

Notification of Allotment of Securities

13 April 2017

For the purposes of Listing Rules 5.2.5 and 7.12.1 of the NZX Main Board Listing Rules, Heartland Bank Limited (**Heartland**) advises the issue of performance rights (**Performance Rights**) pursuant to Heartland's Performance Rights Plan (the **Plan**) in respect of the 2017 financial year. Subject to the holder remaining employed by Heartland and achievement of the Total Shareholder Return targets over the period between 31 August 2016 and the date falling 10 business days following the date on which Heartland announces its full year results for the financial year ended 2019, holders will be entitled to receive one fully paid ordinary share in Heartland for each Performance Right held by them.

Class of Security	Performance Rights issued under the Plan.
ISIN	N/A (the Performance Rights will not be quoted).
Number issued	888,300 Performance Rights.
Issue price	Nil.
Payment	Nil.
Amount paid up	Not applicable.
Percentage of total class issued	100% of the total number of Performance Rights.
Reason for issue	<p>The board of Heartland has resolved to offer the Performance Rights to selected employees as part of their overall remuneration package. The Performance Rights will:</p> <p>(a) better incentivise and motivate those particular individuals to continue in employment with Heartland;</p> <p>(b) better incentivise and motivate participants to exercise long-term thinking to contribute to the long-term success of Heartland; and</p> <p>(c) more closely align the interests of those particular individuals with those of Heartland and its shareholders.</p>
Authority for issue	Directors' resolution dated 7 April 2017.

Terms or details of issue	As noted above.
Total number of securities after issue	888,300 Performance Rights
Date of issue	13 April 2017
Additional information	The Board has retained the discretion to amend the Rules, or the terms of an offer of Performance Rights, where it considers the amendment to be necessary in order to ensure that the spirit and intent of the Plan will be fulfilled.

- Ends -

For further information please contact:

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