

CORPORATE COMMUNICATIONS POLICY

1.0 PURPOSE

British Columbia Ferry Services Inc. (“**BCFS**” or the “**Company**”) has adopted this policy (this “**Policy**”) to establish guidelines with respect to the disclosure of information regarding the business, operations, and affairs of BCFS, including without limitation the disclosure of information, whether positive or negative, to the general public, the media, analysts, bondholders, potential investors and other stakeholders. More specifically, the purpose of this Policy is to:

- ensure that Material Information (as defined below) is disclosed to the public in a timely and non-selective manner in accordance with Canadian securities laws (except to the extent that the confidentiality of such information is preserved in accordance with such laws);
- to establish guidelines to protect and preserve the confidentiality of Confidential Information (as defined below); and
- to ensure that consistent standards and procedures apply to all corporate communications, including communications with respect to non-material or non-confidential information.

The Company has established a Disclosure Committee to, among other things, oversee this Policy and make determinations with respect to the disclosure of Material Information.

2.0 SCOPE

This Policy applies to the Company’s directors, officers and employees (“**BCFS Personnel**”), and any other individuals authorized to speak on the Company's behalf. It is designed to raise their awareness of the Company's approach to disclosure, confidentiality and corporate communications.

3.0 DEFINITIONS

“BCFS Security” means any publicly-traded security of BCFS, including its publicly-traded bonds, and any related financial instrument.

“CEO” means the chief executive officer of BCFS.

“CFO” means the chief financial officer of BCFS.

“Confidential Information” means (a) any information which is required to be kept confidential pursuant to applicable privacy laws and (b) any information regarding the business and affairs of the Company that has not been widely disclosed to the public and which (i) is commercially sensitive or (ii) if disclosed to the public or a specific person, would be unduly detrimental to the Company’s interests. Without limiting the generality of the foregoing, information would be considered “Confidential Information” if disclosure of such information would interfere with the Company’s pursuit of a strategic objective or otherwise impair the Company’s ability to negotiate with a third party or complete a proposed transaction.

“Forward-Looking Information” means information about the prospective results of the Company’s operations, the Company’s financial position or changes in the Company’s financial position, based on assumptions about future conditions and courses of action or any other disclosure other than statements of fact or regarding historical information.

“Material Change” means (a) any change in the business, operations or capital of BCFS that would reasonably be expected to have a significant effect on the market price or value of any BCFS Security or (b) any decision to implement such a change that has been made by (i) the Board of Directors or (ii) senior management of BCFS who believe that confirmation of the decision by the Board of Directors is probable.

“Material Fact” means any fact that would reasonably be expected to have a significant effect on the market price or value of any BCFS Security.

“Material Information” means any Material Change or Material Fact.

“Material Undisclosed Information” means Material Information that has not been generally disclosed to the public in accordance with Canadian securities laws.

“SEDAR” means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators at www.sedar.com.

4.0 DISCLOSURE OF MATERIAL INFORMATION

4.1 General Disclosure Principles

It is an underlying principle of Canadian securities laws that all persons investing in the securities of a reporting issuer such as BCFS should have equal access to information that may affect their investment decisions. This ensures that all investors are on equal footing and that no investor is at an advantage or disadvantage in purchasing or selling securities. Except in circumstances in which the CEO and CFO have determined that it is necessary to preserve the confidentiality of Material Information in accordance with the requirements of Canadian securities laws (as described in more detail in Paragraph 3 below), the Company is committed to the timely, accurate and complete disclosure of Material Information, whether positive or negative.

Either positive or negative information regarding BCFS may constitute Material Information. A non-exhaustive list of examples of the type of information that could constitute Material Undisclosed Information includes (a) news of a disposal or acquisition of significant assets, (b) entering into or losing a material contract, (c) impending bankruptcy or financial liquidity problems, (d) new debt financings or (e) material litigation exposure due to actual or threatened litigation. If you have any question about whether or not information regarding BCFS constitutes Material Information, please contact the Corporate Secretary. The CEO and CFO are the ultimate authority on whether or not information with respect to BCFS is Material Information.

Once it has been determined that information with respect to BCFS is Material Information, the Company will comply with the following rules of disclosure:

1. The Company's continuous disclosure documents (including without limitation its annual and quarterly management's discussion and analysis) will disclose all Material Information in accordance with the requirements of Canadian securities laws.
2. Following the occurrence of a Material Change, the Company will (subject to Paragraph 3) immediately issue a press release via a news wire service that provides simultaneous national distribution and file a "material change report" with Canadian securities regulators within 10 days. Disclosure on the Company's website does not by itself constitute adequate disclosure of Material Information.
3. If the CEO and CFO determine that the disclosure of a Material Change would be unduly detrimental to BCFS, the Company may keep the information confidential until disclosure of such information would no longer be unduly detrimental. In such circumstances, the Company must file a "confidential material change report" with Canadian securities regulators within 10 days following the Material Change.
4. Disclosure will be complete, without any omissions that might make the rest of the disclosure misleading, and unfavourable information will be disclosed as promptly and completely as favourable information.
5. The Company will not "selectively disclose" Material Information to selected individuals (including analysts or investors), except in the necessary course of business in compliance with Canadian securities laws. If Material Undisclosed Information is disclosed to any person (whether intentionally or otherwise), that information will be immediately disclosed to the public. Upon becoming aware of any selective disclosure, BCFS Personnel must promptly notify the CFO or Corporate Secretary.
6. Disclosure will be corrected immediately if the Company learns that an earlier disclosure contained a material error.

4.2 Forward-Looking Information

Forecasts and other Forward-Looking Information should only be released with caution. If the Company elects to disclose Forwarding-Looking Information in continuous disclosure documents, speeches, conference calls or otherwise, it will observe the following guidelines:

- The Forward-Looking Information will be clearly identified as forward-looking.
- The Company will identify material factors and assumptions used in the preparation of the Forward-Looking Information.
- The Forward-Looking Information will be accompanied by a statement that identifies, in specific terms, risks and uncertainties that may cause the actual results to differ materially from those set out in the Forward-Looking Information.
- The Forward-Looking Information will be accompanied by a statement that disclaims any intention or obligation of the Company to update or revise the Forward-Looking Information, whether as a result of new information, future events or otherwise, except as required by applicable law.

4.3 Company Website

The Treasurer is responsible for monitoring any financial information included on the “Investor Relations” section of the Company’s website to ensure that it is accurate, complete, up-to-date and in compliance with legal and regulatory requirements. Any financial information on the “Investor Relations” section of 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 this section of the website, including text and audiovisual material, will show the date that such material was prepared or posted.

Any links from the “Investor Relations” section of the Company’s website to a third party website should be approved in advance by the Treasurer and, 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 of Material Information on the Company's website does not by itself constitute adequate public disclosure of such information under Canadian securities laws. Material Information should not be disclosed on the Company's website unless it has previously been disclosed to the public in accordance with Canadian securities laws.

4.4 Insider Trading and Tipping

Under Canadian securities laws, no BCFS Personnel having knowledge of Material Undisclosed Information may enter into any transaction with respect to any BCFS Security. In addition, no BCFS Personnel having knowledge of Material Undisclosed Information may (a) make any recommendation or express any opinion as to investing in any BCFS Security or (b) directly or indirectly disclose such information to a third party except in the ordinary course of business. Please see the Company's Corporate Disclosure and Securities Trading Policy for more information.

5.0 CONFIDENTIAL INFORMATION

All BCFS Personnel shall take reasonable steps within their control to ensure the confidentiality of Confidential Information (including Material Undisclosed Information). Such steps shall include (a) restricting access to Confidential Information on a "need to know" basis, (b) ensuring that all BCFS Personnel who have access to Confidential Information are aware of their obligations under this Policy and the confidential nature of such information and (c) instituting and complying with such security measures as are reasonably necessary to protect the confidentiality of such information.

In addition to any specific procedures and controls that may be adopted with respect to Confidential Information, all BCFS Personnel shall take reasonable precautions to preserve the confidentiality of Confidential Information. Without limiting this general obligation to take reasonable precautions to preserve the confidentiality of Confidential Information, the following precautions shall be adopted to the extent feasible:

- ensure all correspondence with respect to a matter that involves Confidential Information is labelled “CONFIDENTIAL” and, where appropriate, stored in locked cabinets to which access is restricted;
- refrain from open discussions concerning any matter that involves Confidential Information in the vicinity of colleagues or other persons who do not have access to such information;
- refrain from using cellular phones to discuss any matter that involves Confidential Information;
- ensure that Confidential Information is not copied unnecessarily or discarded or disposed of in a manner that enables it to be retrieved;
- do not leave correspondence and other documents concerning any matter that involves Confidential Information in plain view in a working area;
- transmission of confidential documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions;
- access to confidential electronic data should be restricted through the use of passwords;
- if a matter that involves Confidential Information has been assigned a code name, use the code name on all correspondence that relates to such matter and refrain from use of specific corporate names whenever possible; and
- report any information leaks or suspected information leaks to the CFO or Corporate Secretary.

The common law imposes duties of confidentiality and loyalty on all BCFS Personnel, including obligations prohibiting them from disclosing or using Confidential Information to the Company’s detriment. This requires all BCFS Personnel to act with good faith, honesty, and loyalty, including with respect to the use and disclosure of Confidential Information. For more information, please see the Company’s Code of Business Conduct and Ethics.

6.0 CORPORATE COMMUNICATIONS

6.1 Media Communications

All media relations activities are coordinated by the Public Affairs department. Unless otherwise authorized by the CEO or Executive Director, Public Affairs, the only BCFS Personnel permitted to communicate with the media on behalf of the Company (the “**Authorized Spokespersons**”) are:

- the CEO;
- the Executive Director, Public Affairs;
- the Manager, Public Affairs;
- with respect to matters of corporate governance, the Chair of the Board of Directors;
- with respect to matters relating to financial reporting, the CFO; and
- with respect to administrative matters relating to requests for information under the *Freedom of Information and Protection of Privacy Act*, BCFS Personnel responsible for processing such requests.

No persons other than the Authorized Spokespersons are authorized to communicate with the media on behalf of BCFS, unless specifically authorized by the CEO or the Executive Director, Public Affairs.

All media enquiries must be referred to the Public Affairs department as soon as possible for follow-up by an Authorized Spokesperson.

6.2 Speaking Engagements and Conferences

Speaking engagements and presentations by BCFS Personnel on any matter which pertains to the Company or which may affect the Company’s corporate identity or its relations with the public, industry or government must be approved in advance by the supervising Executive Vice President or Vice President.

6.3 Routine Information Requests

Enquiries from the public for general and routine information can be answered by the appropriate BCFS Personnel, but only to the extent the request relates to information that is publicly available. Enquiries from the public cannot be answered if and to the extent that the enquiry relates to Material Undisclosed Information or Confidential Information.

6.4 Internet Discussion Forums and Social Media

In order to ensure that Material Undisclosed Information is not inadvertently disclosed, BCFS Personnel are discouraged from participating in Internet discussion forums, chat rooms and bulletin boards on matters pertaining to the Company or its activities. 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.

6.5 Rumours

Subject to compliance with applicable laws, the Company will not normally comment, affirmatively or otherwise, on rumours or speculation (whether in the media on the Internet or otherwise).

In certain circumstances (for example, in the case of rumours or speculation relating to the safety or security of the travelling public), the Executive Director, Public Relations may determine that it is appropriate to issue a response. In such cases, any response to rumours or speculation will be under the direction of the Executive Director, Public Relations and in compliance with this Policy.

6.6 Public Statements of Personal Opinion

BCFS Personnel should refrain from making public statements of personal opinion regarding the Company or from presenting a personal opinion regarding BCFS as a fact.

6.7 Communications with the Board of Directors

All information or materials required to be delivered to the Board of Directors, as a whole or to individual Board members, shall be delivered through or with the approval of the Corporate Secretary.

7.0 INVESTOR RELATIONS

7.1 Responsibility for Investor Relations

The Treasurer is principally responsible for coordinating the Company's investor relations activities. Investor relations activities are generally limited to the CEO, the CFO and the Treasurer. Other BCFS Personnel should not speak to or otherwise communicate with individual investors or the investment community without the prior approval of the Treasurer.

Before any information is disseminated to individual investors or the investment community (whether in writing or otherwise), the Treasurer will ensure that all required approvals have been obtained.

7.2 General Principles for Dealing with Investors

All communications with individual investors and the investment community must be in accordance with securities legislation and the other sections of this Policy. Without limiting the generality of the foregoing, BCFS Personnel who are authorized to communicate with individual investors and the investment community will comply with the following:

1. Material Undisclosed Information must not be selectively disclosed to analysts or investors until it has been disclosed to the public in accordance with Canadian securities laws and the market has had the opportunity to absorb such information. Generally speaking, Material Undisclosed Information should be disclosed to the public at least two business days before it is discussed with analysts or investors.

2. Disclosure of Material Information on the Company's website or during a conference call or other meeting with a group of investors does not constitute "disclosure to the public" under Canadian securities laws. Generally speaking, public disclosure of Material Information requires it to be disclosed in a news release disseminated via a news wire service that provides simultaneous national distribution and in the Company's continuous disclosure document filed on SEDAR. If you have any questions about whether or not Material Information has been disclosed to the public, you should contact the Corporate Secretary.
3. Where practicable, statements and responses to anticipated questions will be scripted or discussed in advance with the CEO and CFO.
4. The Company will provide any information that has been provided to analysts and institutional investors (in accordance with Canadian securities laws and this Policy) to any reporter or individual investor who requests such information.
5. 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 with analysts and investors. Spokespersons should consult the CEO, the CFO or the Treasurer if questions arise concerning the selective disclosure of Material Undisclosed Information. If Material Undisclosed Information is inadvertently disclosed to an analyst or investor (except in the necessary course of business in accordance with Canadian securities law), that information will be immediately disclosed to the public.

7.3 Analyst and Investor Calls

At the beginning of any call or webcast with analysts or investors that could reasonably be expected to involve a discussion of Forward-Looking Information, a BCFS spokesperson will provide appropriate cautionary language with respect to Forward-Looking Information, including (where appropriate) directing participants to publicly available documents containing the relevant assumptions and sensitivities and a discussion of the relevant risks and uncertainties.

The CEO, the CFO and the Treasurer will be responsible (in consultation with legal counsel) for establishing appropriate procedures for calls and webcasts, including without limitation procedures relating to (a) the prior disclosure of such information to the public, (b) the use of cautionary language with regard to Forward-Looking Information, (c) procedures for recording such calls or webcasts with analysts or investors and making such recordings available to the public and (d) subsequent debriefing to ensure no selective disclosure occurred.

7.4 Analyst Reports

Analyst reports are proprietary products of the analyst's firm and do not express the view of the Company. Re-circulating a report may be viewed as an endorsement by the Company of such report. While the Company may provide investors or others with a list of firms and analysts known to provide coverage on BCFS, BCFS Personnel should not forward or otherwise provide analyst reports to any person outside the Company.

8.0 FURTHER INFORMATION

Any questions concerning this Policy should be directed to the Corporate Secretary.

9.0 CONSEQUENCES OF NON-COMPLIANCE

BCFS Personnel who violate this Policy may be subject to disciplinary action, including in certain cases termination of employment. In certain cases, failure to comply with this Policy may result in the violation of securities laws, which could result in penalties, fines, or imprisonment.