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Incorporated in New Zealand

28 February 2023

Tower Limited Annual Meeting Address

Attached is a copy of the address and presentation to Tower's annual meeting of shareholders, held today at 10am.

ENDS

This announcement has been authorised by:

Blair Turnbull
Chief Executive Officer
Tower Limited

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Tower 2022 Annual Shareholder Meeting Script

28 February, 2023

Slide 1 – Cover page – Michael Stiasny

Mōrena, good morning and thank you for making the time to join us this morning.

My name is Michael Stiasny, Chairman of Tower Limited. As it's now 10.00am, I am pleased to open Tower's Annual Shareholder Meeting.

On behalf of my fellow Directors, welcome to all of you here at the Ellerslie Event Centre as well as those who have joined via the Computershare webcast. This is your meeting, and we thank you for taking the time to join us today.

With me in the room this morning are directors Wendy Thorpe, Marcus Nagel, Graham Stuart and Geraldine McBride.

[PAUSE]

Also joining us in the room today is our Chief Executive Officer, Blair Turnbull and our Chief Financial Officer Paul Johnston. Our Auditors, PricewaterhouseCoopers are also present and are available to answer shareholder questions.

This is a hybrid meeting, so before we start the meeting proper, there are a separate housekeeping matters to cover off. We appreciate your patience.

For those in the room:

- If you have a cell phone, please switch it off.
- If we need to evacuate this room for any reason, there is an exit to your left at the side of the room and also the entrance you came through.
- In the event of an emergency, please listen to the instructions from Tower staff who are identified with name badges.
- Bathroom facilities are located along the corridor to the right.
- If you are feeling unwell, please advise one of our Tower staff who will assist you.

For those who are attending the meeting online:

- We ask that you follow the information provided in the Notice of Meeting regarding voting and asking questions.
- Should you require any assistance, you can type your query and one of the Computershare team will assist, or alternatively, you can call Computershare on 0800-650-034 or from overseas +64 9 488 7800.

Slide 2 – Questions

Please note that only shareholders and proxies can ask questions and submit votes.

I encourage all of you attending online to submit questions via Computershare at any time during the meeting. If you have a question, please select the Q&A tab on the right half of your screen. Type your question into the field and press send. Your question will be submitted immediately. Specific questions on any of the resolutions to be considered will be answered as the relevant resolution is put forward, while general questions will be addressed later in the meeting.

Questions may be moderated, or if we receive multiple questions on a topic, they may be amalgamated. However, questions will not be censored, unless they are unseemly or rude.

If we run out of time to answer all questions in the course of this meeting, we will answer them directly via email and post the responses on our website.

To any media present – welcome. Just a reminder that this is a meeting for shareholders, but Blair and I will be happy to talk to you after the meeting.

Slide 3 – Voting process

Voting today will be by way of a poll on all items of business. To provide you with enough time to vote, I will shortly open voting for all resolutions.

At that time, if you are eligible to vote at this meeting, you will be able to cast your vote under the Vote tab. To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions together, at once, or for individual resolutions. When the tick appears, your vote has been cast. To change your vote after that time, simply select 'Change Your Vote'. You can do this until I declare voting closed. For those in the room if you do not have a voting paper please indicate now by raising your hand and a member of

Computershare's team will assist you. Voting papers will be collected at the end of the resolution and voting section of the meeting by the Computershare team who will act as scrutineers and the results will be posted to the NZX and ASX exchanges later today.

[PAUSE]

I now declare voting open on all items of business. The resolutions will be open in the vote tab, you may submit your votes at any time and I will let you know in advance that voting will be closing.

Slide 4 – Agenda

Here is today's meeting agenda.

We will provide you with an update on last year's performance and our strategy, as well as the progress we've made at Tower in recent months.

Following Blair's presentation, we will move to the formal resolutions set out in the Notice of Meeting.

Let's now move on to the formal part of the meeting.

Apologies

Are there any apologies?

(If not:) Thank you.

(If yes:) Thank you, I will ask the Secretary to record those in the minutes.

Quorum

The Company's constitution requires a quorum of 25 shareholders for this meeting. This requirement has been met and a quorum exists.

Proxies

In addition to those attending in person today, 452 shareholders, holding a total of 113,713,958 shares, have appointed proxies (including proxies instructed to abstain). The appointed proxies represent 29.97% of valid securities voted.

In my capacity as Chairman of the meeting and in my own name I hold proxies for 373 shareholders, representing 111,535,562 shares, or 29.39% of all shares.

I intend to vote all undirected proxies I have received in favour of resolutions 1, 2 and 3.

Annual Report and Notice of Meeting

The annual report was made available on Tower's website on the 16th of December 2022.

I propose that we take the Annual Report and Notice of Meeting as read.

Slide 5 – Chairman's address

Climate change – the biggest issue we collectively face

Before I talk about Tower's performance over the past year, the devastation wrought by the recent weather events including Cyclone Gabrielle in the North Island are top of mind for me, along with all New Zealanders.

People have lost their lives and it has become clear that the scale of destruction is significant. The road to recovery for individuals, whānau, communities and businesses will be long and painful.

There is no question it has sharpened the focus on the impacts of climate change and how we as a nation propose to respond. And I don't just mean in the days, weeks and months ahead as we rebuild, but longer term.

We can't keep kicking the can down the road. We need a far more comprehensive national resilience and adaptation plan. New Zealand must develop a feasible strategy, understand who will be doing what, and importantly, who and how we pay for this.

There needs to be a top level conversation right now about roles and responsibilities, and then there needs to be immediate action.

It would be kind to say our infrastructure is not up to scratch. Years of underinvestment have left major cities and regional areas woefully unprepared for catastrophic natural events. This is not new news, but Cyclone Gabrielle sheeted it home in the most tragic way. Developers have been allowed to build in risky areas and as we are seeing, building on flood plains, and at the edge of or below cliffs is not smart.

In trying to protect land, property and lives, we now have a multitude of issues to address. Where are we going to build? What and how are we going to rebuild or build anew? How

can we ensure tomorrow's built environment is resilient to weather extremes? These are huge questions that require urgent consideration and a comprehensive plan to resolve.

No question – the insurance industry certainly has a major role to play.

Tower has already been working towards this future; leading the way in terms of engaging around climate change; developing sophisticated data sets to underpin risk-based pricing on an individual property basis; and more recently, gaining a more granular understanding of inland flood risk profiles.

When it gets to the gnarly decisions around potential longer-term solutions to address the most severe impacts of climate change – especially the vexed and complex question of managed retreat – the rubber is going to hit the road. Who pays?

As I understand the sentiment there is a suggestion that insurers should bear some of the costs potentially associated with managed retreat. This may sound reasonable on the face of it, but it completely ignores the fact that the global insurance model is predicated on paying out after an event, **not** before one. And let's face it, once you know it's a risk, it is morally indefensible to wait until after an event to instigate some version of managed retreat.

Tower remains committed to risk-based pricing. We believe in our customers paying fair insurance premiums for their risks. Similarly, we don't believe that customers in low-risk areas should pay a disproportionate share of levies.

Many people are unaware that today about 45% of the average Auckland house insurance premium is collected on behalf of the Government in the form of EQC and fire levies, and tax. Tower would be deeply concerned to see additional levies or increases that result in even further cross subsidisation of risks as has occurred with the most recent EQC levy hike.

Tower is focused on offering competitive insurance to what we deem to be 'good risks'. As a Kiwi and Pacific insurer with smaller market share when compared to the Aussie conglomerates, this is essential to ensure we remain a resilient business.

And for the good of the New Zealand economy, our shareholders and our customers, Tower has an obligation to protect that resilience, while making fair returns.

Having said that, Tower is continuing to contribute meaningfully to the information and discussion required to create long-term solutions to the challenges facing us all.

However, whatever way you look at it, the unfortunate truth is that there are some areas in New Zealand that should not be rebuilt in the event of a disaster or that will become – literally – uninsurable.

In my view, we need to have this debate now. We need to identify and accept that in some parts of New Zealand managed retreat will be the safest and most pragmatic way to address the risks associated with climate change in order to protect lives and property.

Only then can we engage with the communities affected, enabling them to have input and some control over their collective future and importantly, identify and agree on innovative funding solutions.

[PAUSE]

Proactively managing challenges

In the face of such an enormous natural disaster, I want to acknowledge how proud the Board is of the way Tower has supported customers while maintaining our financial strength and operational resilience. Tower's response to these events in quick succession has been proactive, well-coordinated and empathetic.

There is no doubt that Tower today is a vastly improved company from the one I joined in the wake of the Christchurch Earthquakes a decade ago.

We are a strong business that is achieving sustained premium growth, delivering on our strategy of innovation and customer focus.

We remain well positioned to support the recovery from these events and shareholders can be confident in our ability to continue delivering performance.

As I've just mentioned, our business is adapting to this challenge, navigating the changing climate in the interests of our shareholders, as well as our customers, team and communities across the Pacific and New Zealand.

We've committed to matching premiums to individual risk, rather than averaging total risks across towns, cities or broader regions and we're using advanced data to inform this.

Our reinsurance programme also has multiple treaties in place that help protect us from the volatility of large weather events. This year we've increased our budget to \$40 million to cover these large events.

And we are progressing reinstatement cover to ensure we retain our full levels of catastrophe protection.

However, as I noted in the 2022 financial results presentation, there is no room for complacency. Tower remains tightly focused on managing climate change risks, along with the inflationary pressures that are likely to be prevalent for some time.

Financially resilient

Our strong financial position continues to be recognised by external agencies. International ratings agency AM Best rates us as A-, excellent. And last June, the Reserve Bank once again reduced Tower's licence condition from \$25 million to \$15 million.

In February 2023 Tower paid a final FY22 dividend of 4 cents per share, which brought total dividends for the year to 6.5 cents per share.

As always final decisions on dividends occur when Tower's results are approved, in accordance with Tower's ordinary dividend policy, acting prudently and in light of information available at that time. However, despite the recent large events, Tower expects to pay a dividend of 5 cents per share in FY23.

This year we completed our purchase of the minority interests in National Pacific Insurance and the acquisition of legacy books which have been migrated to Tower Direct. This has resulted in further efficiencies and growth benefits and we continue to look for investments that will deliver strong shareholder value.

Continued long-term growth

Tower's strong performance reflects the investments made in our core technology platform and distribution footprint which have positioned us well to continue delivering GWP growth.

Our flagship Tower Direct business and unique partnership distribution capability continue to go from strength to strength. Digitisation of our Pacific business continues at pace, and we are now operating on one core platform across New Zealand and the Pacific, leading to further improvements in efficiency and competitiveness.

[PAUSE]

In closing, I'd like to thank the Tower team. The business is strong, it's continuing to achieve sustained premium growth and is supporting customers in their time of need. None of this would be possible without the vision, dedication and commitment of our people.

I'll now hand over to Blair, who will take you through the results and outlook before we take questions.

Slide 6 – CEO's address title slide – Blair Turnbull

Tēnā koutou katoa and thank you Michael.

A warm welcome to everyone joining us today. Before I recap on our full year 2022 results and provide a performance update for the first three months of the 2023 financial year, I would like to take this opportunity to acknowledge the events of the past few weeks.

It's been a very challenging time for Kiwis. It's hard to believe that only in January, Cyclone Hale was declared an emergency event by Cabinet.

Then things got a lot worse.

The widespread storms in Auckland and the Upper North Island in late January, early February followed by Cyclone Gabrielle only a week later has devastated communities.

The daily conversations we are having with our customers have been heart breaking and in the past few weeks we have been called upon to not only provide assistance with claims, temporary accommodation and make-safe fixes, but also for a lot of moral support.

As an insurer these are our defining moments: paying claims is why we exist. And these events are an important reminder of the critical role insurance plays in both personal and economic resilience.

While these events are a moment of truth for insurers, they are also a moment of truth for New Zealand as we collectively tackle the climate change elephant in the room. What's clear now from the data we have and the claims we've seen in recent years is that the frequency and severity of these weather events is increasing rapidly.

And as a country we need to adapt and protect our communities. Tower has been advocating for greater transparency around risks for several years now. When we launched

our flood risk tool in late 2021, we wrote to relevant Ministers as well as every council and MP in the country offering to share our model and insights into their communities' flood risks. And we were pleased to have met with a number of councils to share our data.

In the wake of the Auckland and Upper North Island event and Cyclone Gabrielle, this offer remains open and in the coming weeks and months we will be reaching out again as we add coastal erosion and inundation, as well as landslide risks to our model. Tower is committed to acting in the public interest, doing what we can to help inform good decision making and building back better.

As Michael emphasised, we believe that risk-based pricing is a fairer way to price insurance, so that customers only pay for the risks they have. Pricing appropriately for risk will ensure we continue to have a robust business for New Zealand and the Pacific.

We are also rising to the climate change challenge by developing new products and models to support communities through climate change, such as our Cyclone Response Cover in Fiji - a parametric insurance product that provides a rapid cash pay-out when a customer is impacted by cyclone, regardless of damage and without the need for an insurance assessor's signoff.

And we are also helping people to build back better by providing \$15,000 above the sum insured for a total loss to use for additional sustainable materials or products like solar panels or eco-friendly paints.

But insurance is only one part of the equation.

At a national level we must do more to help protect communities as the effects of climate change worsen.

First, we need to urgently stop building in risky areas. As we have seen in recent weeks, the worst damage is often in areas where people have the least. It seems obvious that large developments built on flood plains will fill up with water when it rains a lot, and as we have seen this month, in far too many places our infrastructure is not up to the job.

Innovative upgrades are needed to protect communities from flooding. We need urgent consideration of the building system and regulatory framework to ensure existing natural

risks and changing or intensifying weather patterns are factored in as we plan new housing developments.

Simply installing more concrete pipes and walls is not the answer – we need to be looking at alternative materials and reinstating nature’s wetlands as standard features. It all adds up to creating a built environment that can handle high intensity weather events that are going to keep hitting us.

Slide 7 – Rapid response to Auckland & North Island Weather Event, Cyclone Gabrielle

I'm incredibly proud of the way our people have risen to the challenges posed by these events and the tireless efforts they continue to make in supporting our customers and communities.

We put out our first communication on the morning of the 27th of January warning people to be careful on the roads over the Auckland Anniversary Weekend. That evening, we followed up with 117,000 text messages to customers in Auckland, Northland and Waikato to offer assistance, provide information on what to do during a storm and how to make a claim.

By 7pm we had already lined up a car yard in South Auckland. In the following days we towed hundreds of vehicles there for assessment.

Since the Auckland and Upper North Island event began, we have sent around 330,000 text messages and 940,000 emails providing advice on personal safety, claims, emergency repairs, and what to do with flood damaged items.

We quickly bolstered our resourcing to support phone lines and online claims lodgement, this included our team in Fiji. We had assessors on the ground from the Saturday morning and flew more assessors into Auckland from the South Island and Australia to assist. And we had people in all community hubs.

Our online outreach enabled rapid claims lodgement and saw us receive the bulk of our approximately 5,325 claims within a week of the event. We received 80% of our claims via online channels, showing the value of this technology investment which enabled us to respond much faster to customers.

When Cyclone Gabrielle hit less than a fortnight later, our teams and partners were all in place and ready to scale up these actions.

We are continuing to support customers impacted by both the Auckland and Upper North Island weather event and Cyclone Gabrielle.

We currently estimate the total claims costs for the Auckland and Upper North Island weather event to be \$95m - \$125m, which will predominantly be covered by reinsurance after our \$11.875m excess.

We have received around 2,200 claims for Cyclone Gabrielle and while we are still assessing the financial impact of this event, we expect it to also trigger our catastrophe reinsurance cover which I will take you through next.

Slide 8 – Reinsurance programme provides protection

Tower's reinsurance strategy provides protection from volatility caused by large events.

As I outlined, we anticipate it is likely that both the Auckland and Upper North Island Weather Event and Cyclone Gabrielle will be classed as catastrophe events, each with an excess of \$11.875m.

To manage the impact of further large events on our results, we have increased our large events allowance from \$30m to \$40m in our FY23 plan.

In line with Tower's comprehensive approach to reinsurance, we are progressing reinstatement cover with a view to retaining our full levels of catastrophe protection. That is, two additional catastrophe events up to \$889m. Any further large events this year will have an excess of \$12.5m.

Slide 9 – Ability to adapt quickly positions Tower for a strong future

Tower is uniquely positioned to adapt quickly to challenges while enhancing our resilience.

Our ability to price quickly as evidenced by the more than 140 pricing adjustments we made in FY22 allows us to stay ahead of inflation and changing claims trends.

Our approach to risk-based pricing allows us to quickly gather the data we need to make more precise decisions about the risks we will accept and for the right price.

Our geographic footprint enables us to move workflows across multiple countries and manage spikes and business interruptions, such as the events we have seen in recent weeks.

Increasingly automating our renewal process has ensured that 97% of our New Zealand customers' sum insured amounts have been updated either by CPI or the Cordell calculator which accurately calculates rebuild costs.

And our partnership approach to supplier relationships gives our customers access to preferred suppliers, helping us to manage claims costs.

Slide 10 – FY22 performance

And now to recap on our FY22 financial year ending 30 September 2022, which seems like a long time ago now.

Slide 11 – A journey of innovation and resilience

To start, a brief overview of Tower's journey in recent years.

We have come a long way from our ambition of simplifying our business; by first reducing our New Zealand product set from more than 400 product variants down to just 14 core products.

Our three businesses were set up to represent our different regional and customer groups, Direct, Partnerships and Pacific.

This business and product simplification enabled us to move our operations on to one core operating platform, which is now live across New Zealand and the Pacific Islands.

As we continue to simplify and scale across New Zealand and the Pacific, our near-future ambition is to leverage our core platform to ensure all Tower customers enjoy the same great experience, with a common set of products, irrespective of where they live. A scalable and progressively more efficient model which will be key to our long-term success.

Underpinning this is a strong culture of high performance, a culture where all our people can contribute and feel valued because, ultimately, they are at the heart of delivering an exceptional customer experience.

Our focus remains on deepening our customer relationships. By offering a rich product suite which supports higher customer satisfaction and engagement, we will keep customers for longer which in turn ensures Tower remains a financially strong and resilient business.

Slide 12 – FY22 performance - Solid growth and increased efficiencies underpin strong underlying business performance

We reported positive business performance for the 2022 financial year which was achieved through strong growth and efficiencies.

Tower's Gross Written Premium for the year to 30 September rose to \$457 million, up 13% on the previous financial year.

We managed external headwinds well with Tower's BAU claims ratio dropping to 48.9%.

We were pleased to have seen our management expense ratio (MER) improve again from 37% in FY21 to 36%, thanks to our disciplined cost control and further efficiencies.

Tower planned for \$20m of large events costs during FY22, and these came in at a \$19m net impact, up from \$13.9m net in FY21.

Reflecting our positive business performance, underlying NPAT including large events was \$27.3 million, up 31% from \$20.8m in FY21.

Reported profit was down 2% at \$18.9m versus \$19.3m in FY21.

Slide 13 – FY22: strong growth in customers and premium

Tower's focus on simple and rewarding customer experiences combined with our digital and data capability contributed to strong growth in both premium and customers in FY22.

As previously mentioned we grew our gross written premiums 13% to \$457m, as well as our customer numbers to 319,000, up 5% on prior year.

Our digitisation strategy helped increase the number of Tower Direct quotes online with 66% of sales in FY22 taking place on digital channels.

These new customers were brought on board at a lower cost to acquire, at 12% of net earned premium, versus 12.6% in FY21.

We are continuing to sell more to existing customers as we grow, with half of our New Zealand customers having two or more products with Tower.

Two achievements we are particularly proud of were winning Canstar's top Car Insurer of the Year Award, and also the Outstanding Value Award for the second year running.

Slide 14 – FY22: scale and efficiencies improve claims and expense ratios

Our increasing scale combined with decisive actions to address inflation continued to deliver efficiencies in FY22, with Tower's BAU claims ratio reducing well to 48.9%, compared to 50.2% in the 2021 financial year.

This is despite the stormy weather across New Zealand over the year resulting in total claims costs of \$18m compared to the five-year average of \$11m.

By global standards, a 1% reduction in management expense ratio in any year is a good result for an insurer. So, in last year's highly inflationary environment, we were particularly pleased to have achieved yet another improvement in MER to 36%.

With half of all tasks and transactions in New Zealand completed digitally versus 46% in FY21, the customer and efficiency benefits from our leading digital and data technology platform are being realised.

Slide 15 – FY22: delivering shareholder returns

In the 2022 financial year Tower returned \$55.3m to shareholders in the form of dividends and a capital return. As a result of these payments to shareholders, Tower's surplus capital decreased.

Tower's solvency ratio was 205% as at 30 September, after the capital return and final dividend. We paid a final dividend of 4 cents in February, 2023, bringing the full year dividend to a total of 6.5 cents per share.

Slide 16 – Q1 trading update for the three months to 31 December 2023

Turning now to our trading results for the first three months of our 2023 financial year.

Slide 17 – Q1: continued strong premium growth

We had a very positive start to the financial year, with continued premium growth.

In the first quarter we achieved \$123 million of gross written premium (GWP), representing growth of 12.5% on the same period last year. Again, this has been achieved by a

combination of new business, improved customer retention and inflation-based rating adjustments.

We are pleased to have increased our market share of personal lines to 9.5% by the end of Q1, compared to 9.2% in the same period last year.

Our online sales channels are helping to drive this growth, with 74% of Tower Direct new business coming through online channels – up from 62% in the first quarter of FY22.

And the number of New Zealand risks we hold in force is up 5% year on year to 582,000.

Slide 18 – Q1: operational efficiencies through scale and investment

We are focused on driving operational efficiencies to underpin our profitable growth.

As I mentioned before we were pleased to reduce our management expenses in FY22, and we continued this trend in the first quarter of this year. Our management expense ratio was 35%, compared to 38% in Q1 FY22.

We also increased My Tower registration to 218,000, a 45% increase on 150,000 during the same period in FY22, and in the first quarter 55% of our claims were lodged digitally.

In Q1 we also completed our legacy bank book acquisitions, saving us \$11 million in commissions annually and contributing to a further reduction in our commission expense ratio which is now just 1.8%.

Slide 19 – Q1: decisive actions to address claims challenges

In Q1 our claims ratio increased to 54%. This is largely as a result of changes in claims trends. As you can see on the chart average motor claims frequency has increased to 13%, up from 12% pre Covid due to higher traffic volumes and increased motor theft. The first quarter of the prior year saw reduced traffic on the roads due to the Auckland lockdowns.

We continue to take a disciplined response to addressing claims inflation and other challenges and made 49 targeted rating and underwriting adjustment in Q1.

We have also made targeted underwriting changes to improve our risk selection. These actions will benefit our loss ratio going forward.

At the end of the first quarter we had 32 Canterbury Earthquake claims open compared to 36 in September 2022.

We continue to leverage technology and established preferred partner networks to optimise our recoveries and investigations of potentially unjustified claims. Our AI-based fraud detection system, FRISS went live in 2022 and is already delivering results.

And we have successfully integrated a new digital recoveries solution into our core technology platform.

Slide 20 – Updated FY23 guidance

We recently updated our full year underlying NPAT guidance to between \$18m and \$23m, from a range of between \$27m and \$32m.

This guidance reflects the positive actions we've taken to prepare for future events, including increasing Tower's large events allowance to \$40 million, up from the initially forecast \$30 million. This FY23 guidance also factors in the expected cost of reinstating reinsurance arrangements.

This range is based on GWP growth of between 10% and 15%.

A decision will be made on whether to pay an interim dividend when Tower's half year results are approved.

For the full year, in line with Tower's ordinary dividend policy to pay a sustainable annual dividend in the range of between 60-80% of adjusted earnings where prudent to do so, Tower anticipates FY23 dividends to be 5 cents per share.

In summary, despite two significant weather events in quick succession, Tower is in good heart.

We are supporting customers, enabled by our investments in technology and people.

We are very focused on the job at hand and remain well positioned for the future.

I will now hand back over to the Chair.

Slide 22 - Shareholder Resolutions – Michael Stiasny

Thank you, Blair.

I now propose that we move to the next item of business, which is the shareholder resolutions before the meeting. Resolutions 1-3 are ordinary resolutions, each passed by a simple majority of votes of those shareholders entitled to vote and voting on the relevant resolution.

As noted earlier, voting has already opened online and will close shortly after discussions on the resolutions are completed so that everyone has the opportunity to cast their votes.

Slide 23 – Shareholder resolutions

Resolution 1 - Authorisation to fix remuneration of auditor.

The Companies Act 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.

The Companies Act provides that the fees and expenses of the auditors are to be fixed by the Company, or in the manner that the company determines at the Annual Meeting. The Board proposes that, consistent with past practice, the auditor's fees be fixed by the Board.

I therefore:

- Record that the auditors, PricewaterhouseCoopers, are automatically re-appointed as auditors of the company; and
- Move that the Board be authorised to determine the auditor's fees and expenses for the 2023 financial year.

At this point, I would also like to note that the New Zealand Shareholders Association policy and international best practice is that the Audit Firm should not serve more than 10 years and the Lead Audit Partner should be rotated at five years to ensure the appropriate degree of independence is maintained. We agree with this view and have noted Audit Firm tenure and Lead Audit Partner rotation information in the Corporate Governance Statement on our website.

Are there any questions?

[FOLLOWING ANY QUESTIONS]

I now move to the re-election of directors. As the first re-election concerns myself, I will hand over to Graham Stuart.

Graham Stuart

Resolution 2 - Re-election of Michael Stiasny as Director of Tower Limited

This year Michael retires by rotation, and being eligible, offer himself for re-election. Michael will now address this meeting on his proposed re-election.

[MICHAEL STIASSNY ADDRESS]

As Michael retires on rotation in accordance with NZX Listing Rule 2.7.1 I now move that Michael be re-elected as a director of Tower Limited.

Are there any questions?

[FOLLOWING ANY QUESTIONS]

I will now hand back to Michael

Michael Stiasny

Resolution 3 - Re-election of Geraldine McBride as Director of Tower Limited

Geraldine McBride was appointed by the Board in October 2022 to fill a casual vacancy following Steve Smith's retirement in February 2022 and in anticipation of Warren Lee's retirement. As required by Tower's constitution, Geraldine retires, and being eligible, offers herself for re-election. I now invite Geraldine to address this meeting on her proposed re-election.

[GERALDINE MCBRIDE ADDRESS]

Thank you, Geraldine. I will now move that Geraldine McBride be re-elected as a director of Tower Limited

Are there any questions?

[FOLLOWING ANY QUESTIONS]

That concludes our discussion on the items of business.

So, if you haven't already done so, please cast your votes now. Voting will close in approximately 2 minutes. The votes will then be counted under the scrutiny of Computershare who will now begin collecting the voting papers from within the room.

We will now pause for a moment to ensure that all questions relating to the resolutions have been received.

[PAUSE]

Right, let's move on. The final item on our agenda is Questions and General Business:

Slide 24 – Questions & General Business

Are there any matters of General Business? Or any questions?

[FOLLOWING ANY QUESTIONS]

In a minute, I will close voting. This is your final chance to ensure that you have cast your vote on all resolutions. I will now pause to allow you time to finalise those votes.

[PAUSE for 60 seconds]

Voting is now closed.

The results of these polls will be released to the stock exchanges later today.

Ladies and gentlemen that concludes our meeting and it remains for me to thank you for your participation in today's meeting.

I declare the meeting closed. I now invite those of you in the room to join the board and executive team for refreshments in the adjoining room to your right. Thank you.

An aerial photograph of a coastal town, likely in New Zealand, featuring a large blue lake in the foreground, a dense residential area with various houses and trees, and a prominent mountain in the background under a clear sky. A dark blue curved banner is overlaid on the left side of the image, containing white text.

Tower 2023 Annual Shareholder Meeting

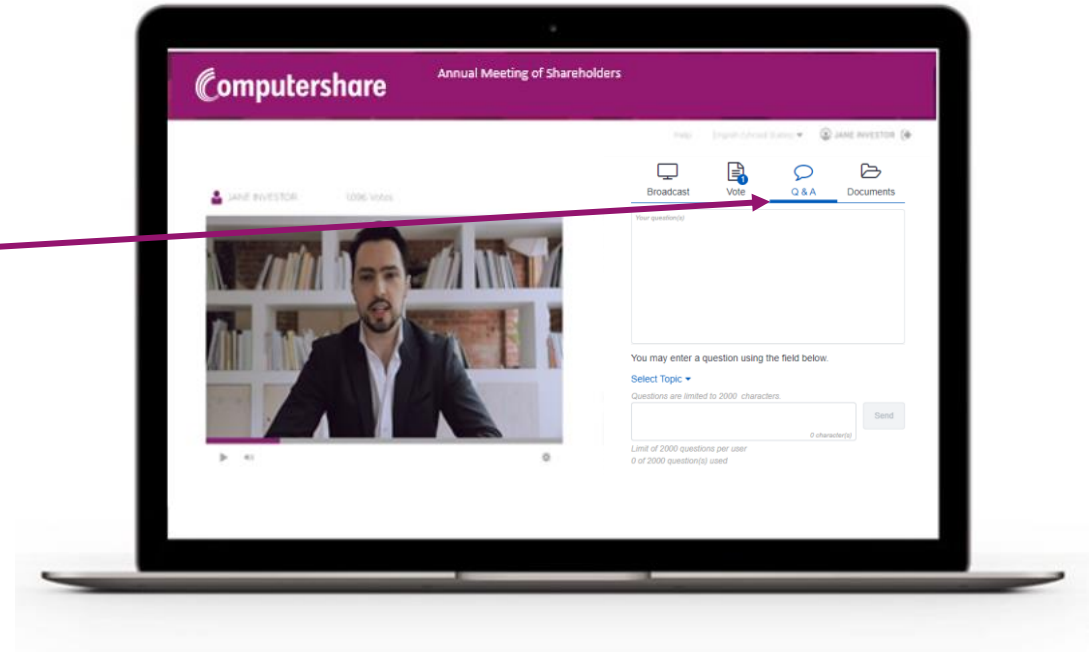
28 February, 2023

Questions

Shareholder & Proxyholder Q&A Participation

Written Questions: Questions may be submitted ahead of the meeting. If you have a question to submit during the live meeting, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press submit. Your question will be immediately submitted.

Help: The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.



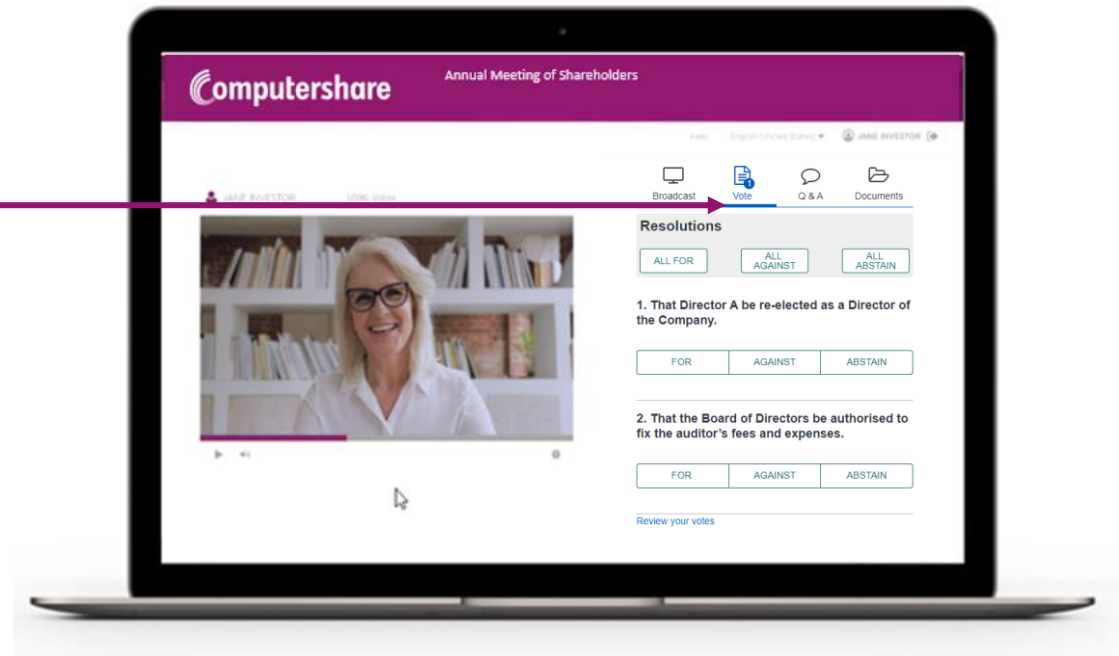
Voting process

Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



Agenda



Chairman's address

Michael Stiasny, Chairman



CEO's address

Blair Turnbull, Chief Executive Officer



Shareholder resolutions Questions & general business

Michael Stiasny, Chairman



Chairman's address

Tower responding to weather events; underlying business remains strong



Note 1: Tower's ordinary dividend policy is to pay a stable annual dividend to shareholders that aims to be in the range between 60-80% of "adjusted earnings" (defined as the reported full year Net Profit After Tax (NPAT) plus acquisition amortisation and unusual items) for the Tower consolidated group, where prudent to do so.

CEO's address

Blair Turnbull
Chief Executive Officer



Rapid response to Auckland and Upper North Island Weather Event, Cyclone Gabrielle

AUCKLAND AND UPPER NORTH ISLAND EVENT CLAIMS RECEIVED TO DATE

5,325

2,200 claims received for Cyclone Gabrielle

CLAIMS RECEIVED ONLINE FOR AUCKLAND AND UPPER NORTH ISLAND EVENT

80%

Proactive texts & emails resulted in fast claims lodgement

RAPID RESPONSE ENABLED THROUGH ONE CORE PLATFORM

Suva hub, digital claims experience, coordinated supplier network

TOTAL CLAIMS ESTIMATE FOR AUCKLAND AND UPPER NORTH ISLAND EVENT

\$95m - \$125m

Covered by reinsurance after \$11.875m

Fri, 27 Jan at 11:10 PM

Tower: We hope you are keeping safe! If you need to make a claim, the quickest and easiest way to do this is online through My Tower. Check our blog for top tips on what to do during and after a storm. If you need emergency repairs, give us a call. We are here to help!

- 330k texts, 940k emails



- Akl: Dedicated Turners car yard
- Assessors on the ground for rapid processing



- Staff at all community hubs



- Continuing to support affected customers

Reinsurance programme provides protection

Auckland & Upper North Island weather event/ Cyclone Gabrielle

- Auckland & Upper North Island event confirmed catastrophe event - \$95m-\$125m, \$11.875m excess
- Early stages of estimating financial impact of Cyclone Gabrielle. Likely it will also trigger catastrophe cover

Reinstatement top up

- Work underway to reinstate cover to retain full levels of catastrophe protection
- Protection to cover two additional catastrophe events up to \$889m
- Costs for reinstatement cover included in updated profit guidance

Large events

- Increased FY23 large events allowance from \$30m to \$40m.

Ability to adapt quickly positions Tower for a strong future

PRICING AGILITY

140+

Pricing adjustments in
FY22

RISK-BASED PRICING

**Coastal,
landslides**

Planned for FY23.
Landslide underwriting
implemented

AUTOMATED HOUSE SUM
INSURED

97%

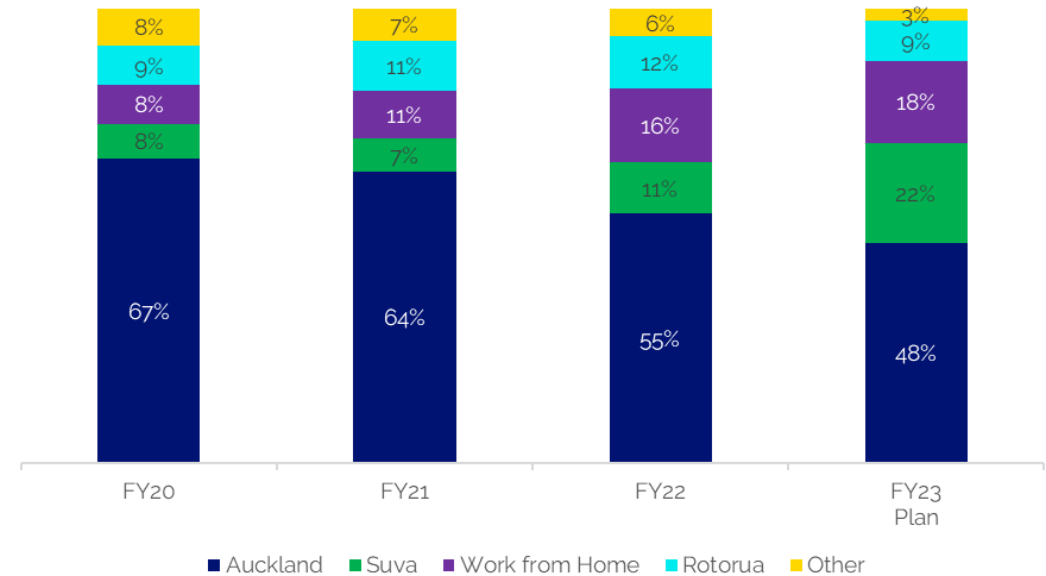
Of NZ customers
updated via CPI or
Cordell in FY22 vs 77%
in FY21

SUPPLY CHAIN OPTIMISATION

77%

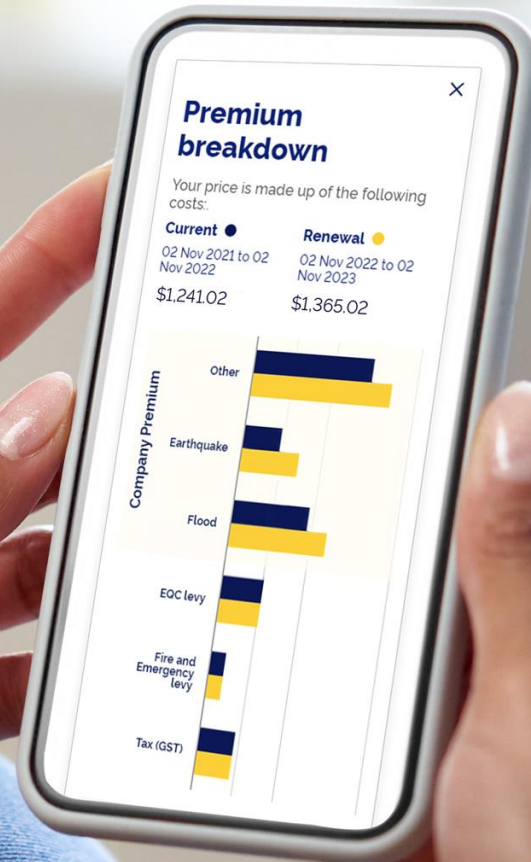
of NZ motor repairs
by preferred suppliers
in FY22 vs 75% in FY21

TOWER STAFF BY LOCATION

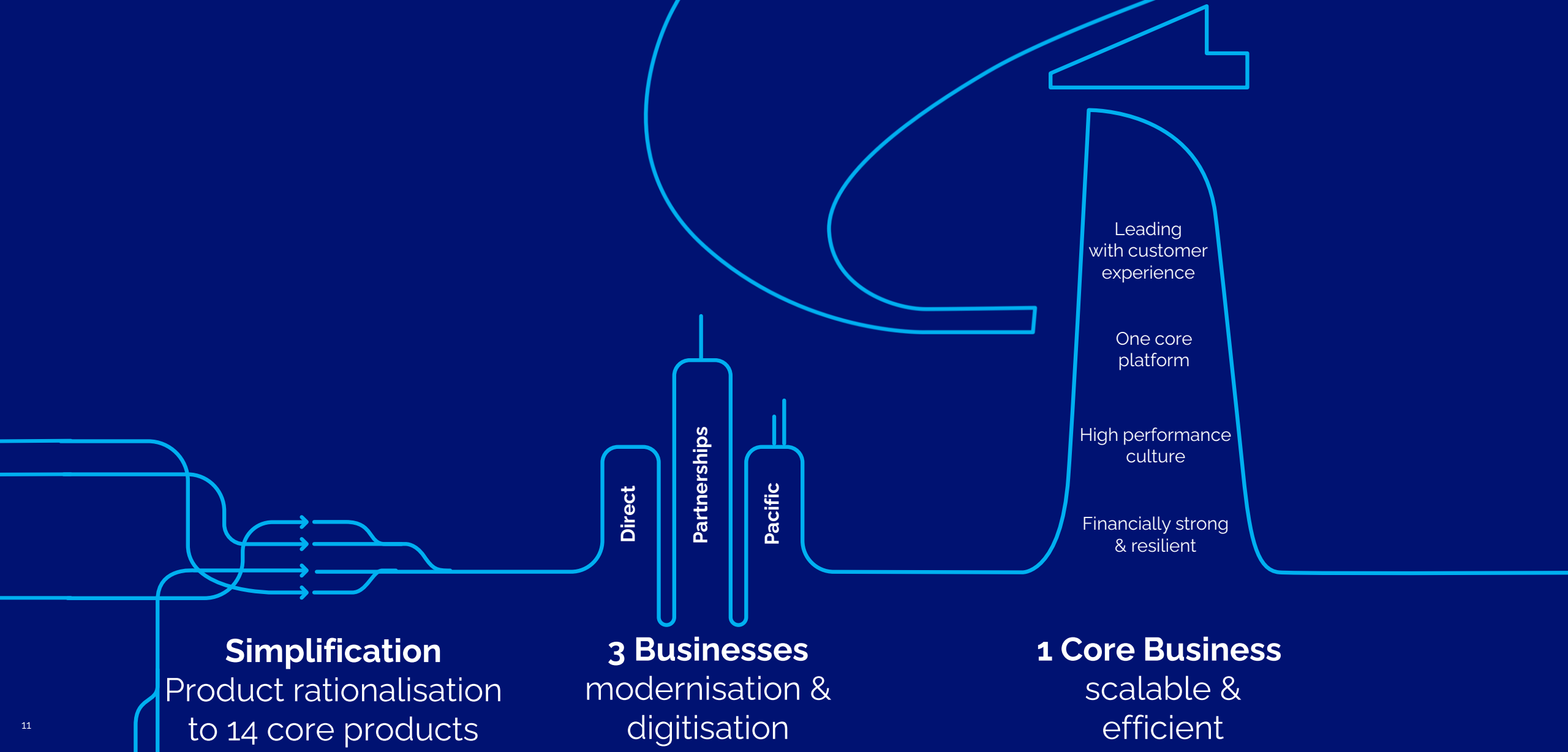


- Digital platform enables workflow across multiple countries to manage spikes and business interruption

FY22 performance



A journey of innovation and resilience



FY22 performance

Solid growth and increased efficiencies underpin strong underlying business performance

GWP growth

(Gross written premium)

13% | \$457m
vs \$404m in FY21

Customer growth

319,000
vs 304,000 in FY21

BAU claims ratio

48.9%
vs 50.2% in FY21

MER

(Management expense ratio)

36.0%
vs 37.0% in FY21

Large events

(Net of reinsurance and recoveries)

\$19m
vs \$13.9m in FY21

COR

(Combined operating ratio)

90.1%
vs 91.4% in FY21

Underlying profit

\$27.3m
vs \$20.8m in FY21

Reported profit

\$18.9m
vs \$19.3m in FY21

FY22: strong growth in customers and premium

GWP GROWTH

13%

to \$457m in FY22

CUSTOMER GROWTH

319,000

up 5% on FY21

COST TO ACQUIRE¹

12%

Down from 12.6% in FY21

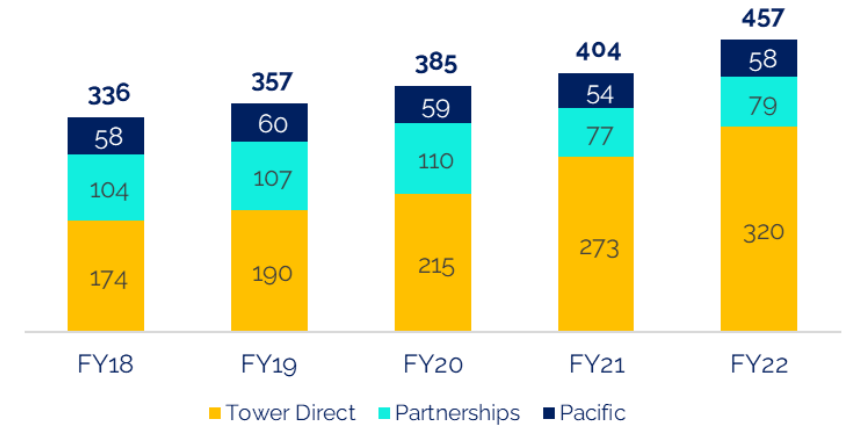
MULTIPLE PRODUCT HOLDING

50%

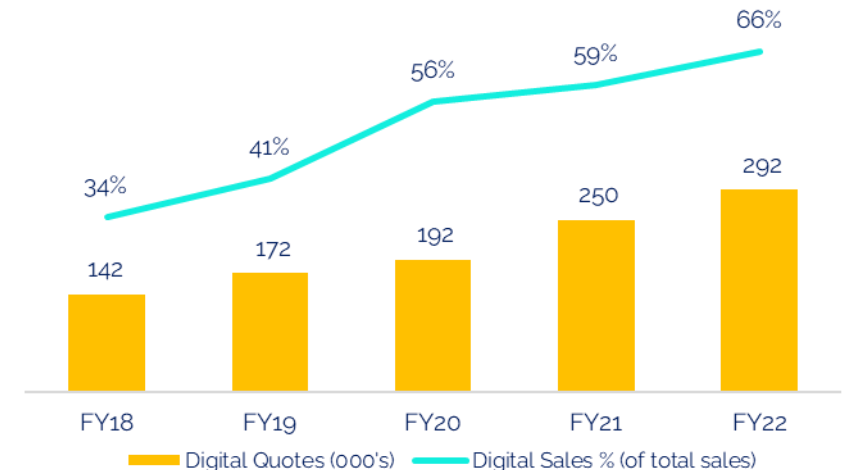
of NZ customers have two or more policies (50% in FY21)



GWP BY BUSINESS UNIT (\$m)



TOWER DIRECT DIGITAL QUOTES & SALES



Note 1: Cost to acquire is calculated as deferred acquisition cost amortisation divided by net earned premium

FY22: scale and efficiencies improve claims and expense ratios

BAU CLAIMS RATIO

48.9%

vs 50.2% in FY21

NZ WEATHER EVENTS
(incl large and other events)

\$18m

vs five-year average of \$11m

MER

36%

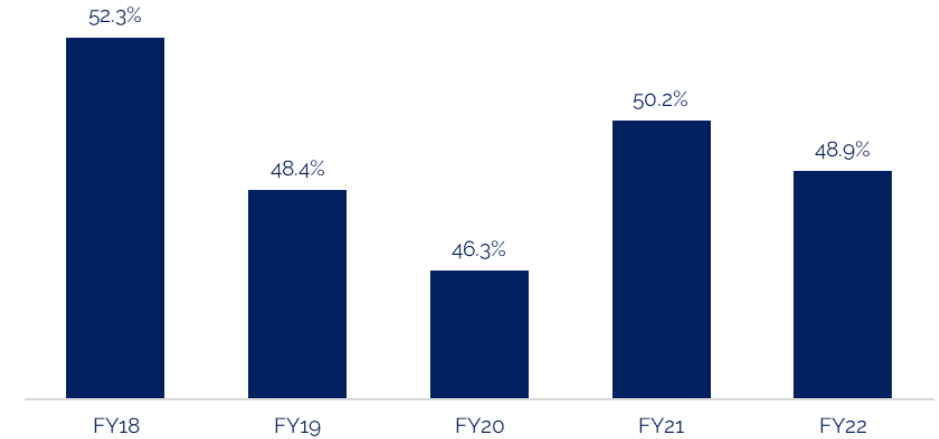
vs 37% in FY21

NZ SERVICE TASKS
COMPLETED DIGITALLY

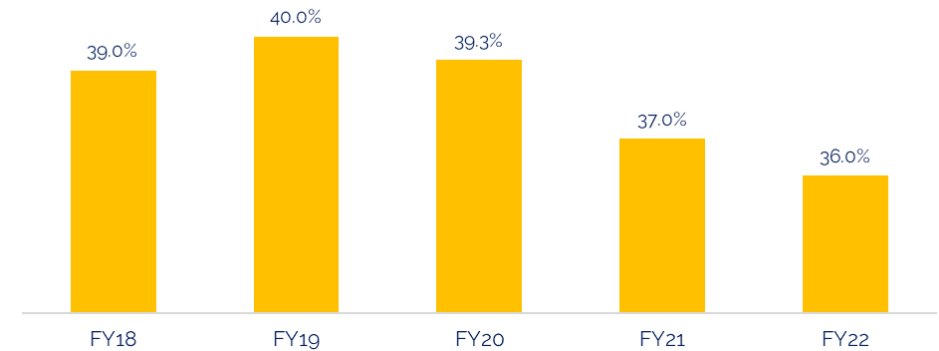
50%

vs 46% in FY21

BAU CLAIMS RATIO



MANAGEMENT EXPENSE RATIO (% NEP)



FY22: delivering shareholder returns

CAPITAL RETURN & DIVIDENDS

\$55.3m

returned to shareholders from FY22

AM BEST FINANCIAL STRENGTH RATING

A-

affirmed in April 2022

FY22 TOWER PARENT SOLVENCY

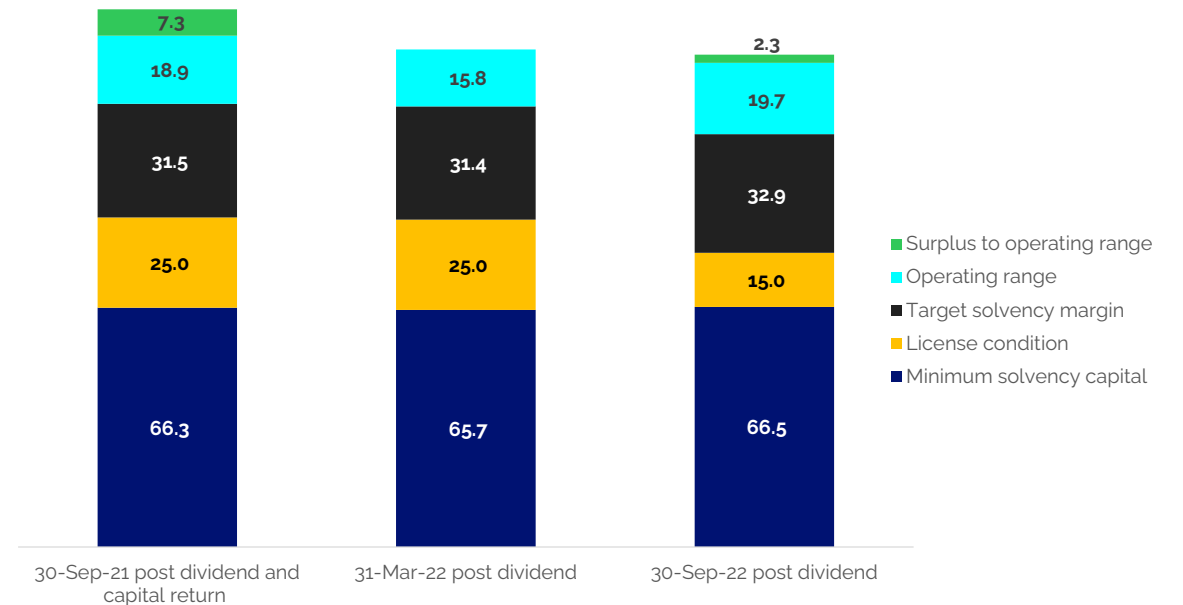
205%

after capital return and final dividend

FY22 FULL YEAR DIVIDEND PAID

6.5c

TOWER SOLVENCY - NZ PARENT (\$m)



Q1 trading update

For the three months to December 31, 2022



Q1: continued strong premium growth

GROSS WRITTEN PREMIUM
GROWTH

12.5%

Q1 FY23 vs same
period prior year¹

NZ PERSONAL LINES²
MARKET SHARE

9.5%

up from 9.2% in Q1
FY22

ONLINE GROWTH
CONTINUING

74%

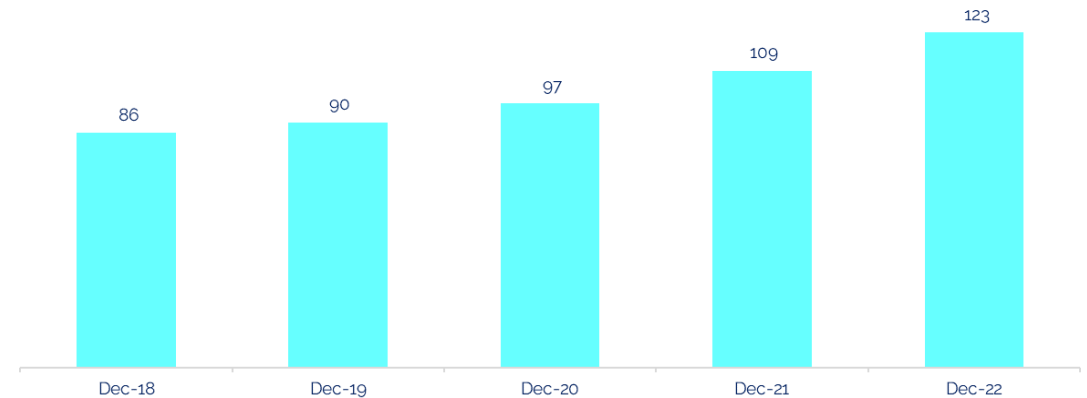
of NZ Tower Direct
new business is
online up from 62%
Q1 FY22

NZ RISKS IN FORCE³

582,000

up 5% vs Dec 2021

Group GWP (\$m) – Year to date¹



- Balanced mix of rate and organic growth (60/40)
- Strong growth via online channels
- More than half of new business is from existing customers

Note 1: Current and comparative periods have been adjusted to exclude Tower's Papua New Guinea business, which was sold in October 2022

Note 2: NZ Personal lines includes House, Contents and Motor products

Note 3: NZ Risk count does not include policies administered by third parties but still underwritten by Tower

Financial information provided on this page is based on Tower's unaudited management accounts as at 31 December 2022.

Q1: operational efficiencies through scale and investment

MANAGEMENT EXPENSE RATIO

35%

improved from 38% in Q1 FY22

MY TOWER REGISTRATIONS

218,000

vs 150,000 same period prior year

CLAIMS LODGED DIGITALLY

55%

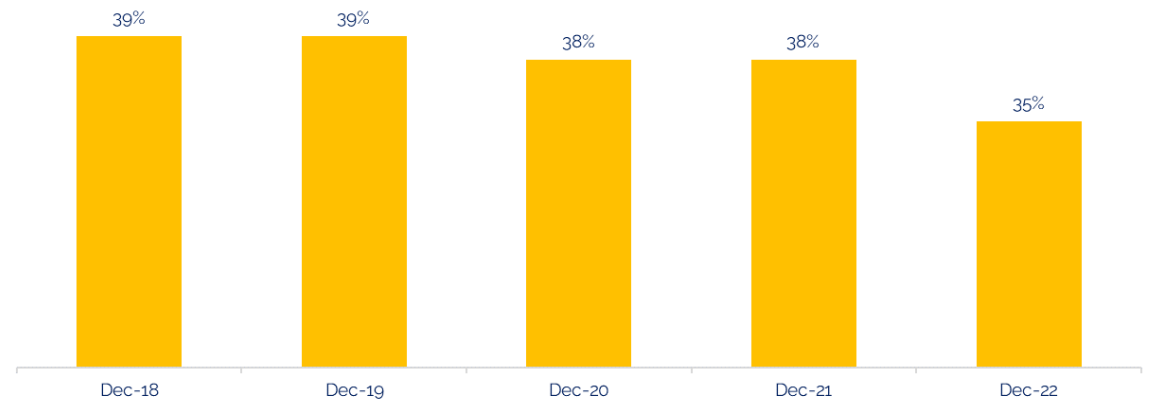
vs 36% same period prior year

LEGACY BANK BOOK ACQUISITIONS COMPLETE

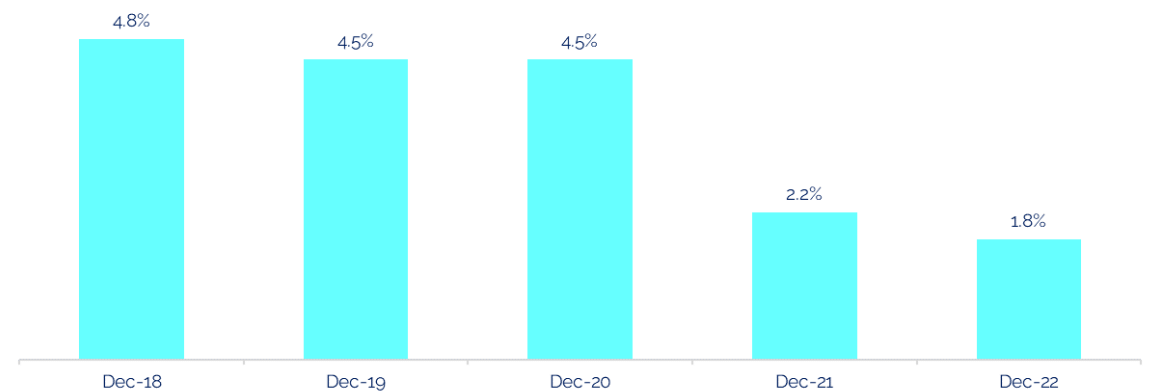
\$26m

saving commissions of \$11m pa

MANAGEMENT EXPENSE RATIO (% NEP)



COMMISSION EXPENSE RATIO (% GEP)



Q1: decisive actions to address claims challenges

CLAIMS RATIO EXCLUDING
LARGE EVENTS

54%

vs 47% in Q1 FY22

TARGETED RATING AND
UNDERWRITING
ADJUSTMENTS

49

during Q1, keeping
ahead of inflation

CEQ CLAIMS OPEN

32

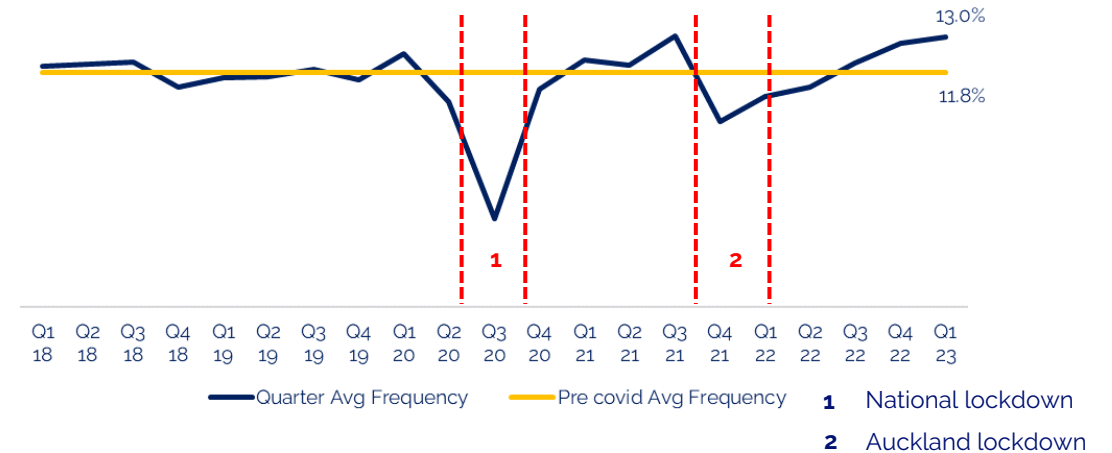
Dec '22, vs 36 at
Sep '22

OPTIMISING RECOVERIES &
INVESTIGATIONS

FRISS, Debtcol

New systems live in
2022 and 2023

NZ Motor Frequency



- Loss ratio impacted by higher traffic volumes, increased motor theft
- Monthly inflation rate changes across all products
- Targeted rate changes to address specific loss ratios
- Targeted underwriting changes to improve risk selection

Updated FY23 guidance

	FY22 Actual	FY23 Guidance
GWP growth	13%	10% - 15% (excluding Tower PNG)
Large events allowance (net of reinsurance recovery)	\$19m	\$40m
Underlying NPAT (including large events)	\$27.3m	\$18m - \$23m
Dividend¹	6.5 cents per share	5 cents per share

Note 1: Tower's ordinary dividend policy is to pay a sustainable annual dividend to shareholders that aims to be in the range between 60-80% of "adjusted earnings" (defined as the reported full year Net Profit After Tax (NPAT) plus acquisition amortisation and unusual items) for the Tower consolidated group, where prudent to do so.

Shareholder resolutions

Michael Stiasny, Chairman

The image shows a person from a side profile, looking at a laptop. The laptop screen displays the TOWER insurance website interface. The interface is clean and modern, with a white background and blue accents. At the top, there's a navigation bar with links for 'Contact us', 'Account details', and 'Log out'. Below that, there are buttons for 'Make a claim' and 'Get a quote'. The main content area is divided into several sections: 'Overview' and 'Billing' tabs at the top; '37 Komai Street, Hamilton' as the address; 'House Plus' as the policy type; 'Policy details' section with 'Period of insurance' (02 Nov 2021 to 02 Nov 2022), 'Total premium' (\$634,300.00), and 'Sum insured' (\$400,000); 'Excess' (None); 'Finance providers' (None); 'Special features' (None); 'People' section with 'Policy holder(s)' (farheen fatima, Relative) and 'Who lives there' (farheen fatima, Relative); 'Billing' section with 'Next instalment \$151.70 On 17 Nov 2021' and a 'Go to billing' button; and 'Risk profile' section with 'Modelling by RMS' and 'We've identified the following risks for your property' (Earthquake: Low, Flood: Medium). There are also 'View details' and '+ Add New' buttons.

TOWER

Overview Billing

37 Komai Street, Hamilton

Policy number: P0019742851

Make a claim

Renewal Effective from 02 Nov 2022

House Plus

Policy details

Period of insurance 02 Nov 2021 to 02 Nov 2022 \$1,241.02 per year

Total premium \$634,300.00

Sum insured \$400,000

Excess None

Finance providers None

Special features None

People

Policy holder(s) farheen fatima Relative

Who lives there farheen fatima Relative

Billing

Next instalment \$151.70 On 17 Nov 2021

Go to billing

Risk profile

Modelling by RMS

We've identified the following risks for your property

Earthquake Low

Flood Medium

View details

To make a change on your policy click the icon. If you have upcoming changes on your policy go to the latest version to edit your policy. For any questions or if you need help with your policy please select the option below.

+ Add New

Shareholder resolutions

Resolution 1

- Authorisation for Board to determine auditor remuneration

Resolution 2

- Re-election of Michael Stiasny as Director of Tower Limited

Resolution 3

- Re-election of Geraldine McBride as Director of Tower Limited

Questions?

The image shows a person from a side profile, looking at a laptop screen. The laptop displays the TOWER insurance website interface. The page is titled '37 Komai Street, Hamilton' and 'House Plus'. It features a navigation bar with 'Overview' and 'Billing' tabs, and a top right area with 'Contact us', 'Account details', 'Log out', 'Make a claim', and 'Get a quote' buttons. The main content area is divided into several sections: 'Policy details' (including Period of insurance, Total premium, Sum insured, Excess, Finance providers, and Special features), 'Billing' (showing a next instalment of \$151.70 on 17 Nov 2021), 'Risk profile' (listing Earthquake and Flood risks), and 'People' (listing Policy holder(s) and Who lives there). The interface is clean and modern, with a white background and blue accents.

TOWER

Overview Billing

37 Komai Street, Hamilton

Policy number: P0019742851

House Plus

Policy details

Period of insurance: 02 Nov 2021 to 02 Nov 2022

Total premium: \$1,241.02 per year

Sum insured: \$634,300.00

Excess: \$400.00

Finance providers: None

Special features: You do not have any special features specified on this policy

Billing

Next instalment: **\$151.70**

On 17 Nov 2021

Risk profile

Modelling by **HSB**

We've identified the following risks for your property:

- Earthquake: Low
- Flood: Medium

People

Policy holder(s): farheen fatima, Relative

Who lives there: farheen fatima, Relative

Disclaimer

This presentation has been prepared by Tower Limited to provide shareholders with information on Tower's business. This document is part of, and should be read in conjunction with an oral briefing to be given by Tower. A copy of this webcast of the briefing is available at <http://www.tower.co.nz/investor-centre/> It contains summary information about Tower as at 30 September 2022 and as at 31 December 2022 which is general in nature, and does not purport to contain all information a prospective investor should consider when evaluating an investment. It is not an offer or invitation to buy Tower shares. Investors must rely on their own enquiries and seek appropriate professional advice in relation to the information and statements in relation to the proposed prospects, business and operations of Tower. The data contained in this document is for illustrative purposes only. Past performance is not a guarantee of future performance and must not be relied on as such. The information in this presentation does not constitute financial advice.

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This document contains certain forward-looking statements. Such statements relate to events and depend on circumstances that will occur in the future and are subject to risks, uncertainties and assumptions. There are a number of factors which could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements, including, among others: the enactment of legislation or regulation that may impose costs or restrict activities; the re-negotiation of contracts; fluctuations in demand and pricing in the industry; fluctuations in exchange controls; changes in government policy and taxation; industrial disputes; and war and terrorism. These forward-looking statements speak only as at the date of this document.

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