

**AIRWAYS CORPORATION OF NEW ZEALAND LIMITED**

**MINUTES OF BOARD OF DIRECTORS**

**OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED**

**BY ZOOM VIDEO CONFERENCE ON TUESDAY 24 AUGUST 2021 AT 9:30AM TO 2:30PM**

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

**Apologies:** Mark Pitt (Deputy Chair)

**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 from approximately 09:30AM to 10:00AM.

The Board and CEO met without management present from approximately 10:00AM to 10:20AM.

**FORMAL BOARD AGENDA (commenced at approximately 10:50AM)**

The Board acknowledged management's leadership and support of Airways people during these challenging times.

At the Chair's request, attendees checked in with what's on their mind, as follows:

Darin Cusack: what's next. Denise Church: what are our stakeholders experiencing in these challenging times? John Holt: maintaining people's wellness and focus during lockdown. Lisa Jacobs: communication and wellness for the team. Paula Jackson: Keeping everyone's energy levels up. Nic Greer: daily exercise makes for a happy house + a trip to Mitre 10 would be helpful. James Young: keeping our staff engaged. Katie Bhreatnach: can we reset out relationships with our airport stakeholders. Kim Nichols: how to balance all of the priorities (work, home, relationships, wellbeing), whilst remaining calm and positive. Graeme Sumner: stakeholder relationships. Mark Hutchinson: balancing everything amidst uncertainty.

**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 22 July 2021**

The Board **approved** the minutes of the previous board meeting held 22 July 2021 as a true and correct record of that meeting, (moved by Darin Cusack, seconded by Lisa Jacobs).

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

The Board **noted** the Matters Arising and Action Items from the July meeting. Action: Chair and the CEO to have follow up conversation on adjusting our scheduling and meetings.

**ITEM 3.0 HEALTH AND SAFETY**

Item 3.1 **Board Company Safety Report**

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

s9(2)(g)(i)

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

The Board **noted** concerns about safety and UAVs, s9(2)(g)(i) and our continued involvement including in the emerging technologies group that will replace New Southern Skies Governance Group.

The Board **noted** messaging in the Annual Report that safety is our primary concern, and continued articulation of that focus for the company is important to the Board.

**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 a summary of the status of customer relationships. In terms of Airways paying customers, it was noted that the relationships are strong – better than at any other time of the CEOs tenure. The BARNZ letter praising the service framework consultation process and outcome is a reflection on that. The team has worked hard on this. In terms of Airports, the CEO noted that he is working on reimagining the relationship going forward with a view to overcoming relationship obstacles. A series of options will be shared with the Board next month for their thinking and input so we can be clear on what relationships we want and need. In terms of GA, there is low involvement and we are not planning to change pricing but will present options and thoughts on this in September. We have renewed the relationship with Defence and it is strong. Our relationship with the shareholder is relatively strong. The

CEO noted that he is working with Martin Jenkins on the MOT review, and awaiting a response from the CAA on the concerns raised about its approach on RACP.

The Chair **noted** that there are strained relationships and micro adjustments are needed given the context.

#### Item 4.2 ***Pricing Framework Consultation***

The Board **approved** the release of the pricing framework consultation paper, which seeks feedback on the proposal that capex would enter the pricing base only once as asset is commissioned. (moved by Mark Hutchinson, seconded by John Holt).

#### Item 4.3 ***Airfield Power and Lighting Exit update***

The Board **noted** Airfield Power and Lighting Exit update.

A wide perspective was canvassed on relationships broadly and with AIAL specifically regarding airfield power and lighting and more broadly. The Board **noted** the following from the update from Beck Longbottom:

We have been reinvigorating relationships before addressing the matter of power and lighting with airport customers. Through this process the Customer team has identified deep and broad mistrust across all airports directed at Airways.

Our Customer Strategy sets out a path to becoming customer centric by way of building a platform of trust, and we have not yet achieved this with airports. While the issue of airfield power and lighting has reduced in contentiousness, airport resistance has been replaced with begrudging acceptance.

The recommendation was to tackle the issue of mistrust head-on to rebuild social capital. There is opportunity to invest in airport relationships by developing customer management maturity, and operationalising an airport relationship reset.

Stopping airfield power and lighting is not going to fix airport relationships, as some customers are invested in the transaction (e.g. AIAL). Recommended that transitions are undertaken on a case-by-case basis contingent upon airport financial and business needs in the context of rebuilding our strategic relationships with our airport customers.

ACTIONS: share AIAL account plan with the Board, and details on the demarcation points on power and lighting with AIAL.

### **ITEM 5.0 PAPERS FOR APPROVAL / ENDORSEMENT**

#### Item 5.1 ***Capital Call***

- a) **approved** a proposed call of \$20 million for the quarter 1 October to 31 December 2021;
- b) **delegated** its power and authority to its Authorised Representatives (being either the CEO or CFO) to make calls on the Unpaid Shares during the Term of the Subscription Agreement;

- c) **approved** the Chair to sign the Certificate of Director (Appendix B), noting the CFO and CEO have prepared the cashflow based on all available information at the time; and
- d) **authorised** the CEO to sign and send the Call Notice once Treasury notifies it is satisfied that a Trigger Event has occurred.

(moved by Lisa Jacobs, seconded by John Holt).

Item 5.2 ***Invercargill Deed of Variation***

The Board **approved** the proposed variation and **authorised** the CEO to execute the legal variation document. (moved by Lisa Jacobs, seconded by Paula Jackson).

ACTION: the Board requested a lessons learnt, **noting** its concern about the future cost and queried whether a conversation could have been had with Invercargill Airport to make this work.

Item 5.3 ***Gifts and Koha Policy***

The Board is asked **noted** edits to the Gifts & Koha policy.

Item 5.4 ***Fraud and Corruption Prevention Policy***

The Board **noted** the endorsement of the AFC in May, and **approved** the Fraud and Corruption Prevention Policy. (moved by Lisa Jacobs, seconded by Nicola Greer).

Item 5.5 ***FY21 Remuneration Review Outcomes***

The Board **approved**:

- a) The outcome of the remuneration review increases
- b) The use of the requested drawdowns from the CEO discretionary fund.
- c) The payment of 2020/21 Variable Performance Component (VPC) for Airways International Limited

(moved by John Holt, seconded by Mark Hutchinson).

Item 5.6 ***Annual Report and Final Results Announcement***

The Board **approved** the annual report and group financial statements, **approved** the annual group results announcement for Treasury and **approved** the media release, **noted** the representation letter to be signed by Management, **noted** the final PwC Audit Report and **approved** and **authorised** two directors to sign the audit representation letter required by PricewaterhouseCoopers (PwC). (moved by Lisa Jacobs, seconded by Mark Hutchinson).

The Board **noted** that the Annual Report and Final Results were considered in detail by the AFC, attended by the Auditor from PwC s9(2)(a) The Chair of the AFC also **noted** that the two significant issues were impairment (which was fully reversed from the preceding year) and going concern.

The Board acknowledged the significant amount of work from management and positive feedback from the Auditors.

**ITEM 6.0 PAPERS FOR INFORMATION**

Item 6.1 ***Terms of Reference***

The Board **noted** Terms of Reference for the PCC.

Item 6.2 ***BARNZ Correspondence 19 August 2021***

The Board **noted** BARNZ Correspondence 19 August 2021, spoken to in earlier commentary by the CEO.

**ITEM 7.0 OTHER MATTERS**

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

The next Board meeting will be held on Tuesday 28 September 2021 and may be by zoom or held in Hamilton.

Item 7.2 ***Board Work Plan 2021***

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

The Chair closed the meeting asking for reflections from each of the participants.

James Young: preference for face to face meetings given the limitations of virtual meetings. Katie Bhreatnach: the need for clarity and alignment on the importance of our airport relationships. Graeme Sumner: more conversation needed about our airport relationships going forward. Paula Jackson: wellbeing – within the organisation which is paramount, but also of our customers. Kim Nichols: balancing and prioritisation, as well as well being and managing expectations. Lisa Jacobs: communications and well being – people hear things in different ways. Turning challenges on their head eg craft example. Darin Cusack: importance of having a tactical focus, being transparent and having a true partnership focus. What is the most important thing: he tangata, he tangata, he tangata. Mark Hutchinson: balance and uncertainty. Empathy and putting ourselves in other shoes. Nic Greer: Balance and focusing on what we are trying to achieve. Being disciplined. Chair: other people and wellness and keeping these on the radar. What are our stakeholders experiencing. The answer will be dynamic and we need to use our collective networks to inform us.

**CLOSE OF MEETING**

There being no further business, the meeting concluded at approximately 2:20PM.

s9(2)(a)  


Chair

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Date