

**TOWER SCHEME – VOTING AGREEMENT**  
**STRICTLY CONFIDENTIAL (SUBJECT TO CLAUSE 3)**

**DEED DATED [8 FEBRUARY]**

**2017**

**PARTIES**

- 1. Fairfax Financial Holdings Limited (the Bidder)**
- 2. Salt Funds Management Limited (the Shareholder)**

**BACKGROUND**

- A.** The Shareholder is the holder or controller of ordinary shares in Tower Limited (the **Target**) that are subject to a proposed scheme of arrangement by which the Bidder would acquire all of the ordinary shares in the Target.
- B.** This deed sets out the terms and conditions on which the Shareholder has agreed to vote in favour of the proposed scheme of arrangement.

**THIS DEED RECORDS THAT:**

**1. DEFINITIONS AND INTERPRETATION**

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**Definitions:** In this deed, unless the context indicates otherwise:

**Companies Act** means the Companies Act 1993 (NZ);

**Court** means the High Court of New Zealand;

**NZX** means NZX Limited and, where the context requires, the main board financial market that it operates;

**Scheme** means a scheme of arrangement under Part 15 of the Companies Act by which the Bidder would acquire all of the Target Shares for cash consideration of NZD\$1.17 per Target Share;

**Scheme Implementation Agreement** means an agreement between the Bidder and the Target dated on or about the date of this deed relating to implementation of the Scheme;

**Scheme Meeting** means any meeting of Target Shareholders for the purposes of section 236A(2)(a) of the Companies Act ordered by the Court to be convened under section 236(2)(b) of the Companies Act (and includes any adjourned meeting);

**Specified Shares** means those Target Shares held or controlled by the Shareholder as at the date of this deed, being 16,965,182 Target Shares which represent 10.059% of the Target Shares;

**Target Share** means a fully paid ordinary share in the Target; and

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**Target Shareholder** means each person who is registered as the holder of a Target Share from time to time.

## **2. VOTING THE SPECIFIED SHARES**

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**2.1 Number of Target Shares:** The Shareholder acknowledges that it holds or controls the Specified Shares and that the Specified Shares are subject to the Scheme.

**2.2 Specified Shares:** The Shareholder:

- (a) will vote, or will appoint the chairman of the Target as its proxy and direct the chairman to vote, the Specified Shares in favour of any resolution to be put to the Target Shareholders at the Scheme Meeting to approve or otherwise facilitate the Scheme (or any resolution put to a subsequent meeting of Target Shareholders to approve or otherwise facilitate an alternative increased proposal from the Bidder); and
- (b) will not:
  - (i) dispose of, or agree to dispose of, or encumber any of the Specified Shares (or any interest in them);
  - (ii) enter into any discussions or negotiations relating to the possible disposal of the Specified Shares; or
  - (iii) except as required by (a) above, fetter its right to vote the Specified Shares.

## **3. CONFIDENTIALITY**

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The Shareholder will keep this deed and its terms confidential until:

- (a) the Bidder lodges a substantial product holder notice with the NZX in relation to the Specified Shares; or
- (b) the Bidder or the Target otherwise announces the existence of this deed and its terms to the NZX and/or in the Scheme materials,

whichever is earlier.

## **4. WARRANTIES**

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**4.1 Power to Enter Into Deed:** Each party warrants and represents to the other that it has the legal right, authority and full power to enter into this deed and to perform its obligations under it and has taken all necessary corporate and other action to authorise this deed's execution, delivery and performance.

**4.2 Binding Obligation:** Each party warrants and represents to the other that this deed constitutes valid and binding obligations enforceable against that party in accordance with its terms.

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## **5. GENERAL**

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**5.1 Costs:** Each party will bear its own costs and expenses in connection with the negotiation, preparation and implementation of this deed.

**5.2 Entire Agreement:**

(a) This deed records the entire agreement and understanding between the parties relating to the matters dealt with in this deed. This deed supersedes all previous agreements or understandings (whether written, oral or both) between the parties relating to such matters.

(b) The parties acknowledge that:

- (i) this deed has been concluded on commercial, arms' length terms;
- (ii) other than as set out in this deed, there are no ongoing covenants between the parties; and
- (iii) the legal relationship between the parties will cease on the implementation of the Scheme.

**5.3 Termination:**

(a) Notwithstanding clause 2, this deed will automatically terminate if the Scheme Implementation Agreement terminates.

(b) Termination of this deed will be without prejudice to either party's rights and remedies in respect of any breach by the other party occurring before such termination.

**5.4 Counterparts:** This deed may be signed in any number of counterpart copies which, read together, will constitute one and the same document. Any party may enter into this deed by signing any such counterpart.

**5.5 Amendments:** No amendment to this deed will be effective unless it is in writing and signed by all parties.

**5.6 Governing Law and Jurisdiction:** This deed is governed by the laws of New Zealand. The parties submit to the exclusive jurisdiction of the New Zealand courts in respect of all matters relating to this deed.

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**EXECUTED AND DELIVERED AS A DEED**

**SIGNED** on behalf of **Fairfax Financial Holdings Limited** by:

[signature]

\_\_\_\_\_  
Signature of director/authorised signatory

[Paul Rivett]

\_\_\_\_\_  
Name of director/authorised signatory

In the presence of:

[signature]

[Christos Gazeas]

**SIGNED** on behalf of **Salt Funds Management Limited** by:

[signature]

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Signature of director

[Matthew Goodson]

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Name of director