

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

MINUTES OF BOARD OF DIRECTORS

OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

BY ZOOM VIDEO CONFERENCE

TUESDAY 24 MARCH 2022 AT 9:00AM TO 4:00PM

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

Apologies: Mark Pitt (Deputy Chair)

In attendance: Graeme Sumner, Chief Executive Officer
James Young, Chief Financial Officer
Kim Nichols, Head of Safety & Assurance
Katie Wilkinson, GM of Air Traffic Services
Ed Overy, Chief Information Officer
Jamie Gray, Head of Public Affairs
Helen Doukas, Head of Legal & Regulatory
Sally Williams, Employment Relations Manager
Mark Hoskins, Head of Commercial
Lisa Boltman, Organisational Development Manager
Sharon Cooke, Chief Executive Officer of Airways International Limited

BOARD AND CE ONLY TIME

The Board and Chief Executive discussed the Wellington ILS report, and leadership development.

FORMAL BOARD AGENDA (commenced at approximately 10:00AM)

The Chair welcomed Gavin Fernandez to the Board and commented that when new people bring additional skills to the team we can do good things for the organisation. Gavin Fernandez introduced himself to the Board and is encouraged by the vision and direction of Airways. The Chair invited anyone who had not yet met with Gavin to introduce themselves.

ITEM 1.0 STRATEGIC PAPERS AND PRESENTATION

No matters were raised.

ITEM 2.0 BOARD MATTERS

Item 2.1 *Continuous Disclosure*

No matters were 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 24 February 2022*

The Board **approved** the minutes of the previous board meeting held 24 February 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 from the February Meeting*

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

Item 2.5 *Proposed agenda topics for future meetings*

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

The sustainability topic is to be reintroduced to the agenda in a formal way. The CEO noted that he and Gavin Fernandez have already discussed, and Gavin Fernandez noted it's an area of interest. The CEO noted that Jamie Gray has done some good work in the sustainability space, which is ongoing. The Directors acknowledged it is important we progress this work, in line with the Letter of Expectations.

ITEM 3.0 HEALTH AND SAFETY

Item 3.1 *Board Company Safety Report*

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

Kim Nicholls highlights some items, including the risk review process. A draft Covid risk review has been shared. We have put on hold for one month the requirement for a booster as part of our vaccination policy. Management will meet on 4 April to make decisions following the risk assessment. There has not been much change to our traffic light system since the Government announcement yesterday.

s9(2)(g)(i)

ACTION: Gavin Fernandez noted

desire to have a session with Kim Nicholls to discuss the charts and the query surrounding follow up actions for the PAN reporting.

The Chair queried whether anything should be flagged in relation to forward safety questions, including impacts of increasing traffic over the coming months and increasing Covid cases. Management confirmed that ATC training and mental health is an increasing focus.

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 noted the highlights from his report, and referred to 50 positive cases as of yesterday. On the whole, any decline in our service capability where apparent is also matched by a decline in demand, so there hasn't been a limit to our ability to provide services. The foundational Safety Committee recommendations have been discussed internally and we are developing a positive way forward.

The Chair noted one purpose of the report is to celebrate the success of our organisation, and noted specifically the recognition of AIL in the New Zealand International Business awards.

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

Jamie Grey and Lisa Boltman join the meeting at approximately 10.40AM

ITEM 5.0 PAPERS FOR APPROVAL / ENDORSEMENT

Item 5.1 *Have Your Say Employee Feedback Survey for 2022*

The Board

- **Noted** the 'Have Your Say' employee feedback survey for 2022 will run in May, and
- **Noted** that Management will report back to the Board on the survey results in June 2022

Jamie Gray highlighted some key aspects of the paper, noting that a full baseline hasn't been run, but we've been carrying out periodic pulse checks, together with the Safety Culture survey last year which provided rich insights. We have heard expectations that a full staff survey be conducted and think now is the time as we emerge from Omicron. Continuous improvement framework to be provided, more than just a baseline survey. It will also allow us to benchmark against other reference points. Lisa Boltman noted a small cross over of a couple of questions around leadership with Safety Culture survey.

The Board suggested including some less generic questions which enable us to reflect and understand our specific culture change journey and compare against a baseline of information we've collected in the past. Management noted we have some higher level baseline information to compare against. Achievement, one team and our customers are the focus. Management suggested we could add something more around 'one team'. The Board is interested in how we will pick up on this element.

Further to Board feedback around sustainability and delivery against customer expectations, Management noted it would add questions around these two points. The Board also noted there may need to be definitional clarity around who the responder's customer is. For questions around comparison to other organisations, a challenge is that we are a monopoly so may not be helpful.

The Chair thanked Jamie Gray and Lisa Boltman for their work and noted the survey is important. The Board is intensely interested in the insights from it, and what we do with them - from reporting on the results, to contemplating how action and development will flow into next year's work program.

Sally Williams joins the meeting at approximately 11:00AM

Lisa leaves meeting at approximately 11:05AM

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

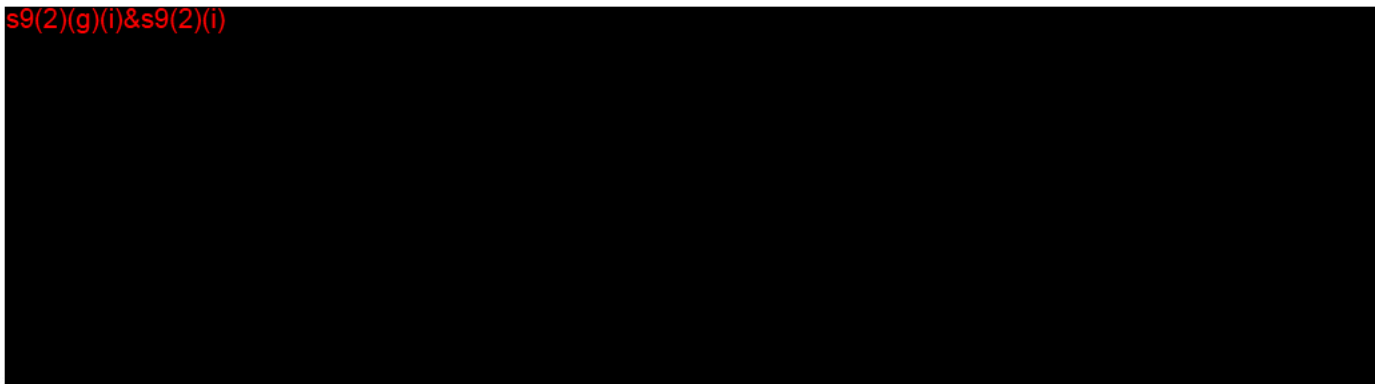


Item 5.3 ***Pricing Consultation FY23-25***

The Board discussed the Pricing Consultation document for release on 1st April 2022.

James Young spoke to the main edits around the scorecard and Milford. He updated the Board on pre-consultation meetings, in which we stepped through the capital plan, forecasting and scorecards. We have consulted with key airports, ALPA, general aviation, BARNES, MoT and CAA. General feedback is quite positive and supportive, if not appreciative.

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



Minor suggestions for edits to the paper may still be shared with Management and captured.

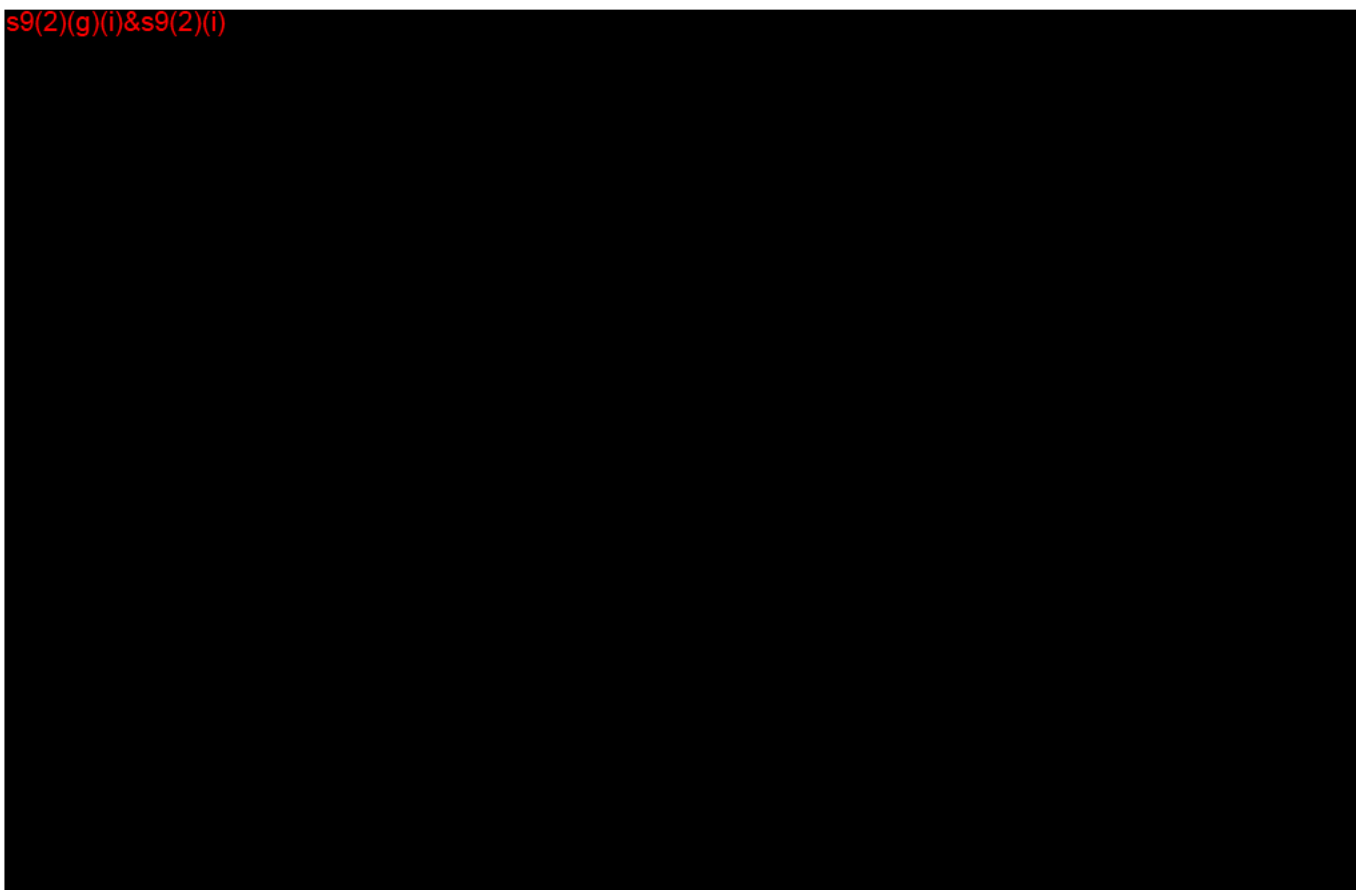
The Board **approved** the Pricing Consultation document for release on 1st April 2022. (moved by Darin Cusack, seconded by Mark H).

The Board is intensely interested in digital transformation and wants to have a comprehensive line of sight into what we are going to do in this area. **ACTION:** schedule a follow up discussion in a timeframe that makes sense for Katie Wilkinson

Ed Overy joins the meeting at approximately 12:00AM.

Jamie Gray leave the meeting at approximately 12:02AM

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



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



(moved by John Holt, seconded by Gavin Fernandez).

The Board took a break from approximately 12:56PM to 1:25PM.

Sharon Cooke joined the meeting at approximately 1:27PM

Suggestion is to not have discussion on ILS report at this time. **ACTION:** bring the ILS report to the April Board meeting, and join it with the Deloitte audit discussion.

Item 5.5 ***Safety Culture Phase One Foundation Actions***

Kim Nicholls discussed key points from the paper. Leading in from conversation this morning regarding the engagement survey, she will have a conversation with Jamie Gray to ensure alignment. Kim Nicholls noted two key questions: whether the Board agreed with the overall approach and what really stands out as something we must do.

The Board and Management discussed the function of the safety culture steering group and how this will be an additional activity embedded into the steerco, which is independent from any one function. The Board and Management discussed communicating these results, taking an inclusive approach around communications, and predictive data. They also discussed including the safety persona as part of our leadership framework and making information available on our intranet.

The Chair noted a number of these topics are worth touching on at safety committee in May. Kim Nicholls will have a follow up discussion with Mark Pitt so he is across this.

The Chair noted this is a terrific piece of work and highly significant for the company. The board supports the proposed approach. There is an expectation that there will be adjustments as we go.

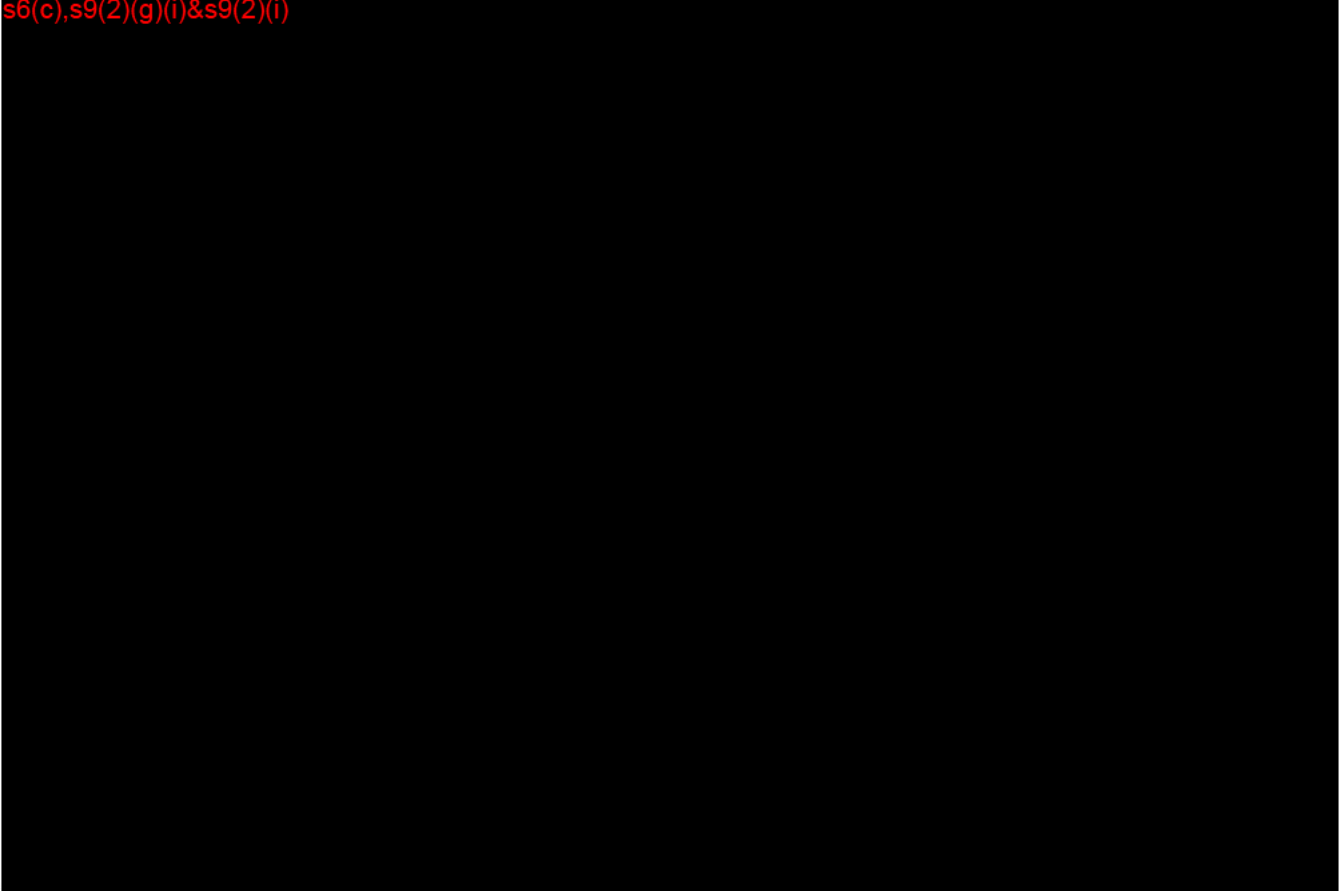
- **Noted** Phase One Foundation Actions as ratified by the ELT,
- **Noted** the continuing conversation for the remaining 25 recommendations, and
- **Noted** the presentation that accompanies this memo.

Mark Hoskins joins the meeting at 1:58PM

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



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



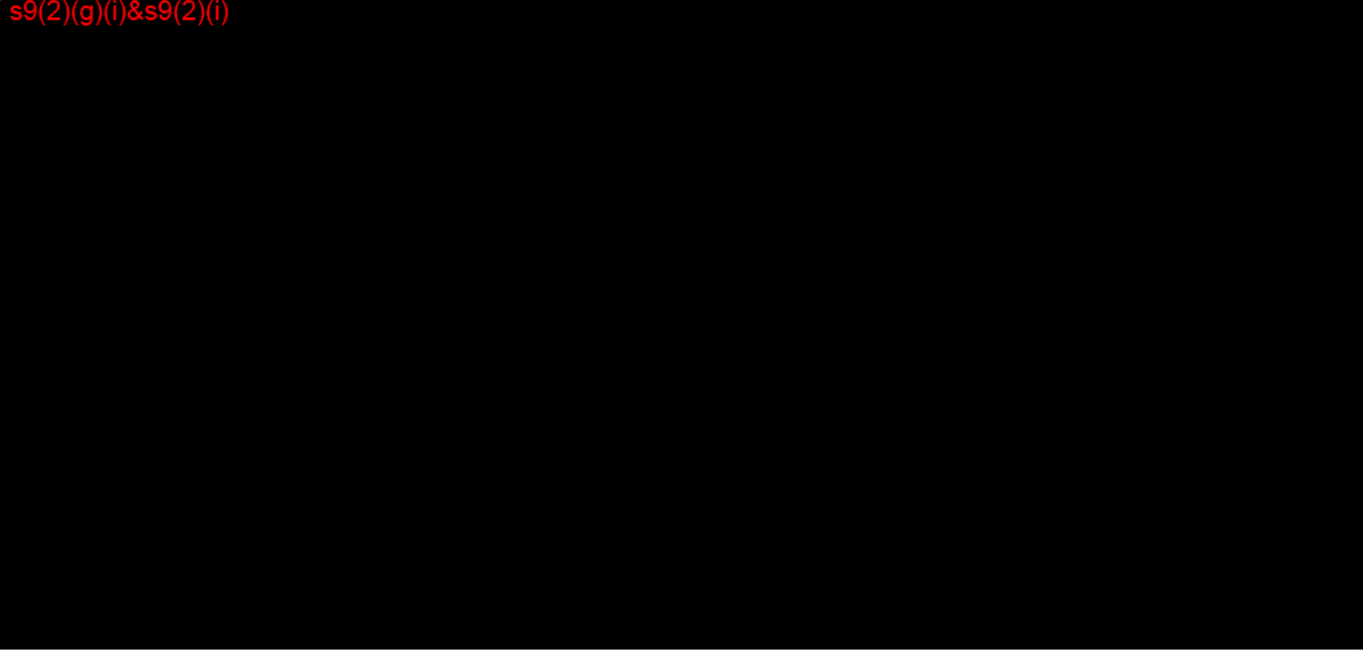
(moved by John Holt, seconded by Mark Hutchinson).

Mark Hoskins left the meeting at 2:30PM

ITEM 6.0 PAPERS FOR INFORMATION

Item 6.1 ***Airways International Limited – Board Update***

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



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

Sharon Cooke left the meeting at approximately 2:55PM to 3:05PM

The Board took a break from approximately to 2:57 to 3:05PM

John Holt had connectivity issues and did not return to the meeting from 3:05PM

Item 6.4 **Auckland Tower Programme – Board Update**

Katie Wilkinson spoke to the paper, which considered 3 different options. Resourcing is also flagged as a challenge, picking up on Sharon Cooke's point. We will be engaging with broader industry and stakeholders upfront as we go through development of options. There are varying levels of engagement to be pursued. s9(2)(g)(i)

We recognise the criticality of having the regulator involved, including the idea of having an embedded resource to have the regulatory capability needed. Air NZ positive in discussions around the tower. When the BIC comes to the Board, we are giving Board confidence that we have engaged with stakeholders. Katie will return to the Board with those workstreams finalised and approved, or details in the absence of this – the proposal is to approach the BIC in two stages; stage 1 being the comprehensive options analysis, and stage 2 being the next activities such as procurement activities.

The Chair noted the visible face of this project for our stakeholders and invited Directors to make suggestions on what they would be interested to know more about. Suggestions include: how do we build in agility and flexibility to respond to certain factors outside our control, including due to technological investments? How do we ensure we're not missing out on available options and how thorough are pre-investigations?

The Board **noted** the contents of the Auckland Tower Replacement Board Update paper.

ACTION: Katie Wilkinson to share slides with Directors, who are invited to share topics and questions they would like addressed at the next update. Nicola Greer invited to connect with Katie to share parallel experience, together with other Directors.

Item 6.2 ***Proposed Customer Survey***

Helen Doukas noted the paper on behalf of Katie Bhreatnach, including that this is a follow on from previous Board suggestions and an interim solution while we await a more fulsome VOC solution following the start of our new Head of Customer. James Young noted a conversation with John Holt and that this survey aligns with his observations there.

Darin Cusack queried how we can meet the needs of customer or what can we do differently. Some of the feedback is that Airways comes with the solution and we're not open to doing things differently. Darin and other Directors will send a note on specific suggestions. Mark Hutchinson noted that some of the richer responses come from open questions at the end and suggests bringing them forward. The Chair noted that coupling the survey with the introduction of s9(2)(a) is a good approach and signals a fresh start.

The Board **noted** the Proposed Customer Survey.

Item 6.3 ***Instrument Landing System (ILS) Internal Audit Report***

This discussion was deferred to the next Board meeting.

Regarding wider capital programme and asset management issues, Directors wanted to ensure the \$20 million capital underspend was well tested, and that the terms of reference for the Deloitte review will build in the causal factors and learnings. Management confirmed it will address resource planning, scheduling, etc. The Board would be keen to see powerful insights arising from our lived experience, whether this is alongside the Deloitte report or a follow up discussion.

Item 6.5 ***Safety Committee Minutes***

The Board **noted** the Safety Committee Minutes from 23 February 2022 meeting.

Item 6.6 ***Audit and Finance Committee Minutes***

The Board **noted** the Audit and Finance Committee Minutes from 10 February 2022.

ITEM 7.0 PAPERS FOR DISCUSSION

No matters were raised.

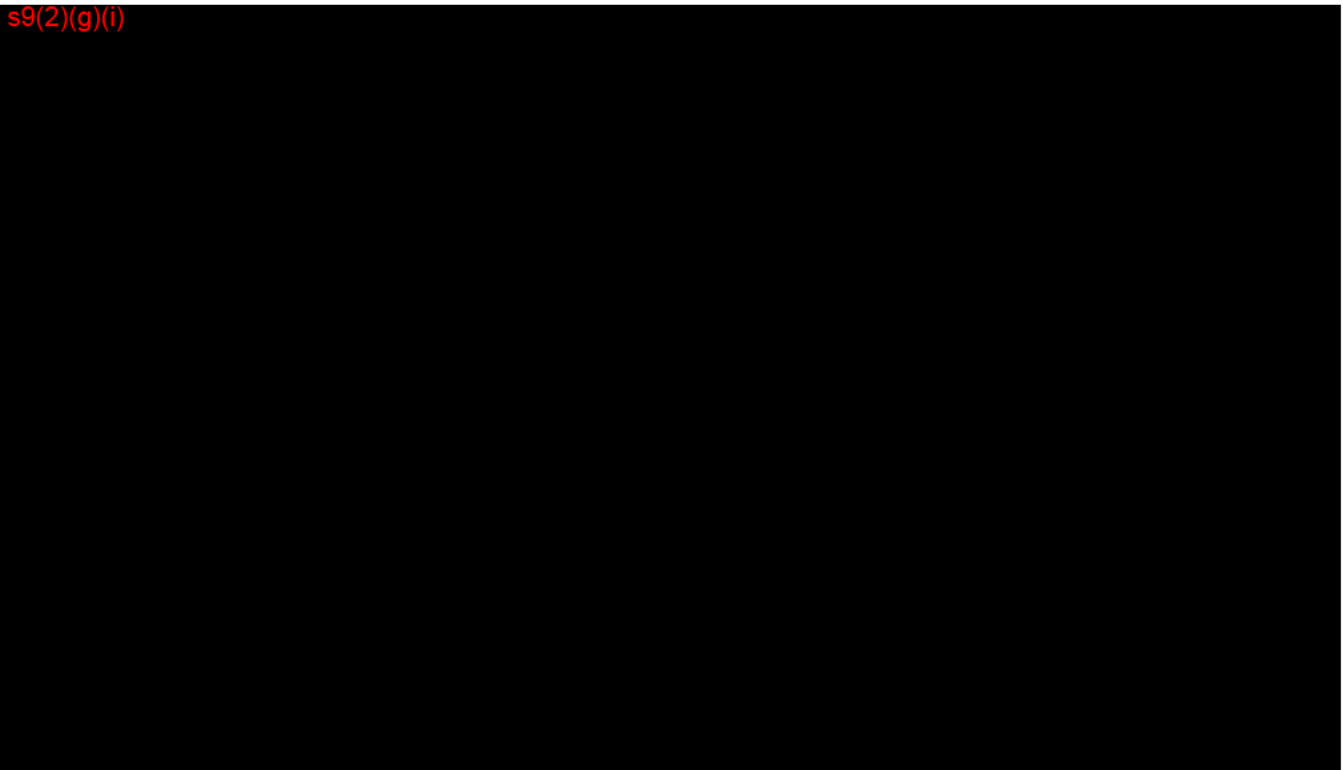
ITEM 8.0 OTHER MATTERS

Item 8.1 **Next Board Meeting Arrangements**

The next Board meeting will be held Thursday, 21 April 2022 via Video Conference. Draft SCI will be on this Agenda; this is going to be a drawing together of things that have already been discussed. Everyone encouraged to re-read Minister's letter of expectations and our response, and our own views around Airways' invitation to have an impact.

Chair thanked everyone for their inputs and invited Directors to share what they are thinking about by way of a question or themes of interest:

s9(2)(g)(i)



Item 8.2 **Board Work Plan 2022**

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

CLOSE OF MEETING

There being no further business, the meeting concluded at approximately 4:00PM.

s9(2)(a)



Chair

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Date