

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Tower Limited (*Tower*)

ABN

088 481 234

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares in Tower (<i>New Shares</i>). |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 84,331,075 New Shares to be issued on 23 October 2019 pursuant to the terms of an underwritten pro rata renounceable offer (the <i>Offer</i>) announced on ASX on 24 September 2019. |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | The New Shares will have the same terms as the existing quoted fully paid shares in Tower. |

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<p>4 Do the ⁺securities rank equally in all respects from the ⁺issue date with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional ⁺securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the New Shares will rank equally in all respects from the issue date with the existing class of quoted securities.</p>
<p>5 Issue price or consideration</p>	<p>NZ\$0.56 per New Share (or AU\$0.54 per New Share per Australian eligible shareholder)</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>To fund Tower's proposed acquisition of Youi NZ Pty Limited's insurance portfolio and associated capital requirements for new policies and to strengthen capital position.</p>
<p>6a Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the ⁺securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>N/A</p>
<p>6b The date the security holder resolution under rule 7.1A was passed</p>	<p>N/A</p>
<p>6c Number of ⁺securities issued without security holder approval under rule 7.1</p>	<p>N/A</p>
<p>6d Number of ⁺securities issued with security holder approval under rule 7.1A</p>	<p>N/A</p>

⁺ See chapter 19 for defined terms.

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A				
6f	Number of +securities issued under an exception in rule 7.2	N/A				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A				
7	<p>+Issue dates</p> <p><small>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</small></p> <p><small>Cross reference: item 33 of Appendix 3B.</small></p>	23 October 2019.				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Number</th> <th style="width: 50%;">+Class</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;">After allotment of the New Shares, there will be up to 421,655,375 fully paid ordinary shares quoted on ASX.</td> <td style="vertical-align: top;">Fully paid ordinary shares</td> </tr> </tbody> </table>	Number	+Class	After allotment of the New Shares, there will be up to 421,655,375 fully paid ordinary shares quoted on ASX.	Fully paid ordinary shares
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<p>9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)</p>	<p>Number N/A</p>	<p>+Class N/A</p>
<p>10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)</p>	<p>50 – 70% of reported NPAT, where prudent to do so.</p>	

Part 2 - Pro rata issue

<p>11 Is security holder approval required?</p>	<p>No.</p>	
<p>12 Is the issue renounceable or non-renounceable?</p>	<p>Renounceable.</p>	
<p>13 Ratio in which the +securities will be offered</p>	<p>1 New Share for every 4 fully paid ordinary shares held by each eligible shareholder as at the record date for the Offer.</p>	
<p>14 +Class of +securities to which the offer relates</p>	<p>Fully paid ordinary shares.</p>	
<p>15 +Record date to determine entitlements</p>	<p>7 pm (New Zealand time) on 2 October 2019.</p>	
<p>16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?</p>	<p>No.</p>	
<p>17 Policy for deciding entitlements in relation to fractions</p>	<p>Rounded down.</p>	
<p>18 Names of countries in which the entity has security holders who will not be sent new offer documents</p> <p><small>Note: Security holders must be told how their entitlements are to be dealt with.</small></p> <p><small>Cross reference: rule 7.7.</small></p>	<p>All countries other than New Zealand and Australia.</p>	
<p>19 Closing date for receipt of acceptances or renunciations</p>	<p>7 pm (New Zealand time) on 15 October 2019.</p>	

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20	Names of any underwriters	Goldman Sachs New Zealand Limited
21	Amount of any underwriting fee or commission	Commission N/A. An agreed arms-length fee applies for all services in connection with the Offer.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	An Offer Booklet and personalised entitlement and acceptance form will be sent to eligible shareholders by 3 October 2019.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	1 October 2019.
29	Date rights trading will end (if applicable)	9 October 2019.
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Entitlements will not be quoted on ASX and cannot be traded on ASX. Eligible shareholders may sell some or all of their entitlements on the NZX Main Board in accordance with the listing rules of the NZX.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Entitlements will not be quoted on ASX and cannot be traded on ASX. Eligible shareholders may sell some or all of their entitlements on the NZX Main Board in accordance with the listing rules of the NZX.

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- 32 How do security holders dispose of their entitlements (except by sale through a broker)? Eligible shareholders may sell some or all of their entitlements off-market using a securities renunciation form or in some other manner approved by Tower.
- 33 ⁺Issue date 23 October 2019

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ⁺Securities described in Part 1
- (b) All other ⁺securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

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Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought N/A

39 +Class of +securities for which quotation is sought N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A


	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	N/A

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Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 24 September 2019
(Company secretary)

Print name: Hannah Snelling

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