

HEARTLAND GROUP HOLDINGS LIMITED OFFER DOCUMENT

1 for 6.85 Accelerated Non-Renounceable Entitlement Offer of New Shares

8 April 2024

Not for distribution or release in the United States



HEARTLAND
GROUP

This Offer Document is an important document. You should read the entire document before deciding what action to take with respect to your Entitlements. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional advisor. This Offer Document may not be released to US wire services and may be distributed in the United States only by the Company to Eligible Institutional Shareholders. The distribution of this Offer Document outside of New Zealand and Australia may be restricted by law. If you come into possession of this Offer Document, you should observe any such restrictions and should seek your own advice on those restrictions.

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IMPORTANT NOTICE

GENERAL INFORMATION

The Offer is made under the exclusion in clause 19 of Schedule 1 of the FMCA and pursuant to the provisions of section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Instrument 18-1012).

This Offer Document is not a product disclosure statement or other disclosure document for the purposes of the FMCA, the Corporations Act or any other law, has not been lodged with the Financial Markets Authority or ASIC, and does not contain all of the information that an investor would find in a product disclosure statement or other disclosure document, or which may be required in order to make an informed investment decision about the Offer or Heartland.

ADDITIONAL INFORMATION AVAILABLE UNDER HEARTLAND'S CONTINUOUS DISCLOSURE OBLIGATIONS

Heartland is subject to continuous disclosure obligations under the NZX Listing Rules. You can find market releases by Heartland at nzx.com and at asx.com.au under the code "HGH".

Heartland may, during the period of the Offer, make additional releases to the NZX and the ASX. To the maximum extent permitted by law, no release by Heartland to the NZX or the ASX will permit an applicant to withdraw any previously submitted application without Heartland's prior consent.

OFFERING RESTRICTIONS

This Offer Document does not constitute an offer, advertisement or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer, advertisement or invitation.

This Offer Document may not be sent or given to any person who is not an Eligible Shareholder or an Institutional Investor in circumstances in which the Offer or distribution of this Offer Document would be unlawful. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside of New Zealand or Australia except to Eligible Institutional Investors or as Heartland may otherwise determine in compliance with applicable laws.

This Offer Document and any accompanying NZX or ASX announcements do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United

States or to any person who is acting for the account or benefit of any person in the United States (to the extent such person is acting for the account or benefit of a person in the United States), or in any other jurisdiction in which, or to any person to whom, such an offer would be illegal.

The New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons hold Existing Shares and are acting for the account or benefit of a person in the United States), except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States.

Further details on the offering restrictions that apply are set out in Part Four.

If you come into possession of this Offer Document, you should observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Heartland disclaims all liability to such persons.

FUTURE PERFORMANCE

This Offer Document includes certain "forward-looking statements" about Heartland and the environment in which Heartland operates, such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking information is inherently uncertain and subject to contingencies, known and unknown risks and uncertainties and other factors, many of which are outside of Heartland's control, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. A number of important factors could cause actual results or performance to differ materially from forward-looking statements. No assurance can be given that actual outcomes or performance will not materially differ from the forward-looking statements. The forward-looking statements are based on information available to Heartland as at the date of this Offer Document. Except as required by law or regulation (including the NZX Listing Rules), Heartland undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise.

In light of heightened geopolitical tensions, continuing cost of living pressures and uncertainty around whether New Zealand and Australian central bank inflation targets will be reached (and the commencement of commensurate rate cuts), extra caution should also be taken when assessing the forward-looking statements. These ever-evolving situations continue to pose challenges for global financial markets and the New Zealand and Australian economies. Capital markets may continue to see equity securities suffer from spikes in volatility.

As the holding company of an Australasian financial services group, Heartland is exposed to credit, capital, liquidity and funding, market (including interest rate and currency), operational, regulatory compliance and general business risk. Heartland has implemented (or will implement in preparedness for the acquisition of Challenger Bank) structures, policies, procedures, controls and information systems that it considers appropriate to manage these risks, but there are inherent limitations to any risk management framework.

Heartland is exposed to risks that may not be anticipated or are outside its control, its risk management framework may not operate effectively or there may be unforeseen challenges arising from the integration of Challenger Bank or in executing on Heartland's strategic objectives. If any of Heartland's risk management processes and procedures prove ineffective or inadequate or are otherwise not appropriately implemented, Heartland could suffer unexpected losses and reputational damage which could adversely affect Heartland's business and financial performance.

Investors are therefore strongly cautioned not to place undue reliance on forward-looking statements.

CHANGES TO THE OFFER

Subject to the NZX Listing Rules, Heartland reserves the right to alter the dates set out in this Offer Document.

Additionally, Heartland reserves the right to withdraw all or any part of the Offer (either generally or in particular cases) and the issue of New Shares at any time before the Allotment Date at its absolute discretion.

NO GUARANTEE

No guarantee is provided by any person in relation to the New Shares to be issued pursuant to the Offer. Likewise, no warranty is provided with regard to the future performance of Heartland or any return on any investments made pursuant to this Offer Document.

DECISION TO PARTICIPATE IN THE OFFER

The information in this Offer Document does not constitute a recommendation to acquire or invest in New Shares nor does it amount to financial product advice. This Offer Document has been prepared without taking into account the particular needs or circumstances of any investor, including an investor's investment objectives, financial and/or tax position. You should conduct your own independent review, investigation and analysis of the Shares the subject of the Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in the Company before making any investment decision based on your investment objectives.

PRIVACY

Any personal information provided by Eligible Shareholders via the online application will be held by Heartland or the Registrar at the addresses set out in the Directory.

Heartland and/or the Registrar may store your personal information in electronic format, including in online storage or on a server or servers which may be located in New Zealand or overseas. The information will be used for the purposes of administering your investment in Heartland.

This information will only be disclosed to third parties with your consent or if otherwise required or permitted by law. Under the New Zealand Privacy Act 2020 and Australian Privacy Act 1988 (Cth), you have the right to access and correct any personal information held about you.

ENQUIRIES

Enquiries about the Offer can be directed to a NZX Primary Market Participant, or your solicitor, accountant or other professional adviser.

If you have any questions about the number of New Shares shown on the Entitlement Form that accompanies this Offer Document, or how to apply online, please contact the Registrar.

DEFINED TERMS

Capitalised terms used in this Offer Document have the specific meaning given to them in the Glossary of this Offer Document.

PART 1: LETTER FROM THE CHAIR

8 April 2024

Dear Heartland shareholder,

Heartland Group Holdings Limited (**Heartland**) is pleased to announce that it has received indicative regulatory approvals from the Australian Prudential Regulation Authority (**APRA**) and the Reserve Bank of New Zealand (**RBNZ**) for Heartland Bank Limited's (**Heartland Bank**) acquisition of Challenger Bank Limited (**Challenger Bank**) from Challenger Limited. Subject to receipt of final regulatory approvals, Heartland Bank expects to complete the acquisition of Challenger Bank on 30 April 2024.

Heartland also announces a NZ\$210 million equity raise, the successful completion of which APRA and RBNZ's final regulatory approvals are conditional on. The equity raise comprises a NZ\$105 million underwritten placement and a NZ\$105 million underwritten 1 for 6.85 pro-rata entitlement offer (**Entitlement Offer**), described in more detail below.

The acquisition of Challenger Bank is a critical step in Heartland's strategy for expansion in the Australian market and achieving its long-term growth ambitions. Heartland is already well-established in Australia through its Reverse Mortgage business (Heartland Finance) and Livestock Finance business (StockCo), (together, **Heartland Australia**). At 31 December 2023, together, Heartland's Australian Reverse Mortgage and Livestock Finance businesses had approximately NZ\$2 billion of gross finance receivables.

Completing the Challenger Bank acquisition will make Heartland Bank the first New Zealand registered bank to acquire an Australian Authorised Deposit-Taking Institution (**ADI**). Subject to completion, under Heartland Bank's ownership, Challenger Bank will be rebranded to Heartland Bank (**Heartland Bank Australia**), providing a platform to extend Heartland's "best or only" strategy in Australia. Once Heartland Australia becomes part of Heartland Bank Australia, it will be the only specialist bank provider of both reverse mortgages and livestock finance in Australia.

Proceeds from the equity raise will be used to fund the balance of the consideration payable for the Challenger Bank acquisition, support the expected regulatory capital requirements of Challenger Bank and Heartland Bank, and cater for near-term projected asset growth post-completion of the Challenger Bank acquisition.

1 FOR 6.85 ENTITLEMENT OFFER AT NZ\$1.00 PER NEW SHARE

Under the Entitlement Offer, eligible shareholders may apply for 1 new share for every 6.85 existing shares held as at 7.00pm NZST (5.00pm AEST) on Tuesday 9 April 2024, at an application price of NZ\$1.00 per new share.

The application price is NZ\$1.00, reflecting an 18.0% discount to the last close price of NZ\$1.22 on 5 April 2024, and a 14.6% discount to the theoretical ex-rights price (**TERP**) of NZ\$1.1703¹.

The placement and the institutional component of the Entitlement Offer will be accelerated and will close on Tuesday 9 April 2024. Eligible retail shareholders have until 5.00pm NZST (3.00pm AEST) on Monday 22 April 2024 to subscribe for new shares. In addition to being able to take up their entitlement, Eligible Retail Shareholders who take up their entitlement in full may apply for additional new shares not taken up by other retail shareholders up to a maximum of 100% above their pro-rata entitlement.

¹ TERP is the theoretical ex-rights price at which Heartland ordinary shares would trade immediately after the ex-rights date for the Entitlement Offer. TERP is calculated with reference to Heartland's closing share price of NZ\$1.22 on 5 April 2024 and includes all new shares issued under the placement and the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Heartland ordinary shares will trade immediately after the ex-rights date for the Entitlement Offer will depend on many factors and may not be equal to TERP.

Heartland has received a pre-commitment from its largest shareholder, Harrogate Trustee Limited, for approximately NZ\$14 million of the equity raise. The placement and Entitlement Offer, excluding the amount pre-committed by Harrogate Trustee Limited, are fully underwritten by Jarden Partners Limited. Under the Entitlement Offer, there will be no trading of entitlements or any shortfall bookbuild of new shares not taken up. Those shareholders who do not exercise their entitlements, or who are ineligible to do so, will have their shareholdings diluted.

After reading the accompanying Offer Document, the Board encourages you to seek financial, investment, or other professional advice from a qualified professional adviser and that you take your time to consider this Offer. Additional information can be found at www.heartlandshareoffer.co.nz and in the announcement and investor presentation released to the NZX and ASX on Monday 8 April 2024.

On behalf of the Board, thank you for your continued support. We welcome your consideration of, and participation in, the Entitlement Offer.

Yours sincerely,

Greg Tomlinson
Heartland Board Chair

PART 2: OFFER AT A GLANCE

Issuer	Heartland Group Holdings Limited
The Offer	<p>Heartland is undertaking an equity raise comprising the Placement to raise NZ\$105 million together with this accelerated non-renounceable entitlement offer (ANREO) to raise approximately \$105 million.</p> <p>The ANREO is a pro rata offer of 1 New Share for every 6.85 Existing Shares held by an Eligible Shareholder at 7.00pm (NZST) on the Record Date, with fractional entitlements being rounded down to the nearest share.</p> <p>Eligible Institutional Shareholders will have a shorter than usual offer period to accept their Entitlement under the Institutional Entitlement Offer, with the Institutional Entitlement Offer and the Placement conducted over two Business Days (including the date of the announcement of the Offer).</p> <p>If an Eligible Shareholder does not take up all of its Entitlements, its current shareholding will be diluted as a result of the issue of New Shares.</p> <p>New Shares attributable to the Institutional Entitlement Offer not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the Entitlements of certain Ineligible Institutional Shareholders may, subject to demand, be allocated to Institutional Investors who participate in the Placement or as Heartland and the Underwriter may otherwise agree. Shares issued under the Placement will not be eligible to participate in the ANREO.</p> <p>New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered to Eligible Retail Shareholders who take up their Entitlements in full, allowing them to subscribe for additional New Shares up to a maximum of 100% of their Entitlements.</p>
Application Price	NZ\$1.00 (or the A\$ Price) per New Share.
Existing Shares currently on issue	719,509,038 Existing Shares.
Maximum number of New Shares being offered under the Offer	105,037,815 New Shares (subject to rounding).
Offer size	The approximate amount to be raised under the Offer is NZ\$105 million.
New Shares	The same class as, and ranking equally with, Existing Shares.

Eligible Retail Shareholders	<p>You are an Eligible Retail Shareholder if, as at 7.00pm (NZST) on the Record Date, you are recorded in Heartland’s share register as a Shareholder and:</p> <ul style="list-style-type: none"> (a) your address is shown in Heartland’s share register as being in New Zealand or Australia; or (b) Heartland considers, in its discretion, you may be treated as an Eligible Retail Shareholder under all applicable securities laws to receive an offer of New Shares under the Offer, <p>and you are not in the United States and not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Offer in respect of that person) and you are not an Institutional Shareholder.</p>
How to apply	<p><i>Eligible Retail Shareholders</i></p> <p>Applications must be made online at www.heartlandshareoffer.co.nz</p> <p><i>Eligible Institutional Shareholders</i></p> <p>The Lead Manager will contact Eligible Institutional Shareholders to advise them of the terms and conditions of participation in the Offer and confirm their application process.</p>
Pre-commitments	<p>Heartland has received a pre-commitment from its largest shareholder, Harrogate Trustee Limited, for approximately NZ\$14 million of the equity raise.</p>
Underwriting	<p>The Placement and the Entitlement Offer is fully underwritten by the Underwriter with the exception of the amount pre-committed by Harrogate Trustee Limited.</p>

PART 3: IMPORTANT DATES

INSTITUTIONAL ENTITLEMENT OFFER

This timetable is relevant to participants in the Institutional Entitlement Offer. Eligible Retail Shareholders should refer to the important dates for the Retail Entitlement Offer set out in the “Retail Entitlement Offer” table on the following page.

Key Event	Date ²
Trading halt commences on the NZX Main Board and the ASX (pre-market open)	Monday 8 April 2024
Institutional Entitlement Offer opens at 10.00am (NZST) or 8.00am (AEST)	Monday 8 April 2024
Institutional Entitlement Offer closes (for Eligible Institutional Shareholders in New Zealand, Australia, Hong Kong and Singapore)	Monday 8 April 2024
Institutional Entitlement Offer closes (for all other jurisdictions)	Tuesday 9 April 2024
Announce results of Institutional Entitlement Offer Trading halt lifted on the NZX Main Board and ASX	Tuesday 9 April 2024
Record Date 7.00pm (NZST) or 5.00pm (AEST)	Tuesday 9 April 2024
Settlement of Institutional Entitlement Offer on ASX	Friday 12 April 2024
Settlement of Institutional Entitlement Offer on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board and ASX	Monday 15 April 2024

² The dates set out in the table above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ time (unless otherwise specified). Heartland reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to the NZX Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares.

RETAIL ENTITLEMENT OFFER

The timetable immediately below is relevant to participants in the Retail Entitlement Offer. Eligible Institutional Shareholders should refer to the important dates for the Institutional Entitlement Offer set out in the “Institutional Entitlement Offer” table on the previous page.

Key Event	Date ³
Record Date 7.00pm (NZST) or 5.00pm (AEST)	Tuesday 9 April 2024
Expected dispatch of the Offer Document	Thursday 11 April 2024
Retail Entitlement Offer opens	Thursday 11 April 2024
Retail Entitlement Offer closes at 5.00pm (NZST) or 3.00pm (AEST) (last day for online applications, or for receipt of the Acceptance Form, with payment)	Monday 22 April 2024
Announce results for Retail Entitlement Offer	Wednesday 24 April 2024
Settlement of Retail Entitlement Offer on ASX	Friday 26 April 2024
Settlement of Retail Entitlement Offer on the NZX Main Board and commencement of trading of allotted New Shares on the NZX Main Board	Friday 26 April 2024
Commencement of trading of allotted New Shares on ASX	Monday 29 April 2024
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Tuesday 30 April 2024

Applicants must apply via the online application process as soon as possible. No cooling-off rights apply to applications submitted under the Offer and once an application is submitted, it cannot be withdrawn without Heartland’s prior consent.

³ The dates set out in the table above (and any references to them in this Offer Document) are subject to change and are indicative only. All times and dates refer to NZ time (unless otherwise specified). Heartland reserves the right to amend the timetables (including by extending the closing dates for the Offer or accepting late Applications, either generally or in particular cases) subject to the NZX Listing Rules. Any extension of the closing dates for the Offer will have a consequential effect on the issue date of New Shares.

PART 4: DETAILS OF THE OFFER

THE OFFER

The Offer is an offer of New Shares to Eligible Shareholders under a pro rata accelerated non-renounceable entitlement offer. Under the Offer, Eligible Shareholders are entitled to subscribe for 1 New Share for every 6.85 Existing Shares held at 7.00 pm (NZST) on the Record Date. The New Shares will be the same class as, and will rank equally with, Existing Shares which are quoted on the NZX Main Board and ASX. It is a term of the Offer that Heartland will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

If you are an Eligible Shareholder you may take up all, part or none of your Entitlements. If you are an Eligible Shareholder and you do not take up all of your Entitlements, your percentage holding in Heartland will be reduced as a result of the issue of New Shares in the Placement and the Offer.

The maximum number of New Shares being offered under the Offer is 105,037,815 New Shares (subject to rounding). Heartland will raise a total of approximately NZ\$105 million through the Offer, which is fully underwritten by the Underwriter with the exception of the amount pre-committed by Harrogate.

APPLICATION PRICE

The Application Price is NZ\$1.00 (or the A\$ Price) per New Share.

The A\$ Price is A\$0.9151 per New Share. The Australian dollar price of A\$0.9151 has been set by Heartland taking into account the NZ\$:A\$ exchange rate published by the Reserve Bank of New Zealand on its website on 5 April 2024. The Application Price must be paid in full on application. Payment of the Application Price must be made, for the Retail Entitlement Offer, in accordance with the online application process.

Any New Shares (including additional New Shares) issued to you will be issued on the branch register on which you currently hold the Existing Shares to which your Entitlement relates.

Heartland may accept late applications and application monies, but it has no obligation to do so. Heartland may accept or reject (at its discretion) any online application which it considers is not completed correctly and may correct any errors or omissions in the online application.

An application may not be withdrawn without Heartland's prior consent once submitted.

Application monies received will be held in a trust account with the Registrar until the corresponding New Shares are allotted or the application monies are refunded. Interest earned on the application monies will be for the benefit, and remain the property, of Heartland and will be retained by Heartland whether or not the issue of New Shares takes place. Any refunds of application monies (without interest) will be made within 10 Business Days of allotment (or the date that the decision not to accept an application is made, as the case may be).

WITHDRAWAL

Subject to Heartland's compliance with all applicable laws, Heartland reserves the right to withdraw the Offer at any time at its absolute discretion. If any application is not accepted, all applicable application monies will be refunded, without interest, to the relevant Shareholder.

OVERVIEW OF THE OFFER

Heartland will raise a total of approximately NZ\$105 million through the Offer, which is fully underwritten by the Underwriter with the exception of the amount pre-committed by Harrogate. The maximum number of New Shares that are being offered under the Offer is 105,037,815 New Shares (subject to rounding).

The Offer comprises the following components:

- the Institutional Entitlement Offer; and
- the Retail Entitlement Offer,

in each case, as described in further detail below.

The Offer is an accelerated non-renounceable entitlement offer (**ANREO**). This means that if you, as an Eligible Shareholder, do not take up your full Entitlement under the Offer, then your Entitlement will lapse, and you will receive no value for those lapsed Entitlements. Further, if you do not take up your full Entitlement, you will have your percentage holding in Heartland reduced as a result of the Placement and the Offer by approximately 22.6%.

By receiving this Offer Document, you represent and warrant that:

- you are an Eligible Shareholder or an Institutional Investor;
- you have not sent, and will not send, this Offer Document or any other offer materials outside Australia and New Zealand or to any person in the United States, except custodians and nominees may distribute this Offer Document to beneficial shareholders who are Institutional Investors in the Permitted Jurisdictions excluding the United States;
- you understand that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and the New Shares may not be offered or sold in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction of the United States; and
- you acknowledge that, if you decide to sell or otherwise transfer any New Shares, you will only do so in the regular way for transactions on the NZX Main Board or ASX, where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States.

PURPOSE OF THE OFFER

The proceeds of the equity raise will be used to finance the balance of the consideration payable for the Challenger Bank acquisition, support the expected regulatory capital requirements of Challenger Bank and Heartland Bank, and cater for near-term asset projected growth post-completion of the Challenger Bank acquisition.

OFFER STRUCTURE

Heartland has chosen to undertake a Placement and ANREO to raise capital. The ANREO structure is the most common entitlement offer structure utilised by ASX listed companies. The board of directors of Heartland has determined that this capital raising structure is in the best interests of Heartland, after carefully considering alternative capital raising structures, and weighing the benefits of this capital raising structure against the expected impact on non-participating Shareholders. ANREOs have a variety of benefits compared to a renounceable pro-rata offer, which Heartland has assessed as desirable in the current circumstances. Those benefits are:

- **Certainty** – Heartland requires certainty that sufficient funds be raised under the Offer to complete the acquisition of Challenger Bank and to support the expected regulatory capital requirements of Challenger Bank and Heartland Bank. The Placement and the Offer are fully underwritten with the exception of the amount pre-committed by Harrogate, providing certainty that the necessary funds will be received. The expert investment banking advice obtained from Jarden noted that undertaking an ANREO enables greater sub-underwriting support due to the shorter timeframe exposure to market risk compared to a renounceable pro rata capital raising structure, which in turn has enabled the Offer to be fully underwritten with the exception of the amount pre-committed by Harrogate.
- **Pricing** – The expert investment banking advice obtained from Jarden also noted that using an ANREO structure allows Heartland to price the Offer at a smaller discount than would be the case for a renounceable pro rata capital raising structure. This minimises the dilutionary impact on non-participating Shareholders and provides more certainty for existing Shareholders subscribing for additional Shares at a fixed price.
- **Timing** – The Placement and the Offer are being conducted in relation to the acquisition of Challenger Bank and to support the near-term capital needs of Challenger Bank and Heartland Bank post-completion. Importantly, the accelerated nature of an ANREO enables completion of the Offer on a faster timetable than a traditional rights issue or an accelerated renounceable entitlement offer as no bookbuilds are required. This means Heartland will receive the proceeds of the capital raise more quickly, which will in turn allow for the acquisition of Challenger Bank to complete sooner. The faster timetable also means the period of risk associated with potential market volatility between the Offer opening and settlement is reduced, which in turn supports greater participation by both sub-underwriters and Shareholders, as well as a smaller discount.

The Placement and ANREO structure will mean that Shareholders who do not participate in the Offer will have their shareholding diluted and will not receive any value for their Entitlements. If a Shareholder did not participate in either the Placement or ANREO, their shareholding would be diluted by approximately 22.6%. To minimise the number of Ineligible Shareholders who are diluted as a result of the Offer, Heartland has obtained foreign securities law advice confirming that Shareholders holding approximately 99% of Heartland's Shares will be eligible to participate in the ANREO. Eligible Retail Shareholders who have taken up all of their Entitlements in full may apply for additional New Shares, up to a maximum amount of New Shares equal to 100% of their Entitlements, which means that in the event of a shortfall under the Retail Entitlement Offer, those Eligible Retail Shareholders may be able to offset any dilution experienced as a result of the Placement.

Heartland has obtained independent expert investment banking advice from Jarden which is consistent with the explanation above as to why the Placement and ANREO structure has been selected and is in the best interests of Heartland. Although Jarden acts as the Lead Manager (and a related company acts as the Underwriter) to the Offer, Heartland and its board of directors concluded that it was still appropriate for Jarden to provide this advice in these circumstances, as the advice was given in a manner that considers the best interests of all Shareholders, generally. To the maximum extent permitted by law, Jarden does not

accept any liability to Shareholders in relation to the contents of this Offer Document or the choice of offer structure by the board of directors of Heartland.

THE INSTITUTIONAL ENTITLEMENT OFFER

Overview of the Institutional Entitlement Offer

Heartland is offering Eligible Institutional Shareholders the opportunity to subscribe for 1 New Share for every 6.85 Existing Shares held as at 7.00 pm (NZST) on the Record Date, at an Application Price of NZ\$1.00. This ratio and the Application Price are the same as for the Retail Entitlement Offer. The Lead Manager will seek to approach Eligible Institutional Shareholders, who may take up all, part or none of their Entitlements.

The Institutional Entitlement Offer opens at 10.00 am (NZST) on Monday 8 April 2024 and closes on Monday, 8 April 2024 for Eligible Institutional Shareholders in New Zealand, Australia, Hong Kong and Singapore, and Tuesday 9 April 2024 for Eligible Institutional Shareholders located in all other jurisdictions (subject to Heartland's right to modify these dates or times).

Entitlements will not be quoted and cannot be traded on the NZX Main Board, the ASX or privately transferred.

Eligibility under the Institutional Entitlement Offer

The Institutional Entitlement Offer is only open to Eligible Institutional Shareholders. Heartland will determine the Shareholders who will be treated as Eligible Institutional Shareholders for the purpose of determining the Shareholders to whom an offer of New Shares will be made under the Institutional Entitlement Offer. In exercising its discretion, Heartland may have regard to a number of matters, including legal and regulatory requirements and logistical and registry constraints. Heartland will determine which Shareholders will be treated as Ineligible Institutional Shareholders. To the maximum extent permitted by law, the Lead Manager, Underwriter, Heartland and each of their respective shareholders, directors, officers, employees, agents and advisers disclaims any duty or liability (including for negligence) in respect of such determination or exercise of such discretion.

Heartland reserves the right to reject any application for New Shares under the Institutional Entitlement Offer that it considers comes from a person who is not an Eligible Institutional Shareholder.

Acceptance of Entitlement under the Institutional Entitlement Offer

The Lead Manager may seek to contact Eligible Institutional Shareholders to inform them of the terms and conditions of participation in the Institutional Entitlement Offer and seek confirmation of their Entitlements under the Offer. Applications for New Shares by Eligible Institutional Shareholders (excluding those in the United States) can only be made by contact with the Lead Manager. The Company will contact Eligible Institutional Shareholders in the United States directly.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Institutional Shareholder is entitled under its Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number. Applications in excess of an Eligible Institutional Shareholder's Entitlement will not be accepted.

New Shares attributable to the Institutional Entitlement Offer not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer and the Entitlements of certain Ineligible Institutional Shareholders may, subject to demand, be allocated to Institutional Investors who participate in the Placement or as the Lead Manager and Underwriter may otherwise determine. Shares issued under the Placement will not be eligible to participate in the ANREO.

Settlement of the Institutional Entitlement Offer

Settlement of the Institutional Entitlement Offer will occur on the Institutional Settlement Date in accordance with arrangements advised by the Lead Manager. Each investor remains responsible for ensuring its own compliance with the Takeovers Code, the Banking (Prudential Supervision) Act 1989 and other applicable legislation.

THE RETAIL ENTITLEMENT OFFER

Overview of the Retail Entitlement Offer

Heartland is offering Eligible Retail Shareholders the opportunity to subscribe for 1 New Share for every 6.85 Existing Shares held as at 7.00pm (NZST) on the Record Date, at an Application Price of NZ\$1.00 per New Share (or the A\$ Price). This ratio and the Application Price are the same as for the Institutional Entitlement Offer. Eligible Retail Shareholders are sent this Offer Document together with a personalised Entitlement Form and may take up all, part or none of their Entitlements.

The Retail Entitlement Offer opens on Thursday 11 April 2024 and closes at 5.00 pm (NZST) on Monday 22 April 2024 (subject to Heartland's right to modify these dates or times).

Entitlements will not be quoted and cannot be traded on the NZX Main Board, the ASX or privately transferred.

Eligibility under the Retail Entitlement Offer

The Retail Entitlement Offer is only open to Eligible Retail Shareholders.

The Retail Entitlement Offer does not constitute an offer to any person who is not an Eligible Retail Shareholder (including any Institutional Shareholder or an Ineligible Retail Shareholder) in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, Shareholders who are in the United States or who are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of a person in the United States) are not eligible to participate in the Retail Entitlement Offer.

Any person allocated New Shares under the Institutional Entitlement Offer is not able to participate in the Retail Entitlement Offer in respect of those New Shares.

Heartland reserves the right to reject any application for New Shares under the Retail Entitlement Offer that it considers comes from a person who is not an Eligible Retail Shareholder.

Acceptance of Entitlement under the Retail Entitlement Offer

Applications for New Shares by Eligible Retail Shareholders can only be made via an online application at www.heartlandshareoffer.co.nz.

Entitlements are not rounded up to a minimum holding. The number of New Shares to which an Eligible Retail Shareholder is entitled under an Entitlement will, in the case of fractions of New Shares, be rounded down to the nearest whole number.

Eligible Retail Shareholders are not obliged to subscribe for any or all of the New Shares to which they are entitled under the Offer. They may take up all, part or none of their Entitlements.

Any nominee who takes up an Entitlement in the Retail Entitlement Offer (and therefore applies for New Shares) on behalf of a person outside Australia and New Zealand will be deemed to have represented and warranted to Heartland that such person is an Institutional Investor in a Permitted Jurisdiction excluding

the United States or such other jurisdiction as Heartland may consent taking into account applicable securities laws.

New Shares attributable to the Retail Entitlement Offer not taken up by Eligible Retail Shareholders under the Retail Entitlement Offer and the Entitlements of certain Ineligible Retail Shareholders may, subject to demand, be allocated to Eligible Retail Shareholders who take up their Entitlements in full (as outlined below) or as the Lead Manager and Underwriter may otherwise determine.

Applications to take up additional New Shares

New Shares that are attributable to Entitlements that are not taken up by Eligible Retail Shareholders (together with those attributable to Entitlements of Ineligible Retail Shareholders) will be offered to Eligible Retail Shareholders who take up their Entitlements in full.

Eligible Retail Shareholders who have taken up all of their Entitlements in full may apply for these additional New Shares, up to a maximum amount of New Shares equal to 100% of their Entitlements. Eligible Retail Shareholders may apply for these additional New Shares at the Offer Price as directed by the online application. **Payment must be made for both your Entitlements and any additional New Shares for which you wish to apply.**

If you elect to apply for your Entitlements using the A\$ Price, then any additional New Shares that you are applying for **must also be paid for in Australian dollars at the A\$ price.**

Allocations and any necessary scaling of additional New Shares applied for by Eligible Retail Shareholders who take up their Entitlements in full will be determined by Heartland and the Lead Manager.

NOMINEES

If you hold Existing Shares as nominee for more than one person, then you may (depending on the nature of each such person) be an Eligible Institutional Shareholder, Ineligible Institutional Shareholder, Eligible Retail Shareholder or Ineligible Retail Shareholder with regard to the Entitlement of each such person. Nominees who hold Shares on behalf of persons in the United States, or who are acting for the account or benefit of persons in the United States, are not eligible to participate on behalf of those persons.

Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees and custodians with registered addresses in eligible jurisdictions, irrespective of whether they participated under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will receive a letter from Heartland. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- (a) beneficiaries on whose behalf they hold Existing Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- (b) Eligible Institutional Shareholders who received an offer to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);

- (c) Ineligible Institutional Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- (d) Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

In particular, nominees and custodians who hold Shares on behalf of persons outside Australia and New Zealand, or persons who are acting for the account or benefit of persons in the United States, are not eligible to participate on behalf of those persons, and may not take up Entitlements on behalf of, or send any documents relating to the Retail Entitlement Offer to, any such person except for any beneficial shareholder of the Company outside Australia and New Zealand that is an Institutional Investor in another Permitted Jurisdiction (excluding the United States) or as Heartland may otherwise consent.

OVERSEAS SHAREHOLDERS

The Offer is only open to Eligible Shareholders and persons that Heartland is satisfied can otherwise participate in the Offer in compliance with all applicable laws. Heartland has determined that it would be unduly onerous to extend the Retail Entitlement Offer to Ineligible Retail Shareholders and the Institutional Entitlement Offer to Ineligible Institutional Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside New Zealand or Australia.

This Offer Document is only being sent by Heartland to Eligible Shareholders. The distribution of this Offer Document (including an electronic copy) outside New Zealand or Australia may be restricted by law. Any failure to comply with such restrictions may contravene applicable securities law. Heartland disclaims all liability to such persons.

This Offer Document does not constitute an offer of New Shares in any jurisdiction in which it would be unlawful. In particular, this Offer Document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside New Zealand and Australia except to the extent permitted below.

Hong Kong

WARNING: This Offer Document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Offer Document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Offer Document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Offer Document, you should obtain independent professional advice.

Norway

This Offer Document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this Offer Document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

Singapore

This Offer Document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Offer Document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This Offer Document has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this Offer Document immediately. You may not forward or circulate this Offer Document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United Kingdom

Neither this Offer Document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“FSMA”)) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this Offer Document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Offer Document is issued on a confidential basis in the United Kingdom to “qualified investors” within the meaning of Article 21 of the UK Prospectus Regulation. This Offer Document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Offer Document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (“FPO”), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (“relevant persons”). The investment to which this Offer Document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Offer Document.

United States

This Offer Document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

The New Shares will only be offered and sold In the United States to:

- “qualified institutional buyers” (as defined in Rule 144A under the US Securities Act); and
- dealers or other professional fiduciaries organized or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons and for which they exercise investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

UNDERWRITING AGREEMENT

Heartland has requested the Underwriter to underwrite the Offer and the Underwriter has agreed to do so (except in respect of the amount pre-committed by Harrogate). This means that the Underwriter will subscribe at the Application Price for any New Shares that are not subscribed for under the Placement or by Eligible Shareholders under the Offer in accordance with the terms of the underwriting agreement. A summary of the principal terms of the underwriting agreement are set out immediately below:

- The Underwriter has the power to appoint sub-underwriters.
- The Underwriter will be paid an agreed fee for its services in connection with the Offer.
- The underwriting agreement contains termination events, representations, warranties and indemnities that are customary for an offer of this nature.
- The Underwriter may terminate its obligations under the underwriting agreement in certain circumstances, including where on or before the Allotment Date for the Retail Entitlement Offer:
 - the sale and purchase agreement for Challenger Bank is terminated;
 - the Company is prevented from allotting Shares pursuant to the Placement or the Offer by any applicable laws or as a result of an order or judgment of a Court or regulatory authority;
 - a statement in this Offer Document, the investor presentation or otherwise published in connection with the Offer and Placement is or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission) in any material adverse respect, or such materials otherwise fail to comply with laws applicable to the Offer and Placement in any material respect;
 - the S&P/NZX 50 Index or ASX 200 Index declines by a specified percentage over a prescribed time period;
 - an insolvency event occurs in relation to the Company or any of its subsidiaries;
 - a material adverse event, or any event or development which is likely to give rise to a material adverse event, occurs in relation to the Offer, Placement or other certain specified matters;

- a representation or warranty contained in the underwriting agreement on the part of the Company is not, or has ceased to be, true or correct (and this is not remedied without adverse impact before the Allotment Date for the Retail Entitlement Offer) or there is a breach of the underwriting agreement by the Company that has, or is likely to have, a material adverse effect on the Offer, Placement or other certain specified matters; or
- an external event, such as a material or fundamental change in financial, economic and political conditions in certain countries or financial markets, occurs which is likely to have a material adverse effect on the Offer, Placement or other certain specified matters.
- If the underwriting agreement is terminated, a termination fee may be payable to the Underwriter.
- Heartland has indemnified the Underwriter and its directors, officers, partners, employees and advisers against certain losses sustained, suffered or incurred, arising out of or in connection with the Offer, the allotment of the New Shares or the Underwriting Agreement.
- For a period commencing on the date of the Underwriting Agreement and ending three months after the allotment date for the Retail Entitlement Offer, Heartland must not, without the prior written consent of the Underwriter:
 - allot or issue any Shares or other equity securities of Heartland (whether preferential, redeemable, convertible or otherwise) or allow the issue of any equity securities by any of its subsidiaries (other than to Heartland or another subsidiary of Heartland);
 - issue or grant any right or option that entitles the holder to call for the issue of Shares or other equity securities by Heartland or that is otherwise convertible into, exchangeable for or redeemable by the issue of, Shares or other equity securities issued by Heartland;
 - create any debt instrument or other obligation which may be convertible into, exchangeable for or redeemable by, the issue of Shares or other equity securities by Heartland;
 - otherwise enter into any agreement whereby any person may be entitled to the allotment and issue of any Shares or other equity securities by Heartland; or
 - make any announcement of an intention to do any of the above,
 other than pursuant to the Placement or the Offer, as publicly disclosed or under Heartland's performance rights plan.
- For a period commencing on the date of the Underwriting Agreement and ending three months after the allotment date for the Retail Entitlement Offer, Heartland and its subsidiaries must carry on their business in the ordinary course and not dispose of, or grant security over, all or any material part of their business or assets or acquire any material asset, except as publicly disclosed.
- For a period commencing on the date of the Underwriting Agreement and ending three months after the allotment date for the Retail Entitlement Offer, Heartland and its subsidiaries must not reduce, reorganise, or otherwise alter or restructure their capital structure, or agree or announce an intention to do any of those things, without the prior written consent of Jarden except as publicly disclosed or in connection with Heartland's performance rights plan.

TERMS AND RANKING OF NEW SHARES

New Shares will rank equally with, and have the same voting rights, dividend rights and other entitlements as, Existing Shares in Heartland quoted on the NZX Main Board and ASX. Entitlements will not be quoted and cannot be traded on the NZX Main Board, ASX or privately transferred. It is a term of the Offer that Heartland will take any necessary steps to ensure that the New Shares are, immediately after issue, quoted on the NZX Main Board and ASX.

DIVIDEND POLICY

Heartland determines 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 a range of factors (including regulatory and credit rating requirements, general economic conditions, current and expected growth and the business mix). A key objective is to ensure an appropriate balance between maximising shareholder returns, and protecting the interests of depositors through prudent capital management.

Having regard to the equity raise, acquisition of Challenger Bank and associated growth opportunities, the Board expects to target a total dividend payout ratio in the financial year ending 30 June 2024 of 50% of underlying net profit after tax. The Board will, as it has historically, actively manage dividend settings and carefully consider the declaration of any dividend based on Heartland's capital needs, ROE accretive growth opportunities, balance sheet flexibility and Heartland's financial performance.

NZX

The New Shares have been accepted for quotation by NZX and will be quoted on the NZX Main Board upon completion of allotment procedures. The NZX Main Board is a licensed market under the FMCA. However, NZX accepts no responsibility for any statement in this Offer Document. It is expected that trading on the NZX Main Board of the New Shares issued under:

- the Institutional Entitlement Offer will commence on Monday 8 April 2024; and
- the Retail Entitlement Offer will commence on Thursday 11 April 2024.

ASX

An application has or will be made to ASX for quotation of the New Shares issued under the Offer and Heartland expects that the New Shares will be quoted upon completion of allotment procedures. It is expected that trading on ASX of the New Shares issued under:

- the Institutional Entitlement Offer will commence on Monday 8 April 2024; and
- the Retail Entitlement Offer will commence on Thursday 11 April 2024.

ASX accepts no responsibility for any statement in this Offer Document. The fact that ASX may approve the New Shares for quotation is not to be taken in any way as an indication of the merits of Heartland. Holding statements for New Shares allotted under the Offer will be issued and mailed as soon as practicable after allotment. Applicants under the Offer should ascertain their allocation before trading in the New Shares. Applicants can do so by contacting the Registrar, whose contact details are set out in the Directory.

Applicants selling New Shares prior to receiving a holding statement do so at their own risk. No person accepts any liability or responsibility should any person attempt to sell or otherwise deal with New Shares

before the holding statement showing the number of New Shares allotted to an applicant is received by the applicant for those New Shares.

PART 5: GLOSSARY

Term	Definition
A\$ Price	A\$0.9151 per New Share.
Allotment Date	In respect of the: (a) Institutional Entitlement Offer, Monday 15 April 2024; and (b) Retail Entitlement Offer, Friday 26 April 2024.
Application Price	NZ\$1.00 (or the A\$ Price) per New Share.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited or the market it operates (as the context requires).
Business Day	Has the meaning giving to that term in the NZX Listing Rules.
Challenger Bank	Challenger Bank Limited (Australian Business Number 54 087 651 750).
Corporations Act	Corporations Act 2001 (Cth).
Eligible Institutional Shareholder	A person who, as at 5.00 pm (NZST) on the Record Date, was recorded in Heartland’s share register as being a Shareholder and is an Institutional Investor in a Permitted Jurisdiction, or is a person in another jurisdiction who Heartland is satisfied the Institutional Entitlement Offer may be made to under all applicable laws without the need for any registration, lodgement or other formality (other than a formality with which Heartland is willing to comply), and is invited to participate in the Institutional Entitlement Offer.
Eligible Retail Shareholder	A person who, as at 7.00 pm (NZST) on the Record Date, was recorded in Heartland’s share register as being a Shareholder and: (a) whose address is shown in Heartland’s share register as being in New Zealand or Australia; or (b) who Heartland considers, in its discretion, may be treated as an Eligible Retail Shareholder under all applicable securities laws to receive an offer of New Shares under the Offer, and who is not in the United States and not acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States) and who is not an Institutional Shareholder.
Eligible Shareholder	An Eligible Retail Shareholder or an Eligible Institutional Shareholder.
Eligible US Fund Manager	A dealer or other professional fiduciary organised or incorporated in the United States that is acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not “US persons” (as defined in Rule 902(k) under the US Securities Act) for which it has and is exercising investment discretion, within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.

Entitlement	A right to subscribe for 1 New Share for every 6.85 Existing Shares held at 7.00 pm (NZST) on the Record Date at the Application Price, issued pursuant to the Offer.
Entitlement Form	The personalised entitlement form accompanying this Offer Document for Eligible Retail Shareholders.
Existing Share	A Share on issue on the Record Date, excluding Shares held as treasury stock.
FMCA	The Financial Markets Conduct Act 2013.
Ineligible Institutional Shareholder	A person who, as at 7.00 pm (NZST) on the Record Date, was recorded in Heartland's share register as being a Shareholder who is not an Institutional Investor but, if the Shareholder's address was shown in Heartland's share register as being in New Zealand, Australia, United States, United Kingdom, Hong Kong, Singapore and Norway, would in the opinion of Heartland be an Institutional Investor.
Ineligible Retail Shareholder	A Shareholder who is not an Institutional Shareholder or an Eligible Retail Shareholder.
Ineligible Shareholder	A Shareholder other than an Eligible Shareholder.
Institutional Entitlement Offer	The offer of New Shares to Eligible Institutional Shareholders.
Institutional Investor	<p>A person with an address:</p> <ul style="list-style-type: none"> (a) in New Zealand, in relation to the Institutional Entitlement Offer, who is a wholesale investor as defined in the FMCA; (b) in Australia, who the Company considers is a "wholesale investor" being a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act or an experienced investor meeting the criteria in section 708(10) or the Corporations Act or a "professional investor" within the meaning of section 708(11) of the Corporations Act; (c) in Hong Kong, who the Company considers is a "professional investor" (as defined in the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong); (d) in Norway, who the Company considers is a "professional client" as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75; (e) in Singapore, who the Company considers is an "institutional investor" or an "accredited investor" (as such terms are defined in the Securities and Futures Act 2001 of Singapore ("SFA")); (f) in United Kingdom, who the Company considers is a "qualified investor" within the meaning of Article 2(e) of the UK Prospectus Regulation; and within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; or (g) in the United States, who the Company and Jarden reasonable believe to be a QIB or an Eligible US Fund Manager,

	who Heartland is satisfied the Institutional Entitlement Offer may be made to under all applicable laws without the need for any registration, lodgement or other formality (other than a formality with which Heartland is willing to comply).
Institutional Settlement Date	The date of settlement of New Shares under the Institutional Entitlement Offer, expected to be Monday 15 April 2024 on NZX and Friday 12 April 2024 on ASX.
Institutional Shareholder	Eligible Institutional Shareholders and Ineligible Institutional Shareholders.
Jarden or Lead Manager	Jarden Securities Limited (company number 646979).
Harrogate	Harrogate Trustee Limited (company number 2377849).
Heartland	Heartland Group Holdings Limited (company number 6937955).
New Share	A Share in Heartland offered under the Offer of the same class as, and ranking equally in all respects with, Heartland's quoted Shares at the Allotment Date.
NZX	NZX Limited.
NZX Main Board	The main board equity security market operated by NZX.
NZX Listing Rules	The listing rules of NZX in relation to the NZX Main Board in force from time to time, read subject to any applicable rulings or waivers.
NZX Primary Market Participant	Any company, firm, organisation, or corporation designated or approved as a primary market participant from time to time by NZX.
Offer or the ANREO	The accelerated pro-rata non-renounceable entitlement offer of New Shares detailed in this Offer Document, comprising the Institutional Entitlement Offer and the Retail Entitlement Offer.
Offer Document	This document.
Permitted Jurisdictions	Australia, New Zealand, Hong Kong, Norway, Singapore, United Kingdom and the United States.
Placement	The NZ\$105 million placement to certain investors invited to participate in that placement by the Lead Manager with the exception of the amount pre-committed by Harrogate.
QIB	A "qualified institutional buyer" as that term is defined in Rule 144A under the US Securities Act.
Record Date	Tuesday 9 April 2024.
Registrar	Link Market Services Limited.
Retail Entitlement Offer	The offer of New Shares to Eligible Retail Shareholders.
Share	A fully paid ordinary share in Heartland.
Shareholder	A registered holder of Shares.

Takeovers Code	The Takeovers Code set out in the schedule to the Takeovers Regulations 2000.
Underwriter	Jarden Partners Limited (company number 1797701).
US Persons	Has the meaning given in Rule 902(k) under the US Securities Act.
US Securities Act	The U.S. Securities Act of 1933, as amended.

NOTE:

- All references to time are to New Zealand time unless stated or defined otherwise.
- All references to currency are to New Zealand dollars unless stated or defined otherwise.
- All references to legislation are references to New Zealand legislation unless stated or defined otherwise.
- This Offer Document, the Offer and any contract resulting from it are governed by the laws of New Zealand, and each applicant submits to the exclusive jurisdiction of the courts of New Zealand.

PART 6: DIRECTORY

ISSUER

Heartland Group Holdings Limited

35 Teed Street
Newmarket
Auckland 1023
New Zealand

For investor relations queries contact:
shareholders@heartland.co.nz

LEAD MANAGER AND UNDERWRITER

Jarden Securities Limited (as Lead Manager) and Jarden Partners Limited (as Underwriter)

Level 32, PwC Tower
15 Customs Street West
Auckland 1010
New Zealand

LEGAL ADVISORS

Chapman Tripp

Level 34, PwC Tower
15 Customs Street West
Auckland 1010
New Zealand

If you have any queries about the Entitlements shown on the Entitlement Form which accompanies this Offer Document, or how to apply online, please contact the Registrar at:

REGISTRAR

Link Market Services Limited

Level 30, PwC Tower
15 Customs Street West, Auckland
PO Box 91976, Auckland 1142

Telephone: +64 9 375 5998

enquiries@linkmarketservices.co.nz