

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 Ellerslie Event Centre, 80 Ascot Avenue, Remuera, Auckland, New Zealand

When Wednesday 5 February 2014 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 2013.

(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 2013.

(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 the Company 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. Retirement of Directors

Mike Jefferies and Mike Allen retire by rotation. Neither is seeking re-election.

(See Explanatory Note re item 4)

5. Changes to the TOWER Limited constitution (Constitution)

Resolution 2:

To consider, and if thought fit, pass the following special resolution:

That the TOWER Limited Constitution be amended (as summarised in the Notice of Annual Meeting), with effect from the close of the Annual Meeting.

The proposed amendments are set out in a marked-up copy of the Constitution that will be tabled at the Annual Meeting and signed by the Chairman of the Annual Meeting for the purposes of identification.

(See Explanatory Note re item 5 for a summary of proposed amendments)

The marked-up Constitution is available at www.tower.co.nz

6. General business

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

(See Explanatory Note re item 6)

Refreshments will be served following the Annual Meeting.



Michael Boggs
Chief Financial Officer

23 December 2013



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 meeting and vote on his or her behalf. A Proxy need not be a TOWER shareholder.

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 10:00am (New Zealand time) on Monday 3 February 2014.

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 3000, Australia.

A Proxy Form may also be deposited by faxing it to +64 9 488 8787.

Eligibility to vote

Any shareholder whose name is recorded in TOWER's share register at the close of business on Friday 31 January 2014 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.

Special resolutions of shareholders

A special resolution is a resolution approved by a majority of 75% 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

Please fill out and return the RSVP form by using the enclosed pre paid envelope if you are planning to attend the Annual Meeting. To assist TOWER'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 2013. Events occurring after 30 September 2013 will also be discussed.

Shareholders can access a copy of the annual report for the year ended 30 September 2013 on TOWER's website, www.tower.co.nz

Highlights for the financial year ended 30 September 2013*:

- Full year reported profit of NZ\$34.4m
- Annual dividend of 11 cents per share
- Three business sales realising total proceeds of NZ\$370m
- Capital return of approximately NZ\$120m paid out to shareholders and a further NZ\$70m planned

Trends since separation of the New Zealand business from Australia at the end of 2006 are set out below (for the year ended 30 September 2013):

	2007	2008	2009	2010	2011	2012	2013
NPAT	\$34.6m	\$40.5m	\$50.1m	\$58.1m	\$33.4m	\$55.8m	\$34.4m
Total Equity	\$261.9m	\$294.2m	\$404.4m	\$441.3m	\$455.5m	\$498.8m	\$381.1m
EPS	16.39	21.12	24.31	22.33	12.57	20.75	14.36
Dividend	6cps	8cps	9cps	10cps	6cps	11cps	11cps
NAB/S	\$1.38	\$1.53	\$1.59	\$1.69	\$1.72	\$1.85	\$1.84

* Information taken from TOWER's annual report for the financial year ended 30 September 2013.

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

Section 200 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 197(a) of the Companies Act 1993 provides that the fees and expenses of PricewaterhouseCoopers 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 directors

The NZSX 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 Annual Meeting. Mike Jefferies and Mike Allen are the directors longest in office since election and are therefore required to retire. Neither are seeking re-election.

Following the retirement of Mike Jefferies and Michael Allen at the Annual Meeting, TOWER will have five directors serving on its Board which, assuming shareholders approve the proposed amendments to TOWER's Constitution outlined below, will meet the required minimum number of directors serving on the Board.

No person has been nominated by TOWER's shareholders as a candidate for election as a director and, accordingly, TOWER is not intending to propose any directors for election to the Board at the Annual Meeting. ASX Listing Rule 14.5 contemplates that a listed issuer will have an election of directors each year to allow shareholders to consider a change to the composition of the Board. As there are no nominees for election at

the Annual Meeting, ASX has granted a waiver from that requirement so TOWER is not required to hold an election of directors at the 2014 Annual Meeting.

The changes to the Board numbers are being proposed having regard to the recent changes made to the structure and ownership of TOWER's business (including the sale of TOWER's life, investments and health insurance businesses).

In the event that shareholders do not approve the proposed amendments to TOWER's Constitution at the Annual Meeting, the Board will appoint an additional director to fill the casual vacancy.

Explanatory Note re item 5: Changes to the TOWER Limited Constitution (Resolution 2)

1. Given recent changes to the structure and ownership of TOWER's business (including the sale of TOWER's life, investments and health insurance businesses), it is proposed that TOWER take this opportunity to amend its Constitution to:
 - reduce the minimum number of directors to 5 (from the current 6); and
 - reduce the maximum number of directors to 8 (from the current 9).
2. Also, the TOWER Constitution was last amended in 2005. There have been a number of changes to regulatory requirements, and the proposed amendments are largely to modernise the Constitution to make administration of TOWER's business more efficient. These proposed amendments are summarised below:

a. Meetings of shareholders:

In 2012, the Companies Act 1993 (Companies Act) was amended to provide that, in addition to being held at a physical address, meetings of shareholders could be held by audio, audio and visual or electronic means (or a combination of these), with shareholders participating by those means being considered present and part of the quorum.

As the TOWER Constitution currently only allows for physical meetings of shareholders, it is proposed to update the Constitution to allow for other means of meetings (including by electronic means). It is proposed that the sections in the Constitution relating to voting and proxies are also updated to allow shareholders to participate electronically.

It is proposed that the Constitution will provide that shareholder participation by electronic means may only occur to the extent permitted by the Companies Act, NZSX Rules, ASX Listing Rules, where TOWER's Board approves those means and where the shareholder, proxy or representative complies with any conditions imposed by the TOWER Board relating to that participation.

b. Annual and half yearly reporting

It is proposed that the Regulations in the Constitution relating to annual and half yearly reporting be updated to refer to the reports (or any alternative permitted notice in the case of the annual report) being issued to NZX, ASX and shareholders at the time, in the form and containing the information required by law, the NZSX Listing Rules and the ASX Listing Rules. This amendment will, in respect of the annual report, allow TOWER to send a notice containing prescribed statements (including how to obtain the annual report by electronic means) instead of a physical copy of the annual report to shareholders under the provisions of the Companies Act.

c. Directors' meetings

It is proposed that the Regulations in the Constitution relating to Board meetings be updated so that directors can receive notice of Board meetings by electronic means, to clarify that a meeting of directors can be held by audio or audio-visual means and to avoid doubt, to clarify that a meeting can be held by a combination of a physical location and by contemporaneous linking together of telephone or other means of communication (including audio or audio visual communication).

d. Compliance with the NZSX Listing Rules

It is proposed that the Regulation which states that TOWER must at all times comply with the NZSX Listing Rules as long as it is listed be amended to clarify that if any provision of the Constitution becomes inconsistent with the NZSX Listing Rules, the NZSX Listing Rules will prevail.

e. Amendment to the NZSX/NZDX Listing Rules

The NZSX Listing Rules (soon to be referred to as the Main Board and Debt Market Listing Rules) are being amended, with changes coming into effect from 1 January 2014. It is proposed that the Constitution be amended to be consistent with the amended Rules. In particular it is proposed that the Constitution be updated to replace references to the 'NZSX Rules' with the 'Main Board Rules', definitions be updated to align with minor definition updates in the Main Board Rules and where Rule numbering has changed, references to those Rules' numbers in the Constitution be updated.

f. Incorporation of certain ASX Listing Rules

It is also proposed that, in accordance with the ASX Listing Rules, Regulations dealing with treatment of restricted securities (as such term is defined in the ASX Listing Rules) be included in the Constitution. As at the date of this Notice of Annual Meeting, TOWER does not have any restricted securities on issue.

Under the ASX Listing Rules restricted securities may not be disposed of during the escrow period which applies to the restricted securities, except as permitted by the ASX Listing Rules or ASX, and a company must refuse to acknowledge a disposal (including registering a transfer) of restricted securities during the escrow period except as permitted by the ASX Listing Rules. It is proposed that the Regulations in the Constitution relating to permitted transfer restrictions be updated to reflect this and to allow the TOWER Board to delay registration of transfer if expressly permitted by the ASX Listing Rules.

It is proposed that the provisions relating to the power of the chairperson to dissolve a meeting be updated to incorporate provisions of the ASX Listing Rules, namely that in respect of any resolution not voted on by the meeting concerning a matter which requires approval under the ASX Listing Rules, such resolutions will be put to the vote by a poll without further discussion in accordance with the voting provisions in the Constitution.

g. Redundant Regulations and definitions

Regulation 12.4(a) of the Constitution which relates to payments upon cessation of office currently refers to amounts accrued for services as a director prior to 1 October 2003 when that director was in office on or before 1 May 2004 and has continued to hold office since that date. As there are no directors to whom this provision will now apply, it is proposed that the redundant section be removed from the Constitution.

It is also proposed that redundant definitions in the Constitution, including references to 'TOWER Corporation' and 'TOWER Safe Trust' be removed.

The proposed amended Constitution has been approved by NZX and ASX. Other than typographical amendments or removal of redundant defined terms and provisions, the amendments are as summarised above. Regulation 16 of the Constitution provides that, subject to the Companies Act, the Constitution may be altered at any time by Special Resolution. For a Special Resolution to be passed, the resolution must be approved by a majority of seventy five percent (75%) of votes of those shareholders entitled to vote and voting on the resolution.

A copy of the TOWER Limited Constitution and a version of the Constitution with the proposed amendments marked-up are available on the TOWER website at: www.tower.co.nz or copies can be obtained by emailing a request to investor.relations@tower.co.nz. A copy of the Constitution incorporating the proposed amendments will also be available at the Annual Meeting.

TOWER's Board unanimously recommends that shareholders vote in favour of Resolution 2, being the proposed changes to the TOWER Limited Constitution summarised above.

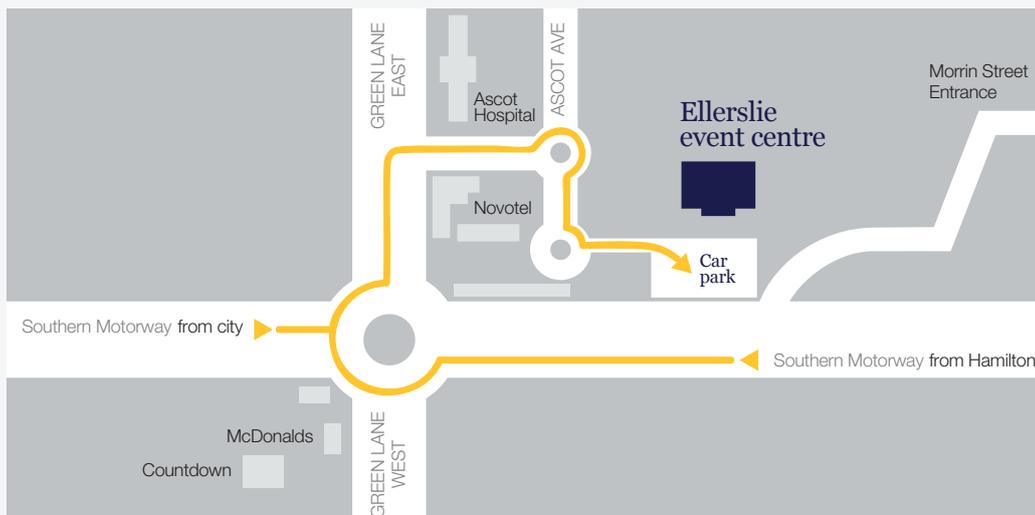
Explanatory Note re item 6: General business

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.

Approval of Notice of Annual Meeting

NZX Limited has reviewed and approved this Notice of Annual Meeting under NZSX Listing Rule 6.1.1. NZX takes no responsibility for any statement in this Notice of Annual Meeting.

Directions to Ellerslie Event Centre and parking details





Lodge your vote



By Mail

TOWER Share Registry
Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
New Zealand

or

TOWER Share Registry
Computershare Investor Services Pty Limited
GPO Box 3329
Melbourne VIC 3001
Australia



By Fax

+64 9 488 8787
+61 3 9473 2500



+64 9 488 8777

or

1800 501 366



corporateactions@computershare.co.nz

For all enquiries contact

For your vote to be effective it must be received by 10:00 am Monday 3 February 2014

Proxy/Voting Form

How to Vote on Items of Business / Resolutions

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting of your holding

Direct your proxy how to vote by marking one of the boxes opposite each item of business / resolution overleaf. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on a resolution your vote will be invalid on that resolution.

Appointing the Chairman or a Director as your proxy

If you appoint the Chairman or any Director as your proxy and either tick the 'Proxy Discretion' box or do not mark a box, you acknowledge that they may exercise your proxy even if they have an interest in the outcome of that resolution (subject to the NZSX Listing Rules). The Chairman and Directors intend to vote all discretionary proxies in favour of the resolutions 1 and 2.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission.

Signing Instructions for Postal Forms

Individual

Where the holding is in one name, the securityholder must sign.

Joint Holding

Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney

If this Proxy Form has been signed under a power of attorney, a copy of the power of attorney (unless already deposited with the Company) and a signed certificate of non-revocation of the power of attorney must be produced to the Company with this Proxy Form.

Companies

This form must be signed by a Director jointly with either another Director or a Company Secretary, or a Sole Director can also sign alone. Please sign in the appropriate place and indicate the office held.

Comments & Questions

If you have any comments or questions for the Company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form to vote

Proxy/Corporate Representative Form

STEP 1 Appoint a Proxy to Vote on Your Behalf

I/We being a member/s of TOWER Limited

hereby appoint _____ of _____

or failing him/her _____ of _____

as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, the proxy will vote as he/she sees fit) at the **Annual Meeting of TOWER Limited to be held at Ellerslie Event Centre, 80 Ascot Avenue, Remuera, Auckland, New Zealand on Wednesday 5 February 2014 at 10.00am** and at any adjournment of that meeting. If you wish, you may appoint as your proxy 'The Chairman of the Meeting'.

STEP 2 Items of Business / Resolutions - Voting Instructions/Ballot Paper (if a Poll is called)

Please note: If you mark **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

Resolutions	For	Against	Proxy Discretion	Abstain
1 Appointment and remuneration of the auditor To record the reappointment of PricewaterhouseCoopers as auditor of the company and to authorise the Directors, by ordinary resolution, to fix the auditor's remuneration for the coming year. (See Explanatory Note re item 3 / Resolution 1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Changes to the TOWER Limited Constitution To consider, and if thought fit, pass the following special resolution: That the Constitution be amended (as summarised in the notice of Annual Meeting), with effect from the close of the Annual Meeting. (See Explanatory Note re item 5 / Resolution 2 for a summary of proposed amendments).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

SIGN Signature of Securityholder(s) This section must be completed.

Securityholder 1

or Sole Director and Sole Company Secretary

Securityholder 2

or Director

Securityholder 3

or Director/Company Secretary

Contact Name _____ Contact Daytime Telephone _____ Date _____

ATTENDANCE SLIP



Annual Meeting of TOWER Limited to be held at Ellerslie Event Centre, 80 Ascot Avenue, Remuera, Auckland, New Zealand on Wednesday 5 February 2014 at 10.00am

