

7 March 2024

FMA files proceedings on multi-policy discount application

Tower (NZX/ASX: TWR) advises that the Financial Markets Authority (FMA) today filed civil proceedings regarding Tower's self-reported failure to correctly apply multi-policy discounts (MPDs).

As outlined in a market update late last year, Tower anticipated regulatory enforcement action with regard to its inaccurate application of MPDs and raised a provision at that time.

Tower has made significant progress towards remediating the around 65,000 customers identified as being owed a refund. Over \$9.26 million (including GST and interest) has already been paid in respect of overcharges of premiums payable by over 58,900 customers. Remediation payments continue.

The company has also implemented significant checks and balances to determine and promptly remediate any further incorrectly applied MPDs. These occurrences are now identified soon after purchase, and in the majority of cases, without the need for any refund.

Tower Chair, Michael Stiasny noted that while the company is disappointed that the FMA has filed proceedings, its focus continues to be on identifying any further actions necessary to prevent overcharging.

"While the Company has acted in good faith, self-reported the issue, and is undertaking a comprehensive remediation programme, we accept and deeply regret that customers have been impacted. We apologise unreservedly and will continue to work in earnest to address outstanding issues," he said.

ENDS

This announcement has been authorised by the Tower Board.

Blair Turnbull
Chief Executive Officer
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