

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
MINUTES OF BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
BY ZOOM VIDEO CONFERENCE
TUESDAY 24 FEBRUARY 2022 AT 9:00AM TO 3:00PM

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

Apologies: Graeme Sumner, Chief Executive Officer

In attendance: James Young, Acting Chief Executive Officer
Katie Bhreatnach, GM Customer and Regulatory Partnerships
Kim Nichols, Head of Safety & Assurance
Katie Wilkinson, GM of Air Traffic Services
Helen Doukas, Head of Legal and Regulatory

BOARD ONLY TIME

The Board met for Board only time from approximately 09:00AM – 09:45AM.

The Board and Acting CEO met without management present from approximately 09:45-10:20.

FORMAL BOARD AGENDA (commenced at approximately 10:20AM)

The Chair thanked James Young for stepping in while Graeme Sumner is on leave.

ITEM 1.0 STRATEGIC PAPERS AND PRESENTATION

No matters were 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 25 January 2022 and 2 February 2022***

The Board **approved** the minutes of the previous board meeting held 25 January 2022 and 2 February 2022 as a true and correct record of that meeting, (moved by Darin Cusack, seconded by Mark Pitt).

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

The Board **noted** the Matters Arising and Action Items from the January meeting. The Chair recognised the pace, workload and stress arising out of Omicron and provisionally agreed to delay certain reporting, such as the Airspace Optimisation Programme. The Chair also noted that summary topics for March would include staff engagement approach recommended by management, that the Board hopes we will be able to meet face to face for the May Board meeting and that a new Director will be joining the Board from 1 March 2020.

Item 2.5 ***Proposed agenda topics for future meetings***

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

ITEM 3.0 HEALTH AND SAFETY

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

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

Kim Nichols discussed the Safety Report, with a particular focus on the COVID taskforce and processes. Kim Nichols noted that Airways achieved 2 marks off level D in the CANSO standard of excellence (in comparison, only 2 other ANSPs in the world have achieved level D). Directors discussed our strong safety system, and noted Presage presented an opportunity to improve. Mark Pitt talked about the factors core to a safety system; structure of company, systems and

people. Darin Cusack passed on positive feedback from Dunedin Airport on Airways' safety, ops systems, and their working relationship.

The Directors commended work that management has done on contemplating the Omicron outbreak as well as possible, and Directors and Management had a discussion about the wellbeing of our people and the importance of continuing appropriate support.

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.

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



Mark Daldorf and Sally Williams joined the meeting at approximately 11:00AM

ITEM 5.0 PAPERS FOR APPROVAL / ENDORSEMENT

Item 5.1 *Variation to the Airways NZALPA Air Traffic Control Collective Bargaining Strategy*

The Chair acknowledged Mark Daldorf's contribution to the organisation and wished him well at his next role at Victoria University of Wellington.

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



The Board took a break from approximately 12.08PM to 12.20PM

Mark Daldorf and Sally Williams left the meeting at approximately 12.25PM

Item 5.2 **Shareholders Expectation Letter**

The Board

- **reviewed** and **approved** the proposed response to the FY22/23 Shareholder Expectation letter, and
- **noted** the completed FY21 Post Investment Review for Nelson Tower project and Auckland New Ops Facility Design and Fitout.

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

Item 5.3 **Ministry of Transport Update**

The Board

- **noted** Management's response to the Ministry of Transport's draft Terms of Reference (ToR) and
- **endorsed** the letter to our Shareholding Ministers setting out Airways' position regarding the draft ToR, noting that the messaging around risks could be more strongly signposted and increased to make the letter more impactful.

(moved by Mark Pitt, seconded by Nicola Greer).

Ed Overy joined the meeting at approximately 12.30PM.

Item 5.4 **ATS Systems Programme Schedule Upgrade**

Ed Overy noted the delay to the programme was attributable to a resource shortfall and lack of effective resource management. He noted that he will be exploring alternative delivery models such as outsourcing going forward.

The Chair noted this is a significant forward risk for the company, including more broadly for the capital programme, and requests programme capability be kept within the Board's line of site.

ACTION: the Board requested an audit as there seems to be recurring themes. We need to understand what happened, what we were missing which led to less than desirable outcomes and how we take it into forward management. Management to report back to the Board in April regarding this matter and resourcing the capital plan.

The Board **noted** the reforecast 'go-live' of ATS System Programme from July 2022 to February 2023. There are still some conversations to be had around how moving parts tie together. There remains a concern around the delivery date until the Board has further information, and the discussion in April will be important. The Board **noted** it is happy to be a sounding Board to help refine the approach.

Ed Overy left the meeting at approximately 1:07PM

ITEM 6.0 PAPERS FOR INFORMATION

Item 6.1 *Draft Price Consultation FY23-25*

The Acting CEO spoke to the paper including points of expected pushback. There are some matters to update before publication e.g. volume data from April, international volumes, union negotiations, commissioning dates and inflationary adjustments. The timeline has slipped to the right by one month. Directors noted the positive and open engagement with industry particularly and that while increases won't be ideal for customers, engagement has been positive.

Directors suggested messaging to reinforce that investment is important as we don't want to underinvest and then spend more money fixing old assets. Small observations regarding framing have been picked up and will be fed back to Katie Bhreatnach and James Young directly. s9(2)(g)(i)

The Board **noted** the pricing update and **endorsed** the general structure of the consultation document and revised timeline.

Directors offer to arrange an out of cycle Board meeting to discuss.

The Board took a break from approximately 1.31PM to 1:50PM.

Item 6.2 *Top Risk Register*

The Board **noted** the top Risk Register February 2022.

Directors noted with approval the discussion Management had with internal stakeholders before this came to Board. s9(2)(g)(i)

s9(2)(g)(i)

Item 6.3 *Safety Committee Minutes November 2021*

The Board **noted** the Safety Committee Minutes November 2021

s9(2)(g)(i)

The Directors and Management acknowledged that learnings can have a broader application to other locations.

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, 24 March 2022 via Video Conference.

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 2:13PM.

s9(2)(a) [Redacted Signature]

Chair

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Date