



NZX Release

Notification of Issue of Securities

13 September 2018

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 2019 financial year.

Subject to the holder remaining employed by Heartland and achievement of certain market capitalisation and share price targets over the period ending 20 business days following the date on which Heartland announces its full year results for the financial year ended 2021, holders will be entitled to receive one fully paid ordinary share in Heartland for each Performance Right held by them. The targets are dynamic and may be adjusted by the Board from time to time in order to account for unanticipated capital changes during the performance period. This feature, in conjunction with the other features of the Plan, ensures that the Performance Rights will vest only if, and to the extent, that shareholder value is created during the performance period:

Class of Security	Performance Rights issued under the Plan
ISIN	N/A (the Performance Rights will not be quoted)
Number issued	293,759 Performance Rights
Issue price	Nil
Payment	Nil
Amount paid up	N/A
Percentage of total class issued	100% of the total number of Performance Rights in the same class
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> <ul style="list-style-type: none">(a) better incentivise and motivate those particular individuals to continue in employment with Heartland;(b) better incentivise and motivate participants to exercise long-term thinking to contribute to the long-term success of Heartland; and

(c) more closely align the interests of those particular individuals with those of Heartland and its shareholders.

Authority for issue	Directors' resolution
Terms or details of issue	As noted above
Total number of securities after issue	293,759 Performance Rights
Date of issue	13 September 2018
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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