

## Disclosure of beginning to have substantial holding

*Section 276, Financial Markets Conduct Act 2013*

**To** NZX Limited

and

**To** Tower Limited

Date this disclosure made: 22 February 2017

Date on which substantial holding began: 22 February 2017

### **Substantial product holder giving disclosure**

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

### **Details of relevant interests**

Details for Vero:

Nature of relevant interest: Power to acquire 18,782,107 ordinary shares. There is no relevant agreement to be attached.

For that relevant interest,—

- (a) number held in class: 18,782,107
- (b) percentage held in class: 11.136%
- (c) current registered holder(s): Various holders
- (d) registered holder once transfers are registered: Vero

### **Details of transactions and events giving rise to substantial holding**

Details of the transactions or other events requiring disclosure:

On 22 February 2017, Vero agreed to purchase 18,782,107 ordinary shares in Tower Limited on-market from various holders at a sale price of \$1.30 per Share (total

consideration of \$24,416,739.10) ("**Transaction**"). Settlement of the Transactions is to occur on 27 February 2017.

In connection with the Transaction, 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, Vero sells shares acquired in the Transaction 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, 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 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.

**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](mailto: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.