

Notice of event affecting securities*

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Full name of Issuer: **Heartland Bank Limited**

Name of officer authorised to make this notice: **Rochelle Moloney** Authority for event, e.g. Directors' resolution: **Directors' resolution**

Contact phone number: **09 927 9287** Contact fax number: **09 927 9310** Date: **21 / 02 / 2017**

Nature of event Tick as appropriate
 Bonus Issue If ticked, state whether: Taxable / Non Taxable Conversion Interest Rights Issue Renounceable
 Rights Issue non-renounceable Capital change Call Dividend If ticked, state whether: Interim Full Year Special DRP Applies

EXISTING securities affected by this If more than one security is affected by the event, use a separate form.

Description of the class of securities: **Ordinary shares** ISIN: **NZBSHE0001S0**
 If unknown, contact NZX

Details of securities issued pursuant to this event If more than one class of security is to be issued, use a separate form for each class.

Description of the class of securities: **Ordinary shares issued under a Share Purchase Plan** ISIN: **NZBSHE0001S0**
 If unknown, contact NZX

Number of Securities to be issued following event ²: **To be determined** Minimum Entitlement: Ratio, e.g. 1 for 2 for

Conversion, Maturity, Call Payable or Exercise Date: **N/A** Treatment of Fractions: **Rounded up ³**

Strike price per security for any issue in lieu or date Strike Price available: **N/A** Tick if *pari passu* OR provide an explanation of the ranking

Monies Associated with Event Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

In dollars and cents
 Amount per security ⁴ (does not include any excluded income): **To be fixed on 13 March 2017** Source of Payment:
 Excluded income per security (only applicable to listed PIEs):
 Currency: Supplementary dividend details - NZSX Listing Rule 7.12.7: Amount per security in dollars and cents:
 Total monies: Date Payable:

Taxation Amount per Security in Dollars and cents to six decimal places

In the case of a taxable bonus issue state strike price: \$ Resident Withholding Tax: \$ Imputation Credits (Give details):
 Foreign Withholding Tax: \$ FDP Credits (Give details):

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm For calculation of entitlements - **20 February 2017** Application Date Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. **10 March 2017**

Notice Date Entitlement letters, call notices, conversion notices mailed **21 February 2017** Allotment Date For the issue of new securities. Must be within 5 business days of application closing date. **15 March 2017**

OFFICE USE ONLY
 Ex Date: Security Code:
 Commence Quoting Rights: Security Code:
 Cease Quoting Rights 5pm:
 Commence Quoting New Securities:
 Cease Quoting Old Security 5pm:



* Please refer to the notes identified below which are set out on the second page of this notice

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Number of pages including this one
(Please provide any other relevant
details on additional pages)

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Full name
or issuer

Heartland Bank Limited

Name of officer authorised to
make this notice

Rochelle Moloney

Authority for event,
e.g. Directors' resolution

Directors' resolution

Contact phone
number

09 927 9287

Contact fax
number

09 927 9310

Date

21 / 02 / 2017

- 1 Heartland is offering eligible shareholders (being persons recorded in Heartland's share register at 5:00pm on 20 February 2017 as being a registered holder of shares and having an address in New Zealand recorded in the share register) the opportunity to acquire new shares via a \$20 million share purchase plan (SPP). Each eligible shareholder may apply for up to \$15,000 of shares.
- 2 The issue price for the SPP is yet to be fixed, as described in note 4 below. Heartland is seeking to raise up to \$20 million under the SPP. The exact number of shares issued under the SPP will depend on the issue price. If Heartland receives applications in excess of \$20 million, it will scale back all applications on a proportionate basis.
- 3 Eligible shareholders will apply for a dollar amount of shares rather than a certain number of shares. The number of shares to be issued to each eligible shareholder will be the dollar amount of shares applied for (adjusted for any scaling) divided by the issue price. If this produces a fractional number, the number of shares allotted to that eligible shareholder will be rounded up to the nearest whole number.
- 4 The issue price will be fixed after market close on 13 March 2017 as the lesser of:
 - a 4.6% discount to the average end of day market price of Heartland shares on the NZX Main Board over the 5 day trading period from 6 March to 10 March 2017; and
 - \$1.46 per share.

If, subject to the Listing Rules, Heartland elects to extend the closing date of the SPP, the issue price will be calculated as the lesser of:

 - a 4.6% discount to the average end of day market price of Heartland shares on the NZX Main Board over the 5 day trading period up to and including the closing date; and