

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

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

**TUESDAY, SEPTEMBER 21, 2006
4:00 p.m. – 5:30 p.m.**

**Victoria Conference Center
720 Douglas Street
Victoria, BC**

MINUTES

Darryl Harker, Moderator, welcomed those in attendance to the third Annual General Meeting of B.C. Ferry Authority ("Authority") and the third Annual Public Meeting of British Columbia Ferry Services Inc. ("Services" or the "Company"). Mr. Harker introduced Elizabeth J. Harrison, Chair of the Board of Directors of both the Authority and Services, and David L. Hahn, President & Chief Executive Officer and Robert P. Clarke, Executive Vice President & Chief Financial Officer, both from Services.

Mr. Harker 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.

Video Presentation

A video presentation was provided, showing highlights from the past year for Services.

Chair's Report

Ms. Harrison welcomed the group and, as Chair of the proceedings, called the joint meetings to order. 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, 2006.

British Columbia Ferry Services Inc.:

- the annual report, including the audited financial statements for its fiscal year ended March 31, 2006;
- the annual report to the British Columbia Ferries Commissioner (Commissioner), pursuant to Section 66 of the *Coastal Ferry Act*, for the fiscal year ended March 31, 2006; and
- the business plan for 2006/07.

Ms. Harrison introduced the members of the Boards of Directors of the Authority and Services. Ms. Harrison then offered her opening remarks to the meeting, including a description of the role of the Commissioner and a description of the high standards of accountability that must be met by Services.

Ms. Harrison commented on the loss of the M.V. "Queen of the North" and offered condolences to the families of the two missing passengers. She acknowledged the competency of the crew that coordinated the evacuation of the ship, and the assistance provided by residents of Hartley Bay and Prince Rupert, as well as the Coast Guard.

Ms. Harrison confirmed the Company's continued commitment to safety as its number one priority. Ms. Harrison also noted as priorities, the investment in and renewal of the Company's assets and infrastructure, and its employees.

President's Report

Mr. Hahn provided a report on the accomplishments of the Company during the past year and noted the various initiatives that are underway. He gave an overview of the fleet and reported on traffic levels compared to the previous year. He addressed customer satisfaction, including the improved travel experience, the new construction and vessel upgrade programs, as well as the upgrading of marine structures and terminal improvements. He noted the Company's commitment to safety and security, and the relations with its employees and stakeholders. Mr. Hahn also addressed issues respecting the cost of fuel and the fuel reduction plan. As well, Mr. Hahn described the initiatives that are underway respecting the alternative service providers process and provided an overview of the Company's long-term priorities.

During his address to the meeting, Mr. Hahn provided a report respecting the M.V. "Queen of the North" incident. He commended all involved in the incident including the employees, the crew of the Sir Wilfred Laurier, and residents from the community of Hartley Bay. Mr. Hahn reviewed the service recovery and environmental response related to this incident, and noted the current status of the internal and external investigations that are underway.

Financial Report 2005/06

Mr. Clarke provided an overview of the 2005/06 fiscal year financial results and capital expenditure program for the Company.

Open Dialogue

A question and answer session ensued. This session was facilitated by the Moderator, with questions being directed to the Chair of the Board of Directors of both the Authority and Services, and to the President & Chief Executive Officer and the Executive Vice President & Chief Financial Officer of Services.

Closing Remarks

Ms. Harrison closed the Annual General Meeting of the Authority and the Annual Public Meeting of Services at 5:30 p.m.



Elizabeth J. Harrison, Q.C.
Chair
B.C. Ferry Authority
British Columbia Ferry Services Inc.

November 22, 2007