

AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS

OF AIRWAYS CORPORATION OF NEW ZEALAND LIMITED

AIRWAYS CORPORATION, LEVEL 2, 6 LEONARD ISITT DRIVE, AUCKLAND AIRPORT

ON THURSDAY 16 FEBRUARY 2023 AT 8.30AM – 4.15PM

Present: Denise Church (Chair), Darin Cusack, Lisa Jacobs, Mark Hutchinson (by Teams), Nicola Greer (by Teams), John Holt, Gavin Fernandez and Terry Paddy.

Apologies: Mark Pitt

In attendance: James Young, CEO
Katie Wilkinson, GM Air Traffic Services
Jamie Gray, Head of Public Affairs & Acting Head of People and Capability
Erin Lee, Acting Chief Financial Officer
Geoff Peck, Chief Information Officer
Fiona Shine, Head of Legal & Company Secretary
Shelly Sydney, Health, Safety & Wellbeing Manager
s9(2)(a) NATS (UK) (by Teams)
s9(2)(a) President NZALPA
s9(2)(a) Technical Officer, NZALPA
s9(2)(a) ATC Director
s9(2)(a) Air Traffic Controller
s9(2)(a) Air Traffic Controller
s9(2)(a) – observer

The Board met for coffee with NZALPA and attending Executive team from approximately 8.30am - 9.00am.

FORMAL BOARD AGENDA

The Board Meeting commenced at approximately 9am. The Chair opened the meeting and on behalf of the Board, thanked management for their diligence in focusing on the safety and wellbeing of Airways' people and the safety of the skies during the recent adverse weather events. The Chair congratulated James Young on his appointment to the role of CEO and passed on the Board's best wishes. The Chair

welcomed and thanked the NZALPA team for attending the meeting and noted the Board's desire to collaborate and strengthen ties with NZALPA in the Auckland Tower Project and other matters of significance. The Chair noted that this would be achieved by the scheduled six-monthly check-ins.

ITEM 1.0 STRATEGIC PAPERS / PRESENTATION
Item 1.1 UK NATS Digital Tower Presentation

s9(2)(a) joined the meeting at 9.10am.

Management introduced s9(2)(a) highlighting his career to date and vast aviation experience and more recently, aviation related technology. Management reported that s9(2)(a) had been engaged at stage 1 of the project to identify and recommend the requirements for a digital contingency tower solution in Auckland to assist Airways to consider the viability of such a solution.

s9(2)(a) provided an overview of his report including:

- highlighting the key factor in determining the most appropriate solution had been resilience of the system;
- highlighting that it is key the technology is capable to delivering to the current practice without the need to change or a reduction of capacity;
- highlighting the key to success lies in ensuring that Air Traffic Controllers are taken on the journey;
- overview of the enhanced safety features and benefits of the recommended cameras compared to a conventional solution.

Mark Hutchinson joined the meeting at 9.58am.

The Board and NZALPA discussed and challenged s9(2)(a) on the proposed solution including:

- experience of digital solutions in adverse weather conditions;
- inclusion of design enhancements for potential extra runways;
- resilience of systems;
- dependencies on infrastructure;
- experiences gained and considered from a similar European airport to Auckland;
- engagement with regulators;
- the enhanced safety benefits of the technology compared to conventional solutions;
- drones.

The Board thanked s9(2)(a) and noted that some members of NZALPA, the Board and management would be travelling to London and Hong Kong to see digital technology in practice and would be able to test their questions further with airports.

s9(2)(a) left the meeting at 10.03am.

Item 1.2 Discussion with NZALPA – ATC perspective on digital towers

The Board invited discussion with NZALPA on the proposed solution. NZALPA and the Board discussed appropriateness of the solution for drones and the need to ensure resilience across the wider aviation

system, given the increasing long routes to NZ. The Board noted that discussions in the MOT Review had included consideration of how to ensure the wider aviation system worked as a whole. The Board, NZALPA and management discussed the differing views of Air Traffic Controllers to a digital contingency solution and reflected that the strengthening of the relationship between the Board, NZALPA and management would be an opportunity to assist in change management. The Board noted the need for a thorough explanation of what the future might be and the pathways to get there and the need to ensure that there is an open enquiry, with frontline involvement, on any concerns.

NZALPA noted that there had been a positive change to the relationship, reported that they were delighted with James' appointment as CEO and thanked the Board and management for the collaboration.

The Board took a break from 10.25am – 10.35am.

ITEM 2.0 BOARD ONLY TIME

Item 2.1 Agreed topics

The Board met alone from approximately 10.35 – 10.55am.

Item 2.2 Report on Board review

The Board met with s9(2)(a) observing from approximately 10.55 – 11.55am.

Item 2.3 Strategic Risks and Opportunities – Outlook for 2023

The Board met with the CEO alone from approximately 11.55 – 12.30pm.

The Board took a break for lunch from approximately 12.30 – 1.20pm.

The Chair reported that Mark Hutchinson was an apology for the remainder of the meeting due to connectivity issues arising from recent weather events. The Board discussed and agreed to a slightly revised agenda order.

ITEM 3.0 BOARD MATTERS

Item 3.1 Continuous Disclosure

No matters were raised.

Item 3.2 Register of Directors' Interests

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

Item 3.3 Minutes of Board Meeting held 14 December 2022

The Board **approved** the minutes of the previous ACNZ Board meeting held on 14 December 2022 as a true and correct record of that meeting.

Item 3.4 Matters Arising and Action Items

The Board **noted** the Matters Arising and Action Items from the 14 December Board meeting. The Board requested that:

- action item regarding APLE to be closed deleted and basic APLE updates be included in the CEO Report going forward; and
- UAV: paper included in the pack and question to be refined.

ITEM 4.0 HEALTH AND SAFETY

Item 4.1 *Board Company Safety Report & Site Safety Visits*

Shelley Sydney Joined the meeting at 1.28pm.

The Chair of the Safety Committee gave an overview of the recent Committee meeting discussions. The Board noted that the agenda items had been thoroughly traversed at the recent meeting.

Management provided an update on incidents in Queenstown and Dunedin as well as impact of recent weather events. The Board noted that management were reflecting on recent weather events and that learnings would be brought back to the Board in due course.

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

Item 5.5 *Airways Wellbeing update*

Management provided an overview of recent work. The Board thanked management and noted the level of assurance from the discussions and papers. The Board requested that management continue to feedback any specific challenges that arise and how they have been dealt with, in broad terms.

The Board **noted** that Airways Wellbeing Update.

ITEM 5.0 PERFORMANCE

Item 5.1 *CEO Executive Summary and Company Performance Report*

The paper was taken as read.

The Board had a briefing on the actions to support recovery and ensure safe airspace during and after the recent weather events and noted Airways' positive response to support the wellbeing of its people and overall resiliency. The Board noted that management were taking all the steps possible to secure a safe airspace but noted that there were challenges associated with recovery.

The CEO reported on the recent MOT meeting and outcomes, including the recommendation to establish an air navigation system council. The Board acknowledged the positive effect of Airways' being active on this panel.

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

ACTION:

Item 5.2 *ATS System Update*

Geoff Peck joined the meeting at 2.11pm.

Management provided an update on cause of the delay to go live and next steps. Directors and management had a discussion on the learnings to mitigate future delays to projects generally.

The Board **noted** the paper.

Item 5.3 ***Service Management Update***

The Board **noted** the paper.

Item 5.4 ***Technology vulnerability review***

Management highlighted the key points. The Board noted the usefulness of the section on risks.

The Board **noted** the paper.

Geoff Peck left the meeting and the Board took a break from approximately 2.35 – 2.45pm.

ITEM 6.0 PAPERS FOR DISCUSSION

No matters raised

**ITEM 7.0 PAPERS FOR APPROVAL OR KEY INFORMATION
PART A – RISK & ACCOUNTABILITY**

The Chair highlighted that the papers considered risk and accountability issues and that a number of them had been well traversed by the Audit and Finance Committee. The Chair of the Audit and Finance Committee gave an overview of discussions at the recent Committee meeting.

Item 7.1 ***Top Risk Register***

The Chair suggested that the front end of Board meetings be used to discuss current and emerging risks facing the organisation. The top risk register can facilitate discussion and dynamically maintained.

The Board **noted** the paper.

Item 7.2 ***Shareholder Letter of Expectations and response and post investment review***

Jamie Gray and Erin Lee joined the meeting at 2.58pm.

The paper was taken as read. Management reported that they had consulted with Treasury on the letter and they were comfortable its contents. s9(2)(g)(i)&s9(2)(i)

The Board noted the request to consider a future director and agreed to observe other SOE protocols in this regard.

The Board:

1. **Noted** the Shareholder 2023/24 Letter of Expectations received on 20 December 2022.
2. **Approved** the submission of the proposed response to Shareholding Ministers by 28 February 2023 in the form attached to the Board paper.
3. **Approved** the proposed letter to the Treasury notifying that there were no post investment reviews completed in 2022

Item 7.3 ***Interim Report***

The Board **approved**:

1. The Interim Report
2. The Results Announcement for the six months ended 31 December 2021; and
3. The Media release.

Item 7.4 ***Dividend Policy***

The Board **noted** that the Audit and Finance Committee had endorsed the Policy.

The Board **approved** the amendments to the Dividend Policy.

Item 7.5 ***External Audit Plan***

The Board:

1. **Noted** the Audit and Finance Committee had endorsed the Audit Plan
2. **Approved** the:
 - PwC 2022/23 audit plan
 - s9(2)(i)
 - Engagement letter for the audit assurance procedures for the Economic Value Added
 - Engagement letter for the audit assurance procedures for the Student Fee Protection Trust
 - s9(2)(b)(ii)
3. **Authorised** the Chair of the AFC to sign the Audit Fee proposal the two engagement letters and acknowledgment of use of offshore delivery centres.

Item 7.6 ***ISDA***

The Board **noted** that the Audit and Finance Committee had reviewed and endorsed the documents.

The Board **approved** the resolutions in the attached Board resolutions and **authorised** management to insert their signatures onto the Board Resolution, ISDA and Director's certificate.

**ITEM 8.0 PAPERS FOR APPROVAL OR KEY INFORMATION
PART A – RISK & ACCOUNTABILITY**

Item 8.1 ***AFC: Draft Meeting Minutes for 23 November 2022***

The Board **noted** the minutes

Item 8.2 ***PCC: Draft Meeting Minutes for 23 November 2022***

The Board **noted** the minutes

The Board adjourned at approximately 3.15pm to hold an AIL meeting and readjourned at 3.30pm .

Nic Greer left the meeting at 3.30pm.

ITEM 10.0 GOVERNANCE PLANNING AND REVIEW

Item 10.1 ***Board Workplan 2023 & Proposed agenda topics for future***

The Board had a discussion and agreed that the workplan and proposed agenda topics remained appropriate in light of feedback from **s9(2)(a)**

The paper was **noted**.

Item 10.2 ***Next Board Meeting Arrangements and Agenda***

The Board agreed the need to focus on strategic matters and agreed topics such as policy reviews could be limited to material changes to allow more time to be spend on strategic topics. The Board noted that the focus of the March meeting would be on strategy. The Chair requested that the Board identify key strategic questions, or topics, and check them against the rolling agenda. The Chair requested directors be clear on the question being asked of management so responses can be appropriately crafted.

The paper was **noted**.

Item 10.3 ***Site Safety Visits Completed and Suggested Locations 2023***

The Board had a discussion about site safety visits and general visits. Directors requested that the table be tweaked to include general visits and requested that the item remain on the agenda to ensure that there is the right level of presence.

The paper was **noted**.

Item 10.4 ***Board Development Update***

The Chair requested that directors contact management if they wished to attend an advance director's course in March.

The paper was **noted**.

Item 10.5 ***End of meeting reflection***

The Board had a fulsome reflection on the meeting including;

- Balance of agenda;
- Sufficiency of content in papers;
- Whether strategic opportunities was pursued;
- Potential changes for the future.

CLOSE OF MEETING

There being no further business, the formal Board meeting concluded at approximately 4.15pm.

s9(2)(a)



23/3/23

Chair

Date