

Don Barnes
President and CEO, Marine Atlantic
Annual Public Meeting
December 14, 2018
Check Against Delivery

Introduction

- Thank you, Kris. I, too, would like to welcome those in attendance today, as well as those watching our livestream on our website. Having an opportunity to highlight the many initiatives taking place with our service and interacting directly with those interested in learning more about Marine Atlantic is very positive.
- Welcome to members of our Board of Directors. I am pleased to introduce members of the Executive team in attendance today including Shawn Leamon, Vice President of Finance; David Frew, Vice President of Strategy and Human Resources; Murray Hupman, Vice President of Operations; Vicki Rose, Vice President of Customer Experience; Jackie Penney, Corporate Counsel and Corporate Secretary; Colin Tibbo, Chief Information Officer; Tara Laing, Director of Corporate Communications; and Bill Reid, Director of Health, Safety and Environment.
- As Kris just noted, 2018 marks 120 years of the Gulf service and much has changed during that time. In particular, technology enhancements are enabling us to provide a stronger travel experience for our customers. Through our customer alert systems, social media channels, modernized website, digital signage, and on board enhancements, we have been able to adapt to better serve our customers. Technology continues to change and so must we to meet the expectations of our customers.
- I'm certain that everyone in this room recognizes that weather patterns are becoming more challenging and severe, and we are experiencing that reality on our service. The high wind systems have caused a number of disruptions to our schedule. The positive news is that our modern fleet allows us to recover much more quickly from weather disruptions.
- It is also a true indication of our employees who go above and beyond every day. At the end of our 2017-18 fiscal year, we experienced our third consecutive year of passenger traffic growth. A special thank you to all of our employees whose efforts and professionalism are continually commended by those who use our service and are a vital component of our service delivery.

Infrastructure Enhancements

- We are also focused on maintaining and strengthening our infrastructure, and a number of initiatives took place during the year related to fleet and shore-based infrastructure renewal.
- Fleet renewal and configuration is an ongoing topic which we discuss with our shareholder, the Government of Canada. These discussions continued during the year to determine what vessels will best meet our service needs for the future. Various options continue to be discussed and considered, especially as it relates to the MV *Leif Ericson*, which is owned by Marine Atlantic, and the MV *Atlantic Vision*, which is currently on charter. These discussions will continue in the year ahead.
- Significant work was undertaken at our terminal properties, including our toll plaza area in North Sydney which was reconfigured and new ticket booths constructed to improve traffic flow, provide new safety and security features, and offer a modern look and feel with the ability to integrate new technologies. Similar upgrades are being planned for Port aux Basques.
- We began the planning phase for a new administration building in Port aux Basques to help strengthen our daily Corporate functions. At the terminal, older underground infrastructure was replaced, and upgrades were made to the marshalling yard, parking areas and the drop trailer area.
- From a docking perspective at our ports, we installed new dock fenders designed to protect our vessels and docks, and a new mooring system was selected and prepared for installation. This new system is designed to minimize risk and further enhance safety during the docking process.

Updating Business Processes

- We also continued with initiatives to enhance our daily business processes including our Business Process Renewal Project which is a multi-year, company-wide initiative designed to improve work processes, further improve our customers' experience and strengthen our business. During the 2017-18 fiscal year, we prepared for the implementation of our new technology solution with process activities for Human Resources and Finance, including our payroll system.
- A pilot project was launched during the year on the Port aux Basques-North Sydney service to improve data network connectivity on our vessels while at sea. The installation of new infrastructure on cellular towers in southwestern Newfoundland and Cape Breton enabled increased cellular service providing improved corporate functions. The next phase will be an evaluation of these results and what opportunities and challenges exist for strengthening future Wi-Fi access at sea.

Our Customer Focused Initiatives

- Highlights of our customer-focused initiatives during the year include the Customer Experience Rejuvenation Initiative which helped evaluate our customer service delivery options on our vessels and enhance the overall experience during sailings. Options and approach are currently being reviewed, including the products that are offered.
- We continued exploring new pricing options and introduced two new discount campaigns. The first offered a gas card while the second campaign involved a kids' travel free promotion, both designed to help develop a new pricing system which will provide increased flexibility and options for customers.
- We were also pleased to continue our partnership with the Town of Channel-Port aux Basques to offer customers access to the downtown Scott's Cove area during the summer months. Customers provided positive feedback related to this service and we look forward to our continued partnership with the Town as we determine other potential initiatives for the future.

Our Environmental Initiatives

- As a marine operator, Marine Atlantic recognizes the importance of the environment in which we operate. As such, we have undertaken a number of environmental initiatives, a few I would like to briefly highlight this morning.
- Our North Sydney terminal was designated with silver LEED certification indicating that the facility is a leader in environmental and energy design.
- The Corporation received Divert Nova Scotia's 2017 Mobius Award of Environmental Excellence recognizing businesses who go above and beyond for the environment. The Cape Breton Regional Municipality nominated Marine Atlantic for its renewed efforts in diverting waste from landfill sites and its focus on environmental initiatives.
- We are also working to protect the endangered North Atlantic Right Whale. As a marine transportation provider, Marine Atlantic shares the ocean environment with many marine and land-based animals. We have been closely monitoring the progress of the right whale and continue to work with Transport Canada. We formed a working group to monitor this issue and developed operational and mitigation plans should they become required. We commit to doing our part in helping to protect the North Atlantic right whales.

Conclusion

- Ladies and gentlemen, we continue to work hard to improve how we do business to benefit everyone that relies on our service. Whether it is shipping fresh fish from Newfoundland-based operations, meeting the needs of tourists who are sailing for the first time, or shipping fresh

fruit and vegetables to your local supermarket, we recognize the important role we play in the local supply chain and the overall Atlantic Canadian economy.

- Much has happened this year to help us in this journey, and much more is planned for the year ahead. We are very pleased with many of our key performance indicators and will continue working to get even stronger to offer the best possible service to our customers.
- Through our diversity, accessibility, inclusion, training, and community-based initiatives, Marine Atlantic is committed to offering a strong and dynamic service that truly meets the various and changing needs of our customers.
- I thank you for coming today and your continued interest in Marine Atlantic's service.