



# Refuelling for our recovery

## Renounceable Rights Offer

30 March 2022

Go to [airnz.rightsoffer.co.nz](http://airnz.rightsoffer.co.nz)  
for more information and to apply.

This is an important document. You should read the whole document before deciding what action to take with your Rights. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional adviser. This Offer Document may not be distributed outside New Zealand or Australia, except to certain institutional and professional investors in such other countries and to the extent contemplated in this Offer Document.

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**



*AIR NEW ZEALAND* 

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# Important Information



## General information

This Offer Document has been prepared by Air New Zealand Limited (**Air New Zealand**) in connection with a fully underwritten (excluding the Crown Participation) 2 for 1 pro rata renounceable rights offer of New Shares, followed by a shortfall bookbuild process (the **Offer**).

The Offer is made to Eligible Shareholders in New Zealand pursuant to the exclusion in clause 19 of schedule 1 of the New Zealand Financial Markets Conduct Act 2013 (the **FMCA**) and in reliance on waivers issued by NZX Regulation in favour of Air New Zealand dated 30 March 2022 (the **NZX Waivers**).

The Offer is made to Eligible Shareholders in Australia pursuant to the provisions of the Australian Corporations Act 2001 (Cth) (the **Corporations Act**) (as modified by Australian Securities and Investments Commission (**ASIC**) Corporations (Non-Traditional Rights Issues) Instrument 2016/84 (**ASIC Instrument 2016/84**) and ASIC Instrument 22-0225).

This Offer Document is not a product disclosure statement or prospectus for the purposes of the FMCA or the Corporations Act or any other law, has not been lodged with the FMA or ASIC, and does not contain all of the information that an investor would find in a product disclosure statement or prospectus or which may be required to make an informed decision about the Offer or Air New Zealand.

## Further important information

A presentation titled “Refuelling for our recovery: Market update and recapitalisation” providing further important information in relation to Air New Zealand and the Offer has been published by Air New Zealand on 30 March 2022 (the **Investor Presentation**). A copy of the Investor Presentation and other important information released on 30 March 2022, as well as other publicly available information referred to in this Offer Document, are available at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au) under the ticker code “AIR” and “AIZ”, respectively.

The Investor Presentation includes details of the rationale for the Offer. It also provides a trading update and explains in more detail the expected impact of the Offer, including a non-exhaustive summary of certain key risks associated with Air New Zealand and the Offer.

You should read the Investor Presentation in full, as it contains important information to assist you in making an investment decision in respect of the Offer. In particular, you should read and consider Appendix D of the Investor Presentation (“Key Risks”) before making an investment decision.

## Additional information available under Air New Zealand's continuous disclosure obligations

Air New Zealand is subject to continuous disclosure obligations under the NZX Listing Rules which require it to notify certain material information to NZX. The ASX Listing Rules also require that Air New Zealand immediately provides to ASX all the information which it provides to NZX that is, or is to be, made public. Market releases by Air New Zealand are available at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au) under the ticker code "AIR" and "AIZ", respectively.

Air New Zealand recommends that you read its market releases lodged with the NZX and ASX, including its market announcements (together with the materials attached to those announcements) regarding:

- the Offer released on 30 March 2022 (including the Investor Presentation accompanying the announcement);
- a copy of the Crown Participation released on 30 March 2022;
- Air New Zealand's interim report and interim results presentation for the six months ended 31 December 2021 released on 24 February 2022;
- Air New Zealand's most recent annual report and annual results presentation for the year ended 30 June 2021 released on 26 August 2021; and
- Air New Zealand's monthly investor updates (Op Stats), including the most recent operating update for the month ended 31 January 2022 (released on 24 February 2022) and the month ended 28 February 2022 (released on 25 March 2022).

Air New Zealand may, during the period of the Offer, make additional releases to NZX and ASX. Shareholders should monitor Air New Zealand's market announcements during the period of the Offer. To the maximum extent permitted by law, no release by Air New Zealand to NZX or ASX will permit an applicant to withdraw any previously submitted application without Air New Zealand's prior written consent.

## Market risk

The market price for the Shares may change materially between the date the Offer opens, the date you apply for New Shares under the Offer, and the date on which the Shares are allotted to you. This is particularly the case given the wide fluctuations and volatility in the share prices for many listed companies in recent times due to the continuing impacts of Covid-19 and of other significant events and conflicts around the world. There is no certainty that this recent volatility will not continue or worsen, which could have a materially adverse impact on the share price for Air New Zealand.

Accordingly:

- the price paid for New Shares under the Offer may be higher or lower than the price at which Shares are trading on the NZX Main Board or ASX at the time New Shares are issued under the Offer;
- the market price of Shares following allotment may be higher or lower than the Offer Price; and
- it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Offer Price.

Any changes in the market price of Shares will not affect the Offer Price.

**If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional adviser.**

## Withdrawal and date changes

Subject to compliance with all applicable laws, Air New Zealand reserves the right at its absolute discretion to:

- withdraw all or any part of the Offer (either generally or in particular cases) (for example, the Rights Offer could proceed but the Shortfall Bookbuild could be withdrawn) and the issue of New Shares under the Offer; and/or
- alter any dates set out in this Offer Document.

## Forward looking statements

This Offer Document contains certain forward-looking statements such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements can generally be identified by use of words such as 'approximate', 'project', 'foresee', 'plan', 'target', 'seek', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will', "objective", 'assume', 'guidance', 'outlook' or similar expressions. This also includes statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, targets, objectives and strategies of Air New Zealand, statements about the future performance of, and outlook for, Air New Zealand's business (including its demand recovery), statements about Air New Zealand's fleet plans and passenger numbers, and statements in respect of Covid-19 and of other significant events and conflicts around the world and their impact on Air New Zealand. Any indications of, or guidance or outlook on, future earnings or financial position or performance and future distributions are also forward-looking statements. All such forward-looking statements involve known and unknown risks, significant uncertainties, judgements, assumptions, contingencies, and other factors, many of which are outside the control of Air New Zealand, which may cause the actual results or performance of

Air New Zealand to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such forward-looking statements speak only as of the date of this Offer Document. Except as required by law or regulation (including the NZX Listing Rules and the ASX Listing Rules), Air New Zealand undertakes no obligation to provide any additional information or update these forward-looking statements for events or circumstances that occur subsequent to the date of this Offer Document or to update or keep current any of the information contained herein. Any estimates, projections or outlook statements as to events that may occur in the future (including projections of revenue, expense, net income and performance) are based upon the best judgement of Air New Zealand from the information available as of the date of this Offer Document. A number of factors could cause actual results or performance to vary materially from the estimates, projections or outlook statements. Investors should consider the forward-looking statements in this Offer Document in light of those risks and disclosures.

**Investors are strongly cautioned not to place undue reliance on any forward-looking statements, particularly in light of the rapidly changing COVID-19 situation, current economic climate and the significant volatility, uncertainty and disruption caused in relation to Air New Zealand by the COVID-19 pandemic, as well as the current conflict in Ukraine and its impact on global fuel prices.**

## Offering restrictions

This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders.

This Offer Document does not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation.

This Offer Document may not be sent or given to any person outside New Zealand or Australia in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand and Australia may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the Rights and the New Shares may not be offered or sold, in any country outside New Zealand or Australia except to the extent permitted in this Offer Document or as Air New Zealand may otherwise determine in compliance with applicable laws.

Neither this Offer Document nor the Acceptance Form may be released or distributed in the United States. This Offer Document and the Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The Rights and the New Shares have not been, and will not be, registered under the U.S. Securities Act

or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

Further details on the offering restrictions that apply are set out in *Part 4: Terms of the Offer*.

Investors should note that while Rights will be tradeable on the NZX Main Board, the assignment, transfer and exercise of Rights trading on the NZX Main Board will be restricted to persons meeting certain eligibility criteria, as set out in *Part 4: Terms of the Offer*. It is the responsibility of purchasers of Rights (and any broker, nominee or custodian acting on their behalf) to inform themselves of the eligibility criteria for exercise. In particular, persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States) will not be eligible to purchase or trade Rights or to take up New Shares for the Rights they acquire. If holders of Rights at the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Rights. In the event that holders are not able to exercise their Rights, they may receive no value for them. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Each of Air New Zealand, the Underwriters and the Joint Lead Managers disclaim all liability in respect of any such contravention by any other person.

## Decision to participate in the Offer

The information in this Offer Document does not constitute a recommendation to acquire or invest in New Shares and is not financial product advice to you or any other person. This Offer Document has been prepared without taking into account your investment objectives, financial or taxation situation or particular needs or circumstances.

Before deciding whether to invest in New Shares, you must make your own assessment of the risks associated with an investment in Air New Zealand (including the inherent uncertainties as to the impact of Covid-19 and of other significant events and conflicts around the world, and the summary of key risks in Appendix D of the Investor Presentation ("Key Risks")), and consider whether such an investment is suitable for you having regard to publicly available information (including the Investor Presentation and Air New Zealand's other market releases lodged with the NZX and ASX), your personal circumstances and following consultation with a financial or other professional adviser. Please read this Offer Document carefully and in full before making that decision.

## Non-standard designation

Air New Zealand has been designated as a “Non-Standard” (NS) issuer by NZX. This designation is due to particular provisions of Air New Zealand’s constitution, including the rights attaching to the “Kiwi Share”, and provisions regulating ownership and transfer of Shares.

## NZX waivers

Air New Zealand is making the Offer in reliance on the NZX Waivers. The effect of the NZX Waivers in the context of the Offer is to permit:

- Air New Zealand to enter into the Debt Arrangements; and
- the Ex Date for the Offer to be two Business Days following the announcement of the Offer.

The NZX Waivers are subject to certain conditions, as set out in the terms of such waivers (a copy of which is available at [www.nzx.com](http://www.nzx.com) and [www.asx.com.au](http://www.asx.com.au) under the ticker code “AIR” and “AIZ”, respectively). The conditions include that the waivers are disclosed in this Offer Document and in Air New Zealand’s annual report for the financial year ending 30 June 2022, that certain certifications are provided by Air New Zealand directors to NZX Regulation and that the entry into the Crown Loan Facility is ratified by Shareholders following the Offer.

## No guarantee

No person named in this Offer Document (including the Crown nor any other person) guarantees the New Shares to be issued pursuant to the Offer or warrants the future performance of Air New Zealand or any return on any investment made pursuant to this Offer Document.

## Disclaimer

The Joint Lead Managers and Underwriters have not been responsible for the preparation of, and to the maximum extent permitted by law accept no liability in connection with, this Offer Document.

## Privacy

Any personal information you provide in your Application will be held by Air New Zealand and/or the Registrar at the addresses set out in the Directory.

Air New Zealand and/or the Registrar may store your personal information in electronic format, including in online storage on a server or servers which may be located in New Zealand or overseas. The information will be used for the purposes of administering your investment in Air New Zealand.

This information will only be disclosed to third parties with your consent or if otherwise required or permitted by law. Under the New Zealand Privacy Act 2020 and the Australian Privacy Act 1988 (*Cth*), you have the right to access and correct any personal information held about you.

## Enquiries

Any questions about the Offer can be directed to an NZX Firm, ASX Broker or your financial or other professional adviser. If you are an Eligible Shareholder and have any questions about the number of New Shares shown on the Acceptance Form or in the “Acceptance” section of the Offer Website, or how to complete the Acceptance Form or the electronic acceptance form on the Offer Website, please contact the Registrar whose contact details are set out in *Part 6: Directory*.

## Times, currency and laws

Unless otherwise stated, all references in this Offer Document to times and dates are to times and dates in New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are references to New Zealand statutes and regulations.

## Defined terms

Capitalised terms used in this Offer Document have the meanings given in *Part 5: Glossary*.

**Please contact your broker, an NZX Firm or an ASX Broker if:**

- **You are not an Eligible Shareholder and wish to participate in the Offer (which may be possible through participating in the Shortfall Bookbuild).**
- **You are an Eligible Shareholder holding your Shares on ASX, and you wish to sell your Rights (which can only be done on the NZX Main Board).**

# Chair & CEO's letter



## Kia ora Air New Zealand shareholder

After two long years of turbulence, Air New Zealand is taking an important step to refuel for its recovery. We want to get back to doing what we love – connecting Kiwis with each other and New Zealand with the world. So today we are launching a Rights Offer as part of our recapitalisation plan to help position us to thrive again.

We are pleased to invite eligible shareholders to participate in a 2 for 1 pro rata renounceable rights offer (**Rights Offer**) of new fully paid ordinary shares in Air New Zealand (**New Shares**).

## Flying through a pandemic

When Covid struck in early 2020 we took decisive action. Routes were closed, planes parked, and we reduced the number of Air New Zealand employees by almost a third. Almost overnight, passenger numbers halved, and flight demand dropped 95 per cent.

With New Zealand's support, and Crown loan funding, we were able to keep the country connected. While many airlines were grounded, we've flown every day, bringing in vital supplies, flying Kiwis home and keeping New Zealand produce moving around the world.

We know this journey hasn't been an easy one for our shareholders with the suspension of our dividend payments since 2020 and the decrease in equity reserves. Our shareholders have been top of mind as the airline took action to help mitigate the impact of the pandemic, to maintain our credit rating and best position the airline to survive, then revive and finally thrive.

## Refuelling for our recovery

The airline continues to be negatively impacted by the Covid pandemic and will take time to recover. While there will still be bumpy skies ahead over the next few years, the moment is right for Air New Zealand to recapitalise its balance sheet and repay loans it received from the Crown. We need to refuel for our recovery so we can connect New Zealand to the world and help drive New Zealand's broader recovery from Covid.

With travel restrictions starting to ease, Air New Zealand is preparing to return to key international destinations, welcome visitors back to New Zealand and launch a new service to New York.





We're focused on growing our domestic network, offering Kiwis even more connectivity when and where they want to fly.

We're optimising our international routes and streamlining our fleet to more efficient and sustainable aircraft. And we're developing more benefits for our millions of Airpoints members.

As the majority shareholder, the Crown will participate in the Rights Offer such that it will hold a 51% shareholding in the airline upon completion. It's great to have the Government's continued backing by way of this commitment to invest.

The Rights Offer is open to eligible shareholders in New Zealand, Australia and a limited number of other jurisdictions. Information about the Rights Offer, including on the eligibility criteria and how to participate, is set out in this Offer Document. This Offer Document should be read together with the Investor Presentation which is available to eligible shareholders via our offer website: <https://airnz.rightsoffer.co.nz>. These documents contain important information about Air New Zealand and risks associated with an investment in Air New Zealand.

We encourage you to read this Offer Document and the Investor Presentation carefully, ensure your contact information is up to date, and importantly, seek independent financial advice where further support is required.

Air New Zealand is committed to rebuilding a stronger, more nimble airline that delivers for all New Zealanders.

Our shareholders have been an important part of Air New Zealand's proud history. We're confident that we can emerge from this crisis better than ever, and we'll do this together.

We invite you to take part in this next step of our journey.

Ehara taku toa i te toa takitahi, engari he toa takitini.

Ngā mihi

**Dame Therese Walsh**  
Chair

**Greg Foran**  
CEO

## Part 1:

# Key Details

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<b>Issuer</b>	Air New Zealand Limited
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<b>The Offer</b>	<p>A pro-rata renounceable rights offer of 2 New Shares for every 1 Existing Share held on the Record Date (the <b>Rights Offer</b>).</p> <p>New Shares:</p> <ul style="list-style-type: none"><li>• not taken up by Eligible Shareholders; or</li><li>• which are attributable to the rights of Ineligible Shareholders, will be offered through a Shortfall Bookbuild run by the Underwriters.</li></ul> <p>Any Premium achieved above the Offer Price for New Shares in the Shortfall Bookbuild will be paid (with no brokerage costs deducted) on a pro rata basis to those Shareholders who did not take up their Rights or who were ineligible to do so.</p>
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<b>Opening Date for the Offer</b>	6 April 2022.
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<b>Rights</b>	<p>Eligible Shareholders have a right to subscribe for 2 New Shares for every 1 Existing Share held as at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date at the Offer Price.</p> <p>Eligible Shareholders may take up <b>all</b> or <b>some</b> or <b>none</b> of their Rights. Rights will be quoted on the NZX Main Board so Eligible Shareholders may sell all or some of their Rights on the NZX Main Board between 4 April 2022 and 26 April 2022.</p> <p>Eligible Shareholders do not pay for the Rights themselves. Eligible Shareholders will pay only for the New Shares issued to them if they choose to take up all or some of their Rights.</p> <p>The Offer is a pro rata offer. If you take up all of your Rights your percentage holding in Air New Zealand will not reduce. However, if you do not take up all of your Rights, or you are an Ineligible Shareholder, your percentage holding in Air New Zealand will reduce following completion of the Offer.</p> <p>Your Rights may have value. If you do nothing, your Rights will lapse and you will not be able to subscribe for any New Shares and may not realise any value for your Rights in the Shortfall Bookbuild.</p>
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<b>Exercising Rights purchased on the NZX</b>	Rights purchased on the NZX may only be exercised by purchasers that meet eligibility requirements. In particular, rights may not be exercised by purchasers that are in the United States or who are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). Potential purchasers of Rights should familiarise themselves with the requirements for exercise, which are set out in this Offer Document.
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<b>Offer Price</b>	NZ\$ 0.53 (or A\$0.49, being the A\$ Price) per New Share.
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<b>Shortfall Bookbuild</b>	<p>Eligible Shareholders who take up their Rights in full have the opportunity to apply for Additional New Shares in the Shortfall Bookbuild process, which will also involve Institutional Investors.</p> <p>Any Additional New Shares applied for under the Shortfall Bookbuild will be issued at the Bookbuild Price. The Bookbuild Price will be equal to or above the Offer Price. There is no limit to the Bookbuild Price.</p> <p>Eligible Shareholders may also participate in the Shortfall Bookbuild through NZX Firms who have been invited to participate in the Shortfall Bookbuild.</p>
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<b>Crown Participation</b>	<p>The Crown has committed to subscribe for such number of New Shares so that it will hold 51.00% of the Shares on issue upon completion of the Offer (the <b>Crown Participation</b>). The Crown's holding in Air New Zealand will reduce from 51.91% to 51.00% as a result of the Offer.</p> <p>The Crown will not participate in the Shortfall Bookbuild.</p>
<b>Existing Shares currently on issue</b>	1,122,810,044 Existing Shares (excluding Shares held in Treasury).
<b>Approximate number of New Shares being offered</b>	2,246 million New Shares.
<b>Offer size</b>	The amount to be raised under the Offer is NZ\$1.2 billion.
<b>New Shares</b>	The same class as (and ranking equally with) Existing Shares.
<b>Eligible Shareholders</b>	<p>A Shareholder who, as at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date:</p> <ul style="list-style-type: none"> <li>(a) located in/has a registered address in New Zealand or Australia; or</li> <li>(b) is a Shareholder that is an Institutional Investor located in/with a registered address in Canada, Cayman Islands, the European Union, Hong Kong, Norway, Singapore, Switzerland, the United Arab Emirates or the United Kingdom; or</li> <li>(c) is any other person to whom Air New Zealand and the Joint Lead Managers consider an offer of Rights or New Shares may be made without the need for a lodged prospectus or other formality (other than a formality with which Air New Zealand is willing to comply), provided that such Shareholder is not in the United States and is not acting for the account or benefit of a person in the United States.</li> </ul> <p>Certain institutional Shareholders in the United States may be invited to participate in the U.S. Private Placement to be conducted concurrently with the Offer, and will be contacted directly by Air New Zealand with the relevant offer documentation in relation thereto.</p>
<b>When to apply</b>	<p>The Offer opens on 6 April 2022.</p> <p>Applications may be made from 6 April 2022 and must be received by 5.00pm (NZST) / 3.00pm (AEST) on the Closing Date (2 May 2022, unless extended).</p>
<b>How to apply</b>	<p>Applications must be made (together with payment) either using the online application form at <a href="https://airnz.rightsoffer.co.nz">https://airnz.rightsoffer.co.nz</a> or by returning the Acceptance Form and following the payment instructions set out on that form.</p> <p>If you are a Custodian, please see paragraph 14.1 of Part 4: Terms of the Offer. If you hold your Shares through a Custodian, please provide your Custodian with your instructions so that they may apply on your behalf in accordance with paragraph 14.1 of Part 4: Terms of the Offer.</p> <p>If a postal application is made, please send this in time for it to be received by the Registrar on behalf of Air New Zealand before 5.00pm (NZST) / 3.00pm (AEST) on the Closing Date.</p> <p>If, before the Closing Date, Air New Zealand receives both an Acceptance Form and a renunciation in respect of the same Rights, Air New Zealand will give priority to the renunciation and the Acceptance Form will not be accepted in respect of those Rights.</p>
<b>Underwriting</b>	The Offer is underwritten (excluding the amount of the Crown Participation) by the Underwriters in accordance with the terms of the Underwriting Agreement.

## Part 2:

# Key Dates<sup>1</sup>

Shareholders are encouraged to apply via the online application process or submit their personalised Acceptance Forms as soon as possible after the Opening Date. No cooling-off rights apply to applications submitted under the Offer.

Date	Event	
30 March 2022	Announcement of the Offer	
4 April 2022	Rights trading opens	Rights trading commences on the NZX Main Board.
7.00pm (NZST) / 5.00pm (AEST) on 5 April 2022	Record Date	The date for determining entitlements of Eligible Shareholders.
6 April 2022	Opening Date for the Offer	Offer Document and Acceptance Forms despatched to Eligible Shareholders.  Rights Offer opens.
26 April 2022	Rights trading closes	Rights trading ceases on the NZX Main Board at the close of trading.
2 May 2022	Closing Date for the Offer	Rights Offer closes. Applications (with payment) must be received by 5.00pm (NZST) / 3.00pm (AEST).
After close on NZX and ASX on 3 May 2022 and on 4 May 2022	Shortfall Bookbuild	
5 May 2022	Announcement of results of the Offer	Announcement of results of the Offer on NZX and ASX.
6 May 2022	Settlement on ASX	
9 May 2022	Settlement on NZX	Expected date for allotment of New Shares on both the NZX Main Board and ASX.
	Allotment and Quotation Date	New Shares are expected to commence trading on the NZX Main Board and ASX.
	Despatch Date	Mailing of security transaction statements to participating Eligible Shareholders.
By 16 May 2022	Premium Payment Date	Payment of any Premium achieved in the Shortfall Bookbuild to holders of any Unexercised Rights.
	Latest Refund Date (if required)	Refunds from scaling (if required) of any extra application monies received for Additional New Shares in the Shortfall Bookbuild will be processed within five Business Days following the Allotment Date.

<sup>1</sup> These dates are subject to change and are indicative only. Air New Zealand reserves the right to alter the timetable, subject to applicable laws and the NZX Listing Rules and the ASX Listing Rules. Air New Zealand reserves the right to withdraw the Offer at any time prior to the issue of the New Shares at its absolute discretion.



## Part 3:

# Actions to be taken by Eligible Shareholders

## A.

### Available actions in respect of your Rights

If you are an Eligible Shareholder, you may take the following actions:

- take up all or some of your Rights; or
- take up **all** of your Rights and apply for Additional New Shares in the Shortfall Bookbuild; or
- sell all or some of your Rights on the NZX Main Board; or
- take up some of your Rights, and sell all or some of the remaining balance on the NZX Main Board; or
- do nothing with all or some of your Rights.

If you are not an NZX Shareholder and you wish to trade your Rights on the NZX Main Board, please contact your broker, an NZX Firm or an ASX Broker.

The Rights Offer is a pro rata offer to Eligible Shareholders. If you take up all of your Rights, your percentage holding in Air New Zealand will not reduce. If you are an Eligible Shareholder and you do not take up any of your Rights or acquire any New Shares in the Shortfall Bookbuild, or you are an Ineligible Shareholder, your shareholding in Air New Zealand will be diluted by 67% as a result of the Offer.

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#### Take up all or some of your Rights

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If you are an Eligible Shareholder and wish to take up all or some of your Rights, you can:

- apply online in accordance with the instructions for online applications below; or
- apply by returning the Acceptance Form and following the payment instructions set out on that form.

If you are a Custodian (or you hold your Shares through a Custodian), please see paragraph 14.1 of *Part 4: Terms of the Offer*.

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#### Participate in the Shortfall Bookbuild

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There are two ways in which Eligible Shareholders can apply to participate in the Shortfall Bookbuild. Eligible Shareholders wishing to participate in the Shortfall Bookbuild can do so via one or both of these methods.

##### **(1) Method 1: Participation through applying for Additional New Shares through the Acceptance Form or online application process on the Offer Website**

Eligible Shareholders who take up their Rights in full have the opportunity to apply for Additional New Shares which are attributable to any Unexercised Rights in the Shortfall Bookbuild process. To participate in the Shortfall Bookbuild you must:

- (a) take up your Rights in full (Part A of the Acceptance Form or as directed via the online application process); and
- (b) apply for a dollar amount of New Shares under the Shortfall Bookbuild (Part B of the Acceptance Form, or as directed via the online application process).

If you do not take up your Rights in full, your Application for any Additional New Shares will be disregarded.

##### **(2) Method 2: Participation in the Shortfall Bookbuild via a broker**

Eligible Shareholders may also participate in the Shortfall Bookbuild through NZX Firms who have been invited to participate in the Shortfall Bookbuild.

## Summary overview of Method 1 and Method 2

	Method 1 – oversubscription	Method 2 – via a broker
<b>How to apply?</b>	Apply for Additional Shares as part of your Application	Contact your NZX Firm or ASX Broker  If you do not have an existing broker relationship, a list of NZX Firms is available at the following link: <a href="http://www.nzx.com/services/market-participants/find-a-participant">www.nzx.com/services/market-participants/find-a-participant</a>
<b>Eligibility</b>	Eligible Shareholders who take up their Rights in full	Eligible Shareholders and other eligible investors who have a relationship with a NZX Firm or ASX Broker
<b>Price per New Shares</b>	Bookbuild Price	Bookbuild Price
<b>Application amount</b>	Application for a NZ\$ or AU\$ amount at the Bookbuild Price	Application for a NZ\$ or AU\$ amount at specific bid prices in the Shortfall Bookbuild (subject to the arrangements of the relevant NZX Firm or ASX Broker)  This may mean that no allocation is received if the Bookbuild Price is higher than the highest price at which an application was made
<b>Allocation and scaling</b>	See paragraphs 13.14 to 13.19 of <i>Part 4: Terms of the Offer</i>	See paragraphs 13.14 to 13.19 of <i>Part 4: Terms of the Offer</i>

### Price of the New Shares issued under the Shortfall Bookbuild

Any New Shares applied for under the Shortfall Bookbuild will be issued at the Bookbuild Price (which is to be determined as described in *Part 4: Terms of the Offer* of this Offer Document). The Bookbuild Price will be equal to or above the Offer Price. There is no limit to the Bookbuild Price. It is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Bookbuild Price.

### Allocation and scaling in the Shortfall Bookbuild

The number of New Shares you will receive under the Shortfall Bookbuild will depend on the allocation made to you and the Bookbuild Price.

Allocations and any necessary scaling of applications for New Shares under the Shortfall Bookbuild will be determined by Air New Zealand in consultation with

the Underwriters (each acting reasonably). For further details, please see paragraphs 13.14 to 13.19 of *Part 4: Terms of the Offer*.

If applications for Additional New Shares under the Shortfall Bookbuild are scaled, you may not receive Additional New Shares in respect of any or all of your application monies, in which case excess application monies will be refunded (subject to a minimum refund amount of \$5.00).

If the demand for New Shares offered under the Shortfall Bookbuild process is insufficient to achieve a price equal to or above the Offer Price in respect of all of the New Shares offered in the Shortfall Bookbuild, the Underwriters will subscribe for any remaining New Shares at the Offer Price (subject to the terms of the Underwriting Agreement). In this case, all valid applications by Eligible Shareholders for Additional New Shares in the Shortfall Bookbuild would be allocated in full at the Offer Price (subject to rounding and the terms of this Offer Document).

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## Sell your Rights

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The Rights are renounceable. This enables Eligible Shareholders who do not wish to take up all or some of their entitlement to sell those Rights they have not taken up.

If you wish to sell all or some of your Rights, this can be effected on the NZX Main Board by instructing an NZX Firm to sell all or some of your Rights. You will need to provide your Authorisation Code (FIN) and your Common Shareholder Number (CSN) to the NZX Firm who you are instructing to sell your Rights. You may be required to pay brokerage in respect of that sale. If you are not an NZX Shareholder and you wish to sell your Rights on the NZX Main Board, please contact your broker, an NZX Firm or an ASX Broker. Rights will not be quoted on ASX and cannot be traded on ASX.

Trading of Rights will commence on the NZX Main Board under the code AIRRG on 4 April 2022 and will end at the close of trading on 26 April 2022. Your Rights may be sold on the NZX Main Board between these dates.

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## Do nothing

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If you do nothing, your Rights will lapse. You will not be able to subscribe for any New Shares and your holdings will be diluted by the issue of New Shares under the Offer.

If you choose not to take up any of your Rights, any New Shares attributable to your Unexercised Rights will be offered as part of the Shortfall Bookbuild. You may still receive value for your Unexercised Rights if a Premium is realised under the Shortfall Bookbuild. There is no guarantee that a Premium will be realised.

# B.

## Applying for New Shares

Applications may be made by Eligible Shareholders online at <https://airnz.rightsoffer.co.nz> from **6 April 2022** without the need to complete a physical Acceptance Form. To apply online, you will be required to enter your CSN/Holder number (or HIN or SRN if you are an ASX Shareholder) which you hold your Shares under.

Alternatively, Eligible Shareholders may also deliver a completed Acceptance Form (either by email, mail or delivery) to the Registrar together with payment. Applications must be received by **5.00pm (NZST) / 3.00pm (AEST) on the Closing Date (2 May 2022, unless extended).**

If you are a Custodian (or you hold your Shares through a Custodian), please see paragraph 14.1 of *Part 4: Terms of the Offer*.

## Payment

If you are an NZX Shareholder, you must:

- elect to apply using New Zealand dollars at the NZ\$ Offer Price; and
- pay for your New Shares by way of direct debit.

If you are an ASX Shareholder, you must:

- elect to apply using Australian dollars at the A\$ price; and
- pay for your New Shares by way of BPAY®.

If you are a Custodian (or you hold your Shares through a Custodian), please see paragraph 14.1 of *Part 4: Terms of the Offer*.

Cheques will not be accepted. Payment must be made for both your Rights and the dollar amount of Additional New Shares that you are applying for under the Shortfall Bookbuild (if any).

If any scaling is applied to the application for Additional New Shares in the Shortfall Bookbuild, a refund of any extra application monies will be processed within five Business Days of the Allotment Date. Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to you is less than \$5.00.

More detail on payment options is included in the Acceptance Form.

# C.

## Further information

Enquiries about the Offer can be directed to the Air New Zealand Investor Information Line on 0800 800 899 (toll free within New Zealand) or +64 9 375 5998 from 8.30am to 5.00pm (NZST) Monday to Friday (excluding public holidays), or a broker or financial, investment or other professional adviser.

If you have any questions about the number of New Shares shown in the "Acceptance" section of the Offer Website or on your Acceptance Form, or how to complete an online application or your Acceptance Form, please contact the Registrar. Contact details for the Registrar are set out in *Part 6: Directory*.





## Part 4:

# Terms of the Offer

## 1. The Offer

- 1.1 The Offer is an offer of New Shares to Eligible Shareholders under a pro rata renounceable Rights Offer, followed by a Shortfall Bookbuild. Under the Rights Offer, Eligible Shareholders have a renounceable right to subscribe for 2 New Shares for every 1 Existing Share held at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date at the Offer Price. The number of Rights to which an Eligible Shareholder is entitled to be issued will, in the case of fractions, be rounded down to the nearest whole number.
- 1.2 The Rights will be quoted on the NZX Main Board. Eligible Shareholders may take up all or some or none of their Rights. Eligible Shareholders may also sell all or some of their Rights on the NZX Main Board between 4 April 2022 and 26 April 2022. Rights will not be quoted on ASX and cannot be traded on ASX. Further details are set out under "Rights trading" below.
- 1.3 The Rights Offer is a pro rata offer to Eligible Shareholders. Eligible Shareholders who take up their Rights in full will not have their percentage shareholding in Air New Zealand reduced as a result of the Offer, whereas Eligible Shareholders who do not take up their Rights in full and Ineligible Shareholders will have their percentage shareholding in Air New Zealand diluted as a result of the Offer.
- 1.4 Eligible Shareholders who take up their Rights in full may also apply for Additional New Shares under the Shortfall Bookbuild. Further details are set out under "Shortfall Bookbuild" below.
- 1.5 Certain institutional Shareholders in the United States may be invited to participate in the U.S. Private Placement to be conducted concurrently with the Offer, and will be contacted directly by Air New Zealand with the relevant offer documentation in relation thereto.

## 2. Offer size

- 2.1 The approximate number of New Shares being offered under the Offer is 2,246 million New Shares.
- 2.2 Air New Zealand expects to raise a total of NZ\$1.2 billion (before costs) through the Offer, which is fully underwritten (excluding the amount of the Crown Participation) by the Underwriters.
- 2.3 There is no minimum amount that must be raised for the Offer to proceed.

## 3. Offer Price

- 3.1 The Offer Price is NZ\$0.53 (or the A\$ Price) per New Share and must be paid in full on application.
- 3.2 The A\$ Price is A\$0.49 per New Share. The A\$ Price has been set by Air New Zealand taking into account the A\$:NZ\$ exchange rate published by the Reserve Bank of New Zealand on its website at 3.00pm (NZDT) on 30 March 2022.
- 3.3 Payment of the Offer Price must be made in accordance with the online application process or in accordance with the instructions set out in the Acceptance Form. If you are an NZX Shareholder, you must elect to apply using New Zealand dollars at the NZ\$ Offer Price. If you are an ASX Shareholder, you must elect to apply using Australian dollars at the A\$ price.
- 3.4 Application monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the application monies are refunded. Interest earned on the application monies will be for the benefit, and remain the property, of Air New Zealand and will be retained by Air New Zealand whether or not the issue of New Shares takes place.

3.5 Any refund of application monies will be made without interest and within five Business Days following the Allotment Date or the date that the decision not to proceed with the Offer is made (as the case may be). Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to the relevant Shareholder is less than NZ\$5.00.

#### **4. Decision to participate**

4.1 The information in this Offer Document does not constitute a recommendation to invest in New Shares and is not financial product advice. This Offer Document has been prepared without taking into account the investment objectives, financial or taxation situation or particular needs or circumstances of any applicant.

4.2 Before deciding whether to invest in New Shares, you must make your own assessment of the risks associated with an investment in Air New Zealand (including the inherent uncertainties as to the impact of Covid-19 and of other significant events and conflicts around the world, and the summary of key risks in Appendix D of the Investor Presentation (“Key Risks”)), and consider whether such an investment is suitable for you having regard to publicly available information (including the market releases lodged by Air New Zealand with the NZX and ASX, including the Investor Presentation and the publicly available information referred to in the Important Information in this Offer Document), your personal circumstances and following consultation with a financial or other professional adviser. You can also access information, including the Investor Presentation and announcements regarding the Offer at [www.nzx.co.nz](http://www.nzx.co.nz) and [www.asx.com.au](http://www.asx.com.au).

#### **5. Withdrawal and late Applications**

5.1 Subject to compliance with all applicable laws, Air New Zealand reserves the right to withdraw the Offer (or any of the Rights Offer or the Shortfall Bookbuild and irrespective of whether or not both of them are withdrawn), either generally or in particular cases, at any time at its absolute discretion.

5.2 Air New Zealand may accept late Applications and application monies, either generally or in particular cases, but has no obligation to do so. Air New Zealand may accept or reject (at its discretion) any Application which it considers to have been completed incorrectly or correct any errors or omissions on any Application.

5.3 If any Application is not accepted, all applicable application monies will be refunded without

interest to the relevant Shareholder. Refunds will not be paid where the aggregate amount of the refund payable to relevant Shareholder is less than NZ\$5.00.

5.4 Once submitted, and subject to all applicable law, an Application may not be withdrawn without Air New Zealand’s prior written consent.

#### **6. Purpose of the Offer**

6.1 Air New Zealand intends that the proceeds raised from the Offer will be applied to repay the existing Crown loan, strengthen its balance sheet, improve liquidity and help position itself for recovery, as set out in further detail in the Investor Presentation.

#### **7. Effect of the Offer**

7.1 The Offer is not expected to have a material impact on the control of Air New Zealand. Specifically, Air New Zealand does not expect any shareholder (other than the Crown) to hold more than 20% of the Shares after completion of the Offer.

#### **8. Crown Participation**

8.1 Under the Crown Participation, the Crown has committed to subscribe for such number of New Shares such that it will hold 51.00% of the Shares on issue upon completion of the Offer. The Crown will be paid a fee of 0.5% of the value of the New Shares subscribed for under the Crown Participation in consideration for entering into and performing the Crown Participation. The Crown’s holding in Air New Zealand will reduce from 51.91% to 51.00% as a result of the Offer.

#### **9. New Shares**

9.1 New Shares issued under the Offer will rank equally with, and have the same voting rights, dividend rights and other entitlements as Existing Shares in Air New Zealand quoted on the NZX Main Board and ASX.

9.2 Air New Zealand’s dividend policy can be found at [www.airnewzealand.co.nz/dividend-history](http://www.airnewzealand.co.nz/dividend-history). Dividends are currently suspended. The payment of dividends is dependent on Air New Zealand’s financial performance (including medium-term financial outlook for earnings, gearing targets and capital expenditure levels) and the board of directors considering all relevant factors.

9.3 Applicants for New Shares will be bound by Air New Zealand’s constitution and the terms of the Offer set out in this Offer Document.

## 10. Quotation

- 10.1 It is a term of the Offer that Air New Zealand will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.
- 10.2 The New Shares will be quoted on the NZX Main Board, and an application will be made by Air New Zealand for the New Shares to be issued under the Offer to be quoted on ASX. The NZX Main Board is a registered market operated by NZX (which is a licensed market operator regulated by the FMCA). However, neither NZX nor ASX accepts any responsibility for any statement in this Offer Document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of Air New Zealand.
- 10.3 You cannot trade in any New Shares issued to you pursuant to this Offer, either as principal or agent, until quotation of the New Shares on the NZX Main Board and the ASX (as relevant) in accordance with the Listing Rules and ASX Listing Rules. Air New Zealand expects that the New Shares will commence trading on the NZX Main Board and the ASX on the Allotment Date.

## 11. Rights trading

- 11.1 Application has been made for permission to quote the Rights on the NZX Main Board and all NZX requirements have been duly complied with. However, NZX accepts no responsibility for any statement in this Offer Document.
- 11.2 Eligible Shareholders may sell all or some of their Rights on the NZX Main Board between 4 April 2022 and 26 April 2022. If you are not an NZX Shareholder and you wish to trade your Rights on the NZX Main Board, please contact your broker, an NZX Firm or an ASX Broker.
- 11.3 Investors who acquire Rights on the NZX Main Board or otherwise will, by acquiring those Rights, and applying to take up all or part of those Rights, be deemed to agree to make and be subject to the representations, declarations, warranties and agreements in the Acceptance Form and in paragraph 20 of Part 4 of this Offer Document (“Significance of sending in an Application / declarations, representations, warranties and agreements”).
- 11.4 The right to make an Application for Additional New Shares under the Shortfall Bookbuild is available to Eligible Shareholders who take up their Rights in full only. Investors who acquire Rights on the NZX Main Board and are not Eligible Shareholders on the Record Date are not entitled to make an Application for Additional

New Shares under the Shortfall Bookbuild (but may be able to participate in the Shortfall Bookbuild through NZX Firms who have been invited to participate in the Shortfall Bookbuild).

- 11.5 Investors should note that if they purchase Rights in a transaction on the NZX Main Board or otherwise, in order to take up or exercise those Rights and subscribe for New Shares they:
- must be:
    - located in/with a registered address in New Zealand or Australia (including, for the avoidance of doubt, Eligible Shareholders); or
    - an Institutional Investor located in/with a registered address in Canada, Cayman Islands, the European Union, Hong Kong, Norway, Singapore, Switzerland, the United Arab Emirates or the United Kingdom; or
    - any other person to whom Air New Zealand and the Joint Lead Managers consider an offer of Rights or New Shares may be made without the need for a lodged prospectus or other formality (other than a formality with which Air New Zealand is willing to comply); and
  - must not be in the United States or acting for the account or benefit of a person in the United States in respect of the purchase or exercise of such Rights and the subscription for New Shares. The Rights may not be purchased, traded, taken up or exercised by any person in the United States or by any person acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of persons in the United States).

**11.6 If an investor does not satisfy the above conditions, they will not be entitled to take up Rights or subscribe for New Shares. It is the responsibility of purchasers of Rights to inform themselves of the eligibility criteria to exercise the Rights. If holders of Rights after the end of the Rights trading period do not meet the eligibility criteria, they will not be able to exercise the Rights. In the event that holders are not able to take up their Rights, those Rights will be sold into the Shortfall Bookbuild and holders may receive no value for them.**

## 12. Security transaction statements

- 12.1 Security transaction statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after the Allotment Date. Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in *Part 6: Directory*.

- 12.2 Shareholders selling New Shares prior to receiving a security transaction statement do so at their own risk. None of Air New Zealand, the Underwriters or Joint Lead Managers or their respective affiliates, the Registrar nor any of their respective directors, officers, employees, agents or advisers accepts any liability or responsibility should any person attempt to sell or otherwise deal with New Shares before the security transaction statement showing the number of New Shares allotted to the applicant is received by the applicant for those New Shares.

### 13. Shortfall Bookbuild

- 13.1 New Shares attributable to Unexercised Rights will be offered under the Shortfall Bookbuild to Eligible Shareholders who take up their Rights in full and who apply for Additional New Shares and to Institutional Investors.
- 13.2 The Underwriters will manage the Shortfall Bookbuild on behalf of Air New Zealand. The Shortfall Bookbuild is expected to be completed on 4 May 2022.
- 13.3 Air New Zealand reserves the right to determine who may participate in the Shortfall Bookbuild and may decline or scale applications for New Shares by any Eligible Shareholder or Institutional Investor under the Shortfall Bookbuild.

#### Shortfall Bookbuild application process

- 13.4 Eligible Shareholders that take up their Rights in full can apply for Additional New Shares by:
- in the case of NZX Shareholders, specifying a NZ\$ amount of New Shares that they wish to apply for on Part B of the New Zealand Acceptance Form;
  - in the case of ASX Shareholders, specifying a A\$ amount of New Shares on Part B of the Australian Acceptance Form;
  - as directed via the online acceptance at <https://airnz.rightsoffer.co.nz>; or
  - in the case of Custodians, please see paragraph 14.1 of *Part 4: Terms of the Offer*.
- 13.5 Institutional Investors participating in the Shortfall Bookbuild will bid for New Shares attributable to Unexercised Rights. The minimum bid that may be submitted for a New Share under the Shortfall Bookbuild is the Offer Price of \$0.53 per New Share and this amount is payable to Air New Zealand.
- 13.6 If you are an Institutional Investor, you may participate in the Shortfall Bookbuild by contacting the Underwriters who will provide details as to the process to be undertaken in relation to the Shortfall Bookbuild.

#### Bookbuild Price

- 13.7 The price at which New Shares will be issued under the Shortfall Bookbuild is the Bookbuild Price. There is no limit to the Bookbuild Price. The Bookbuild Price will be a New Zealand dollar amount.
- 13.8 The Bookbuild Price will be determined by Air New Zealand in consultation with the Underwriters (each acting reasonably) and will be equal to or above the Offer Price. The Bookbuild Price will be set in a manner that remains consistent with the objective of maximising the value of Unexercised Rights. However, it is possible, in a limited set of circumstances, that Air New Zealand (in consultation with the Underwriters) may elect to set the Bookbuild Price at a level which is less than the highest price available and furthermore there is no guarantee that the Bookbuild Price will exceed the Offer Price.
- 13.9 The proceeds from each New Share issued under the Shortfall Bookbuild (if any) will be paid by the Registrar as follows:
- the Offer Price of \$0.53 will be paid to Air New Zealand; and
  - any Premium achieved will be paid (net of any amounts required to be withheld) to the holders of Unexercised Rights (including Ineligible Shareholders) in proportion to their holdings of Unexercised Rights. Ineligible Shareholders will be deemed to hold the number of Rights they would have received if they were Eligible Shareholders for the purpose of calculating the amount of any Premium payable to them.

#### Example

- 13.10 This example assumes that there is demand for all of the New Shares available under the Shortfall Bookbuild and that the Bookbuild Price exceeds the Offer Price:
- Offer Price per New Share: \$0.53
  - Bookbuild Price per New Share: \$0.58
  - Premium: \$0.05
- 13.11 In this example, a Shareholder who holds 1,000 Existing Shares at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date who is either an Ineligible Shareholder or is an Eligible Shareholder who chooses not to take up any of his or her Rights will have 1,000 Unexercised Rights. That Shareholder will receive \$100 in aggregate for his or her Unexercised Rights in the Shortfall Bookbuild, being the Premium of \$0.05 multiplied by the number of New Shares attributable to the Unexercised Rights held by him or her.

- 13.12 The above is an example only. If the Bookbuild Price is equal to the Offer Price, there will be no Premium payable to the holders of Unexercised Rights. To the maximum extent permitted by law, Air New Zealand, the Underwriters, the Joint Lead Managers, and each of their respective related bodies corporate and affiliates, and each of their respective directors, officers, partners, employees, representatives and agents, disclaim all liability, including for negligence, for any failure to realise a Premium in the Shortfall Bookbuild.
- 13.13 Any Premium will be calculated in New Zealand dollars (net of any amounts required to be withheld), and paid in New Zealand dollars or Australian dollars in accordance with paragraph 13.20.

### Allocations and scaling

- 13.14 Allocations and any necessary scaling of applications for New Shares under the Shortfall Bookbuild will be determined by Air New Zealand in consultation with the Underwriters (each acting reasonably).
- 13.15 There is no assurance that any applicant for New Shares in the Shortfall Bookbuild will be allocated any New Shares or the number of New Shares for which it has applied. The allocation policy will be influenced by, but not constrained by factors such as:
- the number of New Shares bid for by particular bidders;
  - whether the particular bidder is an existing Shareholder;
  - whether the particular bidder participated in the sub-underwriting of the Rights Offer;
  - the timeliness of the bid by particular bidders with a likely preference for early bids;
  - demonstration of price leadership;
  - the size, style, type and/or geographic location of particular bidders;
  - the likelihood that particular bidders will be long term Shareholders (taking into account support of Air New Zealand to date, existing or previous Shareholders, length of shareholding, size of investment, previous engagement and interaction with Air New Zealand);
  - the prospects of success of the Offer and Air New Zealand's desire for a stable market for its Shares after completion of the Offer; and
  - any other factors that Air New Zealand and the Underwriters consider appropriate.
- 13.16 An allocation will not be made if, as a result of the allocation, Air New Zealand would cease to be in compliance with any provision of its constitution, or to an Institutional Investor if the Underwriters are not prepared, acting reasonably, to accept the credit risk of that investor.
- 13.17 If applications are scaled, Eligible Shareholders that apply for Additional New Shares under the Shortfall Bookbuild may not receive New Shares in respect of any or all of their application monies. It is expected that scaling of applications for Additional New Shares will be done:
- on a consistent basis, by reference to the quantum of Additional New Shares applied for (calculated as dollar value of Additional New Shares applied for divided by the Bookbuild Price, rounded down to the nearest whole New Share); and
  - on at least an equivalent or more favourable basis to other applicants in the Shortfall Bookbuild who are allocated New Shares in the Shortfall Bookbuild, although Air New Zealand and the Underwriters retain discretion to scale individual applications for Additional New Shares on a differential basis.
- 13.18 Once the Bookbuild Price has been determined, the application monies in respect of any applications for Additional New Shares in the Shortfall Bookbuild by Eligible Shareholders:
- if made in New Zealand dollars, will be divided by the Bookbuild Price to calculate the number of Additional New Shares that those Eligible Shareholders have applied for (subject to scaling), rounded down to the nearest whole New Share; or
  - if made in Australian dollars, will be calculated in New Zealand dollars at the Exchange Rate and divided by the Bookbuild Price to calculate the number of Additional New Shares that those Eligible Shareholders have applied for (subject to scaling), rounded down to the nearest whole New Share.
- 13.19 Any refunds of application monies due to scaling of applications or applications not being accepted under the Shortfall Bookbuild will be made within five Business Days (as defined in the NZX Listing Rules) following the Allotment Date (without interest). Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to an applicant is less than \$5.00.

### Payment of Premium

- 13.20 The Premium, if any, will be paid net of any amounts required to be withheld:
- in New Zealand dollars; or
  - for those Shareholders who receive dividends in Australian dollars, in Australian dollars at the Exchange Rate, in accordance with the direct credit payment instructions provided by the relevant Shareholder to Air New Zealand (if any) and otherwise withheld until such time as a direct credit instruction is provided to the Registrar.
- 13.21 No interest will be paid in respect of any Premium payable. Payment of the Premium (if any) is expected to be made by 16 May 2022.

## 14. Custodians

- 14.1 In order to participate in the Offer on behalf of one or more beneficial owners, Custodians must provide the following information by email to the Registrar and make payment by way of electronic funds transfer:
- (a) the number of Participating Beneficiaries (as defined below) and their names and addresses;
  - (b) in respect of each of the Participating Beneficiaries, the number of Existing Shares that the Participating Beneficiary holds and the number and dollar amount of Rights, as well as the dollar amount of any Additional New Shares in the Shortfall Bookbuild (if eligible), the Participating Beneficiary has instructed the Custodian, either directly or indirectly through a Downstream Custodian (as defined below), to apply for on behalf of that Participating Beneficiary;
  - (c) where the Custodian holds Existing Shares on behalf of a Participating Beneficiary indirectly, through one or more Downstream Custodians, the name and address of each Downstream Custodian; and
  - (d) an acknowledgement that the certifications described in paragraphs 14.2, 20.1 and 20.2 of this *Part 4: Terms of the Offer* are deemed to have been provided to Air New Zealand.
- 14.2 If a Custodian applies in the manner described above to purchase New Shares on behalf of one or more beneficial owners, the Custodian will be deemed to have certified to Air New Zealand that:
- (a) the Custodian holds Existing Shares on behalf of:
    - (i) one or more other persons that are not Custodians (who would be Eligible Shareholders if they held Existing Shares directly); and/or
    - (ii) another Custodian (**Downstream Custodian**) that holds beneficial interests in Existing Shares on behalf of one or more other persons to which those interests relate, on the Record Date, (each a **Participating Beneficiary**) who have subsequently instructed the Custodian, and/or the Downstream Custodian, participate in the Offer on their behalf;
  - (b) the information set out in the email required to be provided to the Registrar under paragraph 14.1 of this *Part 4: Terms of the Offer* is true and accurate;
  - (c) a copy of this Offer Document was given to each Participating Beneficiary; and
  - (d) the beneficial owner on whose behalf the Custodian is submitting an Application is not making an Application as an Eligible Shareholder under the Offer, and no other Custodian is submitting an Application under the Offer for that beneficial owner.
- 14.3 Custodians may not distribute any part of this Offer Document to any person in the United States or any other country outside New Zealand and Australia, and may not participate in the Offer on behalf of any beneficial owner who is located in the United States or any other country outside New Zealand and Australia, except to the extent such persons or beneficial owners are located outside the United States and are institutional and professional investors listed in, and to the extent permitted under, the section captioned "International Offer Restrictions" below or elsewhere as Air New Zealand may determine it is lawful and practical to make the Offer.
- 14.4 In particular, Custodians who hold Existing Shares on behalf of persons in the United States, or who are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States), are not eligible to participate in the Offer on behalf of those persons, and may not acquire Rights or take up New Shares on behalf of, or send any documents relating to the Offer to, any person in the United States.
- 14.5 Air New Zealand is not required to determine whether or not any registered holder is acting as a Custodian, or the identity or residence of any beneficial owners of Shares. Where any holder is acting as a Custodian for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Offer is compatible with applicable foreign laws. Eligible Shareholders who are Custodians are therefore advised to seek independent advice as to how to proceed. For the avoidance of doubt, Custodians are responsible for determining whether an underlying beneficial holder of Existing Shares for whom you act as Custodian is an Eligible Shareholder. The Joint Lead Managers will not advise as to, and are not responsible for determining, whether any such person qualifies as an Eligible Shareholder.
- 14.6 If you hold your Shares through a Custodian, please provide your Custodian with your instructions so that they may apply on your behalf in accordance with the information above.

## 15. Overseas Shareholders

- 15.1 The Offer is open only to Eligible Shareholders. The Offer is not open to Shareholders in other jurisdictions as Air New Zealand considers that it is unduly onerous and unreasonable for Air New Zealand to make the Offer into those jurisdictions having regard to the number of securities held by Ineligible Shareholders, the

number and value of New Shares that they would be offered and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those places. Air New Zealand, the Underwriters, the Joint Lead Managers and each of their respective affiliates and related bodies corporate and each of their directors, partners, employees, advisers and agents disclaim any liability as to eligibility to participate in this Offer, to the maximum extent permitted by law.

- 15.2 Except as set out below, Shareholders in those other jurisdictions will not be issued Rights. It is the responsibility of each Shareholder to ensure that any participation complies with all applicable laws and that each beneficial owner on whose behalf such Shareholder is submitting the Application or trading Rights is not in the United States.
- 15.3 This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders, being Shareholders in New Zealand or Australia, and Shareholders who are Institutional Investors in Canada, Cayman Islands, the European Union, Hong Kong, Norway, Singapore, Switzerland, the United Arab Emirates or the United Kingdom. It does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.
- 15.4 This Offer Document is not to be sent or given to any person outside New Zealand or Australia in circumstances in which the Offer or distribution of this Offer Document would be unlawful. In particular, this Offer Document may not be sent or given to any person in the United States. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law, including as set out below.
- 15.5 No person may purchase, offer, sell, distribute or deliver New Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the New Shares, in any jurisdiction other than in compliance with all applicable laws and regulations.
- 15.6 Certain institutional Shareholders in the United States may be invited to participate in the U.S. Private Placement conducted concurrently with the Offer, and will be contacted directly by Air New Zealand with the relevant offer documentation in relation thereto.

## 16. International Offer Restrictions

- 16.1 This Offer Document does not constitute an offer of Rights or New Shares in any jurisdiction in which it would be unlawful. In particular, this Offer Document may not be distributed to any person, and the Rights and New Shares may not be offered or sold, in any country outside New Zealand or Australia except to the extent permitted below.

### Australia

- 16.2 This Offer is being made to Australian resident Shareholders without a prospectus in accordance with section 708AA of the Corporations Act (as modified by ASIC Instrument 2016/84 and ASIC Instrument 22-0225). This Offer Document is not a prospectus, product disclosure statement or any other form of disclosure document regulated by the Corporations Act and has not been and will not be lodged with ASIC. Accordingly, this Offer Document may not contain all information which a prospective investor may require to make a decision whether to subscribe for New Shares and it does not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus. Neither ASIC nor ASX takes any responsibility for the contents of this Offer Document.

### Canada

- 16.3 This Offer Document constitutes an offering of Rights and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the **Provinces**) and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Offer Document is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Offer Document may only be distributed in the Provinces to persons that are “accredited investors” within the meaning of National Instrument 45-106 – *Prospectus Exemptions* or section 73.3, of the Securities Act (Ontario) (collectively “NI 45-106”).
- 16.4 No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Offer Document, the merits of the Rights or the New Shares or the offering of such securities and any representation to the contrary is an offence.
- 16.5 No prospectus has been, or will be, filed in the Provinces with respect to the offering of Rights or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the



securities regulator in the applicable Province. Furthermore, any resale of the Rights or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

16.6 Air New Zealand as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon Air New Zealand or its directors or officers. All or a substantial portion of the assets of Air New Zealand and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against Air New Zealand or such persons in Canada or to enforce a judgment obtained in Canadian courts against Air New Zealand or such persons outside Canada.

16.7 Unless stated otherwise, all dollar amounts contained in this document are in New Zealand dollars.

#### **Statutory rights of action for damages and rescission**

16.8 Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

16.9 The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Rights or the New Shares purchased pursuant to this Offer Document (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against Air New Zealand if this Offer Document or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against Air New Zealand. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the Securities Act

(Ontario) provides that, if this Offer Document contains a misrepresentation, a purchaser who purchases the Rights or the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against Air New Zealand, provided that:

- (a) Air New Zealand will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation;
- (b) in an action for damages, Air New Zealand is not liable for all or any portion of the damages that Air New Zealand proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and
- (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

16.10 Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action.

16.11 These rights are in addition to and not in derogation from any other right the purchaser may have.

16.12 *Certain Canadian income tax considerations.* Prospective purchasers of the Rights and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding, or disposition of such securities as any discussion of taxation related matters in this Offer Document is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

16.13 *Language of documents in Canada.* Upon receipt of this Offer Document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

## Cayman Islands

Air New Zealand is not licensed to conduct investment business in the Cayman Islands by the Cayman Islands Monetary Authority and this document does not constitute an offer to members of the public of the Rights and New Shares, whether by way of sale or subscription, in the Cayman Islands. The Rights and New Shares have not been offered or sold, and will not be offered or sold, directly or indirectly, to members of the public in the Cayman Islands.

## European Union

16.14 This Offer Document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Offer Document may not be made available, nor may the Rights or the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

16.15 In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Rights and New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

16.16 **WARNING:** This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Offer Document or to permit the distribution of this Offer Document or any documents issued in connection with it. Accordingly, the Rights and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

16.17 No advertisement, invitation or document relating to the Rights and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Rights and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules

made under that ordinance). No person allotted Rights or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

16.18 The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any of the contents of this Offer Document, you should obtain independent professional advice.

## Norway

16.19 This Offer Document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Offer Document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

16.20 The Rights and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "qualified investors" (as defined in the Prospectus Regulation 2017/1129 Article 2(e), cf. the Norwegian Securities Trading Act of 29 June 2007 no. 75 Section 7-1 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

## Singapore

16.21 This Offer Document and any other materials relating to the Rights and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Rights and New Shares, may not be issued, circulated or distributed, nor may the Rights and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) of Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

16.22 This Offer Document has been given to you on the basis that you are (i) an existing holder of Air New Zealand's shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling

within any of the categories set out above, please return this Offer Document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.

- 16.23 Any offer is not made to you with a view to the Rights or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Rights or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

#### **Switzerland**

- 16.24 The offering of the Rights and the New Shares in Switzerland is exempt from requirement to prepare and publish a prospectus under the Swiss Financial Services Act (**FinSA**) because such offering is made to professional clients within the meaning of the FinSA only and the Rights and the New Shares will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Offer Document does not constitute a prospectus or similar communication pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Rights and the New Shares.

#### **United Arab Emirates**

- 16.25 Neither this Offer Document nor the Rights or the New Shares have been approved or passed on in any way by the Emirates Securities and Commodities Authority (**ESCA**) or any other governmental authority in the United Arab Emirates. Air New Zealand has not received authorisation or licensing from the ESCA or any other governmental authority to market or sell the Rights or the New Shares within the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu-Dhabi Global Market). This Offer Document does not constitute, and may not be used for the purpose of, an offer of securities in the United Arab Emirates. No services relating to the Rights or the New Shares, including the receipt of applications, may be rendered within the United Arab Emirates (excluding the Dubai International Financial Centre and the Abu-Dhabi Global Market).

#### **United Kingdom**

- 16.26 Neither the information in this Offer Document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the Rights and the New Shares.

- 16.27 This Offer Document is issued on a confidential basis to “qualified investors” (within the meaning of Article 2(e) of the UK Prospectus Regulation) in the United Kingdom, and the Rights and New Shares may not be offered or sold in the United Kingdom by means of this Offer Document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) of the FSMA. This Offer Document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

- 16.28 Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Rights or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to Air New Zealand.

- 16.29 In the United Kingdom, this Offer Document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (**FPO**), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together “relevant persons”). The investments to which this Offer Document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Offer Document or any of its contents.

#### **United States**

- 16.30 This Offer Document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States, and may not be distributed to any person in the United States.
- 16.31 The Rights and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

16.32 The Rights may not be acquired or exercised by, and the New Shares may not be offered or sold to, any person in the United States or any person acting for the account or benefit of any person in the United States, other than certain eligible institutional Shareholders and Institutional Investors as part of the U.S. Private Placement. In addition, the Rights are only entitled to be acquired or exercised by persons outside the United States, and the New Shares may only be offered and sold outside the United States, in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act.

## 17. Underwriting Agreement

17.1 Air New Zealand has requested that the Underwriters underwrite the Offer (other than the amount of the Crown Participation) and the Underwriters have agreed to do so. This means that the Underwriters will subscribe at the Offer Price for any New Shares that are not subscribed for by Eligible Shareholders or Institutional Investors under the Offer in accordance with the terms of the Underwriting Agreement.

17.2 A summary of the principal terms of the Underwriting Agreement are set out as follows:

- The Underwriters may terminate their respective obligations under the Underwriting Agreement, including by reason of certain specified events which have, or are likely to have, a material adverse effect on Air New Zealand, the Shares or the Offer. These may be as a result of events specific to Air New Zealand or as a result of external events. The Underwriters may also terminate the Underwriting Agreement where certain conditions to the Underwriting Agreement or their underwriting obligations have not been satisfied or waived, including if the Crown fails to perform its obligations under the Crown Participation.
- The scope of the termination rights available to the Underwriters, and the extent to which the Underwriters may exercise those termination rights, is more limited than would customarily be the case in transactions of this nature. For example, there may be certain external events that may have an adverse impact on Air New Zealand but which do not give rise to a termination right. In addition, the Underwriters may elect not to exercise their rights to terminate the Underwriting Agreement. In such circumstances, investors who have submitted an Acceptance Form or bid into the Shortfall Bookbuild will be bound to subscribe for the relevant New Shares, unless Air New Zealand withdraws the relevant component of the Offer

- Air New Zealand provides certain undertakings to the Underwriters, including for a period until three months after the settlement of the Offer in New Zealand, Air New Zealand may not (and will not permit any of its subsidiaries to):
  - offer for sale or accept offers for any Shares, allot or issue or allot any equity securities, issue or grant any rights or options in respect of such equity securities, create any debt instrument or other obligation which may be convertible into, exchangeable for or redeemable by, the issue of equity securities, or enter into any agreement whereby any person may be entitled to the allotment and issue of any equity securities; or
  - dispose of or charge, or agree to dispose of or charge, the whole or any substantial part of its business or enter into any material acquisition, or material agreement in relation to a new business not conducted by Air New Zealand, other than pursuant to certain limited exceptions or with the Underwriters’ consent (which may not be unreasonably withheld or delayed).
- Air New Zealand has agreed to indemnify the Underwriters and their respective affiliates against certain losses related to the Offer.
- Air New Zealand has given warranties in the Underwriting Agreement, including warranties relating to the content and accuracy of the Offer Document, compliance by Air New Zealand with relevant laws, the existence of no litigation which may be material in the context of the Offer and the valid issue and allotment of New Shares.
- The Underwriters have the power to appoint sub-underwriters.
- The Underwriters will be paid an agreed underwriting fee for their services in connection with the Offer.

## 18. Broker stamping fees

18.1 No investor will pay brokerage on taking up their Rights or as a subscriber for New Shares under the Offer.

18.2 A stamping fee of 1.0% of application monies on New Shares allotted will be paid to NZX Firms and ASX Brokers who submit a valid claim for a broker stamping fee on successful Applications, subject to a fee limit of NZ\$350 per Shareholder and an aggregate fee limit of NZ\$650,000 for each retail broker firm. This fee will be met by Air New Zealand. Terms of the claims process are to be separately communicated to NZX Firms and ASX Brokers by the Underwriters.

## 19. Sale of Shares

- 19.1 Shares can be traded on the NZX Main Board or ASX by instructing a NZX Firm or an ASX Broker. The Authorisation Code (FIN) and Common Shareholder Number (CSN) (or a HIN or SRN in respect of a sale on ASX) will be required to be given to the NZX Firm or an ASX Broker being instructing to effect the trade. Brokerage may be payable in respect of that trade. Financial and tax advice should be sought before effecting any trade of Shares.

## 20. Significance of sending in an Application / declarations, representations, warranties and agreements

- 20.1 By completing an Application, you will be deemed to have made the following declarations, representations, warranties and agreements to Air New Zealand:
- (a) you confirm that you have read and understood this Offer Document (including the “Important Information” section), the accompanying Acceptance Form and the Investor Presentation (including Appendix D of the Investor Presentation (“Key Risks”)) in their entirety;
  - (b) you agree to be bound by the terms and conditions of the Offer set out in this Offer Document;
  - (c) you agree that your Application, on the terms and conditions of the Offer set out in this Offer Document, will be irrevocable and unconditional (i.e., it cannot be withdrawn);
  - (d) you acknowledge the statement of risks in the Appendix D of the Investor Presentation (“Key Risks”) and that an investment in Air New Zealand is subject to investment risk;
  - (e) you declare and certify to Air New Zealand that you are an Eligible Shareholder, including that you were a registered holder of Existing Shares as at the Record Date and you are a resident of an eligible jurisdiction (other than the United States), being New Zealand or those jurisdictions listed under the section captioned “International Offer Restrictions” in this Offer Document;
  - (f) you represent and warrant (for the benefit of Air New Zealand, the Joint Lead Managers and their respective affiliates) that you are eligible to participate in the Offer;
  - (g) you represent and warrant that the law of any other place does not prohibit you from being given this Offer Document and the Acceptance Form, nor does it prohibit you from making an Application;
  - (h) you represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States in connection with the subscription for Rights or the purchase of New Shares in the

Offer, and you are not otherwise a person to whom it would be illegal to make an offer of or issue of Rights or New Shares under the Offer and under any applicable laws and regulations;

- (i) you understand and acknowledge that the Rights and the New Shares have not been, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction in the United States, and that the Rights may not be issued to or taken up or exercised by, and the New Shares may not be offered or sold to, directly or indirectly, any persons in the United States or any persons who are acting for the account or benefit of a person in the United States (to the extent such persons hold Shares and are acting for the account or benefit of a person in the United States). You further understand and acknowledge that the Rights and the New Shares may only be offered, sold and resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S;
- (j) you represent and warrant that you are subscribing for Rights and/or purchasing New Shares outside the United States in “offshore transactions” (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S;
- (k) you represent and warrant that you and each person on whose account you are acting have not and will not send this Offer Document, the Acceptance Form or any other materials relating to the Offer to any person in the United States;
- (l) you acknowledge that, if you decide to sell or otherwise transfer any Rights or New Shares, you will only do so in the regular way for transactions on the NZX Main Board (in the case of Rights and New Shares) or ASX (in the case of New Shares), where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- (m) you confirm that all details and statements in your Application are complete and accurate;
- (n) without limiting Air New Zealand’s discretion to accept, reject or scale back any Application, you authorise Air New Zealand (and its officers or agents) to correct any error in, or omission from, your Application and to complete the Application by the insertion of any missing details;
- (o) you agree to be bound by Air New Zealand’s constitution;
- (p) you acknowledge and agree that Air New Zealand has the right to reduce the number of New Shares allocated to you if your Rights claim proves to be overstated, if you fail to provide information requested by Air New Zealand to substantiate your claims, or if you are not an Eligible Shareholder, in which case:

- (i) you will bear any and all losses caused by subscribing for New Shares in excess of your Rights, and any actions you are required to take in this regard; and
- (ii) you are treated as continuing to have taken up, transferred or not taken up your remaining Rights;
- (q) you acknowledge and agree that if you sell Rights to which you are not entitled, or you do not hold sufficient Rights at the time required to deliver those Rights, you will acquire Rights or Shares to satisfy these obligations as required by Air New Zealand;
- (r) you agree to repay any Premium payment in excess of the Premium payment to which you were actually entitled based on the Unexercised Rights held by you as at the Closing Date;
- (s) you acknowledge that none of Air New Zealand, its advisers or agents has provided you with investment advice or financial product advice, and that none of them has an obligation to provide advice concerning your decision to apply for and purchase New Shares under the Offer;
- (t) you acknowledge the risk that the market price for the Shares may change materially between the Opening Date, the date you make an Application and the Allotment Date. This is particularly the case given the wide fluctuations and volatility in the share prices for many listed companies in recent times due to the continuing impacts of Covid-19 and of other significant events and conflicts around the world. Accordingly, you acknowledge that:
  - (i) the price paid for New Shares may be higher or lower than the price at which Shares are trading on the NZX Main Board or the ASX at the time New Shares are issued under the Offer;
  - (ii) the market price of New Shares following allotment may be higher or lower than the Offer Price; and
  - (iii) it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Offer Price;
- (u) you acknowledge and certify that, if you are acting as a Custodian, each beneficial holder on whose behalf you are submitting the Application is an Eligible Shareholder and is not in the United States, and you have not sent this Offer Document, the Acceptance Form or any information relating to the Offer to any person in the United States; and
- (v) you agree to provide (and direct your Custodian to provide) any requested substantiation of your eligibility to participate in the Offer and/or of your holding of Existing Shares on the Record Date.

20.2 If a Custodian applies to participate in the Offer on behalf of a beneficial owner:

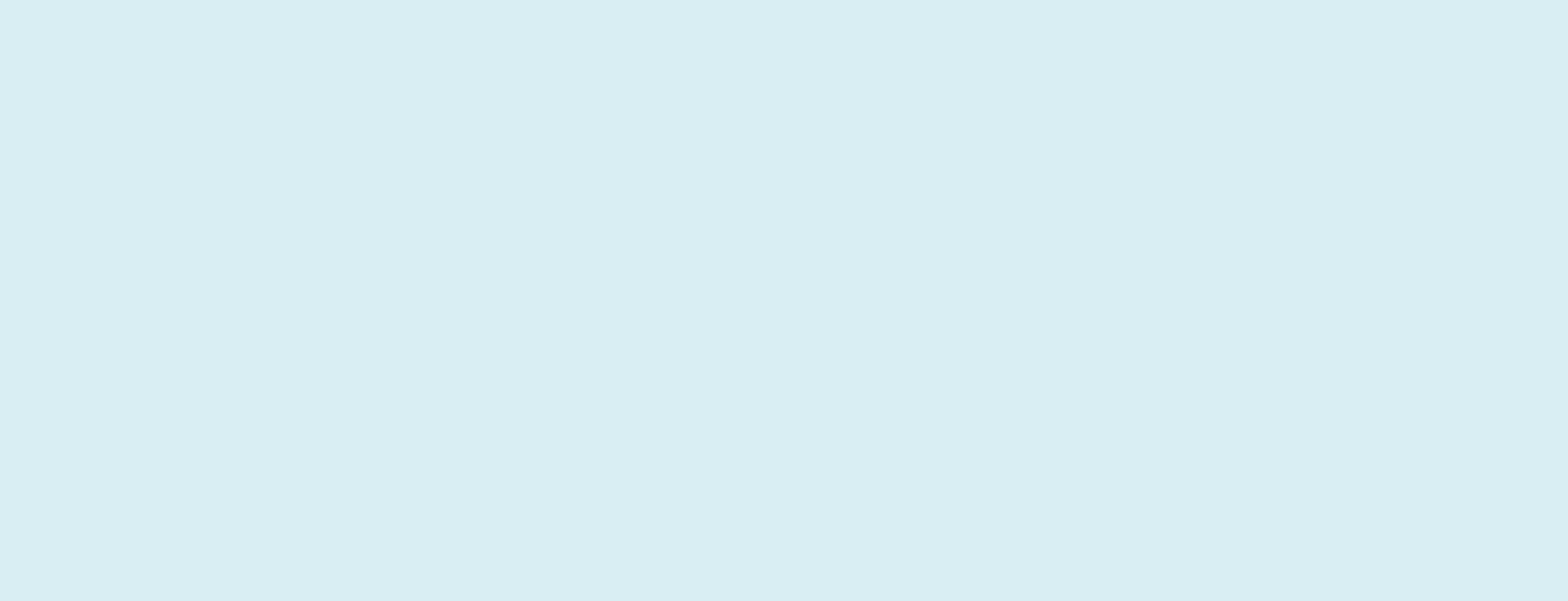
- (a) the certification referred to in paragraphs 20.1(e) will be taken to be given by the

- beneficial owner on whose behalf the Custodian is applying to participate in the Offer; and
- (b) the Custodian certifies each of the other matters set out in paragraph 20.1.

## 21. Governing law

This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each applicant submits to the exclusive jurisdiction of the courts of New Zealand.





## Part 5:

# Glossary

**A\$ Price**

A\$0.49 per New Share.

**Acceptance Form**

The personalised acceptance form accompanying this Offer Document for Eligible Shareholders.

**Additional New Shares**

Additional New Shares attributable to any Unexercised Rights which are applied for by Eligible Shareholders who take up their Rights in full as part of an Application.

**Allotment Date**

9 May 2022, unless extended.

**Application**

An application to take up Rights under the Rights Offer and, if applicable, apply for Additional New Shares under the Shortfall Bookbuild, made using an Acceptance Form or an online application on <https://airnz.rightsoffer.co.nz> (or, in the case of a Custodian, by submitting an application in accordance with see paragraph 14.1 of *Part 4: Terms of the Offer*).

**ASIC**

The Australian Securities and Investments Commission.

**ASX**

ASX Limited or the market it operates (as the context requires).

**ASX Broker**

Any ASX participating organisation.

**ASX Listing Rules**

The official listing rules of ASX as they apply to Air New Zealand as a foreign exempt listed issuer, as amended or waived by ASX from time to time and for so long as Air New Zealand is admitted to the official list of such exchange.

**ASX Shareholder**

An Eligible Shareholder whose Existing Shares are held on Air New Zealand's ASX branch register on the Record Date.

**Board**

The board of directors of Air New Zealand.

**Bookbuild Price**

The price at which New Shares will be issued under the Shortfall Bookbuild. For further information see paragraphs 13.7 and 13.8 of *Part 4: Terms of the Offer*.

**Business Day**

A time between 8.30am and 5.30pm in New Zealand on a day on which NZX is open for trading.

**Closing Date**

5.00pm (NZST) / 3.00pm (AEST) on 2 May 2022, being the date that Applications (with payment) must be received by the Registrar to participate in the Offer.

**Corporations Act**

The Australian Corporations Act 2001 (*Cth*).

**Crown**

Her Majesty the Queen in right of New Zealand.

**Crown Participation**

The Crown's commitment to subscribe for the number of New Shares so that it has a 51.00% shareholding following completion of the Offer.

**Crown Loan Facility**

The \$400 million fully committed Crown standby debt facility, which is available to Air New Zealand through to 30 January 2026.

**Custodian**

Any Eligible Shareholder that:

- (a) is a trustee corporation or a nominee company and holds Existing Shares on the Record Date by reason only of acting for another person in the ordinary course of business of that trustee corporation or nominee company; or
- (b) holds Existing Shares by reason only of being a bare trustee of a trust to which the Existing Shares are subject.

**Debt Arrangements**

The Crown Loan Facility and the proposed \$600 million issuance of Australian dollar denominated medium term notes following the Offer (subject to market conditions).

**Eligible Shareholder**

A Shareholder as at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date:



- (a) located in/with a registered address in New Zealand or Australia; or
- (b) that is an Institutional Investor located in/with a registered address in Canada, Cayman Islands, the European Union, Hong Kong, Norway, Singapore, Switzerland, the United Arab Emirates or the United Kingdom; or
- (c) is any other person to whom Air New Zealand and the Joint Lead Managers consider an offer of Rights or New Shares may be made without the need for a lodged prospectus or other formality (other than a formality with which Air New Zealand is willing to comply), and who is not in the United States and is not acting for the account or benefit of a person in the United States.

#### **Exchange Rate**

the A\$:NZ\$ exchange rate published by the Reserve Bank of New Zealand on its website at 3.00pm (NZST) on 3 May 2022.

#### **Existing Share**

A Share on issue at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date.

#### **FMA**

The New Zealand Financial Markets Authority.

#### **FMCA**

The New Zealand Financial Markets Conduct Act 2013.

#### **Ineligible Shareholder**

A Shareholder other than an Eligible Shareholder.

#### **Institutional Investor**

A person:

- (a) in New Zealand, who Air New Zealand and the Joint Lead Managers considers is an institutional, habitual, or sophisticated investor (including a “wholesale investor” under the FMCA), including in the case of the Shortfall Bookbuild, NZX Firms who have been invited to participate in the Shortfall Bookbuild on behalf of their retail clients;
- (b) in Australia, who Air New Zealand and the Joint Lead Managers considers is a person to whom an offer of shares for issue may be lawfully made without disclosure under Part 6D.2 of the Corporations Act because of sections 708(8), 708(11) or 708(12) of the Corporations Act;
- (c) in Canada, who is an “accredited investor” as defined in National Instrument 45-106 – Prospectus and Registration Exemptions (“NI 45-106”) and, if relying on subsection (m) of the definition of that term, is not a person created or being used solely to acquire or hold securities as an accredited investor;
- (d) in the Cayman Islands, who is a person who is not a member of the public for the purposes of the Securities Investment Business Act (As Revised);
- (e) in the European Union, who is a “qualified investor” as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union;

- (f) in Hong Kong, who is a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong;
- (g) in Norway, who is a “professional client” as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75 (Section 10-6);
- (h) in Singapore, who is an “institutional investor” or an “accredited investor” as such terms are defined in the Securities and Futures Act, Chapter 289 of Singapore;
- (i) in Switzerland, who is a “professional client” in the meaning of article 4(3) of the Swiss Financial Services Act (**FinSA**) or someone who has validly elected to be treated as a professional client pursuant to article 5(2) of the FinSA;
- (j) in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre), who received communication in relation to the Offer from outside the United Arab Emirates;
- (k) in the United Kingdom, who is a person who (i) is a “qualified investor” within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000; (ii) is within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended or (iii) if the New Shares are being marketed in the United Kingdom in compliance with the National Private Placement Regime (within the meaning of the Alternative Investment Fund Managers Regulation 2013), is a “professional investor” (within the meaning of the Alternative Investment Fund Managers Directive, as implemented in the United Kingdom); or
- (l) any other person to whom Air New Zealand and the Joint Lead Managers consider an offer of Rights or New Shares may be made without the need for a lodged prospectus or other formality (other than a formality with which Air New Zealand is willing to comply),

provided that if such an investor is in the United States, it is only an Institutional Investor if it is invited to participate in the U.S. Private Placement and, subject to the foregoing, may include retail brokers bidding on behalf of their clients provided that such clients are not located in the United States.

#### **Investor Presentation**

The presentation dated 30 March 2022 in relation to Air New Zealand and the Offer titled “Refuelling for our recovery: Market update and recapitalisation”.

#### **Joint Lead Managers**

Each of Citigroup Global Markets Limited, Forsyth Barr Limited and UBS New Zealand Limited.

**New Share**

A fully paid ordinary share in Air New Zealand offered under the Offer of the same class as (and ranking equally in all respects with) Existing Shares at the time of allotment of the New Shares.

**NZ\$ or \$**

The lawful currency of New Zealand.

**NZX**

NZX Limited.

**NZX Firm**

An entity designated as an NZX Firm under the Participant Rules of NZX.

**NZX Listing Rules**

The listing rules of the NZX Main Board, as amended from time to time and for so long as Air New Zealand is admitted to the official list of such exchange.

**NZX Main Board**

The main board equity securities market operated by NZX.

**NZX Shareholder**

An Eligible Shareholder whose Existing Shares are held on Air New Zealand's NZX branch register on the Record Date.

**NZX Waivers**

The waivers from NZX Listing Rule 4.17.6(a), 5.1.1 and 5.2.1 issued by NZX Regulation Limited dated 30 March 2022.

**Offer**

The Rights Offer and the Shortfall Bookbuild.

**Offer Document**

This document.

**Offer Price**

NZ\$0.53 (or the A\$ Price) per New Share.

**Offer Website**

The website at <https://airnz.rightsoffer.co.nz>, where Eligible Shareholders can access further information about the Offer and where Applications (together with payment) can be made using the online application form.

**Opening Date**

6 April 2022, being the date that Applications may be made by Eligible Shareholders to participate in the Offer.

**Premium**

The amount per New Share, if any, by which the Bookbuild Price exceeds the Offer Price.

**Record Date**

5 April 2022.

**Registrar**

Link Market Services Limited.

**Right**

The renounceable right to subscribe for 2 New Shares for every 1 Existing Share held at 7.00pm (NZST) / 5.00pm (AEST) on the Record Date at the Offer Price, issued pursuant to the Offer.

**Rights Offer**

The pro rata 2 for 1 renounceable rights offer set out in this Offer Document.

**Share**

One fully paid ordinary share in Air New Zealand.

**Shareholder**

A registered holder of Shares on issue.

**Shortfall Bookbuild**

The bookbuild process for New Shares attributable to Unexercised Rights.

**Underwriters**

Each of Citigroup Global Markets Limited and UBS New Zealand Limited.

**Underwriting Agreement**

The agreement entered into between Air New Zealand and the Underwriters, a summary of the principal terms of which are set out in *Part 4: Terms of the Offer* under the heading 'Underwriting Agreement'.

**Unexercised Rights**

Those Rights not taken up by 5.00pm (NZST) / 3.00pm (AEST) on the Closing Date, including the Rights attributable to Ineligible Shareholders.

**United States or U.S.**

The United States of America.

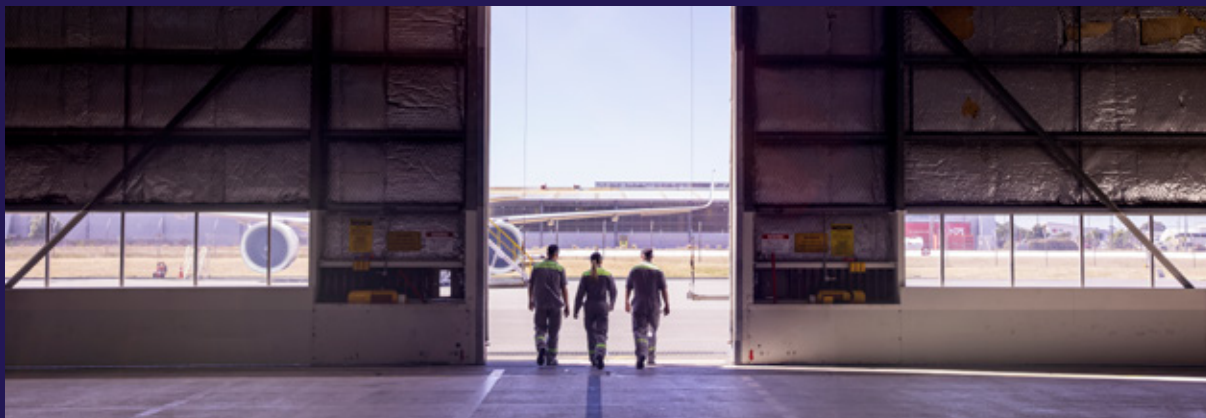
**U.S. Private Placement**

The offer by Air New Zealand of Rights and New Shares in the Rights Offer and Shortfall Bookbuild to certain eligible institutional Shareholders and Institutional Investors in the United States.

**U.S. Securities Act**

The U.S. Securities Act of 1933.

# Part 6: Directory



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**Issuer** **Air New Zealand Limited**  
185 Fanshawe Street  
Auckland 1010  
New Zealand

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<b>Joint Lead Managers</b>	<b>Citigroup Global Markets Limited</b> Level 23 2 Park Street Sydney NSW Australia 2000	<b>Forsyth Barr Limited</b> Level 23 Shortland & Fort 88 Shortland Street Auckland 1010 New Zealand	<b>UBS New Zealand Limited</b> Level 27 PwC Tower 188 Quay Street Auckland 1010 New Zealand
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<b>Joint Underwriters</b>	<b>Citigroup Global Markets Limited</b> Level 23 2 Park Street Sydney NSW Australia 2000	<b>UBS New Zealand Limited</b> Level 27 PwC Tower 188 Quay Street Auckland 1010 New Zealand
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<b>Legal Advisers</b>	<b>New Zealand:</b>	<b>Australia:</b>
	<b>Bell Gully</b> Level 21 Vero Centre 48 Shortland Street Auckland 1010 New Zealand	<b>Herbert Smith Freehills</b> Level 34 ANZ Tower 161 Castlereagh Street Sydney NSW 2000 Australia



**If you have any queries about your Rights, how to complete the Acceptance Form or how to apply online via the Offer Website, please contact the Registrar at:**

**REGISTRAR**

Link Market Services Limited

**New Zealand**

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*AIR NEW ZEALAND* 