

Kris Parsons
Chair, Board of Directors
Annual Public Meeting
December 14, 2018
Check Against Delivery

Introduction

- Good morning ladies and gentlemen, I would like to thank you for taking the time and interest to attend Marine Atlantic's Annual Public Meeting highlighting the activities of our Corporation for the 2017-18 fiscal year.
- My name is Kris Parsons, Chair of Marine Atlantic's Board of Directors. Joining me at the head table for today's overview is our President and CEO, Don Barnes, as well as Shawn Leamon, our Vice President of Finance.
- I would like to take this opportunity to welcome Don to the position of President and CEO. Don was appointed by the Government of Canada in May. He previously served as the Corporation's Vice President of Customer Experience and is now using his skills to further grow our service for the future.
- I would also like to recognize our former President and CEO, Mr. Paul Griffin, who provided strong leadership since 2011 as we implemented our renewal agenda, providing a strengthened and more reliable service to our customers. Thank you, Paul, for your hard work and effort over the past several years.
- A number of my Board of Director colleagues are here today including Janie Bussey, Brent Chaffey, James Doody, Owen Fitzgerald, Gary O'Brien, Craig Priddle, and Ann-Margret White. These individuals are experienced, knowledgeable, team players who are focused on a strong and effective Marine Atlantic for our customers and stakeholders.
- I would also like to thank our recent outgoing Board members including Nick Careen, Stan Cook, Sharon Duggan, Garfield Moffatt, Walter Pelley and Dwight Rudderham for their service to the Board of Directors. Their commitment for the past number of years is greatly appreciated by our entire team.
- We are pleased to be webcasting today's meeting in both official languages on our website, www.marineatlantic.ca. Welcome to those watching online.

Background Information

- 2018 marks 120 years in which Marine Atlantic and its predecessors have provided a ferry service connecting the Island portion of Newfoundland and Labrador with the rest of Canada. While our vessels, infrastructure and technologies have changed significantly through the years, our mandate to connect the people and businesses of Atlantic Canada has not. We exist to transport the passengers and goods that are used and consumed every single day.
- As we reflect on the past and look to the future, our team is committed to a safe, modern, effective and reliable service for our customers.
- As background for those not familiar with our operations, Marine Atlantic provides a vital transportation link that is constitutionally mandated between Newfoundland and Labrador and Nova Scotia. We are the only daily ferry service connecting the Island of Newfoundland to Nova Scotia and we transport hundreds of thousands of vehicles and passengers each year, as well as many of the goods that are used and consumed in Newfoundland and Labrador each day.
- In 2017-18, we transported approximately 329,000 passengers, 123,000 passenger vehicles and 92,000 commercial vehicles. This was our third consecutive year of passenger traffic growth.
- We operate terminals in three ports, Port aux Basques, North Sydney and Argentia, with administrative offices in Port aux Basques, North Sydney and St. John's.
- We have four ice-class vessels, the MV *Leif Ericson*, the MV *Blue Puttees*, the MV *Highlanders* and the MV *Atlantic Vision*, and two customer segments, commercial and passenger. Commercial customers comprise approximately two-thirds of our business with traffic being steady throughout the year, while passenger traffic makes up approximately one-third and is most prevalent during the summer months.
- With this in mind, our vessels are designed to carry both commercial and passenger vehicles and offer amenities to meet the needs of both customer segments.
- Marine Atlantic is a federal Crown Corporation reporting to the Minister of Transport Canada. The organization receives annual operating subsidies to deliver this service.

Board overview

- This is the first year for our current Board of Directors. Guided by our values of safety, commitment, integrity, teamwork, excellence, and diversity and inclusion, we are committed to meeting the needs of our customers, stakeholders, and port communities.
- Over the past year, the Board of Directors has participated in meetings in each port community which has enabled us to better engage with local, provincial and federal representatives, as well

as community groups. Our goal is to provide a modern and efficient ferry service that meets the needs of stakeholders. Regular interaction is an important component of meeting these expectations.

- From a Board of Directors perspective, 2017-18 was another very busy year of activity. In addition to the overall role of Corporate oversight, our three committees including Audit and Risk; Safety, Corporate Governance and Accountability; and Human Resources and Pension Management, undertook a number of initiatives.
- From updating our Corporate by-laws and reviewing Board Governance best practices, advancing the Corporation's Enterprise Risk Management Framework, to undertaking financial reviews and guidance on pension administration, many important activities were completed. A full overview of the Board and Management activities are outlined in greater detail in our Annual Report which is available here today and also on our website.
- All of these activities are designed to help us achieve our priorities of being an efficient ferry service that is reliable, on time and provides a high level of customer experience which embraces and encourages diversity and promotes Marine Atlantic as an inclusive service for both employees and customers.
- With our customer satisfaction, reliability and on-time performance rates remaining at very high levels, we know we are continuing to move in the right direction. With the three-year, \$445 million funding envelope announced by the Government of Canada in Budget 2017, we have greater certainty for planning activities during multiple fiscal years which will benefit all those who rely on Marine Atlantic. I want to thank the federal government for their continued support in enhancing our service.
- I also want to give special mention to the women and men of Marine Atlantic who work tirelessly everyday, 365 days a year, providing a vital transportation link to Atlantic Canadians. Their commitment and dedication to serving our customers is what truly makes us successful.
- It was also a very busy year from a project perspective which Don will outline in greater detail in just a few moments.
- Our commitment is to initiate positive change that will further enhance our customers' overall travel experience and meet the needs of all of those who rely upon our service on a daily basis.
- We look forward to continuing our work with our customers, stakeholders and partners as we strive for further success in the year ahead.
- Our Board is focused on a strong, effective and reliable Marine Atlantic that meets our constitutional mandate and fulfilling the vital role we play in the Atlantic Canadian economy and the daily lives of the people who live in this region of Canada.

Conclusion

- To provide a more detailed overview of our activities during the year, and our focus on improving for our customers, I would like to invite our President and CEO, Don Barnes, to provide you with an update.

Don Barnes Speaks

- Thank you, Don, for that overview. I would now like to invite Shawn Leamon, Vice President of Finance, to provide a financial overview of the Corporation's 2017-18 fiscal year.

Shawn Leamon Speaks

- Thank you, Shawn.
- I would like to express my thanks to Don, Shawn, my Board colleagues and the staff at Marine Atlantic for their ongoing hard work and commitment over the past year.
- If you would like to review any additional details related to our service, there are copies of our Annual Report available here today and on our website.
- I would now invite any questions you may have related to today's update or any other aspect of our service. We will also be available following the meeting if you would like to discuss anything in further detail.
- Thank you.