

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED
HELD AT COPTHORNE HOTEL, WELLINGTON
ON TUESDAY 20 SEPTEMBER 2022 AT 9.00AM – 4.30PM**

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

In attendance: James Young, Acting CEO
Katie Wilkinson, GM Air Traffic Services
Fiona Shine, Head of Legal & Regulatory
Sharon Cooke, CEO Airways International Limited
Trent Clarke, Head of Aeropath
Matt Day, Manager Aeronautical Information Management
Mark Stretch, Audit, Assurance and Safety Promotions Manager
s9(2)(a) [REDACTED], Airways Insurance Broker from Aon
s9(2)(a) [REDACTED], Partner from Dentons Kensington Swan

BOARD ONLY TIME

The Board met alone from approximately 9.00am – 10am.

The Board and Acting CEO met without management present from approximately 10am – 10.55am.

FORMAL BOARD AGENDA

The Board Meeting commenced at approximately 10.55am. The Board noted that the guest speakers had advised they would be late and agreed to reorder the agenda.

ITEM 1.0 STRATEGIC PAPERS / PRESENTATION

No matters 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 Meeting held 30 August 2022***

The Board **approved** the minutes of the previous ACNZ Board meeting held on 30 August 2022 as a true and correct record of that meeting. (Moved by Gavin Fernandez, seconded by Lisa Jacobs).

Item 2.4 ***Matters Arising and Action Items***

The Board **noted** the Matters Arising and Action Items from the 30 August Board meeting.

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

The Chair welcomed Mr Stretch to the meeting and invited him to present agenda items 3.1 and 3.2.

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

The Board noted management's explanation that the number of co-ordination errors was due to increased traffic volumes and that the ATS safety points of contact would pick up any trends and implement appropriate training, if required.

The Chair of the Safety Sub-Committee gave an overview of the recent Committee discussions regarding Milford, highlighting the likely higher traffic volumes over the forthcoming summer period. The Board acknowledged that Airways operates in a wider ecosystem which is adjusting to a post COVID19 environment and reminded management of the need to remain vigilant to external factors (such as airlines operating risks) as well as internal factors which might compromise safety.

In response to a question, management confirmed that presently the schedule of actions and risk mitigations were reasonably balanced to ensure safety, but a future risk existed in respect of new entrants and their expectations, around controlled airspace. The Board requested that this potential risk be discussed further at the next safety Sub-Committee meeting.

ACTION: Agenda item to be added to the Safety-Sub-Committee to discuss future risk of new entrants and their expectations in controlled airspace.

The Board noted that it had previously raised questions regarding maintenance activities in remote locations and that there were a range of actions being undertaken in relation to that, including in relation to safety.

The Board requested that management prepare a user guide on the pie charts set out in the paper by way of a refresher.

ACTION: Management to prepare a user guide for the pie charts in the Safety paper.

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

Item 3.2 ***Top Risk Register***

The Board noted that the AFC would be doing a deep dive on specific risks at its November meeting.

ACTION: The Board asked management to adjust the climate change risk and consider whether the regulatory risk needed updating in light of potential competition due to changes to the Civil Aviation Act.

The Board **noted** the Top Risk Register.

Mark Stretch left the meeting at approximately 11.30am.

ITEM 4.0 PERFORMANCE

Item 4.1 ***CEO Executive Summary and Company Performance Report***

The CEO and Chair provided an overview of the feedback from the MoT review panel and the Board had a detailed discussion, including potential next steps for Airways.

The Board noted that this would be discussed further at the October Strategy session but requested that management consider the most effective method for how Airways to partake in the second stage of the review.

ACTION: Management to revert with a plan on how to effectively partake in the next stage of MoT review.

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

Item 4.2 ***FY23 Reforecast***

The Board discussed the reasons for the financial reforecast and noted that management would review and provide a more detailed report at the October meeting.

The Board **noted** the financial reforecast for FY23 (and future years) and the revised Net Loss After Tax of \$11.8m, which is \$0.8m worse than budget.

ITEM 5.0 PAPERS FOR APPROVAL OR ENDORSEMENT

Item 5.1 ***MetService Contract Renewal***

s9(2)(i)

The Board took a break for lunch from 12.00pm – 12.45pm.

GUEST SPEAKERS: NZALPA - Mike Slack, Jeremy Carrington, Robin Parsons

The Chair welcomed the guest speakers and thanked them for attending. The Chair reported that the Board had been keen to meet with NZALPA for some time and that the meeting was an opportunity to reset to foster a positive and constructive relationship with NZALPA.

A discussion was held between the Board and NZALPA regarding historical and future operational projects, including in respect of resourcing.

The Board and NZALPA acknowledged the:

- importance and need for the open communication to continue; and
- the desire to work together in planning for the future.

ACTION: Management to propose a plan to ensure there is regularity of contact between the Board/Committees and NZALPA.

Mark Hutchinson left the meeting at 1.30pm.

Mike Slack, Jeremy Carrington, Robin Parsons left the meeting at 1.45pm.

The Board took a break from approximately 1.45pm to 1.53pm.

s9(2)(b)(ii) & s9(2)(i) [Redacted]

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s9(2)(b)(ii) & s9(2)(i) [Redacted]

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



s9(2)(a) left the meeting at approximately 2.30pm.

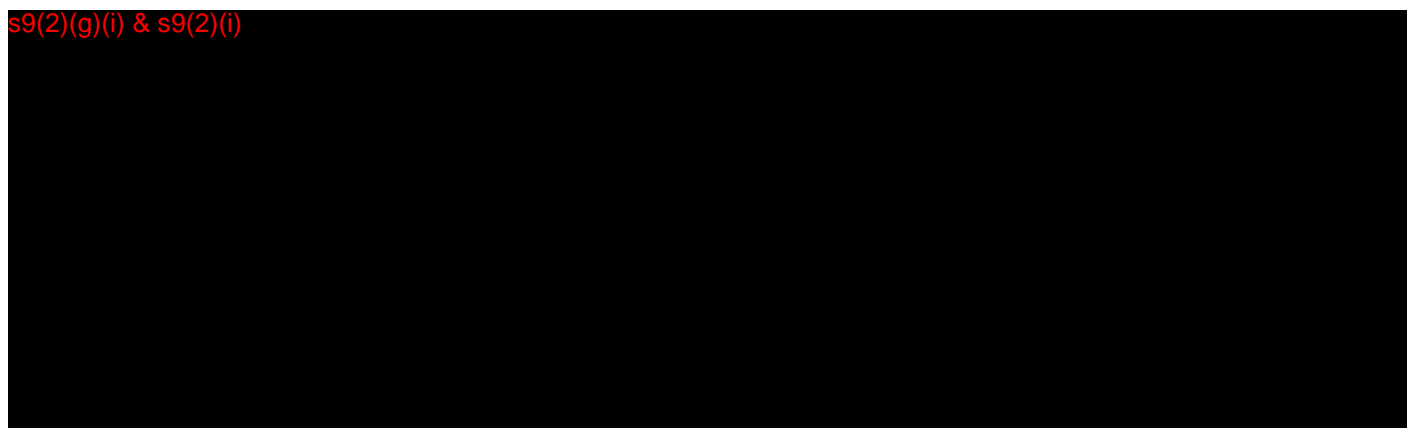
Item 5.6 ***Annual Insurance Strategy***

s9(2)(a) joined the meeting at approximately 2.30pm.

Management presented the paper highlighting the key points, including noting:

- the paper would be refreshed going forward to make it more concise;
- all premiums, except material damage and business interruption (**MDBI**) and marine cargo, were within budget;
- MDBI premiums are higher than last year because the lead insurer had changed its risk appetite and is only prepared to write 60% of cover going forward.

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



The Board took a break from approximately 3.15pm to 3.30pm.

ITEM 7.0 PAPERS FOR DISCUSSION

Item 7.1 ***Aeropath Data Platform***

Sharon Cooke, Trent Clarke, and Matt Day joined the meeting at approximately 3.30pm and presented the Aeropath Data Platform, including providing an overview of the Preflight and Flight Advisor journey from paper to digital.

Directors thanked management for the presentation and commended management for the work to date, noting that it assisted in future proofing the business. Management reported that they were targeting the October strategy session to discuss future strategic intentions of Aeropath.

Sharon Cooke, Trent Clarke, and Matt Day left the meeting at approximately 4.13pm.

Item 7.2 ***Proposed Governance Structure for Airways International Limited***

The Board agreed to defer consideration of this paper until after the Board strategy meeting.

Item 5.2 ***Proposed Auckland Air Traffic Control Tower Replacement Consultation***

Management presented the paper highlighting the consultation document reflects the last presentation to the Board. The Board requested that management provide any minor feedback directly to management.

The Board **reviewed** the consultation document and subject to any minor modifications from director feedback **approved**:

1. the commencement of industry consultation for the replacement options, the preferred implementation approach, and the change to the Capital Plan; and
 2. the Consultation paper.
- (Moved by Darin Cusack, seconded by John Holt).

Item 5.3 ***Out of Cycle Price Reset***

The Board **reviewed** and **approved** the out of cycle price reset. (Moved by Gavin Fernandez, seconded by Mark Pitt).

ITEM 6.0 PAPERS FOR INFORMATION

Item 6.1 ***Airways draft strategy framing***

Management reported that Deloitte would facilitate the strategy day and that s9(2)(a) would be invited as a guest speaker. Management reported that the feedback from directors had been incorporated and that any further feedback would also be incorporated.

The Board **noted** the Airways draft strategy framing and requested that management circulate the draft plan.

ACTION: Management to circulate draft plan.

Item 6.2 ***Gifts and Koha Policy***

The Board **noted** the Gifts and Koha Policy.

Item 6.3 ***Audit and Finance Committee minutes August 2022 draft***

The Board **noted** the draft August 2022 Audit and Finance Committee minutes August.

Item 6.4 ***Safety Committee meeting minutes August 2022 draft***

The Board **noted** the draft Safety Committee meeting minutes from August 2022.

ITEM 8.0 OTHER MATTERS

Item 8.1 ***Next Board Meeting Arrangements***

The Board agreed that the Strategy Day will be held on 19 October in Christchurch. The next Board meeting will be held on 20 October in Christchurch.

Item 8.2 ***Board Workplan 2022***

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

ACTION: The Board requested that an agenda item be added to the October meeting for it to discuss the work plan for 2023, including cadence and content of meetings.

Item 8.3 ***End of meeting reflection***

The Board and management reflected on their most interesting question of the day which included, union relationships going forward, next steps for engaging with the MoT, contracting in the wider eco-system, enhancing Board reporting and how to be a full figure in the aviation sector going forward.

CLOSE OF MEETING

There being no further business, the formal Board meeting concluded at approximately 4.38pm.

s9(2)(a)



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Chair