

Stock exchange listings: New Zealand (NZX: AIR) / Australia (ASX: AIZ) / ADR (OTC : ANZLY)

MARKET ANNOUNCEMENT

31 January 2024

Air New Zealand issues share rights under Long Term Incentive Plan

Air New Zealand has had a Long-Term Incentive Share Rights Plan since 2015 as amended from time to time (the Plan).

Under the Plan, executives may be issued with 3-year share rights. There is no cost to the Company or to the employee when these rights are issued. If future targets, known as 'vesting conditions' as set out below, are met then these rights will see participants receive ordinary shares in the Company at a future date.

If targets are not met, the rights lapse and no shares are awarded. This happened when the vesting conditions set for share rights due to vest in 2020, 2021 and 2022 were not met and those rights lapsed. The rights due to vest in 2023 vested in part.

The Plan is part of the broader remuneration package for senior executives and is designed to incentivise management to outperform over time for the benefit of all shareholders, employees and customers.

Under the Plan, the Company has now issued 16,204,950 share rights for no consideration to the Chief Executive Officer and to participating executives. The share rights were issued on 30 January 2024 as approved by the directors of the Company on 11 January 2024.

These share rights give participants the right to receive ordinary shares in the Company subject to certain vesting conditions being achieved over a performance period (commencing on 15 September 2023 and ending on the date which is 20 NZX trading days after Air New Zealand has issued its annual results for the financial year ending 30 June 2026).

These 2023 share rights are divided into two equal tranches and each tranche that an individual is awarded will be measured against a separate performance hurdle. The rights will only vest if the Total Shareholder Return (TSR) of an Air New Zealand Share over the performance period described above is greater than zero. If TSR is zero or negative, the share rights will lapse without the performance hurdles being tested.

If the TSR gate is achieved, the number of rights that will be eligible for vesting will depend on Air New Zealand's performance against two comparison indices:

- the performance hurdle for the first tranche will measure Air New Zealand's TSR against the NZX 50 index.

- the performance hurdle for the second tranche will measure Air New Zealand's TSR against the Bloomberg World Airline index.

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Investor website: www.airnewzealand.co.nz/investor

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Further information on the issue of these share rights is set out in the Capital Change Notice accompanying this announcement.

Ends.

This announcement is made pursuant to Listing Rule 3.13.1 and is authorised for release on NZX and ASX by Jennifer Page, General Counsel & Company Secretary (jennifer.page@airnz.co.nz).

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NEW ZEALAND'S EXCHANGE
TE PAEHOKO O AOTEAROA

Capital Change Notice

Updated as at June 2023

31 January 2024

Issue of Share Rights

This notice is given under NZX Listing Rule 3.13.1 and relates to the issue of share rights in Air New Zealand Limited to certain senior executives, as more fully described in the announcement accompanying this Capital Change Notice.

Section 1: Issuer information	
Name of issuer	Air New Zealand Limited
NZX ticker code	AIR
Class of financial product	Share rights
ISIN (If unknown, check on NZX website)	Not applicable
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	16,204,950 share rights issued
Nominal value (if any)	Not applicable
Issue/acquisition/redemption price per security	Nil
Nature of the payment (for example, cash or other consideration)	Nil
Amount paid up (if not in full)	Not applicable
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence)	47% of share rights on issue
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of Financial Product) or the Option (for example, the exercise price and exercise date)	Not applicable
Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	Issued under the Air New Zealand Long Term Incentive Share Rights Plan
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	34,848,025 (share rights)
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	Not applicable
Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made	Directors' resolution dated 11 January 2024
Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	Issued under the Air New Zealand Long Term Incentive Share Rights Plan
Date of issue/acquisition/redemption	30 January 2024

Grant date: 15 September 2023
Vesting date: 20 NZX trading days after Air New Zealand Limited has issued its annual results for the financial year ending 30 June 2026

Section 3: Authority for this announcement and contact person

Name of person authorised to make this announcement	Jennifer Page, General Counsel & Company Secretary
Contact person for this announcement	Jennifer Page
Contact phone number	027 909 0691
Contact email address	jennifer.page@airnz.co.nz
Date of release through MAP	31 January 2024