

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
MEETING HELD AT VIA ZOOM
TUESDAY 22 APRIL 2021 AT 9:00AM TO 12:00PM**

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 09:00 AM – 09:15AM

The Board and CEO met without management present from approximately 09:15 AM – 09:40AM.
Matters covered included long run options for digital technology.

FORMAL BOARD AGENDA (commenced at approximately 09:40 AM)

ITEM 1.0 STRATEGIC PAPERS AND PRESENTATION

No matters were raised.

ITEM 2.0 BOARD MATTERS

Item 2.1 *Continuous Disclosure*

The Board **noted** that Nera Economic Consultancy is a wholly owned subsidiary of Mercer NZ which Paula Jackson is a Director of. James Young and Katie Bhreatnach ran a contestable RFP process in which they appointed Nera Economic Consultancy without any Director involvement in the decision making.

Item 2.2 *Register of Directors Interests*

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

Darin Cusack will not be present for the discussion on Power and Lighting on account of his Directorship of Dunedin Airport Limited but would join for discussion on the Service and Pricing Framework consultation on account of it shortly becoming publicly available.

Item 2.3 *Minutes of Board Meetings held 30 March 2021*

The Board **approved** the revised minutes of the previous board meeting held 30 March 2021 as a true and correct record of that meeting (moved by John Holt, seconded by Lisa Jacobs).

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

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

The Board **noted** the Leading Sustainable Enterprises paper and thanked Paula Jackson for her insights. The Board **noted** that Airways can take confidence that it is looking at the right things, that it has a public communication going out with commitments in the SCI, and that there is also a fantastic opportunity for Jamie Gray to take our internal stakeholders on this engaging journey. Graeme Sumner noted that Covid is going to serve as a catalyst for climate change action and some are suggesting that we have seen "peak aviation". The Board also noted that management are collaborating with Air NZ on joint sustainability efforts and narrative. New measures are to be defined, including carbon emissions impacts.

ACTION: Katie Bhreatnach to share the sustainability presentation from engagement with Air NZ and follow up on when a Board to Board conversation would occur, noting this may be a topic on which to facilitate engagement.

ITEM 3.0 HEALTH AND SAFETY

Item 3.1 Board Company Safety Report

The Board **noted** the Company Safety Report. The meeting discussed the questions of human factors, and issues of fatigue, tiredness and alertness.

The Board **noted** that the recent safety incident at Auckland International Airport is currently still under review. Management have appointed a third-party investigator to review the event, and they have determined the root cause is aged infrastructure (cables and CCRs), design of the chamber and the presence of water in the environment. These are all common factors across our power and lighting infrastructure. There were no injuries and no risk to personnel, so non reportable to Work Safe. The recommendation coming out of the incident was replacement of the cables and CCRs, which is consistent with management advice, noting that we have not kept up with capital plans in this respect. The Board **noted** that there was no operational impact in this instance as the lights were able to be repaired by evening on the day of the event. The Board also **noted** this is part of a wider and larger issue that is under consideration at this meeting. It was also noted that robust response procedures helped address the event.

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

Directors queried operational drone risk and regulatory reform and requested that management continue to provide evidence of safety incursions and concerns to MoT, MBiE and the CAA, at an operational level but also at Ministerial advisor level.

ACTION: Jamie to provide regular reporting to Ministerial advisors on drone incursions and safety issues and update the Board on this, and for Katie to update the Board on operational cross agency reporting through the Drone Regulatory Leadership group.

Regarding the Service and Pricing framework, the Board noted that Directors had approved proceeding with the consultation by email, and that Jamie and Katie will collaborate on messaging and communications consistent with the Board's principles. The Board noted that management will need to be nimble, adaptive and responsive, as well as keeping a genuinely open stance.

The Board took a break from approximately 10:57AM to 11:05AM

ITEM 5.0 PAPERS FOR APPROVAL / ENDORSEMENT

Item 5.1 *Statement of Corporate Intent and Business Plan*

The board **approved** the 10-year budget as a reasonable working model and provided feedback on the draft Statement of Corporate Intent (SCI). (moved by John Holt, seconded by Mark Pitt).

The Board **noted** Airways will be in a disruptive state for an extended period of time, and that in this context, what's been proposed is a reasonable foundation for taking our planning forward with the provision that management will be recalibrating on a frequent basis.

ACTION: The Board would like to see how much of the valuation is discount rate. Management is currently working through this detail with Deloitte and will come back to the Board when it has clear answers.

ACTION: James Young to take proposed capital spend and adopt a traffic light approach, so the Board can make decisions based on strategic intent where funds allow.

ACTION: Directors to circulate any feedback on tone or content in the SCI to James Young.

Item 5.2 *IL4 Fit Out and Improvement Investment Case*

The board **approved** the Business Investment Case (BIC) for fit out and improvements to Auckland and Christchurch IL4 operations buildings and authorise the CEO sign the BIC. (moved by the Chair).

Item 5.3 *Renewal of Contractors Airside Liability Policy*

The Board **noted** the updated premium and renewal terms of the Contractors Airside Liability Policy and **approved** the renewal of the Policy with QBE Insurance for the 2021/2022 year. (moved by Lisa Jacobs, seconded by Nicola Greer).

Darin Cusack left the meeting.

ITEM 6.1 PAPERS FOR INFORMATION

Item 6.1 *Power and Lighting Exit Approach*

The board **noted** the approaches Airways will take to engage with stakeholders on exit from the Power and Lighting line of business. Directors noted that management's approach will be moderated, paced, targeted, and that the Board will continue to be updated on progress.

ITEM 7.0 OTHER MATTERS

Item 7.1 ***Next Board Meeting Arrangements***

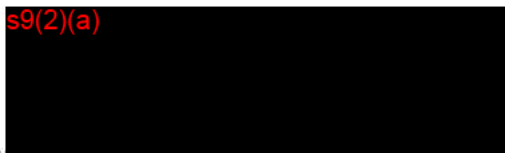
The next Board meeting will be held on Thursday 20 May on virtual conference call.

Item 7.2 ***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 12:15 PM.

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Chair

Date