

Dear Shareholder

Tower Annual Shareholder Meeting – Thursday 30 March 2017

Please find enclosed a Notice of Meeting and Proxy Form for Tower's Annual Shareholder Meeting, to be held at 10.00am on Thursday 30 March 2017.

The Annual Shareholder Meeting is required to be held under the New Zealand Companies Act. At this meeting, the Company's performance for the year ending 30 September 2016 will be presented and shareholders will be able to:

- Vote on the re-election of directors and the re-appointment and remuneration of auditors
- Ask questions about Tower's performance

Please read the Notice of Meeting carefully and – if required – fill in and return the Proxy Form as directed.

Tower subject to competing takeover offers

As many shareholders will be aware, Tower Limited is currently the subject of two competing takeover offers.

On 9 February 2017, Tower announced it had entered into a Scheme Implementation Agreement with Fairfax Financial Holdings Limited (the "Fairfax proposal"). Under this agreement, Fairfax will acquire 100% of Tower shares at \$1.17 per share.

On 22 February 2017, Tower received a non-binding indicative offer from Suncorp Group Limited (via its wholly-owned subsidiary, Vero Insurance New Zealand Limited) to acquire 100% of Tower shares at an indicative cash price of \$1.30 per share.

The Tower Board of Directors is currently reviewing all options and will provide additional information to shareholders in due course. A Special Meeting will then be called to enable shareholders to vote on the recommended proposal.

Tower Special Meeting – date to be announced

As noted, a Special Meeting is required to enable shareholders to vote on the recommended proposal. The date of that meeting is yet to be determined but is likely to be in late April 2017.

At this meeting, shareholders will be able to:

- Ask questions about the recommended proposal
- Vote on the recommended proposal

Prior to this meeting, Tower will distribute detailed information about the recommended proposal, including the Independent Adviser's Report commissioned by the Tower Board of Directors.

For the recommended transaction to proceed, it must be supported by at least 75% of votes cast, representing more than 50% of the total voting rights of the company.

Signing up to receive electronic communications

Given the short timeframe and the potential for postal delivery delays, Tower is encouraging all shareholders to register to receive Special Meeting and subsequent information electronically. Simply log in to www.investorcentre.com/nz. Select 'My profile' and click on the 'update' button on the communication preferences tile. You will need your CSN or Holder Number and FIN to access the Investor Centre and register your account. Alternatively you can email tower@computershare.co.nz requesting to receive information electronically. If you have any questions regarding the electronic registration process, please contact Computershare at 0800 222 065.

The board and management of Tower thank you for your continued support.



Michael Stiasny
Chair, Tower Limited