

Hon Grant Robertson

MP for Wellington Central

Deputy Prime Minister

Minister of Finance

Minister for Infrastructure

Minister for Sport and Recreation

Minister for Racing



CONFIDENTIAL AND COMMERCIALY SENSITIVE

30 March 2022

Air New Zealand Limited
Air New Zealand House
185 Fanshawe Street
Auckland 1010
New Zealand

Attention: Dame Therese Walsh, Chair

Email: therese.walsh@outlook.com

AIR NEW ZEALAND LIMITED EQUITY CAPITAL RAISING – CROWN COMMITMENT

Air New Zealand Limited (*Company*) proposes to undertake a pro-rata renounceable rights offer to the Company's existing shareholders in New Zealand, Australia and certain other selected jurisdictions (*Offer*). The Offer will be fully underwritten (excepting the amount subscribed for by the Crown on the basis of its pre-commitment set out in this letter) by UBS New Zealand Limited and Citigroup Global Markets Limited (*Underwriters*).

Her Majesty the Queen in right of New Zealand acting by and through the Minister of Finance (*Crown*) is the holder of 582,854,593 issued ordinary shares of the Company (*Shares*) being approximately 51.90% of the total Shares on issue at the date of this letter. The Company and the Underwriters consider that the Crown's participation in the Offer is critical to the success of the Offer. The Company and the Crown have agreed that the Crown make a pre-commitment in respect of its participation in the Offer on the following terms and conditions:

- (a) (**Crown Commitment**): The Crown, subject to and on the terms of this letter, irrevocably applies for and commits to acquire such number of Shares under the Offer (*Offer Shares*) that, on completion of the Offer, results in the Crown having 51.00% of the total Shares on issue (including all treasury stock held by the Company), rounded up to the nearest whole Share (*Ownership Percentage*). The Crown's commitment set out in this paragraph is referred to as the *Crown Commitment*. On the basis of the Crown Commitment, the Company agrees to allocate and issue to the Crown such number of Offer Shares that are equal to the Crown Commitment (*Crown Committed Shares*) in accordance with the terms of this letter, such that on completion of the Offer the Crown will hold the Ownership Percentage. The Crown Committed Shares will be issued to the Crown at the offer price per Offer Share set out in the Offer Materials (as defined in paragraph (d)(i)(A) below), in accordance with settlement processes agreed between the Company and the Crown (acting through Te Tai Ōhanga The Treasury). The Crown will not, and is not obliged to, subscribe for any Offer Shares other than the Crown Committed Shares.
- (b) (**Condition**): The Crown's obligations under paragraph (a) above are conditional on the Offer proceeding in accordance with the Offer size, pricing, structure and timetable (*Timetable*) set out in the Offer Materials (or as such matters are varied by agreement with the Crown). If the condition referred to in this paragraph is not satisfied (or waived by the Crown), then the Crown may terminate this letter by notice in writing to the Company, and on such termination, this letter will be of no further effect and

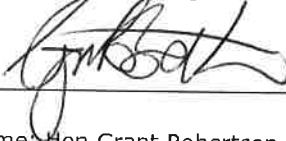
neither party will have any claim against the other party arising under, or in connection with, this letter.

- (c) **(Withdrawal or termination):** If the Offer is withdrawn, or otherwise does not proceed, this letter shall automatically terminate (with the same effect as termination under paragraph (b) above).
- (d) **(Undertakings):**
 - (i) The Company gives the following representations and warranties to the Crown as at the date of this letter and on each subsequent date (by reference to the facts and circumstances then existing) until the date this letter is terminated or the date of allotment on the NZX of the Offer Shares, whichever is later:
 - (A) the Offer and all materials released by the Company in connection with or at the same time as the Offer (*Offer Materials*) comply in all respects with all applicable laws and regulations (including the listing rules of the NZX and ASX) (*Applicable Law*);
 - (B) the Offer Materials contain all information that is material in the context of the Offer and all information that is required to be contained in the Offer Materials by Applicable Law and the Offer Materials are not, and do not contain any statement that is, false, misleading, deceptive, or likely to mislead or deceive or unsubstantiated; and
 - (C) all information and representations which will be provided to the Crown in relation to the Offer on and from the date of this letter by the Company or on its behalf will be, at the time provided, true, complete and accurate in all material respects.
 - (ii) The Company undertakes to the Crown during the period up to the earlier of the termination of this letter and the completion of the Offer, to notify the Crown promptly upon becoming aware of the happening of any event that either constitutes or is reasonably likely to constitute a breach of any warranty set out in paragraph (d)(i) and of any matter that is reasonably likely to have the effect of making any such warranty incorrect or untrue or misleading by omission or otherwise.
- (e) **(Legal responsibility):** The Company acknowledges and agrees that the Company is and will remain solely and absolutely responsible for ensuring:
 - (i) the accuracy, completeness, consistency and materiality of the contents of the Offer Materials and of any other announcements and disclosures authorised by the Company in connection with the Offer;
 - (ii) that the Offer Materials are not, and do not contain any statement that is, false, misleading, deceptive, or likely to mislead or deceive (including by omission) or unsubstantiated (being a statement for which the Company does not have reasonable grounds, other than a statement that a reasonable person would not expect to be substantiated) and comply with all Applicable Law;
 - (iii) that all money received by or on behalf of the Company as payment for the Offer Shares is held on trust for subscribers and the Company according to their respective rights until the Offer Shares are allotted;
 - (iv) that it conducts the Offer in accordance with all Applicable Law; and
 - (v) that the Offer Materials contain no references to the Crown or any of its Ministers, departments, officials or advisers other than in a form approved by the Crown (acting through Te Tai Ōhanga The Treasury).

- (f) **(Fees):** In consideration for the Crown Commitment, the Company must pay to the Crown the Commitment Fee, within seven days after settlement of the Offer. The Commitment Fee shall be an amount equal to the gross proceeds received by the Company under the Offer from the Crown in respect of the Crown Committed Shares, multiplied by 0.5%.
- (g) **(Costs and Expenses):** In addition to the Commitment Fee, the Company must pay, or reimburse the Crown for, all costs, expenses, fees and disbursements that the Crown (including Te Tai Ōhanga The Treasury) incurs in connection with, or incidental to or preparatory for, the proposed capital raising by the Company (including, without limitation, the Offer and the Crown Commitment).
- (h) **(Disclosure of letter):** The Company and the Crown agree that the existence and effect of this letter will be described in the Offer Materials and this letter will be separately disclosed by the Company to the NZX market announcements platform in connection with the release of the Offer Materials.
- (i) **(Counterparts):** This letter may be executed in any number of counterparts, each of which will be deemed an original, but all of which will constitute one and the same instrument. Where a party executes such a counterpart copy and transmits the signed execution page of that counterpart copy electronically to the other parties then, for the purposes of this letter, the transmission shall be deemed proof of signature of the original and the signed counterpart copy shall be deemed an original.
- (j) **(Entire agreement):** This letter is the entire agreement between the parties on the Crown Commitment. This letter replaces all earlier negotiations, representations, warranties, understandings and agreements, whether oral or written, between the parties relating to the Crown Commitment. The Company acknowledges, agrees and represents to the Crown that this letter is the only document that the Crown will be asked to execute in relation to the Offer and the Crown Commitment.
- (k) **(Governing Law):** This letter will be governed by and construed in accordance with the laws of New Zealand.

Please sign a copy of this letter where indicated below to confirm the Company's agreement to the terms and conditions set out above.

Signed by **The Sovereign in right of New Zealand, acting by and through the Minister of Finance**



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