

HeartWare International, Inc.

Delisting - Frequently Asked Questions

Delisting		
1	What is delisting?	<p>Delisting is the process by which HeartWare International, Inc's (HeartWare) CDIs will be removed from the official list of ASX.</p> <p>This means that if you hold CDIs in HeartWare after its delisting you will no longer be able to trade them on ASX.</p>
2	Will this affect HeartWare's shares of common stock?	No. HeartWare's shares of common stock will continue trading on NASDAQ. HeartWare will only be delisted from the ASX.
3	Why is HeartWare delisting from the ASX?	<p>Since HeartWare's listing on NASDAQ in 2009, there has been a substantial shift in the trading volume of the Company's securities from ASX to NASDAQ which has culminated in more than 99% of the total trading volume of the Company's securities occurring on NASDAQ and less than 1% of the Company's trading volume occurring on ASX since 1 January 2013. CDIs (representing shares of common stock in HeartWare) now represent only 5.1% of HeartWare's issued and outstanding capital.</p> <p>As a result, HeartWare has determined that sustaining the administrative costs of an ASX listing, including the higher level of regulatory compliance costs associated with dual listings, is difficult to justify and, accordingly, has made the decision to delist from ASX.</p>
4	How long can I still trade my CDIs?	You may trade your CDIs on ASX until trading is suspended which is expected to be at the close of trading on 10 September 2013.
5	When will my CDIs be delisted?	CDIs will be officially delisted from ASX on 17 September 2013 but the last day for trading CDIs on ASX will be 10 September 2013.
Options for CDI holders – Pre-delisting		
6	What are my options now (before delisting from ASX)?	<p>You have several options available to you:</p> <ol style="list-style-type: none"> 1) Up to and including 10 September 2013, you can sell your CDIs on ASX. 2) Up to and including 18 December 2013 you can convert some or all of your CDIs into shares of common stock which are traded on NASDAQ. You will then become a registered shareholder of HeartWare and you will be able to trade your shares of common stock on NASDAQ or hold your shares of common stock. Please note that you are not required to sell your shares of common stock after the conversion of your CDIs to common stock, you may continue to hold your shares of common stock. <p><i>(See question 12 for options which you have following the delisting of HeartWare on ASX).</i></p>



7	How do I sell my CDIs?	<p><i>Before the delisting</i></p> <p>Up to and including 10 September 2013, you can sell your CDIs as you have previously done so (ie, by contacting your stockbroker or financial advisor). As is customary, you will be responsible for all costs incurred on this sale.</p> <p><i>After the delisting</i></p> <p>Between 10 September 2013 and 18 December 2013, you will be able to sell your CDIs via the Voluntary Sale Facility (<i>See question 14 for further details</i>). HeartWare will pay the brokerage costs incurred to operate the Voluntary Sale Facility.</p> <p>You could also choose to convert some or all of your CDIs into shares of common stock (which are traded on NASDAQ) and sell these shares on NASDAQ.</p> <p><i>After the Voluntary Sale Facility</i></p> <p>After conclusion of the Voluntary Sale Facility if you have neither converted your CDIs into shares of common stock nor sold the shares underlying your CDIs via the Voluntary Sale Facility, your CDIs will be sold via the Compulsory Sale Process and you will receive the net proceeds of the sale of the underlying shares after conversion to A\$ as described in question 22. HeartWare will be responsible for brokerage costs incurred in operating the Compulsory Sale Process, however, your proceeds will be net of transfer fees and applicable taxes as well as reflecting the current exchange rate at the time of conversion.</p>
8	How do I convert my CDIs to shares of common stock?	<p>Through the end of the Voluntary Sale Facility on 18 December 2013, you can convert your CDIs into shares of common stock by:</p> <ul style="list-style-type: none"> • completing and returning the Registry Removal Request enclosed with this document or by contacting Computershare Investor Services Pty Ltd (Computershare) on +1300 394 367 (within Australia) or +61 3 9415 4884 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Sydney time), if your CDIs are held on the issuer sponsored subregister; or • contacting your broker, if your CDIs are held on the CHESS subregister.
9	How much does it cost to convert my CDIs to shares of common stock?	<p>There is no fee for conversion of your CDIs to shares of common stock.</p>



10	When can I trade my shares of common stock once I have converted my CDIs?	<p>You will not be able to trade your shares of common stock on NASDAQ until the conversion process is complete. The conversion period varies depending on which subregister your CDIs are held on and how you elect your shares of common stock to be held on conversion. The conversion process should occur with three business days following receipt by Computershare of your completed Register Removal Request.</p> <p>To trade your shares of common stock on NASDAQ, you may choose a broker in the US or an Australian broker that has a relationship with a financial institution in the US to facilitate trading. <i>(See question 11 for further information about brokers)</i></p> <p>Any costs associated with the process of holding or selling your shares of common stock on NASDAQ will be borne by you. You should also be aware that there may be tax implications associated with either holding or selling shares of common stock on NASDAQ.</p>
11	How do I sell my shares of common stock on NASDAQ?	<p>You can choose to contact a broker in Australia or the United States (U.S.). Certain Australian brokers can be used as they have relationships with financial institutions in the U.S. to facilitate trading on NASDAQ. The names and contact details of licensed brokers in the U.S. may be found on the website of the U.S. Securities and Exchange Commission at www.sec.gov.</p> <p>You will need to establish your own account with the broker and provide them with evidence of your holding and any other documentation that they require.</p> <p>Any costs of holding or selling shares by your broker will be borne by you. Any brokerage costs of selling shares through the Voluntary Sale Facility will be borne by HeartWare. Holding or selling shares of common stock on NASDAQ may have tax implications and you should consult your own professional or financial advisor.</p>
Options for CDI holders – Post-delisting		
12	What are my options after my CDIs have been delisted from ASX?	<p>After 17 September 2013 if you still hold CDIs, you have the following options:</p> <ol style="list-style-type: none">1) up to and including 18 December 2013, you can retain your holding in HeartWare by converting your CDIs to shares of common stock and becoming a registered shareholder of HeartWare <i>(See question 8)</i>;2) up to and including 18 December 2013, you can convert your CDIs to shares of common stock and sell your shares of common stock on NASDAQ <i>(See questions 8-11)</i>;3) until 18 December 2013, you can sell your CDIs through the Voluntary Sale Facility <i>(See question 14)</i>; or4) you can do nothing. If you do nothing, your CDIs will be sold through the Compulsory Sale Process and you will be paid the net proceeds of sale after conversion to AS <i>(See question 19)</i>. <p>HeartWare will notify you of any changes to these dates.</p>

Options for CDI holders – General

13	Which option is the best?	<p>This is dependent on the CDI holder's individual circumstances and the circumstances of the market at the time of the option election.</p> <p>You should strongly consider obtaining financial advice based on your individual circumstances before deciding which option you should select.</p>
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Voluntary Sale Facility

14	What is the Voluntary Sale Facility?	<p>This is a facility which allows you to sell the shares of common stock underlying your CDIs on NASDAQ through Morgan Stanley & Co. LLC (Broker), a broker appointed by HeartWare. The facility will be available for three months after the delisting of HeartWare from ASX – currently intended to be from 18 September 2013 to 18 December 2013.</p> <p>Participation in the Voluntary Sale Facility is entirely voluntary. However, if you still hold CDIs after the close of the Voluntary Sale Facility, they will be sold under the Compulsory Sale Process (<i>See question 19</i>).</p> <p>The proceeds of the sale under the Voluntary Sale Facility will be remitted to you by Computershare in Australian dollars within 10 days following the sale of the shares on NASDAQ.</p> <p>You should be aware that there may be risks regarding the level of proceeds realised through the sale by virtue of the level of buyer demand, buyer pricing constraints, trading, volatility in the Company on NASDAQ and A\$/US\$ exchange rates at the time of conversion of the proceeds from US\$ to A\$.</p>
15	When will the Voluntary Sale Facility operate?	<p>The Voluntary Sale Facility will open on 18 September 2013 and will close on 18 December 2013.</p>
16	What price will I receive for my CDIs under the Voluntary Sale Facility?	<p>The market price of the shares of common stock underlying your CDIs which are sold through the Voluntary Sale Facility will be subject to change from time-to-time. Neither HeartWare, the Broker or Computershare gives any assurance as to the sale price that may be achieved for the sale of the shares of common stock underlying your CDIs or the exchange rate that will be used to convert the proceeds from such sale into A\$.</p> <p>Net proceeds will be remitted to you based on the average price of the shares of common stock which are sold on NASDAQ in the weekly batch including your shares. The proceeds you will receive will be net of transfer fees and applicable taxes and will reflect the market price and A\$/USD\$ exchange rate at time of conversion. HeartWare will pay all broker fees on behalf of CDI holders who participate in the Voluntary Sale Facility.</p>



17	Who is the broker for the Voluntary Sale Facility?	Morgan Stanley & Co. LLC (or its designee)
18	Will I pay brokerage costs on the sale of my CDIs under the Voluntary Sale Facility?	No, HeartWare will pay the brokerage cost incurred by Morgan Stanley & Co. LLC to operate the Voluntary Sale Facility
Compulsory Sale Process		
19	What is the Compulsory Sale Process?	If you still hold CDIs after the close of the Voluntary Sale Facility (<i>See question 14</i>), the shares of common stock underlying your CDIs will automatically be sold on NASDAQ and the proceeds of sale, after conversion to A\$, remitted to you as described in question 22.
20	When will the Compulsory Sale Process operate?	The Compulsory Sale Process will open on 19 December 2013 and will close on 27 December 2013.
21	What is the difference between the Voluntary Sale Facility and the Compulsory Sale Process?	<p>CDI holders cannot elect whether to participate in the Compulsory Sale Process. All shares of common stock underlying CDIs remaining on the register after 18 December 2013 will automatically be sold under the Compulsory Sale Process approximately one week following the close of the Voluntary Sale Facility. HeartWare will notify you of any change to this period by announcement to ASX.</p> <p>The proceeds of the sale under the Compulsory Sale Process will be remitted to you by Computershare in Australian dollars within 10 days following the sale of the shares on NASDAQ.</p> <p>There is no difference between the pricing mechanism, fees and calculation of proceeds for the Voluntary Sale Facility and Compulsory Sale Process.</p> <p>There may be risks regarding the level of proceeds realised through the sale by virtue of the level of buyer demand, buyer pricing constraints, trading, volatility in HeartWare on NASDAQ and the A\$/US\$ exchange rates at the time of conversion of the proceeds from US\$ to A\$.</p> <p>The impact of these factors on the level of proceeds of sale for CDI holders who do nothing and so are subjected to a forced sale of the shares of common stock underlying their CDIs may be greater and more adverse than if they had chosen to participate in the Voluntary Sale Facility. If you are in doubt as to the appropriate course of action for you, you should seek professional financial advice.</p>
22	What price will I receive for my CDIs under the Compulsory Sale Process?	<p>After the Compulsory Sale Process is opened, the remaining CDIs outstanding will be aggregated and sold on the NASDAQ based on the prevailing market conditions.</p> <p>Net proceeds will be remitted to you based on the average price of the shares sold under the Compulsory Sale Process. The proceeds you will</p>

		receive will be net of transfer fees and applicable taxes and will reflect the market price and A\$/USD\$ exchange rate at time of conversion. HeartWare will pay all broker fees on behalf of CDI holders who participate in the Compulsory Sale Process.
23	Will I pay brokerage costs on the sale of my CDIs under the Compulsory Sale Process?	No, HeartWare will pay the brokerage cost incurred by Morgan Stanley & Co. LLC to operate the Compulsory Sale Process.
Tax implications of converting CDIs to common stock		
24	What are the tax implications of converting CDIs to shares of common stock and selling on NASDAQ?	<p><i>Australian tax implications</i></p> <p>Generally, the conversion of your CDIs into shares of common stock will not give rise to a capital gains tax event (CGT event).</p> <p>However, a CGT event will arise when you sell your shares of common stock in the future and this may give rise to a capital gain or capital loss.</p> <p>CDI holders should obtain their own independent professional advice on the tax implications of the conversion and subsequent sale of common stock based on their specific circumstances.</p> <p><i>US tax implications</i></p> <p>Generally, the conversion of your CDIs into shares of common stock should not give rise to U.S. federal income taxation, except possibly in the event that cash is paid in exchange for your entitlement to fractional shares of common stock.</p> <p>In most circumstances, the sale of shares of common stock on NASDAQ should not give rise to U.S. federal income taxation.</p> <p>CDI holders should obtain their own independent professional advice on the tax implications of the conversion and subsequent sale of common stock based on their specific circumstances.</p>
What is the impact of delisting		
25	Will HeartWare's shares of common stock continue to trade after delisting from ASX?	<p>HeartWare's shares of common stock will continue to be traded on NASDAQ and HeartWare will continue to be subject to the NASDAQ Listing Rules.</p> <p>HeartWare will remain incorporated in Delaware, United States of America and will continue to be subject to the relevant corporate and securities law of Delaware and the United States as well as the rules and regulations of the United States Securities and Exchange Commission.</p> <p>Copies of HeartWare's press releases and other relevant corporate information will continue to be available on the company's website at www.heartware.com.</p>



HeartWare contacts

26	Who can I speak to at HeartWare in relation to the delisting or sale process?	Please call or email Chris Taylor, Vice President Investor Relations, at HeartWare in the United States on 508 739 0864 or ctaylor@heartwareinc.com
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Computershare contacts

27	Who can I speak to at Computershare in relation to the delisting or sale process?	Please call the HeartWare International, Inc Holder Information Line on +1300 394 367 (within Australia) or +61 3 9415 4884 (outside Australia) between 8.30am and 5.00pm Monday to Friday (Sydney time).
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