

9 December 2025

Conclusion of FMA regulatory action

The High Court has issued its decision in the FMA's action regarding Tower's misapplication of multi-policy discounts (MPDs) totaling approximately \$11m, relating to around 61,000 customers. The Court has imposed a penalty of \$7m. This follows Tower's self-reporting of the issue and its admissions of contraventions of the Financial Markets Conduct Act.

The FMA and Tower agreed that these contraventions were the result of failures in systems and processes, not management decisions. The Court also noted that Tower undercharged customers over the same period which substantiated that the errors were unintentional and not for profitmaking motives. Tower's responsible actions to address the breaches were acknowledged by the Court.

The \$7m penalty was recommended to the Court by both Tower and the FMA. It was fully provided for in Tower's past financial results and will therefore have no impact on Tower's FY26 results.

Tower has undertaken a comprehensive multi-policy discount remediation programme to compensate affected customers which is now nearing completion. Once complete, Tower will have paid around \$12m to affected customers including interest. Tower has also made significant investments in improving its systems and processes and is removing the multi-policy discount from its insurance offerings.

Tower's Chair Michael Stiassny reaffirmed the company's commitment to delivering value to customers through fair and competitive pricing.

"It was pleasing that the Court accepted Tower's explanation of how the MPD errors occurred, saying that Tower had acted responsibly to address the breaches and that it was not a situation of historic system failures remaining unaddressed. We fully respect the FMA's role, noting that regulatory enforcement needs to be grounded in established principles, proportionality and fairness.

"Tower acted in good faith and fully acknowledged that mistakes were made. We accept and regret the impact this has had on our customers and apologise unreservedly to those who were charged inaccurately," he said.

Tower remains focused on continuous improvement with the aim of preventing future errors and ensuring all customers receive the benefits they are entitled to.

Ends

This announcement has been authorised by Tower Limited Board Chair, Michael Stiassny.



Level 5, 136 Fanshawe Street
Auckland 1142, New Zealand
ARBN 645 941 028
Incorporated in New Zealand

For media enquiries, please contact:

Emily Davies

Head of Corporate Affairs and Sustainability

+64 21 815 149

emily.davies@tower.co.nz

For investor enquiries, please contact:

James Silcock

Head of Strategy, Planning and Investor Relations

+64 22 395 9327

James.silcock@tower.co.nz