

HEARTLAND GROUP HOLDINGS LIMITED

Minutes of the Annual Shareholder Meeting and held at Eden Park, Auckland on Monday 30th November 2020 commencing at 2.00pm

Present Heartland Group Holdings Limited (Heartland): G T Ricketts (Chair), G R Tomlinson, C R Mace, E F Comerford (Zoom), J K Greenslade (Directors)
Heartland Bank Limited (HBL): B R Irvine (Chair), E J Harvey, K Morrison, S Ruha (Directors) and approximately 115 shareholders represented

In attendance C Flood (HBL CEO), A Dixson (Chief Financial Officer), G Kemble (Group Chief Risk Officer), M Drumm (Chief Legal & Bank Risk Officer), L Byrne (Group Chief of Staff), L Zulkifli (Chief Digital Officer), S Smith (Chief Technology Officer), K Billot (Chief People & Culture Officer), Rangatahi Board, M Prichard (KPMG) and A Naughton (KPMG)

1 **Welcome and Quorum**

The Chair (G Ricketts) welcomed shareholders and guests and those attending by webcast.

The Chair declared a quorum to be present and declared the meeting open.

2 **Agenda**

The Chair gave a brief overview of the agenda for the meeting.

3 **Introduction of Directors and Senior Management Group**

The Chair then introduced the directors of Heartland Group Holdings Limited (Heartland) and Heartland Bank Limited (HBL), and the members of senior management, to shareholders.

4 **Proxies and Postal Votes**

The Chair confirmed that 787 proxies and postal votes were received, representing approximately 182 million shares (or approximately 31.21% of total shares on issue), and noted that approximately 89% of those proxy and postal votes were in favour of the resolutions to be voted on at the meeting.

5 **Meeting Procedures / Voting Procedures**

The Chair explained the meeting procedures and voting procedures.

6 **Notice of Meeting**

The Chair confirmed that the Notice of Meeting, outlining the formal business to be conducted at the meeting, had been dispatched to shareholders on 30 October 2020.

7 **Minutes of last Annual Shareholder Meeting**

The Chair noted that the minutes of the previous Annual Shareholder Meeting held on 12 November 2019 had been approved and confirmed by directors and copies were available for shareholder perusal. There being no comments, those minutes were approved as a true and accurate copy.

8 **Address by the Chair**

The Chair addressed the meeting – giving an overview of Heartland’s FY20 performance and outlook for FY21.

9 **Address by the Chief Executive Officer**

The Chief Executive Officer (CEO, J K Greenslade) addressed the meeting – giving an overview of Heartland’s response to COVID-19, progress with Heartland’s market-leading digital strategy, an overview of the FY20 financial performance and updates on Heartland’s strategy going forward.

10 **Address by the Group Chief of Staff**

The Group Chief of Staff (L Byrne) addressed the meeting providing an update on Heartland’s sustainability goals with social equity, environmental conservation and economic prosperity being the three pillars of Heartland’s sustainability framework. This framework operates to ensure that Heartland meets the increasing expectations of businesses and maintaining a social license to operate.

11 **Rangatahi (Youth) Advisory Board**

Ian Hedley Wakefield and Veronica Franklin provided an overview of the Rangatahi (Youth) Advisory Board’s purpose which provides unique insights on Heartland’s people and customers to help enhance Heartland’s strategic initiatives in the areas of customer experience, brand positioning, products or target markets. There are currently three initiatives in development being sustainability, developing our younger people and Rocket, a key initiative that has been created being a financial literacy programme aimed at school leavers aged between 16 to 18.

12 **Shareholder Discussion**

12.1 The Chair advised shareholders that Mr Matthew Prichard of KPMG, the company’s auditor, was present and available to answer any questions relevant to the conduct of the audit and the preparation and content of the auditor’s report for the financial year.

12.2 The Chair first addressed the questions which had been received in advance of the meeting and addressed some of the general themes;

a. Dividends? The Chair advised that the dividend decrease was not reflective of the performance of Heartland rather caution given at the time of the uncertainties concerning COVID-19 and also the Reserve Bank of New Zealand (RBNZ) restrictions on bank dividends to Heartland through Heartland Bank Limited. The continued growth of Heartland’s Australian operations will enable Heartland to continue distributing dividends derived from those assets.

For the future, if and when the RBNZ lifts the restrictions on banks paying dividends, Heartland’s intent is to revert to the usual dividend levels paid previously.

b. Why has Heartland’s share price been subdued during the year? The Chair advised this partly due to COVID-19 and also because Heartland is perceived as a bank and benchmarked against its Australasian peers, including the four major brands. The big four banks were tarnished as a result of the Australian Hayne enquiry and Heartland was grouped with these banks, notwithstanding that the Financial Markets Authority (FMA) and the RBNZ enquiry did not find the same level of evidence of widespread misconduct in New Zealand.

12.3 A number of further questions were raised from the floor and online covering future acquisition plans, funding, Heartland’s investment in Harmony, interest rates, debt servicing, retained earnings, optimisation plans, growth and capital and future marketing plans with both the Chair and CEO addressing these questions.

The Chair closed the floor for questions at 3.15pm and moved to the next agenda item, being voting on the resolutions outlined in the Notice of Meeting.

13 **Voting at the Meeting**

Resolution 1: That Greg Tomlinson, who retires by rotation and is eligible for election, be re-elected as a director of Heartland.

13.1 Greg Tomlinson addressed the meeting, and the Chair then opened up the floor for any questions.

13.2 The Chair requested shareholders to mark their voting cards.

Resolution 2: That the board be authorised to fix the remuneration of Heartland’s auditor, KPMG, for the following year.

13.3 The Chair opened up the floor for any questions.

13.4 As there were no further questions the Chair requested shareholders to mark their voting cards.

14 **Polling Procedures**

The Chair explained that voting cards would be collected, and that the results of the poll would be advised on NZX and ASX after the conclusion of the meeting.

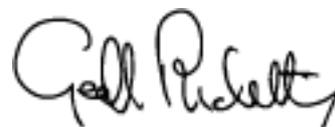
15 **General Business**

The Chair gave shareholders the opportunity to raise any other matter which should properly be brought before the meeting.

16 **Other Business**

As no other matters were raised, the Chair thanked shareholders for their attendance and declared the meeting closed at 3.21pm.

Confirmed as a true and accurate record.



Chair

25 February 2021

Date