

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
MEETING AT AIRWAYS OFFICE, LEVEL 2, 6 LEONARD ISITT DRIVE, AUCKLAND AIRPORT
THURSDAY 28 JANUARY 2021 9:30 AM – 4:42 PM**

Present: Denise Church (Chair), Mark Pitt (Deputy Chair), Darin Cusack, John Holt,
Lisa Jacobs, Paula Jackson, Mark Hutchinson

By Zoom: Nicola Greer

Apologies: Nil

Attendance: Graeme Sumner, Chief Executive Officer
James Young, Chief Financial Officer
Katie Bhreatnach, General Counsel and Company Secretary
Kim Nichols, Head of Safety & Assurance
s9(2)(a) (Board Observer)

BOARD ONLY TIME AND BOARD AND CEO TIME

The Board met for Board only time on from approximately 10:30 am – 11:15 am

The Board and CEO met without management present on from approximately 11:15 am – 11:34 am

FORMAL BOARD AGENDA (commenced at approximately 11:34 am)

ITEM 1.0 BOARD MATTERS

Item 1.1 *Continuous Disclosure*

The Chair determined that Darin Cusack will be excluded from the papers and discussion on item 5.1 on account of his role as Director of Dunedin Airport.

Item 1.2 *Register of Directors Interests*

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

Updates were made by John Holt and Denise on directors' interests.

Item 1.3 *Minutes of Board Meetings held 16 December 2020*

The Board **approved** the minutes of previous board meeting 16 December 2020 (moved by Lisa Jacobs, seconded by Mark Pitt).

Item 1.4 ***Matters Arising and Action Items from the December Meeting***

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

ITEM 2.0 HEALTH AND SAFETY

Item 2.1 ***Board Company Safety Report***

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

Kim Nichols provided the Board with an update on the Presage Culture Safety Review. Directors noted:

- that they have endorsed this as a highly significant piece of work, and an active manifestation of how we want to work with our staff;
- thanked Kim for her strenuous efforts to achieve both of those aims;
- that there are risks to the programme, noting there may be slippage to a mid-May start date for the survey.

ACTION: Mark Pitt and Kim Nichols to consider agenda for the SSC to give appropriate coverage to this issue.

The SSC will be picking up on any matters of significance in the Queenstown meeting raised in the Safety Report.

Directors queried the higher number of SRCs this month. Kim Nichols provided that the SRCs are voluntary reports outside part 12, and we encourage them. Safety triages them because sometimes they also require mandatory reporting.

Directors queried the review of our SMS, and Kim Nichols shared that the CAA are coming to audit the Safety office in mid-February, with a focus on the competency of the Safety team.

ITEM 3.0 PERFORMANCE AGAINST BUSINESS PLAN

Item 3.1 ***CEO Executive Summary and Company Performance Report***

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

Directors noted Management are sustaining readiness for a further lockdown, and avoiding complacency.

The CEO noted a financial forecast update will be provided next month from the CFO in light of the Prime Ministers update that border closures are likely to remain in place for the remainder of 2021. The Board noted that the assumed date of change likely to be contingent on ifs and whens – vaccination roll out, long range protection, protection against emerging forms of the virus – and that the forecasting methodology will assemble these as part of scenario analysis.

Management provided an update on aeronautical studies process, in terms of the studies and the CAA process.

The Board noted that GA traffic volumes have increased, which hasn't had an impact on revenue.

Select Committee next month, which the CEO and the Chair will attend, together with Katie Bhreatnach, James Young and Jamie Gray.

The Chair queried organisational alignment with what is happening with the aviation sector and appreciation of the well being of the sector – which goes beyond commercial value in the strict sense, to include regional economic focus.

The Chair noted that the Minister of State Owned Enterprises reached out on Christmas eve and thanked the Board for their hard work done over 2020. The Chair also noted that her and the CEO will have introductory meetings with the new Minister and the new head of the CAA in the coming weeks.

ITEM 4.0 *STRATEGY SESSIONS*

Item 4.1 *Digital Solutions Strategy*

The Board **endorsed** the Digital Solutions Strategy (moved by Paula Jackson, seconded by Mark Pitt).

Directors noted that:

s9(2)(g)(i) and s9(2)(i)



ACTION: Version 2 of the Digital Solutions Strategy is to be presented to the board including digital marketing.

Item 4.1 ***Airways' Services and Pricing Framework***

The Board recognised the following points in its discussion:

- The proposed outcomes (exit from Power and Lighting, and reaching appropriate commercial arrangements) are supported by the Board
- Questions concerned the process and timing through which the company achieves these outcomes,
- Key considerations included the need to sustain the company's social licence and reputation, the desire for constructive engagement with stakeholders, the lessons learned from advancing change proposals over the last 18 months, the risks associated with the current process proposal, and the options for mitigating these risks including changes to process, timing, the nature of the proposal for consultation, and messages.
- The company has a number of change initiatives underway or proposed and capacity to advance multiple initiatives in parallel needs to be considered
- Further work is required to address these questions before the board can fully endorse a consultation process.

The Board **noted** the information regarding Airways' Services and Pricing Framework and review and ~~the~~ endorsed in principle the progression of an industry wide consultation on reviewing Airways' Services and Pricing Frameworks, noting that following the conclusion of the review a recommendation will be presented to the Board for Decision, subject to adjusting relationship management messaging and process to adequately manage risks (moved by Mark Hutchinson, seconded by Lisa Jacobs).

ACTION: Graeme to come back to the February Board with further analysis to enable the board to consider a more developed stakeholder engagement plan, revised communications and revised timeline for engagement which reflects the questions raised and risks identified by the Board, so that the Board can provide management with guidance on whether and how the proposed consultation should proceed.

ACTION: Jamie Gray to develop a stakeholder engagement plan and revise the process timeline, noting the risks and proposed mitigations, and get process legal advice on the same.

ITEM 5.0 PAPERS FOR APPROVAL / ENDORSEMENT

Item 5.1 ***Shareholders Expectations Letter Response***

The board **approved** the proposed response to the FY21/22 Shareholder Expectation letter subject to further adjustments (moved by Mark Hutchinson, seconded by Lisa Jacobs).

The directors signalled a need for further discussion.

The board **noted** the completed FY21 Post Investment Review for ADS-B project.

Item 5.2 ***Travel Policy***

The board **approved** the updated Travel Policy (moved by Lisa Jacobs, seconded by Paula Jackson).

The board noted that the updated Travel Policy was reviewed by the Audit & Finance Committee.

ITEM 6.0 PAPERS FOR INFORMATION

Item 6.1 ***Investment Management Framework***

The Board **noted** the proposed changes to the Investment Management Framework (IMF).

Item 6.2 ***Flexible Working Policy***

The Board **noted** the updated Flexible Working policy.

ACTION: Graeme to update on how the Flexible Working policy is working and its benefits.

Item 6.3 ***Safety Sub-Committee 26 November minutes***

The Board **noted** the Safety Sub-Committee 26 November 2020 minutes.

ITEM 9.0 OTHER MATTERS

Item 9.1 ***Next Board Meeting Arrangements***

The next Board meeting will be held on Thursday 25 February 2021 in Queenstown.

Item 9.2 ***Board Work Plan 2021***

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

ACTION: Graeme and Denise to meet on the workplan for 2021.

CLOSE OF MEETING

There being no further business, the meeting concluded at approximately 3:42 pm

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Chair

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Date