

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
MEETING BY ZOOM CONFERENCE ON
THURSDAY 25 FEBRUARY 2021 8:00 AM – 4:00 PM**

Present: Denise Church (Chair), Mark Pitt (Deputy Chair), Darin Cusack, John Holt, Lisa Jacobs, Paula Jackson, Mark Hutchinson and Nicola Greer

Apologies: Nil

In attendance: Graeme Sumner, Chief Executive Officer
James Young, Chief Financial Officer
Katie Bhreatnach, GM Customer and Regulatory Partnerships
Kim Nichols, Head of Safety & Assurance

BOARD ONLY TIME

The Board met for Board only time on from approximately 08:00AM – 08:30AM

The Board and CEO met without management present from approximately 08:45AM – 09:00AM

FORMAL BOARD AGENDA (commenced at approximately 09:00AM)

Mark Pitt assumed Chair for the meeting.

ITEM 1.0 BOARD MATTERS

Item 1.1 ***Continuous Disclosure***

No matters were raised.

Item 1.2 **Register of Directors Interests**

The Board **noted** the Register of Directors' Interests. Darin Cusack will not be present for the discussion on Service and Pricing Framework on account of his Directorship of Dunedin Airport Limited.

STRATEGIC PAPERS AND PRESENTATION

Jamie Gray, Katie Wilkinson, Mark Daldorf and Sharon Cooke joined the meeting for the discussion on the strategic update and Board evaluation.

Strategic Update 2021 Priorities

The Board **noted** the Strategic Update 2021 Priorities. Reflecting on learnings and feedback from the Board review process Directors recorded the desire to develop principles for guiding direction and decisions. The following principles were raised:

- the desire to not be perceived as litigious
- collaboration within the ELT, within the organisation and with our external stakeholders (understanding that commercial interests and consultation are also necessary)
- respect was raised for consideration by an ELT member
- reputation, externally and internally, with a view to restoring or increasing our goodwill
- empathy was raised by an ELT member

Katie W, Kim and Ed were asked by the Chair to reflect on the current culture and well-being of their teams and the organisation and expressed concerns to Directors on the well-being and culture both in the current context and in the context of strategic programmes that are recommended.

Directors will provide further feedback on the proposed priorities at the March Board meeting.

Mark Daldorf left the meeting.

Board Evaluation - Carole Scholes

The Board **noted** the Board evaluation by Carole Scholes. The Chair invited all ELT members to also join the discussion.

Jamie Gray, Mark Daldorf and Sharon Cooke left the meeting.

Pricing and Services Framework update

The Chair asked Katie W to join the Board meeting for this matter and CEO agreed. The Board **noted** the evaluation of Services and Pricing Framework Options for proposed consultation.

The Chair asked Katie W and Kim to identify any broader issues that impacted their areas of the business in regards to this matter. Kim raised health and well-being and mental health, and aviation safety system perspective, particularly where we are looking to collaborate on something people don't want.

Katie W raised a concern on the consideration of how the programme would be carried out.

Regarding airfield power and lighting the Board re-confirmed the strategy is to exit, noting the transaction is making progress with AIAL, and that management are in the beginning stages of engaging with Hawkes Bay Airport. The Board recommended management continue to take a tailored rather than generalised approach in the operationalisation of the strategy (which does not preclude using termination/notification as a lever as appropriate)

The Board ruled out options 1 and 3, confirming in principle that option 2 was the preferred option amongst those presented but requested further information on the various iterations of option 2 and, in particular, how this option would be executed giving consideration to the Board's appetite for being more collaborative.

There was discussion on the sequence of different workstreams related to Pricing and Service frameworks including clarification of whether a reset is not possible in the programme timeframe, whether a timeframe is necessary and how and on what the Minister will be briefed.

LUNCH BREAK – Guest Speaker Colin Keel (Chief Executive Queenstown Airport) (approximately 1:00PM – 2:00PM).

Katie W remained at the Board meeting for its entirety.

ITEM 1.0 BOARD MATTERS continued (approximately 2:00PM)

Item 1.3 *Minutes of Board Meetings held 28 January 2021*

The Board **approved** the revised minutes of the previous board meeting held 28 January 2021 as a true and correct record of that meeting (moved by Darin Cusack, seconded by Paula Jackson).

Item 1.4 ***Matters Arising and Action Items from the January Meeting***

The Board **noted** the Matters Arising and Action Items from the January meeting.

ITEM 2.0 HEALTH AND SAFETY

Item 2.1 ***Board Company Safety Report***

The Board **noted** the Company Safety Report.

Kim Nichols provided an update on the Safety Culture Programme, noted that the ECMG remains at a higher level at Auckland than the Government's decision and the outcome of the recent CAA audit of the Safety office. The Chair commended the safety office for the audit outcome and the CANSO outcome.

Item 2.2 ***Board Site Safety Visits***

The Board **noted** the Board Site Safety Visits.

The Board confirmed preferred visits as proposed in the draft schedule/suggestions for Board Site Visits for 2021, with a particular interest in visiting 2 hot spots from a safety perspective annually.

ACTION: Kim Nichols in collaboration with Moana Brown.

ITEM 3.0 PERFORMANCE AGAINST BUSINESS PLAN

Item 3.1 ***CEO Executive Summary and Company Performance Report***

The Board **noted** the CEO Executive Summary and Company Performance Report

The CEO provided an update on the Select Committee process, substantial opportunities coming out of the Middle East for the International business, that digital training is progressing well and a successful event at Walsh again, which was attended by the Chair.

An update was provided on the Regional Airports Change Programme.

Item 3.2 ***Forecast Update***

The Board **noted** the Forecast Update.

The Board **endorsed** in principle a three percent price increase, and **noted** that James Young will come back to them with a report he has engaged economic consultants Nera to prepare on the pricing framework, and any further recommendations he has out of that process.

(Nicola Greer left the meeting at approximately 2:50PM)

ITEM 4.0 PAPERS FOR APPROVAL / ENDORSEMENT

Item 4.1 ***ATM Project Update***

The board **endorsed** the requested changes, and delegates authority to the Chief Executive to vary the ATM System Implementation Project Business Case (moved by Mark Hutchison, seconded by Darin Cusack).

s6(c)&s9(2)(i)



Item 4.3 ***Hong Kong Engineering Dashboard Resolution***

The board **approved** delegate authority to Graeme Sumner to sign the Deed of Undertaking between AIL and the Government of the Hong Kong and submit the board resolution (with director's signatures) for the execution and submission of the Deed of Undertaking. (moved by Paula Jackson, seconded by Mark Hutchison).

Action: s9(2)(h)



Item 4.4 ***AMEA Super Backpay***

The board **approved** the back payment of Superannuation to AMEA in line with the recommendations and next steps outlined in the paper.(moved by Mark Hutchison, seconded by Lisa Jacobs).

ITEM 5.0 PAPERS FOR INFORMATION

Item 5.1 ***Top Risks Review***

The board **noted** Top Risks Review.

Directors thanked Graeme Sumner and Kim Nichols for the work on this.

Item 5.2 ***Audit and Finance minutes 25 November 2020***

The board **noted** Audit and Finance minutes 25 November 2020

ITEM 9.0 OTHER MATTERS

Item 9.1 ***Next Board Meeting Arrangements***

The next Board meeting will be held on Tuesday 30 March in Wellington.

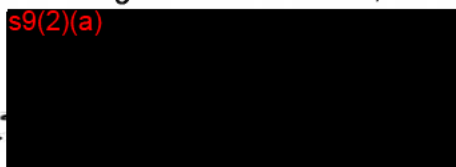
Item 9.2 ***Board Work Plan 2021***

The Board **noted** the work plan for 2021.

CLOSE OF MEETING

There being no further business, the meeting concluded at approximately 04:00PM.

s9(2)(a)



Chair

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Date