

# Notice of Annual Meeting



## Dear Shareholder

On behalf of the Tower Board of Directors I am pleased to invite you to our 2018 Annual Shareholder Meeting.

We encourage shareholders to take this opportunity to learn more about the business you have a stake in.

At this meeting, we will update you on the business' progress over the last financial year, but more importantly we will share our vision and plans to accelerate Tower's transformation into a digital challenger brand.

If you are unable to attend in person, you are welcome to listen to the Annual Meeting webcast online at [www.tower.co.nz/investor-centre](http://www.tower.co.nz/investor-centre).

**Where** Guineas Room 3, Ellerslie Event Centre, Ellerslie Racecourse, 80 Ascot Avenue, Auckland, New Zealand

**When** Thursday 1 March 2018 at 2.00pm (New Zealand time).

## Agenda

### 1. Chairman's review

Introduction and review by the Chairman in relation to the financial year ended 30 September 2017.

(See Explanatory Note re items 1 and 2)

### 2. Chief Executive Officer's review

Review by the Chief Executive Officer in relation to the financial year ended 30 September 2017.

(See Explanatory Note re items 1 and 2)

### 3. Appointment and remuneration of auditor

By ordinary resolution:

#### Resolution 1:

To record the reappointment of PricewaterhouseCoopers as auditor of Tower and to authorise the Directors to fix the auditor's remuneration for the coming year.

(See Explanatory Note re item 3)

### 4. Retirement, re-election and election of Directors

David Hancock retires as director and does not seek re-election.

Steve Smith retires by rotation, and being eligible, offers himself for re-election.

The Directors put forward Wendy Thorpe for election on the basis described in the explanatory notes.

(See Explanatory Note re Item 4)

Accordingly, each by separate ordinary resolution:

#### Resolution 2:

To re-elect Steve Smith as a director.

#### Resolution 3:

To elect Wendy Thorpe as a director.

(See Explanatory Note re item 4 for biographical details)

### 5. General business

To consider any other business that may be properly brought before the Annual Meeting.

(See Explanatory Note re item 5)

Refreshments will be served following the Annual Meeting.

A handwritten signature in black ink, appearing to read "Michael Stiasny".

Michael Stiasny

Chairman

13 February 2018

### **How do I appoint a Proxy?**

A Proxy Form is included with this Notice of Annual Meeting. A shareholder entitled to vote at the Annual Meeting but who is unable to attend may appoint a Proxy to attend the meeting, to act generally and vote on their behalf. A Proxy does not need to be a Tower shareholder. You may appoint the Chair of the Meeting as your Proxy. The Chair intends to vote any discretionary proxies in favour of the resolutions.

To be valid, a completed Proxy Form (and any power of attorney under which it is signed) must be deposited with Tower no later than 2:00pm (New Zealand time) on Tuesday 27 February 2018.

### **Where do I send the Proxy Form?**

A completed Proxy Form may be deposited by posting in:

**New Zealand** to Tower's Share Registry, Computershare Investor Services Limited, Private Bag 92119, Auckland 1142, New Zealand, or

**Australia** to Tower's Share Registry, Computershare Investor Services Pty Limited, GPO Box 3329, Melbourne, VIC 3001, Australia.

A Proxy Form may also be deposited by faxing it to +64 9 488 8787 in New Zealand, or + 61 3 9473 2555 in Australia.

Alternatively you can appoint a proxy online by going to [www.investorvote.co.nz](http://www.investorvote.co.nz), or if you have a Smartphone, by scanning the QR code on the first page of the proxy form and following the prompts.

Online and Smartphone proxy appointments must be received by 2:00pm (New Zealand time) on Tuesday 27 February 2018. Please see your proxy form for further details.

### **How do I know if I'm eligible to vote?**

If you're a shareholder whose name is recorded in the Tower share register at the close of business on Tuesday 27 February 2018, you are entitled to attend the Annual Meeting and vote either in person or by Proxy (subject to the time limits for returning Proxy Forms).

### **Resolutions**

All of the resolutions are ordinary resolutions. An ordinary resolution is a resolution approved by a majority of 50% or more of votes of those shareholders entitled to vote and voting on the resolution. Motions from the floor will not be allowed unless they are consistent with the meeting agenda.

### **Can I attend the meeting online?**

An audio webcast of the Annual Meeting will be played live on the Tower website: [www.tower.co.nz](http://www.tower.co.nz). It will also be available on the Tower website for replay on demand shortly after the Annual Meeting.

You will not be able to log in and ask questions via an online portal during the meeting. If you wish to ask questions, we encourage you to attend the meeting or appoint a Proxy to attend for you.

# Explanatory Notes

These notes form part of the Notice of Annual Meeting

## **Explanatory Note re items 1 and 2: Reviews by Chairman and Chief Executive Officer**

The Chairman and Chief Executive Officer will each give a presentation in respect of the financial year ended 30 September 2017. Events occurring after 30 September 2017 will also be discussed.

Shareholders can access a copy of the annual report for the year ended 30 September 2017 on Tower's website, [www.tower.co.nz](http://www.tower.co.nz).

Features of the financial year ended 30 September 2017:

- Reported full year loss after tax of \$8 million impacted by Canterbury provisions, Kaikoura earthquake and corporate transaction activity
- Business initiatives driving improvements in core metrics demonstrating transformation is advancing well, providing confidence in strategy and future performance targets
- Further progress on Canterbury Earthquake claims with the number of open claims reducing by 241, down from 564 to 323
- The Tower Board determined that an additional \$70.8 million capital was required to enable investment in the business and manage inherent balance sheet risks
- Capital was raised via pro-rata renounceable entitlement offer at a ratio of 1 New share for every 1 Existing share held. Issue price of NZ\$0.42 cents.
- Tower's Board remains strongly committed to paying dividends and to the efficient management of capital. It will review the dividend policy and look to recommence dividends in FY18.

## **Explanatory Note re item 3: Appointment and remuneration of auditor (Resolution 1)**

Section 207T of the Companies Act 1993 provides that a company's auditor is automatically re-appointed unless there is a resolution or other reason for the auditor not to be re-appointed. The Company wishes PricewaterhouseCoopers to continue as the Company's auditor, and PricewaterhouseCoopers has indicated its willingness to do so.

Section 207S of the Companies Act 1993 provides that the fees and expenses of the auditor are to be fixed in such a manner as the Company determines at the Meeting. The Board proposes that, consistent with past practice, the auditor's fees be fixed by the Directors.

Tower's Board unanimously recommends that shareholders vote in favour of Resolution 1.

## **Explanatory Note re item 4: Retirement, re-election and election of directors (Resolutions 2 and 3)**

The NZX Main Board/Debt Market Listing Rules require that at least one third of the directors or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. The directors to retire are those who have been longest in office since their last election.

David Hancock has chosen to retire from the Board of Tower to focus on his business pursuits in Australia. David has contributed much to Tower's Board during his tenure, including during his 25 months as Tower CEO. The Board wishes David all the best with his future endeavours.

In addition to David Hancock, one further director is required to retire at this meeting. Steve Smith and Warren Lee are the directors longest in office since their last election. Steve Smith, being eligible, retires and offers himself for re-election.

Tower's Board has undertaken a rigorous recruitment process over the last 12 months. The Board is pleased to announce that Tower is in the final stages of appointing Wendy Thorpe as a Director. The Board intends to have completed Wendy's fit and proper process, obtained Reserve Bank approval of Wendy's appointment, and completed the required documentation to appoint Wendy as a director prior to the meeting. The Board therefore recommends that the shareholders elect Wendy Thorpe as a director.

The Board expects that the fit and proper process will be completed by 1 March 2018. However, if it has not been, Resolution 3 will still be voted on at the meeting, and if it is passed the Board intends Wendy Thorpe's appointment as a Director to become effective promptly once the fit and proper process and Reserve Bank approval has been completed.

Background details of the Directors offering themselves for re-election, or election, at this Annual Meeting are set out below.

**Steve Smith**

BCom, CA, Dip Bus (Finance), CFInstD  
Non-Executive Director  
Independent  
Appointed Director: 24 May 2012



Steve has been a professional Director since 2004. He has over 35 years' business experience, including being a specialist corporate finance partner at a leading New Zealand accountancy firm. He has a Bachelor of Commerce and Diploma in Business from the University of Auckland, is a member of Chartered Accountants Australia and New Zealand and a Chartered Fellow of the Institute of Directors in New Zealand (Inc.). Steve is Chairman of Pascaro Investments Ltd, and a Director of Fulton Hogan Ltd, Rimu S.A. (Chile), and the National Foundation for the Deaf Inc.

Steve resides in Auckland, New Zealand.

Tower's Board unanimously recommends that shareholders vote in favour of Mr Smith's re-election (Resolution 2).

**Wendy Thorpe**

BA (French), BBus (Accounting), Grad Dip Applied Fin & Inv, Harvard AMP, FFin, GAICD  
Non-Executive Director  
Independent



Wendy is an experienced financial services leader and for the past 15 years her executive career has focused on leading technology and operations in insurance and wealth management. Her most recent executive role was as Group Executive, Operations for AMP Ltd, and she was previously Chief Operations Officer and Chief Information Officer for AXA Asia Pacific Holdings Ltd. Wendy is also a Director of AMP Bank Limited, Chair of Online Education Services Pty Ltd, and a Director of Very Special Kids, an Australian Not for Profit. Wendy has a Bachelor of Arts from LaTrobe University, a Bachelor of Business from Swinburne University and a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. She completed the Advanced Management Program at Harvard Business School, is a Fellow of the Financial Services Institute of Australasia and a Graduate member of the Australian Institute of Company Directors. Wendy resides in Melbourne, Australia.

Tower's Board unanimously recommends that shareholders vote in favour of Ms Thorpe's election (Resolution 3).

**Explanatory Note re item 5:**

**General business**

There will be an opportunity to raise any other business that may be properly brought before the Annual Meeting which has not otherwise been addressed.

**Directions** to Ellerslie Event Centre and parking details

