

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

## MARKET ANNOUNCEMENT

23 October 2024

### **Air New Zealand issues share rights under Long Term Incentive Plan**

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

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

If targets are not met, the rights lapse and no shares are awarded to the executives participating in the Plan. This happened when the vesting conditions set for share rights due to vest in 2021, 2022 and 2024 were not met and those rights lapsed. The rights due to vest in 2023 vested in part.

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

Under the Plan, the Company has now issued 25,207,198 share rights for no consideration to the Chief Executive Officer and to selected executives. The share rights were issued on 22 October 2024 as approved by the directors of the Company on 25 September 2024.

These share rights give participants the right to receive ordinary shares in the Company subject to certain vesting conditions being achieved over a performance period (commencing on 16 September 2024 and ending on the date which is 20 NZX trading days after Air New Zealand has issued its annual results for the financial year ending 30 June 2027).

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

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

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

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

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In particular:

- a) 50% of share rights will vest if the Company's share price has matched the comparison index over the performance period; and
- b) for each 1% the share price outperforms the comparison index, a further 2.5% of share rights will vest up to the maximum 100%.

If the share price does not match that index at the end of the performance period, the share rights will lapse.

In connection with the issue of these 2024 share rights, Air New Zealand advises the following details:

- (a) Class of security and ISIN: Share Rights- ISIN: N/A
- (b) Number of Share Rights issued: 25,207,198
- (c) Issue Price: NIL
- (d) Payment in cash: NIL
- (e) Amount paid up: N/A
- (f) Percentage of total class of securities: 46% (of Share Rights on issue)
- (g) Reason for issue: Issued under the Air New Zealand Long Term Incentive Share Rights Plan
- (h) Specific authority for issue: Directors' Resolution
- (i) Terms or details of issue: Issued under the Air New Zealand Long Term Incentive Share Rights Plan
- (j) Total number of securities of the class after issue: 54,855,867 (Share Rights)
- (k) Treasury Stock: Not applicable
- (l) Date of issue: 22 October 2024 (Grant Date: 16 September 2024)
- (m) Vesting Date 20 NZX trading days after Air New Zealand has issued its annual results for the financial year ending 30 June 2027

*Ends.*

This announcement is authorised for release on NZX and ASX by Jennifer Page, General Counsel & Company Secretary ([jennifer.page@airnz.co.nz](mailto:jennifer.page@airnz.co.nz)).

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