

**Heartland New Zealand Share Purchase Plan Opens**

28 February 2014

Heartland New Zealand Limited ("Heartland") (NZX: HNZ) is pleased to announce its \$5 million fully underwritten Share Purchase Plan ("SPP") opens today.

SPP documentation is being dispatched to all persons who held Heartland shares at 5pm on 27 February 2014 and had a New Zealand address recorded in the share register. A copy of the SPP documentation is attached to this announcement.

The Board of Heartland has determined that the pricing under the SPP will be a discount of 2.5% to the average end of day market price of Heartland shares over the 5 day trading period from 13 to 19 March 2014 (but in any case no higher than 85.5 cents per share).

Eligible shareholders can each apply for up to \$15,000 in value of new shares. Scaling applies if the SPP is oversubscribed.

Eligible shareholders should complete and return their personalised application form together with a cheque or direct debit instruction so as to be received by Link Market Services Limited by 5pm on 18 March 2014.

The allotment date of the Heartland shares to be issued under the SPP is expected to be 25 March 2014. No brokerage or other transaction costs will be payable by shareholders.

- Ends -

For further information please contact:

Jeff Greenslade  
Managing Director  
Heartland New Zealand Limited  
DDI 09 927 9149

# HEARTLAND

New Zealand Limited

28 February 2014

Dear Heartland shareholder

## **Acquisition of New Zealand and Australian Home Equity Release mortgage businesses from Seniors Money International Limited & Heartland Share Purchase Plan**

On behalf of the directors of Heartland New Zealand Limited (Heartland), I am pleased to offer you the opportunity to acquire new shares through this Share Purchase Plan (SPP), without incurring brokerage or other transaction costs.

Heartland has announced that it has entered into a Sale and Purchase Agreement with Seniors Money International Limited (SMIL) for the acquisition of its New Zealand and Australian home equity release mortgage businesses (Acquisition).

The SMIL group specialises in providing home equity release loans for seniors and operates under the Sentinel brand in New Zealand and the Australian Seniors Finance brand in Australia. The Acquisition provides Heartland Bank Limited with the product capability to meet the needs of the 65+ demographic, which is growing considerably in size and is typified by those with the majority of their personal wealth tied up in their primary residential dwelling. The Acquisition advances Heartland's ongoing strategy of pursuing niches within the Household, Business and Rural sectors where it can obtain a market leading position.

Heartland is raising \$20 million of new capital to partially fund the Acquisition through:

- a \$15 million equity placement to existing and new investors under which 17,045,455 new shares were issued on 19 February 2014 at \$0.88 per Share; and
- this SPP (which is fully underwritten) which will raise \$5 million.

You can obtain further information about the Acquisition in the market announcement released by Heartland, which is available on the NZX website: [www.nzx.com](http://www.nzx.com).

### **Share Purchase Plan**

The SPP is available to all Heartland shareholders in New Zealand on equal terms. Each eligible shareholder (big or small) has the right to acquire the same dollar amount of new Heartland shares under the SPP.

The SPP gives you the opportunity to invest up to \$15,000 in new Heartland shares. The minimum application amount is \$2,500. The price per share will be the **lower** of:

- a 2.5% discount to the average end of day market price of Heartland shares over the 5 day trading period from 13 March to 19 March 2014; and
- \$0.855 per share (being the price paid by investors in the equity placement, reduced by the amount per Share of the cash dividend declared by Heartland on 25 February 2014).

The price you pay for each new Heartland share will be the same as, or lower than, the price paid by investors in the equity placement.

The SPP has been fully underwritten by First NZ Capital (to the extent that shares remain available after the offering to all existing Heartland shareholders in New Zealand). This means that if Heartland shareholders do not take up all of the \$5 million SPP, First NZ Capital will take up what is left. The price First NZ Capital will pay for each new Heartland share will be the same as the price per share you pay.

The board of Heartland recommends this offer to you.

### **What you need to know**

While Heartland's capital raising, which the SPP forms part of, is intended to partially fund the Acquisition, the SPP may proceed even if the Acquisition is cancelled on or before the Allotment Date. However, if the SPP is cancelled for whatever reason, all application monies will be returned to applicants and no Shares will be allotted under the SPP. No interest will be payable on any monies returned to applicants.

Further details about the SPP are included in the enclosed booklet.

**The SPP is scheduled to close at 5.00pm on 18 March 2014.** To apply for your new Heartland shares, you should complete and return the enclosed Application Form with a cheque or direct debit instruction for the application monies in plenty of time to be received by 18 March 2014. The correct way to complete and send your Application Form and application monies is set out on the Application Form that accompanies the SPP booklet.

Thank you for your support in advance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Geoff Ricketts', with a stylized flourish at the end.

**Geoffrey Ricketts**  
**Chairman**

# Share Purchase Plan

28 February 2014



## HEARTLAND

New Zealand Limited

This is an important document. You should read the whole document before deciding whether to subscribe for shares. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor.



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Capitalised terms used in this Share Purchase Plan (SPP) booklet have the specific meaning given to them in the Glossary at the back of this booklet or in the relevant section of this booklet.



# Highlights

Equal participation	Each Eligible Shareholder, big or small, has the right to apply for the same dollar amount of Shares.
Application amount	You can apply for up to \$15,000 in dollar amount of Shares.
Discounted pricing	Shares will be priced at a discount to the average market price over the 5 trading day period from 13 March to 19 March 2014 or, if lower, at \$0.855 per Share.
When to apply	Applications must be received by 5.00pm on the Closing Date (18 March 2014, unless extended).
How to apply	Complete and return your personalised Application Form accompanying this booklet in accordance with its instructions.
Receiving your Shares	You will receive your Shares on the Allotment Date (25 March 2014, unless extended).

## Key dates\*

Date	Event	
27 February 2014	Record Date	The date on which Eligible Shareholders are determined.
28 February 2014	Opening Date	Share Purchase Plan opens.
18 March 2014	Closing Date	Share Purchase Plan closes. Application Forms and payment must be received by 5.00pm.
19 March 2014	Issue Price fixed	After market close, Issue Price is fixed and announced upon market open on the following trading day.
25 March 2014	Allotment Date	Shares allotted. Trading is expected to commence on the NZX Main Board.
No later than 1 April 2014	Allotment statements mailed	Allotment statements despatched to shareholders within 5 business days of the Allotment Date.

\* Subject to the Listing Rules, Heartland reserves the right to alter the key dates.

### No investment advice

The information contained in this SPP booklet and the accompanying Chairman's Letter and Application Form does not take into account the investment objectives, financial situation, tax position or particular needs of individuals. If you are in doubt as to the course of action you should follow, you should consult your broker, financial, investment or other professional advisor before participating in the SPP.

### Price movements

The market price of Shares may rise or fall between the date of this offer, the date on which the Issue Price is fixed and the date when Shares are allotted to you. As a result, the Issue Price you pay for the Shares allotted to you pursuant to the SPP or the value of those Shares may be either higher or lower than the price of the Shares trading on the NZX Main Board.

### Foreign jurisdictions

The SPP is only available to shareholders of Heartland New Zealand Limited (Heartland) with a registered address in New Zealand at 5.00pm on the Record Date.

# Questions and Answers

## 1 What is the Share Purchase Plan (SPP)?

The SPP allows Eligible Shareholders to purchase additional Shares in Heartland without incurring brokerage or other transaction costs.

All Shares issued under the SPP will be of the same class as, and rank equally with, all Shares in Heartland currently on issue.

## 2 Why is Heartland offering the SPP?

Heartland has announced that it has entered into a Sale and Purchase Agreement (Agreement) with Seniors Money International Limited (SMIL) for the acquisition of its New Zealand and Australian home equity release mortgage businesses (Acquisition).

The SMIL group specialises in providing home equity release loans for seniors and operates under the Sentinel brand in New Zealand and the Australian Seniors Finance brand in Australia.

The Acquisition is subject to a number of conditions set out in the Agreement. If the Acquisition goes ahead, the target date for completion of the Acquisition is 1 April 2014.

The consideration for the acquisition is NZ\$87 million. Heartland will acquire the Sentinel New Zealand and the Australian Seniors Finance businesses from SMIL, including their respective mortgage portfolios with an aggregate asset value of approximately NZ\$760 million<sup>1</sup> and their operational infrastructure and funding arrangements.

You can obtain further information about the Acquisition in the market announcement released by Heartland, which is available on the NZX website: [www.nzx.com](http://www.nzx.com).

In order to partially fund the Acquisition, Heartland is raising \$20 million of additional capital comprising:

- \$5 million under this SPP at the Issue Price (which has been fully underwritten); and
- \$15 million by way of equity placement to existing and new investors, under which 17,045,455 new shares were issued on 19 February 2014 at \$0.88 per Share.

## 3 Am I eligible to participate?

You are eligible to participate in the SPP if you were registered as a holder of Heartland Shares at 5.00pm on 27 February 2014 (being the Record Date) and your address recorded on the share register is in New Zealand.

## 4 How many Shares can I purchase?

If you apply for Shares under the SPP, you will apply for a certain dollar amount rather than a certain number of Shares. Eligible Shareholders may apply for up to \$15,000 in value of Shares under the SPP, in parcels of \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000. Applications which are not for one of these denominations may not be accepted by Heartland.

The dollar amount of Shares you receive may differ from the dollar amount you apply for due to scaling. Please read paragraph 9 of the terms and conditions for more information.

## 5 What is the Issue Price of the Shares?

The price of the Shares to be issued under the SPP will be fixed after market close on 19 March 2014 as the lesser of:

- (a) a 2.5% discount to the average end of day market price of Shares over the 5 day trading period from 13 March to 19 March 2014; and

- (b) \$0.855 per Share (being the price paid by investors in the equity placement, reduced by the amount per Share of the cash dividend declared by Heartland on 25 February 2014).

The Issue Price will be announced to the market via NZX upon market open on 20 March 2014.

If, subject to the Listing Rules, Heartland elects to extend the Closing Date for the SPP, the Issue Price will be calculated as the lesser of:

- (a) a 2.5% discount to the average end of day market price of Shares over the 5 day trading period up to and including the extended Closing Date; and
- (b) \$0.855 per Share (being the price paid by investors in the equity placement, reduced by the amount per Share of the cash dividend declared by Heartland on 25 February 2014).

In this case, the Issue Price will be announced upon market open on the trading day following the extended Closing Date.

## 6 Are there any conditions to the SPP?

No. While Heartland's capital raising, which the SPP forms part of, is intended to partially fund the Acquisition, the SPP may proceed even if the Acquisition is cancelled on or before the Allotment Date. However, if the SPP is cancelled for whatever reason, all application monies will be returned to applicants and no Shares will be allotted under the SPP. No interest will be payable on any monies returned to applicants.

<sup>1</sup> Includes NZ\$30.5 million of home equity release loans purchased by Heartland Bank Limited in December 2013.



## **7 What if I own Shares through a trustee or custodian or own Shares in more than one capacity?**

If you own Shares through a trustee or custodian, then, subject to certain certification requirements and other conditions, you may instruct the trustee or custodian to purchase Shares on your behalf, up to the \$15,000 limit. If you own Shares through a trustee or custodian and also own Shares in your own name, then you may either purchase Shares yourself or instruct your trustee or custodian to purchase Shares on your behalf. You may not do both.

If you receive more than one copy of this SPP booklet, or if you hold Shares in more than one capacity (e.g. because you are both a sole and joint holder of Shares) you may only purchase Shares in all capacities up to the \$15,000 limit. By applying to purchase Shares under the SPP, you certify and represent that you have not exceeded that limit.

## **8 Is this offer transferable to another person?**

No. This offer is personal to you. Participation in the SPP is entirely voluntary, but if you elect not to purchase any Shares under the SPP, you may not transfer your right to purchase Shares under the SPP to anyone else, that is, it is non-renounceable.

## **9 What are the risks to investing in the SPP?**

The market price of Shares may rise or fall between the date of this offer and the date when Shares are allotted to you. As a result, the price to be paid for the Shares to be issued under the SPP may be higher or lower than the price at which Shares are trading on the NZX Main Board.

There is no certainty that Shares will trade at or above the Issue Price following the issue of Shares under the

SPP. Therefore, you should seek your own financial advice in relation to this offer and your participation under the SPP.

Further information about Heartland, including the most recent financial statements of Heartland, can be obtained from Heartland's website: [www.heartland.co.nz](http://www.heartland.co.nz). You are also recommended to monitor Heartland's market announcements through the NZX website: [www.nzx.com](http://www.nzx.com).

## **10 What is the current Share price?**

The Share price is quoted in the financial pages of most major metropolitan newspapers and on the NZX website: [www.nzx.com](http://www.nzx.com).

## **11 How do I apply for Shares under the SPP?**

If you wish to participate in the SPP, follow the step-by-step instructions set out on the reverse of the enclosed personalised Application Form. Send your completed Application Form with your payment by cheque or direct debit instruction, for the parcel of Shares you wish to apply for made payable to "Heartland Share Purchase Plan" to the Share Registrar, as set out in the instructions on the Application Form. If the exact amount of money is not tendered, Heartland reserves the right not to accept all or part of your payment. In those circumstances, Heartland will return your application and cheque or refund all or part of your payment (without interest).

You will not be able to withdraw or revoke your application once you have sent it in.

## **12 How long is the SPP open and when will I receive my Shares?**

The SPP opens on 28 February 2014 and is expected to close at 5.00pm on 18 March 2014, unless extended. If you want to participate you should ensure

your Application Form and payment (by cheque or direct debit instruction) is received by 5.00pm on the Closing Date.

Please allow adequate time for mail deliveries. Applications received after this time may not be accepted.

You will receive Shares issued to you under the SPP on the Allotment Date, which is currently expected to be 25 March 2014. A statement confirming the number of Shares issued to you under the SPP will be sent to you no later than 5 business days after the Allotment Date.

**The Allotment Date is currently expected to be 25 March 2014. Heartland may, subject to the Listing Rules, extend the Closing Date and the Allotment Date.**

## **13 How many Shares will I receive?**

Subject to scaling, you will receive the number of Shares equal to the dollar amount of Shares you have applied for divided by the Issue Price. If, once divided by the Issue Price, the dollar amount of Shares you have applied for does not equal a whole number of Shares the number of Shares allotted to you will be rounded up to the nearest share.

If Heartland receives applications for Shares in excess of \$5 million, it will scale back the number of Shares to be allotted under the SPP (see paragraph 9 of the terms and conditions).

## **14 Will the Shares be quoted?**

The Shares have been accepted for quotation on the NZX Main Board, a registered market operated by NZX which is a registered exchange under the Securities Markets Act 1988, and it is expected that the Shares will be quoted upon completion of allotment procedures. However, NZX accepts no responsibility for any statement in this SPP booklet.

It is expected that you will be able to commence trading the Shares allotted to you under the SPP on the NZX Main Board on the Allotment Date.

### **15 Why is there a maximum application amount?**

The offer under the SPP needs to comply with the conditions imposed by New Zealand securities legislation and Listing Rule 7.3.4(c) which caps the maximum application amount of each Eligible Shareholder at \$15,000.

The SPP is being offered to Eligible Shareholders under the terms of the Securities Act (NZX — Share and Unit Purchase Plans) Exemption Notice 2010. That exemption notice also imposes an annual limit of \$15,000 on the total issue price of securities that may be offered to each shareholder.

### **16 Will the offer be available again?**

The SPP is intended to be a one-off opportunity to enable Heartland's New Zealand shareholders to purchase additional shares without transaction costs or brokerage. Subject to the constraints imposed by the Securities Act (NZX — Share and Unit Purchase Plans) Exemption Notice 2010 and the Listing Rules noted in question 15 above, Heartland reserves the right to make similar offers in the future.

### **17 What is Heartland's dividend policy?**

Heartland will determine dividends (both interim and final) based on its net profit after tax, subject to maintaining a prudent level of capital for its needs. Heartland's capital needs will vary from time to time, depending on the range of factors (including regulatory and credit rating requirements, general economic conditions, current and expected growth and the mix of business). A key objective is to ensure an appropriate balance between maximising shareholder returns, and protecting the interests of depositors through prudent capital management.

### **18 Further assistance**

If you have any further questions, please contact your broker, financial, investment or other professional advisor before making your investment decision.

# Terms and Conditions

## IMPORTANT NOTICE

If you apply to participate in the SPP by completing and returning the Application Form you are accepting the risk that the market price of Shares may change between now and the Allotment Date. This means that it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.

We encourage you to seek your own financial advice regarding your participation in the SPP.

## 1 Offer Timetable

Date	Event
Record Date	Any person registered as a holder of one or more Heartland Shares at 5.00pm on 27 February 2014 with a New Zealand address recorded in the share register may participate in the SPP.
Opening Date	The offer opens on 28 February 2014.
Closing Date	The offer closes at 5.00pm on 18 March 2014, unless extended. Application Forms must be received by this time. Application Forms may not be processed or held to be valid if they have not been received by this time.
Issue Price fixed	After market close on 19 March 2014, unless the Closing Date is extended. This will be announced to the market upon market open on the following trading day.
Allotment Date	The Shares will be allotted on 25 March 2014, unless the Allotment Date is extended.
Commencement of trading	Heartland expects the Shares will commence trading on the NZX Main Board on the Allotment Date.
Holding statements mailed	A holding statement will be despatched to you no later than 5 business days after the Allotment Date.

Subject to the Listing Rules, Heartland has a discretion to change, at any time, the offer timetable (notwithstanding that the offer has opened, or Application Forms have been received).

## 2 Eligible Shareholders

- 2.1 You may participate in the SPP if you are an Eligible Shareholder.
- 2.2 Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the Application Form is taken to have been given by all of them.
- 2.3 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

- period from 13 March to 19 March 2014; and
- (b) \$0.855 per Share.
- 3.2 The Issue Price will be announced to the market via NZX upon market open on 20 March 2014.
- 3.3 If, in accordance with the Listing Rules, Heartland elects to extend the Closing Date for the SPP, the Issue Price will be calculated as the lesser of:
  - (a) a 2.5% discount to the average end of day market price of Shares over the 5 day trading period up to and including the extended Closing Date; and
  - (b) \$0.855 per Share.

## 3 Issue Price and Number of Shares

- 3.1 The price of the Shares to be issued under the SPP will be fixed after market close on 19 March 2014 as the lesser of:
  - (a) a 2.5% discount to the average end of day market price of Shares over the 5 day trading
- 3.4 In this case, the Issue Price will be announced upon market open on the trading day following the extended Closing Date.
- 3.5 Subject to clause 4.2, if you are an Eligible Shareholder you may apply to purchase \$2,500, \$5,000, \$7,500, \$10,000, \$12,500 or \$15,000 of Shares under the SPP

by selecting the applicable parcel of Shares on the Application Form. Applications which are not for one of these denominations may not be accepted by Heartland.

- 3.6 Any application in excess of \$15,000 will be deemed to be an application for \$15,000.
- 3.7 Eligible Shareholders may only apply for a maximum of \$15,000 under the SPP and may only make one application. This applies to all Eligible Shareholders, including those who receive more than one offer under the SPP (for example, because they hold Shares in more than one capacity) and including whether the Eligible Shareholder is applying through a Custodian or on his or her own behalf.

## 4 Custodians

4.1 Any Eligible Shareholder that:

- (a) is a trustee corporation or a nominee company and holds Shares in Heartland by reason only of acting for another person in the ordinary course of business of that trustee corporation or nominee company; or
- (b) holds Shares in Heartland by reason only of being a bare trustee of a trust to which the Shares are subject,

is a custodian (*Custodian*) under the SPP.

4.2 Custodians may apply to purchase Shares for greater than \$15,000 but only up to the total value of Shares applied for on behalf of each beneficial owner for whom the Custodian acts as a Custodian. Custodians must confirm to Heartland that they are holding Shares as a Custodian for beneficial owners by providing the written certification to Heartland described in clause 4.3 below. Each beneficial owner may only direct the Custodian to apply on behalf of that beneficial owner for one of the parcels described in clause 3.5.

4.3 If a Custodian applies to purchase Shares on behalf of one or more beneficial owners, the Custodian must certify to Heartland in writing by validly completing the Application Form:

- (a) that the Custodian holds Shares directly or indirectly as a Custodian for beneficial owners;
- (b) the number of those beneficial owners;
- (c) in respect of each of the beneficial owners, how many Shares the beneficial owner or the beneficial owner's agent has instructed the Custodian to accept on behalf of that beneficial owner; and

- (d) that the Custodian undertakes not to accept on behalf of any of those beneficial owners for which it acts directly or indirectly as a Custodian, in any 12 month period, "specified securities" (as defined in the Securities Act (NZX — Share and Unit Purchase Plans) Exemption Notice 2010), in any one NZX issuer, the total issue price of which is more than \$15,000.

## 5 Completing the Application Form and paying for Shares

If you wish to participate in the SPP, you must complete the Application Form and provide a cheque, or nominate a bank account for direct debit, for the parcel of Shares you have selected in accordance with the instructions on the Application Form. Cheques must be drawn on a New Zealand bank account.

## 6 Heartland's discretion to accept or reject applications

6.1 Heartland has complete discretion to accept or reject your application to purchase Shares under the SPP, including (without limitation) if:

- (a) your Application Form is incorrectly completed, incomplete or otherwise determined by Heartland to be invalid;
- (b) your cheque or direct debit is dishonoured or has not been completed correctly;
- (c) you enclosed a cheque with your Application Form that is not made out in New Zealand dollars for the exact amount of the parcel that you have selected on the Application Form;
- (d) you chose the direct debit option and:

- (i) you did not tick the box authorising the Share Registrar to direct debit the bank account nominated on the Application Form on any day after the Application Form is received by the Share Registrar for the amount applied of Shares for on the Application form;
  - (ii) your bank account details are incorrect;
  - (iii) you do not have sufficient funds in the bank account for direct debit available on the day the Share Registrar receives the Application Form (note that you cannot specify a direct debit payment date);
  - (iv) the person(s) giving the direct debit instruction does not have the authority to operate the account solely/jointly; or
  - (v) the bank account you nominate is not a transactional account eligible for direct debit transactions;
- (e) it appears that you are applying to buy more than \$15,000 (in aggregate) of Shares (except if you are a Custodian applying on behalf of more than one beneficial owner in accordance with clause 4.2);
- (f) your Application Form is received after the Closing Date. While Heartland has discretion to accept late Application Forms and cheques, there is no assurance that it will do so. Late Application Forms and cheques, if not processed, will be returned to you at your registered address within 5 business days of the Allotment Date or within 5 business days of the date of receipt in respect of any late applications received after the Allotment Date;

(g) Heartland believes that you are not an Eligible Shareholder or Custodian; or

(h) Heartland considers that your application does not otherwise comply with these terms and conditions.

6.2 No interest will be paid on any application monies returned to you. Any refunds for whatever reason will be paid to you either by direct credit to your bank account (if those details are held by the Share Registrar) or by cheque mailed within 5 business days of the Allotment Date.

## 7 Significance of sending in an application

7.1 If you apply to purchase Shares under the SPP by completing and returning the Application Form:

(a) your application, on these terms and conditions, will be irrevocable and unconditional (i.e. it cannot be withdrawn);

(b) you certify to Heartland that you are an Eligible Shareholder entitled to apply for Shares under these terms and conditions;

(c) you acknowledge that the SPP is conditional and may not proceed;

(d) you certify that your acceptance of the SPP will not be, or cause, a breach of any law in any jurisdiction;

(e) you agree to be bound by the constitution of Heartland;

(f) you certify to Heartland that you are not applying for Shares under the SPP with an aggregate application price in excess of \$15,000 (including any application made through a Custodian) even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;

(g) you authorise Heartland (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;

(h) you acknowledge that Heartland may at any time irrevocably determine that your Application Form is valid, in accordance with these terms and conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;

(i) you accept the risk associated with any refund that may be despatched to you by cheque to your address shown on Heartland's share register;

(j) you agree to indemnify Heartland for, and to pay to Heartland within 5 business days of demand, any dishonour fees or other costs Heartland may incur in presenting a cheque for payment which is dishonoured;

(k) you acknowledge that none of Heartland, its advisors or agents has provided you with investment advice or financial product advice, and that none of them has an obligation to provide advice concerning your decision to apply for and purchase Shares under the SPP;

(l) you acknowledge the risk that the market price for the Shares may change between the date of this offer and the Allotment Date. A change in market price during this period may affect the value of the Shares you receive under the SPP;

(m) you acknowledge that Heartland is not liable for any exercise of its discretions referred to in these terms and conditions; and

(n) you irrevocably and unconditionally agree to these terms and conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.

7.2 If a Custodian applies to purchase Shares under the SPP for a beneficial owner pursuant to clause 4.2, the certification referred to in clause 7.1(f) will be taken to be given by the beneficial owner on whose behalf the Custodian is applying to purchase Shares.

## 8 Issue Price

You agree to pay the Issue Price per Share up to a maximum of the parcel you have selected on the Application Form.

## 9 Scaling

9.1 If you apply for Shares under the SPP, you will apply for a certain dollar amount rather than a certain number of Shares. The number of Shares you will receive will be determined by dividing the dollar amount of Shares you have applied for by the Issue Price, unless your application has been scaled back in accordance with clause 9.2, in which case the number of Shares you receive will be determined by dividing the dollar amount of the Shares you have applied for (as scaled back) by the Issue Price. If this calculation produces a fractional number, the number of Shares you will be allotted will be rounded up to the nearest whole number of Shares.

9.2 If Heartland receives applications in excess of \$5 million, it will scale back all applications on a proportionate basis. In this case your application monies will be greater than the value of the Shares you will be allotted. The difference between the value of the Shares you are allotted and your application monies will be refunded to you either by direct credit to your bank

account (if those details are held by the Share Registrar) or by cheque mailed within 5 business days of the Allotment Date. No interest will be paid on any application monies returned to you.

## 10 The Shares

- 10.1 Shares issued under the SPP will rank equally with, and have the same voting rights, dividend rights and other entitlements as, existing fully paid Shares in Heartland quoted on the NZX Main Board.
- 10.2 The Shares have been accepted for quotation on the NZX Main Board, a registered market operated by NZX which is a registered exchange under the Securities Markets Act 1988, and it is expected that the Shares will be quoted upon completion of allotment procedures. However, NZX accepts no responsibility for any statement in this SPP booklet.
- 10.3 You cannot trade in any Shares issued to you pursuant to the SPP, either as principal or agent, until official quotation on the NZX Main Board in accordance with the Listing Rules. Heartland expects that the Shares will commence trading on the NZX Main Board on the Allotment Date.

## 11 Financial Statements

Subscribers for Shares may obtain free of charge the most recent annual report and financial statements of Heartland by contacting Heartland, or you may download the reports from the Heartland website:  
[www.heartland.co.nz](http://www.heartland.co.nz).

## 12 Underwriting

The SPP has been fully underwritten by First NZ Capital Securities Limited. To the extent that Heartland receives, in aggregate, valid applications for less than \$5 million of Shares under the SPP, Heartland may allot those shortfall shares in accordance with Listing Rule 7.3.4(d). Any such shortfall shares acquired by First NZ Capital Securities Limited will be issued at the Issue Price. Accordingly, \$5 million is expected to be raised in respect of the SPP.

## 13 Amendments to the SPP and waiver of compliance

- 13.1 Notwithstanding any other term or condition of the SPP and/or the Application Form, Heartland may, at its discretion:
- (a) make non-material modifications to the SPP on such terms and conditions it thinks fit (in which event applications for Shares under the SPP will remain binding on the applicant notwithstanding such modification and irrespective of whether an Application Form was received by the Share Registrar before or after such modification is made); and/or
  - (b) suspend or terminate the SPP at any time prior to the issue of the Shares under the SPP (including by reviewing the timetable for the SPP). If the SPP is terminated, application monies will be refunded to applicants without interest within 5 business days of termination.

13.2 Heartland reserves the right to waive compliance with any provision of these terms and conditions.

13.3 Heartland will notify NZX of any waiver, amendment, variation, suspension, withdrawal or termination of the SPP.

## 14 Governing Law

These terms and conditions shall be governed by and construed in accordance with the laws of New Zealand.

## 15 Dispute Resolution

If any dispute arises in connection with the SPP, Heartland may settle it in any manner it thinks fit. It may do so generally or in relation to any particular shareholder, applicant, application or Share. Heartland's decision will be final and binding.

## 16 Inconsistency

Unless otherwise determined by the directors of Heartland, in the event of any inconsistency between the terms and conditions of the SPP and:

- (a) the accompanying letter from the Chairman of Heartland and Questions and Answers, the terms and conditions take precedence;
- (b) Heartland's constitution, Heartland's constitution shall prevail.



**Signed by each Director of Heartland New Zealand Limited**



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**Geoffrey Thomas Ricketts**



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**Jeffrey Kenneth Greenslade**



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**Graham Russell Kennedy**



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**Gary Richard Leech**



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**Christopher Robert Mace**



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**Gregory Raymond Tomlinson**

# Glossary

<b>Allotment Date</b>	25 March 2014, unless extended.
<b>Application Form</b>	The personalised application form relating to the SPP that you received with this SPP booklet, including the instructions on the reverse of the form.
<b>Closing Date</b>	18 March 2014, unless extended.
<b>Custodian</b>	See clause 4.1 for the definition of “Custodian”.
<b>Eligible Shareholder</b>	A person who, at 5.00pm on the Record Date, was recorded in Heartland’s share register as being a registered holder of Shares and having an address in New Zealand recorded in the share register.
<b>Heartland</b>	Heartland New Zealand Limited.
<b>Issue Price</b>	<p>The lesser of:</p> <p>(a) a 2.5% discount to the average end of day market price of Shares over the 5 day trading period from 13 March to 19 March 2014; and</p> <p>(b) \$0.855 per Share,</p> <p>or if Heartland elects to extend the Closing Date the lesser of:</p> <p>(c) a 2.5% discount to the average end of day market price of Shares over the 5 day trading period up to and including the extended Closing Date; and</p> <p>(d) \$0.855 per Share.</p>
<b>Listing Rules</b>	The listing rules of NZX in relation to the NZX Main Board (or any market in substitution for that market) in force from time to time, read subject to any applicable rulings or waivers.
<b>NZX</b>	NZX Limited.
<b>NZX Main Board</b>	The main board equity security market operated by NZX.
<b>Opening Date</b>	28 February 2014.
<b>Record Date</b>	27 February 2014.
<b>Share Registrar</b>	Link Market Services Limited.
<b>Share</b>	An ordinary share of Heartland.
<b>SPP</b>	The share purchase plan detailed in this SPP booklet.

# Directory

## **Issuer**

### **Heartland New Zealand Limited**

75 Riccarton Road  
Riccarton  
Christchurch 8011

PO Box 8623  
Riccarton  
Christchurch 8440

Freephone (New Zealand only) 0800 85 10 10  
Facsimile +64 9 927 9310

## **Share Registrar**

### **Link Market Services Limited**

Level 7, Zurich House  
21 Queen Street  
Auckland 1010

PO Box 91976  
Auckland 1142

Phone +64 9 375 5998  
Facsimile +64 9 375 5990

## **Legal Advisors**

### **Chapman Tripp**

Level 35, ANZ Centre  
23-29 Albert Street  
Auckland 1140

Phone +64 9 357 9000  
Facsimile +64 9 357 9099

## **Financial Advisors**

### **First NZ Capital Securities Limited**

Level 39, ANZ Centre  
23-29 Albert Street  
Auckland 1010

Phone +64 9 302 5500  
Facsimile +64 9 302 5580





# APPLICATION FORM

HEARTLAND SHARE PURCHASE PLAN (SPP) APPLICATION FORM

## HEARTLAND

New Zealand Limited

BROKER NAME

ADVISOR CODE

CSN/Holder Number:

Shareholding as at 5pm on 27 February 2014:

**The SPP booklet accompanying this Application Form is important. If you have any questions in relation to the SPP, please consult your broker, financial, investment or other professional advisor. Please see instructions on the reverse on how to complete this Application Form and where to send it. This Application Form is irrevocable and cannot be withdrawn once lodged.**

### Application for Shares and Payment

You may apply for Heartland New Zealand Limited (Heartland) ordinary shares (Shares), up to a maximum value of \$15,000, subject to a minimum of \$2,500 and only in the denominations as specified below (on and in accordance with the terms and conditions in the accompanying SPP booklet). Please indicate the value of the Shares you are applying for **by ticking the appropriate box**, and either complete the direct debit instruction to enable the Share Registrar to direct debit your account or attach a cheque payable to "Heartland Share Purchase Plan". Cheques must be in New Zealand dollars. Direct debit instructions and cheques **may not be post dated**.

☐ **NZ\$2,500 or**    ☐ **NZ\$5,000 or**    ☐ **NZ\$7,500 or**    ☐ **NZ\$10,000 or**    ☐ **NZ\$12,500 or**    ☐ **NZ\$15,000**

Note: You may receive a refund as a result of any scaling if Heartland receives application funds in excess of \$5 million in the circumstances as set out in clause 9 of the terms and conditions contained in the accompanying SPP booklet (Terms and Conditions).

### Payment options:

☐ **Option 1**    Please find **attached my cheque** for the amount of Shares applied for above.

☐ **Option 2**    Please **direct debit my bank account** nominated below for the amount of Shares applied for above. By ticking this box and signing this Application Form, I/we agree that Heartland or its agent is authorised to direct debit my/our account for the full amount of Shares applied for.

**Sufficient funds must be available in your bank account on the day the Share Registrar receives the Application Form and your account must be a transactional account eligible for direct debit transactions.**

### New Zealand Dollar bank account details for direct debit purposes:

Bank Name  Account Name

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
Bank				Branch				Account								Suffix			

### If you are a Custodian acting on behalf of one or more beneficial owners you must complete this section.

Please state the number of beneficial owners for whom you act as a Custodian.

Please either state the full name(s) of the beneficial owner(s) for whom you act in submitting this Application Form or attach a schedule of the full names of the beneficial owners for whom you act in submitting this Application Form including each beneficial owner's dollar amount of Shares applied for.

Please state the total dollar amount of Shares that you are applying for on behalf of beneficial owners under this CSN.

\$



## Certification

By accepting this offer and applying for Shares under the SPP, you are agreeing to the Terms and Conditions (in particular those described in clause 7 of the SPP booklet) and you are providing the certification set out on the reverse side of this form, under the heading “Certification”. Read that section carefully.

## Execution\*

Holder/Director/Authorised Person

Holder/Director/Authorised Person

Holder/Authorised Person

- \* If a joint holding all holders must sign.
- \* If a company is signing, it must be signed on behalf of the company by a person duly authorised for that purpose.
- \* If this Application Form is signed under a power of attorney, a certificate of non-revocation of power of attorney in the usual form must also be submitted with this Application Form.

## Contact Details

Please provide your contact details below

Contact name

Mobile or Daytime telephone number

This offer closes at 5.00pm on 18 March 2014, unless extended. Applications must be received by the Share Registrar before this time at the address provided on the reverse. Please allow adequate time for mail deliveries. Personal information provided will be held by Heartland and/or the Share Registrar. This information will be used for the purposes of managing your investment in the SPP. Under the Privacy Act 1993, you have the right to access and correct any personal information held about you.

## INSTRUCTIONS

How to complete this Application Form: Read carefully the Terms and Conditions of the Heartland Share Purchase Plan (SPP) contained in the booklet accompanying this Application Form. In this Application Form, where the context requires, a reference to “I” includes a reference to “we”. If you do not understand the Terms and Conditions, this Application Form or if you have any questions about what to do in relation to the SPP, please consult your broker, financial, investment or other professional advisor.

### 1 Application and payment

- Enter the value of Shares you wish to apply to purchase by ticking the box corresponding to the parcel you wish to apply for.
- Do not apply for Shares having a value of less than \$2,500 or greater than \$15,000.
- Make one application only, whether personally or through a Custodian.
- You must pay in New Zealand dollars by cheque or direct debit as per the instructions in the SPP booklet and this Application Form.
- **Do not post date your cheque or direct debit instruction.**
- If you are uncertain how to complete your direct debit instruction or whether your account is a transactional account eligible for direct debit transactions, you should contact your bank or financial institution. Should your direct debit fail, your application will be rejected. The Share Registrar will not be able to process your direct debit if you do not sign and date the Application Form. If requested, the Share Registrar will provide you with a direct debit authority form.
- Your cheque or direct debit instruction must be for the same amount as the amount of Shares you applied for on the front of this Application Form.
- If Heartland receives application monies in excess of \$5 million, it will scale acceptances which may result in you receiving a refund as described in the Terms and Conditions.

### 2 Certification

I irrevocably apply for the value of Shares indicated in this Application Form (or such greater or lesser number of Shares as may be allocated to me due to rounding or scaling), and agree that:

- By applying for Shares, I acknowledge that this Application Form was distributed with the booklet containing the Terms and Conditions dated 28 February 2014, and confirm that I have read this Application Form and the SPP booklet in their entirety. I agree to be bound by the constitution of Heartland and I irrevocably and unconditionally agree to the Terms and Conditions.
- If I am not a Custodian, I certify that:
  - my registered address is in New Zealand and I held Shares on the Record Date;
  - I am not applying for Shares with an aggregate application amount which is more than \$15,000 (including applications made through a Custodian) even though I may have received more than one offer under the SPP or received offers in more than one capacity under the SPP; and
  - the total application amount of those Shares for which I am applying, if issued, together with the total application amount of all

and any other Shares applied for by me under the SPP or any similar arrangement and issued by Heartland to me in any 12 month period will not exceed \$15,000 (excluding any Shares I may have acquired in that period on the NZX Main Board).

- If I am a Custodian, I certify that:

- I hold Shares directly or indirectly as a Custodian for beneficial owners;
- the number of beneficial owners for which I am holding those Shares as Custodian is set out on the front of this Application Form;
- each beneficial owner on whose behalf I am submitting this Application Form is named on the front of this Application Form (or is named in the attached schedule), and has his/her registered address in New Zealand;
- each beneficial owner (or the beneficial owner’s agent) has instructed me to apply for, and accept, under the SPP the dollar amount of Shares set out on the front of this Application Form (or set out in the attached schedule); and
- I undertake not to accept on behalf of a beneficial owner for whom I act directly or indirectly as Custodian in any 12 month period “specified securities” (as defined in the Securities Act (NZX — Share and Unit Purchase Plans) Exemption Notice 2010) in any one NZX issuer, the total issue price of which is more than \$15,000 for that beneficial owner.

### 3 Execution

You should sign this Application Form where indicated.

### 4 Contact Details

Fill in your daytime telephone number and contact name, as we may need to contact you, for example, if you have not filled in this Application Form correctly.

Post this Application Form and your cheque or direct debit instruction so that it is **received before 5.00pm on 18 March 2014 (unless the Closing Date is extended)**. You should allow sufficient time for delivery by the postal service. Application Forms and payment received after the Closing Date may not be processed regardless of when they are postmarked. **We have included a reply paid envelope for your convenience.** You may also use a standard envelope, which should be posted to Link Market Services Limited, PO Box 91976, Auckland 1142, or delivered to Level 7, Zurich House, 21 Queen Street, Auckland 1010.

Only Applications with payment by direct debit may be scanned and emailed or faxed to Link Market Services:

**Fax:** 09 375 5990

**Scan & email:** [operations@linkmarketservices.co.nz](mailto:operations@linkmarketservices.co.nz) (please put Heartland SPP in the subject line for easy identification).

Applications may also be lodged with any Primary Market Participant or any other channel approved by NZX Limited in time to enable forwarding to the Share Registrar before the Closing Date. No brokerage will be paid by Heartland on any applications.