

2 July 2013

For immediate release

Market Information
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Wellington
NEW ZEALAND

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NEW TOWER CEO NAMED

TOWER Limited Chairman, Michael Stiasny today announced the appointment of David Hancock to the role of Chief Executive Officer.

Mr Hancock is currently – and will remain – a Director of TOWER Limited and TOWER Capital Limited. Mr Stiasny said that Mr Hancock was the ideal candidate to lead the company as it completes its transition to a focused General Insurer.

“David has been a board member since November and therefore has been instrumental in overseeing the successful strategic review process that has resulted in the sale of TOWER’s Health, Investments and Life businesses. He has the requisite knowledge and understanding of the business and will provide invaluable leadership as the company enters an exciting new phase,” Mr Stiasny said.

Current Group Managing Director, Rob Flannagan announced his resignation in March and has now resigned from the Board of Directors. However, he will remain with TOWER for a short period to effect a smooth transition to Mr Hancock’s leadership.

“Rob has made a significant contribution to TOWER over the past seven years. He has successfully led the company through turbulent times and ensured that the business today is stronger than ever. The Board would like to thank Rob for his service and wishes him every success in the future.

“At this time, the Board would also like to acknowledge and thank the TOWER staff for their efforts as they implemented activities associated with the strategic review. It has been a tough journey and the team has met the challenge head on,” Mr Stiasny said.

Mr Hancock has over 25 years of broad experience in financial services including as a former Executive General Manager at the Commonwealth Bank of Australia. He held several board positions at the bank including Commonwealth Securities (Comsec), as well as external professional board positions. Prior to that, he served in roles at JP Morgan and more recently, as Interim Chief Executive Officer at Firstfolio Limited, an Australian listed financial services company.

Mr Hancock will take up his position on Tuesday 2 July 2013. A summary of the key terms of his employment is set out in the Annexure.

Ends

Michael Stiasny
Chairman
TOWER Limited
ARBN 088 481 234 Incorporated in New Zealand

Annexure
Summary of key terms of employment of David Hancock

Position:	Chief Executive Officer of TOWER Limited
Commencement date and term:	The employment will be for a fixed term of two years commencing on 2 July 2013 unless terminated earlier as set out below.
Remuneration:	
(a) Salary	NZ\$750,000 per annum (inclusive of any Kiwisaver contributions).
(b) Short term incentive	Up to NZ\$500,000 per annum if and to the extent that annual performance measures set by the Board are satisfied.
(c) Long term incentive	Subject to shareholder approval being obtained (to the extent required under the NZX and ASX Listing Rules), a long term incentive shall be paid to Mr Hancock following the end of his fixed term based on a formula to be determined by the Board within 20 days of execution of the agreement which will be based on total shareholder returns and an agreed share price.
(d) Relocation	TOWER will provide Mr Hancock with certain benefits and reimbursement of expenses with respect to his relocation from Australia to New Zealand to perform the role and his repatriation to Australia at the end of the fixed term.
Termination:	Mr Hancock may terminate his employment during the fixed time by six months written notice. TOWER may terminate Mr Hancock's employment during the fixed term by three months written notice or immediately in the case of serious misconduct or serious neglect of his duties, if he is convicted of a criminal offence, disqualified from being a director or no longer meets TOWER's fit and proper test. Termination benefits are included in the contract which are payable on certain termination events occurring (including redundancy) and which generally include the payment of the lesser of twelve months' salary and the salary for the remainder of the fixed term (or six months' salary if there is less than six months remaining of the fixed term).