

TO	<b>Listed Company Relations NZSX Market</b>	VIA NZ MAP
CC	<b>Company Announcements Office Australian Stock Exchange</b>	VIA ASX ONLINE
FROM	Liz Lawless Corporate Legal Services	DATE 28 November 2016
NUMBER OF PAGES INCLUDING COVER SHEET		One
SUBJECT		
<b>ISSUE OF RESTRICTED SHARE RIGHTS</b>		

In 2016 Air New Zealand Limited (the **Company**) adopted a Chief Executive Officer Restricted Share Rights Plan (**Plan**).

The Company advises that it has made a grant of 367,317 restricted share rights under the plan to Christopher Luxon. These restricted share rights were issued on 21 November 2016.

Each restricted share right issued under the Plan gives the holder the right to receive one fully paid ordinary share in the Company, subject to the holder remaining employed by the Company on the vesting date. The vesting date for this issue of restricted share rights is 31 December 2017 for 73,463 of the rights and 31 December 2018 for the balance (293,854) of the rights.

When considering whether to issue restricted share rights under the Plan in respect of a financial year, the Board will assess the chief executive officer's performance against the individual objectives set for that financial year. Future issues of restricted share rights will be considered on an annual basis. The Plan is expected to continue through to the financial year ending 30 June 2020.

# APPENDIX 3B

## NEW ISSUE ANNOUNCEMENT, APPLICATION FOR QUOTATION OF ADDITIONAL SECURITIES AND AGREEMENT

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003.

Name of entity

AIR NEW ZEALAND LIMITED

ABN

70 000 312 685

We (the entity) give ASX the following information.

### PART 1 - ALL ISSUES

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |  |   |
|---|--|---|
| 1 | +Class of +securities issued or to be issued   | Restricted Share Rights to acquire Ordinary Shares  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | 367,317 Restricted Share Rights under Air New Zealand CEO Restricted Share Rights Plan  |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Restricted Share Rights under Air NZ CEO Restricted Share Rights Plan issued for nil consideration. Restricted Share Rights will convert to shares on the dates set out in the rules of the Air New Zealand CEO Restricted Share Rights Plan, being 73,463 on 31 December 2017 and 293,854 on 31 December 2018, provided the CEO remains in the role of CEO at these dates. |

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+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"><li>• the date from which they do</li><li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li><li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li></ul>	<p>The Ordinary Shares issued on vesting of the Restricted Share Rights will rank equally with existing Ordinary Shares on issue.</p>									
5	Issue price or consideration	NIL									
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Restricted Share Rights under the Air New Zealand CEO Restricted Share Rights Plan.									
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	21 November 2016									
8	Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,122,775,861</td><td>Ordinary Shares quoted</td></tr><tr><td>34,183</td><td>Plus Treasury Stock</td></tr><tr><td>1,122,810,044</td><td>Total Securities</td></tr></table>	Number	+Class	1,122,775,861	Ordinary Shares quoted	34,183	Plus Treasury Stock	1,122,810,044	Total Securities	
Number	+Class										
1,122,775,861	Ordinary Shares quoted										
34,183	Plus Treasury Stock										
1,122,810,044	Total Securities										

<p>9      Number and <sup>+</sup>class of all <sup>+</sup>securities not quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table> <tr> <th data-bbox="766 224 1069 268">Number</th><th data-bbox="1069 224 1410 268"><sup>+</sup>Class</th></tr> <tr> <td data-bbox="766 268 1069 313">1</td><td data-bbox="1069 268 1410 313">Kiwi Share</td></tr> <tr> <td data-bbox="766 313 1069 470">11,053,391</td><td data-bbox="1069 313 1410 470">Options under the Air New Zealand Long Term Incentive Plan</td></tr> <tr> <td data-bbox="766 470 1069 627">15,014,597</td><td data-bbox="1069 470 1410 627">Restricted Share under the Air New Zealand Long Term Incentive Restricted Share Plan</td></tr> <tr> <td data-bbox="766 627 1069 784">1,256,281</td><td data-bbox="1069 627 1410 784">Options under the Air New Zealand CFO Option Incentive Plan</td></tr> <tr> <td data-bbox="766 784 1069 974">659,715</td><td data-bbox="1069 784 1410 974">Restricted Share Rights under the Air New Zealand CEO Restricted Share Rights Plan</td></tr> </table>	Number	<sup>+</sup> Class	1	Kiwi Share	11,053,391	Options under the Air New Zealand Long Term Incentive Plan	15,014,597	Restricted Share under the Air New Zealand Long Term Incentive Restricted Share Plan	1,256,281	Options under the Air New Zealand CFO Option Incentive Plan	659,715	Restricted Share Rights under the Air New Zealand CEO Restricted Share Rights Plan
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659,715	Restricted Share Rights under the Air New Zealand CEO Restricted Share Rights Plan												
<p>10      Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>Refer to Distribution Policy on Company Web site</p>												

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<sup>+</sup> See chapter 19 for defined terms.

## PART 2 - BONUS ISSUE OR PRO RATA ISSUE

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

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+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	N/A
25	If the issue is contingent on +security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

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+ See chapter 19 for defined terms.

32 How do <sup>+</sup>security holders dispose of their entitlements (except by sale through a broker)? N/A

33 <sup>+</sup>Despatch date N/A

### **PART 3 - QUOTATION OF SECURITIES**

*You need only complete this section if you are applying for quotation of securities*

34 Type of securities  
(tick one)

(a) ☐ Securities described in Part 1 (Ordinary Shares only)

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### **ENTITIES THAT HAVE TICKED BOX 34(A)**

#### **ADDITIONAL SECURITIES FORMING A NEW CLASS OF SECURITIES**

*Tick to indicate you are providing the information or documents*

35 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, the names of the 20 largest holders of the additional <sup>+</sup>securities, and the number and percentage of additional <sup>+</sup>securities held by those holders

36 ☐ If the <sup>+</sup>securities are <sup>+</sup>equity securities, a distribution schedule of the additional <sup>+</sup>securities setting out the number of holders in the categories  
1 - 1,000  
1,001 - 5,000  
5,001 - 10,000  
10,001 - 100,000  
100,001 and over

37 ☐ A copy of any trust deed for the additional <sup>+</sup>securities

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<sup>+</sup> See chapter 19 for defined terms.

## ENTITIES THAT HAVE TICKED BOX 34(B)

38	Number of securities for which +quotation is sought					
39	Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>					
41	<p>Reason for request for quotation now</p> <p><small>Example: In the case of restricted securities, end of restriction period</small></p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>					
42	Number and +class of all +securities quoted on ASX ( <i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> <tr> <td style="height: 80px;"></td> <td></td> </tr> </table>	Number	+Class		
Number	+Class					

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+ See chapter 19 for defined terms.

## QUOTATION AGREEMENT

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

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+ See chapter 19 for defined terms.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here:  
(Company secretary)

Date: ... 28 November 2016

Print name: John Harvey Blair

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