

Notice of Annual Meeting



Notice is hereby given that the Annual Meeting of Shareholders of TOWER Limited (**TOWER** or the **Company**) will be held at:

Where the Hobson Room, Level 3, Alexandra Park, Green Lane West, Epsom, Auckland, New Zealand

When Thursday 11 February 2016 at 10.00am (New Zealand time).

Agenda

1. Chairman's review

Introduction and review by the Chairman in relation to the financial year ended 30 September 2015.

(See Explanatory Note re items 1 and 2)

2. Chief Executive Officer's review

Review by the Chief Executive Officer in relation to the financial year ended 30 September 2015.

(See Explanatory Note re items 1 and 2)

3. Appointment and remuneration of auditor

Resolution 1:

To record the reappointment of PricewaterhouseCoopers as auditor of TOWER Limited and to authorise the Directors to fix the auditor's remuneration for the coming year.

(See Explanatory Note re item 3)

4. Re-election and election of Directors

David Hancock and Steve Smith retire by rotation, and being eligible, offer themselves for re-election.

Warren Lee, having been appointed as a director by the Directors of TOWER Limited to fulfil a casual vacancy and being eligible, offers himself for election.

Accordingly, each by way of separate ordinary resolution:

Resolution 2:

To re-elect David Hancock as a director; and

Resolution 3:

To re-elect Steve Smith as a director; and

Resolution 4:

To elect Warren Lee as a director.

(See Explanatory Note re item 4 for biographical details)

5. General business

To consider any other business that may be properly brought before the Annual Meeting.

(See Explanatory Note re item 5)

Refreshments will be served following the Annual Meeting.

A handwritten signature in blue ink, appearing to read 'Bh Wilson'.

Brett Wilson
Chief Financial Officer

23 December 2015

Proxies

A Proxy Form is included with this Notice of Annual Meeting. A shareholder entitled to vote at the Annual Meeting but who cannot attend may appoint a Proxy to attend the Annual Meeting and vote on his or her behalf. A Proxy need not be a TOWER Limited shareholder.

To be valid, a completed Proxy Form (and any power of attorney under which it is signed) must be deposited with TOWER Limited no later than 10:00am (New Zealand time) on Tuesday 9 February 2016.

A completed Proxy Form may be deposited by posting in:

New Zealand to TOWER's Share Registry, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand, or

Australia to TOWER's Share Registry, Computershare Investor Services Pty Limited, GPO Box 3329, Melbourne, VIC 3001, Australia.

A Proxy Form may also be deposited by faxing it to +64 9 488 8787.

Alternatively you can appoint a proxy online by going to www.investorvote.co.nz, or if you have a Smartphone, by scanning the QR code on the first page of the proxy form and following the prompts.

Online and Smartphone proxy appointments must be received by 10:00am (New Zealand time) on Tuesday 9 February 2016. Please see your proxy form for further details.

Eligibility to vote

Any shareholder whose name is recorded in the TOWER Limited share register at the close of business on Monday 1 February 2016 is entitled to attend the Annual Meeting and vote either in person or by Proxy (subject to the time limits for returning Proxy Forms).

Ordinary resolutions of shareholders

An ordinary resolution is a resolution approved by a majority of 50% or more of votes of those shareholders entitled to vote and voting on the resolution.

Webcast

An audio webcast of the Annual Meeting will be played live on the TOWER website: www.tower.co.nz. It will also be available on the TOWER website for replay on demand shortly after the Annual Meeting.

RSVP and questions in advance of the meeting

Please fill out and return the RSVP form by Monday 1 February 2016 by using the enclosed pre-paid envelope if you are planning to attend the Annual Meeting. To assist TOWER Limited's Board to provide answers to questions from shareholders, TOWER is offering a facility for shareholders to submit questions in advance of the Annual Meeting on the RSVP form. Questions should relate to matters that are relevant to the Annual Meeting including matters arising from the financial reports and any general questions regarding the performance of TOWER. Individual responses to questions will not be provided, but the Chairman will, at the Annual Meeting, endeavour to address commonly raised questions. Alternatively, you can email your questions to: investor.relations@tower.co.nz

Explanatory Notes

These notes form part of the Notice of Annual Meeting

Explanatory Note re items 1 and 2:

Reviews by Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer will each give a presentation in respect of the financial year ended 30 September 2015. Events occurring after 30 September 2015 will also be discussed.

Shareholders can access a copy of the annual report for the year ended 30 September 2015 on TOWER's website, www.tower.co.nz

Highlights for the financial year ended 30 September 2015:

- Gross Written Premium \$305.6 million, up 2.7 percent.
- Underlying profit after tax of \$28.2 million supported by premium growth, and the absence of large claim events in the first half.
- Full year dividend 16.0 cps (unimputed), up 10.3 percent and on-market share buyback of up to \$34 million to continue.
- Pacific NPAT increased 17.4 percent to \$9.6 million, assisted by policy and premium growth and reduced claims.
- Expanded distribution alliances in New Zealand and the Pacific including the launch of Trade Me Insurance, providing access to new markets and a new way of operating.
- Canterbury rebuild achieved 95.6 percent of claims by volume, 88% by value, closed; approximately 700 claims remaining.
- Increase in Canterbury earthquake event provisions: the second half year increase in provisions relating to the February 2011 event resulted in a \$13.6 million decrease to profit after tax. The full year impact from strengthening Canterbury provisions resulted in a \$36.2 million decrease to profit after tax. This contributed to a reported net loss after tax of \$6.6 million.

Explanatory Note re item 3:

Appointment and remuneration of auditor (Resolution 1)

Section 207T of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The Company wishes PricewaterhouseCoopers to continue as the Company's auditor, and PricewaterhouseCoopers has indicated its willingness to do so.

Section 207S of the Companies Act 1993 provides that the fees and expenses of the auditor are to be fixed in such a manner as the Company determines at the Annual Meeting. The Board proposes that, consistent with past practice, the auditor's fees be fixed by the Directors.

TOWER's Board unanimously recommends that shareholders vote in favour of Resolution 1.

Explanatory Note re item 4:

Retirement of directors

Re-election and election of directors (Resolutions 2, 3 and 4)

The NZX Main Board/Debt Market Listing Rules and ASX Listing Rules require that at least one third of the directors or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. The directors to retire are those who have been longest in office since their last election.

Two directors are required to retire at this meeting. David Hancock, Steve Smith and Graham Stuart are the directors longest in office since their last election. David Hancock and Steve Smith, being eligible, offer themselves for re-election.

The NZX Main Board/Debt Market Listing Rules and ASX Listing Rules also require that any person appointed as a director by the Directors to fill a casual vacancy must retire at the next annual meeting. Accordingly, Warren Lee, who was appointed to the Board in May 2015 retires, and being eligible, offers himself for election.

Background details of the Directors offering themselves for re-election, or election, at this Annual Meeting are set out below.

David Hancock

BBus, GAICD
Non-Executive Director

David was Chief Executive Officer of TOWER from July 2013 to August 2015. David has over 25 years of broad experience in financial services. This experience includes being a former Executive General Manager at the Commonwealth Bank of Australia, with a variety of roles including capital markets, fixed income and equities.

He held several board positions at the bank including Commonwealth Securities (ComSec), as well as external professional board positions. Prior to that he served in roles at JPMorgan where he was a Managing Director with responsibilities in New Zealand, Australia and Asia across various operations.

David was the Interim Chief Executive Officer at Firstfolio Limited, an Australian listed financial services company. He holds a Bachelor of Business from the Queensland University of Technology, Brisbane.

David resides in Sydney, Australia.

TOWER's Board has determined that David is a non-independent director of the Company.

TOWER's Board unanimously recommends that shareholders vote in favour of Mr Hancock's re-election (Resolution 2).



Steve Smith

BCom, CA, Dip Bus (Finance), CFInstD
Non-Executive Director

Steve has been a professional Director since 2004. He has over 35 years business experience, including being a specialist corporate finance partner at a leading New Zealand accountancy firm. He has a Bachelor of Commerce and Diploma in Business from the University of Auckland, is a member of Chartered Accountants Australia and New Zealand and a Chartered Fellow of the Institute of Directors in New Zealand (Inc). Steve is Chairman of Hellaby Holdings Ltd, Spanbild Holdings Ltd and Pascaro Investments Ltd, and a Director of Fulton Hogan Ltd, Rimu S.A. (Chile), and the National Foundation for the Deaf Inc.

Steve resides in Auckland, New Zealand.

TOWER's Board has determined that Steve is an independent director of the Company.

TOWER's Board unanimously recommends that shareholders vote in favour of Mr Smith's re-election (Resolution 3).

**Warren Lee**

BCom, CA
Non-Executive Director

Warren has extensive experience and a long record of leadership in the international insurance industry, including 15 years at AXA in senior management positions within the company's Australian and Asian businesses. Warren's two most recent positions were Chief Executive Officer of the Victorian Funds Management Corporation and Chief Executive Officer, Australia and New Zealand for AXA Asia Pacific Holdings Limited. He has a Bachelor of Commerce from the University of Melbourne and is a member of Chartered Accountants Australia and New Zealand.

Warren resides in Melbourne, Australia

TOWER's Board has determined that Warren is an independent director of the Company.

TOWER's Board unanimously recommends that shareholders vote in favour of Mr Lee's election (Resolution 4).

**Explanatory Note re item 5:****General business**

There will be an opportunity to raise any other business that may be properly brought before the Annual Meeting which has not otherwise been addressed.

Directions to Alexandra Park
and parking details

Lodge your vote



By mail in New Zealand:

TOWER Share Registry
Computershare Investor Services Limited
Private Bag 92119, Auckland 1142, New Zealand



Or mail in Australia:

TOWER Share Registry
Computershare Investor Services Pty Limited
GPO Box 3329, Melbourne, VIC 3001, Australia



By Fax in New Zealand: +64 9 488 8787

By Fax in Australia: +61 3 9473 2500

For all enquiries contact



Freephone within New Zealand: 0800 222 065

Telephone within New Zealand: +64 9 488 8777

Freephone within Australia: 1800 501 366

Telephone within Australia: +61 3 9415 4083



corporateactions@computershare.co.nz

Proxy/Voting form

For your vote to be effective it must be received by **10:00 am** (New Zealand time) **Tuesday 9 February 2016**



Vote online: **www.investorvote.co.nz** available 24 hours a day, 7 days a week

Your secure access information

Control number:

CSN/Securityholder Number:

Please note: You will need your CSN/Securityholder Number and Postcode or country of residence (if outside New Zealand) to securely access Investorvote and then follow the prompts to appoint and exercise your vote online.



Smartphone?

Scan the QR code



How to Vote on Items of Business/Resolutions

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting of your holding

Direct your proxy how to vote by making the appropriate election, either online or on this Proxy Form, in respect of each item of business/resolution overleaf. If you do not make an election in respect of a resolution, your proxy may vote as he/she sees fit. If you make more than one election in respect of a resolution your vote will be invalid on that resolution.

Appointment of proxy

The Chairman of the Meeting or any Director is willing to act as a proxy for any shareholder who wishes to appoint him/her. To appoint the Chairman of the Meeting or any Director as your proxy write "The Chairman of the Meeting", or to appoint a

Director or another person as your proxy write the full name of that Director or the full name of such other person (as applicable) in the space allocated on the reverse of this form. If you do not appoint a proxy your Proxy Form will be invalid. Your proxy need not also be a shareholder. The Chairman and Directors intend to vote all discretionary proxies in favour of all resolutions.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

Signing Instructions for Proxy Forms

Individual

Where the holding is in one name, the securityholder must sign.

Joint Holding

Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

Companies

This form must be signed by a Director jointly with either another Director or an authorised officer, or a Sole Director can also sign alone. Please sign in the appropriate place and indicate the office held.

Comments and questions

If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

Please turn over to complete the form to vote

Proxy/Corporate Representative form

1 Step one appoint a Proxy to vote on your behalf

I/We being a member/s of TOWER Limited

hereby appoint of

or failing him/her of

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, the proxy will vote as he/she sees fit) at the Annual Meeting of TOWER Limited to be held at the Hobson Room, Level 3, Alexandra Park, Green Lane West, Epsom, Auckland, New Zealand on Thursday 11 February 2016 at 10.00am and at any adjournment of that meeting. If you wish, you may appoint as your proxy 'The Chairman of the Meeting'.

2 Step two Items of Business/Resolutions - Voting Instructions/Ballot Paper (if a Poll is called)

Please note: If you mark the Abstain box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolutions	FOR	AGAINST	PROXY DISCRETION	ABSTAIN
1 Appointment and remuneration of the Auditor: To record the reappointment of PricewaterhouseCoopers as auditor of TOWER Limited and to authorise the Directors to fix the auditor's remuneration for the coming year. (See Explanatory Note re item 3 / Resolution 1)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Re-election and election of Directors (by separate resolution)				
2 To re-elect David Hancock as a director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3 To re-elect Steve Smith as a director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4 To elect Warren Lee as a director	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3 Sign Signature of Securityholder(s)

This section must be completed

Securityholder 1

or Sole Director/Director

Contact name

Securityholder 2

or Director (if more than one)

Telephone (day)

Securityholder 3

or Director/Authorised Officer

Date

Attendance slip



Annual Meeting of TOWER Limited to be held at the Hobson Room, Level 3, Alexandra Park, Green Lane West, Epsom, Auckland, New Zealand on Thursday 11 February 2016 at 10.00am

RSVP



Annual Shareholder Meeting

Numbers attending

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Your questions regarding any matter relating to TOWER that may be relevant to shareholders are important to us. We invite you to record your questions on this form. Questions should relate to matters that are relevant to the Annual Shareholder Meeting, including matters arising from the financial reports and any general questions regarding the performance of TOWER. Alternatively, you can email your questions to investor.relations@tower.co.nz