

B.C. Ferry Authority

Director Nominations Backgrounder

December 2023

Request

B.C. Ferry Authority (“BCFA” or the “Authority”) is seeking nominations of qualified candidates to fill two positions on the Authority’s board of directors effective April 1, 2024.

The Authority is the shareholder of British Columbia Ferry Services Inc. (commonly known as BC Ferries). For clarity, successful nominees will serve as directors of the Authority and not as directors of BC Ferries.

Introduction

Under the *Coastal Ferry Act (British Columbia)-Designated Appointment Areas Regulation*, the Regional Districts of North Coast, Kitimat-Stikine, Central Coast and Mount Waddington have been designated as the “Northern Coastal and North Island Area” and the Alberni-Clayoquot, Comox Valley, Strathcona, quathet and Nanaimo Regional Districts have been designated as the “Central Vancouver Island and Northern Georgia Strait Area” for purposes of nominating qualified individuals suitable for appointment to the board of directors of BCFA.

In accordance with the *Coastal Ferry Act (British Columbia)*, the Authority is requesting that the Appointment Areas listed above each submit three to five qualified nominees to fill the two vacancies on the BCFA board of directors effective April 1, 2024. The two appointments will each be for a three-year term ending March 31, 2027. Existing appointees are eligible for reappointment.

This document provides background information on the Authority, basic and statutory appointee qualifications, the support the Authority will provide the Appointment Areas in their identification of candidates for nomination and the Authority’s process for selecting nominees for appointment.

Overview

BCFA is a corporation without share capital created under the *Coastal Ferry Act (British Columbia)*. It is the sole voting shareholder of British Columbia Ferry Services Inc. (“BC Ferries”), an independent company incorporated under the *Business Corporations Act (British Columbia)*. The provincial government holds all the preferred shares of BC Ferries but has no voting interest in BC Ferries or BCFA.

BC Ferries provides ferry services on the west coast of British Columbia under contract to the provincial government. BC Ferries provides frequent, year-round transportation service with 35 vessels operating on 25 routes out of 47 terminals spread out over 1,600 kilometres of coastline.

BCFA’s responsibilities are that of shareholder of BC Ferries and are set out in the *Coastal Ferry Act (British Columbia)*. BCFA is responsible for overseeing the strategic direction of BC Ferries in support of the public interest, including the public’s interest in safe, reliable and affordable coastal ferry services in British Columbia. In addition, BCFA is responsible for appointing the directors of BC Ferries’ board of directors and for establishing compensation plans for the directors and executives of BC Ferries.

For more information, please visit BCFA's website at www.bcferryauthority.com and BC Ferries' website at www.bcferreries.com.

Governance Structure

Board Structure

The board of BCFA is composed of nine directors. Its size and composition is prescribed by the *Coastal Ferry Act (British Columbia)* as follows:

- Four members are appointed by the board from the nominees of the 14 coastal regional districts, grouped by provincial regulation into four Appointment Areas as follows:

One member: Southern Mainland Area

- Sunshine Coast Regional District
- Squamish-Lillooett Regional District
- Metro Vancouver Regional District

One member: Southern Vancouver Island Area

- Cowichan Valley Regional District
- Capital Regional District

One member: Northern Coastal and North Island Area

- North Coast Regional District
- Regional District of Kitimat-Stikine
- Central Coast Regional District
- Regional District of Mount Waddington

One member: Central Vancouver Island and Northern Georgia Strait Area

- Alberni-Clayoquot Regional District
- Comox Valley Regional District
- Strathcona Regional District
- quathet (Powell River) Regional District
- Regional District of Nanaimo

- One member is appointed by the board from nominees of the BC Ferry and Marine Workers' Union; and
- Four members are appointed by the provincial government through Order in Council.

Officers

There are three Officers of the Authority:

- Chair of the Board - a position elected by the members of the board;
- Corporate Secretary – a position appointed by the board;
- Executive Director – a position appointed by the board.

Appointment Terms

The *Coastal Ferry Act (British Columbia)* requires that the terms of directors expire on March 31st each year. Appointments are for three-year terms beginning April 1st. Directors may serve up to two consecutive terms.

Board Membership

The current membership of the BCFA board is as follows:

Director	Appointment	Term Ending March 31
Lecia Stewart, Chair	Province	2025
Marc Tremblay	Central Vancouver Island & Northern Georgia Strait	2024
Gary Coons	Northern Coastal & North Island	2024
Andrew Ross	Organized Labour	2025
Jessica Bowering	Province	2025
David R. Levi	Province	2025
William (Bill) Dingwall	Southern Mainland	2025
Marlene G. Kowalski	Southern Vancouver Island	2026
Peter Lantin	Province	2026

Biographies of the current board members are available on the BCFA website.

Nominee Criteria

Basic Qualifications

The appointment of BCFA directors is undertaken with the objective of ensuring the board is composed of a majority of strong, qualified, independent directors. The board supports the concept that the board Chair should be an independent director.

Under guidelines adopted by the board, a director is independent if they have no direct or indirect material relationship with the Authority. For this purpose, a "material relationship" is a relationship that could, in the view of the board, be reasonably expected to interfere with the exercise of a director's judgment. Directors are required annually to attest to their independence.

All nine directors owe a fiduciary duty to the Authority, and are not appointed in order to be delegates of a region, stakeholder, union or constituent group.

Statutory Qualifications

A person nominated for appointment to the Authority board must be a "qualified Authority candidate" as defined in the *Coastal Ferry Act*. Specifically, this means an individual who:

- does not hold elected public office of any type;
- is not an employee, steward, officer, director, elected official or member of any union representing employees of BC Ferries;
- is not an employee of a municipality, regional district, trust council or greater board within the Appointment Area; and
- is not an employee, director, officer or executive of BC Ferries.

As well, those appointed to the Authority board must comply with the provisions related to director qualifications and conflicts addressed in sections 8 and 9 of the *Coastal Ferry Act*. This includes the requirement that directors meet the qualification requirements of section 124 of the *Business Corporations Act*. These requirements include:

- being over the age of 18;
- capability to manage one's affairs;
- not having an undischarged bankruptcy; and/or
- not being convicted of an offence involving the management of an incorporate or unincorporated business or an offence involving fraud

Skills and Experience

The board has approved a comprehensive skills and experience profile for potential appointees. A copy of the profile is included with this nomination request and includes the following:

- Personal Attributes
- Core Competencies
- Diversity and Inclusion
- Skills, Experience and Knowledge

Board Operations

Board Committees and Task Groups

There are currently three standing committees of the board, Audit & Finance, Governance & Nominating and Executive Compensation. However, task groups of directors are established, from time to time, to undertake specific assignments.

Time Commitment

The board meets at such time and place as necessary for the dispatch of business. The board plans for a minimum of four meetings per year. Meetings may be held in coastal communities served by ferries, in Vancouver, British Columbia or virtually. Directors are also expected to make themselves available to work with other directors as may be needed from time to time. Directors are also required to attend the annual general meeting of BCFA, which is open to the public and held in conjunction with an annual public meeting of BC Ferries.

Board Policies

BCFA has a set of board policies, including a Code of Business Conduct and Ethics.

Remuneration

Directors receive an annual honorarium of \$6,250 and a fee of \$1,200 for each regular meeting or \$600 for each teleconference or meeting of short duration of the board attended. Directors are also entitled to reimbursement of reasonable travel-related expenses incurred on BCFA business.

Liability Insurance and Indemnity

BCFA directors are covered by Directors' and Officer's Liability Insurance and are indemnified by BCFA.

Nomination Process

Each Appointment Area is requested to submit three to five nominees of qualified individuals to the Authority by **March 1, 2024** together with a completed Nomination Form signed by each nominee. If an incumbent director is nominated, submission of the Nomination Form is not required.

Each Appointment Area will determine its own process for identifying its nominees. However, to be considered for appointment, each nominee must have been recommended by one or more of the Regional District boards of the Appointment Area.

There are a variety of ways in which suitable nominees can be identified by the Regional Districts, ranging from informal to formal. For example, potential nominees may be identified through:

- direct canvass;
- unsolicited expressions of interest; and/or
- solicitation through advertising.

Should a Regional District wish to advertise for nominees, the Authority will make available a template print advertisement and will provide financial support to fund the placement of up to three newspaper advertisements. In addition, if requested, the Authority will post nomination forms on its website for on-line completion and submission directly to the Regional District.

Selection Process

Qualified nominees will be interviewed by a task group of the board of directors of the Authority.

The Authority will make a decision on the nominees for appointment to the board by March 31, 2024, after which the successful applicant will be informed of their appointment to the Board.

Disclaimer

This document is intended to provide background information on B.C. Ferry Authority for the purposes of informing the Regional Districts and their potential nominees to the board of directors, and does not provide binding legal representations or contractual obligations. The information contained herein may be subject to change.