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Incorporated in New Zealand

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## **TOWER AND EQC REACH SETTLEMENT**

Tower Limited (NZX/ASX: TWR) today announced that it has entered into a settlement agreement with the Earthquake Commission (EQC) regarding an outstanding receivable resulting from the Canterbury Earthquakes.

Under the settlement agreement Tower will receive \$42.1m after disbursement to reinsurers and costs. The write off of the residual amount will result in an impact of approximately \$9.5m on Tower's FY20 reported net profit.

Tower Chairman, Michael Stiassny, said that the settlement amounted to 76% of the gross carrying value listed in Tower's accounts, a good outcome that means the company can now turn its full focus to the future.

"The Canterbury Earthquakes remain a significant event in New Zealand's history and will have a lasting impact on the community," said Stiassny.

"For Tower, this legacy resulted in distractions that have been progressively removed over the years and it is important we provide the management team with clear air to move the business forward and accelerate.

"The Board determined that reaching this settlement agreement dealt with any remaining unpredictability and gave certainty to our shareholders, who will be pleased to see this risk removed from our business.

"We now have a very strong capital position and will provide a further update in relation to dividend payments with our 2020 financial year results announcement tomorrow."

EQC Chief Executive, Sid Miller, said that reaching a settlement to resolve the allocation of costs meant that both businesses could draw a line under the past, and continue to focus on helping sort out any remaining claims for customers.

"The series of earthquakes suffered by the Canterbury region caused a number of complexities in allocating building and land damage and the cost of repair between different earthquake events. This settlement is a significant milestone for EQC in our Canterbury Earthquake recovery programme," said Miller.

Tower Chief Executive Officer, Blair Turnbull, said that finalising the receivable with EQC and our agreement to act as an agent of the EQC to manage natural disaster claims, signals a new way forward.

"Our agency agreement with the EQC demonstrates that we have learnt from the experience of the Canterbury Earthquakes and are focussed on supporting customers and getting them back on their feet following a natural disaster," said Turnbull.

ENDS



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This announcement has been authorised by the Chairman

TOWER  
Michael Stiassny  
Chairman  
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