



NAME & ADDRESS  
(TO FIT WINDOW OF ENVELOPE)  
CSN/ HOLDER NO: [     ]  
[BARCODE]

9 June 2016

**SHARE SALE PLAN NOTICE**

**PLAN NOTICE NUMBER 1/16**

Dear Shareholder(s),

Heartland Bank Limited (**Heartland**) has established a Share Sale Plan (**Plan**) which offers shareholders who hold not more than 10,000 ordinary shares (**Shares**) the opportunity to sell all of their Shares as at the record date set out below and receive the market price on the day of sale for those Shares. The Plan provides a convenient method for shareholders to dispose of their Shares, without paying any brokerage fees by facilitating trades by a broker on your behalf at the market price on the day of sale.

**Why has Heartland introduced the Plan?**

Heartland is aware that unsolicited, "low ball" offers may soon target its shareholders, including an offer by Acasta Limited. Heartland strongly believes that its Shares should be sold at the market price and not through unsolicited off market offers, which may be significantly below market prices.

**Information about your shareholding**

Shares held as at 5.00pm on the Record Date	
Market price per Share as at 5.00pm on the Record Date	
Total value of your shareholding on the Record Date	

The market price specified above is the market price of your Shares in Heartland Bank Limited on the NZX Main Board, which is operated by NZX Limited, as at the Record Date set out below. If you decide to sell your Shares, the price at which they will be sold will be a market price on the day of sale.

You can check the current market price for Heartland's Shares on the NZX website [www.nzx.com/companies/HBL](http://www.nzx.com/companies/HBL) or in newspapers. The stock code for Heartland is "HBL".

**Do I have to participate in the Plan?**

Participation in the Plan is voluntary. If you wish to keep your Shares you do not need to do anything.

You can choose to sell Shares directly at any time through a broker. However, you should bear in mind that it can be relatively expensive to sell small parcels of Shares and under the Plan these costs will be covered by Heartland. If you choose to participate in the plan, all of the Shares shown above will be sold.

**What price will I get if I sell my shares under the Plan?**

The price per Share which you will receive for your Shares will be determined by dividing the total proceeds of the Shares sold under the Plan on the day on which your Shares are sold by the total number of Shares sold under the Plan on that day. This price will reflect the average market price at which Shares are sold under the

Plan on the day on which your Shares are sold. The Broker may, in its sole discretion, pool your Shares with those of other participating shareholders prior to selling those Shares.

#### **How do I participate in the Plan?**

You can participate in the Plan by making your election online at [www.linkissuers.co.nz/HBLsharesaleplan](http://www.linkissuers.co.nz/HBLsharesaleplan) (**Online Election**) or completing and returning your enclosed participation notice (**Participation Notice**).

#### **Other important information about the Plan**

You should read this notice (the **Plan Notice**) together with the enclosed Heartland Bank Limited Share Sale Plan Document (the **Plan Document**).

<b>Record Date</b> (the date on which your eligibility to participate in the Plan was determined)	25 May 2016
<b>Date of Offer</b> (the date on which this offer is made)	9 June 2016
<b>Closing Date</b> (the last date on which your participation election will be accepted)	10 August 2016
<b>Broker</b> (the NZX primary market participant that will arrange for the sale of your Shares, if you choose to participate)	First NZ Capital Securities Limited

This offer is made on the date of this Plan Notice set out above and expires on the Closing Date set out above.

No Shares will be sold during the cancellation period, being 10 working days after the date on which you make your Online Election or Heartland's Share Registrar Link Market Services Limited receives your Participation Notice.

You will receive the proceeds of sale of any Shares sold under the Plan as soon as practicable after your Shares are sold and, in any event, within 28 days after the date on which the cancellation period for your Shares ends.

#### **What do I do now?**

You should read the enclosed Plan Document and decide whether you wish to sell your Shares under the Plan. This Plan Notice, together with the Plan Document, is your "disclosure document" for the purposes of the Financial Markets Conduct Regulations 2014 (as modified by the Financial Markets Conduct (Heartland Bank Limited Share Sale Plan) Exemption Notice 2016).

If you have received an unsolicited offer, you should carefully compare the terms and conditions of that offer against the Plan before making a decision as to which offer, if any, you choose to accept. If you have any questions about what to do in relation to the Plan, please consult your broker, financial, investment or other professional advisor.

#### **Your right to cancel**

If you choose to participate in the Plan but then change your mind, you have the legal right to cancel your participation in the Plan. You can cancel the sale of your Shares under the Plan by contacting Heartland's Share Registrar Link Market Services Limited with your name and CSN, stating you wish to cancel, using one of the following methods:

Online: [www.linkissuers.co.nz/HBLsharesaleplan](http://www.linkissuers.co.nz/HBLsharesaleplan)

Email: [operations@linkmarketservices.co.nz](mailto:operations@linkmarketservices.co.nz) (Please put HBL Share Sale Plan in the subject line for easy identification)

Mail: Link Market Services Limited, PO Box 91976, Auckland 1142

Facsimile: +64 9 375 5990

Your cancellation must be received by Link Market Services Limited within 10 working days after the date on which you make your Online Election or Heartland's Share Registrar Link Market Services Limited receives your Participation Notice.

Note: a working day for the purposes of the Plan is a day of the week other than:

- Saturday and Sunday; and
- Waitangi Day, Good Friday, Easter Monday, Anzac Day, Queen's Birthday and Labour Day; and
- a day in the period commencing with 25 December in a year and ending with 2 January in the following year; and
- if 1 January falls on a Friday, the following Monday or, if 1 January falls on a Saturday or a Sunday, the following Monday and Tuesday; and
- if Waitangi Day or Anzac Day falls on a Saturday or a Sunday, the following Monday.

Kind regards

**Heartland Bank Limited**