

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: Change in the nature of any relevant interest in the substantial holding

Date of relevant event: 28 February 2017

Date this disclosure made: 1 March 2017

Date last disclosure made: 24 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: 22,416,709
- (b) total in class: 168,662,150
- (c) total percentage held in class: 13.291%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure:

On 22 February 2017 and 24 February 2017, Vero agreed to purchase 22,416,709 ordinary shares in Tower Limited on-market from various holders at a sale price of \$1.30 per share (total consideration of \$29,141,721.70) ("**Transactions**"). Settlement in respect of 20,944,081 ordinary shares in Tower involved in the Transactions was finalised on 28 February 2017.

In connection with the Transactions, Vero has agreed to pay an "escalation payment" to each of the sellers from which it has acquired shares, in the following circumstances:

- If, in the 12 months after 22 February 2017 or 24 February 2017 (depending on the date on which a particular seller was involved in the Transactions), Vero sells shares acquired in the Transactions from a particular seller to a third party, Vero must pay that seller (for each share purchased from that seller) the difference between the price paid per share to the seller and the greater price that Vero receives for that seller's shares from the third party.
- If, in the 12 months after 22 February 2017 or 24 February 2017 (depending on the date on which a particular seller was involved in the Transactions), Vero purchases shares in Tower Limited from a person that is not involved in the Transactions, and the price paid per share to that person is greater than the price paid per share to a particular seller, then Vero must pay (for each share purchased from that seller) the difference between the price per share paid to that seller and the greater price paid per share to the other person.

Details after relevant event

Details for Vero

Nature of relevant interest(s): Registered holder and beneficial owner of ordinary shares.
There is no relevant agreement to be attached

For that relevant interest,—

- (a) number held in class: 20,944,081
- (b) percentage held in class: 12.418%
- (c) current registered holder(s): Vero
- (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: pamela_bonney@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: Adam Smith Asset Management.

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.