

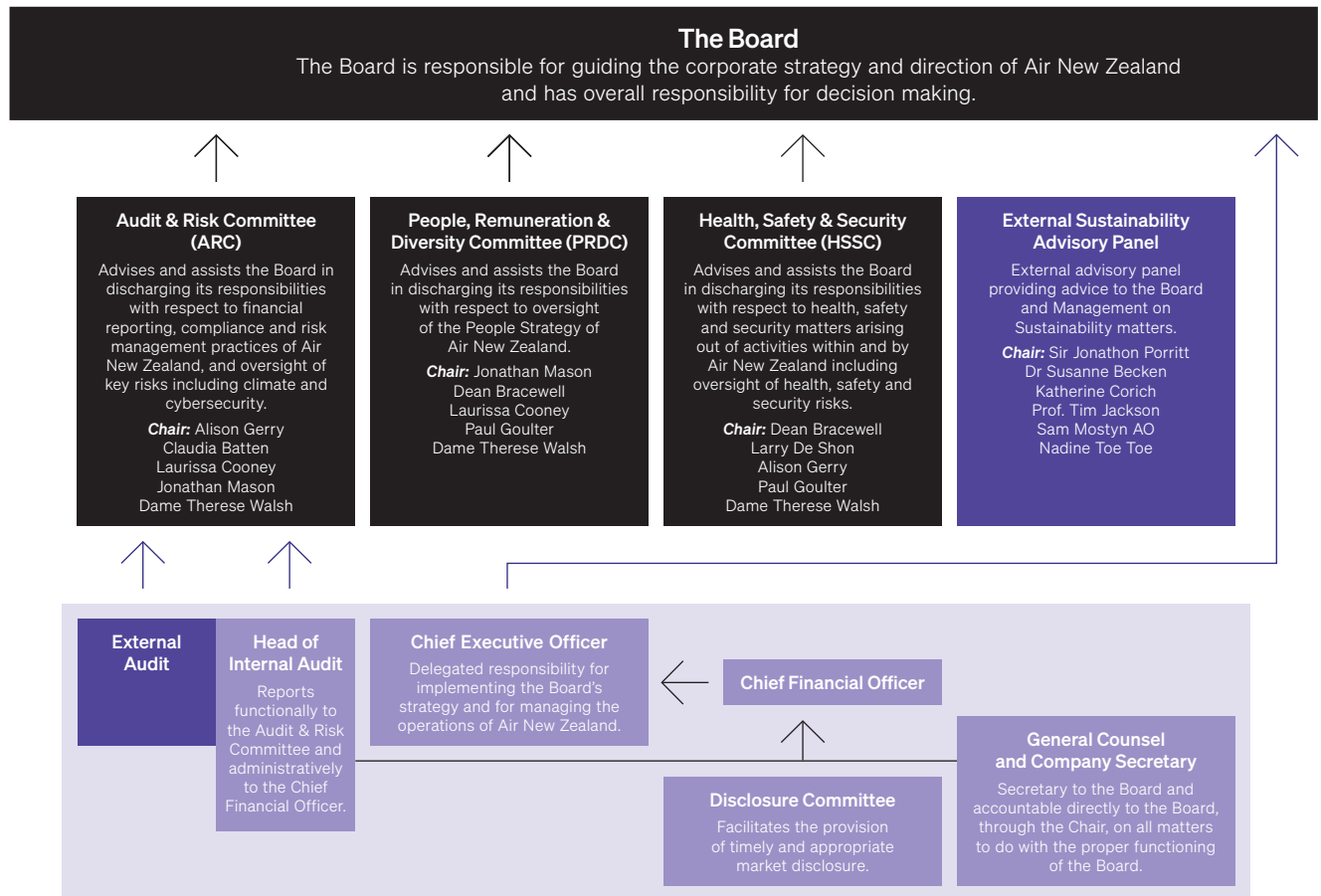
Corporate Governance Statement

Effective corporate governance is at the heart of the Air New Zealand Board's agenda, and the Board considers its governance practices to be consistent with the Principles of the NZX Corporate Governance Code dated 1 April 2023.

This Corporate Governance Statement was approved by the Board on 24 August 2023 and is current as at that date.



Our Governance Structure



Board / Committee meeting attendance – 1 July 2022 to 30 June 2023

	Board	Audit & Risk Committee	People, Remuneration & Diversity Committee	Health, Safety & Security Committee
	Attendance ¹	Attendance ¹	Attendance ¹	Attendance ¹
Dame Therese Walsh	11/11	4/4	4/4	4/4
Claudia Batten	11/11	4/4		
Dean Bracewell	10/11		4/4	4/4
Laurissa Cooney	11/11	4/4	4/4	
Larry De Shon	11/11			4/4
Alison Gerry	10/11	4/4		4/4
Paul Goulter	10/11		4/4	4/4
Jonathan Mason	11/11	4/4	4/4	

¹ The attendance is the number of meetings attended / number of meetings for which the director was a member.

Corporate Governance Statement (continued)

Current Directors



Dame Therese Walsh
DNZM, BCA, FCA
Independent Non-Executive Director
(Appointed 1 May 2016)
Chair



Claudia Batten
LLB(Hons), BCA
Independent Non-Executive Director
(Appointed 28 October 2021)



Dean Bracewell
Independent Non-Executive Director
(Appointed 20 April 2020)
Health, Safety & Security Committee Chair



Laurissa Cooney
BMS(Hons), FCA, CMInstD
Independent Non-Executive Director
(Appointed 1 October 2019)



Larry De Shon
BA Communications, BA Sociology
Independent Non-Executive Director
(Appointed 20 April 2020)



Alison Gerry
BMS(Hons), MAppFin
Independent Non-Executive Director
(Appointed 28 October 2021)
Audit & Risk Committee Chair



Paul Goulter
LLB, MA(Hons), BA
Independent Non-Executive Director
(Appointed 28 October 2021)

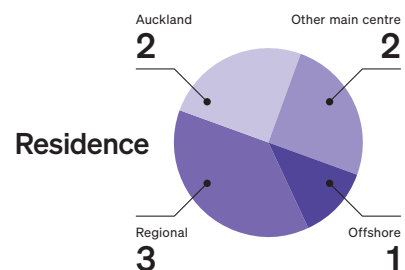
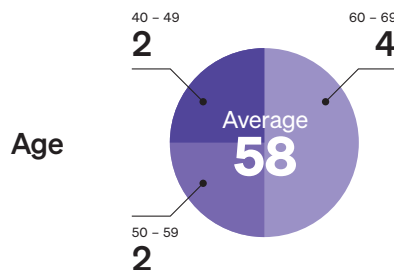
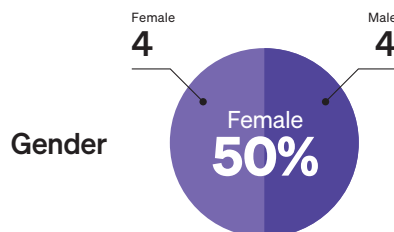
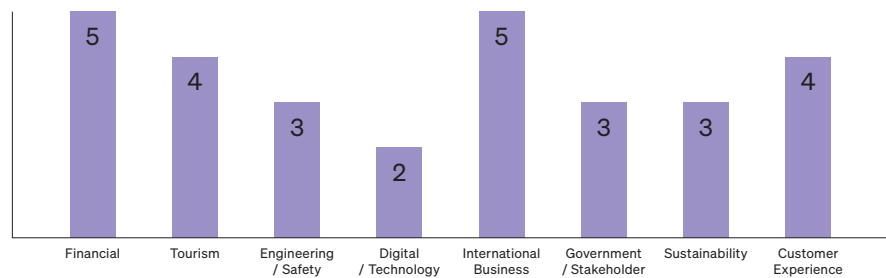


Jonathan Mason
MBA, MA, BA
Independent Non-Executive Director
(Appointed 1 March 2014)
People, Remuneration & Diversity Committee Chair



Details of directors' skills and experience can be found at:
airnewzealand.co.nz/air-new-zealand-board

Board skills and diversity



Corporate Governance Statement (continued)

Independence

The Board has identified criteria in its Charter, against which it evaluates the independence of directors in line with the NZX Listing Rules. These are designed to ensure directors are not unduly influenced in their decisions and activities by any personal, family or business interests.

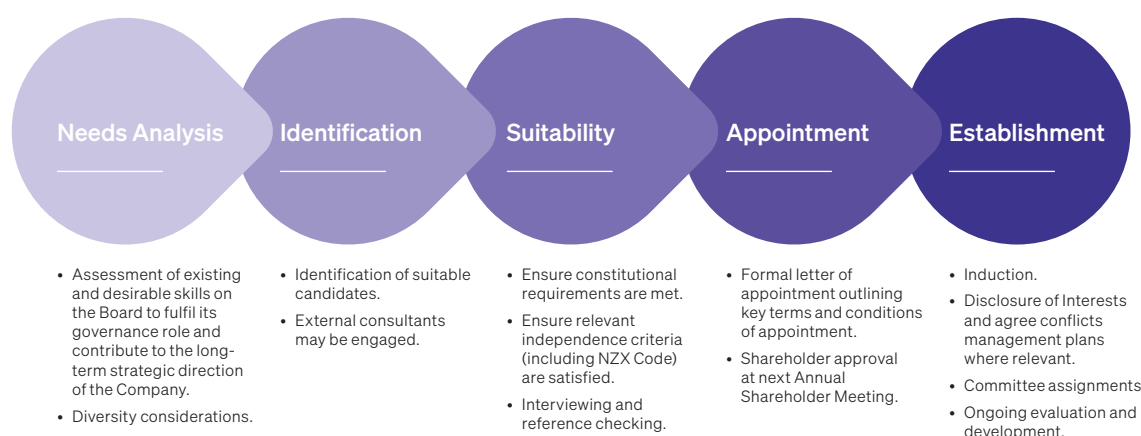
All directors have been determined to be Independent Directors under these criteria, and for the purposes of the NZX Listing Rules. Directors are required to inform the Board of all relevant information which may affect their independence such that the Board continually considers the independence of its members.

The Board Charter makes explicit that the Chair and the Chief Executive Officer roles are separate.

Director Appointments

There have been no new directors appointed during the 2023 financial year.

The Board's approach to appointing directors is depicted below. The Board as a whole considers the requirement for additional or replacement directors.



Directors are expected to acquire a shareholding in the Company equivalent to 50% of the annual base director fee within 3 years of appointment.

Key Governance documents are available on the Air New Zealand website. These include:

- the **Company's Code of Conduct and Ethics**, stating the guiding principles of ethical and legal conduct, applicable to everyone working at or for Air New Zealand – directors, executives, employees, contractors and agents.
- Charters for the Board and each of its Committees**, detailing authorities, responsibilities, membership and operation.
- the **Securities Trading Policy**, identifying behaviours that could be illegal for individuals, or otherwise unacceptable or risky in relation to dealings in Air New Zealand's securities by directors, employees or their associated persons.
- the **Continuous Disclosure Policy**, addressing compliance with continuous disclosure obligations and the timely treatment of Material Information.



Air New Zealand's key Governance documents can be found at:
airnewzealand.co.nz/corporate-governance



Corporate Governance Statement (continued)

Diversity, Equity and Inclusion

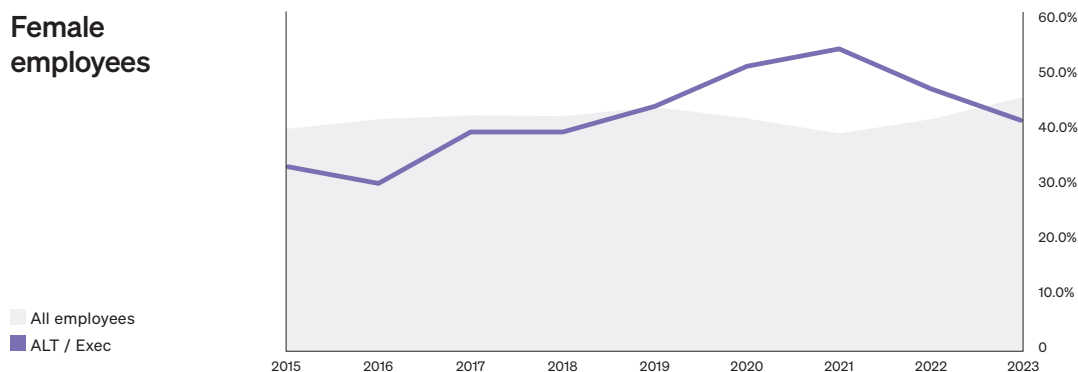
The Company's Diversity, Equity & Inclusion Policy recognises the value of a diverse workforce, proudly representative of Aotearoa New Zealand, and aims to create an inclusive environment where Air New Zealanders can be themselves and thrive. Overall, the Board considers the Company's performance against this policy has been consistent. The Board has also had input into and endorsed the recently refreshed Diversity, Equity and Inclusion strategy and will continue to regularly evaluate progress against the strategy and the relevant targets.

Diversity is considered across a number of measures, including gender, ethnicity, disability, age, and sexual identity. There is a focus on recruitment practices that promote the retention and attraction of diverse talent, as well as a broad range of employee initiatives to reflect, support and develop the diversity we have across the airline. Air New Zealand's 10 Employee Networks play a key role in supporting and advocating for employees and ensuring the success of the airline's Diversity, Equity & Inclusion strategy.

With a target of 50% women in the senior leadership team (which includes the Executive), the Company achieved 41% as at 30 June 2023. The Board will continue to monitor this and is comfortable that the recent decline is not reflective of any systemic issues, with recruitment, retention and management of talent pipelines all operating well. Our 50% target will be maintained and there will be a continued focus on building a pipeline of women leaders at all levels of leadership to help us achieve this.



Female employees



Air New Zealand also has a target of 20% of the Company's people leadership roles being held by Māori and Pasifika employees by 2025; as at 30 June 2023 the result was 16%. The target will be maintained for the 2024 financial year, with ongoing support for our graduates of our Mangōpare leadership development programme, and continued focus on initiatives that support the recruitment, retention and development of Māori and Pasifika talent.

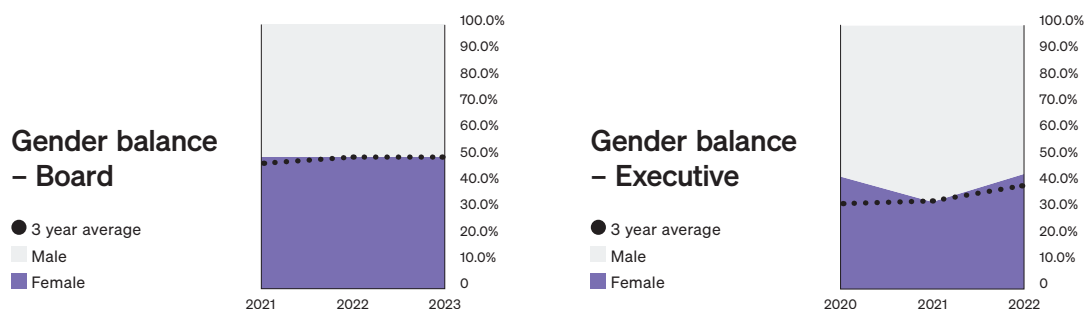
*AS AT 30 JUNE	2022	2023
Directors (female:male:gender diverse)	4:4:0	4:4:0
Executive team (female:male:gender diverse)*	3:6:0	4:6:0

* The Executive Team comprises the Chief Executive Officer and direct reports to the Chief Executive Officer, and corresponds to "Officers" as defined in the Listing Rules.



Jonathan Mason discusses the activities of the People, Remuneration & Diversity Committee:
youtube.com/watch?v=dNFWg0nypRw

Corporate Governance Statement (continued)



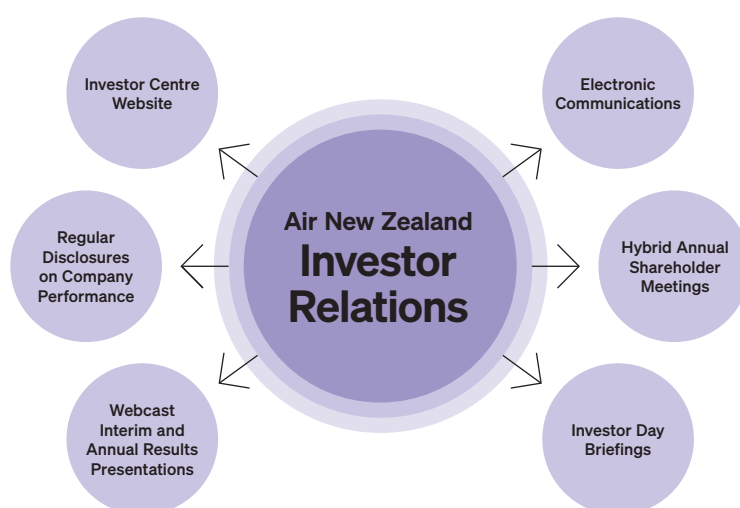
The Sustainability Report further identifies and quantifies activities, achievements and metrics related to Diversity, Equity & Inclusion initiatives.

Shareholder Engagement

Air New Zealand utilises a number of channels to communicate with its shareholders. Disclosure of material information is first made through announcements to the NZX and ASX. In accordance with legislation, the Constitution and Listing Rules, Air New Zealand refers any significant matters to shareholders for approval at a shareholder meeting. The Company's investor centre on the Air New Zealand website is the focal point for many of these disclosures, and shareholders are encouraged to utilise this site, which contains current and historical financial information, shareholder meeting materials, and links to other information of relevance to investors and key stakeholders.



Air New Zealand's Investor Centre can be found at:
airnewzealand.co.nz/investor-centre



There is a comprehensive frequently asked questions section included in the investor centre website to assist shareholders with common questions. In addition, all shareholders have the ability to make enquiries regarding their investment via the Investor Relations e-mail (investor@airnz.co.nz) which is provided on the investor centre website.

The Company operates an investor relations programme with dedicated individuals who manage scheduled interactions with investors, analysts and relevant market stakeholders throughout the year. Twice a year at the interim and annual results announcement, the CEO and CFO host an investor-focused conference call and answer questions raised by analysts and investors. A transcript of the investor call is made available on the Company's website to enable full transparency to all stakeholders. The Company also participates in bi-annual podcasts for existing and prospective retail shareholders, which provides an opportunity for those stakeholders to ask questions related to the interim and annual financial result, as well as strategic questions.

Air New Zealand posts any Notices of Shareholder Meetings on its website as soon as these are available. The general practice is to make these available not less than four weeks prior to the shareholder meeting. The Company has been holding a hybrid form (with attendance either physically or digitally) of its Annual Shareholders Meeting since 2016, which enables wide participation by shareholders.



Corporate Governance Statement (continued)

Differences in Practice to NZX Code

The Board has not established protocols setting out procedures to be followed in the event of a takeover offer. This is because the Board considers receipt of a takeover offer to be an extremely unlikely event in light of the Crown's majority shareholding in the Company and the other shareholding restrictions that apply to Air New Zealand. In addition, Air New Zealand would have adequate time to implement such protocols and procedures, and communicate those to shareholders, should circumstances change. Accordingly, and having regard to the supporting commentary in the NZX Corporate Governance Code, the Board considers that it is reasonable and appropriate for Air New Zealand not to follow Recommendation 3.6 of the Code at this time. Notwithstanding this, the Board agrees with the principles behind this recommendation, being good communication with shareholders and independent directors leading matters that require appropriate independence.



Board Activities

As the financial and operational disruption of the Covid-19 pandemic receded, the Board has more deliberately focused on the future position of the Company, and what that means for stakeholders including customers, employees and investors.

The Board-approved strategy, *Kia Mau*, continues to provide a robust framework as the Company focuses on the future and continuing to deliver service excellence to its customers as a key part of driving Air New Zealand's success. During the year Directors attended 11 Board meetings and 7 Strategy sessions. There were also 12 Committee meetings (4 ARC, 4 HSSC and 4 PRDC).

Key areas of activity during the year include:

Kia Mau

Guiding the Company's strategy, ensuring it is refined in a dynamic operating context, and monitoring progress towards achievement, is central to the Board's activities.

The recovery path has presented challenges throughout the industry (and the wider economy) with ongoing supply chain issues, staff resourcing and restricted capacity, particularly as demand has been continually strong from customers. The Brilliant Basics driver of the *Kia Mau* strategy has been in sharp focus as it is key to improving operational performance and reliability, and customer satisfaction. The Board acknowledges short-term challenges and frustrations for customers as the overall aviation system has built back, but improvements are being implemented that will give the airline a stronger platform to deliver into the future. Directors have been encouraged as they observe the Full Potential framework enabling material and timely enhancements in areas such as the management of mishandled bags where significant efficiency improvements have been achieved.

Capital Management

In 2022 the Board successfully completed a Capital Raise to re-establish its funding base following the Covid-19 pandemic. At the time of the raise the Company's recovery path remained uncertain, but the demand for air travel, both domestic and international, has proven to be stronger than anticipated on an ongoing basis, both for the Company and the global airline industry more broadly. This has facilitated the Board looking at its capital management settings over the course of five meetings during the 2023 financial year, with a particular focus on appropriate liquidity and leverage targets that enable the Company to maintain an investment grade credit rating, as well as shareholder distribution parameters. The revised capital management framework is effective from the 2024 financial year.

As part of the capital management discussion, the Board assessed the strong financial performance in 2023 and determined payment of a special dividend to shareholders was appropriate, in the context of the Company's current liquidity, debt levels and capital expenditure profile.

The Company issued \$100 million retail bonds in October 2022, replacing the \$50 million retail bonds that were maturing. The Company also redeemed and cancelled the outstanding \$200 million balance of Redeemable Shares issued prior to the Capital Raise. The Board will consider removing the remaining and undrawn standby Crown loan of \$400 million at the appropriate juncture.

REVISED CAPITAL MANAGEMENT FRAMEWORK FROM FY24 ENABLING FINANCIAL RESILIENCE AND FLEXIBILITY TO DELIVER ON STRATEGY

Maintain financial resilience and flexibility

- Target liquidity range of \$1.2 billion to \$1.5 billion
- Net Debt to EBITDA ratio of 1.5x to 2.5x

Underpinned by our commitment to maintain investment grade credit rating metrics

Invest in core operations

- Fleet and infrastructure investments above WACC through the cycle
- Investment to support the airline's decarbonisation ambitions

Distributions

- Ordinary dividend pay-out ratio of 40% to 70% of underlying net profit after tax (NPAT)
- Return excess capital via special dividends or share buybacks

Growth capex

- Disciplined investment in value accretive capex
- Target ROIC above pre-tax WACC

Corporate Governance Statement (continued)

Sustainability

A successful future requires the Company to remain committed to advancing its sustainability initiatives and the Board is focused on ensuring progress in managing and reporting on climate change impacts. To achieve this, the Board has collaborated with management to establish climate scenarios and models, both to meet climate disclosure requirements and to inform and shape the Company's responses. Directors have endorsed efforts to enhance the availability and sourcing of Sustainable Aviation Fuel (SAF), as well as pursuing options for lower emission aircraft.

The Company's sustainability roadmap to 2030 and beyond has been a key focus for the Board, given the challenges the airline industry faces and how critical this roadmap is to inform an effective and authentic response by the airline. The Company's science-based carbon reduction target provides an objective benchmark for the Board, as well as other stakeholders, to monitor the Company's progress.

The Board's focus on sustainability is not restricted to climate change, as demonstrated in the Sustainability Report. Sustainability issues are also expected to be discussed in all relevant Board papers to drive improvement in their identification, measurement and management.

Te Ao Māori

The Board and management continue on their journey to realise an authentic te ao Māori approach for the company, recognising the partnership principle underpinning Te Tiriti o Waitangi | The Treaty of Waitangi, and the importance of an effective Māori strategy to drive outcomes and value alongside the Kia Mau strategy.

The Board endorsed management's Māori strategy in February 2023, which is a significant step towards a more comprehensive approach to embedding te ao Māori into the business. This strategy is designed to ensure that the airline moves beyond solely focusing on cultural practices to a more holistic approach, which incorporates measurable outcomes related to workforce, stakeholders, policy and processes, and commercial performance. The strategy identifies a range of opportunities for Air New Zealand, including engaging with mana whenua in recruitment initiatives, ensuring that tikanga Māori is authentically incorporated into the business, and connections with the Māori economy and Māori entities shows demonstrable growth through shared initiatives.

Further Afield

Following the launch of the Auckland-New York direct service in October 2022, the Board hosted a high level business delegation to New York, building and rebuilding links with the US market to benefit the New Zealand business sector and wider economy.

Given Air New Zealand operates globally, the Board undertake one to two overseas visits each year to meet stakeholders and to undertake health and safety reviews. Directors visited several Pacific Islands in November 2022, building relationships with stakeholders in those ports, and engaging with staff and touring the facilities.



Air New Zealand Board members with Greg Foran (CEO) in New York

Left to right: Paul Goulter, Larry De Shon, Laurissa Cooney, Alison Gerry, Dame Therese Walsh (Chair), Claudia Batten, Greg Foran (CEO), Dean Bracewell and Jonathan Mason.



Corporate Governance Statement (continued)

Regional Initiatives

Air New Zealand is committed to supporting the growth and prosperity of regional New Zealand, and the Board has been active in this effort. Directors have visited several regions over the past year including the top of the South Island, meeting local leaders, engaging with business communities and gaining a deeper understanding of local issues and initiatives.

As the Company refreshes its customer offerings, such as airport lounge facilities and on-board food options, the Board is strongly supporting the use of local suppliers and specialities. By promoting local businesses, Air New Zealand is helping to support the economies of regional communities and providing a memorable experience for customers.

The Board was also pleased that the airline was able to provide additional support to the Gisborne and Hawkes Bay communities when Cyclone Gabrielle disrupted land transport options in February. This included operating a temporary daily air service between Napier and Gisborne to overcome road closures, and carrying over 5,700 passengers including a significant number of emergency workers and contractors. Going forward, the airline will continue to seek ways to support local efforts and its staff in those regions as the communities rebuild.

As Directors have visited different ports, they have also taken the time to engage with local employees and recognise their mahi in improving the customer experience.

Infrastructure

Getting the supporting infrastructure for the future is critical, both operationally and to ensure customers have a safe, appropriate, and cost-effective experience.

Auckland International Airport is the airline's main base and ~62% of domestic journeys and ~83% of international journeys go through the Auckland domestic or international terminals. As a regulated supplier Auckland International Airport undertakes a price setting event every five years, which is informed by the airport's multi-decade airport redevelopment programme. The Board has been closely involved with the airline's response to the 2023 airport price setting consultation and the overall redevelopment plans, given the airport's plans are a generational shift in investment and are likely to have an adverse impact on airline ticket prices and customer demand. The airline recognises the need for some level of investment in site development and improved terminal facilities at Auckland airport but considers the current proposals to be unaffordable. The Board continues to support a range of initiatives in response.

The Board approved a significant investment in new hangar facilities at Auckland airport incorporating sustainable design and construction techniques. The new hangar will replace decades-old facilities which are inefficient and no longer fit for purpose. Further investment in modern Ground Service Equipment has also been approved.

Employees

The Board considers Air New Zealand employees to be the most valuable asset of the airline. The airline has been challenged by staff shortfalls during the rapid 2022-23 demand recovery. There has been a shortfall of staff throughout the industry and the airline is focused on attracting, retaining and recruiting staff with the right competencies as this is fundamental to operational excellence. Basic wage rates have increased to address market expectations. In the financial year, the airline has taken on 3,000 new staff, particularly in airport roles (front and back of house), contact centres and flight crew.

For the longer term the Board has considered other strategic issues such as pilot sourcing and career progressions, senior executive succession, and supporting employees with meaningful incentives and initiatives. The parental leave policy was enhanced this year as was the staff travel offering.

The Board is encouraged by the 2023 Ranstad award for Most Attractive Employer, the seventh time the airline has received this award.

Risk Appetite

The Board enhanced its approach to risk management with the completion of work to define and approve its Risk Appetite Statement. This enables decision-makers in the airline to understand how willing the Company is to take risks. The Risk Appetite is aligned to the Strategic Risk areas described on pages 81 to 84. The Board expects the Risk Appetite to be addressed in matters presented to it and will continue to refine the Statement to respond to changes, particularly in the operating environment and the nature or extent of strategic risks including the effectiveness of mitigants. Fundamental for an airline, it is obvious that the Board is 'averse' to taking risk on safety issues – operational or staff related. At the other end of the spectrum, as part of our ambition to create the greatest flying experience the Board has set an 'open' risk appetite to innovate the customer experience and to challenge the status quo in both the international and domestic flying experience. The Board is open to other dimensions of innovation risk, but is explicit that innovation is not at the expense of safety.

Corporate Governance Statement (continued)

Safety

The safety of our customers, employees and our operations remains paramount for the airline and the Board. The direct effects of the pandemic have abated, but related impacts continue, including recruitment and retention challenges, a constrained supply chain, training and on-boarding of new personnel and increased levels of illness. Consequential workload pressure has contributed to elevated risk concerning fatigue, mental health and wellbeing. Particular focus on and initiatives in these areas and on safety overall has seen an improvement in the relevant risk control effectiveness scores.

The Board's Health, Safety & Security Committee meets quarterly and engages with management and representatives of our front-line workforce to review operational risk and safety performance. These meetings include the consideration of detailed reporting against safety metrics as well as spending time in the operations of the airline. The Committee has also met with key stakeholders with whom the airline works closely with to ensure safe operating practices. Directors visited several domestic and offshore ports over the year meeting with our employees and acknowledging their mahi.



Dean Bracewell discusses the activities of the Health, Safety & Security Committee:
[youtube.com/watch?v=dNFWgOnypRw](https://www.youtube.com/watch?v=dNFWgOnypRw)

Layered safety and well-being support within the airline includes a Peer Support Network, Employee Assistance Programme, a confidential Speak Up line and our other 10 Employee Networks. Maintaining and further developing a safety and security culture through effective training, as many new staff join, is a priority.

The airlines' safety processes and performance are audited by the Civil Aviation Authority which undertook four audits in 2023 all resulting in positive outcomes. Air New Zealand is also a member of IATA and the Star Alliance. A pre-requisite to these memberships is evaluation by the IATA Operational Safety Audit (IOSA) program, an internationally recognised and accepted evaluation system designed to assess the operational management and control systems of an airline. The airlines' IOSA accreditation was renewed in March 2023.

The Board was particularly pleased to note the repeated success of the airline in the NZ Workplace Health & Safety Awards, recognising industry leadership in health and safety.

Customer Initiatives

Initiatives which improve and innovate the customer journey have been of keen interest to the Board, including in-flight food offerings, innovative aircraft layouts including the new Skynest™ (which will debut on the new Boeing 787 aircraft due to enter the fleet in the 2025 financial year), and an enhanced Air New Zealand app.

Customer satisfaction has remained strong despite the recent challenges presented. Significant weather events in 2023, as well as global supply chain pressure for aircraft components (resulting in more frequent grounding of aircraft), has meant periods of heightened disruption to the network, schedule adjustments, and increased workload for our personnel, especially in the contact centre. The continued care our people demonstrate to our customers has been a major factor in the Company's success in external awards and industry recognition. Over the year these have included:

- Airline of the Year – Airlineratings.com
- Number One Corporate Reputation in New Zealand – Kantar Corporate Reputation Index
- Best Economy Class – Airlineratings.com
- Top Cabin Concept – Crystal Cabin Awards
- Cabin Concept of the Year – Onboard Hospitality Awards

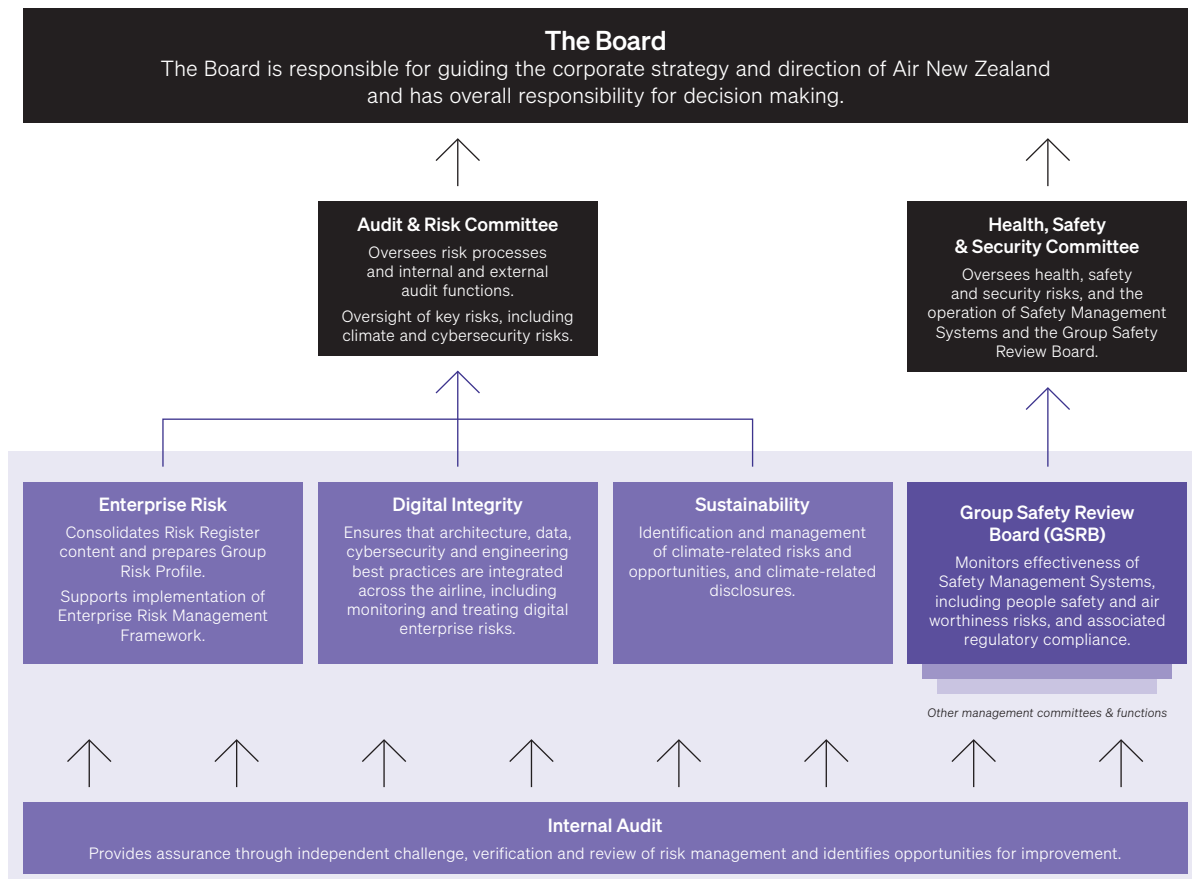


Corporate Governance Statement (continued)



Risk Management/Strategic Risks

As we operate in a complex environment, we face inherent risks that cannot always be eliminated. It is important to the Board that material risks are identified and appropriate risk mitigation strategies are implemented to avoid unintended consequences and to position us more effectively to deliver our strategy.



Note: Only principal management relationships are depicted.

Risks are identified through both top-down and bottom-up processes, and follow a regular cadence of reporting to relevant management, Board Committees or the Board.

Strategic Risks presented on Air New Zealand's Group Risk Profile are confirmed by the Audit & Risk Committee, and prioritised based on an assessment of the risk rating. Risk ratings are a function of the likelihood and the impact of an event.



Alison Gerry discusses the activities of the Audit & Risk Committee:
[youtube.com/watch?v=l6vvimc7opc](https://www.youtube.com/watch?v=l6vvimc7opc)

Given their significance, Strategic risks are assigned members of the Executive as Risk Owners, who ensure appropriate management of the risk.

In September 2022 the Board of Directors approved Air New Zealand's Risk Appetite Statement ("RAS"). The RAS represents a clear and conscious decision about which risks, and how much of each, Air New Zealand is willing to take in the context of its business model and strategy. It has been constructed to reflect the areas of highest risk to the Company currently, and to reflect the Board's risk appetite going forward to drive the successful delivery of Kia Mau strategy.

Corporate Governance Statement (continued)

Following Air New Zealand's transformation to a more agile way of working for many of our workforce, work continues to ensure that the Enterprise Risk Management Framework is aligned to, and operates, effectively under this new organisational model. This includes developing and communicating consultation and approval guardrails (under an Empowerment Framework) to ensure risks are considered at the most appropriate level in decision making. Focus is particularly on the cadence of risk review and reporting, tooling, and identifying ways to improve risk capability in relevant functions.

The Board continues to give particular attention to climate risks and cybersecurity, drawing on a range of internal and external advice. The climate risks are further addressed in the Sustainability Report. Risks associated with the current economic and geopolitical environment, innovation, and the well-being of our workforce are also being closely monitored.

The Company's Strategic Risks are tabulated below. The identification of Strategic Risks enables both the Board and its Committees to focus on key risk areas including through targeted deep dives every six months on specific risks.












Corporate Governance Statement (continued)

Strategic Risk Area	Strategy	Description	Principal Mitigants
Climate change		Transition risks (change in technologies, increasing carbon regulation globally and societal/economic shifts towards decarbonisation), combined with physical climate change risks may constrain travel demand, operational and financial performance and network growth, adversely impacting investor expectations and Air New Zealand's social licence to operate.	"Ambitious Action" strategy and science-based target. Workstreams implementing decarbonisation levers. Engagement with regulators and legislators on carbon, climate, and transport policy. Transparent disclosure, and provision of options for customer emissions reporting. Response teams, emergency response training and toolkits for responding to crises, emergency and business disruption. Business Continuity Plans and testing.
Global uncertainty	 	Heightened economic, geopolitical and market uncertainties could affect the ability to accurately plan for future travel demand, adversely impacting supply side planning and the ability to meet revenue optimisation and growth targets.	Predictive monitoring of economic activity and indicators including continuous review of revenue projections. Disciplined capacity management. Use of fuel price hedging.
Technology and data	 	Failure to utilise and protect data and/or manage technology debt may compromise digital integrity and impede transformation and innovation, introduce cyber vulnerabilities, operational overhead and lead to digital/business disruption.	Technology Roadmap and business plan for technical debt reduction; Governance oversight, including of the Disaster Recovery programme by the Digital Risk Committee, Threat & Vulnerability Management and System Lifecycle management.
Cybersecurity		A cyber-attack may lead to a significant data privacy breach, loss of integrity/availability of information or of a control system and widespread business disruption resulting in financial loss, reputational damage and regulatory fines or sanctions.	Comprehensive Cybersecurity programme delivered by a dedicated Cybersecurity function, complemented by appropriate cybersecurity measures and insurance. Privacy programme includes training and awareness and Privacy Breach Response processes.
Agile transition and change management		Failure to transition to agile and low employee buy-in may impact the ability to embed new ways of working and impede the Airline's ability to achieve Kia Mau strategic objectives.	Best practice approach including initial consultant support, focused training and education for key roles and leader immersions. Continuous learning through multiple assessments, external benchmarking and feedback processes.

Kia Mau strategies



Corporate Governance Statement (continued)

Strategic Risk Area	Strategy	Description	Principal Mitigants
Legal and regulatory compliance		Rapidly changing and varied domestic and international requirements, CAA regulations, stock exchange requirements or other legal or regulatory obligations (e.g. privacy) create significant operational and commercial complexity potentially resulting in non-compliance and resultant legal and reputational impacts.	Active monitoring of regulatory changes, alignment of internal standards and procedures and conformance monitoring. Regular engagement with regulators and use of external law firms for legal and regulatory updates. Ongoing targeted legal, regulatory and privacy training of high-risk areas, including annual company-wide Code of Conduct and Ethics training to promote awareness. Systematic safety management including active safety promotion and operational risk management.
Innovation	   	Air New Zealand's failure to innovate in response to customer expectations may lead to customer dissatisfaction and loss of competitiveness, adversely impacting the ability to deliver strategy and reputational damage.	Full Potential model Quarterly Business Review enables capability development and alignment and prioritisation of initiatives to strategy. Research and analysis of customer behaviour. Monitoring of delivery effectiveness.
Supply chain		Global supply chain challenges (aircraft parts, raw material shortages and labour availability), increase in supplier ESG risks and aging Ground Service Equipment may result in sustained operational disruption and adversely impact revenue and brand.	Robust integrated business planning and dynamic review of supplier risk, including supplier performance monitoring and response and recovery planning. Alternative supply arrangements established as appropriate.
Breakdown in industrial relations		Inability to reset legacy employment agreements, pressure on pay rates and introduction of mandatory vaccines could lead to a deterioration in union relationships, a heightened risk of industrial unrest and the potential for significant operational disruption as flight demand returns in the recovery phase.	Dedicated Human Resources team with effective union relationship management, supported by communication and issue resolution processes.

Kia Mau strategies



Grow Domestic



Optimise International



Lift Loyalty



Brilliant Basics



Serious about Sustainability



Digital Dexterity



Prioritising People & Safety



Corporate Governance Statement (continued)

Strategic Risk Area	Strategy	Description	Principal Mitigants
Safety		Internal or external factors may affect the ability to deliver on the Operational and People Safety mission and result in critical health and safety incidents involving systems, employees, aircraft and/or customers impacting Air New Zealand's Air Operating Certificate.	<p>Implementation of airline safety management systems including:</p> <ul style="list-style-type: none"> • Health, Safety, Environment and Wellbeing Management framework and Systems (HSEW MS) • Airline Safety Management System (SMS) and • Airline Security Management System (SeMS). <p>Governance and oversight of significant issues provided by the Board's Health, Safety & Security Committee. The Full Potential model, including Empowerment Framework Guardrails and the Quarterly Business Review process ensures a focus on safety risk management.</p>
Competition	  	A significant increase in disruptive or traditional competition, airline/industry consolidation, or the unravelling of a key alliance relationship or formation of new alliance partnerships may lead to disintermediation of customers and marginalisation of Air New Zealand.	Competitive analysis and monitoring and pricing strategy. Customer research and investment in technology. Engagement with key stakeholders and active management of alliance partner relationships.
Aeronautical infrastructure and systems constraints	  	Lack of prudent investment in aeronautical infrastructure (including airways, security, lounge, baggage systems, traffic management, hangars, renewable energy generation and storage assets) could constrain the future growth of the airline.	Strategic planning process to clearly understand current and future infrastructure demand. Engagement with government, regulatory and industry stakeholder groups to influence and align infrastructure planning and development.
Workforce		War for talent, industry disruption, inability to attract talent or a deterioration in union relationships may lead to loss of institutional knowledge, capability gaps and the potential for significant operational disruption, constraining the ability to deliver strategy.	Sustainable job strategy combined with talent review, career development initiatives and succession planning for critical roles. Productive union relationships based on collaboration principles. Quarterly engagement surveys and rewards and recognition programme.

Kia Mau strategies

Corporate Governance Statement (continued)

Strategic Risk Area	Strategy	Description	Principal Mitigants
Social licence and corporate reputation		Lack of responsiveness to changing customer expectations, or lack of support from stakeholders/interest groups (politicians, government, regional New Zealand, customers, communities, media) may erode Air New Zealand's social licence, brand strength and corporate reputation resulting in diminished competitiveness and growth.	Stakeholder management and communication programme for central and regional government and other stakeholders including media. Research into customer sentiment and other key issues impacting Air New Zealand, including opportunities through international channels.
	 		
Business disruption		A significant disruptive event or crisis may threaten the safety of our workforce and/or lead to sustained operational disruption and the inability to comply with regulations, resulting in financial and reputational impacts.	Documented Crisis, Emergency and Business Resilience framework, including Emergency Response teams, training and plans which are tested through exercises.
	  		

A third line of defence, behind the business's identification and management of risks, and the operation of the risk management framework and engagement of the Board and Board Committees, is the internal audit function. This group acts for the Audit & Risk Committee (and through them, the Board) to independently and objectively assess, assure and enhance the business's management of risk. Outputs from this activity can include specific action plans whose achievement is monitored by the Audit & Risk Committee.

External Audit

As a Public Entity, Air New Zealand is subject to the Public Audit Act 2001. The Auditor-General is the auditor, but may appoint an independent auditor to conduct the audit process. Melissa Collier of Deloitte has been appointed in this respect, from the 2022 financial year.

The Audit & Risk Committee liaises with the Auditor-General on the appointment and re-appointment of the external auditors, to ensure the independence of the external auditor is maintained, and to approve the performance of any non-audit services in accordance with the Audit Independence Policy.

Air New Zealand requires the external auditor to rotate its lead audit partner at least every five years, with suitable succession planning to ensure consistency.

On a regular basis the Audit & Risk Committee meets with the external auditor to discuss any matters that either party believes should be discussed confidentially. The Chair of the Audit & Risk Committee will call a meeting of that Committee if so requested by the external auditor.

The appointed external auditor has historically attended the Annual Shareholders' Meeting, and is available to answer relevant questions from shareholders at that meeting

Kia Mau strategies



Grow Domestic



Optimise International



Lift Loyalty



Brilliant Basics



Serious about Sustainability



Digital Dexterity



Prioritising People & Safety



Corporate Governance Statement (continued)



Remuneration

Director Remuneration

In accordance with the Constitution, shareholder approval must be sought for any increase in the pool available to pay directors' fees. Approval was last sought in 2015, when the pool limit was set at \$1,100,000 per annum. This approval was based on 7 directors; with a Board comprising 8 directors the pool limit is \$1,232,333 per annum consistent with NZX Listing Rule 2.11.3.

Where the pool permits, the Board may amend the actual fees paid to reflect market conditions or other relevant factors. The Board has determined the following allocation of the pool.

	Position	Fees (Per Annum)
Board of Directors	Chair ¹	\$270,000
	Member	\$100,000
Audit & Risk Committee	Chair	\$40,000
	Member	\$20,000
Health, Safety & Security Committee	Chair	\$40,000
	Member	\$20,000
People, Remuneration & Diversity Committee	Chair	\$20,000
	Member	\$10,000

1. The Chair receives no additional committee fees.

Air New Zealand's Independent Non-Executive Directors do not participate in any executive remuneration scheme or employee share schemes; nor do they receive options, bonus payments or any incentive-based remuneration. Directors are entitled to be reimbursed by Air New Zealand for reasonable travelling, accommodation and other expenses they may incur whilst travelling to and from meetings of the directors or committees. Directors have an entitlement to a limited number of free of charge flights for each year served as a director as set out in a director travel policy.

Corporate Governance Statement (continued)

Remuneration and benefits of directors and former directors in the reporting period are tabulated below.

	Board Fees	ARC	HSSC	PRDC	Total Fees	Value of Travel Entitlement Utilised ^{1,2}
Dame Therese Walsh (Chair)	\$270,000	-	-	-	\$270,000	\$106,993
Claudia Batten	\$100,000	\$20,000	-	-	\$120,000	\$32,052
Dean Bracewell	\$100,000	-	\$40,000 (Chair)	\$10,000	\$150,000	\$61,245
Laurissa Cooney	\$100,000	\$20,000	-	\$10,000	\$130,000	\$73,861
Larry De Shon	\$100,000	-	\$20,000	-	\$120,000	\$26,323
Alison Gerry	\$100,000	\$40,000 (Chair)	\$20,000	-	\$160,000	\$118,697
Paul Goulter	\$100,000	-	\$20,000	\$10,000	\$130,000	\$43,160
Jonathan Mason	\$100,000	\$20,000	-	\$20,000 (Chair)	\$140,000	\$94,860
Total	\$970,000	\$100,000	\$100,000	\$50,000	\$1,220,000	\$557,191

Amounts stated as FBT and GST exclusive where applicable.

1. Includes value of travel benefits for related parties and benefits accrued in prior years utilised in current year.
2. The value of the travel entitlements utilised by former directors during the 2023 financial year were as follows:
Jan Dawson (\$44,927), Rob Jager (\$92,524), Linda Jenkinson (\$138,396), Tony Carter (\$56,664), Paul Bingham (\$213,352), Roger France (\$7,071), John Palmer (\$29,675), Warren Larsen (\$28,614), Jane Freeman (\$1,349).

The Board disestablished the Covid-19 Committee in May 2023. This Committee did not meet during the 2023 financial year, and no additional fees were payable to directors who were members of this Committee.

In addition to the director remuneration provisions above, Air New Zealand's employee remuneration policy and the remuneration of the Chief Executive Officer is discussed in the remuneration report.



Employee Remuneration

	Remuneration paid in FY23 including base for FY23, and incentive payments including performance rights issued under the LTI scheme that relate to FY22 performance and paid in FY23*	
	New Zealand Management	Aircrew, Engineering, Overseas and Other
100,000 - 110,000	219	399
110,000 - 120,000	175	309
120,000 - 130,000	169	250
130,000 - 140,000	124	215
140,000 - 150,000	102	195
150,000 - 160,000	101	178
160,000 - 170,000	68	175
170,000 - 180,000	64	98
180,000 - 190,000	63	125
190,000 - 200,000	52	132
200,000 - 210,000	38	114
210,000 - 220,000	31	93
220,000 - 230,000	21	66
230,000 - 240,000	16	65
240,000 - 250,000	10	80
250,000 - 260,000	13	62
260,000 - 270,000	9	44
270,000 - 280,000	5	23
280,000 - 290,000	11	18
290,000 - 300,000	5	22
300,000 - 310,000	6	26
310,000 - 320,000	4	53
320,000 - 330,000	3	38
330,000 - 340,000	1	19
340,000 - 350,000	3	29
350,000 - 360,000	-	18
360,000 - 370,000	4	19
370,000 - 380,000	3	12
380,000 - 390,000	1	15
390,000 - 400,000	2	28
400,000 - 410,000	2	26
410,000 - 420,000	1	16
420,000 - 430,000	2	10
430,000 - 440,000	1	6
440,000 - 450,000	-	6
450,000 - 460,000	5	15
460,000 - 470,000	3	9
470,000 - 480,000	-	7
480,000 - 490,000	4	8
490,000 - 500,000	1	4
500,000 - 510,000	1	9
510,000 - 520,000	1	3
520,000 - 530,000	1	3
530,000 - 540,000	1	2
540,000 - 550,000	3	6
550,000 - 560,000	-	6
560,000 - 570,000	-	3
570,000 - 580,000	-	1
580,000 - 590,000	-	1
590,000 - 600,000	-	2
600,000 - 610,000	1	-
610,000 - 620,000	1	1
620,000 - 630,000	-	1
660,000 - 670,000	-	1
670,000 - 680,000	1	-
680,000 - 690,000	1	-
710,000 - 720,000	1	1
840,000 - 850,000	-	1
870,000 - 880,000	1	-
890,000 - 900,000	1	-
1,010,000 - 1,020,000	1	-
1,250,000 - 1,260,000	1	-
1,300,000 - 1,310,000	1	-
1,310,000 - 1,320,000	1	-
1,330,000 - 1,340,000	1	-
1,340,000 - 1,350,000	1	-
1,350,000 - 1,360,000	1	-
3,610,000 - 3,620,000	1	-
Grand Total	1,364	3,068

* Performance rights issued under the LTI scheme remain at risk.

Remuneration Report

Remuneration Philosophy

Air New Zealand's remuneration philosophy is aligned with its recruitment, leadership development philosophies and performance management approaches to ensure the attraction, development, and retention of key talent.

Air New Zealand's remuneration strategy is underpinned by a pay-for-performance philosophy and uses annual performance incentives to create opportunities to achieve market competitive remuneration levels and in the case of superior company performance, total remuneration in excess of market.

Executive remuneration

The CEO and Executive remuneration packages are made up of three components:

- Fixed remuneration;
- Short-term performance incentives; and
- Long-term performance incentives

Air New Zealand's People, Remuneration & Diversity Committee is kept apprised of relevant market information and best practice, obtaining advice from external advisors when necessary. Remuneration levels are reviewed annually for market competitiveness and alignment with strategic priorities and company performance outcomes.

Fixed remuneration

Air New Zealand's philosophy is to set fixed remuneration at market competitive levels for Executives. Fixed remuneration consists of base salary and superannuation contributions which are matched by employer superannuation contribution of 4% of gross taxable earnings. The fixed remuneration is reviewed periodically based on market data from independent remuneration specialists.

Short-term performance incentives

The annual performance incentive component is delivered through Air New Zealand Short-Term Incentive Scheme (STI). For the CEO, the STI is set at 55% of the annual fixed salary at target performance.

For the 2023 financial year, the structure of the short-term incentive scheme was:

- The 2023 financial year targets were based on a broad range of business measures to promote collaboration through shared objectives and support the business recovery. The Group financial results contribute 50% of the incentive and the other 50% is based on Group customer, operational and safety measures.
- The maximum payment is capped at 175% of the target if all performance measures are exceeded.

Long-term performance incentives

Air New Zealand's long-term incentive plan arrangements are designed to align the interests of the CEO and Executives with those of our shareholders and to incentivise participants in the plan to enhance long-term shareholder value. In the 2023 financial year, the plan available to Executives was the Air New Zealand Long-Term Incentive Performance Rights Plan (LTIP). Participation in any year is by annual invitation at the discretion of the Board.

Long-Term Incentive Performance Rights Plan (LTIP)

Performance Rights

LTIP participants are eligible to receive a grant of performance rights. Any grant of performance rights is at the discretion of the People Remuneration & Diversity Committee of the Board of Directors but, in the normal course of events, is expected to equate to a value of 55% of fixed remuneration for the CEO, and 40% of fixed remuneration for Executives. The number of performance rights to be allocated will be determined by an independent valuation of the performance rights carried out each year at the time of issue.

Three years after the date of issue of any performance rights, if the Air New Zealand share price has outperformed the performance hurdle, a proportion of the performance rights will convert to shares. The performance hurdle comprises of an index made up of the NZSX All Gross Index and the Bloomberg World Airline Total Return Index in equal proportions.

The proportion of performance rights that convert to shares will depend on the extent to which the Air New Zealand share price has outperformed the index. In particular:

Performance against index	Percent of Rights Vesting
<100%	Nil
100%	50%
101% - 119%	Additional 2.5% vesting per 1% increment
120%	100% (maximum)



Remuneration Report (continued)

If vesting is not achieved on the third anniversary of the issue date, 50% of the performance rights will lapse. For the remaining 50% there will be a further 6-month opportunity for the performance rights to vest. If performance rights do not vest at that time, they also lapse. Unless Air New Zealand's share price outperforms the index as outlined above, no value will accrue to the participating Executive.

Mandatory Shareholding

Participants are required to commit to investing a specified amount to purchase shares in the Company. The amount is set at a value of 55% of the fixed remuneration for the CEO, and 40% of fixed remuneration for Executives.

Until participants have attained this target, any shares issued to them from vested performance rights must be retained as part of the mandatory shareholding. This holding must be maintained while continuing to participate in the LTIP. Executives are not required to purchase shares outside of the LTIP to satisfy this mandatory shareholding requirement.

Chief Executive Officer Remuneration

CEO Target Remuneration

Based on remuneration components outlined earlier, CEO target remuneration is as follows:

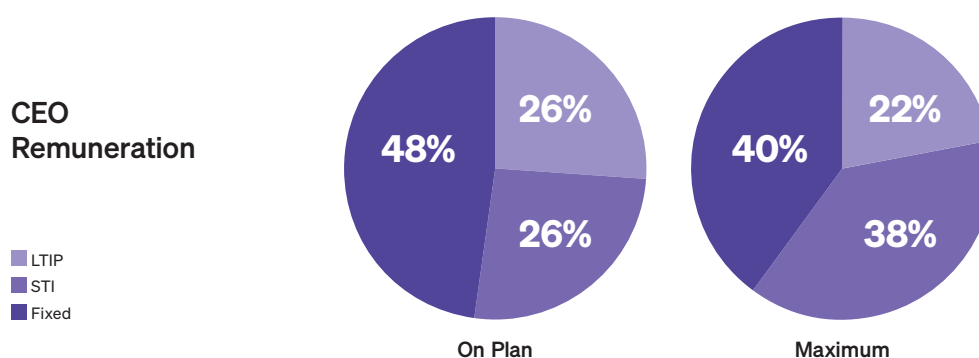
Financial Year	CEO	Salary ¹ \$	Benefits ² \$	STI ³ \$	LTIP ⁴ \$	Summary \$
2023	Greg Foran	1,800,000	182,939	990,000	990,000	3,962,939
2022	Greg Foran	1,664,479	113,643	915,464	915,464	3,609,050
2021	Greg Foran	1,650,000	111,652	907,500	907,500	3,576,652

Comments to the table:

- These are full-year salary equivalents. As part of the response to Covid-19, Greg Foran's annual contracted salary decreased from \$1,650,000 to \$1,400,000 for the 2021 financial year.
- Benefits include superannuation and travel taken in the relevant financial year. As a member of the scheme, the CEO is eligible to contribute and receive matching Company contribution up to 4% of gross taxable earnings (including STI). The CEO and eligible beneficiaries are entitled to a number of trips for personal purposes at no cost to the individual. The dollar value represents the actual benefit received in each financial year, as no target is available for benefits. For Greg Foran's benefit calculation, 4% KiwiSaver on his target STI has been included.
- STI target entitlement is 55% of salary.
- The Long-Term Incentive Plan payout is expected to equate to 55% of salary if performance conditions stated under LTIP section are met.

CEO Remuneration Structure

The CEO remuneration structure is consistent with the executive management remuneration structure described previously. The CEO remuneration target and maximum total remuneration mix for the 2023 financial year is set out below. For LTIP the same target award value has been used for both on plan and maximum. The plan is subject to performance hurdles and any vested award is linked to the share price at the time of vesting. For STI the maximum payment is capped at 175% of the target if all performance measures are exceeded, which reduces the proportion of the LTIP target award at maximum.



Remuneration Report (continued)

CEO Realised Remuneration

Financial Year		CEO	Salary ¹ \$	Benefits ² \$	STI ³ \$	LTIP ⁴ \$	Summary \$
2023	01/07/22 – 30/06/23	Greg Foran	1,839,029	171,239	1,123,650	-	3,133,918
2022	01/07/21 – 30/06/22	Greg Foran	1,657,169	76,733	613,361	-	2,347,263
2021	01/07/20 – 30/06/21	Greg Foran	1,400,000	65,352	-	-	1,465,352

Comments to the table:

- Salary includes cash paid to, or received by, the CEO in respect of the financial period.
- Benefits include:
 - Superannuation: as a member of the Air New Zealand's group superannuation scheme, the CEO is eligible to contribute and receive a matching Company contribution up to 4% of gross taxable earnings (including STI).
 - Travel: the CEO and eligible beneficiaries are entitled to a number of trips for personal purposes at no cost to the individual.
- STI in the reporting period reflects the cash value of amounts received where entitlement is determined by the achievement of performance measures that relate to the current period and is not the result of an award made in a previous period.
- LTIP Share Rights issued in 2019 were not converted to shares in the 2023 financial year as the performance conditions were not met.

CEO Share Rights Granted 2023 Financial Year

CEO	LTIP ¹ #
Greg Foran	2,408,759

Comments to the table:

- LTIP includes the number of Performance Share Rights granted in September 2022 (2023 financial year).

CEO Pay for Performance Calculation

Scheme	Description	Performance Measures	Scorecard Weighting	Scorecard Outcome	Percentage/Rating Achieved
STI	STI is set at 55% of fixed remuneration and is based on Company performance measures.	Return on Invested Capital (ROIC) ¹	25%	50%	Above target contribution to the STI scorecard
		Controllable Cost over Revenue ²	25%	45%	Above target contribution to the STI scorecard
		Customer Satisfaction ³	25%	2.5%	Partial achievement against STI scorecard
		Safe On Time Performance ⁴	25%	16%	Partial achievement against STI scorecard
			100%	113.5%	
LTIP	Award of share rights under the Long-Term Incentive Performance Rights Plan is set at 55% of fixed remuneration.	Performance rights vest based on an index made of the NZSX All Gross Index and the Bloomberg World Airline Total Return Index in equal proportions.	100%	100%	100%

ROIC and Controllable Cost over Revenue was ahead of the target set by PRDC, overall, there was an above target contribution to the STI scorecard. Customer Satisfaction achieved a partial outcome against the target. For Safe On Time Performance, the Risk Control Effectiveness target was achieved and the performance on critical people safety risks remains strong, on time performance result was below the threshold to contribute to the STI scorecard.

- ROIC is the return the company earns on the capital invested.
- Controllable Cost over Revenue are costs that Air New Zealand can control, excluding fuel and foreign exchange.
- Customer Satisfaction is measured via the MyVoice Customer Survey, an optional post-flight survey among passengers via an email link.
- Pushing for On Time Performance could potentially have a negative impact on operational integrity, which is unacceptable to the airline. Safe On Time Performance is comprised of Risk Control Effectiveness which focuses on our critical safety risks, and On Time Performance. To ensure Air New Zealand continues to focus on operational safety, it must achieve both a minimum Risk Control Effectiveness and a minimum risk review completion target before On Time Performance can trigger a payment.



Interests Register

No disclosures were made of interests in transactions under s140(1) of the Companies Act 1993.

Directors have made general disclosures of interests in accordance with s140(2) of the Companies Act. Current interests, and those which ceased during the year, are tabulated below. New disclosures advised since 1 July 2022 are italicised.

Dame Therese Walsh	Antarctica New Zealand ASB Bank Limited Climate Change Commission – nomination panel On Being Bold Limited Therese Walsh Consulting Limited Wellington Homeless Women's Trust	Director Director (Chair) Member Director Director Ambassador
Claudia Batten	Pyper Vision Limited Serko Limited Vista Group International Limited Wonderful Investments Limited	Shareholder Chair Director Director
Dean Bracewell	Ara Street Investments Limited Dean Bracewell Limited Freightways Limited Halberg Trust Port of Tauranga Limited Property for Industry Limited Tainui Group Holdings Limited	Director and Shareholder Director and Shareholder Shareholder Director Director Director Director
Laurissa Cooney	Accordant Group Limited GMT Bond Issuer Limited GMT Wholesale Bond Issuer Limited Goodman (NZ) Limited Goodman Property Aggregated Limited Ngāi Tai ki Tāmaki Charitable Investment Trust The Aotearoa Circle Trust Western Bay of Plenty Tourism and Visitors Trust (“Tourism Bay of Plenty”) – ceased 1 May 2023	Director Director Director Director Director Trustee to 1 June 2023; Audit Committee Member (Chair) Guardian Trustee (Chair)
Larry De Shon	The Hartford Financial Services Group, Inc United Rentals, Inc	Director Director
Alison Gerry	ANZ Bank New Zealand Limited Glendora Avocados Limited Glendora Holdings Limited Infratil Limited On Being Bold Limited Sharesies AU Group Limited Sharesies Group Limited Sharesies Investment Management Limited Sharesies Limited Sharesies Nominee Limited	Director Director Director Director Director Director Director Director Director Director
Paul Goulter	New Zealand Nurses Organisation Incorporated	Officer
Jonathan Mason	Dilworth School for Boys University of Auckland Council University of Auckland Endowment Fund Vector Limited Westpac New Zealand Limited World Wide Fund for Nature New Zealand Zespri Group Limited	Trustee Member Trustee Director Director Trustee Director

There have been no interest register entries in respect of use of company information by directors.

Directors' Interests in Air New Zealand Securities

Directors had relevant interests in shares as at 30 June 2023 as below:

	Interest	Shares
Dean Bracewell ¹	Beneficial	125,000
Laurissa Cooney ²	Beneficial	146,570
Larry De Shon	Beneficial	1,002,514
Alison Gerry ³	Beneficial	84,393
Paul Goulter ³	Beneficial	76,401
Jonathan Mason	Beneficial	164,000
Dame Therese Walsh	Beneficial	650,000

During the year, directors advised the following dealings that they (or associated persons) had in shares of the Company.

	Transaction	Date	Number	Consideration
Paul Goulter ³	Purchase	15 March 2023	76,401	\$59,975
Dame Therese Walsh	Purchase	1 March 2023	150,000	\$117,750

1. Dean Bracewell holds his interest through an associated entity, Ara Street Investments Limited.
2. Laurissa Cooney has an interest in 107,570 shares through a Craigs' KiwiSaver Scheme, and 39,000 shares personally held.
3. Alison Gerry and Paul Goulter hold their respective interests via Sharesies Nominees Limited.

Indemnities and Insurance

Pursuant to section 162 of the Companies Act 1993 and the Constitution, Air New Zealand has entered into deeds of access, insurance and indemnity with the directors of the Group to indemnify them to the maximum extent permitted by law, against all liabilities which they may incur in the performance of their duties as directors of any company within the Group. Insurance cover extends to directors and officers for the expenses of defending legal proceedings and the cost of damages incurred. Specifically excluded are proven criminal liability and fines and penalties other than those pecuniary penalties which are legally insurable. In accordance with commercial practice, the insurance contract prohibits further disclosure of the terms of the policy. All directors who voted in favour of authorising the insurance certified that in their opinion, the cost of the insurance is fair to the Company.



Subsidiary and Joint Venture Companies

The following people were directors of Air New Zealand's subsidiary and joint venture companies in the financial year to 30 June 2023. Those who resigned during the year are signified by (R). These companies are New Zealand incorporated companies except where otherwise indicated.

No director of any subsidiary received beneficially any director's fees or other benefits except as an employee.

Air Nelson Limited	Jennifer Page Michael Williams Kelvin Duff (R)
Air New Zealand Aircraft Holdings Limited	Jennifer Page Baden Smith Richard Thomson
Air New Zealand Associated Companies Limited	Jennifer Page Leila Peters Richard Thomson
Air New Zealand Express Limited	Jennifer Page Richard Thomson
Air New Zealand Regional Maintenance Limited	Hamish Curson Brendon McWilliam
ANNZES Engines Christchurch Limited	Jennifer Page Richard Thomson
Mount Cook Airline Limited	Jennifer Page Michael Williams Kelvin Duff (R)
TEAL Insurance Limited	Katrina Meredith Jennifer Page Hannah Ringland Craig Tolley (R)
Air New Zealand (Australia) Pty Limited (incorporated in Australia)	Kathryn O'Brien Jennifer Page Paul McLean (R) Michael Zorbas (R)

Other Disclosures

Donations

The Air New Zealand Group has made donations totalling \$100,000 in the financial year to 30 June 2023. No donations were made to any political party. It is Air New Zealand’s policy not to make donations, in cash or in kind, or to provide free of charge travel to political parties.

Substantial product holders

The following information is provided in compliance with Section 293 of the Financial Markets Conduct Act 2013 and is stated as at 30 June 2023. The total number of listed Ordinary shares of Air New Zealand Limited at that date was 3,368,464,315.

Substantial Product Holder	Quoted voting products in the Company in which a relevant interest is held
The Sovereign in Right of New Zealand	1,717,916,801 ordinary shares*

In 1989, the Crown issued a Notice that arises through its holding of special rights Convertible Share, the “Kiwi Share” and the power of the Kiwi Shareholder under the Constitution. Full details of the rights pertaining to these shares are set out in the Company’s Constitution. The Kiwi Share does not confer any right on its holder to vote at a shareholders’ meeting unless the Kiwi Share has been converted into an Ordinary Share by its holder. The Kiwi Share is not listed on any stock exchange.

* As reported in its most recent Substantial Security Holder notice dated 11 May 2022, held by The Sovereign in Right of New Zealand acting by and through his Minister of Finance. By virtue of the Constitution Act 1986, the nominal holder of these shares changed from “Her Majesty the Queen in Right of New Zealand” to “The Sovereign in Right of New Zealand” on the demise of the late Queen, such change not being a transfer of shares.

Operating Fleet Statistics

As at 30 June 2023

Boeing 777-300ER

Number: 7
 Average Age: 11.2 years
 Maximum Passengers: 342
 Cruising Speed: 910 km/hr
 Average Daily Utilisation: 12:58 hrs



Boeing 787-9 Dreamliner

Number: 14
 Average Age: 6.8 years
 Maximum Passengers: 302 or 275
 Cruising Speed: 910 km/hr
 Average Daily Utilisation: 13:47 hrs



Airbus A321neo

Number: 10
 Average Age: Short-haul: 4.3 years
 Domestic: 0.6 years
 Maximum Passengers: Short-haul: 214
 Domestic: 217
 Cruising Speed: 850 km/hr
 Average Daily Utilisation: Short-haul: 9:23 hrs
 Domestic: 5:28 hrs



Airbus A320neo

Number: 6
 Average Age: 3.3 years
 Maximum Passengers: 165
 Cruising Speed: 850 km/hr
 Average Daily Utilisation: 11:12 hrs



Airbus A320ceo

Number: 17
 Average Age: 9.4 years
 Maximum Passengers: 171
 Cruising Speed: 850 km/hr
 Average Daily Utilisation: 7:00 hrs



ATR 72-600

Number: 29
 Average Age: 6.3 years
 Maximum Passengers: 68
 Cruising Speed: 518 km/hr
 Average Daily Utilisation: 6:12 hrs



Bombardier Q300

Number: 23
 Average Age: 16.4 years
 Maximum Passengers: 50
 Cruising Speed: 520 km/hr
 Average Daily Utilisation: 5:53 hrs



Securities Statistics

Top Twenty Shareholders – as at 1 August 2023

Investor Name	Number of Ordinary Shares	% of Ordinary Shares
The Sovereign in Right of New Zealand acting by and through their Minister of Finance	1,717,916,801	51.00
New Zealand Depository Nominee	206,400,129	6.13
Citibank Nominees (NZ) Ltd	122,002,282	3.62
HSBC Nominees (New Zealand) Limited	112,872,662	3.35
HSBC Nominees (New Zealand) Limited	100,196,703	2.97
BNP Paribas Nominees NZ Limited Bpss40	67,057,959	1.99
JPMORGAN Chase Bank	45,485,040	1.35
BNP Paribas Nominees NZ Limited	25,570,778	0.76
Accident Compensation Corporation	17,375,375	0.52
Tea Custodians Limited	15,642,560	0.46
Public Trust	15,309,437	0.45
Private Nominees Limited	13,193,325	0.39
Xinwei Investment (NZ) Limited	13,164,081	0.39
Citicorp Nominees Pty Limited	12,434,506	0.37
Custodial Services Limited	8,250,517	0.24
Ping Luo	8,228,921	0.24
BNP Paribas Nominees (NZ) Limited	7,753,793	0.23
FNZ Custodians Limited	7,640,671	0.23
BNP Paribas Noms Pty Ltd	6,586,064	0.20
HSBC Custody Nominees (Australia) Limited	6,354,173	0.19
Total	2,529,435,777	75.08

Shareholder Statistics – as at 1 August 2023

Size of Holding	Investors	% Investors	Shares	% Issued
1-1,000	18,116	34.69	8,286,082	0.25
1,001-5,000	16,114	30.86	40,954,377	1.22
5,001-10,000	6,267	12.00	46,664,334	1.39
10,001-100,000	10,438	19.99	306,993,937	9.11
100,001 and Over	1,283	2.46	2,965,565,585	88.03
Total	52,218	100.00	3,368,464,315	100.00



Securities Statistics (continued)

Top Twenty Bondholders – as at 1 August 2023

Investor Name	Number of Bonds	% of Bonds
Forsyth Barr Custodians Limited	46,548,000	46.55
FNZ Custodians Limited	6,189,000	6.19
HSBC Nominees (New Zealand) Limited	4,830,000	4.83
Investment Custodial Services Limited	4,234,000	4.23
Private Nominees Limited	2,895,000	2.90
Forsyth Barr Custodians Limited	2,395,000	2.40
Mt Nominees Limited	2,070,000	2.07
JBWERE (NZ) Nominees Limited	1,906,000	1.91
BNP Paribas Nominees NZ Limited Bpss40	1,804,000	1.80
Custodial Services Limited	1,172,000	1.17
Hobson Wealth Custodian Limited	972,000	0.97
Forsyth Barr Custodians Limited	641,000	0.64
HSBC Nominees (New Zealand) Limited	550,000	0.55
Forsyth Barr Custodians Limited	420,000	0.42
I J Investments Limited	400,000	0.40
Malaghan Institute of Medical Research Trust Board	400,000	0.40
Cogent Nominees Limited	400,000	0.40
Pin Twenty Limited	390,000	0.39
JBWERE (NZ) Nominees Limited	300,000	0.30
Karl Leopold Zuba & Hedwig Zuba	250,000	0.25
Total	78,766,000	78.77

Bondholder Statistics – as at 1 August 2023

Size of Holding	Holders	% Holders	Bonds	% Issued
1-1,000	-	-	-	-
1,001-5,000	65	9.63	325,000	0.33
5,001-10,000	130	19.26	1,212,000	1.21
10,001-100,000	434	64.30	14,332,000	14.33
100,001 and Over	46	6.81	84,131,000	84.13
Total	675	100.00	100,000,000	100.00

Current on-market share buybacks

There is no current share buyback in the market.

General Information

Stock exchange listings

Air New Zealand's Ordinary Shares have been listed on the NZX Main Board (ticker code AIR) since 24 October 1989. It also has bonds listed on the NZX Debt Market (ticker code AIRO20).

Air New Zealand's Ordinary Shares are listed on ASX (ticker code AIZ) as a Foreign Exempt Listing. The Foreign Exempt Listing means that Air New Zealand is expected to comply primarily with the Listing Rules of the NZX Main Board (being the rules of its home exchange) and is exempt from complying with most of ASX's Listing Rules.

Neither NZX nor ASX has taken any other disciplinary action against the Company during the financial year ended 30 June 2023. In particular there was no other exercise of powers by NZX under NZX Listing Rule 9.9.3 (relating to powers to cancel, suspend or censure an issuer) with respect to Air New Zealand during the reporting period.

On 20 July 2017, Air New Zealand launched a sponsored Level 1 American Depositary Receipt (ADR) programme. Air New Zealand's American Depositary Shares, each representing five Ordinary Air New Zealand shares and evidenced by ADRs, are traded over-the-counter in the United States (ticker code ANZLY).

Place of incorporation

New Zealand

In New Zealand, the Company's Ordinary Shares are listed with a "non-standard" (NS) designation. This is due to particular provisions of the Company's Constitution, including the rights attaching to the Kiwi Share¹ held by the Crown and requirements regulating ownership and transfer of Ordinary Shares.

New Zealand Exchange

Waivers:

Waivers from the NZX Listing Rules granted to the Company or relied upon by the Company during the financial year ended 30 June 2023 may be found at www.airnz.co.nz/nzx-waivers.

Compliance with Listing Rules:

For the purposes of ASX Listing Rule 1.15.3, Air New Zealand Limited confirms the Company continues to comply with the NZX Listing Rules.

1. In 1989, the Crown issued a Notice that arises through its holding of special rights Convertible Share, the "Kiwi Share" and the power of the Kiwi Shareholder under the Constitution. Full details of the rights pertaining to these shares are set out in the Company's Constitution. The Kiwi Share does not confer any right on its holder to vote at a shareholder's meeting unless the Kiwi Share has been converted into an Ordinary Share by its holder. The Kiwi Share is not listed on any stock exchange.



Shareholder Directory

New Zealand

Link Market Services Limited
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New Zealand

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Email: enquiries@linkmarketservices.co.nz

Australia

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Locked Bag A14, Sydney South
NSW 1235
Australia

Investor Enquiries:
Phone: (61) 1300 554 474
Fax: (61 2) 9287 0303

Investor Relations

Investor Relations Office
Private Bag 92007, Auckland 1142
New Zealand
Phone: 0800 22 22 18 (New Zealand)
(64 9) 336 2607 (Overseas)
Fax: (64 9) 336 2664
Email: investor@airnz.co.nz
Website: airnzinvestor.com

Annual Meeting

Date: 26 September 2023
Time: 2:00pm
Venue: Members Lounge
Sky Stadium
105 Waterloo Quay
Pipitea
Wellington

Current Credit Rating

Moody's rate Air New Zealand Baa2

Auditor

Deloitte Limited (on behalf of the
Auditor-General)
Deloitte Centre
80 Queen Street, Auckland Central
PO Box 115033, Shortland Street
Auckland 1140
New Zealand

Registered Office

New Zealand
Air New Zealand Limited
Air New Zealand House
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Postal: Private Bag 92007
Auckland 1142, New Zealand
Phone: (64 9) 336 2400
Fax: (64 9) 336 2401
NZBN: 9429040402543

Registered Office (continued)

Australia
Level 12
7 Macquarie Place
Sydney
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Phone: (61 2) 8235 9999
Fax: (61 2) 8235 9946
ABN: 70 000 312 685

Board of Directors

Dame Therese Walsh – Chair
Claudia Batten
Dean Bracewell
Laurissa Cooney
Larry De Shon
Alison Gerry
Paul Goulter
Jonathan Mason

Chief Executive Officer
Greg Foran

Chief Financial Officer
Richard Thomson

General Counsel and Company Secretary
Jennifer Page



