

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
HELD VIA ZOOM CONNECTION
ON THURSDAY 21 JULY 2022 AT 9:00AM – 12:30PM**

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

Apologies: Nil.

In attendance: James Young, Acting CEO
Kim Nichols, Head of Safety and Assurance
Katie Wilkinson, GM Air Traffic Services
Katie Bhreatnach, General Counsel and Company Secretary
Jamie Gray, Head of Public Relations & Acting Head of People and Capability
Sharon Cooke, CEO Airways International Limited

BOARD ONLY TIME

The Board met alone from approximately 09:00AM – 09:30AM

The Board and Acting CEO met without management present from approximately 09:30 – 10:15AM.

FORMAL BOARD AGENDA

The Board Meeting commenced at approximately 10.25AM

ITEM 1.0 STRATEGIC PAPERS / PRESENTATION

Item 1.1 *2022 Digital Tower Visits Debrief*

Topic introduced by the Chair then Katie Wilkinson provided a debrief on the European digital tower visits.

The directors discussed the following:

- Preference for key customers to explore digital technology. Involving all stakeholders in the decision is important for the project's success and understanding of risk profile.
- The cultural challenge to embrace new technology. Controllers will need to have confidence and trust in the new technology.
- Importance of the stakeholder engagement, this change is complex and takes time, the hardest part is taking people on the journey – regulator, customer and our people.

The visit to Europe brought significant learnings for Airways to consider, as we determine the appropriate solution for Auckland (digital, hybrid or physical tower).

Board broke from 11:35 – 11:45am. Sharon Cooke and Jamie Gray left the meeting.

The Chair noted that in previous years there has not been a meeting in July. Management was encouraged to minimise reporting. Going forward, the intention is for July to be a light meeting with minimal reporting burden.

ITEM 2.0 BOARD MATTERS

Item 2.1 *Continuous Disclosure*

No matters raised.

Item 2.2 *Register of Directors' Interests*

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

A full audit has been undertaken of all Directors Interests by management.

Item 2.3 *Minutes of Board Meeting held 21 June 2022*

The Board **approved** the minutes of the previous Board meeting held on 21 June 2022 as a true and correct record of that meeting. (Moved by John Holt, seconded by Darin Cusack).

Item 2.4 *Matters Arising and Action Items*

The Board **noted** the Matters Arising and Action Items from the 21 June Board meeting. The Chair noted that a number of adjustments were made by the Chair and Acting CEO. CAA and regulatory approval updates will be addressed in August. The Chair will be in the UK for much of August and has requested part of the meeting be timed to suit that time zone. The August meeting will be face to face, COVID permitting. Mark Pitt will Chair the meeting.

Action: Kim and James to advise on the appropriateness of holding a face-to-face meeting in this context.

Item 2.5 ***Proposed agenda topics for future meetings***

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

ITEM 3.0 HEALTH AND SAFETY

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

The Board **noted** the Company Safety Report. The Chair commented that the Safety Forum was a great event and opportunity to reconnect with industry. A lot of positive feedback has been received.

Directors discussed recent electric shocks, noting several over recent months and have asked management to investigate route causes and report back through the Safety Sub Committee and then to the full Board.

The Safety Culture Programme is progressing, both the Presage report and Phase one of the Airways report expected by end of July. This is delayed due to a request by ALPA to extend the review period.

The Board took a break from 11.40am – 11:50am.

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 Acting CEO noted that there were a number of good discussions that took place with the CAA during the safety event, and that there is a meeting on 2 August to cover off strategic projects with the CAA. A further meeting is planned for 16 August between Chair's and CEO's in Christchurch to profile AIL, new operation building and Airways safety culture. Otherwise, noted the collective agreements have settled and the pricing decision communicated with minimal public pushback. Operationally, July has been a busy month and have had to manage disruption from sicknesses and weather, but have come through relatively well. Revenue for the month is expected to be close to \$15 million and getting close to breakeven point for the organisation. The Acting CEO advised he is embark on a companywide roadshow over the coming weeks.

s9(2)(h)

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Jamie Gray and Emma Lee joined the meeting at 12:26pm.

ITEM 5.0 PAPERS FOR APPROVAL OR ENDORSEMENT

Item 5.1 *Draft 2021/22 Airways Integrated Annual Report*

The Board **reviewed** and **approved** the substantial feedback on the tone and content of the Draft 2021/22 Airways Integrated Annual Report. Final approval will be August.

The Chair commented there are different ways of arranging the narrative and directors had provided feedback though 'Diligent'. Management was asked to review sections on 'customer' and 'our people' considering the feedback provided via Diligent. Directors were encouraged that we have started on the integrated reporting journey.

Item 5.2 *Insurance Aviation War and Allied Perils Increase to sublimit*

The Board **reviewed** and **approved** the benefits and drawbacks of increasing the War and Allied Perils sublimit. (moved Gavin, seconded Nic Greer).

The Board **reviewed** and authorised management to increase the War and Allied Perils sublimit cover from US\$150m to US\$250m for a cost of no more than **s9(2)(i)**

ITEM 6.0 PAPERS FOR INFORMATION

Item 6.1 *Treasury Policy and Activities Review*

The Board noted there were no changes to the Treasury Policy recommended this review cycle. Management are recommending no change, and AFC endorsed having reviewed it in detail.

Item 6.2 *Audit and Finance Committee meeting minutes May 2022 draft*

The Board **noted** the draft Audit and Finance meeting minutes from May 2022. Lisa has covered all the things that should be brought to the Board subsequently.

Item 6.3 *Safety Committee meeting minutes May 2022 draft*

The Board **noted** the draft Safety Committee meeting minutes from May 2022.

Item 6.4 *CEO Presentation to Airways Senior Leadership Team*

Dealt with in the Board and CEO time.

ITEM 7.0 PAPERS FOR DISCUSSION

No matters were raised.

ITEM 8.0 OTHER MATTERS

Item 8.1 *Next Board Meeting Arrangements*

The next Board meeting will be held in Auckland on 30 August, with an earlier start time to accommodate the Chair's UK time zone.

Item 8.2 **Board Workplan 2022**

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

Item 8.3 **End of Meeting Reflection**

Chair has put in a proposal for Special Fees to reflect the extra time put in by Directors where Board fees have not been addressed since 2016 and are unlikely to be. After some discussion, Treasury have agreed to recommend an uplift to the Minister of Finance. The Chair has asked Mark Pitt and Lisa to overview that allocation.

CLOSE OF MEETING

There being no further business, the formal Board meeting concluded at approximately 1PM and was followed by a period of Board only discussion.

s9(2)(a)



20/9/22