

Details of HKE's Action Plan
Set Out in HKE's Report and Supplementary Information
Submitted to ATLA

Management and Corporate Governance Issues Revealed by the Incident

- HKE acknowledged that while “the incident was caused by inadequate standby crew due to the lack of qualified trainers, the root cause was a combination of human resource planning and management failure, inadequate enterprise risk management including internal and external communication, lack of effective contingency planning and company leadership deficiencies”.

Major targeted actions taken/to be taken by HKE to address the management and corporate governance issues

(a) Issues relating to human resources planning and management failure

- “Open-ended contracts have been offered to all staff to re-build employee-employer relationships, foster career development opportunities and ensure stable staffing levels.”
- “Roster publishing date is moved forward from 24th of the month to the 15th to ensure greater identification of potential staffing issues and ensure roster stability.”
- “Waive 100% attendance record requirements for crew to claim Work-On-Off Day Allowance, as another measure to improve conditions of employment for frontline staff.”

(b) Issues relating to inadequate enterprise risk management

- “New Resource Management and Enterprise Risk Management Committees have been formed under the leadership of the new Executive Chairman. The new committees will monitor, assess and implement corrective, preventive and contingency measures

and processes across the organization.”

- “Engage a first-tier PR consultancy team to review the existing crisis responses, including public and media relations, and establish new proactive crisis management and brand reputation strategies.”
- “Implement a new Customer Service Enhancement and Disruption Management Programme including additional manpower allocation to enable the company to offer 24 x 7 customer service via the company call centre, and a new disruption management platform to improve internal communication and offer passengers disruption self-management tools.”

(c) Company leadership deficiencies

- “The Chief Executive Officer and Director of Talent & Innovation have been replaced.”
- “Recovery of in-house SEP [Safety and Emergency Procedures] training capability and delivery of sufficient trained cabin crew to sustain the airline’s stable and consistent operation.”