

HEARTLAND

GROUP

Company's Code of Conduct

1 Purpose

The Company's Code of Conduct (the **Code**) is a framework of the standards that the directors and employees of Heartland Group Holdings Limited (and its subsidiaries including Heartland Bank Limited (Heartland)) are expected to conduct their business lives by. The Code is intended to facilitate decisions that are consistent with Heartland's values, business objectives, legal and policy obligations. It is not intended to set out in detail examples of what is or is not acceptable ethical behaviour.

Heartland's directors and executive team are required to lead based on these standards of ethical and professional conduct and ensure that they are communicated to the staff who report to them.

2 Heartland's Commitment

Heartland's board and senior executives are firmly committed to ensuring members, including themselves, observe the highest standards of ethical behaviour and conduct. This Code is an integral part of Heartland's business and behaviour by representatives of Heartland, at all levels, and must reflect the content of this Code.

3 Responsibilities to Shareholders and the Financial Community

- (a) Heartland will ensure that it continues to meet the expectations of its shareholders and the financial community in general by maintaining a core principle of transparency, accurate preparation and efficient delivery of financial information.
- (b) Heartland will exercise diligence and good faith in the preparation of financial information.
- (c) All employees shall play their part in ensuring the maintenance of a sound system of controls to safeguard Heartland's assets and to manage risk exposure.
- (d) Heartland will protect the personal information of shareholders.
- (e) Heartland's directors and employees will not trade shares of Heartland if they may have inside information relating to Heartland, as set out in Heartland's *Insider Trading Policy*.

4 Responsibilities to Customers, Clients and Service Providers

Heartland is committed to ensuring that it acts with integrity in all activities, including the interaction with customers, clients and service providers. In particular, Heartland must avoid conduct that is misleading or deceptive, or is likely to mislead or deceive.

Heartland will compete vigorously in all the markets in which it participates, but will, at all times, act in compliance with the law.

5 Responsibilities to Employees

Heartland is committed to being a responsible corporate citizen that fulfils all legal obligations relating to employment practices and, as a result, enables Heartland's directors and employees to actively enhance the operation of Heartland and the community within which we operate.

Heartland will provide a workplace that minimises health and safety risk to our employees. Employees are encouraged to acquaint themselves with all applicable health and safety policies of Heartland. Heartland has procedures in place regarding serious incident reporting.

Employees should feel that they can discuss, on a confidential basis, any problem associated with their employment with Heartland. Heartland will endeavour to provide a fair, impartial and confidential determination of the issues raised.

Heartland considers diversity in the workforce a very positive factor and is committed to providing a workforce in which everyone is treated fairly and with respect, irrespective of sex, race, sexual orientation, age, disability, religion or ethnic origin.

6 Conflicts of Interest

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with Heartland's interests. Heartland expects its people to act in its interests at all times.

Heartland's employees will not, without the prior written consent of Heartland:-

- (a) engage in any other business or commercial activities which could reasonably or would conflict with their ability to perform their duties to Heartland;
- (b) support a political party or organisation other than in a personal capacity;
- (c) be materially interested with any other business in the same industry as Heartland;
or
- (d) engage in any other activity which could reasonably conflict with Heartland's interests.

Any potential conflicts of interest should be discussed with the Head of Human Resources in the first instance.

7 Gifts

Heartland's directors and employees will not accept gifts or personal benefits of any value from external parties if it could reasonably be perceived this could compromise or influence any decision by Heartland.

Gifts and personal benefits can include accommodation, goods, services, discounts, special terms on loans and so on. More information is included in Heartland's *Gifts and Hospitality Policy*.

8 Corporate Opportunities

Heartland expects its employees to advance its legitimate interests when the opportunity to do so arises.

Heartland's employees will not:-

- (a) take any opportunity discovered through the use of Heartland's property, information or position for themselves; or
- (b) use Heartland's property (including its name), information or position for personal gain; or
- (c) compete with Heartland; or
- (d) trade in shares, or any other kind of property, based on knowledge that comes from their roles if that information has not been reported publicly.

9 Confidentiality

Heartland's customers, suppliers, colleagues and other stakeholders entrust it daily with their confidential communications and information. Confidential information includes all information not in the public domain that has come to the attention of one of Heartland's directors or employees by virtue of engagement with Heartland.

Heartland's directors and employees will maintain and protect the confidentiality of confidential information entrusted to Heartland about customers, work colleagues, suppliers, stakeholders and Heartland's business and financial affairs, except where disclosure is allowed or required by law.

10 Behaviours

The actions and statements of Heartland's employees, whether to customers, suppliers, competitors, or employees, can impact on the way people see Heartland and whether they choose to do business with us.

Heartland's employees will:-

- (a) conduct themselves in a way that demonstrates that their honesty is beyond question and will not commit behaviour that has the potential to bring Heartland's image into disrepute;
- (b) deal honestly and in good faith with Heartland, professional advisors, customers, and suppliers;
- (c) not enter into transactions or make promises on behalf of Heartland that Heartland does not intend to honour;
- (d) undertake their duties with care and diligence;
- (e) ensure that any personal opinions expressed are clearly identified as their own and are not represented to be the views of Heartland;

- (f) if relevant and to the best of their ability, use reasonable endeavours to ensure that Heartland's records and documents, including financial reports, are true, correct and conform to Heartland's reporting standards and internal controls; and
- (g) not accept or offer bribes or improper inducements to or from anyone.

11 Compliance with Laws and Policies

Heartland's directors and employees will:-

- (a) familiarise themselves with and comply with Heartland's policies and all other policies, frameworks and processes at all times (including those relating to equal employment opportunities and health and safety);
- (b) abide by the laws, rules and regulations of the countries in which they are operating;
- (c) undertake training on legal obligations and policies as required by their manager; and
- (d) comply with all statutory and internal disclosure requirements on a timely basis.

12 Delegated Authority

Heartland delegates management of its day-to-day affairs and management responsibilities of Heartland to the Chief Executive Officer and the other executives of the group to deliver the strategic direction and goals determined by the board. This delegation includes:-

- (a) operating Heartland's business within the parameters set by the board from time-to-time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the board for its consideration and approval;
- (b) developing business plans, budgets and company strategies for the board's consideration and, to the extent that they are approved by the board, implementing these plans, budgets and strategies;
- (c) identifying and managing business risks, and if those risks could materially affect Heartland or its business, formulating strategies to manage those risks;
- (d) managing Heartland's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis; and
- (e) implementing Heartland's internal controls, policies and procedures, monitoring these controls, policies and procedures and ensuring that they are appropriate and effective.

The Chief Executive Officer in turn delegates to other levels of management certain rights to make operational and financial decisions within defined limits.

Heartland's employees will:-

- (a) only act within the delegated authority framework and any authority that may be specifically given to them as a delegated authority holder; and

(b) ask their manager if they are uncertain as to their delegated authority.

13 Reporting Concerns

All Heartland employees are responsible for reporting any possible breach of the Code (or any possible breach of a legal obligation or other policy of Heartland) if they become aware of one. Employees may report a possible breach to their manager, or, if that is not appropriate in the circumstances, to their manager's manager, or to another independent person or body in accordance with Heartland's *Whistleblowing Policy* (which explains the procedures for reporting a possible breach).

Heartland will stand behind any employee who, acting in good faith, reports a breach, serious problem or wrong doing. However, any person who knowingly makes a false report of a legal or policy breach may be subject to disciplinary action.

The identity of the person making a report will be kept confidential where possible – there may be situations however where the proper investigation of the matter inadvertently identifies the reporter or requires their identification.

14 Monitoring compliance with the Code

In order to ensure that all employees are aware of and comply with the principles of the Code, all Heartland employees are required to read the Code, and confirm that they have understood it (first on commencement of their employment with Heartland and then again each year after that).

All reported breaches of the Code will be recorded and reported in accordance with Heartland's procedures.

15 Code of Conduct Review Date

This policy will have a full review and approval every two years, or earlier if deemed necessary. Notwithstanding planned policy review dates, this policy remains effective and applies until a revised version is distributed.

The General Counsel maintains records of Policy Owner approvals.

Version History:

Version	Date	Amendments
1.0	December 2014	Annual review
2.0	December 2015	Minor amendments to reflect change from HNZL to HBL.
3.0	December 2016	Annual review - minor amendments.
4.0	October 2018	Policy updated to reflect Heartland demerger

Approved by: Board of Heartland Group Holdings Limited

Policy Owner: General Counsel

Distribution List: All Heartland staff