

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

To NZX Limited
and
To Tower Limited

Relevant event being disclosed: A movement of 1% or more in a substantial holding

Date of relevant event: 24 February 2017

Date this disclosure made: 24 February 2017

Date last disclosure made: 22 February 2017

Substantial product holder(s) giving disclosure

Full name(s): Vero Insurance New Zealand Limited (a wholly-owned subsidiary of Suncorp Group Limited) ("**Vero**")

Summary of substantial holding

Class of quoted voting products: Ordinary shares in Tower Limited (NZX: TWR)

Summary for Vero

For **this** disclosure,—

- (a) total number held in class: 22,416,709
- (b) total in class: 168,662,150
- (c) total percentage held in class: 13.291%

For **last** disclosure,—

- (a) total number held in class: 18,782,107
- (b) total in class: 168,662,150
- (c) total percentage held in class: 11.136%

Details of transactions and events giving rise to relevant event

On 24 February 2017, Vero agreed to purchase 3,634,602 ordinary shares in Tower Limited on-market from New Zealand Funds Superannuation Limited (as trustee of the Private Dividend Yield Trust) ("**Seller**") at a sale price of \$1.30 per Share (total consideration of \$4,724,982.60) ("**Transaction**"). Settlement of the Transaction is to occur on 28 February 2017.

In connection with the Transaction, Vero has agreed to pay an "escalation payment" to the Seller, in the following circumstances:

- If, in the 12 months after 24 February 2017, Vero sells shares acquired in the Transaction from the Seller to a third party, Vero must pay the Seller (for each share purchased from the Seller) the difference between the price paid per share to the Seller and the greater price that Vero receives for the Seller's shares from the third party.
- If, in the 12 months after 24 February 2017, Vero purchases shares in Tower Limited from a person that is not involved in the Transaction, and the price paid per share to that person is greater than the price paid per share to the Seller, then Vero must pay (for each share purchased from the Seller) the difference between the price per share paid to the Seller and the greater price paid per share to the other person.

Details after relevant event

Details for Vero

Nature of relevant interest(s): Power to acquire 3,634,602 ordinary shares. There is no relevant agreement to be attached

For that relevant interest,—

- (a) number held in class: 3,634,602
- (b) percentage held in class: 2.155%
- (c) current registered holder(s): New Zealand Funds Superannuation Limited (as trustee of the Private Dividend Yield Trust)
- (d) registered holder(s) once transfers are registered: Vero

Additional information

Address of substantial product holder: Level 14, 48 Shortland Street, Auckland, 1010, New Zealand

Contact details: Vero Insurance New Zealand Limited
Attn: Pamela Bonney
Level 14, 48 Shortland Street, Auckland
Email: pamelabonney@vero.co.nz

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Not applicable.

Certification

I, Tim Buckett, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.