

Notice of Annual Meeting

TOWER Limited

Notice is hereby given that the Annual Meeting of Shareholders of TOWER Limited (TOWER or the Company) will be held at:

Where the Hobson Room, Level 3, Alexandra Park, Green Lane West, Epsom, Auckland, New Zealand

When Wednesday 11 February 2015 at 10.00am (New Zealand time).

Agenda

1. Chairman's review

Introduction and review by the Chairman in relation to the financial year ended 30 September 2014.

(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 2014.

(See Explanatory Note re items 1 and 2)

3. Appointment and remuneration of auditor

Resolution 1:

To record the reappointment of PricewaterhouseCoopers as auditor of TOWER Limited and to authorise the Directors, by ordinary resolution, to fix the auditor's remuneration for the coming year.

(See Explanatory Note re item 3)

4. Re-election and election of Directors

John Spencer retires by rotation and does not offer himself for re-election.

Michael Stiasny retires by rotation; and being eligible, offers himself for re-election.

Rebecca Dee-Bradbury, having been appointed as a director by the Directors of TOWER Limited to fulfil a casual vacancy and being eligible, offers herself for election.

Accordingly, each by way of separate ordinary resolution:

Resolution 2:

To re-elect Michael Stiasny as a director; and

Resolution 3:

To elect Rebecca Dee-Bradbury 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 Boggs', written over a light blue background.

Michael Boggs
Chief Financial Officer

23 December 2014



Proxies

A Proxy Form is included with this Notice of Annual Meeting. A shareholder entitled to vote at the Annual Meeting but who cannot attend may appoint a Proxy to attend the Annual Meeting and vote on his or her behalf. A Proxy need not be a TOWER Limited shareholder.

To be valid, a completed Proxy Form (and any power of attorney under which it is signed) must be deposited with TOWER Limited no later than 10:00am (New Zealand time) on Monday 9 February 2015.

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.

Alternatively you can appoint a proxy online by going to 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 10.00am (New Zealand time) on Monday 9 February 2015. Please see your proxy form for further details.

Eligibility to vote

Any shareholder whose name is recorded in the TOWER Limited share register at the close of business on Friday 30 January 2015 is entitled to attend the Annual Meeting and vote either in person or by Proxy (subject to the time limits for returning Proxy Forms).

Ordinary resolutions of shareholders

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.

Webcast

An audio webcast of the Annual Meeting will be played live on the TOWER website: www.tower.co.nz. It will also be available on the TOWER website for replay on demand shortly after the Annual Meeting.

RSVP and questions in advance of the meeting

Please fill out and return the RSVP form by Friday 30 January 2015 by using the enclosed pre paid envelope if you are planning to attend the Annual Meeting. To assist TOWER Limited's Board to provide answers to questions from shareholders, TOWER is offering a facility for shareholders to submit questions in advance of the Annual Meeting on the RSVP form. Questions should relate to matters that are relevant to the Annual Meeting including matters arising from the financial reports and any general questions regarding the performance of TOWER. Individual responses to questions will not be provided, but the Chairman will, at the Annual Meeting, endeavour to address commonly raised questions. Alternatively, you can email your questions to: investor.relations@tower.co.nz

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 2014. Events occurring after 30 September 2014 will also be discussed.

Shareholders can access a copy of the annual report for the year ended 30 September 2014 on TOWER's website, www.tower.co.nz

Highlights for the financial year ended 30 September 2014:

- Underlying General Insurance net profit up 32.3% to \$25.1 million
- 2014 final dividend up 33.3% to 8.0 cps
- 2014 full year dividend up 31.8% to 14.5 cps
- Capital returned to shareholders of \$56.7 million in FY2014
- Well capitalised General Insurance business with \$75 million in capital above solvency requirements plus \$66 million in cash held by corporate entities
- Intended new on-market buyback announced of up to \$34 million (or 10% of issued capital, whichever is lower)
- Minimum Solvency Margin requirement reduced by \$30 million
- Canterbury rebuild progress – 88% of claims settled as at 30 September 2014.

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 Annual 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 of director Re-election and election of directors (Resolutions 2 and 3)

The NZX Main Board/Debt Market Listing Rules and ASX 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.

Two directors are required to retire at this meeting. John Spencer, Michael Stiasny, Graham Stuart and Steve Smith are the directors longest in office since their last election. John Spencer is retiring and will not be offering himself for re-election. Michael Stiasny, being eligible, offers himself for re-election.

The NZX Main Board/Debt Market Listing Rules and ASX Listing Rules also require that any person appointed as a director by the Directors to fill a casual vacancy must retire at the next annual meeting. Accordingly, Rebecca Dee-Bradbury, who was appointed to the Board in August 2014 retires, and being eligible, offers herself for election.

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



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Michael Stiasny

LLB, BCom, CA, CFInstD
NON-EXECUTIVE DIRECTOR

Michael is a chartered accountant and senior partner of KordaMentha, based in Auckland, which specialises in financial consulting work. He has both a Commerce and Law degree from the University of Auckland. He is currently Chairman of Vector Limited, Chairman of Ngati Whatua Orakei Whai Rawa Limited, a director of NZ Windfarms Limited, and is a director of a number of other companies. Michael is Vice President and a Chartered Fellow of the Institute of Directors in New Zealand (Inc).

TOWER's Board has determined that Michael is an independent director of the Company.

Michael resides in Auckland, New Zealand.

TOWER's Board unanimously recommends that shareholders vote in favour of Mr Stiasny's re-election (Resolution 2)



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Rebecca Dee-Bradbury

BBus (Marketing), GAICD
NON-EXECUTIVE DIRECTOR

Rebecca has a background in strategic marketing and business transformation. She has held senior regional executive and CEO roles with businesses in Australia, New Zealand and Asia Pacific. She has extensive experience in consumer and retail marketing, brand management and innovation gained with international companies such as Kraft/Cadbury, Maxxium and Lion Nathan/Pepsi Cola bottlers. She holds a Bachelor of Business from Monash University, Melbourne. Rebecca is a Director of Bluescope Steel Limited and GrainCorp Limited.

TOWER's Board has determined that Rebecca is an independent director of the Company.

Rebecca resides in Melbourne, Australia.

TOWER's Board unanimously recommends that shareholders vote in favour of Ms Dee-Bradbury'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 Alexandra Park and parking details

