



Tower Limited

# Corporate Disclosure Policy

November 2021



## 1. Introduction

- 1.1 This Corporate Disclosure Policy (**Policy**) sets out principles and guidelines to be followed by Tower Limited's (**Tower**) executive and non-executive directors, officers, employees, consultants and contractors (collectively called **Personnel**) when disclosing information to the market or other stakeholders.
- 1.2 The policy aims to embrace best practice and to meet all applicable statutory and listing rule obligations and guidance. Tower is listed on the New Zealand Stock Exchange (NZX) and is a 'Foreign Exempt' listed entity on the Australian Securities Exchange (ASX). As a Foreign Exempt entity, Tower must comply with the Listing Rules of its Primary Exchange (NZX), and is also required to disclose all matters to the ASX that are disclosed to the NZX.
- 1.3 This policy establishes and implements:
  - Procedures allowing for continuous, full and open disclosure of all Material Information (as defined at clause 4.3 of this Policy) to stakeholders and the market in accordance with Tower's continuous disclosure obligations;
  - Methods of corporate disclosure providing for the release of information to all stakeholders and the market in a manner designed to reach the widest public audience possible in a timely manner; and
  - Corporate practices aimed at providing effective communication to enhance the relationship between Tower and the investment community.
- 1.4 This Policy should be read alongside Tower's Insider Trading and Market Manipulation Policy.

## 2. Tower's commitment to continuous, full and open disclosure

- 2.1 Tower supports its commitment to continuous, full and open information disclosure through:
  - The Board considering (as a standing agenda item at each Board meeting) whether there is material information that requires disclosure;
  - Compliance with its continuous disclosure obligations under the NZX Main Board Listing Rules and, to the extent applicable, the ASX Listing Rules;
  - Effective media relations;
  - Briefings to analysts and investors using information that is publicly available or non-material;
  - Regular information communications with stakeholders; and
  - Ensuring that all stakeholders have equal and timely access to information publicly issued by Tower.

## 3. Responsibilities of Management and Disclosure Sub-Committee

- 3.1 The responsibilities of the Chief Executive Officer and Chief Risk Officer are to:
  - ensure Tower complies with this policy and its continuous disclosure obligations;



- ensure that Tower's Management and Personnel are aware of this policy and seek to ensure that they promptly provide the Chief Risk Officer with all Material Information and otherwise comply with this policy;
  - review information provided to and otherwise obtained by the Chief Risk Officer or Chief Financial Officer from Tower's reporting systems to determine whether the information is Material Information and should be disclosed to the NZX and ASX; and
  - review and approve proposed external announcements for release to the NZX and ASX, in consultation with the Board.
- 3.2 The Chief Executive Officer and Chief Risk Officer will be responsible for ensuring that all continuous disclosure matters are referred to the Board in the appropriate manner for consideration.
- 3.3 Tower's Board may appoint a Disclosure Sub-Committee to consider continuous disclosure obligations and decide when a matter relating to Tower must be disclosed. Alternatively, Tower's Board may make such decision itself. If a sub-committee is asked to decide on a disclosure matter, the sub-committee will consist of the following members:
- 3.3.1 Tower Limited Chair (with the Chairs of the Tower Limited Audit Committee & Risk Committee as alternate where appropriate / necessary due to availability);
  - 3.3.2 two other members of the Tower Board; and
  - 3.3.3 any other Board members or Tower management that the Board deems appropriate.
- 3.4 The Board or Disclosure Sub-Committee (where applicable) will make the final determination about whether information must be disclosed in accordance with Tower's continuous disclosure obligations. The Board or the Disclosure Sub-Committee may make this determination in accordance with advice received from legal counsel where appropriate.

## 4. Disclosure of information

### ***What information must be disclosed?***

- 4.1 Tower is subject to the continuous disclosure rules contained in the NZX Main Board Listing Rules, which must be followed in respect of disclosing Material Information to the market.
- 4.2 The NZX Main Board Listing Rules require that once Tower is or becomes Aware of any Material Information (as described below) concerning Tower or its securities, Tower must promptly and without delay notify the NZX and ASX of that information, unless an exception applies.

### ***Material Information***

- 4.3 Material Information is any information that is not generally available to the public and that, if the information were generally available, a reasonable person would expect to have a Material Effect (as described below) on the price or value of the Tower securities. More information is available in Tower's Insider Trading and Market Manipulation Policy.
- 4.3.1 A "reasonable person" is a person who commonly invests in securities and holds those securities for a period of time based on their view of the inherent value of the securities.

- 4.3.2 Whether a particular price movement constitutes a "Material Effect" on the price or value of the securities will vary depending on the specific characteristics of the security (e.g.: whether it is liquid or illiquid) and the issuer (e.g. the issuer's size). For example, a price movement of 10% or more in a quoted security will generally be evidence that information has had a material effect on the price. Price movements between 5% and 10% may be evidence of a material effect, depending on the circumstances.
- 4.3.3 Tower will have "become Aware" of Material Information if and as soon as one of its directors or Senior Managers (as defined in the Financial Markets Conduct Act 2013) has or ought reasonably to have come into possession of the information in the course of the performance of his or her duties as a director or executive officer.
- 4.4 All Personnel who become aware of information that is or may be Material Information to must immediately bring such information to the attention of the Chief Financial Officer or Chief Risk Officer. Every director and executive officer who becomes aware of information must at all times consider whether that information is Material Information and should be disclosed.
- 4.5 Any disclosure made to NZX will be made to ASX (and vice versa) as soon as reasonably practicable after that.
- 4.6 Tower must avoid entering into any obligation which may prejudice its ability to freely comply with its continuous disclosure obligations to the extent that it is reasonably possible without causing a material adverse effect on Tower's business.

#### ***Examples of Material Information***

- 4.7 Types of Material Information which may require disclosure include, but are not limited to:
- Change in financial information (including current position or performance) or forecasts;
  - The fact that Tower's actual or projected earnings will be materially different from market expectations;
  - Changes in credit rating;
  - Changes in the Tower Limited Board of Directors, Chair, Senior Managers, or Auditor;
  - Mergers, acquisitions, divestments, joint ventures or changes in assets;
  - Transactions for which the consideration exceeds 5% of the value of Tower's consolidated assets. A transaction with a lower value could be significant depending on the circumstances;
  - Major litigation;
  - Giving or receiving notice of an intention to make a takeover;
  - Details of any arrangements (even if not material) between any Tower company and a Tower Limited director or person associated with a director;
  - Events regarding Tower shares e.g. calls, buybacks, stock splits, declaration of dividends or distributions, and changes in dividend policy;
  - Public or private sales of additional shares or securities;
  - Under or over subscription to an issue of securities;



- Appointment of a receiver, manager or liquidator in respect of any loan or security held by a Tower company;
- Entry into, termination or variation of material contracts;
- Proposed changes in the general nature of Tower's business;
- Changes in industry, market or regulatory or political conditions which is likely to have a material effect on Tower; and
- Issues of equity securities, or entry into an agreement to issue equity securities should always be considered material.

4.8 The above examples are **indicative only and are not exhaustive**. If in doubt as to whether information is sufficiently material, the Chief Risk Officer and Chief Executive Officer should take a conservative view and report it to, or discuss it with, the Board or Disclosure Sub-Committee (where applicable). In considering whether information is material, the Disclosure Sub-Committee should have regard to guidelines issued by the NZX and ASX that relate to an entity's continuous disclosure obligations (including NZX's Guidance Note on Continuous Disclosure last updated in December 2020 and supporting practice notes and ASX's Guidance Note 8 Continuous Disclosure last updated in June 2021) as amended or updated from time to time.

## 5. Exceptions to disclosure

5.1 Information that may otherwise need to be disclosed can be withheld when:

- A reasonable person would not expect the information to be disclosed; and
- The information is confidential and its confidentiality is maintained; and
- One of the following applies:
  - The release of information would be a breach of the law;
  - The information concerns an incomplete proposal or negotiation;
  - The information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - The information is generated for internal management purposes of Tower;<sup>1</sup> or
  - The information is a trade secret.

5.2 All three elements set out above must be satisfied before the exception to the continuous disclosure obligation applies. Should any of these elements no longer be satisfied, Tower must immediately disclose the information to NZX and ASX in accordance with this policy.

5.3 A reasonable person would not expect the information to be disclosed if the release of the information would:

- Unreasonably prejudice the issuer; or

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<sup>1</sup> ASX's Guidance Note 8 Continuous Disclosure notes that information in relation to internal budgets or earnings projections which are generated for internal management purposes and, provided they remain confidential and clearly fall within the carve-outs to immediate disclosure in ASX Listing Rule 3.1A, are not required to be disclosed to the market. However, see further ASX's further comments regarding Earnings Guidance in its Guidance Note 8 Continuous Disclosure.



- Provide no benefit to a person who commonly invests in securities

- 5.4 It is imperative that all Material Information be immediately disclosed to the Chief Risk Officer or Chief Executive Officer, who must distribute it to the Board or the members of the Disclosure Sub-Committee (where applicable). Only the Board or the Disclosure Sub-Committee (where applicable) can decide that a matter should not be disclosed because it falls within an exemption. However, to assist the Board or the Disclosure Sub-Committee (where applicable) in making these decisions, the Chief Risk Officer/Chief Executive Officer should provide details as to why he or she considers the information falls within an exemption and as a result should not be disclosed.
- 5.5 Access to confidential information will be provided to Tower Personnel on a strictly 'need to know' basis. Continuous disclosure obligations will be reinforced to Personnel. The Chief Executive Officer or Disclosure Sub-Committee (where applicable) may determine that non-disclosure agreements should be signed by Personnel in some circumstances to safeguard the confidentiality of corporate information.

## 6. When Material Information must be disclosed

- 6.1 Tower has an obligation to immediately (i.e.: promptly and without delay) disclose any Material Information about Tower or its securities once it becomes aware of it, regardless of whether that information originated from within Tower or not.
- 6.2 Tower may receive information about an event over time. It may not be possible for Tower to determine the materiality of the information based on the initial information. However, Tower must disclose the information as soon as it receives additional information that determines that the information is Material Information that requires disclosure.
- 6.3 Where a decision or recommendation is incomplete until it is signed off or approved by Tower's board, Tower will prepare an announcement in advance so that it can be released immediately after board sign-off.
- 6.4 If Tower becomes aware of Material Information outside of NZX and/or ASX's operating hours, Tower will provide the announcement to NZX and ASX via the market announcement platform at the same time as the information is publicly released or as soon as reasonably practicable after that, provided that the announcement is provided for release prior to next market open. The Material Information must be released on NZX and ASX before being released to any other party.
- 6.5 Tower may need to request a trading halt to meet its continuous disclosure obligations in some circumstances, until an announcement can be prepared and released, or where there is information that is publicly available that Tower needs to respond to or correct. The Board or the Disclosure Sub-Committee (where applicable) will determine whether a trading halt is necessary. Trading halts are approved at the discretion of NZX and ASX and should not be sought without the approval of the Chief Executive Officer and the Board or Disclosure Sub-Committee (where applicable).

## 7. Disclosure of Material Information

- 7.1 The Board or the Disclosure Sub-Committee (where applicable) is responsible for determining what information will be disclosed to the market. A quorum of the Board or three members of the Disclosure Sub-Committee (where applicable) is needed to make a determination.
- 7.2 The Chief Risk Officer or Chief Executive Officer should immediately report all Material Information to the Board or the Disclosure Sub-Committee (where applicable). The report may be written or oral and must



contain sufficient details to allow the Board or the Disclosure Sub-Committee (where applicable) to form a view as to whether the information is material and to prepare the appropriate form of disclosure, if necessary. The Chief Risk Officer or Chief Executive Officer should also state for each matter whether they consider the information falls within an exemption and as a result should not be disclosed and the reasons for forming that view (see section 5 above).

- 7.3 Once a determination is made by the Board or Disclosure Sub-Committee (where applicable) that information is Material and there is a duty to disclose that information, it will be disclosed immediately to the market via the NZX and ASX. The Governance Team is responsible for making the disclosure via the relevant Market Announcement Platforms.
- 7.4 Once Tower has received confirmation that the information has been received by NZX and ASX, the information will then be distributed, as appropriate, to Tower Personnel, relevant investor relation and media contact lists and placed on Tower's website.

#### ***Urgent market announcements***

- 7.5 If a sudden or unexpected event occurs and it is a matter of urgency that Material Information is disclosed, the Tower Limited Board Chair has the authority to agree and sign off urgent market announcements. In the event that the Tower Limited Board Chair is not available, Tower's Chief Executive Officer will have authority.

#### ***Correction of misinformation***

- 7.6 The Chief Executive Officer and the Chief Risk Officer will also monitor any misinformation about Tower that is referred to it that could materially affect the price or value of Tower's shares and determine whether a corrective statement should be issued to NZX and ASX to prevent a false market for Tower securities. Where Tower does not have Material Information with which to respond to a rumour, the best course may be to simply confirm that Tower is in full compliance with its continuous disclosure obligations. However, Tower will promptly and without delay release to NZX/ASX Material Information to the extent necessary to prevent the development or subsistence of a market for its securities which is materially influenced by false or misleading information emanating from Tower, or an associated person of Tower or other persons in circumstances which would give such information substantial credibility, which is of a reasonable specific nature whether or not an exception to disclosure rules applies.

## **8. Disclosure to media, investment professionals and stakeholders**

### ***Authorised Spokespersons***

- 8.1 In order to ensure full, open and consistent disclosure of information to the media and financial markets, only the following people are authorised to speak with the media, investment professionals or stakeholders on matters subject to this policy:
  - Tower Limited Board Chair;
  - Chief Executive Officer;
  - Chief Risk Officer or Chief Financial Officer, when authorised by the Tower Limited Board Chair or Chief Executive Officer;
  - Head of Corporate Affairs and Reputation when authorised by the Chief Executive Officer; and

- Any other member of the Executive Leadership Team when authorised by the Chief Executive Officer in which case their communications will be limited to their area of expertise.
- 8.2 Where practical, a minimum of two of the above Personnel should be present at any meeting with any analysts or market participants, and a record will be kept of all such meetings.
- 8.3 Authorised spokespersons must ensure that no non-public Material Information is inadvertently disclosed during any communication, briefing or meeting. If Material Information is disclosed, Tower must release the Material Information to the NZX and ASX promptly and without delay, and thereafter, as appropriate, on its website.
- 8.4 Tower must ensure that it does not give analysts or other select groups of market participants any material price sensitive non-public information at any time, for example, during analyst briefings, answering analysts' questions or reviewing draft analyst research reports. It is permissible to clarify or correct any errors of interpretation that analysts make concerning already publicly available information, but only to the extent that the clarification or correction does not itself amount to giving the analyst material non-public information (such as correcting market expectations about profit forecasts).
- 8.5 In order to preserve transparency and confidence in Tower's disclosure practices, all information given to analysts at a briefing, such as presentation slides, should also be given to the Governance Team prior to the briefing, for immediate release to the NZX and ASX and then posted on Tower's website, as appropriate. The information must always be released to the NZX and ASX before it is presented at the briefing.
- 8.6 Slides from other public speeches by a Director or Senior Manager, such as at an industry seminar, which relate to Tower or its business should also be made available in this way. Tower may provide web-cast access through its website to Tower briefings and other events such as general meetings if convenient.

### ***The media and market speculation***

- 8.7 Tower's general policy in responding to media / market speculation and rumour is one of "no comment", subject to complying at all times with Tower's continuous disclosure obligations. This policy must be observed by Personnel at all times. All speculation and rumours must be reported to the Disclosure Sub-Committee.
- 8.8 Notwithstanding Tower's "no comment" policy, Tower may issue a statement in relation to a media or analyst report or market speculation or rumour where:
- (a) It is necessary to prevent a market being materially influenced by false or misleading information emanating from:
    - i. Tower or persons associated with it; or
    - ii. Other persons in circumstances where the information would appear to have substantial credibility;
  - (b) There are factual errors that could materially affect Tower or its shareholders;
  - (c) The speculation or rumour indicates that the subject matter is no longer confidential and therefore the exception to disclosure set out in the NZX Main Board Listing Rules no longer applies;
  - (d) Tower is required to respond to a formal request from NZX / ASX for information; or
  - (e) The Disclosure Sub-Committee considers that it is appropriate to make a disclosure in the circumstances.
- 8.9 In these circumstances, the Board or Disclosure Sub-Committee (where applicable) will decide on the appropriate response.





8.10 Tower will not provide “exclusive” interviews or stories to the media that contain previously undisclosed Material Information nor will it provide previously undisclosed Material Information to the media “off the record”. If previously undisclosed Material Information is inadvertently disclosed to the media, that information must be released to the NZX and ASX promptly and without delay and thereafter on Tower’s website, as appropriate.

### **Review of Analysts' reports**

8.11 Tower is not responsible for, and does not endorse, reports by analysts commenting on Tower.

8.12 Tower does not incorporate reports of analysts in its corporate information, including on its website (this also extends to hyperlinks to websites of analysts).

8.13 If an analyst sends a draft report to Tower for comment:

- (a) Personnel must immediately send it to the Chief Executive Officer or the Chief Financial Officer (if the Chief Executive Officer is unavailable);
- (b) any response to it will not include price-sensitive information that has not been disclosed to the market;
- (c) it will only be reviewed to correct factual inaccuracies on historical matters; and
- (d) no comment will be made on any profit forecasts contained in it.

8.14 Any correction of a factual inaccuracy does not imply that Tower endorses an analyst research report.

8.15 A standard disclaimer will be made in any response to an analyst.

## **9. Dealing with leaks**

9.1 Tower’s general policy on responding to all suspected leaks is one of “no comment”, subject to complying at all times with Tower’s continuous disclosure obligations. This policy must be observed by Personnel at all times. All suspected leaks must be referred immediately to the Head of Corporate Affairs and Reputation, Chief Risk Officer, and the Chief Executive Officer so that a decision can be made on the appropriate handling of the incident. The CEO will immediately advise the Board Chair of the suspected leak and keep the Chair updated as to any material developments.

## **10. Compliance with this policy**

10.1 Tower takes its business reputation seriously. Failure to comply with this policy may lead to disciplinary action and in serious cases, dismissal. Any breach of this policy should be reported to the Chief Risk Officer.

10.2 Personnel should be aware that any breaches of this policy may also attract civil or criminal legal penalties.

## **11. Questions**

11.1 Questions about this policy should be directed to the Chief Risk Officer.

## **12. Policy Review**

12.1 This policy will be reviewed every **two** years. If material change is required, it may be reviewed more frequently.