

Disclosure Document relating to the acquisition of Air New Zealand Limited's shares from the Crown

To: All shareholders of Air New Zealand Limited

Introduction

1. As announced on 20 February 2025, the board of Air New Zealand Limited (**Air New Zealand** or the **Company**) has resolved that Air New Zealand make an offer to acquire a maximum aggregate of NZ\$100 million in purchase price and up to a maximum of 343,720,838 ordinary shares in Air New Zealand (**Shares**).
2. The buy-back will be conducted on-market through NZX and ASX (**On-market Buy-back**) and off-market from the Sovereign in right of New Zealand acting by and through the Minister of Finance (the **Crown**) (**Off-market Buy-back**) (together, the **Buy-back**).

Disclosure Document

3. This document relates to the Off-market Buyback only, and is a disclosure document for the purposes of section 61(5) and 62 of the Companies Act 1993 (**Companies Act**). This disclosure document sets out the information required to be provided to shareholders under those sections in respect of the Off-market Buy-back.

Further details about the Buy-back

4. The Buy-back will comprise:
 - (a) the On-market Buy-back under which Air New Zealand will acquire its shares through the NZX Main Board and ASX at the prevailing market price from time to time during the period starting 12 months from the date notice is given in accordance with NZX Listing Rule 4.14.2; and
 - (b) the Off-market Buy-back under which Air New Zealand will, following any on-market acquisitions, acquire a corresponding number of shares held by the Crown, in order to maintain the Crown's shareholding in Air New Zealand.
5. The acquisitions of Shares made under the Off-market Buy-back will be made in accordance with the terms of the Crown Participation Agreement between Air New Zealand and the Crown dated 6 September 2017 (as amended by a Deed of Amendment dated 8 March 2024) (**Crown Participation Agreement**).
6. The Off-market Buy-back is being undertaken to ensure the Crown's shareholding in Air New Zealand remains at 51.0% as a result of the On-market Buy-back.
7. The Buy-back will run for a period of up to 12 months from 20 February 2025. Throughout the share buy-back period, Air New Zealand will continue to assess market conditions, its prevailing share price, and all other relevant considerations. Air New Zealand reserves the right to suspend without notice or terminate the share buy-back programme at any time.

Nature and terms of the offer under the Off-market Buy-back

8. The terms of the offer under the Off-market Buyback are as follows:
 - (a) The Off-market Buy-back is to be undertaken in accordance with the terms of the Crown Participation Agreement (including in accordance with the sequencing set out in Schedule 1 to the Crown Participation Agreement), in order to maintain the Crown's 51.0% shareholding in Air New Zealand.

- (b) At the end of each business day on which Air New Zealand acquires Shares on-market as part of the On-market Buy-back (**On-market Acquisition Date**), Air New Zealand will offer to acquire and then cancel the number of Shares required to preserve the Crown's 51.0% shareholding in Air New Zealand from the Crown.
- (c) If the Crown accepts Air New Zealand's offer to acquire such number of Shares (**Acquired Shares**) from the Crown, Air New Zealand will acquire from the Crown the Acquired Shares at such price per Acquired Share (in New Zealand dollars) as is equal to the volume weighted average price of Shares acquired by Air New Zealand on-market on the relevant On-market Acquisition Date, and then cancel the Acquired Shares.
- (d) Offers will be made to the Crown not less than 10 working days and not more than 12 months after this disclosure document has been sent to each shareholder.
- (e) The Buy-back programme will be suspended for such period of time during which Air New Zealand possesses non-public material information in relation to Air New Zealand, its subsidiaries or business.
- (f) Shares acquired under the Buy-back programme (including Shares acquired from the Crown under the Off-market Buy-back) will be cancelled immediately on acquisition.

Relevant interests

9. Given that the Off-market Buy-back will not be offered to any directors of Air New Zealand, there are no relevant interests of any director of Air New Zealand in any Shares the subject of the Off-market Buy-back.

Board resolutions

10. As part of the board resolutions dated 20 February 2025 to approve the Buy-back, in accordance with section 60(1)(b)(ii) of the Companies Act, the board resolved that:
 - (a) The acquisition of the Shares under the Off-market Buy-back is of benefit to the shareholders to whom the offer is not made.
 - (b) The terms of the offer and the consideration for the Shares are fair and reasonable to the shareholders to whom the Off-market Buy-back offer is not made.
11. The reasons for the directors' conclusions referred to above are based on the directors' satisfaction of the following:
 - (a) the Buy-back provides a liquidity opportunity for shareholders;
 - (b) the Off-market Buy-back is required in order to ensure the Company complies with its obligations under the Crown Participation Agreement;
 - (c) the Off-market Buy-back is being conducted to allow the Crown to preserve its 51.0% shareholding in the Company;
 - (d) the Company has access to the financial resources to meet the purchase price for the Shares under the Buy-back;
 - (e) financial flexibility will still be maintained in the Company's balance sheet following the Buy-back due to the Company's prudent capital structure;
 - (f) the tax consequences for shareholders participating in the Buy-back are unlikely to be different from ordinary trading activity, therefore representing a tax effective means of managing the Company's capital;

- (g) the purchase price payable by the Company for Shares under the Off-market Buy-back will be calculated in accordance with the terms of the Crown Participation Agreement, being a volume weighted average price of Shares acquired under the On-market Buy-back; and
- (h) shareholders have the option of whether or not to participate in the on-market Buy-back and can seek independent advice as to whether to take some or all of their investment back, or continue to hold Shares.

Dated: 20 February 2025

Signed for and on behalf of Air New Zealand Limited
by:



Dame Therese Walsh
Chair

