

HEARTLAND

GROUP

Disclosure Policy

1 Policy Statement

Heartland Group Holdings Limited (**Heartland Group**) and Heartland Bank (**Heartland Bank** and, together, **Heartland**) each recognise that full and fair disclosure of material information by NZX-listed companies is crucial to the efficiency and integrity of the capital markets.

Heartland is committed to promoting investor confidence by providing timely, accurate, complete and equal access to information in accordance with its obligations under the law and the NZX listing rules (**Listing Rules**).

2 Background

Any selective disclosure of material, non-public information could undermine market integrity and investor confidence. It could also lead to liability under insider trading legislation or breach the Listing Rules.

Material information is information that—

- a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of quoted financial products of Heartland; and
- relates to particular financial products, a particular listed issuer (i.e. Heartland Group or Heartland Bank), or particular listed issuers, rather than to financial products generally or listed issuers generally.

This policy establishes and implements a framework which is designed to:

- ensure that non-public information which is potentially material information is promptly brought to the attention of Heartland's directors and executive officers;
- ensure that non-public material information is distributed broadly and not selectively;
- prevent the selective or unauthorised disclosure of non-public material information;
- ensure that any selective or unauthorised disclosure is addressed efficiently; and
- monitor and prevent the creation or subsistence of a false market in Heartland's quoted financial products.

3 Disclosure Officer and Disclosure Committee

The Disclosure Officer and the Disclosure Committee have key roles in ensuring the objectives of this policy are met.

The Disclosure Officer is the General Counsel or, in the case of his or her absence, the Chief Executive Officer.

The Disclosure Committee is a committee made up of the Chief Executive Officer and the General Counsel (one of whom will also be the Disclosure Officer), the Chief Financial Officer, the Chair of the Heartland Group Board, the Chair of the Heartland Bank Board and the Chair of the Heartland Group Audit and Risk Committee.

4 Heartland's Market Disclosure Obligations

As well as making periodic disclosures to the market, such as annual and half-yearly results announcements, and other specific disclosures required by the Listing Rules, Heartland is also required:

- to immediately notify the market, by way of an NZX announcement, of any material information; and
- to disclose information to the market if that disclosure is necessary to prevent the development or subsistence of a *false market* in Heartland's quoted financial products.

The Listing Rules include some exceptions which allow material information not to be disclosed in certain circumstances. The Disclosure Officer has the authority to determine whether one of those exceptions applies, but must notify the Disclosure Committee of any such determination.

5 Procedure for disclosure of material information

Any director or employee of Heartland, including any executive officer, who becomes aware of any information that is, or may be, material information that is not generally available to the market must immediately notify the Disclosure Officer.

The Disclosure Officer must immediately inform the Disclosure Committee. The Disclosure Committee is responsible for:

- determining whether the information is material information;
- determining whether a trading halt is required;
- if the information is material information, determining whether any exception applies to the disclosure rule; and
- if disclosure to the market is required, and other than in the case of regular financial reporting (the form and content of which is approved by the full Board of Heartland Group and/or Heartland Bank (as applicable) upon the recommendation of the Audit Committee), approving the form and content of that disclosure.

The Disclosure Committee may seek external legal or other professional advice in the discharge of its responsibilities.

The quorum for a meeting of the Disclosure Committee will be two members – at least one of which is to be a non-executive director, the Disclosure Officer will use reasonable endeavours to ensure that both the Chairman of the Board of Heartland Group and/or Heartland Bank (as applicable) and the Chief Executive Officer are consulted before the Committee makes any determination or approval.

6 Trading Halts

In order to maintain a fully informed and transparent market in its quoted financial products, Heartland Group and/or Heartland Bank (as applicable) may request a trading halt from the NZX where:

- confidential information about Heartland is leaked or inadvertently made public and further time is required to enable Heartland to prepare an appropriate public announcement; or
- Heartland is preparing to make a major company announcement and is concerned to prevent uninformed, speculative or insider trading.

The Disclosure Committee, the Board of Heartland Group and/or Heartland Bank (as applicable) and the Disclosure Officer each have the authority to approve a trading halt.

7 Principles and protocols

The following internal principles and protocols are designed to ensure that Heartland continues to meet its disclosure obligations:

- **Regular briefings:** Heartland will have regular scheduled briefing sessions per year for analysts and brokers. These sessions will be held immediately following the release of Heartland's half year and full year financial results to the NZX, which will occur towards the end of February and August each year, and also following the finalisation of Heartland's off-quarter financial results. The sessions will generally involve a presentation by the Chief Executive Officer and Chief Financial Officer (and any other executives deemed appropriate), followed by a question and answer session.
- **Other briefings:** Heartland will have other briefing sessions, as appropriate, in relation to capital or debt raise, or other corporate transactions. The sessions will generally involve a presentation by the Chief Executive Officer and Chief Financial Officer (and any other executives deemed appropriate), followed by a question and answer session.
- **Annual investor day:** Heartland may conduct regular annual investor days for analysts, brokers and other key stakeholders, which will generally involve presentations by the Chief Executive Officer and any other executives deemed appropriate, followed by a question and answer session.
- **Open door policy:** Heartland will otherwise maintain an open door policy, endeavouring to respond to reasonable requests for information from investors, analysts, brokers and the media, and will make itself available to stakeholders in the manner described in Heartland's Media Policy.

- **Accuracy:** Heartland will ensure that all information it provides to the market is accurate, substantiated, consistent with the information previously provided to the market, and is disclosed in compliance with this policy.
- **Release to NZX first:** Heartland will not release any information publicly that is required to be disclosed through the NZX until it has been released to NZX (unless permitted to do so under the Listing Rules).
- **Inadvertent disclosure:** In particular, non-public material information will not be disclosed in any meeting or conference call with investors, analysts, brokers or the media. However, any inadvertent disclosure of previously undisclosed information, which may be material, must be immediately referred to the Disclosure Officer and dealt with in accordance with clause 5 of this policy.
- **False market:** Heartland will not generally comment on market speculation. However, Heartland will release information to the NZX to the extent necessary to prevent development or subsistence of a false market for Heartland's quoted financial products which is materially influenced by false or misleading information, where required. To assist in its obligation to prevent the development or subsistence of a false market, the CFO and investor relations team will monitor trading in Heartland's quoted financial products and the Corporate Communications team will monitor the media, and any potential continuous disclosure issue shall be immediately reported to the Disclosure Officer.
- **Forecasts:** Heartland will only discuss earnings forecasts provided such forecasts have previously been issued by Heartland through an announcement to the NZX.
- **Analyst reports:** Heartland will not endorse, or be seen to endorse, analyst reports or the information they contain. To avoid inadvertent disclosure, Heartland's comments on analyst reports will be restricted to information that it has publicly issued and information that is in the public domain.
- **Internal communications:** Heartland will ensure that its Corporate Communications team is fully apprised of all external communications, and that all internal and external communications are consistent.
- **Board oversight:** The Boards of Heartland Group and Heartland Bank will consider at each Board meeting whether there is any material information that is not generally available to the market.
- **Insider lists:** Heartland will maintain an insider list when conducting a confidential transaction if it considers it appropriate, in the manner described in Heartland's Confidentiality and Chinese Wall Policy.

8 Disclosure Officer

The Disclosure Officer is the person to whom information which is or may be material is disclosed in accordance with clause 5, and is also, more generally, responsible for:

- liaising with NZX in respect of the release of information; and
- advising the Boards and Heartland's executive officers of each release.

Those responsibilities apply in respect of the release of material information, as well as periodic and otherwise prescribed disclosures.

9 Disclosure Committee

The Disclosure Committee is responsible for determining whether information is material information which should be disclosed in accordance with clause 5.

It is also responsible for:

- monitoring Heartland's disclosure practices;
- educating Heartland's directors and employees, contractors and consultants on the intent of this policy and the importance of corporate practices which support an informed investor market; and
- updating this policy from time to time, for the Board's approval.

10 Delegation

The Disclosure Committee may delegate its obligations above to Heartland employees other than the Disclosure Officer.

11 Compliance

Heartland requires all of its employees and directors, and each of Heartland Bank's employees and directors, to comply with this policy. Compliance with this policy will be periodically monitored by the Disclosure Committee. Any known or suspected instances of non-compliance of this policy should be reported to the Disclosure Officer for investigation and appropriate disciplinary action.

12 Approval of Policy

The Board of Heartland Group has approved this policy. The Board may approve updates, amendments to, and exemptions from, this policy from time to time which may be implemented by posting on the intranet.

13 Policy Review Date

This policy will have a full review and approval every year, 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	11 December 2015	Document created
1.1	31 December 2015	Policy updated to reflect amalgamation and change of name from Heartland New Zealand Limited to Heartland Bank Limited
2.0	December 2016	Annual review
3.0	February 2018	Policy updated to include a Disclosure Officer and Disclosure Committee
4.0	October 2018	Policy updated to reflect the demerger of Heartland Bank.

Approved by: Heartland Group Holdings Limited Board

Policy Owner: Disclosure Officer

Distribution List: All Heartland Staff