

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
MINUTES OF BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
BY ZOOM VIDEO CONFERENCE
TUESDAY 25 JANUARY 2022 AT 9:00AM TO 2:45PM

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

Apologies: Lisa Jacobs

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
Mark Daldorf, Head of People & Capability
Sharon Cooke, CEO Airways International Limited

BOARD ONLY TIME

The Board met for Board only time from approximately 08:15AM to 09:35AM.

The Board and CEO met without management present from approximately 09:35AM to 10:25AM and noted updates on staffing, vaccine policy and service interruption.

FORMAL BOARD AGENDA (commenced at approximately 10:28AM)

The Chair invited Directors and Management to share a framing focus for 2022, in light of a break and reflection on 2021.

s9(2)(g)(i)



ITEM 1.0 STRATEGIC PAPERS AND PRESENTATION

No matters 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 amended Register of Directors' Interests.

Item 2.3 ***Minutes of Board Meetings held 14 December 2021***

The Board **approved** the minutes of the previous board meeting held 14 December 2021 as a true and correct record of that meeting (moved by John Holt, seconded by Nicola Greer).

Item 2.4 ***Matters Arising and Action Items from the December Meeting***

The Board **noted** the Matters Arising and Action Items from the December meeting. There are some that have processed, such as Mark Pitt catching up with Air NZ in February/March. **Action** – Moana to send a soft copy of the agenda together with updated matters arising to Directors by email prior to board papers.

ITEM 3.0 HEALTH AND SAFETY

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

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

Directors and management discussed some aspects of the report, including the work from home mandate, and noted some aspects will be discussed at the Safety Sub-Committee. The ILS incident and the need for learnings was also mentioned, and the matter will be picked up for further exploration at the SSC. Directors expressed sustained interest in issues like support to Tonga and being briefed on these matters before they hit the media.

Directors queried whether with international travel and Omicron in the community, there is a change in risk to overseas travel. Management confirmed that the process is still the same – at Red, if you want to travel an exemption is required, and any international travel therefore still requires a safety case. Directors also noted two occurrences around CIAL terminal and an incident at Palmerston North which related to trends with communication and phraseology and some operational divergence away from the ICAO standard, which will be considered at the SSC in more depth. The Chair noted the organisation's aspirations to lift further, so the Presage safety culture work remains important, as does the navigation of disruption brought about by the current circumstances of the pandemic.

Katie Wilkinson joined the meeting.

ITEM 4.0 PERFORMANCE AGAINST BUSINESS PLAN

Item 4.1 ***CEO Executive Summary and Company Performance Report***

The Board **noted** the CEO Executive Summary and Company Performance Report. The CEO provided updates since the CEO report was prepared as follows:

- All of company meeting on vaccination held. Around 15 employees opposed, with a smaller group who have a particularly strong view. Exceptions may be provided on a case-by-case basis.
- We have already had our first Covid disruption – for a period of time the **s9(2)(a)**
s9(2)(a)

ACTION: Katie Wilkinson will provide the Board with a report and going forward will advise the Board where we expect or see service disruption.

The CEO stated that he had connected with US, UK and Australian counterparts and referenced the experience regarding Covid in these markets, including the extraordinary example at Heathrow Airport where they were operating a Covid shift. We are not exploring or proposing that in the NZ context. The CEO noted that we will be conducting an audit re: the ILS incident in Wellington Airport. Discussion was had around the fact that learnings will be particularly important, especially around preventative maintenance and proactive engagement with stakeholders.

Directors discussed their desire for a meaningful staff engagement measure, and to ensure no delay in rolling this out.

ACTION: John Holt to pick up the issue of the staff engagement measure at the P&C meeting in February, to ensure management sustains focus and momentum over a period of change.

The CFO provided an update on progress on forecasting and pricing, noting that for the next 3 - 4 months or so we will likely look at a monthly revenue number of around 7 or 8 million. The CFO noted Omicron adds to uncertainty, and there is a real question as to whether international airlines are going to stay in NZ given border restrictions.

ACTION: CFO to schedule an out of cycle Board meeting regarding pricing matters.

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



Mark Daldorf joined the meeting.

ITEM 5.0 PAPERS FOR APPROVAL / ENDORSEMENT

Item 5.1 Airways Collective Bargaining – Settlement Parameters

The board **noted** the settlement parameters for Airways collective bargaining and **approved** a mandate for the Flight Services Collective Agreement (CA) consistent with the previous mandate with ATC and technology (moved by the Chair).

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



Katie Wilkinson and Mark Daldorf left the meeting.

The Board took a break from 1:00PM – 1:15PM.

Item 5.2 Pricing Framework Decision

The Board **approved** the release, and publication, of (1) Pricing Framework Consultation Decision document (2) Updated Pricing Framework and (3) Updated Standard Terms & Conditions. The attachments were not provided until the day of the Board meeting, so the Board needed further time to review prior to the scheduled release.

NZAA feedback around the submissions reinforced the Commerce Commission submissions pushing regulation. s9(2)(g)(i)

s9(2)(g)(i)

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

ITEM 6.0 PAPERS FOR INFORMATION

Item 6.1 *Ministry of Transport Review update*

The Board **noted** the draft Terms of Reference (ToR) for the Review of New Zealand's Air Navigation System and our proposed next steps.

Directors noted that the vision or outlook is absent and queried the appropriateness of introducing this in the current circumstances for the sector, and that there is a strong appetite from Directors to be involved and provide input in the process.

Sharon Cooke joined the meeting.

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

Item 6.3 ***Voice of Customer***

The Board **noted** the Voice of Customer paper and proposed approach, in part to inform and to seek endorsement to that approach. The CEO noted there was a request to undertake a survey, and this was in the SCI and business plan.

Directors queried how this approach meets the needs as we see them, and how we are keeping in touch with our customers in the absence of any customer surveying for a number of years. Directors queried whether the questions outlined in the paper could be asked in manner that is faster and cheaper, and requested that management explore a less complex approach delivered in a more timely way. For instance regarding the recent ILS outage, there are a number of questions left open about that, and getting an overall view of customer feedback would be useful.

Directors noted that clearly a lot of work has gone into this, and requested greater detail on other options considered, particularly those that could obtain feedback in a more timely manner.

Action: Management to explore whether we could implement a customer surveying method that is simpler and quicker in the interim while we await the new Head of Customer.

A simple approach might be an exercise where each ELT member provides input on what basic customer empathy questions might look like. The suggestions could be compiled and a broader platform or process put around them. It could be something as simple as; out of 10 how did you rate our response, or how happy or unhappy are you? The Board is intensely interested in this area and looking for insights to help make judgements about what we do and how we do it.

Item 6.4 ***Audit and Finance Committee Meeting minutes November 2021***

The Board noted Audit and Finance Committee Meeting minutes November 2021.

ITEM 7.0 PAPERS FOR DISCUSSION

Item 7.1 COVID-19 Response and Vaccination Framework

The Board **noted** the COVID-19 Response and Vaccination Framework which has been approved by the Executive Leadership team. We are now at eighty percent confirmed vaccinated. We have approved 6 exemptions. There is no exemption (medical or otherwise) to not be vaccinated on site, but to preserve your employment.

ITEM 8.0 OTHER MATTERS

Item 8.1 Next Board Meeting Arrangements

The next Board meeting will be held Thursday, 24 February 2022 via Video Conference.

Nicola Greer and John Holt left the Board meeting.

Item 8.2 Board Work Plan 2022

The Board **noted** the work plan for 2022. Chair hoping for a substantial discussion on this.

CLOSE OF MEETING

There being no further business, the meeting concluded at approximately 3:00PM

s9(2)(a)

Chair

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Date