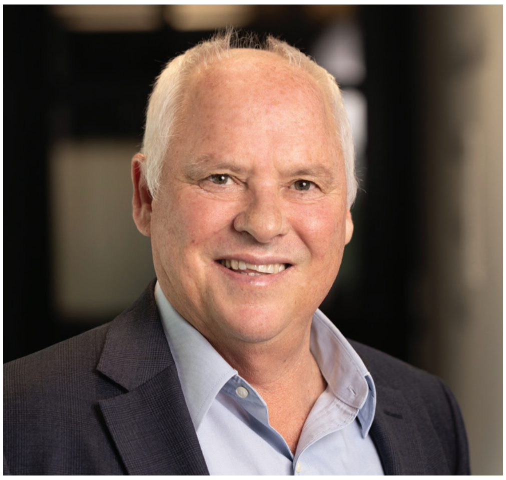
HEARTLAND GROUP

Notice of Special Meeting

Proposed merger of Heartland Bank Limited (**Heartland Bank**) and TSB Bank Limited (**TSB**)

Heartland Group Holdings Limited (**Heartland**) invites you, our shareholders, to join us at our hybrid special meeting (**Special Meeting**).



Dear Shareholders,

On behalf of Heartland's board of directors **(Board)**, I am pleased to invite you to Heartland's Special Meeting in relation to the proposed merger of Heartland Bank and TSB. The Special Meeting will be held online at https://meetings.mpms.mufg.com/hghsm26 and in person at the World Cup Lounge, Eden Park, Reimers Avenue, Kingsland, Auckland, New Zealand on Wednesday 30 September 2026, commencing at 3.00pm (NZDT).

On 2 June 2026, Heartland announced that it had entered into a conditional merger implementation agreement (**MIA**) with Toi Foundation and Toi Foundation Holdings Limited to merge Heartland Bank and TSB. Under the proposed transaction, Heartland will acquire from Toi Foundation all TSB shares on issue for an aggregate consideration of NZ$620 million, representing 76% of TSB's book value as at 31 December 2025. Immediately following the acquisition, Heartland Bank and TSB will merge to create TSB Heartland Bank Limited (**TSB Heartland Bank**). Together, this is referred to as the **Proposed Merger.**

This Proposed Merger would bring together two New Zealand banks with strong regional heritage and complementary strengths. By combining Heartland Bank's specialist product expertise with TSB's cost-effective funding platform and established transactional banking capabilities, TSB Heartland Bank will be a full-service capable bank differentiated by its specialist products, with a lower risk-weighted product portfolio.

Greater scale and diversification across products and locations will create a more financially efficient and resilient merged bank. Over time, this is expected to deliver improved financial returns and value for Heartland shareholders – including enhanced earnings per share and dividend per share accretion through the transaction structure and as cost synergies are realised.

We believe the Proposed Merger represents a positive opportunity for New Zealand banking, creating a larger domestic bank with greater scale, broader capability and a strong regional focus.

The Proposed Merger remains subject to a number of conditions, including Heartland shareholder approval and the relevant regulatory approvals, and is expected to be completed no earlier than December 2026.

At this Special Meeting, Heartland shareholders will be asked to vote on:

1. the proposed acquisition by Heartland of all TSB shares on issue from Toi Foundation, and the subsequent merger of Heartland Bank and TSB
2. the issue of 200 million Heartland shares to Toi Foundation as part of the consideration for the Proposed Merger
3. the appointment of a Toi Foundation nominee (Mark Darrow, current Chair of the TSB board of directors) to the Heartland Board, and
4. an increase to the annual fee pool available for directors' remuneration.

The Board unanimously supports each resolution. More information about each resolution is available in the Explanatory Notes to this notice of meeting. Before casting their vote, Heartland shareholders are also encouraged to read the supporting Investor Presentation, full Independent Expert Report (or the summary of that report) and Independent Board Remuneration Benchmarking Summary Report, each available on Heartland's website at heartlandgroup.info/shareholder-meetings.

If you are unable to attend the Special Meeting either in person or online, I encourage you to cast a postal vote or appoint a proxy to attend and vote at the Special Meeting on your behalf. Your personalised voting form accompanies this notice of meeting.

For those shareholders who are attending the Special Meeting in person, please bring the enclosed voting form with you to assist with your registration.

You are invited to join the Board and senior management for light refreshments at the conclusion of the meeting.

On behalf of the Board,

Greg Tomlinson
Chair of the Board

Executive summary

The proposed acquisition by Heartland of all TSB shares on issue from Toi Foundation, and the subsequent merger of Heartland Bank and TSB remains subject to a number of conditions in the MIA, including Heartland shareholder approval.

At the Special Meeting, Heartland shareholders will be asked to vote on:

- the proposed acquisition by Heartland of all TSB shares on issue from Toi Foundation, and the subsequent merger of Heartland Bank and TSB
- the issue of 200 million fully paid ordinary Heartland shares to Toi Foundation at a price of NZ$1.25 per share as partial consideration for the Proposed Merger, and
- the appointment of a Toi Foundation nominee to the Heartland Board, with effect from completion of the acquisition by Heartland of all of the shares in TSB.

Approval of these resolutions will fulfil the Heartland shareholder approval condition of the MIA.

While not a condition of the MIA, Heartland shareholders will also be asked to vote on a proposed increase to the annual fee pool available for directors' remuneration. An increased fee pool will accommodate the appointment of:

- a Toi Foundation nominee to the Heartland Board, with effect from completion of the acquisition by Heartland of all of the shares in TSB; and
- two existing TSB directors to the TSB Heartland Bank Board, with effect from completion of the Proposed Merger,

and reflect the increased scale and complexity of the enlarged banking group.

To support Heartland shareholders to make an informed decision as to how to vote, a brief description of each resolution is included in the Explanatory Notes on pages 6-13. Further information about the Proposed Merger and the resolutions is available to shareholders at heartlandgroup.info/shareholder-meetings, and includes:

- the Investor Presentation (updated from the presentation published with Heartland's announcement of the Proposed Merger on 2 June 2026) which sets out further information about the Proposed Merger, its rationale, the terms and conditions of the MIA, the consideration payable, and the key risks associated with the Proposed Merger
- the full Independent Expert Report by Calibre Partners opining on the merits of the Proposed Merger (together with a summary of that report), and
- the Independent Board Remuneration Benchmarking Summary Report by Propero in respect of the increase to the annual fee pool available for directors' remuneration.

Information about voting rights, postal voting, appointing a proxy, and submitting questions before the Special Meeting is set out on page 14. Details on how to attend the Special Meeting online or in person, including parking and a venue map, can be found on page 15.

Agenda for the Special Meeting

A. Chair's welcome and address
B. Chief Executive Officer's address
C. Shareholder discussion
D. Formal business

To consider and, if thought fit, pass the following resolutions:

Resolution 1: Merger of Heartland Bank and TSB

That the acquisition by Heartland of all of the shares in TSB and the subsequent amalgamation of Heartland Bank and TSB (with Heartland Bank being the amalgamated company) under the merger implementation agreement dated 1 June 2026 between Heartland, Toi Foundation and Toi Foundation Holdings Limited be approved, confirmed and ratified for all purposes, including section 129 of the Companies Act 1993 and NZX Listing Rule 5.1.1.

Resolution 2: Issue of consideration shares

That the issue of 200,000,000 fully paid ordinary shares in Heartland to Toi Foundation at an issue price of NZ$1.25 per share on completion of, and as partial consideration for, the acquisition by Heartland of all of the shares in TSB be approved, confirmed and ratified for all purposes, including NZX Listing Rule 4.1.1.

Resolution 3: Election of Mark Darrow as a Heartland Director

That Mark Darrow, having been nominated by the Board of Heartland in each director's capacity as a shareholder of Heartland, be elected as a director of Heartland with effect on and from the completion of the acquisition by Heartland of all of the shares in TSB.

Resolution 4: Directors' remuneration

That the total annual remuneration available to all non-executive directors of Heartland and its subsidiaries be increased from NZ$2,400,000 or AU$2,200,000 (whichever is the greater amount from time to time) to NZ$2,600,000 or AU$2,350,000[1] (whichever is the greater amount from time to time), an increase of NZ$200,000 or AU$150,000 (8.33% and 6.82% respectively) effective for the financial year ending 30 June 2027 onwards, with such sum to be divided amongst the non-executive directors as the Board may determine from time to time.

Resolution 1 is a special resolution, requiring approval by a special majority of 75% or more of the votes of those Heartland shareholders entitled to vote and voting. Resolutions 2 to 4 are ordinary resolutions, each requiring approval by a majority (being more than 50%) of the votes of those Heartland shareholders entitled to vote and voting.

Heartland shareholders are encouraged to read this notice of meeting and the supporting Investor Presentation, Independent Expert Report (or the summary of that report), and Independent Board Remuneration Benchmarking Summary Report before making a decision as to how to vote on the resolutions. The Board unanimously supports each resolution.

NZ RegCo has confirmed it has no objection to this notice of meeting, but takes no responsibility for any statement made in this notice of meeting.

1 An AUD/NZD exchange rate of 0.90 has been applied on the basis that it provides a more representative estimate of the long-term exchange rate between the two currencies as compared to the spot rates in recent periods, having regard to historical AUD/NZD movements over the past decade.

Explanatory notes

Resolution 1

Merger of Heartland Bank and TSB

As announced on 2 June 2026, Heartland entered into the MIA on 1 June 2026. Under the MIA, Heartland will acquire from Toi Foundation all of the shares in TSB for an aggregate consideration of NZ$620,000,000 (**Acquisition**). Immediately following the Acquisition, Heartland Bank and TSB will merge, with Heartland Bank being the amalgamated (or surviving) company. The merged bank will be renamed TSB Heartland Bank.

The Proposed Merger is conditional on the approval of Heartland's shareholders, which is being sought by way of this resolution. Further information about the Proposed Merger, its rationale, the terms and conditions of the MIA, the consideration payable, and the key risks associated with the Proposed Merger is set out in the Investor Presentation.

Listing rules requirements – acquisition of assets

Under NZX Listing Rule 5.1.1(b), Heartland, as a listed issuer, must obtain shareholder approval for an acquisition of assets where the "Gross Value" exceeds 50% of the listed issuer's "Average Market Capitalisation" (each as defined in the NZX Listing Rules).

The Gross Value of the Proposed Merger, being NZ$620,000,000, exceeds 50% of Heartland's Average Market Capitalisation of NZ$1,037,509,023. Accordingly, Heartland shareholder approval is required under NZX Listing Rule 5.1.1(b). Heartland's Average Market Capitalisation has been calculated using the 20-day volume weighted average price (**VWAP**) prior to 2 June 2026, being the day before the Proposed Merger was announced to the market. The 20-day VWAP is used as it is higher than the 5-day VWAP.

NZX Listing Rule 5.1.1 requires shareholder approval by way of an ordinary resolution (that is, more than 50% of the votes of those shareholders entitled to vote and voting must be in favour), unless approval is required under section 129 of the Companies Act 1993 (**Companies Act**) by special resolution (that is, 75% or more of the votes of those shareholders entitled to vote and voting must be in favour).

Based on Heartland's gross assets of NZ$1,288,560,000 as at the date of entry into the MIA, and the aggregate consideration payable of NZ$620,000,000 by Heartland to Toi Foundation for the Acquisition, the value of the Acquisition did not exceed half the value of Heartland's assets at the date of entry into the MIA and did not constitute a major transaction for the purposes of section 129 of the Companies Act. However, the relevant values must be assessed both at the date of entry into the MIA and the date of completion of the Acquisition. Given the aggregate consideration payable by Heartland to Toi Foundation represented 48% of the value of Heartland's assets at entry into the MIA, it is possible that changes in the value of Heartland's assets prior to completion of the Proposed Merger could result in shareholder approval being required under section 129 of the Companies Act.

Although the Board does not expect the value of Heartland's assets to decrease prior to completion of the Proposed Merger, the Board considers it prudent to seek shareholder approval by way of special resolution for the purposes of both section 129 of the Companies Act and NZX Listing Rule 5.1.1 to avoid any risk that the Proposed Merger may not proceed without further shareholder approval subsequently being required.

Although Heartland is not required under the NZX Listing Rules to appoint an independent adviser to prepare a report on the merits of the Proposed Merger, Heartland has commissioned an Independent Expert Report from Calibre Partners. In Calibre Partners' opinion, the proposed consideration for TSB is reasonable and, on balance, Calibre

Partners considers the positives of the Proposed Merger outweigh the negatives for Heartland shareholders.

The full Independent Expert Report (together with a summary of that report) is available at heartlandgroup.info/shareholder-meetings. Shareholders are encouraged to read the report, together with the rest of this notice of meeting and the Investor Presentation, before deciding how to vote on this Resolution.

Consequences if Resolution 1 is not approved by shareholders

If Resolution 1 is not approved by Heartland shareholders, the condition to the Proposed Merger relating to Heartland shareholder approval will not be satisfied and Heartland will not be able to proceed with the Proposed Merger. In that event, either party may terminate the MIA and the Proposed Merger will not proceed. Please refer to the "Consequences if Resolutions are not approved" section below and the Investor Presentation for further detail on the consequences of the Proposed Merger not proceeding.

The Board unanimously supports the Proposed Merger and recommends shareholders vote in favour of Resolution 1.

Resolution 2

For the purposes of the Proposed Merger, Heartland has agreed to issue 200,000,000 fully paid ordinary shares to Toi Foundation at an issue price of NZ$1.25 per share (being a 14.6% premium to Heartland's 10-day VWAP on the NZX of $1.09 prior to announcement of the Proposed Merger on 2 June 2026), as partial satisfaction of the aggregate consideration payable by Heartland for the Acquisition (**Consideration Shares**).

The Proposed Merger, including the issue of the Consideration Shares, is conditional on the approval of Heartland's shareholders, which is being sought by way of this resolution. Further information about the Proposed Merger, its rationale, the terms and conditions of the MIA, the consideration payable, and the key risks associated with the Proposed Merger, is set out in the Investor Presentation.

The Consideration Shares will rank equally with all other fully paid ordinary shares on issue in Heartland and will be quoted on the NZX Main Board and ASX. The Consideration Shares will be issued on completion of the Acquisition, resulting in Toi Foundation holding approximately 17.5% of Heartland's shares.

A consequence of the issue of the Consideration Shares to Toi Foundation is that the proportional shareholding of existing Heartland shareholders will reduce by approximately 17.5%. For example, a shareholder holding 5.0% of the shares on issue in Heartland prior to the Consideration Shares being issued would hold approximately 4.1% of the shares on issue in Heartland following the issue of the Consideration Shares.

Listing rules requirements – issue of equity securities

Under NZX Listing Rule 4.1.1, a listed issuer must obtain shareholder approval for an issue of shares unless the issuer is eligible to issue the shares under NZX Listing Rule 4.1.2. Heartland seeks shareholder approval by ordinary resolution to issue the Consideration Shares pursuant to NZX Listing Rule 4.1.1.

Consequences if Resolution 2 is not approved by shareholders

If Resolution 2 is not approved by shareholders, Heartland will not be able to issue the Consideration Shares to Toi Foundation and the condition to the Proposed Merger relating to shareholder approval will not be satisfied. In that event, either party may terminate the MIA and the Proposed Merger will not proceed. Please refer to the "Consequences if Resolutions are not approved" section below and the Investor Presentation for further detail on the consequences of the Proposed Merger not proceeding.

In accordance with NZX Listing Rule 6.3.1, Heartland will disregard any votes cast in favour of this resolution by Toi Foundation (and its Associated Persons), unless such shareholder is casting a vote under an expressly directed proxy of a person who is not disqualified from voting.

Fisher Funds Management Limited is majority owned (66%) by Toi Foundation. Therefore, as an Associated Person of Toi Foundation, Fisher Funds Management Limited is restricted from voting on Resolution 2.

The Board unanimously supports the issue of the Consideration Shares as part of the Proposed Merger and recommends shareholders vote in favour of Resolution 2.

Resolution 3

Election of Mark Darrow as a Heartland Director

Under the MIA, Toi Foundation is entitled to nominate one person for appointment as a director of Heartland with effect from completion of the Acquisition. Mark Darrow has been nominated under the MIA by Toi Foundation. Each member of the Board[2], in their respective capacities as shareholders of Heartland, directed the Chief Legal Officer of Heartland Bank to submit a nomination on their behalf for the appointment of Mark Darrow as a director of Heartland in the director nomination period for this Special Meeting. The Proposed Merger is conditional on Heartland's shareholders approving this resolution.

Mark Darrow having been so nominated for election, and being eligible, offers himself for election by Heartland shareholders.

The appointment of Mark Darrow as a director of Heartland is subject to Reserve Bank of New Zealand (RBNZ) approval in accordance with the RBNZ policy statement on the Review of Suitability of Bank Directors and Senior Managers issued in March 2011. If RBNZ approval is not obtained, Mark Darrow will not be appointed as a director of Heartland as at completion of the Acquisition.

A brief biography of Mark Darrow is set out below and includes information about his current directorships.

Listing rule requirements – appointment of director

For the purposes of the NZX Listing Rules[3], the Board has determined that, if elected, Mark Darrow will be an independent director of Heartland. The Board considers that Mark Darrow does not have a "disqualifying relationship" (as defined in the NZX Listing Rules), including after having reviewed and considered the factors set out in Recommendation 2.4 of the NZX Corporate Governance Code with respect to Mark Darrow, none of which the Board considers apply to Mark Darrow. The Board has had regard to the fact that Mark Darrow is currently the Chair of TSB, which is wholly owned by Toi Foundation. Mark Darrow has confirmed to the Board that he does not have any other association or connection with Toi Foundation or TSB. The Board is satisfied that following the Acquisition, Mark Darrow's previous chairmanship of TSB and the fact of his nomination by Toi Foundation under the MIA will not reasonably influence, or reasonably be perceived to influence, in a material way, his capacity to bring an independent view to decisions in relation to Heartland, act in the best interests of Heartland or represent the interests of Heartland's shareholders generally.

Biography: Mark Darrow

Mark Darrow is an experienced independent board Chair and Director with extensive knowledge across many sectors.

2 Being Simon Beckett, Robert Bell, Edward John Harvey, Kathryn Mitchell and Gregory Raymond Tomlinson.

3 Pursuant to NZX Listing Rule 2.6.1 the Board must determine which of its directors are Independent Directors (as defined in the NZX Listing Rules), having had regard to the non-exhaustive factors described in the NZX Corporate Governance Code that may impact director independence.

Mark is currently the Chair of TSB, Health New Zealand I Te Whatu Ora, the Civil Aviation Authority, and the Advisory Boards of Armstrong and PB Tech.

His previous Chair roles have included Inland Revenue's Risk & Assurance Committee, Primary ITO, The Lines Company, Leighs Construction and MTF Finance. He also served as a Council Member for Auckland University of Technology and was a director for Waka Kotahi (NZTA), Auckland Transport, Counties Manukau DHB, Sime Darby New Zealand, Charlies Group, Trustees Executors, MTA and VTNZ. He served on Eke Panuku's Audit and Risk Committee.

Prior to his governance career, Mark held a number of senior executive positions over a 25-year period, including as Managing Director for Sime Darby New Zealand and Continental Car Services, General Manager of Peugeot New Zealand, Executive Director for GE Money and CEO for PGG Wrightson Finance Limited.

Mark is a Chartered Fellow of the Institute of Directors, a Fellow of the Chartered Accountants Australia and New Zealand, and a Justice of the Peace of New Zealand.

Consequences if Resolution 3 is not approved by shareholders

If Resolution 3 is not approved by shareholders, the condition to the Proposed Merger relating to Heartland shareholder approval of the appointment of Toi Foundation's nominee to the Board will not be satisfied. The condition in the MIA relating to Heartland shareholder approval of Resolution 3 is for the sole benefit of Toi Foundation and may only be waived by Toi Foundation. Any such waiver would not affect the remaining conditions to the Proposed Merger, nor would it affect Heartland's obligations under the NZX Listing Rules to obtain shareholder approval of any director appointments. If Resolution 3 is not approved and is not waived by Toi Foundation, either party may terminate the MIA and the Proposed Merger will not proceed. Please refer to the "Consequences if Resolutions are not approved" section below and the Investor Presentation for further detail on the consequences of the Proposed Merger not proceeding.

The Board unanimously supports the appointment of Mark Darrow to the Board with effect on and from completion of the Acquisition and recommends shareholders vote in favour of Resolution 3.

Resolution 4

Directors' remuneration

At its 2023 Annual Meeting, Heartland obtained shareholder approval of the current annual fee pool available to all non-executive directors of Heartland and its subsidiaries (Heartland group) of NZ$2,400,000 or AU$2,200,000 (whichever is the greater amount from time to time). Director fees are currently paid to non-executive directors of Heartland, Heartland Bank and Heartland Bank Australia Limited (Heartland Bank Australia). Following the Proposed Merger, director fees will be paid to non-executive directors of Heartland, TSB Heartland Bank and Heartland Bank Australia. The Board proposes an increase in the total annual fee pool to NZ$2,600,000 or AU$2,350,000[4] (whichever is the greater amount from time to time) to address the following matters.

1. **Increased number of directors post Proposed Merger:** additional fees are needed to accommodate the appointment of the Toi Foundation nominee to the Heartland Board from completion of the Acquisition and two existing TSB directors to the TSB Heartland Bank board from completion of the Proposed Merger.
2. **Recognising time and expertise for board committee roles:** currently, the Heartland group pays fees to directors who chair Heartland group board committees, but does not pay fees to other committee members. Heartland proposes to commence paying committee fees to Heartland group directors who are members of board committees to reflect the additional time and expertise contributed by those directors serving on committees, including as a result of the additional scale and complexity of the

4 An AUD/NZD exchange rate of 0.90 has been applied on the basis that it provides a more representative estimate of the long-term exchange rate between the two currencies as compared to the spot rates in recent periods, having regard to historical AUD/NZD movements over the past decade.

Heartland group following the Proposed Merger. The commencement of the payment of board committee fees reflects the independent board remuneration benchmarking obtained by Heartland, which observes that the Heartland group's current approach of not remunerating committee members is atypical versus comparators. The number of directors on the TSB Heartland Bank board audit and risk committees will increase from completion of the Proposed Merger in comparison to the number of directors on current Heartland Bank board audit and risk committees to reflect the increased scale and complexity of the merged bank. The Chair of a Heartland group board of directors who is also a member of any of the committees of that board of directors will not receive additional remuneration for their committee memberships, but will (if applicable) continue to receive additional remuneration in their capacity as a committee chair.

The base fees payable to Heartland and Heartland Bank non-executive directors are not proposed to be increased, the base fees payable to Heartland and Heartland Bank Chairs are proposed to be increased, and the base fees payable to the Heartland Bank Australia Chair and non-executive directors are proposed to reduce to reflect independent board remuneration benchmarking obtained by Heartland.

Proposed changes to non-executive director fees

The current fee allocations to non-executive director roles across the Heartland group and the proposed fee allocations following the increase in the annual fee pool are set out in the following table (fees are stated in NZD unless otherwise specified).

The changes to the annual fee pool would come into effect on and from 1 October 2026 if Resolution 4 is passed and will apply on an annual basis aligned to Heartland's financial year (pro rated for the financial year ending 30 June 2027 to reflect the increase only being in effect for 9 months of the financial year). However, Heartland will not utilise those aspects of the annual fee pool applicable to the new directors proposed to be appointed to the Heartland Board and the TSB Heartland Bank board in connection with the Proposed Merger unless and until the Proposed Merger completes.

Where a non-executive director of the Heartland Board is also a non-executive director of Heartland Bank or Heartland Bank Australia, that director receives a smaller fee in respect of their Heartland directorship as noted in the following table. Similarly, the Chair of Heartland Bank who is also a non-executive director of Heartland Bank Australia receives a smaller fee in respect of his Heartland Bank Australia directorship as noted in the following table. This practice will continue following the Proposed Merger where it is expected that three of the six non-executive directors on the Heartland Board will also be non-executive directors of TSB Heartland Bank and one of the non-executive directors on the Heartland Board will also be a non-executive director on the Heartland Bank Australia board.

Given Heartland's operations in both New Zealand and Australia (including through Heartland Bank Australia), the Board proposes that the fees payable to directors of the Heartland group continue to be fixed in both New Zealand and Australian dollars, with whichever is the greater amount from time to time being the limit. This will minimise the risk of unfavourable currency movements which may adversely impact the ability to continue to pay Board fees at a level that will enable Heartland to attract and retain directors with the necessary experience.

Board / Committee	Position	Current fees (per annum)	Proposed fees (per annum)
Board of Directors – Heartland and Heartland Bank^	Chair	$175,000	$200,000
	Member	$120,000	$120,000
Board of Directors – Heartland Bank Australia	Chair	AU$320,000	AU$265,000
	Member	AU$155,000	AU$110,000
Board of Heartland Bank^ or Heartland Bank Australia, where also a member of Heartland Board	Member	$25,000	$25,000
Board of Heartland Bank Australia, where also Heartland Bank^ Chair	Member	AU$35,000	AU$25,500
Heartland Audit & Risk Committee	Chair	$20,000	$20,000
	Member*	Nil	$10,000
Heartland Corporate Governance, People, Remuneration and Nominations Committee	Chair	$20,000	$20,000
	Member*	Nil	$10,000
Heartland Sustainability Committee	Chair	$20,000	$20,000
	Member*	Nil	$10,000
Heartland Bank^ Audit Committee	Chair	$20,000	$20,000
	Member*	Nil	$10,000
Heartland Bank^ Risk Committee	Chair	$20,000	$20,000
	Member*	Nil	$10,000
Heartland Bank^ People & Culture and Remuneration Committee	Chair	$20,000	$20,000
	Member*	Nil	$10,000
Heartland Bank Australia Audit Committee	Chair	AU$25,000	AU$25,000
	Member*	Nil	AU$12,500
Heartland Bank Australia Risk Committee	Chair	AU$25,000	AU$25,000
	Member*	Nil	AU$12,500
Heartland Bank Australia People, Remuneration and Nominations Committee	Chair	AU$25,000	AU$25,000
	Member*	Nil	AU$12,500

^ Subject to completion of the Proposed Merger, Heartland Bank Limited will become TSB Heartland Bank Limited.

* The Chair of a Heartland group board of directors who is also a member of any of the committees of that board of directors will not receive additional remuneration for their committee memberships.

Independent board remuneration benchmarking review

Prior to setting the proposed base fees and committee fees for non-executive directors outlined above, the Board commissioned an independent board remuneration benchmarking review by Propero of the current fee allocations. Propero's Board Remuneration Benchmarking Summary Report is available at heartlandgroup.info/shareholder-meetings.

Propero's report concluded that, although the Proposed Merger will significantly increase the scale of the Heartland group, current remuneration across Heartland and Heartland Bank is generally well positioned against the relevant comparator groups. Director fees across Heartland and Heartland Bank sit above the upper quartile of comparators, so no significant adjustments are required. However, the Chair fee of the Heartland Board sits in the lower quartile of the comparator range, the Chair fee of the Heartland Bank board sits between the lower and median quartiles of the comparator range, and the Chair premium (being the Chair fee relative to the base director fee) is also low by comparison for both Heartland and Heartland Bank.

Propero's report concluded that Heartland Bank Australia's Chair and director fees are aligned to the upper quartile of comparators while its organisational metrics are generally aligned to the lower quartile of comparators. Propero recommended that careful consideration be given to Heartland Bank Australia board fees in particular.

Propero also noted that the Heartland group's current practice of not paying additional fees to committee members is atypical versus comparators, given that board committee members generally receive additional remuneration to reflect the increased workload and responsibilities beyond the base director fee.

Accordingly, Propero recommended an uplift to the Chair fee of the Heartland and Heartland Bank boards to maintain relative market positioning and better align the Chair premium with comparators, no change to the base director fees, and the introduction of committee member fees.

Propero also recommended reducing the fees payable to the Chair and directors of Heartland Bank Australia to better align those fees with the scale of that entity's operations relative to its comparator group, and the introduction of committee member fees.

Listing rule requirements – directors' remuneration

NZX Listing Rule 2.11.1 requires that remuneration of directors of a listed issuer and its subsidiaries (unless such subsidiary is a listed issuer of quoted equity securities) be authorised by an ordinary resolution. In accordance with NZX Listing Rules 2.11.5 and 6.3.1, Heartland will disregard any votes cast in favour of this resolution by any director who is intended to receive directors' fees (and their respective Associated Persons), unless such Heartland shareholder is casting a vote under an expressly directed proxy of a person who is not disqualified from voting.

Consequences if Resolution 4 is not approved by shareholders

Resolution 4 is not a condition to the Proposed Merger under the MIA. If Resolution 4 is not approved by shareholders, the Proposed Merger may still proceed (subject to the other conditions being satisfied or waived), but the increase in the total remuneration fee pool will not take effect. In that event, the Board would need to manage director remuneration within the existing annual fee pool of NZ$2,400,000 or AU$2,200,000 (whichever is greater), which may constrain the Board's ability to appropriately remunerate the additional director proposed to be appointed to the Heartland Board under Resolution 3 following the Acquisition and the directors to be appointed to the TSB Heartland Bank board following the Proposed Merger.

The Board unanimously supports the increase of the total annual fee pool for non-executive director remuneration and recommends shareholders vote in favour of Resolution 4.

Recommendation of the Board

The Board unanimously recommends the Proposed Merger and associated matters to Heartland shareholders for approval and encourages all shareholders to **vote in favour** of the Resolutions. In the Board's view, the Proposed Merger is in the best interests of Heartland and its shareholders. The Heartland directors intend to vote all shares in Heartland held or controlled by them in favour of each Resolution, subject to the applicable voting restrictions disclosed in this notice of meeting.

Consequences if Resolutions are not approved

The MIA is conditional on Heartland's shareholders approving Resolutions 1, 2 and 3 before 5.00pm (NZDT) on 1 March 2027. The condition relating to Resolution 3 is for the sole benefit of Toi Foundation and may only be waived in writing by Toi Foundation. Any such waiver would not affect the remaining conditions to the Proposed Merger, nor would it affect Heartland's obligations under the NZX Listing Rules to obtain shareholder approval of any director appointments. If Resolutions 1 and 2 are not approved, or Resolution 3 is not approved and is not waived by Toi Foundation, either party may terminate the MIA and the Proposed Merger will not proceed.

If the Proposed Merger does not proceed, Heartland would continue to operate as it does today. See page 29 of the Investor Presentation for more information.

Conditional nature of the Resolutions

The implementation of each of Resolution 1, 2 and 3 is effectively conditional upon all of those Resolutions being approved by the shareholders of Heartland or, in the case of Resolution 3 only, waiver by Toi Foundation.

Minority buy-out rights

Heartland shareholders who vote against Resolution 1 may have certain rights to require Heartland to purchase their shares if Resolution 1 is approved. Further detailed information about these rights and the procedure for their exercise is set out in the Appendix to this notice of meeting.

Procedural notes

Voting

Each shareholder will be entitled to one vote for every share held as at 5.00pm (NZDT) on Monday 28 September 2026.

Your right to vote may be exercised by:

- attending the meeting and voting in person
- attending the online meeting and voting online
- submitting a postal vote
- appointing a proxy (or representative) to attend the meeting and vote on your behalf (**Proxy**).

If you are attending the meeting in person, please bring the enclosed voting form that will act as your admission card to the meeting.

How to submit a postal vote or appoint a Proxy

If you are not able to attend the Special Meeting, either in person or online, but wish to submit a postal vote or appoint a Proxy to attend the online meeting and vote on your behalf, you can:

- lodge your postal vote or appoint a Proxy online at vote.cm.mpms.mufg.com/HGH. You will be required to enter your CSN/Holder Number and Authorisation Code (**FIN**) (New Zealand Register) or HIN/SRN and postcode (Australian Register). If you do not have a FIN number, please contact MUFG Pension & Market Services at +64 9 375 5998 or enquiriesnz@cm.mpms.mufg.com
- complete and return the enclosed voting form in accordance with the instructions on the voting form.

A Proxy need not be a shareholder of Heartland. If you wish, you may appoint the Chair of the meeting as your Proxy. To do so, please write "Chair of the meeting" in the relevant section of the voting form. The Chair will vote according to your instructions. If the Chair is not instructed how to vote, the Chair intends to vote in favour of the resolutions (other than Resolution 4 due to the voting restrictions outlined in the Explanatory Notes).

For your vote or Proxy to be effective, your completed voting form must be received by MUFG Pension & Market Services, or your postal vote or your Proxy appointment lodged online, by no later than 3.00pm NZDT on Monday 28 September 2026.

Shareholder questions prior to the Special Meeting

Shareholders are encouraged to submit questions in advance of the Special Meeting. Shareholders present at the Special Meeting, whether in person or online, will have the opportunity to ask questions during the meeting. If you cannot attend the Special Meeting in person or online, but would like to ask a question, you can submit a question by going to vote.cm.mpms.mufg.com/HGH or emailing your Proxy Form with your question to enquiriesnz@cm.mpms.mufg.com (please put the words "Heartland Group Holdings Proxy Form" in the subject line to enable easy identification).

Shareholder questions will need to be submitted by 3.00pm NZDT on Monday 28 September 2026. Questions should relate to matters being addressed at the Special Meeting.

How to attend the online meeting

To attend the online meeting, please go to https://meetings.mpms.mufg.com/hghsm26. Shareholders attending online will be able to vote during the Special Meeting.

Shareholders who will be attending the online meeting and wish to ask a question are encouraged to submit their question(s) prior to the Special Meeting in accordance with the instructions above. More information regarding virtual attendance at the Special Meeting (including how to vote during the meeting) is available in the Virtual Meeting Guide available at https://mail.cm.mpms.mufg.com/MUFG/MUFG_VirtualMeetingGuide.pdf.

Venue and parking information

Venue

The physical meeting is being held in the World Cup Lounge at Eden Park, Reimers Avenue, Kingsland, Auckland.

Eden Park is centrally located and well-connected to key transport hubs, including major train stations and bus routes.

Parking at Eden Park

Please enter Eden Park via Gate G, 42 Reimers Avenue.

Parking in and around this area (P5) is free of charge. Options include accessible bays, EV charging stations and permanent bicycle racks.

Arriving via train

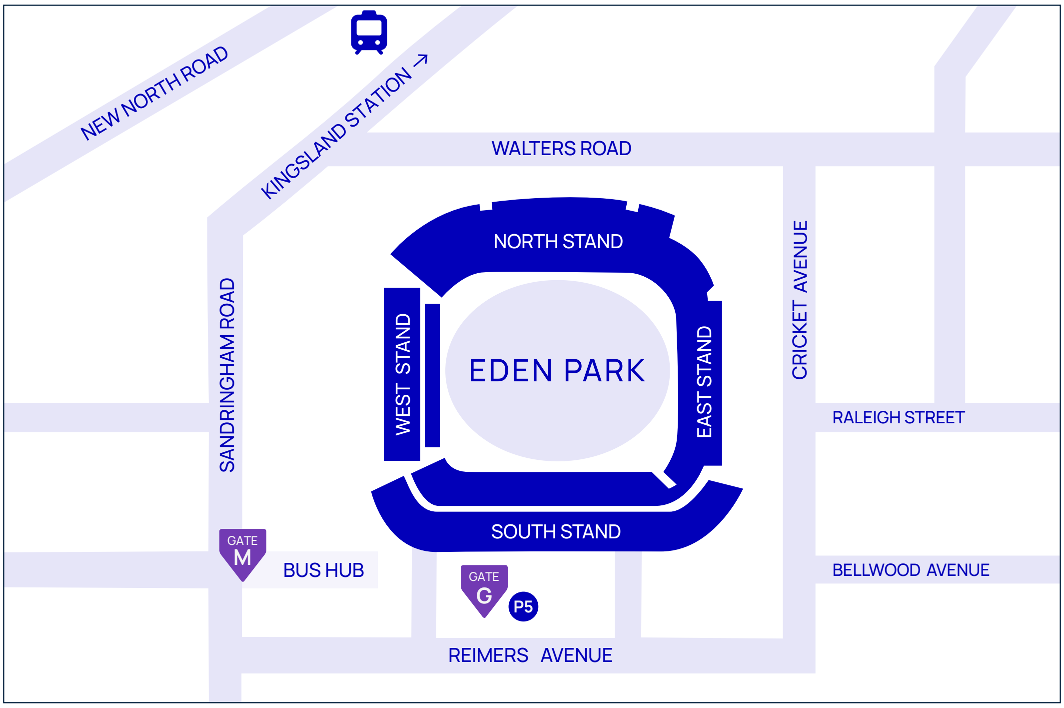
Trains stop at Kingsland Station.

Follow directional signage onto Sandringham Road.

Take a quick stroll down Sandringham Road to Gate M, through the Bus Hub to Gate G.

Arrival

Upon arrival, make your way to reception where you will be warmly welcomed by the Eden Park concierge. The World Cup Lounge is located on Level 4 and can be accessed via the lift. For more information about getting to the venue, visit edenpark.co.nz/plan-your-visit/getting-here



Appendix - Minority buy-out rights

Section 110 of the Companies Act may confer minority buy-out rights on Heartland shareholders who vote against Resolution 1.

For a shareholder to exercise those minority buyout rights, the shareholder must cast all the votes attached to shares registered in the shareholder's name and having the same beneficial owner against Resolution 1. If Resolution 1 is nevertheless passed, a shareholder who wishes to exercise minority buy-out rights must, within 10 working days of the passing of Resolution 1, give written notice to Heartland that the shareholder requires Heartland to purchase the shareholder's shares.

Within 20 working days of receipt of the notice, the Board must:

- agree to the purchase of the relevant shares by Heartland; or
- arrange for some other person to agree to purchase the relevant shares; or
- apply to the court for an order exempting Heartland from the obligation to purchase the relevant shares on the grounds that the purchase would be disproportionately damaging to Heartland or that Heartland cannot reasonably be required to finance the purchase or it would not be just and equitable to require Heartland to purchase the relevant shares or on the grounds that the Board has resolved that the purchase of the relevant shares by Heartland would result in it failing to satisfy the solvency test and Heartland has, having made reasonable efforts to do so, been unable to arrange for the relevant shares to be purchased by another person; or
- arrange for Resolution 1 to be rescinded by special resolution of shareholders, or decide in the appropriate manner not to take the action concerned, as the case may be; and
- give written notice to the shareholder of the Board's decision as to which of the above actions it will take.

Where the Board agrees to the purchase of the relevant shares by Heartland, it must give notice to the relevant shareholder within five working days after the written notice of the Board's decision referred to in the preceding paragraph, setting out the price the Board offers to pay for those shares and certain information relating to how that price was calculated. That price must be a fair and reasonable price (as at the close of business on the day before Resolution 1 was passed) for the relevant shares held by the shareholder, calculated (subject to the following two sentences) using a default methodology described in the Companies Act designed to allocate to the relevant shares held by the shareholder a pro rata portion of the fair and reasonable value of all shares in Heartland adjusted to exclude any fluctuation in the value of all of Heartland's shares that occurred and that was due to, or in expectation of, the Proposed Merger.

The Board may use a different methodology to calculate the fair and reasonable price if using the default methodology would be clearly unfair to the shareholder or Heartland (and in that case the Board must also state in the notice that a different methodology has been used and why calculating the price under the default methodology would be clearly unfair).

A shareholder may object to the price offered by the Board by giving written notice to Heartland no later than 10 working days after the date the Board gave written notice to the shareholder of the price offered by the Board. If, within that 10 working day period, no objection to the price offered by the Board has been received by Heartland, it must purchase the relevant shareholder's shares at the nominated price. If, within that 10 working day period, an objection to the price has been received by Heartland, the fair and reasonable price offered by the Board must be submitted to arbitration. Heartland must within five working days of receiving the objection pay to the shareholder on a provisional basis the price offered by the Board. The arbitration is to be conducted in accordance with the Arbitration Act 1996. If the price determined by the arbitrator:

- exceeds the provisional price paid by Heartland, then the arbitrator must order Heartland to pay the balance owing to the shareholder; or
- is less than the provisional price paid by Heartland, then the arbitrator must order the shareholder to pay the excess to Heartland.

Except in exceptional circumstances, the arbitrator must award interest on any balance payable or excess to be repaid. If a balance is owing to the shareholder, the arbitrator may award to the shareholder, in addition to or instead of interest, damages for loss attributable to the shortfall in the initial payment.

Where the Board agrees to the purchase of the relevant shares by Heartland, on the day on which the Board gives written notice of the Board's decision that Heartland will purchase the relevant shares by Heartland, the legal title to those shares passes to Heartland and the rights of the relevant shareholder in relation to those shares end. If the Board arranges for some other person to agree to purchase the shares, the process and terms set out in the paragraphs above apply (with such modifications as may be necessary) to the purchase of shares by such person. In addition, Heartland must indemnify the shareholder in respect of any losses suffered by the shareholder by reason of the failure by the person to purchase the shares at the price nominated or fixed by arbitration, as the case may be.

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