

January 13, 2014

**STATEMENT FROM THE BOARD OF DIRECTORS**

**ORGANISATIONAL CHANGES UNDERWAY AT CIAA**

The Board of Directors of the Cayman Islands Airport Authority (CIAA) recently announced that it has re-engaged local professional services firm Deloitte & Touche to update its previous assessment of the Authority's organisational structure and to assist with implementation of an improved structure. The objectives of the assessment are to align CIAA's organisational structure with its strategic objectives, and to ensure the efficient, safe and effective day-to-day operations of the airports. In addition the Board expects that it will facilitate the redevelopment of the Owen Roberts International Airport and the Charles Kirkconnell International Airport that is set to begin in 2014.

Chairman Kirkland Nixon says the Board believes that reorganisation will help to ensure that CIAA operates within the regulatory requirements set out by the Civil Aviation Authority of the Cayman Islands (CAACI), and meets or exceeds the required standards of aerodrome operations.

*"The organisational restructuring underpins the CIAA's desire to improve the customer experience and provide a more efficient and robust platform to successfully execute the CIAA's strategy. The new structure will accelerate innovation and enable a more efficient operating model as the CIAA embarks upon the redevelopment of the airports," Mr. Nixon explains.*

Two key pillars, Airport Operations and Technical Operations, will ground the new structure. The restructuring will also focus on efficient and customer-centric operations of the airports, as well as safe and secure aerodrome operations that are consistently in compliance with regulatory requirements.

In keeping with the CIAA's desire to be a proactive, strategic, and forward-thinking organisation, the assessment will use key organisational design principals to ensure that internal and external organisational drivers are addressed and appropriately balanced.

The specific requirements of the new organisational structure are as follows:

- To ensure that the organisational structure aligns with the objectives of the CIAA;
- To provide simplicity in the organisational structure through clearer defined roles and responsibilities;
- To reduce the number of layers of supervision to ensure the shortest vertical distance between the Chief Executive Officer and employees;

- To establish an efficient span of control by ensuring that management has the ability to communicate quickly with the employees they oversee and manage them more effectively;
- To limit the number of functions for which a member of management can be responsible for to ensure they are able to focus on their specific area of expertise;
- To allocate a sufficient number of staff members for management to delegate, evaluate and coordinate tasks in support of their area of oversight; and
- To decentralise the responsibility for decision making as appropriate, without jeopardising accountability.

As a first step to implementing the new organisational structure, an emphasis will be placed on hiring permanent positions at the executive management level. Accordingly, the Board of Directors has begun the process of hiring a new permanent Chief Executive Officer.

Until a permanent Chief Executive Officer has been appointed, CIAA will rotate the Acting Chief Executive Officer position between senior staff. Additionally, in order to address the existing vacancies in key executive management positions, the current Acting Chief Executive Officer will retain a temporary Chief Human Resources Officer and a temporary Chief Financial Officer, while the organisation recruits to fill permanent positions.

Lastly, the new organisational structure will introduce four new Executive Management positions. Those positions include two Chief Operations Officer Positions:

- *Chief Operations Officer - Technical Operations*: Responsible for overseeing airside operations, air traffic management, aeronautical information service and communication, navigation and surveillance.
- *Chief Operations Officer - Customer & Commercial Services*: Responsible for airport operations, business development and marketing, customer and commercial services, information technology, facilities management and special projects.
- *Chief Security Officer*: Responsible for the secure operations of the airside and airport terminals.
- *Chief Safety Officer*: Responsible for the safe operations of the airside and airport terminals.

While the recruitment process is under way for these posts, the Acting Chief Executive Officer will appoint temporary Acting Chief Operations Officers. The intention behind the reorganisation of the CIAA is to get better value out of existing resources while focusing on establishing a more cohesive, streamlined organisation that is able to quickly adapt to an ever-changing environment. It does not aim to specifically reduce the headcount or costs of the CIAA.

The reorganisation will also result in opportunities for existing CIAA staff as all qualified individuals will have the ability to apply for the new/vacant positions. Additionally, it will assess staff's existing skills and knowledge base to identify future training needs and succession planning in line with CIAA strategic objectives. Although the Board of Directors of the CIAA commissioned the assessment, they are solely mandated to provide good governance, and will not be involved in the implementation process aside from the hiring of the permanent Chief Executive Officer.

Stressing the Board's commitment to remain at "arms-length" during the reorganisation process, Mr. Nixon says: *"We are here to support the Acting Chief Executive Officer during the implementation of the new structure and are excited to see the positive impact it will have on the CIAA, the residents of the Cayman Islands and its visitors."*