



CSN/Holder Number:

Dear Shareholder

### **HEARTLAND BANK LIMITED RIGHTS OFFER**

On 9 November 2017, Heartland Bank Limited (**Heartland**) announced a capital raising to provide Eligible Shareholders (as described below) an opportunity to participate in a pro-rata 1 for 15 rights issue at NZ\$1.70 per share (**Offer**).

**You are not required to do anything in response to this letter.** This letter is to inform you about the Offer and explain why you are not able to participate. It is not an offer to issue new shares to you, nor an invitation for you to apply for new shares.

### **Why am I not eligible to participate in the Offer?**

Under the terms of the Offer, shareholders that are not Eligible Shareholders (described below) are ineligible to subscribe for new shares under the Offer and are Ineligible Shareholders.

The restrictions upon eligibility are practical ones in light of the legal limitations and regulatory requirements in some countries, coupled with the size of the Offer, the relatively small number of shareholders affected and the expected costs of complying with those regulatory requirements. For these reasons, Heartland has determined that it would be unduly onerous and unreasonable to make the Offer to shareholders with an address recorded in its share register that is in any country other than those listed below.

### **Who is an Eligible Shareholder?**

The Offer is open to Eligible Shareholders only, being any shareholder that, as at 5.00 pm on 17 November 2017, has an address shown in Heartland's share register as being:

- in New Zealand or Australia; or
- in Hong Kong, Singapore, the United Kingdom or Norway and who Heartland considers to be an "institutional investor" as defined in the Offer booklet (**Institutional Investors**),

and who is not in the United States and not acting for the account or benefit of a person in the United States.

### **What happens to the rights I cannot take up?**

Any rights not taken up, including those attributable to Ineligible Shareholders, will be offered for sale under a bookbuild process (**Shortfall Bookbuild**). Eligible Shareholders who take up their rights in full have the opportunity to participate in the Shortfall Bookbuild, as well as Institutional Investors.

Any premium above the offer price of NZ\$1.70 that is achieved under the Shortfall Bookbuild will be paid pro rata to Ineligible Shareholders (with respect to their full rights) and to Eligible Shareholders who did not take up their rights in full (with respect to that part of their rights they did not take up only).

If any premium is achieved, this will be paid to you following completion of the Shortfall Bookbuild. However, there is no guarantee that any such premium will be achieved.

While this Offer is not open to you, I would like to thank you for your continuing support as a shareholder.

Yours sincerely

**Geoffrey Ricketts**  
Chair of the Board