

**B.C. FERRY AUTHORITY
CODE OF CONDUCT AND CONFLICT OF INTEREST GUIDELINES**

1. INTRODUCTION

The B.C. Ferry Authority is committed to the highest standards of ethics and integrity in all aspects of its governance and operations. The Authority's Board of Directors has developed and approved this Code of Conduct and Conflict of Interest Guidelines to set out principles and standards of conduct that the Authority's directors, officers and employees are expected to follow.

As a director, officer or employee of the Authority, you have the following duties to the organization:

Duty of Loyalty

You must act honestly, in good faith and in the best interests of the Authority. In placing the interest of the Authority ahead of your own personal or business interests, you must:

- a) Be honest in discharging your duties and responsibilities; and
- b) Avoid situations where you could profit at the expense of the Authority or BC Ferries or put yourself in a position of conflict or create the perception of a conflict between your own private interests and the interests of the Authority or BC Ferries.

Duty of Care

You must exercise the degree of skill and diligence that a reasonably prudent individual would exercise in comparable circumstances.

Duty of Confidentiality

You must not divulge confidential information that you receive in your role with the Authority to anyone other than individuals who are authorized to receive the information. The duty to maintain information in confidence continues after you cease to be with the Authority.

Duty to Disclose

You have a duty to disclose to the Authority's Chair, Vice Chair or Corporate Secretary of all matters which you have a duty to disclose or report under this Code, as soon as reasonably practicable.

Duty of Compliance

You must comply with the law, any applicable regulations and the Authority's policies adopted by the Board, including this Code. You must not commit or condone an illegal act or instruct another person to do so. You are expected to follow the spirit as well as the letter of the law.

Duty to Contribute to a Respectful Workplace

You must contribute to a respectful workplace and environment, free from discrimination, harassment, violence or retaliation. Your conduct in the workplace must meet acceptable social standards and must contribute to a positive work environment. Bullying or any other inappropriate conduct compromising the integrity of the Authority will not be tolerated. In a respectful workplace, individuals will feel valued and respected, diversity is encouraged and welcomed, it is safe to discuss what is working or not, and the well-being of all is safe guarded.

This Code is not exhaustive and cannot cover every aspect of ethical conduct, or every situation or dilemma a director, officer or employee can face. If you are unsure of the appropriate course of action in a certain situation, you should act in the best interests of the Authority and ask the following questions before undertaking any action or decision:

1. Is it legal?
2. Is it in conflict with the best interest of the Authority?
3. Will my action or decision meet or exceed the standard of behaviour that the public reasonably expects from a director, an officer or an employee of the Authority?
4. Could my action or decision create a negative public perception of the Authority?
5. Do I have a private interest that others may feel influences, or may influence, my ability to carry out my duties in a responsible way?
6. How will I feel if my action or decision was disclosed in the media or to my colleagues?
7. Will my action or decision maintain or enhance the public's trust and confidence in the Authority and not bring it into disrepute?

If you are uncertain of your duties in a particular circumstance, you should obtain appropriate guidance and advice from the Board Chair or Vice Chair of the Authority or Corporate Secretary.

2. APPLICATION OF THE CODE

This Code applies to all directors, officers and employees of the Authority. Compliance with this Code is a condition of your appointment or employment with the Authority. You have the responsibility to understand and conduct yourself in accordance with this Code. This Code replaces the June 2018 Code of Business Conduct and Ethics.

3. COMPLIANCE WITH THE LAW

The Authority will comply with all laws and regulations that are applicable to its business and activities. There is no circumstance in which the Authority or its directors, officers or employees should disregard any law or regulatory requirement applicable to the business and activities of the Authority, or policy of the Authority (including this Code), in the conduct of the Authority's business. Accordingly, you are responsible for making yourself aware of, understanding and complying with those laws, regulations and policies that relate to your duties or functions with the Authority.

4. CONFLICT OF INTEREST

You must avoid any actual, potential or perceived conflict of interest. A conflict of interest occurs, or may occur, in any situation where you may have a personal, financial or professional interest different from the interest of the Authority.

Actual Conflict: Refers to a situation where a director, officer or employee exercises a power or performs a duty or responsibility, and in doing so, there is the opportunity to further the individual's private interest.

Potential Conflict: Refers to a situation where an individual has private interests such that, while no conflict has yet arisen, a conflict would arise if the individual became involved in discharging responsibilities of the Authority in the future that could be influenced by the private interest.

Perceived Conflict: Refers to a situation where an individual's private interests would appear to a reasonable person to conflict with their duty to the Authority even though there may not be an actual conflict.

Examples of conflicts of interest include, but are not limited to, the following:

- Using your position to pursue a private interest.
- Using confidential information to pursue a private interest.
- In the performance of your duties, giving preferential treatment (or be perceived to give preferential treatment) to an individual, corporation or organization in which you, your relative, your friend or an associate have a private interest.
- Personally benefiting, or reasonably perceived by the public to have benefited, from an action or decision over which you can influence or may influence in the course of performing your duties.
- Using your position as a director, officer or employee to speak on behalf of another organization in which you have a private interest, except when you are authorized to do so by the Authority.

- Accepting a gift, favour or entertainment in the course of discharging your duties and responsibilities that is inconsistent with the Authority’s policy on entertainment, gifts and benefits, as set out below.

Private interests include personal and professional interests, whether financial or otherwise, and also include interests in or relationships with third parties that may be directly or indirectly impacted by an action or decision. In the case of any decision-making process that may result in a personal benefit to a director, officer or employee, the affected person is required to disclose the private interest in accordance with this Code and abstain in all respects from participating in that decision-making process.

4.1 GIFTS, ENTERTAINMENT AND OTHER BENEFITS

You must not accept a gift or benefit from anyone that arises from your appointment as a director, officer or employee of the Authority, other than:

- The normal exchange of gifts between friends or family;
- Tokens exchanged as part of protocol;
- The exchange of hospitality between persons doing business together; or
- The normal presentation of gifts to persons participating in public functions, speeches, lectures, or seminars.

Gifts include cash, preferred loans and securities. Benefits include entertainment such as an invitation to an event or function, or to take part in an excursion, or receipt of discounts or services.

In deciding whether a gift or benefit is appropriate, you should consider the identity of the person giving and receiving the gift or benefit, its value and whether public disclosure of the gift or benefit would embarrass you or the Authority. The following six criteria, when taken together, are intended to guide the judgement of directors, officers and employees who are considering the acceptance of a gift or benefit:

1. The exchange is of nominal value;
2. The exchange creates no obligation;
3. The exchange does not create a reasonable perception that it would or was intended to influence the business judgment of the recipient;
4. Reciprocation is easy;
5. The gift or benefit is lawful; and
6. It occurs infrequently.

You will not solicit a gift or benefit on behalf of yourself or others with the Authority.

4.2 FINANCIAL INTERESTS

A director, officer or employee of the Authority 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 the Authority or BC Ferries unless (i) that interest has been fully and properly disclosed in writing to the Corporate Secretary and (ii) the Authority's 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.

4.3 DISCLOSURE OF CONFLICT

You must disclose in writing to the Corporate Secretary all interests and relationships which will or may give rise to an actual, potential or perceived conflict with your duty or responsibilities to the Authority in accordance with the following.

A. Directors:

At the time of your appointment and thereafter on an annual basis, you must complete a form of the Authority disclosing any interests and relationships which will or may give rise to a conflict of interest.

If an actual, potential or perceived conflict of interest arises at any other time, you must (i) immediately disclose the conflict to the Chair or Vice Chair and (ii) take all necessary steps to remove or mitigate the circumstances giving rise to the conflict, including recusing yourself from any vote on a decision related to the issue as a director. As soon as practicable, you must follow up in writing to the Chair or Vice-Chair outlining the conflict, potential conflict or perception of conflict and steps you have taken to remove or mitigate the circumstances giving rise to the conflict. The Chair (or Vice Chair in the case of the Chair) will make all final determinations on actions regarding the conflict, potential conflict or perceived conflict. Where a conflict is not reconcilable with your duties and responsibilities to the Authority, you may be required to resign from the Board

The duties and responsibilities under this Code are in addition to your requirements to comply with provisions relating to conflicts in section 8 of the Coastal Ferry Act.

B. Officers and Employees:

At the time of your employment, you are required to acknowledge that you have read the Code and understand the consequences of a breach. If an actual, potential or perceived conflict of interest exists at the time of employment or subsequently arises, you shall (i) immediately disclose the conflict to the Corporate Secretary (or Chair in the case of the

Corporate Secretary) and (ii) take all necessary or appropriate steps to remove or mitigate the circumstances giving rise to the conflict. As soon as practicable, you must follow up in writing to the Corporate Secretary (or Chair in the case of the Corporate Secretary) outlining the conflict of interest and steps you have taken to remove or mitigate the circumstances giving rise to the conflict. The Board Chair will make all final determinations on actions regarding the actual, potential or perceived conflict.

5. CONFIDENTIALITY OF INFORMATION

A. Directors:

Board confidentiality is essential to ensure that full and frank discussion of issues deemed as confidential may take place in an atmosphere free from the risk of inappropriate disclosure. All information shared by directors and those presenting information to the Board shall be treated with utmost confidentiality, except when it is clearly understood that the information is in the public domain.

Directors may only disclose confidential information to external third parties when disclosure is authorized or required by law or an enactment in a court proceeding. Any other external disclosure of confidential information is subject to prior approval of the Board Chair.

B. Officers and Employees:

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

Confidential or proprietary information 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 the Authority to comply with disclosure requirements under applicable laws. Authority staff must exercise caution and discretion in handling confidential and proprietary information and, in particular, should not discuss such information in social or public contexts.

C. Investment Activity:

As a director, officer or employee, you may not trade in the securities of BC Ferry Services Inc. if you are in possession of material information with respect to the business or operations of BC Ferries that has not been disclosed to the public in accordance with Canadian securities laws. Additional details regarding these obligations are found in the Authority's separate Corporate Disclosures and Securities Trading Policy in effect from time to time.

6. USE OF AUTHORITY PROPERTY

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

You must ensure that all property and assets of the Authority entrusted to you are maintained in good condition and should be able to account for such property and assets while assigned to you.

You may not dispose of the Authority's property or assets except as authorized by the Authority.

7. WORKPLACE SAFETY

The Authority is committed to providing a safe and healthy workplace for everyone in the organization. All directors, officers and employees have a personal responsibility to take all prudent precautions to ensure personal safety and to avoid creating any unsafe condition or danger to others.

As a director, officer or employee, you must conduct yourself professionally, be fit for duty, and be free from impairment from alcohol or drugs.

If you have any concerns about safety issues, you must report them immediately to the Chair, Vice-Chair or Corporate Secretary.

8. PROTECTION OF PRIVACY

The Authority respects the personal privacy of all directors, officers, employees, contractors and suppliers. You are required to maintain the privacy and confidentiality of personal information in accordance with all applicable laws and regulations., including The Freedom of Information and Protection of Privacy Act.

9. ACCOUNTING AND AUDITING

A. General

The Authority 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 the Authority must be accurately reflected in its financial records and reports, and must be supported by appropriate documentation. No

Authority director, officer or employee 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 the Authority. The Authority 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 the Authority's financial records and reports.

B. Reporting Questionable Accounting and Auditing Matters

All Authority directors, officers and employees are expected to protect the integrity of the Authority's assets, data, and financial reports. If you have questions or concerns about accounting or auditing matters, you must promptly report them to the Corporate Secretary. If you are 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, you may contact the Chair of the Board of Directors directly. If anonymity is desired, you 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 must advise the Chair of the Board of Directors of all reports received. The Chair of the Board of Directors 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. QUALITY OF PUBLIC DISCLOSURE

The Authority 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 Authority directors, officers and employees who are involved in the disclosure process are responsible for ensuring that BCFA meets such requirements.

11. NO RETALIATION

The Authority and its directors, officers and employees 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 a director, officer or employee 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, the Authority reserves the right to discipline anyone who knowingly makes a false accusation or knowingly provides false information to the Authority or an investigator.

12. EXEMPTIONS 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.

13. IMPLEMENTATION OF CODE

This Code outlines a framework of guiding principles. As with any statement of policy, the exercise of judgement may be required in determining the applicability of this Code in different circumstances. This Code and any amendments are binding on directors, officers and employees when communicated.

14. REPORTING REQUIREMENTS

If you become aware of any violation or potential violation of this Code, you have a duty to disclose or report the violation or potential violation to the Chair or Vice Chair of the Board or the Corporate Secretary of the Authority as soon as reasonably practicable. If anonymity is desired, you can report questions or concerns using the anonymous online reporting link. Contact information for reporting questions or concerns violations or potential violations can be found on the last page of this Code.

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.

15. CONSEQUENCES OF NON-COMPLIANCE

Directors, officers or employees who violate this Code may be subject to disciplinary action, including in certain cases termination of appointment or employment. If a violation of law is involved, the matter may also be referred to the appropriate law enforcement agency.

Any director, officer or employee who directs or approves of conduct in violation of this Code, or who fails to report a violation of which they have knowledge, is also in violation of the Code and subject to disciplinary action.

16. CONFIDENTIAL REPORTING CONTACT INFORMATION

The following confidential reporting lines have been established to make submissions regarding perceived violations of the Code, including questionable accounting or auditing practices within the Authority.

email address: bcfa.confidentialboard@shaw.ca

Please note that if using 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/