

Capital Change Notice

Notice of issue of performance rights under Heartland's performance rights plan

This notice is given under the NZX Listing Rule 3.13.1 and relates to the issuance of performance rights (**Performance Rights**) to certain eligible employees of Heartland Group Holdings Limited (**Heartland**) pursuant to Heartland's performance rights plan (**PR Plan**) in respect of the 2022 financial year (**PR Plan 2022 Tranche**).

Pursuant to the PR Plan 2022 Tranche, subject (except in limited circumstances) to the holder remaining employed by Heartland, or one of its subsidiaries, until 30 June 2024 or in the case of two of the participants until 30 June 2025, and the extent of achievement of certain financial measures, strategic objectives and culture & conduct objectives by Heartland over the period between 1 July 2021 and 30 June 2024, or 30 June 2025 as the case may be, holders will be entitled to receive one fully paid ordinary share in Heartland for each performance right held by them. The targets are dynamic and may be adjusted by the Board of Heartland from time to time where necessary in order to maintain financial soundness and consistency with the spirit and intent of the PR Plan.

Section 1: Issuer information	
Name of issuer	Heartland Group Holdings Limited
NZX ticker code	HGH
Class of financial product	Performance rights which give the holder options to acquire Heartland Ordinary Shares pursuant to the PR Plan
ISIN (If unknown, check on NZX website)	Not applicable
Currency	NZD
Section 2: Capital change details	
Number issued/acquired/redeemed	2,454,395 performance rights
Nominal value (if any)	Not applicable
Issue/acquisition/redemption price per security	Nil
Nature of the payment (for example, cash or other consideration)	No consideration is payable for the issue of the performance rights
Amount paid up (if not in full)	Not applicable.
Percentage of total class of Financial Products issued/acquired/redeemed/ (calculated on the number of Financial Products of the Class, excluding any Treasury Stock, in existence) ¹	100% of the total number of Performance Rights issued pursuant to the PR Plan 2022 Tranche
For an issue of Convertible Financial Products or Options, the principal terms of Conversion (for example the Conversion price and Conversion date and the ranking of the Financial Product in relation to other Classes of	As described above.

¹ The percentage is to be calculated immediately before the issue, acquisition, redemption or Conversion.

Financial Product) or the Option (for example, the exercise price and exercise date)	
Reason for issue/acquisition/redemption and specific authority for issue/acquisition/redemption/ (the reason for change must be identified here)	Issue of performance rights pursuant to Heartland PR Plan as authorised by resolution of directors dated 30 September 2021
Total number of Financial Products of the Class after the issue/acquisition/redemption/Conversion (excluding Treasury Stock) and the total number of Financial Products of the Class held as Treasury Stock after the issue/acquisition/redemption.	2,454,395 Performance Rights No Treasury Stock held
In the case of an acquisition of shares, whether those shares are to be held as treasury stock	No
Specific authority for the issue, acquisition, or redemption, including a reference to the rule pursuant to which the issue, acquisition, or redemption is made	Directors resolution dated 30 September 2021 and NZX Listing Rules 4.6.1
Terms or details of the issue, acquisition, or redemption (for example: restrictions, escrow arrangements)	As noted above.
Date of issue/acquisition/redemption ²	29/10/2021
Section 3: Authority for this announcement and contact person	
Name of person authorised to make this announcement	Michael Drumm, Chief Risk Officer
Contact person for this announcement	Michael Drumm, Chief Risk Officer
Contact phone number	09 927 9136
Contact email address	Michael.Drumm@Heartland.co.nz
Date of release through MAP	01/11/2021

² Continuous issuers using this form in reliance on Rule 3.13.2, please indicate the period during which the relevant issue/acquisition/redemptions were made (for example, 1 January 2019 to 31 January 2019).