

HEARTLAND GROUP HOLDINGS LIMITED

Minutes of the Annual Shareholder Meeting held via Virtual Meeting on Tuesday, 8 November 2022 commencing at 2.00 pm

Present: *Heartland Group Holdings Limited (Heartland):* G T Ricketts (Chair), E F Comerford, J K Greenslade, K Mitchell, G E Summerhayes, G R Tomlinson (Directors)

Heartland Bank Limited (HBL): B R Irvine (Chair), J K Greenslade, E J Harvey, K Mitchell, G T Ricketts, S M Ruha (Directors) and approximately 201 shareholders represented

In attendance: C Flood (Group Deputy CEO), L Lazarus (Heartland Bank CEO), A Dixson (CFO), P Gibbons (General Counsel) and S R Tyler (incoming Heartland Bank Director)

1. **Welcome and Quorum**

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

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

2. **Agenda**

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

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

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

4. **Proxies and Postal Votes**

The Chair confirmed that 826 proxies and postal votes were received, representing approximately 224,232,527 shares (or approximately 31.75% of total shares on issue), and noted that more than 85% of those proxy and postal votes were in favour of the resolutions to be voted on at the meeting.

5. **Meeting Procedures/Voting Procedures**

The Chair explained the meeting procedures and voting procedures.

6. **Notice of Meeting**

The Chair confirmed that the Notice of Meeting, outlining the formal business to be conducted at the meeting, had been sent to shareholders on 28 September 2022.

7. **Minutes of last Annual Shareholder Meeting**

The Chair noted that the minutes of the previous Annual Shareholder Meeting held on 28 October 2021 had been approved and confirmed by directors, and copies were available for shareholder perusal. There being no comments, those minutes were approved as a true and accurate copy.

8. **Address by the Chair**

The Chair addressed the meeting, giving an overview of Heartland's FY22 performance and outlook for FY23. The Chair also outlined Heartland's equity raise and progress on the sustainability plan.

9. **Address by the Chief Executive Officer**

The Chief Executive Officer (CEO, J Greenslade) addressed the meeting, giving an overview of the current economic environment, the opportunities for growth, and the four pillars of Heartland's strategy.

10. Shareholder Discussion

10.1 The Chair advised shareholders that Mr Graeme Edwards of KPMG, the company's auditor, was present and available to answer any questions relevant to the conduct of the audit, and the preparation and content of the auditor's report for the financial year.

10.2 The Chair and the CEO addressed the questions which were received in advance of the meeting and on-line during the meeting as follows;

- (a) *Question about the current holding in Harmony and policy on continuing to hold given its underperformance.* The Chair responded that Heartland held a 10% shareholding in Harmony and held an historical book of personal loans, which was closed to new business and was in run-off. No decision had been made on the future of Heartland's Harmony shareholding. Any changes to the fair value of this investment does not impact Heartland's NPAT.
- (b) *Question on shareholder value of the recent, and any future capital raises.* The Chair responded that Heartland considered all options when raising capital to strengthen its balance sheet, with the underlying objective to increase shareholder value. The recent capital raise had been used to fund the StockCo acquisition and to provide growth capital for both the Australia and New Zealand businesses. Heartland's share price had been affected by subsequent macro-economic conditions, with NZX and global markets trading downwards. The controllable metrics of return on equity, earnings per share and dividend were considered when assessing growth opportunities and raising equity.
- (c) *Question on maintaining the dividend at 11cps annually.* The Chair responded that both interim and final dividends were based on net profit after tax and maintaining a prudent capital level. This year, full year dividends were paid at 11cents per share, resulting in a full year pay-out ratio of 68% (comparable to the previous 3-year average of 69%).
- (d) *Question on resuming a physical AGM.* The Chair responded that a hybrid meeting was proposed for next year, which would allow shareholders to join both in person and online.

The Chair closed the floor for questions at 2.42 pm and moved to the next agenda item, being voting on the resolutions outlined in the Notice of Meeting.

11. Voting at the Meeting

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

11.1 G Tomlinson took the Chair.

11.2 Geoffrey Ricketts addressed the meeting and also announced his intention to not stand for re-election as a director of Heartland at the end of his current term. The Chair then opened up the floor for any questions.

11.3 The Chair requested shareholders to mark their voting cards.

11.4 G Ricketts resumed the Chair.

Resolution 2: That Jeff Greenslade, who retires by rotation and is eligible for election, be re-elected as a director of Heartland Group.

11.3 Jeff Greenslade addressed the meeting, and the Chair then opened up the floor for any questions.

11.4 The Chair requested shareholders to mark their voting cards.

Resolution 3: That the total annual remuneration available to all non-executive directors be increased from NZ\$1,200,000 to NZ\$1,600,000 or AUD\$1,400,000 (whichever is the greater amount from time-to-time), an increase of NZ\$400,000 (33%) effective for the financial year ending 30 June 2023 and onwards, with such sum to be divided amongst the non-executive directors as the Board may from time-to-time determine.

11.5 The Chair addressed the meeting, and the Chair then opened up the floor for any questions.

11.6 The Chair requested shareholders to mark their voting cards.

Resolution 4: That the shareholders of Heartland approve and ratify for all purposes, including NZX Listing Rule 4.5.1(c), the previous issue under NZX Listing Rule 4.5.1 of 72,222,222 fully paid ordinary shares in Heartland to investors at an issue price of NZ\$1.80 per share on 29 August 2022.

11.6 The Chair addressed the meeting, and the Chair opened up the floor for any questions.

11.7 The Chair requested shareholders to mark their voting cards.

Resolution 5: That the shareholders of Heartland approve and ratify for all purposes, including NZX Listing Rule 4.5.1(c), the Share Purchase Plan announced by Heartland on 23 August 2022, including the issue under NZX Listing Rule 4.5.1 of 14,989,825 fully paid ordinary shares, and the issue under NZX Listing Rule 4.3.1(c) of 23,832,633 fully paid ordinary shares, in Heartland to investors at an issue price of NZ\$1.7674 (A\$1.5857 in respect of eligible shareholders who applied in Australian dollars) per share on 9 September 2022.

11.6 The Chair addressed the meeting, and the Chair opened up the floor for any questions.

11.7 The Chair requested shareholders to mark their voting cards.

Resolution 6: That the Board be authorised to fix the remuneration of Heartland's auditor, KPMG, for the financial year ending 30 June 2023.

11.6 The Chair addressed the meeting, and the Chair opened up the floor for any questions.

11.7 The Chair requested shareholders to mark their voting cards.

12. Polling Procedures

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

13. General Business

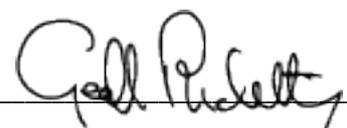
The Chair gave shareholders the opportunity to raise any other matter which should properly be brought before the meeting.

13.1 A question was raised in relation to the readiness of Heartland to respond to interest rate changes in USA and Australia/New Zealand. The CEO responded that Heartland's LVR ratios were very conservative and the Bank was well placed to withstand interest rates at these levels for some period supported by stress modelling results.

14. Other Business

As no other matters were raised, the Chair thanked shareholders for their attendance and declared the meeting closed at 2.58 pm.

Confirmed as a true and accurate record.



Chair

15 December 2022

Date