

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

**MINUTES OF A MEETING OF THE BOARD OF DIRECTORS
HELD AT AIRWAYS CORPORATION OFFICES, AUCKLAND
ON WEDNESDAY 21 JUNE 2023 AT 8.30AM – 4.30PM**

Present: Denise Church (Chair), Mark Pitt (Deputy Chair) Darin Cusack, Mark Hutchinson,
John Holt, Gavin Fernandez, Terry Paddy

Apologies: Lisa Jacobs (leave of absence)

In attendance: James Young, CEO
Erin Lee, Acting Chief Financial Officer
Geoff Peck, Chief Information Officer (via Zoom)
Jamie Gray, General Manager People and Partnerships (via Zoom)
Kim Nicholls, Head of Safety and Assurance
James Evans, General Manager Air Traffic Services
Sharon Cooke, CEO Airways International Limited
Fiona Shine, Head of Legal & Company Secretary
s9(2)(a) (via Zoom)
s9(2)(a), Observer (via Zoom)
s9(2)(a) (Treasury)
s9(2)(a) (Treasury)

FORMAL BOARD AGENDA

The Board Meeting commenced at approximately 8.30am.

s9(2)(g)(i), s9(2)(b)(ii)&s6(c)
[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

■ [Redacted]
[Redacted]

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

- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]
- █ [REDACTED]

The Chair thanked s9(2)(a) for his attendance.

Fiona Shine, James Young, Sharon Cooke and s9(2)(a) left the meeting at approximately 9.15am

The Board met alone from approximately 9.15am – 10.50am.

James Young joined the meeting at approximately 10am.

s6(c)&s9(2)(h)

s6(c)

ITEM 2.0 STRATEGIC PAPERS / PRESENTATIONS

Item 2.1 *Annual discussion with Shareholder Representatives*

s9(2)(a), Erin Lee and Jamie Gray joined the meeting at 11.30am.

The Chair welcomed and thanked the Shareholder Representatives for attending the meeting. The Chair acknowledged the significant role that their team had had during COVID19 and noted the strong relationship between Treasury and Airways had assisted Treasury's productive response for Airways during those unprecedented times.

Discussion commenced and the Shareholder Representatives reported that, in reference to the four dimensions in the Performance Framework, despite the COVID19 interruptions, Airways was considered a strong performer. The stewardship role that Airways plays in the sector was acknowledged, first and foremost from a safety perspective but also from a sustainability perspective. Further discussion was had including on:

- The effect of the upcoming election on Treasury's work activities and timetable (Briefing for Incoming Ministers being prepared);
- The positive effect on the shareholder relationship gained from Ministers visiting Airways sites;
- Noting the more than ample exchange of information between Airways and Treasury;
- The financial and operational challenges presented in sustaining the current ANS system whilst also building for the future state;
- The opportunities and challenges arising from the ANS review report. The Shareholder representatives agreed to discuss this further with the Ministry of Transport and the National Infrastructure Unit; and

- s9(2)(g)(i) [REDACTED]

The Board broke for lunch at 12.35pm, reconvened at 1pm and met alone with the CEO from 1pm.

Fiona Shine joined the meeting at 1.50pm.

The Board reported that the Executive Incentive Implementation Plan had been approved during director only time.

ACTION:

1. CEO to develop and present to the People and Capability Committee
2. CEO to present peer review of Airways ATS strategy and roadmap, and resulting actions at the August Board meeting.

ITEM 1.0 BOARD MATTERS
Item 1.1 Continuous Disclosure

No matters were reported

Item 1.2 Register of Directors' Interests

The Board **noted** the Register of Directors' Interests. The Board noted that it was Mr Hutchinson's last Board meeting before his special leave commenced.

Item 1.3 Minutes of Board Meeting held 23 May 2023

The Board **approved** the minutes of the previous ACNZ Board meeting held on 23 May 2023 as a true and correct record of that meeting.

Item 1.4 Matters Arising and Action Items

The Board **noted** the Matters Arising and Action Items from the 23 May 2023 Board meeting.

Item 2.2 Strategic Risks and Opportunities

The Board had a lengthy discussion on strategic risks and opportunities including:

- s9(2)(g)(i)&s9(2)(j) [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- the importance of the ELT in the delivery of the strategy and transformation;
- criticality of the relationships with key external agencies;
- artificial intelligence; and
- the need to consider climate change risk and sustainability in project management.

Noting the importance and usefulness of the discussions, the Board agreed to add strategic risks and opportunities as a standing agenda item. (ACTION).

Geoff Peck, James Evans and Kim Nichols joined the meeting at approximately 2.30pm.

ITEM 3.0 HEALTH AND SAFETY

Item 3.1 *Board Company Safety Report & Safety Site visits*

ATS: The Board had a discussion with management on current sentiment of ATS employees and sufficiency of ATS resourcing. The Board discussed the impact of new entrants such as WISK including from a resource and funding perspective. The Board also discussed the resourcing required to meet the strategic pillars in respect of airspace design and requested that when considering the strategy implementation, management consider any opportunities which cannot be exploited due to resourcing or system restraints and potential mitigations thereto.

Technology: Directors expressed an interest in attending the Airways safety work program. The Board had a discussion with management on the recent potential discovery of asbestos by Auckland Airport at its facilities and challenged management on its process management, whether it was fit for purpose and executed in a timely manner. Management provided an assurance regarding the process but reported that two minor process improvements would be made to ensure that Airways doesn't simply comply with regulations and good practice, but exceeds it.

ACTION the Chair requested that directors provide suitable dates for attendance to the CEO's EA.

Safety and Assurance: The Board had a discussion with management including :

- proposed plan and timeframes to change SMS safety performance indicators to green;
- priority list and the need to revert to the Board with any significant concerns, or if resourcing is needed; and
- potential causes of the increase in people accessing workplace counselling.

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

ITEM 4.0 PERFORMANCE OVERVIEW & UPDATES

Item 4.1 *CEO Executive Summary and Company Performance Report*

The Board discussed the potential external factors affecting the go-live date for Skyline-X and requested that management provide further updates.

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

Item 4.2 *PSR/SSR Systems Project Update*

The Board **noted** the PSR/SSR System Project Update.

Item 4.3 *AA Tower Replacement Update*

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

The Board noted that further stakeholder consultation may be required if options and costings are vastly different to those consulted.

The Board **noted** the Auckland Tower Replacement Update.

Geoff Peck, Kim Nichols and James Evans left the meeting.

The Board took a break from 3.20pm to 3.30pm.

Jamie Gray and Erin Lee joined the meeting at 3.30pm

ITEM 5.0 PAPERS FOR APPROVAL OR KEY INFORMATION

Item 5.1 *NZDF Contract*

The Board **approved** the variation to the New Zealand Defence Force Agreement and delegated authority to the CEO to execute Variation Five to Agreement 11912.

Item 5.2 *Aviation Renewal*

s9(2)(i)

[REDACTED]

Item 5.3 *APLE Pricing Notification to Customers*

Noting his directorship on the Hawkes Bay Board, Darin Cusack reported a potential conflict and abstained from voting.

The Board **approved** and authorised management to release pricing notifications to customers in respect of downwards pricing adjustments arising from the sale of Airfield Power and Lighting assets.

Item 5.4 *Annual Report – Key Judgements*

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

The Board **approved**:

- the areas of key judgements and accounting estimates for the FY23 Annual Report, noting, the AFC reviewed and endorsed (in draft) at the May meeting;
- the write off of the cost incurred on the solution for displaying operational documentation of \$0.3m.

Item 5.5 *Dividend – Final Declaration*

The Board **approved** a nil dividend for the FY23 financial year.

Item 5.6 *Final Business Plan and Statement of Corporate Intent (SCI)*

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

s9(2)(g)(i)

The Board **approved** the budget, Statement of Corporate Intent and Business Plan.

Item 5.7 *DFA Policy Review*

The Board noted that the policy had been endorsed by the AFC.

The Board **approved** the updated Delegated Financial Authority Policy.

Item 5.8 ***Tax Policy***

The Board noted that the policy had been endorsed by the AFC.

The Board **approved** the updated Tax Policy.

Erin Lee and Jamie Gray left the meeting at 3.50pm.

Item 5.9 ***Proposed 23-24 Audit & Assurance Programme***

Kim Nichols joined the meeting at 3.50pm.

The Board noted the risk-based approach and that it had been considered by the ELT and AFC.

The Board **approved** the FY2023/24 Audit and Assurance Programme.

Item 5.10 ***International Travel – Safety Case Policy***

The Board noted that the policy had been endorsed by the AFC.

The Board **approved** the updated Travel Policy.

Kim Nichols left the meeting at 4pm.

ITEM 6.0 GOVERNANCE PLANNING AND REVIEW

Item 6.1 ***Board Workplan 2023 & Proposed Topics for Future Meetings***

The Board noted that the Treasury appointments team and Wisk would attend future meetings.

ACTION: The Board requested:

- NZALPA be invited to the August meeting;
- AMEA be added as a six monthly guest; and
- An update on development of senior team and development for individuals and teams.

Item 6.2 ***Site Safety Visits Completed and Suggested Locations 2023***

The Board **noted** the paper.

Item 6.3 ***Board Development update***

The Board **noted** the paper.

Gavin Fernandez agreed to review the dates for his attendance at the IOD Advanced Director course.

Item 6.4 ***End of meeting reflection***

The Board reflected on the discussions of the day including:

- Reporting that grouping similar agenda items created more efficient meetings
- Posing questions in papers is beneficial;

- Need to highlight changes to papers that have already been presented (SCI and business plan) to enable efficiency in director review; and
- Desire to discuss learning from **s6(c)&s9(2)(i)** in August.

ITEM 7.0 FEBRUARY SUBCOMMITTEE MEETING MINUTES (AFC AND SSC)

The Board **noted** the minutes of the previous Audit and Finance Committee and Safety Committee meeting minutes held on 07 February 2023.

CLOSE OF MEETING

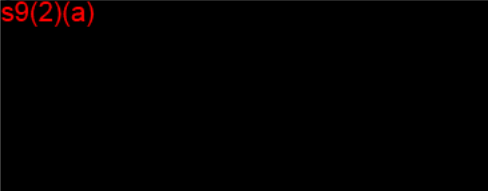
The Company Secretary tabled a paper to appoint Darin Cusack as an alternate for Mark Hutchinson. Mark Hutchinson abstained from voting.

The Board (as shareholder of Airways International Limited (AIL)) **approved** the appointment of Darin Cusack as an alternate director for Mark Hutchinson on the Board of AIL for the purpose of approving written resolutions from 1 July 2023 and authorised the Chair to sign the attached letter consenting to such appointment, on behalf of ACNZ.

The Board noted that it was Mark Hutchinson’s last meeting before his special leave and wished him well in his endeavours.

The Board noted that the next Board meeting will be held on 30 August 2023 in Christchurch.

There being no further business, the formal Board meeting concluded at approximately 4.30pm.

s9(2)(a)


.....

Chair