

Supplemental Deed Poll

relating to Series 2

Dated 29 March 2019

**Mayne
Wetherell**

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Parties

Heartland Bank Limited (**Issuer**)

Background

This deed is a supplemental deed entered into pursuant to clause 2.5 of the Deed Poll to provide for the constitution and issue of the Notes described in this deed.

Agreed terms

1. Interpretation

- 1.1 **Deed Poll:** The terms of the Deed Poll (including, without limitation, the definitions, rules of construction and the miscellaneous provisions of clauses 1.1, 1.2 and 1.3 respectively of the Deed Poll) shall apply in this deed and to the Notes constituted by this deed except to the extent modified in this deed. To that extent, or in the event of any conflict between the provisions of this deed and those of the Deed Poll, the provisions of this deed shall prevail over those of the Deed Poll.
- 1.2 **Offering Document:** To the extent not set out in this deed, the terms and conditions of the Notes set out in the Offering Document are Conditions of the Notes.
- 1.3 **Definitions:** In this deed, unless the context otherwise requires:

Arranger means Bank of New Zealand.

Base Rate means the mid-market rate for an interest rate swap of a term matching the period from the Issue Date to the Maturity Date as calculated by the Arranger in consultation with the Issuer, according to market convention, with reference to ICAP New Zealand Limited (Bloomberg: ICNI > NZD Interest Rate Swaps) (or its successor page) on the Rate Set Date (rounded to 2 decimal places, if necessary, with 0.005 being rounded up).

Deed Poll means the deed poll dated 18 August 2017.

Interest means interest payable on the Notes in accordance with this deed.

Interest Payment Date means, in relation to a Note, each 12 April and 12 October during the term of the Notes, commencing on 12 October 2019.

Interest Rate means the greater of:

- (a) 3.50% per annum; and

(b) the aggregate of the Base Rate and the Margin.

Issue Date means the date on which the Notes are issued being on or about 12 April 2019 or such earlier or later date that the Issuer may determine.

Joint Lead Managers means Bank of New Zealand, Commonwealth Bank of Australia (acting through its New Zealand Branch), Deutsche Craigs Limited and Westpac Banking Corporation (acting through its New Zealand branch) (ABN 33 007 457 141).

Margin means the rate (expressed as a percentage rate per annum) determined in accordance with the Offering Document.

Maturity Date means 12 April 2024.

Notes mean the unsecured, unsubordinated, fixed rate debt instruments which are to be issued pursuant to this deed and listed on the NZX Debt Market.

NZX means NZX Limited.

NZX Debt Market means the New Zealand debt market operated by NZX.

Offering Document means the terms sheet for the Notes to be dated on or about 1 April 2019 and prepared by the Issuer setting out the terms of the Notes.

Principal Amount means \$1.00 per Note.

Rate Set Date means on or about 5 April 2019.

Registrar means Link Market Services Limited or any successor agent.

1.4 **Interpretation:** In this deed, the terms **Holder** and **Register** have the meanings given in the Deed Poll but, in this deed, refer only to the Holders of the Notes and to the Register in relation to this Series.

2. Terms of Notes

2.1 **Type of Notes:** The Notes are Fixed Rate Notes.

2.2 **Status of Notes:** The Notes are unsecured, unsubordinated notes.

2.3 **Maximum Principal Amount:** The aggregate Maximum Principal Amount of Notes which may be issued under this deed is \$75,000,000 plus the aggregate Principal Amount of Notes to be issued by the Issuer by way of over subscriptions.

2.4 **Minimum Principal Amount:** The Minimum Principal Amount of Notes which may be applied for is \$5,000 and thereafter multiples of \$1,000.

2.5 **Transfers:** Notes may only be transferred in multiples of \$1,000. However, no transfer may be effected if it would result in the transferor or the transferee holding or continuing to hold

Notes with an aggregate Principal Amount of less than the Minimum Principal Amount (if not zero).

2.6 **Default interest:** If any amount payable in respect of a Note is not paid on its due date, interest shall accrue on the unpaid amount (after, as well as before, judgment) at the rate of the aggregate of 2% and the Interest Rate and shall be compounded monthly until paid.

2.7 **Restrictions and indemnity:**

(a) **Sale restrictions:** The Offering Document only constitutes an offer of Notes to the public in New Zealand and to certain wholesale or institutional investors in New Zealand and in certain overseas jurisdictions. The Issuer has not taken and will not take any action which would permit a public offering of Notes, or possession or distribution of any offering material in respect of the Notes, in any country or jurisdiction where action for that purpose is required (other than New Zealand). The Notes may only be offered for sale or sold in a jurisdiction other than New Zealand in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. Any information memorandum, disclosure statement, circular, advertisement or other offering material in respect of the Notes may only be published, delivered or distributed in compliance with all applicable laws and regulations (including those of the country or jurisdiction in which the material is published, delivered or distributed) and listing rules of any applicable stock exchange.

(b) **Indemnity:** By subscribing for the Notes, each Holder agrees to indemnify the Issuer, the Joint Lead Managers and their respective directors, officers, employees and agents in respect of any loss, cost, liability or expense sustained or incurred as a result of that Holder breaching the selling restrictions contained in the schedule to the Offering Document.

3. Interest payment and transfer

3.1 **Interest payments:** Interest will be payable semi-annually in arrear in equal amounts on each Interest Payment Date.

3.2 **Interest to Holder as at Record Date:** All Interest payments for each Note will be paid to the Holder as at the Record Date immediately preceding the relevant Interest Payment Date.

4. Governing law and jurisdiction

4.1 This deed and the Notes are governed by and will be construed in accordance with the laws of New Zealand. The Holders submit to the non-exclusive jurisdiction of the New Zealand courts.

Execution Page

Signed as a Deed

Signed by its attorney in the presence of:



Signature of attorney

Michael Dunn

Name of attorney



Signature of witness

Andrew Dixon

Name of witness

Accountant

Occupation

Auckland

City/town of residence

HEARTLAND BANK

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I, Michael Drumm of Auckland, New Zealand, General Counsel, certify—

1. That by deed dated 5 August 2015, Heartland Bank Limited, a body corporate having its registered office at 35 Teed Street, Newmarket, Auckland, appointed me its attorney.
2. That I have not received notice of any event revoking the power of attorney.

Signed at Auckland, 1 April 2019


