



NZX Regulation Decision

Heartland Bank Limited (“HBL”)

Application for waivers from NZX Main Board Listing Rules
5.1.1 and 5.2.1

27 July 2018



Background

1. The information on which this decision is based is set out in Appendix One. The waiver as set out below will not apply if that information is not, or ceases to be, full and accurate in all material respects.
2. The NZX Rules to which this decision relates are set out in Appendix Two.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waivers from Rules 5.1.1 and 5.2.1

Decision

4. On the basis that the information provided by HBL is complete and accurate in all material respects, NZXR grants HBL a waiver from Rules 5.1.1 and 5.2.1 to the extent that the respective applications are required to be made through a Primary Market Participant, acting as an Organising Participant.

Reasons

5. In coming to the decision to provide the waivers set out in paragraph 4 above, NZXR has considered that:
 - a. Rules 5.1.1 and 5.2.1 generally require that new Listings and Quotations are made through a Primary Market Participant, in order to help new Issuers prepare for Listing and Quotation and assist Issuers with any public offer being made. The granting of this waiver will not offend the policy behind Rule 5.1.1 and 5.2.1.
 - b. HBL shares are already quoted on the NZX Main Board. The offer of shares in the New Parent is being made on a one for one basis to existing HBL shareholders, no subscription monies are to be received by the New Parent, and there will be no change in the underlying listed enterprise or those involved in the management or governance of the New Parent. As such a Primary Market Participant, acting as Organising Participant, is not required to ensure the success of the Scheme; and
 - c. there is precedent for this decision.

Confidentiality

1. HBL has requested this decision be kept confidential until the Restructure, including the Notice of Meeting and Scheme Booklet have been announced.
2. In accordance with Footnote 1 to Rule 1.11.2, NZXR grants HBL's request.





Appendix One

1. Heartland Bank Limited (**HBL**) is a Listed Issuer with ordinary shares Quoted on the NZX Main Board and one series of bonds Quoted on the NZX Debt Market. Accordingly, HBL is subject to the Main Board Listing Rules (**Rules**) including Rule 5.1.1 and 5.2.1.
2. HBL is proposing a corporate restructure (**Restructure**) of the HBL group of companies (**Heartland Group**) by way of a court approved scheme of arrangement under Part 15 of the Companies Act 1993 (**Scheme**).
3. The purpose of the Restructure is to more clearly define the separation between HBL's New Zealand and Australian businesses, and to enable it to access the most efficient forms of equity and debt funding.
4. HBL shareholders will vote on the Scheme at the Annual Meeting of HBL to be held on 19 September 2018.
5. The Financial Markets Authority has provided HBL and the new parent company, Heartland Group Holdings Limited (**New Parent**) with an exemption from Part 3 of the Financial Markets Conduct Act 2013 in respect of the New Parent shares offered in accordance with the Scheme. The conditions of the exemption are set out in the Financial Markets Conduct (Heartland Group) Exemption Notice 2018.
6. The Restructure is proposed to be implemented as follows:
 - a. The New Parent will be incorporated in New Zealand, with a single redeemable ordinary share held by The New Zealand Guardian Trust Company Limited (**NZGT**);
 - b. The New Parent will issue a New Parent ordinary share in consideration for each HBL ordinary share held by each HBL shareholder, such that HBL shareholders will become shareholders in the New Parent and the New Parent will become the sole shareholder in HBL;
 - c. HBL will transfer all of its shares in Heartland Australia Holdings Pty Ltd (the holding company for the Heartland Group's Australian business) to the New Parent;
 - d. The New Parent shares will be listed, and traded, on the NZX Main Board, and HBL shares will cease to be listed on the NZX Main Board.
 - e. NZGT's redeemable ordinary share in the New Parent will redeem automatically on the listing of the New Parent on NZX.
7. Following the Restructure:
 - a. Heartland Australia Holdings Pty Ltd will transition from a subsidiary of, to a sister company to, HBL. Both HBL and Heartland Australia Holdings Pty Ltd will become subsidiaries to the New Parent.
 - b. HBL debt securities will continue to be listed on the NZX Debt Market

- c. The shareholders of HBL will continue to hold the same interest in HBL's business as before the scheme, except that the interest will now be held through a non-operating holding company, the New Parent.



Appendix Two

Rule 5.1 Listing

Rule 5.1.1 Any person may apply to NZX for Listing either:

(a) with NZX as the Home Exchange; or

(b) with a Recognised Stock Exchange as the Home Exchange, if that person is domiciled or incorporated outside New Zealand and listed on a Recognised Stock Exchange (an Overseas Listed Issuer); or

(c) as a Dual Listed Issuer.

Application shall be made through a Primary Market Participant acting as Organising Participant.

Rule 5.2 Quotation of Securities

Rule 5.2.1 An Issuer, or applicant for Listing, may apply to NZX for a Class or Classes of its Securities to be Quoted on the NZSX or NZDX. Separate application must be made for each Class of Securities, through a Primary Market Participant acting as Organising Participant, except that the application need not be made through an Organising Participant in the case of an application to Quote a Class of Securities where the Securities to be Quoted are rights to Securities that are already Quoted.

