

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
HELD IN CHRISTCHURCH, DELTA MEETING ROOM & VIA MICROSOFT TEAMS
ON TUESDAY 21 JUNE 2022 AT 11:00AM – 6.50PM**

Present: Denise Church (Chair), Mark Pitt (Deputy Chair), Darin Cusack, Mark Hutchison (by Microsoft Teams), Nicola Greer, Gavin Fernandez (by Microsoft Teams) and John Holt (by Microsoft Teams).

Apologies: Lisa Jacobs

In attendance: James Young, Acting Chief Executive Officer
Erin Lee, Acting Chief Financial Officer
Kim Nichols, Head of Safety and Assurance
Katie Bhreatnach, General Counsel and Company Secretary
Jamie Gray, Head of Public Relations & Acting Head of People and Capability
Fiona Shine, Head of Legal & Regulatory
James Evans, Head of Surveillance Services
Mark Hoskins, Head of Commercial, AIL
Erica Alexander, People and Capability Manager
Lisa Boltman, Organisational Development Manager
s9(2)(a) (CEO of Christchurch International Airport)
s9(2)(a) (Have You Say)

BOARD ONLY TIME

The Board met for Board only time from approximately 11:00AM – 11.30AM.

The Board and Acting CEO met without management present from approximately 11.30 - 12.00PM.

12.00PM Christchurch International Airport Presentation

Guest speaker Christchurch International Airport Chief Executive Malcolm Johns joined in person.

s9(2)(b)(ii), s9(2)(ba)(i)&s9(2)(i)



The Board meeting paused for lunch from 1pm to 1:45pm with Christchurch International Airport guests.

FORMAL BOARD AGENDA

The Board meeting commenced at approximately 1:45PM

The Chair opened the meeting and welcomed the new Head of Legal and Regulatory to Airways.

The Chair reported that Lisa Jacobs was an apology, and that Mark Hutchinson, Gavin Fernandez and John Holt would be joining the meeting from 3.30pm.

ITEM 1.0 STRATEGIC PAPERS AND PRESENTATIONS

No matters were raised.

ITEM 2.0 BOARD MATTERS

Item 2.1 *Continuous Disclosure*

No matters raised.

Item 2.2 *Register of Directors' Interests*

The Board **noted** the Register of Directors' Interests

Item 2.3 *Minutes of Meeting held 18 May 2022*

The Board **approved** the minutes of the previous Board meeting held on 18 May 2022 as a true and correct record of that meeting (moved by Darin Cusack, seconded by Mark Pitt).

Item 2.4 *Matters Arising and Action Items*

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

Item 2.5 *Proposed agenda topics for future meetings*

The Board **noted** the Proposed agenda topics for future meetings.

The Board agreed to convene the July 2022 meeting at the earlier time of 8am to ensure that it has sufficient time to fully consider the agenda items.

ITEM 3.0 HEALTH AND SAFETY

Item 3.2 *Site Safety Visits – Suggested Locations 2022*

The Board **noted** the suggested locations for 2022 Site Safety visits. It was noted that site safety visits could be linked to planned induction visits.

Item 3.1 ***Board Company Safety Report***

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

Management presented the Board Company Safety report, highlighting: (1) the Mini Technology Safety Summits in Auckland, Christchurch and Wellington had been well attended and positively received and that following the August thematic review, if necessary, management will re-visit these sites to highlight any key points from the report; (2) 116 invitees confirmed to attend the Airways Safety Forum; and (3) COVID: Positive cases and close contacts are being actively monitored by management.

s9(2)(ba)(i)&s9(2)(g)(i)



ITEM 4.0 PERFORMANCE

Item 4.1 *CEO Executive Summary and Company Performance Report*

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

The Chair and management updated the Board on the various discussions that had taken place with the Review of Air Navigation Services panel, noting in particular that the panel had agreed to visit Christchurch shortly.

The CEO highlighted some further key points regarding his report, including:

- an update on the Wellington ILS system, noting Jeff Peck would present on this project at the July Board update;
- the successful meeting with Hon Michael Woodhouse MP, noting that Mr Woodhouse would be returning for a briefing on UAV;
- the CEO will be visiting sites countrywide at the end of July/August to highlight the strategic refresh and safety priorities;
- key initiatives: (1) RACP project now closed; (2) Airfield power and lighting, is no longer green.

The Board thanked the CEO for the update.

The Board **noted** that a paper regarding Auckland Tower Replacement is due to be presented at the July meeting. The Board also noted the move into the new ops buildings is tracking to plan and that any slippage to the March 2023 implementation would be problematic.

ITEM 5.0 PAPERS FOR APPROVAL OR ENDORSEMENT

Item 5.1 *Final Dividend*

The Board **approved** that no final dividend is declared or paid in Financial Year 2022 (moved by Nicola Greer, seconded by Mark Pitt).

Item 5.2 *Statement of Corporate Intent and Budgets Final*

Erin Lee joined the meeting at 2.52pm.

Management highlighted the key updates since the May Board meeting:

- updates to market inputs for inflation and interest rates;
- valuation had increased by \$30.3m which Deloitte has independently reviewed;
- no resulting impairment identified for FY22.

The Board **approved** the 10 year budget, Statement of Corporate Intent and Business Plan (moved by Nicola Greer, seconded by Darin Cusack).

Item 5.3 ***Top Risks Register***

The Board **endorsed** the Top Risks Register (moved by Mark Pitt, seconded by Nicola Greer).

ACTION: Workshop on risks to be arranged between ELT and Board for October strategy meeting.

Item 5.4 ***Audit and Assurance Plan***

The Board **noted** that the Audit and Finance Committee had reviewed and recommended the Audit and Assurance programme be endorsed by the Board.

The Board **endorsed** the Audit and Assurance programme (moved by Nicola Greer, seconded by Mark Pitt).

Item 5.5 ***Audit Proposal Letter***

The Board **approved** the proposal to conduct the audit of Airways Corporation of New Zealand Limited (moved by Darin Cusack, seconded by Mark Pitt).

9(2)(g)(i)&s9(2)(i)



Item 5.6 ***Year-end key Judgements***

The Board **approved** the areas of key judgements and accounting estimates for the FY22 Annual Report, noting, the AFC has reviewed and endorsed (in draft) at the May meeting (moved by Nicola Greer, seconded by Mark Pitt).

Item 5.7 **Delegated Financial Authority Policy**

Management reported that the proposed amendments represent a material tightening of the Policy by reducing the list of contract approvers/signers and that the legal team will provide a training session in August.

The Board **reviewed** and **approved** the updated Delegated Financial Authority Policy (moved by Nicola Greer, seconded by Mark Pitt).

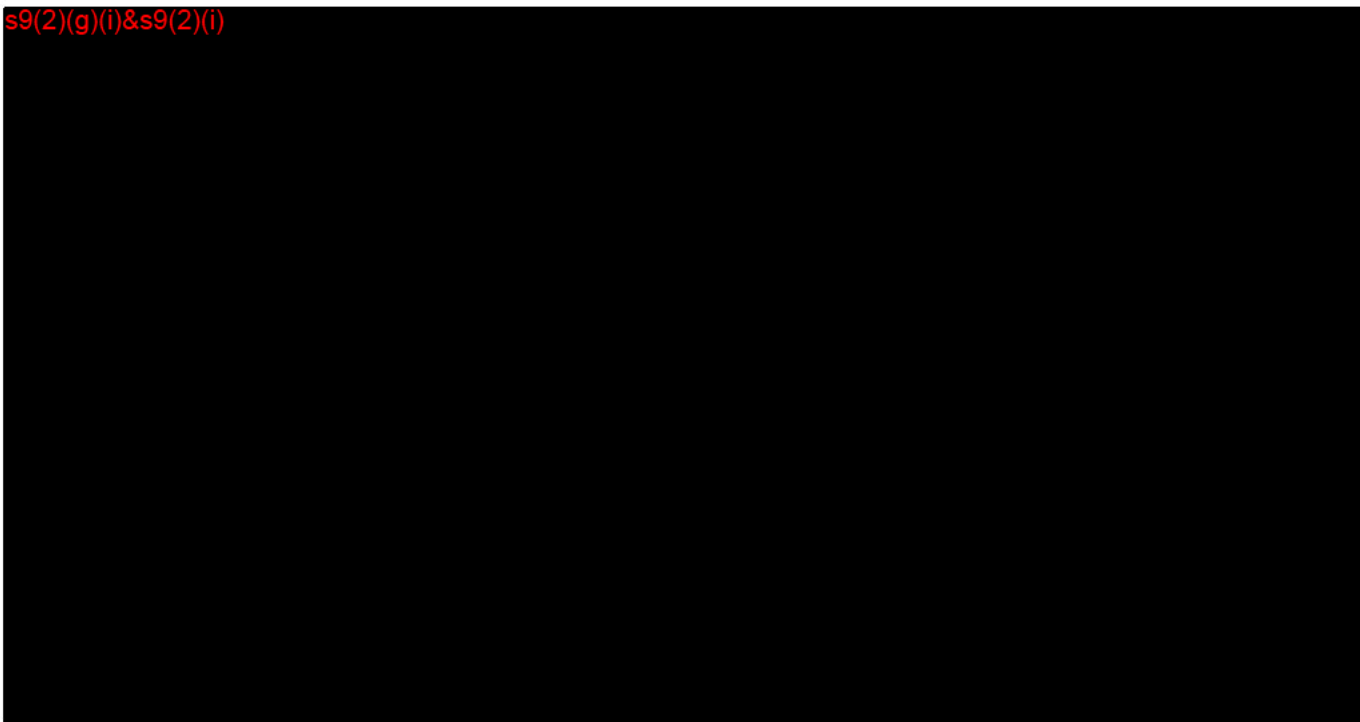
The Board took a break from 3.19pm – 3:30pm.

John Holt and Gavin Fernandez joined the meeting.

Item 5.8 **Final Price Path FY23-FY25**

Management highlighted that the key changes to the price path were due to inflation and rising interest rates that amounted to a further increase of 3.3% over the three-year period. Management advised they have offset some of the price increase through EVA adjustments across the period.

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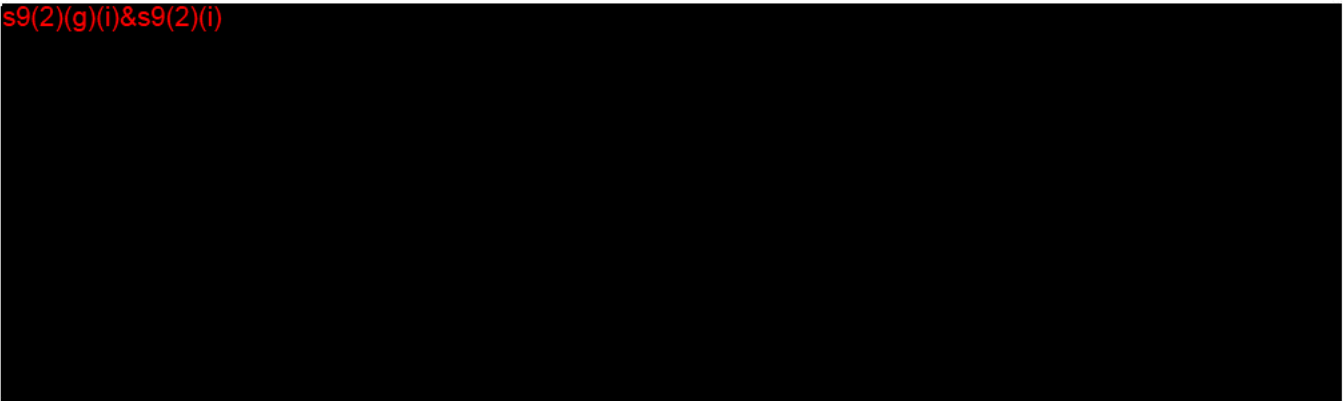
The Board **approved** the final FY23-25 price path and the release of the Response Document (moved by Mark Hutchinson, seconded by Gavin Fernandez).

Erin Lee left the meeting at 3.52pm.

Item 5.9 ***FY22 IEA Remuneration Framework recommendations***

James Evans, Erica Alexander and Jamie Gray joined the meeting at 4.09pm.

s9(2)(g)(i)&s9(2)(i)



The Board **approved** the FY22 IEA Remuneration Framework recommendations (moved by Mark Hutchinson, seconded by John Holt).

Erica Alexander and Jamie Gray left the meeting at 4.31pm.

Item 5.10 ***CAA AIS Contract Variation***

Mark Hoskins joined the meeting at 4.32pm and presented the paper.

The Board **approved** the Sales Case and authorised the AIL CEO to sign a variation contract (moved by Mark Pitt, seconded by Darin Cusack).

Item 5.11 ***Aviation Insurance Renewal***

Management presented and highlighted the purpose of the paper. The Board discussed the proposal and in respect of war and peril cover, requested management consider the benefits and drawbacks.

The Board **noted** the key features of the current aviation insurance policy.

The Board **approved** the recommended aviation insurance policy for the 2022/23 financial year (moved by Darin Cusack, seconded by John Holt).

ACTION: Management to provide a report on the benefits and drawbacks of a war and perils policy.

The Board took a short break from 4.45pm to 4.55pm.


ITEM 6.0 PAPERS FOR INFORMATION

No matters were raised.

ITEM 7.0 PAPERS FOR DISCUSSION


Item 7.1 *Customer Survey Response*

s9(2)(g)(i)



s9(2)(g)(i)



 The Board discussed insights from the Survey and explored next steps. The Board acknowledged that the Survey didn't provide a full and comprehensive picture, but the flavours are consistent with sentiment from other sources. The Board agreed that Airways needs to be considered a reasonable player in the sector, that the commentary suggests it had fallen short of that. In light of the report and discussions, the Board requested that management consider and provide a plan as to how to lift the quality of relationships, address the gaps and tend to the areas where the sentiment is more negative than positive. The Board agreed it was happy to be part of the governance-to-governance contact to assist. The Board acknowledged that whilst this plan was being prepared, management is and should continue to seize every reasonable opportunity to enhance and build relationships.

The Board **noted** the 2022 Customer Survey responses.

ACTION: Management to present a plan on next steps arising out of the Survey and insights in the responses to the August Board meeting.

s9(2)(g)(i), s9(2)(i)&s9(2)(j)



s9(2)(g)(i), s9(2)(i)&s9(2)(j)



ACTION: Management to provide an update paper at the July Board meeting.

Item 7.3 ***Have Your Say Employee Survey Results – high level***

Lisa Boltman, Jamie Gray and Jen McKay joined the meeting at 5.35pm.

Jen McKay presented the results to the Board including reporting that:

- the results have improved since the 2018 survey;
- the disparity in alignment scores is much larger than comparators; and
- the benchmark scores are below comparable data by a fair degree.

Nicola Greer left the meeting at 5.56pm.

s9(2)(g)(i)



ITEM 8.0 **OTHER MATTERS**

Item 8.1 *Next Board Meeting Arrangements*

The next Board meeting will be held on 21 July 2022 by video conference at the earlier time of 8am. The Chair reported that she will be in the UK for the August board meeting, that she will be dialling in for part of the meeting and requested that the Deputy Chair to chair the August meeting.

Item 8.2 *Board Workplan 2022*

The Board **noted** the work plan for 2022.

Item 8.3 *End of Meeting Reflection*

Management left the meeting, and the Board had some Board only time from approximately 6.30pm.

CLOSE OF MEETING

There being no further business, the formal Board meeting concluded at approximately 6.50pm.

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20/9/22