

1 October 2010

Market Information
NZX Limited
Level 2, NZX Centre
11 Cable Street
PO Box 2959
Wellington
New Zealand

Company Announcements Office
Australian Stock Exchange Limited
Exchange Centre
Level 6, 20 Bridge Street
Sydney NSW 2000
AUSTRALIA

TOWER: Copy of Takeover Notice for Fidelity Life Assurance Company

Attached is a copy of TOWER's takeover notice dated 1 October 2010 of an offer to acquire 100% of the shares in Fidelity Life Assurance Company Limited.

Bronwyn Walsh
Company Secretary & Compliance Manager
TOWER Limited
ARBN 088 481 234 Incorporated in New Zealand

To: Fidelity Life Assurance Company Limited
81 Carlton Gore Road
Newmarket
AUCKLAND

Fax: (09) 308 9953

cc: Takeovers Panel
Level 12, Reserve Bank Building
2 The Terrace
WELLINGTON

Fax: (04) 471 4619

for immediate public release

TAKEOVER NOTICE

TOWER Limited (*TOWER*), a duly incorporated company at Auckland, hereby gives notice pursuant to rule 41 of the Takeovers Code of its intention to make an offer under the Takeovers Code to acquire all of the shares in Fidelity Life Assurance Company Limited (*Fidelity*). The proposed offer consideration would be a combination of (i) \$55.00 cash per share and (ii) (subject to modification in respect of certain non-resident Fidelity shareholders) the market value equivalence (as defined in the offer) of \$27.00 per share of TOWER ordinary shares.

The proposed offer will not be made until an exemption of the kind described in the attached draft offer document, or other exemptions or arrangements to deal with foreign registered shareholdings acceptable to both TOWER and the Takeovers Panel, is obtained.

Attached to this notice are the intended terms of the offer and additional information, including the information required by Schedule 1 of the Takeovers Code stated as at the date of this notice. This notice is also **accompanied** by a copy of the simplified disclosure prospectus dated and registered 1 October 2010, which has been prepared in respect of the TOWER share element of the offer referred to above.

Dated this 1st day of October 2010

For and on behalf of

TOWER Limited



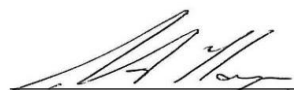
AI (Tony) Gibbs
Chairman

TOWER Limited

Certificate given under Paragraph 19 of Schedule 1 of the Takeovers Code

To the best of our knowledge and belief, after making proper inquiry, the information contained in or accompanying Tower Limited's Takeover Notice dated 1 October 2010 in connection with a full takeover offer for all of the issued shares in Fidelity Life Assurance Company Limited is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by TOWER Limited under the Takeovers Code.

Signed by the persons named below or their respective agents authorised in writing.



Group Managing Director
TOWER Limited



Group Chief Financial Officer
TOWER Limited



Director
TOWER Limited



Director
TOWER Limited

FULL TAKEOVER OFFER BY

TOWER LIMITED

to purchase all of the shares in

FIDELITY LIFE ASSURANCE COMPANY LIMITED

made pursuant to the Takeovers Code

To accept this Offer see page 1

IMPORTANT

IF YOU ARE IN DOUBT AS TO ANY ASPECT OF THIS OFFER, YOU SHOULD CONSULT YOUR FINANCIAL OR LEGAL ADVISER.

IF YOU HAVE SOLD ALL YOUR SHARES IN FIDELITY LIFE ASSURANCE COMPANY LIMITED (*FIDELITY*) TO WHICH THIS OFFER APPLIES, YOU SHOULD IMMEDIATELY HAND THIS OFFER DOCUMENT AND THE ACCOMPANYING ACCEPTANCE FORM TO THE PURCHASER, OR TO THE AGENT (eg *FIDELITY,ITSELF*) THROUGH WHOM THE SALE WAS MADE, TO BE PASSED TO THE PURCHASER.

FIDELITY'S TARGET COMPANY STATEMENT, TOGETHER WITH AN INDEPENDENT ADVISER'S REPORT ON THE MERITS OF THIS OFFER EITHER ACCOMPANIES THIS OFFER OR WILL BE SENT TO YOU WITHIN 14 DAYS AND SHOULD BE READ IN CONJUNCTION WITH THIS OFFER.

SUMMARY OF FULL OFFER

On 1 October 2010, TOWER Limited announced that it would make a full takeover offer for all of the shares in Fidelity Life Assurance Company Limited. The key terms of the offer are:

- consideration per share is a combination of \$55.00 per share in cash **plus** \$27.00 per share in the market value equivalence (as defined on page 3 below) in TOWER ordinary shares.
- the offer is conditional upon receipt by TOWER of acceptances in respect of a sufficient number of shares in Fidelity Life Assurance Company Limited that confer 90% or more of the voting rights in Fidelity Life Assurance Company Limited.
- the offer is also conditional upon certain other matters being confirmed in respect of Fidelity's embedded value as at, and financial performance for the year to, 30 June 2010 and there being no material downward movement in the NZX 50 Index prior to closing of this Offer, details of which conditions are set out on pages 7 - 10 of this document.
- the offer closes at 6 p.m. on [*insert closing date*].

The detailed terms and conditions of the offer are set out at pages one to ten of this document.

HOW TO ACCEPT THIS OFFER

To accept the offer by TOWER Limited, you should complete the acceptance form enclosed with this document and the simplified disclosure prospectus (the *Acceptance Form*), in accordance with the instructions set out on the Acceptance Form. Then deliver or mail the Acceptance Form to:

TOWER Limited
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92 119
Auckland
New Zealand

You may only accept the offer in respect of all shares held by the same beneficial owner.

If you have sold all or some of your shares, please refer to the instructions on page 17 of this document.

Once the offer is unconditional, payment will be made within 5 business days of your acceptance.

IMPORTANT

- **ACCEPTANCES MUST BE DELIVERED OR MAILED ON OR BEFORE 6 P.M. ON [*INSERT CLOSING DATE*] 2010 (UNLESS EXTENDED)**
- **IF YOU HAVE LOST YOUR PERSONALISED ACCEPTANCE FORM, OR IF YOU HAVE ANY OTHER QUESTIONS ON HOW TO ACCEPT THIS OFFER, PLEASE CONTACT COMPUTERSHARE IN AUCKLAND ON +64 9 488 8777**

**FULL TAKEOVER OFFER BY TOWER LIMITED
TO PURCHASE ALL SHARES IN FIDELITY LIFE ASSURANCE COMPANY
LIMITED**

To: The Shareholders of Fidelity Life Assurance Company Limited

Dear Shareholder

TOWER Limited (*TOWER*) hereby offers to acquire, on the terms and conditions set out in this document (*this Offer*), all of the issued fully paid ordinary shares in Fidelity Life Assurance Company Limited (*Fidelity*).

All such shares are referred to in this Offer as *the Shares* and each of them singularly is referred to as a *Share*.

This Offer is made subject to the following terms and conditions.

Consideration

The consideration offered for each Share is a combination of \$55.00 cash (*the Cash Component*) plus \$27.00 (*the Share Component*) in the market value equivalence of ordinary voting shares in TOWER (such shares being *TOWER Shares*) (in the case of certain foreign resident shareholders, modified in accordance with the [Takeovers Code (TOWER Limited) Exemption Notice 2010], described in this section below).

For the purposes of this Offer, "market value equivalence" means the number (rounded to the nearest whole number) of TOWER shares which equates in value terms to the dollar amount of the Share Component, such value to be calculated on the basis of the volume weighted average price of trading of TOWER Shares on the New Zealand Stock Exchange (*NZSX*) during the 10 business day period immediately prior to the date on which the Offer is declared unconditional.

The consideration for the Offer will be sent or provided to accepting shareholders (*Acceptors*) not later than 5 business days after the later of:

- (a) the date on which an acceptance is received; or
- (b) the date this Offer becomes unconditional.

A registered Prospectus which sets out the terms of the TOWER Shares, and other important information in relation to the Offer, accompanies this offer document. The offer of TOWER shares will be made available to any Australian resident shareholders of Fidelity under the simplified disclosure prospectus in reliance on the Trans-Tasman Mutual Recognition Scheme. On 1 October 2010 TOWER lodged a written notice with the ASIC of its intention to extend the Share Component of

this Offer to any Australian resident shareholders in Fidelity, in accordance with the Trans Tasman Mutual Recognition Scheme.

The issue price for each of the TOWER Shares under that Prospectus will be the amount calculated in accordance with the market value equivalence calculation (see page 3 above). TOWER Shares are currently quoted and trade on the NZSX and the Australian Securities Exchange (ASX).

The securities have been accepted for listing by NZX Limited and ASX and will be quoted upon completion of allotment procedures. However, neither NZX Limited or ASX accept any responsibility for any statement in this Offer Document, or in the enclosed Prospectus.

Pursuant to the [Takeovers Code (TOWER Limited) Exemption Notice 2010], if your address on the Fidelity share register is not in New Zealand or Australia and it is illegal for TOWER to offer TOWER Shares to you in the form of this Offer and the accompanying simplified disclosure prospectus (in which case you are an *Overseas Shareholder*), the Share Component of the Offer made to you comprises (as described below) a cash economic equivalent to the TOWER Shares which you would have received under the Offer. Under this arrangement:

- (a) TOWER will issue and allot the number of TOWER Shares to which a relevant accepting Overseas Shareholder would have otherwise been entitled under the Share Component of the Offer (as it applies to other Fidelity shareholders) to Goldman Sachs & Partners New Zealand Limited (the *Nominee*), which has been appointed by TOWER. The Nominee has agreed to then sell such TOWER Shares as soon as reasonably practicable;
- (b) TOWER will use its best endeavours to ensure that the Nominee, as soon as is reasonably practicable and in a manner consistent with the terms of the Offer relating to the payment of consideration, sells the TOWER Shares allotted to it under sub-paragraph (a);
- (c) TOWER will use its best endeavours to ensure that the Nominee, as soon as is reasonably practicable and in a manner consistent with the terms of the Offer relating to payment of consideration, pays the relevant Overseas Shareholder the proceeds from the sale of the TOWER Shares under sub-paragraph (b), net of any applicable brokerage costs and taxes; and
- (d) TOWER indemnifies each relevant Overseas Shareholder against any costs or losses suffered as a result of any failure by the Nominee appointed under sub-paragraph (a) to perform its obligations in a proper manner.

Acceptors that are Overseas Shareholders are not being offered, and are not entitled to be issued, TOWER Shares under or in connection with this Offer.

As at the date of this Offer, the last date by which such consideration must be sent to persons accepting this Offer is [*insert date that is 5 business days after unconditional date*] 2010, but this date may change if the closing date is extended, and therefore the latest date TOWER can declare the Offer to have become unconditional similarly extends.

TOWER will by this date provide to each Acceptor:

- (a) the cash consideration due to that Acceptor under this Offer by either forwarding a cheque by post or, if elected by that Acceptor on their Acceptance Form, by electronic transfer to the bank account in New Zealand set out or nominated on that form; and
- (b) advice of the allotment of any TOWER Shares to which that Acceptor is entitled under this Offer, by post.

If the consideration for the Offer is not sent within the requisite period to any Acceptor, that shareholder may withdraw acceptance of the Offer by notice in writing to TOWER, but only after the expiration of 7 days' written notice to TOWER of that shareholder's intention to do so. This right to withdraw acceptance of the Offer will not apply if the shareholder receives the consideration during that 7 day period.

How to Accept this Offer

If you wish to accept this Offer, you need only:

- (a) Complete the Acceptance Form enclosed with this document and the Prospectus in accordance with the instructions set out in the Acceptance Form; and
- (b) Deliver or mail the completed Acceptance Form in the enclosed reply paid envelope as soon as possible, but in any event prior to 6 p.m. on [*insert Closing Date*] 2010 (subject to extension, as set out below). If the reply paid envelope has been mislaid, please deliver or mail your Acceptance Form to:

TOWER Limited
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Private Bag 92 119
Auckland
New Zealand

You may **only** accept this Offer in respect of **all** Shares held by the same beneficial owner.

TOWER may, in its sole discretion, treat any Acceptance Form as valid, notwithstanding that it does not comply with this paragraph, and may, in its sole discretion (consistently applied), rectify any errors in, or omissions from, any Acceptance Form, including inserting or completing details of the Shares held by the Acceptor and filling in any blanks.

Acceptance of this Offer by each Acceptor constitutes a contract between that Acceptor and TOWER on the terms and subject to the conditions of this Offer. Other than in the circumstances set out above (failure by TOWER to pay the consideration within the specified time), you may not withdraw your acceptance during the time this Offer is open for acceptance, whether or not there has been any variation of this Offer.

Terms of Offer

If this Offer does not become unconditional, the Offer will lapse and the Acceptance Form will be destroyed by Computershare Investor Services Limited after the lapse of this Offer.

Unless this Offer is totally withdrawn in accordance with the Takeovers Code and every person is released from every obligation incurred under the terms of it, or it lapses in accordance with its terms, this Offer remains open for acceptance until 6 p.m. on [*insert Closing Date*] 2010 (being a period of at least 30 days from the date of this Offer), or such later closing date(s) as TOWER may decide in accordance with the Takeovers Code (the *Closing Date*). Acceptances posted (and bearing a postage stamp) before 6 pm on the Closing Date, but received after that date, may be accepted by TOWER.

As at the date of this Offer, the latest date on which TOWER can declare this Offer to have become unconditional is [*insert date that is 14 days after the Closing Date*] 2010, but this date may change if the Closing Date of the Offer is extended in accordance with the above, in which case the latest date on which TOWER can declare the Offer unconditional will become the date that is 14 days after the Closing Date. If this Offer is not declared unconditional, the Offer will lapse.

The Acceptance Form enclosed with this document and the Prospectus comprise part of this Offer. The Acceptance Form duly completed may be treated by TOWER as a valid acceptance of this Offer whether or not accompanied by any document necessary to transfer the Shares.

This Offer is open for acceptance by any person who holds Shares, whether acquired on, before or after the date of this Offer, upon production of satisfactory evidence of such person's entitlement to those Shares.

The Shares and all other securities of the nature referred to in "Change of Circumstances" (if applicable) are to be acquired free from all liens, charges, mortgages, encumbrances and other adverse interests and claims of any kind

whatever, but together with all rights, benefits and entitlements attaching to them at the date of this Offer or which arise subsequently, including the right to all dividends and other distributions arriving after or by reference to a date occurring on or after a date upon which settlement of this Offer occurs.

TOWER may vary this Offer in accordance with the Takeovers Code.

Conditions

This Offer and any contract arising from acceptance of it is conditional on TOWER obtaining all necessary or desirable regulatory consents and clearances (if any) to settle the Offer and acquire and thereafter conduct the business of Fidelity and its subsidiaries (*the Group*).

This Offer and any contract arising from acceptance of it is also conditional on the shareholders of Fidelity passing a special resolution whereby the shareholders resolve as follows: "That regulations 4.4(c) and 4.5(g) to 4.16 (both inclusive) of Fidelity's constitution shall not apply to any transfers of shares in the Company pursuant to and in settlement of the offer for shares dated [] 2010, made by TOWER Limited".

This Offer and any contract arising from acceptance of it is also subject to the conditions that during the period from 30 June 2009 (being the date of the latest financial information in respect of the Group, available to TOWER) until the last date by which the Offer must be declared unconditional by TOWER (or the date on which the Offer is declared unconditional, if earlier):

- (a) no dividends (other than the dividend of \$1.00 per Share paid in December 2009), bonuses or other payments or distributions of any nature have been or will be declared, paid or made upon or in respect of any of the Shares or upon or in respect of any of the shares of any non wholly-owned subsidiaries of Fidelity;
- (b) no further shares, convertible securities or any voting securities of any description of the Group have been or will be issued or agreed to be issued (whether by way of bonus issue or otherwise) and there have been no, and will be no, alteration of rights, privileges and restrictions attaching to the shares of any member of the Group;
- (c) no Share has been or will be subdivided, consolidated or acquired by Fidelity;
- (d) no Shares or any shares or other securities in any of its subsidiaries have been or will be made the subject of any option, or right, to subscribe for the issue of securities in Fidelity or that subsidiary;

- (e) no alteration to the constitution of any member of the Group has been or will be made;
- (f) none of the assets of the Group have been or are disposed of, or made the subject of any option or contract to sell, for an amount in excess of \$1,000,000 except in the ordinary course of business;
- (g) no member of the Group, otherwise than in the ordinary course of business, has entered into or enters into any contract or other commitment involving the receipt or payment or disposition by a member of the Group of an amount in excess of \$1,000,000 or tangible or intangible assets having a market value in excess of \$1,000,000;
- (h) no material member of the Group has merged or amalgamated, or merges or amalgamates with any third party business or entity (or announces any intention to do so);
- (i) no member of the Group has varied or waived, or varies or waives, any material rights or powers under any material contract to which it is a party;
- (j) (without limiting (g) above) no member of the Group has entered into or contracted to enter into or has completed, or enters into or contracts to enter into, or completes (settles), any transaction to which listing rule 9.1 and/or listing rule 9.2 of the NZSX listing rules would apply (if Fidelity was listed on the NZSX);
- (k) no receiver, manager, receiver and manager, or statutory manager has been or is appointed in relation to the property or assets (or any part thereof) of any member of the Group and no proceedings or steps (including the calling of a meeting to consider the passing of a resolution to appoint a liquidator) for the liquidation or administration of any member of the Group have been or are commenced;
- (l) no variation has been or is made to the terms and conditions of employment/appointment of any officer or director of any member of the Group;
- (m) the Group has not received or commenced and does not receive or commence any material legal claims, proceedings or investigations, and no judgment, administrative decision or other penalty which has a material and adverse impact on the Group has been or is entered into, declared, imposed or levied against the Group.

This Offer and any contract arising from it is conditional on neither of the following occurring during the period between 1 October 2010 and the last date

by which the Offer must be declared unconditional by TOWER (or the date on which the Offer is declared unconditional, if earlier):

- (a) a decrease of an amount of more than 10% in the aggregate value of the NZX 50 Index (Gross) from the level of that index as at market close on 1 October 2010, for a period of any three consecutive days on which the main board equity security market operated by NZSX is open for trading, or if the decline initially occurs less than three trading days before the date on which the Offer must be declared unconditional, for a continuous period from the date of such initial decline to 3.00 pm on the date on which the Offer must be declared unconditional;
- (b) an event occurs, or is disclosed or becomes generally known after 1 October 2010, which gives or may give rise to, or which constitutes, a material adverse change in the financial position, trading operations or prospects or assets of the Group, compared to the actual, disclosed and/or generally known position as at 1 October 2010.

This Offer and any contract arising from acceptance of it is also subject to Fidelity procuring, and delivering to TOWER, a written certificate from PricewaterhouseCoopers addressed to TOWER in which PricewaterhouseCoopers certify to TOWER:

- (a) the quantum of the Net Insurance Income (as that term is used in the Group's audited financial statements for the financial year ended 30 June 2009) of the Group for the financial year ended 30 June 2010, which certified Net Insurance Income must be not less than \$17 million;
- (b) the quantum of the solvency margin of Fidelity as at 30 June 2010 (determined in accordance with the New Zealand Society of Actuaries PS 5.01) evidenced by the audited financial statements of Fidelity for the financial year ended 30 June 2010, which certified solvency margin must be not less than \$10 million; and
- (c) the quantum of the embedded value of the insurance segment of the Group (being the business segment represented in the insurance column of Note 6(B) to the Group's audited financial statements for the year ended 30 June 2009) as at 30 June 2010, calculated according to accepted market practice and using an 11% discount rate, which certified embedded value must be not less than \$135 million. For the purposes of this condition, "accepted market practice" means the embedded value calculated from the distributable net of tax profits on the NZSOA Solvency Basis (PS5.01) using the best estimate assumptions and cash-flows used to determine the policyholder liabilities in the Group's audited financial statements for the year ended 30 June 2010.

Where any condition requires a preliminary determination as to whether a matter is desirable, material or not, or in the ordinary course of business or not, before the condition may be invoked, such preliminary determination must be made by a suitably qualified expert appointed by TOWER but who is not an associate of TOWER, prior to TOWER being able to invoke the condition.

This Offer is also conditional on the traded NZSX market price of TOWER shares not declining during the term of this Offer to an extent that the market value equivalence calculation (see page three) would result in an issue price of each TOWER share under the Share Component of less than NZ\$1.50.

This Offer and any contract arising from acceptance of it is further conditional on TOWER receiving acceptances in respect of Shares in Fidelity which, on registration of the transfer of those securities will result in TOWER holding or controlling 90% or more of the voting rights in Fidelity.

The above conditions are for the benefit of TOWER and may be waived in whole or in part by TOWER at its absolute discretion, to the extent permitted by the Takeovers Code (or any exemption granted by the Takeovers Panel). Any waiver or consent given by TOWER in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing.

This Offer and any contract arising from acceptance of it is in addition conditional on TOWER receiving acceptances in respect of Shares that confer more than 50% of the voting rights in Fidelity. At the date of this Offer, this condition will be satisfied if TOWER receives acceptances in respect of 719,292 Shares. TOWER may not waive this condition.

All of the conditions set out above are conditions subsequent, and acceptance of this Offer by an Acceptor shall constitute a contract by that Acceptor with TOWER subject to those conditions.

Notices

Notice to Fidelity and the Takeovers Panel:

- (a) declaring this Offer unconditional; or
- (b) advising that this Offer is withdrawn in accordance with the Takeovers Code or has lapsed in accordance with its terms,

in each case, will be deemed to be notice to all offerees.

Notice of any variation of this Offer will be sent to Fidelity, the Takeovers Panel and, except where not required in accordance with the Takeovers Code, to each offeree.

Method of Settlement

TOWER will not acknowledge receipt of your acceptance of this Offer.

If:

- (a) this Offer is declared unconditional; and
- (b) the Acceptance Form is in order,

then a cheque for the consideration payable to you, or where you have elected payment by direct credit by electronic transfer, and (as applicable) advice as to the allotment of TOWER Shares, will be posted or provided (as the case may be) in accordance with the authority contained in the Acceptance Form by the last date for payment of that consideration (see "Consideration") above.

TOWER will present all Acceptance Forms to Fidelity for registration as soon as possible following this Offer being declared unconditional.

Change of Circumstances

If, on or after 1 October 2010, Fidelity declares or pays a dividend or makes any other distribution to its shareholders, the Cash Component of the Offer which would otherwise have been paid to such Acceptors shall be reduced by the amount equivalent to the cash amount of such dividend or of such other distribution in respect of the Shares accepted.

If, on or after 1 October 2010, Fidelity makes any issue of shares or debentures or convertible notes or voting securities or grants any other rights or interests in its shares to its shareholders by way of capitalisation of any part of its profits or reserves, or by way of bonus issue, Acceptors of this Offer will be bound to transfer such shares or debentures or convertible notes or voting securities or other rights and interests to TOWER, without any additional consideration.

If all or any of the Shares of Fidelity are consolidated or subdivided by Fidelity on or after 1 October 2010 then this Offer will be interpreted to take into account such consolidation or subdivision and will be deemed to be for the shares or securities resulting from such consolidation or subdivision and the consideration per Share provided above will be increased or reduced, as the case may require, in proportion to such consolidation or subdivision, and Acceptors will be bound to transfer such consolidated or subdivided shares or securities to TOWER on the basis of the consideration so increased or reduced.

Further Information

Further information relating to TOWER, as required by Schedule 1 to the Takeovers Code, is set out in the Appendix, and forms part of this Offer.

Interpretation

In this document:

- (a) Any reference to the Takeovers Code means the takeovers code recorded in the Takeovers Code Approval Order 2000 (SR 2000/210) including any subsequent amendments of such order.
- (b) Except if expressly defined in this document, or where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this document.
- (c) In the event of any inconsistency between this Offer and the requirements of the Takeovers Code, or any applicable exemption granted by the Takeovers Panel under section 45 of the Takeovers Act 1993, the Takeovers Code, or exemption (as applicable), shall prevail.
- (d) All sums of money referred to in this Offer are in New Zealand currency.
- (e) Any reference to time in this Offer is to New Zealand time.
- (f) This Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand.

This Offer is dated at Auckland this [*insert date Offer is made*] 2010

TOWER Limited

**APPENDIX: INFORMATION THAT MUST BE CONTAINED IN, OR MUST
ACCOMPANY, TAKEOVER NOTICE AND OFFER DOCUMENT, AS REQUIRED
BY SCHEDULE 1 TO THE TAKEOVERS CODE**

1 Date

The Offer is dated [*insert date Offer is made*] 2010

2 TOWER and its Directors

TOWER Limited
Level 11, TOWER Centre
22 Fanshawe Street
AUCKLAND

Directors of TOWER:

William John Falconer
Robin Albert Flannagan
Anthony Ian Gibbs
Michael Leslie Jefferies
John Lewis Spencer
Susannah Adair Staley
Denis Michael Wood

3 Target Company

Fidelity Life Assurance Company Limited.

4 Advice Statement

The advice statement required under this paragraph is set out on the cover page of the offer document.

5 Offer Terms

The terms and conditions of the Offer are set out on pages 1 to 12 of the offer document.

6 Ownership of Equity Securities of Target Company

6.1 No equity securities of any class of Fidelity are held or controlled by:

- (a) TOWER as the Offeror; and
- (b) any related company of TOWER; and
- (c) any person acting jointly or in concert with TOWER; and
- (d) any director of any of the persons described in paragraph (a) to (c).

The below table sets out the number, designation and percentage of equity securities in Fidelity of any class held or controlled by any person holding or controlling more than 5% of the class, to the knowledge of TOWER.

Name	Type of Equity Securities	Number of shares held or controlled	Percentage of shares
J P Meltzer and M P Whale	Ordinary Shares	764,947	53%
G A J Burgess and M Burgess	Ordinary Shares	241,729	17%
Farmers' Mutual Insurance Association	Ordinary Shares	155,455	11%

7 Trading in Target Company Equity Securities

- 7.1 None of the persons referred to in paragraph 6.1(a) to (d) (inclusive) have, during the six month period before the date of the Takeover Notice given in respect of the Offer, acquired or disposed of equity securities of Fidelity.

8 No Agreement to Accept Offer

No persons have agreed conditionally or unconditionally to accept the Offer.

9 Arrangements to Pay Consideration

- 9.1 TOWER confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under rule 49 of the Takeovers Code).
- 9.2 A statement setting out the rights of each offeree under rule 34 of the Takeovers Code, to withdraw its acceptance for non-payment by TOWER of the consideration, is set out on page five of the offer document under "Consideration".
- 10 No Arrangements Between TOWER and Fidelity**
- No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between TOWER or any associates of TOWER, and Fidelity or any related company of Fidelity, in connection with, in anticipation of, or in response to, the Offer.
- 11 No Arrangements Between TOWER, and Directors and Officers of Fidelity**
- No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between TOWER or any associates of TOWER, and any of the directors or senior officers of Fidelity or of any related company of Fidelity (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer.

12 **No Financial Assistance**

No agreement or arrangement has been made, or is proposed to be made, under which Fidelity or any related company of Fidelity will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer. If TOWER acquired 90% or more of the voting securities in Fidelity, TOWER may cause Fidelity and its subsidiaries to provide guarantees and/or securities over their assets to secure TOWER's ongoing obligations to its lenders.

13 **Market Acquisitions of Securities**

Provision revoked.

14 **Likelihood of Changes in Target Company**

TOWER does not intend to make any material changes in the business activities of Fidelity or its subsidiaries. Clearly, to realise some of the synergistic benefits perceived to be available from a merger of the two businesses of TOWER and Fidelity, some consolidation and rationalisation measures will be implemented. No specific and detailed plans currently exist, in that regard. In the event that TOWER obtains control of 90% or more of the voting rights in Fidelity, TOWER intends to proceed with the compulsory acquisition of the balance of the Shares in Fidelity.

15 **Pre-emption Clauses in Target Company's Constitution**

There are certain restrictions on the right to transfer equity securities to which the Offer relates contained in the constitution of Fidelity which has the effect of requiring the holders of the Shares, before transferring the Shares, to offer the Shares for purchase to Fidelity or if Fidelity declines to purchase the Shares the Board of Fidelity shall be constituted as the shareholder's agent for the sale of the Shares to another shareholder or to any other person. It is a condition of the Offer that the shareholders of Fidelity pass a special resolution exempting transfers pursuant to the Offer from these requirements.

16 **Escalation Clause**

There is no agreement or arrangement (whether legally enforceable or not), to which TOWER or any of its related entities are a party, under which any existing holder of equity securities in Fidelity will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer, or any prior holder of equity securities in Fidelity will or may receive any consideration or other benefit as a consequence of the Offer.

17 **No Independent Adviser's Report in relation to other Classes**

An independent adviser's report is not required under rule 22 of the Takeovers Code (which relates to the fairness and reasonableness of the

consideration and terms of the offer as between different classes of securities).

18 **Additional Disclosures Required if Consideration Includes Securities**

Provision revoked.

19 **Certificate**

To the best of our knowledge and belief, after making proper inquiry, the information contained in or accompanying the offer document is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by TOWER under the Takeovers Code.

Signed by the persons named below or their respective agents authorised in writing.

Group Managing Director
TOWER Limited

Group Chief Financial Officer
TOWER Limited

Director
TOWER Limited

Director
TOWER Limited

PLEASE NOTE

IF YOU HAVE SOLD ALL YOUR FIDELITY SHARES

Please send this Offer and all enclosures (including the Acceptance Form) at once to the new Fidelity shareholder or the agent or broker through whom you made the sale requesting that they be forwarded to the new Fidelity shareholder.

IF YOU HAVE SOLD SOME OF YOUR FIDELITY SHARES

Please alter the total holding on the Acceptance Form to the number of Shares which you have retained and forward the amended Acceptance Form in the reply paid envelope supplied to TOWER Limited, c/- Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92 119, Auckland 1020.

Upon receipt of the amended Acceptance Form, TOWER Limited will recalculate the amount of cash comprising your consideration to reflect the number of Shares sold by you.

Please also request the person through whom you made the sale to advise the purchaser or purchasers of your Shares of this Offer and that copies of it are available from TOWER Limited, c/- Computershare Investor Services Limited, Level 2, 159 Hurstmere Road, Takapuna, Private Bag 92 119, Auckland 1020 and advise Computershare of the number of Shares sold and the broker concerned.

ACCEPTANCE FORM
TOWER LIMITED FULL TAKEOVER OFFER FOR ORDINARY SHARES IN FIDELITY LIFE ASSURANCE
COMPANY LIMITED

NO OF ORDINARY SHARES HELD IN FIDELITY LIFE ASSURANCE COMPANY LIMITED 	TOTAL CONSIDERATION
---	--

Shareholder/Seller (the "Seller")

If you wish to receive the Cash Component of the Offer:

(a) by automatic transfer:

- (i) tick the following box to authorise Computershare Investor Services Limited and/or TOWER Limited to deposit the cash consideration into the New Zealand bank account that you have already provided details of to Computershare for the purposes of making Fidelity dividend payments to you, and to authorise any disclosure by Computershare to TOWER of your bank account details for the purposes of payment the cash consideration; OR ALTERNATIVELY

OR (b) by cheque,
please tick the
following box

(ii) please include details of your New Zealand bank account below:

Bank/Financial Institution _____ Branch _____

Account Name _____

Account number	BANK	BRANCH	ACCOUNT NUMBER	SUFFIX	REFERENCE NO (IF APPLICABLE)

By signing this form the Seller for the consideration stated above hereby:

- (a) irrevocably accepts the offer dated *[insert date Offer is made]* (the *Offer*) of TOWER Limited (the *Buyer*), for the number of ordinary shares described above together with all other shares or other securities held by the Seller for the same beneficial owner (the *Securities*) in Fidelity Life Assurance Company Limited (the *Company*), subject to the terms and conditions of the Offer; and
- (b) represents and warrants to the Buyer that the Seller has not mortgaged, pledged, transferred or otherwise dealt with the Securities and no other person holds any interest in the Securities and that they are the property of the Seller absolutely, or are held as bare trustee/nominee for the same beneficial owner and the Seller is duly authorised to accept the Offer.
- (c) Hereby enters into a power of attorney in favour of the Buyer as follows:

As from the time of the Offer being declared unconditional, I/we hereby irrevocably authorise and appoint the Buyer (with power of substitution by the Buyer in favour of such person/s as the Buyer may appoint to act on its behalf) as my/our attorney and agent to act for me/us and do all matters of any kind or nature whatsoever in respect of or pertaining to the Securities and all rights and benefits attaching to them as the Buyer may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting, including the transfer of Securities to any person or persons whatsoever, the appointment of a proxy or proxies for any meeting of the shareholders of the Company, attendance in person at, and voting at, such meeting, application to any court whatsoever and execution of all documents in my/our name/s which the Buyer may consider necessary for all or any of the foregoing purposes.

- (d) Agrees that if the Seller is an Overseas Shareholder (as defined in the Offer), it will receive its entire consideration in cash.

for an individual OR ATTORNEY	FOR A COMPANY or body corporate
<i>Your signature(s)</i> 	<i>Signature(s)</i>
	<i>Duly authorised signatory</i>

Dated and executed the _____ day of _____ 2010

NOTES AND INSTRUCTIONS FOR COMPLETION

- 1 **INTERPRETATION:** In this form references to the Seller in the singular shall include the plural.
- 2 **TO ACCEPT THE OFFER:** Select the cash consideration payment option by ticking the appropriate box. Sign this form in the appropriate box overleaf. Companies must sign in accordance with the Companies Act 1993.
- 3 **JOINT HOLDERS:** If the Securities are registered in the names of joint holders, all must sign the form.
- 4 **POWER OF ATTORNEY:** If the form is signed under a power of attorney, the relevant power of attorney must be submitted with the form for noting and return, and the certificate below must be completed. Where such power of attorney has already been noted by the Company, then this fact must be stated under the signature of the attorney.
- 5 **ON COMPLETION:** Place the signed form in the enclosed reply paid envelope and post or deliver to:

Fidelity Takeover Offer
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road, Takapuna
Private Bag 92119
Auckland 1020

as soon as possible.

- 6 **PREVIOUS SALE:** If you have sold all your Securities, please pass this form together with the acquisition notice to your sharebroker or the purchasers of such Securities. If you have sold part of your holding, record that fact on this form by amending the number of Securities noted as being held by you on the face of this form.

IF THIS FORM IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING CERTIFICATE:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/WE, _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. THAT by a Power of Attorney dated the _____ day of _____ the Seller named and described on the face of this form (the *Donor*) appointed me his/her/its/their attorney on the terms and conditions set out in that Power of Attorney.
2. THAT I/we have executed the form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
3. THAT at the date hereof I/we have not received any notice or information of the revocation of that Power of Attorney by the death (or winding up) of the Donor or otherwise.

Signed at _____ this _____ day of _____ 2010

Signature of Attorney(s)

NOTE: Your signature does not require witnessing

Simplified Disclosure Prospectus for an offer by TOWER Limited of ordinary voting shares

Date: 1 October 2010

The TOWER Shares offered in this Prospectus are of the same class as, and will rank equally with, the ordinary shares of TOWER listed on the NZSX and ASX. This Prospectus is a simplified disclosure prospectus in respect of the offer of such shares.

TOWER is a company listed on the NZSX and ASX and is therefore subject to the continuous disclosure obligations of the Listing Rules. The Listing Rules require TOWER to notify certain material information to NZX and ASX, for the purpose of that information being made available to participants in NZSX and ASX.

This Prospectus is dated 1 October 2010 and offers for subscription new ordinary shares in TOWER in the context of the takeover offer by TOWER for Fidelity.

A copy of this Prospectus, duly signed, has been delivered for registration to the Registrar of Companies at Auckland, together with copies of the documents required by section 41 of the Securities Act 1978. These documents are the disclosures made to NZX as detailed in clause 6 of this Prospectus, the audited financial accounts for TOWER for the year ended 30 September 2009 and the interim financial accounts for TOWER for the six month period ended 31 March 2010.

This Prospectus does not constitute an offer in any jurisdiction in which, or to any persons to whom, it would not be lawful to make such an offer. In such countries, this Prospectus, if received, is provided strictly for information purposes only.

Notice to Australian Fidelity Shareholders

The offer of TOWER Shares to Australian Fidelity Shareholders (if any) under the Takeover Offer is a recognised offer under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and the Corporations Regulations. In New Zealand, this is Part 2 of the Securities Act 1978 and the Securities (Mutual Recognition of Securities Offerings) Regulations 2008. The Takeover Offer and the contents of this Prospectus are principally governed by New Zealand rather than Australian law. In the main, the Securities Act 1978, the Securities Regulations 1983 and the Securities Regulations 2009 set out how the offer of TOWER Shares under the Takeover Offer must be made.

There are differences in how securities and financial products are regulated under New Zealand, as opposed to Australian, law. For example, the disclosure of fees for managed investment schemes is different under New Zealand law.

The rights, remedies and compensation arrangements available to Australian investors in New Zealand securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the offer of TOWER Shares under the Takeover Offer. If you need to make a complaint about the offer of TOWER Shares, please contact the Australian Securities and Investments Commission. The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of New Zealand securities and financial products is not the same as that for Australian securities and products. If you are uncertain about whether the investment in TOWER Shares by way of accepting the offer of TOWER Shares under the Takeover Offer is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The offer of TOWER Shares under the Takeover Offer may involve a currency exchange risk. The currency for the TOWER Shares is in dollars that are not Australian dollars. The

value of the TOWER Shares will go up and down according to changes in the exchange rate between those dollars and Australian dollars. These changes may be significant. If you receive any payments in relation to TOWER Shares that are not in Australian dollars, you may incur significant fees in having the funds credited to a bank account in Australia in Australian dollars.

If the security or financial product is able to be traded on a financial market and you wish to trade the security or financial product through that market, you will have to make arrangements for a participant in that market to sell the security or financial product on your behalf. If the financial market is a foreign market that is not licensed in Australia (such as a securities market operated by the NZX the way in which the market operates, the regulation of participants in that market and the information available about the security or financial product and trading may differ from Australian licensed markets.

A copy of this Prospectus was lodged with ASIC and ASX on 1 October 2010. Neither ASIC or ASX takes any responsibility for the contents of this document. This Prospectus may not contain all of the information which a prospective investor may require to make a decision whether to accept the TOWER Shares offered under the Takeover Offer and may not contain all of the information which would otherwise be required by Australian law to be disclosed in a prospectus. The information in this Prospectus does not constitute a recommendation to acquire TOWER Shares or financial product advice.

By returning an Acceptance Form in accordance with the instructions on the Acceptance Form, you acknowledge that you have received and read this Prospectus and the Offer Document, you have acted in accordance with the terms of the Takeover Offer detailed in this Prospectus and the Offer Document, you agree to all of the terms and conditions as detailed in this Prospectus and the Offer Document and you have made your own enquiries and assessment as to the assets, liabilities, financial position, profit and losses and prospects of TOWER and the rights attaching to TOWER Shares.

This Prospectus has been prepared in accordance with Schedule 10 to the Securities Regulations 2009. Following is an index of the pages on which the information required by Schedule 10 to the Securities Regulations 2009 can be found.

Clause of Schedule 10	Page
1 Information at front of simplified disclosure prospectus	cover
2 Names, addresses, and other information	4
3 Experts and underwriter	4
4 Terms of offer and securities	5
5 Relationship with listed securities	5
6 Information available under issuer's disclosure obligation	6
7 Financial statements	7
8 Additional interim financial statements	7
9 Access to information and statements	8
10 Directors' statement	8

Important Dates

Prospectus Registered:	1 October 2010
Offer Opens*:	15 October 2010
Offer Closes*:	6 December 2010 (unless extended in accordance with the provisions of the Takeovers Code)
Shares Allotted and Advices Posted: Trading Commences:	Within 7 days of the later of the date the takeover offer is declared unconditional or receipt of an acceptance from a Fidelity shareholder

* These dates are indicative and subject to the timely promulgation of necessary Takeovers Code exemptions. Promulgation must occur prior to the offer opening.

All legislation referred to in this Prospectus can be viewed at www.legislation.govt.nz or www.austlii.edu.au.

A GLOSSARY OF DEFINED TERMS IS SET OUT ON PAGE 10 OF THIS PROSPECTUS.

PROSPECTUS INFORMATION

This Prospectus is issued by TOWER in the context of the Takeover Offer. Under the Takeover Offer, Fidelity Shareholders are offered for each Fidelity Share, a combination of:

- NZ\$55.00 in cash; and
- The market value equivalence of the amount of the Share Component of the Takeover Offer, in new TOWER Shares (subject to modification as outlined in the Offer Document in respect of Overseas Shareholders to whom it is illegal to offer TOWER Shares) in the form set out in this Prospectus.

The second part of this consideration involves, for most Fidelity Shareholders, an offer of ordinary shares in TOWER, and accordingly constitutes an offer to the public for the purposes of New Zealand securities legislation. This document has been prepared to comply with New Zealand securities law disclosure requirements. This document is intended to contain, or refer to, all information which could reasonably be expected to be material to relevant Fidelity Shareholders in making a decision whether or not to accept the Takeover Offer.

1. INFORMATION AT FRONT OF SIMPLIFIED DISCLOSURE PROSPECTUS

The information required to be contained at the front of this Prospectus appears on the front cover.

2. NAMES, ADDRESSES, AND OTHER INFORMATION

The issuer is TOWER Limited, whose registered office is at Level 11, TOWER Centre, 22 Fanshawe Street, Auckland Central, New Zealand.

The names of the directors of TOWER are:

William John Falconer
Robin Albert Flannagan
Anthony Ian Gibbs
Michael Leslie Jefferies
John Lewis Spencer
Susannah Adair Staley
Denis Michael Wood

3. EXPERTS AND UNDERWRITER

There are no experts named in this Prospectus, and the TOWER Shares offered in this Prospectus are not underwritten.

4. TERMS OF OFFER AND SECURITIES

Pursuant to the Takeover Offer, TOWER is offering to purchase up to 100% of the Fidelity Shares. TOWER Shares will be issued in consideration for Fidelity Shareholders selling their Fidelity Shares to TOWER pursuant to the Takeover Offer. No money is payable by a Fidelity Shareholder by way of subscription for TOWER Shares.

Those Fidelity Shareholders wishing to accept the Takeover Offer will receive two components in payment for each Fidelity Share, being:

- NZ\$55.00 in cash; and
- The market value equivalence of the amount of the Share Component of the Takeover Offer, in new TOWER Shares, (subject to modification in the case of Overseas Shareholders to whom an offer of TOWER Shares cannot legally be made). For the purposes of the Takeover Offer, "market value equivalence" means the number (in the case of a fraction, rounded to the nearest whole number) of TOWER Shares which equates in value terms to the monetary amount of the Share Component, such value to be calculated on the basis of the volume weighted average price of trading of TOWER Shares on the New Zealand Stock Exchange during the 10 business day period immediately prior to the date on which the Takeover Offer is declared unconditional.

TOWER Shares are fully paid ordinary shares in TOWER of the same class as the ordinary shares in TOWER which are currently quoted on the NZSX and ASX. The maximum number of TOWER Shares that may be offered pursuant to this Prospectus is the number of TOWER Shares whose aggregate market value equivalence equals the aggregate of the total Share Component payable pursuant to the Takeover Offer.

The full terms of the Takeover Offer are set out in the Offer Document. The Offer Document is available for public inspection at TOWER's registered office, Level 11 TOWER Centre, 22 Fanshawe Street, Auckland, and free of charge on the Companies Office website at www.companies.govt.nz.

5. RELATIONSHIP WITH LISTED SECURITIES

The TOWER Shares offered in this Prospectus are of the same class as, and will rank equally with, all fully paid ordinary TOWER shares currently on issue.

Rights Attaching to TOWER Shares

Each TOWER Share gives the holder the right to:

- cast one vote at a meeting of TOWER on any resolution including any resolution to:
 - appoint or remove a director or auditor;

- alter TOWER's constitution;
- approve a major transaction;
- approve the amalgamation of TOWER under section 221 of the Companies Act 1993;
- put TOWER into liquidation;
- an equal share in dividends, if any, authorised by TOWER's board;
- an equal share in the distribution of surplus assets of TOWER; and
- the other rights as a shareholder conferred by the Companies Act 1993 and TOWER's constitution.

Listing and Trading

Ordinary shares in TOWER (identical to the TOWER Shares) are listed on the NZSX and ASX under the symbol "TWR". These securities are regularly traded on the NZSX and the ASX. NZX is a "registered exchange" for the purposes of the Securities Regulations 2009; ASX is not. The TOWER Shares have been accepted for listing by NZX and ASX and will be quoted upon completion of allotment procedures. However, neither NZX nor ASX accepts responsibility for any statement in this Prospectus. Further, TOWER cannot guarantee the existence of a ready market for the TOWER Shares. In addition, TOWER cannot guarantee the price that the TOWER Shares will trade for on the NZSX or ASX.

The TOWER Shares to be issued pursuant to the Takeover Offer will have a deemed value (and issue price) equal to the market value equivalence, calculated on the basis of the volume weighted average price of trades in TOWER Shares on the NZX during the 10 business days immediately prior to the date on which the Takeover Offer is declared unconditional. This compares to the closing market price of TOWER's shares (as quoted on the NZSX) as at 30 September 2010 of NZ\$1.83.

Fidelity Shareholders who plan on accepting the Takeover Offer should note that the market price of TOWER Shares may change between the date of this offer and the date when the TOWER Shares are allotted. Such a change may increase or decrease (depending on the change) the value of the Share Component of the consideration, and (in accordance with the market value equivalence concept) the number of TOWER Shares allotted per Fidelity Share.

6. INFORMATION AVAILABLE UNDER ISSUER'S DISCLOSURE OBLIGATION

As a listed company, TOWER is subject to the Listing Rules. The Listing Rules require TOWER to immediately notify NZX and ASX of any information of which it becomes aware concerning the activities and operations of TOWER which a reasonable person would expect, if such information were generally available to the market, to have a material

effect on the price of TOWER's listed securities (unless an exception in the Listing Rules applies). Information about TOWER's activities and recent trading position is contained in:

- the financial statements for the year ended 30 September 2009, which were notified by TOWER to NZX and ASX on 26 November 2009;
- the interim financial statements for the six months ending 31 March 2010 which were notified by TOWER to NZX and ASX on 28 May 2010; and
- the following continuous disclosure notices to NZX and ASX made by TOWER prior to the date of this Prospectus, but after 28 May 2010 (being the date on which TOWER's most recent interim financial statements were notified to NZX and ASX) which are material to the offer of the TOWER Shares:

Date	Description of Announcement
25 June 2010	Announcement of Court of Appeal decision in respect of ANZ National dispute.
28 June 2010	Announcement of issue price for shares issued pursuant to the dividend reinvestment plan.
2 July 2010	Announcement of issue of 1,912,303 TOWER shares pursuant to TOWER's dividend reinvestment plan.
2 August 2010	Announcement of affirmation of credit ratings by A.M. Best Company.
16 August 2010	Announcement of the appointment of Eric Judd as Chief Actuary of TOWER, to replace Herwig Raubal.
6 September 2010	Impact of claims relating to Christchurch earthquake.
15 September 2010	Settlement of ANZ National proceedings in relation to sale by TOWER of policies through ANZ National.

7. FINANCIAL STATEMENTS

The latest annual financial statements for TOWER are for the year ended 30 September 2009. Those financial statements were notified to the NZX and ASX on 26 November 2009 and registered under the Financial Reporting Act 1993 on 5 January 2010.

8. ADDITIONAL INTERIM FINANCIAL STATEMENTS

The latest interim financial statements for TOWER are for the six months ended 31 March 2010. Those interim financial statements were notified to the NZX and ASX on 28 May 2010.

9. ACCESS TO INFORMATION AND STATEMENTS

All NZX and ASX disclosures made by TOWER described in section 6 above, and TOWER's annual and interim financial statements described in sections 7 and 8, are available for viewing and downloading on TOWER's website: www.towerlimited.com. Copies can also be obtained free of charge by request in writing to TOWER at Level 11, TOWER Centre, 22 Fanshawe Street, Auckland Central, New Zealand.

The NZX and ASX disclosures described in section 6 above, and the annual and interim financial statements described in sections 7 and 8, are also filed with this Prospectus and are available for public inspection, on request and payment of the relevant fee, by telephoning the Ministry of Economic Development Business Centre on 0508 266 726. The documents are also available on the Companies Office's website www.companies.govt.nz under TOWER's reference.

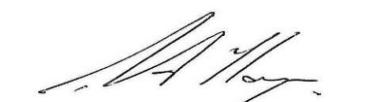
10. DIRECTORS' STATEMENT

The Directors, after due enquiry by them, are of the opinion that TOWER is in compliance with the requirements of the continuous disclosure provisions that apply to it.

SIGNED by each of the directors of TOWER Limited:



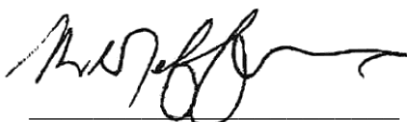
William John Falconer



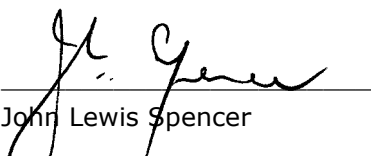
Robin Albert Flannagan



Anthony Ian Gibbs



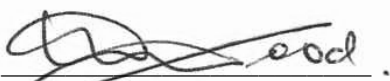
Michael Leslie Jefferies



John Lewis Spencer



Susannah Adair Staley



Denis Michael Wood

GLOSSARY

The following capitalised terms used in this Prospectus have the following meanings:

Accepting Fidelity Shareholder	A Fidelity shareholder who accepts the Takeover Offer made pursuant to the Offer Document.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited ACN 008 624 691 or the Australian Securities Exchanges as the context requires.
Corporations Act	The Corporations Act 2001 (Cth).
Corporations Regulations	The Corporations Regulations 2001 (Cth).
Fidelity	Fidelity Life Assurance Company Limited.
Fidelity Shares	Ordinary shares in Fidelity Life Assurance Company Limited.
Fidelity Shareholder	A person who holds Fidelity Shares.
Listing Rules	The Listing Rules applying to NZSX and ASX as amended or waived from time to time.
Market Value Equivalence	The number (rounded to the nearest whole number) of TOWER Shares which equates in value terms to the dollar amount of the Share Component, such value to be calculated on the basis of the volume weighted average price of trading of TOWER Shares on the NZSX during the 10 business day period immediately prior to the date on which the Offer is declared unconditional.
NZSX	The main board equity security market operated by NZX.
NZX	NZX Limited.
Offer Document	TOWER's takeover offer document for all the shares in Fidelity.
Overseas Shareholder	A Fidelity Shareholder whose address of record on Fidelity's share register is not in New Zealand or Australia.
Prospectus	This simplified disclosure prospectus.
Share Component	The dollar amount of the consideration paid per Fidelity Share under the terms of the Takeover Offer which is to be paid in

market value equivalence of TOWER Shares (being at the date of this Prospectus but subject to amendment in accordance with the terms of the Offer Document, NZ\$27.00).

Securities Act 1978	New Zealand Securities Act 1978.
Securities Regulations 1983	New Zealand Securities Regulations 1983.
Securities Regulations 2009	New Zealand Securities Regulations 2009.
Takeovers Code	The Takeovers Code as set out in the Takeovers Code Approval Order 2000.
Takeover Offer	The offer described in the Offer Document.
TOWER	TOWER Limited.
TOWER Shares	Fully paid ordinary shares in TOWER offered to Fidelity Shareholders pursuant to the Offer Document.