning behaviour of any form, including as described in the *Human Rights Code*.

### **13.0 NO RETALIATION**

BCFA will not retaliate against any director, officer or employee who, in good faith, reports a known or suspected violation of this Code. This means that BCFA Personnel will not be terminated, demoted, or discriminated against in any way for reporting legitimate concerns about such matters in accordance with this Code, including giving information in relation to an investigation. However, because of the seriousness of a false allegation and the resources which will be expended to investigate complaints, BCFA reserves the right to discipline anyone who knowingly makes a false accusation or knowingly provides false information to BCFA or an investigator.

### **14.0 EXEMPTIONS OR WAIVERS FROM CODE REQUIREMENTS**

Any exemption or waiver from a requirement of this Code insofar as it applies to a director or officer must be approved by the Board of Directors. Other employees may request an exemption or waiver from a requirement of this Code through the Corporate Secretary. All such requests must be documented and require the joint approval of the Chair of the Board of Directors and the Corporate Secretary. Such conditions may be attached to any exemption or waiver as the Board of Directors (in the case of a director or officer) or the Chair of the Board of Directors and the Corporate Secretary (in any other case) consider appropriate in the circumstances.

A detailed summary of any exemptions or waivers granted under this Code will be periodically provided to the Board of Directors.

### **15.0 IMPLEMENTATION OF CODE**

This Code outlines a framework of guiding principles. As with any statement of policy, the exercise of judgment may be required in determining the applicability of this Code in different circumstances. BCFA reserves the right to modify or amend this Code. This Code and any amendments shall be binding on BCFA Personnel when communicated.



## **16.0 REPORTING REQUIREMENTS**

All breaches involving accounting or auditing matters should be reported in accordance with Section 9.2. All other breaches of this Code should be reported to the Corporate Secretary. If an employee is uncomfortable in talking to the Corporate Secretary about a violation of this Code, or is uncertain how to report the violation, he or she may report such matter directly to the Chair of the Board of Directors.

Reported potential violations of this Code will be handled promptly, professionally and, if requested, with as much confidentiality as possible consistent with investigating the complaint. All bona fide reports will be investigated as may be appropriate in the circumstances.

## **17.0 CONSEQUENCES OF NON-COMPLIANCE**

BCFA Personnel who violate this Policy may be subject to disciplinary action, including in certain cases termination of employment. If a violation of law is involved, the matter may also be referred to the appropriate law enforcement agency.

Any BCFA Personnel who directs or approves of conduct in violation of this Code, or who fails to report a violation of which he or she has knowledge, is also in violation of the Code and subject to disciplinary action.

## **18.0 FURTHER INFORMATION**

BCFA Personnel who require advice or further information with respect to any aspect of this Code should seek clarification from the Corporate Secretary.

### **CONFIDENTIAL REPORTING CONTACT INFORMATION**

The following confidential reporting lines have been established for BCFA Personnel to make submissions regarding perceived violations of the Code of Business Conduct and Ethics, including questionable accounting or auditing practices within BCFA:

Telephone: 250-978-1218 Cynthia Lukaitis, Vice President & Corporate Secretary  
Email: [bcf.confidentialreporting@telus.net](mailto:bcf.confidentialreporting@telus.net)

Concerns specifically about questionable accounting and audit practices can be submitted using the above reporting lines or can be submitted directly to the Chair of the Board of Directors at the following email address:

Email: [bcfa.confidentialboard@shaw.ca](mailto:bcfa.confidentialboard@shaw.ca)

Please note that if using either of the email addresses above, the sender's address will display in the "From" field. If anonymity is desired, the following anonymous reporting link should be used:

Anonymous reporting link: [www.bcferrries.com/confidential\\_reporting/](http://www.bcferrries.com/confidential_reporting/)