

Corporate Governance Statement



The Tower Limited (**Tower**) Board is committed to achieving high standards of corporate governance, ethical behaviour and accountability. Tower believes that good corporate governance protects the interests of all stakeholders and creates and enhances value over the short and long term. Tower regularly reviews its corporate governance arrangements.

This Corporate Governance Statement (**Statement**) supplements the Annual Report dated 28 November 2024 and discloses the extent to which Tower has followed the recommendations of the NZX Corporate Governance Code dated 1 April 2023 (**NZX Code**) during the year ending 30 September 2024 (FY24).

In FY24, the Board considers that Tower's corporate governance practices have adhered to the NZX Code.

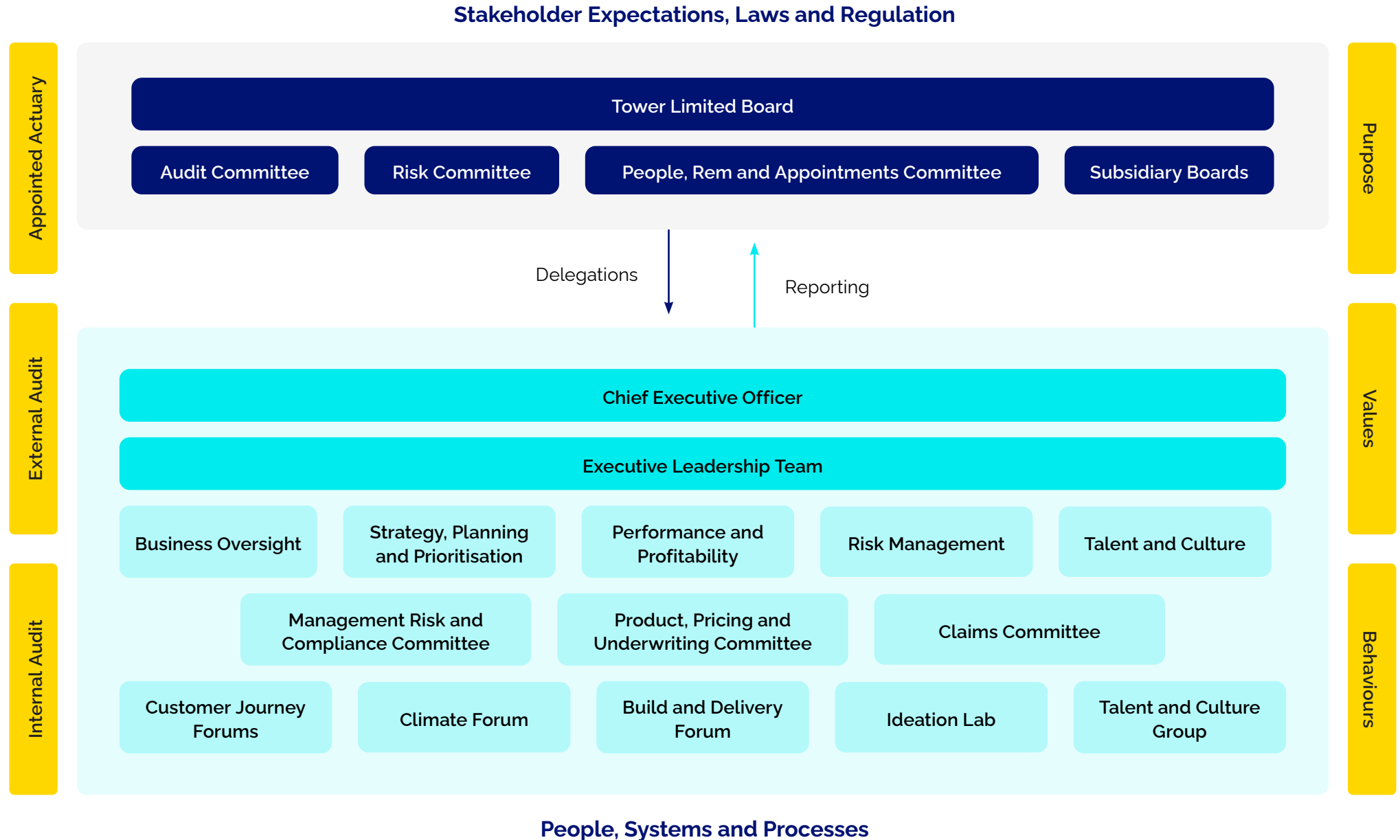
This statement was approved by the Board, and is current at 28 November 2024.

Tower is incorporated in New Zealand under the Companies Act 1993 (NZ) (Companies Act). Its fully paid ordinary shares (Shares) are listed on the NZX Main Board (NZX) and Australian Stock Exchange (ASX). As an ASX Foreign Exempt Listing, Tower is primarily regulated by the listing rules of its home exchange (being the NZX) and is exempt from complying with most ASX Listing Rules.

Tower's corporate governance framework is underpinned by the principles and guidelines set out in the NZX Code, the FMA Principles for Corporate Governance and RBNZ Governance Guidelines for Licensed Insurers. Tower is licensed to undertake general insurance business in New Zealand under the Insurance (Prudential Supervision) Act 2010 (IPSA) a Tower is a Financial Advice Provider. It is regulated by the Reserve Bank of New Zealand (RBNZ) and the Financial Markets Authority (FMA).

Tower's Governance Structure

Tower's governance framework is depicted below.





PRINCIPLE 1

Code of Ethical Behaviour

Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.

Recommendation 1.1: The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics). The code of ethics and where to find it should be communicated to the issuer's employees. Training should be provided regularly. The standards may be contained in a single policy document or more than one policy.

Tower is committed to acting responsibly and ethically, and meeting its legal and other obligations to shareholders, customers, employees and the wider community. Maintaining Tower's reputation for honesty and fairness is crucial to its success as a financial services business. To help achieve these goals, Tower has a Code of Conduct, which is a Board approved policy that sets out the standards and expectations for how Tower's directors, executives, employees and contractors must act, behave and make decisions to uphold Tower's values: "we do what's right", "our people come first", "our customers are our compass" and "progress, boldly".

The behavioural expectations set out in the Code of Conduct, which was reviewed in FY24 are:

- acting honestly, with integrity, and treating people with care, respect and empathy
- protecting Tower's reputation, identifying conflicts of interest and managing them responsibly
- compliance with the law, internal policies and procedures, and upholding Tower's values
- striving to meet the expectations of our stakeholders, including shareholders, customers and regulators

The Code of Conduct also encourages Tower's people to challenge things that do not seem right, and to speak up if inappropriate behaviour occurs.

Dishonest, unlawful, unethical or suspicious behaviour must be reported, and the Code of Conduct provides guidance for how this should occur. Tower's Whistleblower policy, reviewed in FY24, provides a process by which Tower's people can report serious wrongdoing, and gives protection in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022.

The Code of Conduct is available to Tower's people on its staff intranet and website. Copies of the Code of Conduct are provided as part of new staff onboarding and director induction processes. Tower's people complete Code of Conduct refresher training annually and there are regular communications on, and training in, conduct issues. The Code of Conduct is reviewed every two years.

In addition to its Code of Conduct, Tower has a number of other policies which are available on its website, and which support the high standard of ethical behaviour that it requires from staff and suppliers. In particular, Tower has a Whistleblower Policy, which provides protection to all persons who speak up in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022, or to otherwise identify wrongdoing within, or by Tower. Tower's Board approved a Modern Slavery Statement, prepared pursuant to the Australian Modern Slavery Act 2018, and this has been filed



with the Australian Border Force. Tower has also adopted a Supplier Code of Conduct which sets out its expectations of suppliers.

Recommendation 1.2: An issuer should have a financial product dealing policy which applies to employees and directors.

Tower's Insider Trading and Market Manipulation Policy governs dealings in Tower's financial products. The policy is available on Tower's website and on Tower's staff intranet. Staff who are subject to specific restrictions on dealings in Tower's shares receive regular reminders about their obligations in accordance with the Policy.

The policy applies to all directors, officers, employees, consultants and contractors of Tower

and its subsidiaries. It sets out requirements in relation to financial product dealing. The policy reiterates the requirements of the Financial Markets Conduct Act 2013 and contains additional restrictions adopted by Tower's Board. These include a requirement for directors and designated employees to obtain prior consent to trade, and blackout periods where all trading is prohibited.



PRINCIPLE 2

Board Composition & Performance

To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives.

Recommendation 2.1: The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.

Tower's Board is elected by its shareholders and is accountable to them for Tower's performance. It is responsible for Tower's strategic direction and operation and has delegated certain responsibilities to the Chief Executive. It operates in accordance with a written Charter which sets out its roles and responsibilities. The Charter is available on Tower's website and provides that the role of the Board is to act as a steward on behalf of the Company's stakeholders. The Board, when fulfilling its roles and responsibilities, is required to act in accordance with the duties and obligations imposed by the Company's Constitution and by law. It must act consistently with the Company's purpose and values, including the Code of Conduct. It may have regard to environmental, social and governance matters when fulfilling its roles and responsibilities.

The Charter provides that the day-to-day leadership and management of Tower is undertaken by the Chief Executive Officer. The Board maintains a set of delegated authorities that define the responsibilities delegated to management and those retained by the Board. These delegated authorities are subject to review and approval by the Board annually.

The Chief Executive Officer also formally delegates decision making to senior management within their areas of responsibility and subject to quantitative limits to ensure consistent and efficient decision making across the company. Senior management's powers under delegated authority are limited to the extent of the authority delegated to the Chief Executive Officer. Within this formal delegation framework those executives who report directly to the Chief Executive Officer have authority to sub-delegate certain authorities to their direct reports.

Recommendation 2.2: Every issuer should have a procedure for the nomination and appointment.

Tower's People, Remuneration and Appointments Committee (PRAC) is responsible for approving a process for identification of individuals for nomination to the Board, based on criteria which it may develop, including a board skills matrix.

Tower has adopted a Board Renewal Policy, pursuant to which the PRAC is responsible for advising the Board in respect of issues arising in respect of Board and Committee composition. This remit includes, among other things, development and maintenance of a skills matrix to inform the identification of



Board candidates, and composition. The PRAC will also consider director independence, the range of skills knowledge and experience of members, development of criteria for the appointment of directors and identification of candidates for appointment to the Board.

Tower also has a Fit and Proper Policy benchmarked to the requirements of IPSA and the Fit and Proper Standard for Licensed Insurers, along with the Fit and Proper Policy Guidelines for Licensed Insurers issued by the RBNZ. Candidates for appointment to the Board are subject to Fit and Proper assessments. The Fit and Proper assessment considers a range of factors relevant to a candidate's character, including experience, education, criminal record, and credit history.

In the case of a candidate standing for election or re-election as a director, Tower provides information to shareholders about the candidate to enable them to make an informed decision when voting on the appointment, including:

- Any material adverse information revealed by any Fit and Proper checks;
- Details of any interest, position, association or relationship that might influence, or reasonably be perceived to influence in a material respect the candidate's capacity to exercise judgment on Board matters or to act in the best interests of Tower and its shareholders;
- The Board's view on whether the candidate would qualify as an independent director;
- If appropriate, a recommendation by the Board in respect of the candidate's election.

Recommendation 2.3: An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.

- On appointment, each director signs a written agreement that outlines the terms of their appointment. These written agreements include information relating to:
 - The role of the Board;
 - Tower's expectations of the director in his or her role and independence and disclosure requirements;
 - The requirement to comply with a range of corporate policies,
 - Expected time commitment to Tower ;
 - Remuneration;
 - Indemnity and insurance arrangements;
 - The right to receive access to information for regulatory or litigation purposes for 6 years after leaving the Board;
 - Ongoing confidentiality arrangements.



Recommendation 2.4: Every issuer should disclose information about each director in its annual report or on its website, including:

- (a) a profile of experience, length of service and ownership interests.
- (b) the directors' attendance at board meetings; and
- (c) the Board's assessment of the director's independence, including a description as to why the board has determined the director to be independent if one of the factors listed in table 2.4 applies to the the interest, relationship or position that triggers the application of the relevant factor.

- Tower publishes information about its directors, including their tenure, in its Annual Report (see pages 50 and 51 of Tower's annual report) and on its website.
- Directors' attendance at meetings (including Committee Meetings) is set out at page 107 of the Annual Report.
- Director independence is assessed in accordance with the RBNZ, FMA and NZX independence requirements. Tower's constitution requires a minimum of three Directors and permits a maximum of eight Directors.
- At 30 September 2024, the Board is comprised of five directors, the majority of whom are independent. Marcus Nagel is the only non-independent director on the Board because he is an advisor to Bain Capital Credit LP (Tower's largest shareholder on 30 September 2024).
- With respect to the remaining directors, the Board has determined that each of them is independent given the absence of independence actors from the NZX Code being triggered, except as explained below, and more generally from a holistic assessment of independence, having regard to the requirements noted above.
- Tower notes that tenure is an issue which may influence the perception of a director's independence, and notes the period of 12 years after which an issuer should consider the effect of that tenure on a director's independence. Tower notes that Graham Stuart, who was appointed in 2013, last stood for re-election in 2022, and at that time indicated his intention to retire from the Board, and he will not stand for re-election at the Annual Shareholder Meeting in 2025. The Board Chair, Michael Stiassny was also appointed to the Board in 2013. Mr Stiassny last stood for re-election in 2023, and at that Annual Shareholder Meeting indicated that he did not intend to offer himself for re-election in 2026. Accordingly, the Board does not consider that the brief period of time above 12 years impacts either director's substantive independence from management and shareholders.

Recommendation 2.5: An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. An issuer should disclose its policy or a summary of it.

- Tower has a Diversity Equity and Inclusion (DEI) Policy which embodies Tower's commitment to providing an organizational culture that fosters a diverse, equitable and inclusive workplace at all levels. A copy of the DEI Policy is available on Tower's website.
- The Policy provides that the Board will set measurable objectives, relating to gender equity and other forms of diversity, against which the Company's performance will be measured. The PRAC is responsible for reviewing measurable objectives annually and providing a status report to the Board. On page 106 of Tower's 2024 Annual Report there is an assessment by the Board of Tower's performance against the DEI Policy.



- Diversity, inclusion and belonging are an integral part of Tower's culture. Tower's business operations are spread across New Zealand and the Pacific. Tower recognises the value of its diverse employee population as an essential driver of performance culture, brand and shareholder returns. A diverse and inclusive environment promotes a culture of respect and belonging, improves quality of decision making, enhances productivity, and creates innovation through collaboration. Tower's Board is committed to maintaining and developing an inclusive culture that encourages Tower's people to have opportunities to grow, take on new challenges and perform to their highest potential. Diversity is considered across a range of factors including gender, ethnicity, disability, age, neurodiversity, socio-economic factors and sexual identity.

In FY24, Tower has expanded its offering of Employee Representation Groups (ERGs) to five:

Rainbow Network	To celebrate and educate, to make sure every person belongs and feels safe to be their authentic self at Tower
Ahi Kā	To weave Te Ao Maori & Pacifica throughout Tower to inspire and protect the future for our people, whānau and whenua
Mana Wahine Toa	Understanding and improving the work experiences of women at Tower
WE@toWEr	Empowering diverse connections, celebrating cultures and fostering continuous cultural competence
Spark	To embrace neuro and physical diversity improving accessibility and support for all our people and customers

Tower continues to support its people celebrate language weeks, national holidays and festivals, and has also refreshed its volunteer leave programme.

Recommendation 2.6: Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.

Directors are expected to understand Tower's operations and to develop their own skills, competencies and industry knowledge, and to take responsibility for their continuing education. All new directors participate in tailored induction programmes to become familiar with Tower's business and industry. Board strategy days are held on an annual basis to consider matters of strategic importance. In addition, Directors are regularly informed of developments that affect Tower's industry and business environment, as well as relevant company and legal issues. Directors receive comprehensive papers and briefing information

before Board meetings, including reports from the Chief Executive Officer and senior management. Directors have unrestricted access to management and any additional information they consider necessary for informed decision making. Senior management also attend Board meetings to provide presentations to the Board and answer any queries directors may have.

The Company maintains a training register, to which directors add information in respect of training undertaken by them in order to assist in the assessment of ongoing training requirements.



Recommendation 2.7: The board should have a procedure to regularly assess directors, board and committee performance.

The Board regularly reviews its own performance and that of the Board Committees. The Board Charter requires that it assess its own performance (including that of individual directors), and that of its Committees, annually. Ever three years it will

undertake a Board evaluation, completed by an independent third party. A formal evaluation process of Board and Director performance commenced in FY24.

Recommendation 2.8: A majority of the board should be independent directors.

Four of Tower's five directors as at 30 September 2024 were independent. The Board confirmed that those four directors met the criteria for "independent directors" according to the NZX Listing Rules, the NZX Corporate Governance Code and the Financial Markets Authority and RBNZ guidelines. Commentary on independent directors triggering NZX Code independence factors is set out against recommendation 2.4 above.

On 30 September 2024, Tower had one Non-Independent Directors (Marcus Nagel, who is an adviser to Bain Capital Credit LP, Tower's largest shareholder as at 30 September 2023). Directors consider their independence on an annual basis and report any change in their interests as required throughout the year.

Recommendation 2.9: An issuer should have an independent chair of the board.

Tower's Chair is responsible for leading the Board, facilitating effective discussions and contributions of all directors, managing the conduct of Board meetings and promoting open, inclusive and

constructive discussion and debate within the Board and with Management. The Chair of the Board is elected by the Directors and is an independent director.

Recommendation 2.10: The chair and the CEO should be different people.

The roles of Chair and Chief Executive Officer are separate at Tower. Michael Stiasny was appointed as Chair of the Tower board on 21 March 2013 and is an independent director.



PRINCIPLE 3

Board Committees

The board should use committees where this will enhance its effectiveness in key areas, while still retaining board responsibility.

The Board has established an Audit Committee, a Risk Committee and a People, Remuneration and Appointment committees to assist the Board in particular areas. The committees review and analyse

policies, strategies and performance and provide recommendations to the Board on certain matters. Committee composition and meeting attendance is set out on page 106-107 of the Annual Report.

Recommendation 3.1: An issuer's audit committee should operate under a written charter. Membership on the audit committee should be majority independent and comprise solely of non-executive directors of the issuer. The chair of the audit committee should be an independent director and not the chair of the board.

Tower's Audit Committee operates under a Charter, available on Tower's website.

The Charter requires that the committee must comprise of a minimum of three Directors, with all members being non-executive Directors. The majority of the Committee must be independent. At least one Committee Member must have a financial or accounting background. The Board appoints the Chair of the Committee, who cannot also be Chair of the Board, and must be an independent director.

The Audit Committee meets four times a year and assists the Board to discharge its responsibilities with respect to oversight of Tower's financial and operational control environment, including ensuring the transparency and integrity of published financial information. In particular, the Audit Committee oversees:

- Proper preparation of financial statements and external reporting of financial information, including solvency.
- Interpretation and understanding of Appointed Actuary reports, including the annual Financial

Condition Reports, IPSA s 78 reports and Independent Liability Valuation Reports

- Appropriateness, application and amendment of the accounting policies.
- Internal control systems and internal audit.
- Statutory and regulatory compliance including compliance with taxation laws and regulation and the Insurance (Prudential Supervision) Act 2010 (IPSA).
- External auditor performance.
- Appointed Actuary performance;
- Climate-related Disclosures.

Following each meeting, the Chair of the Committee reports its activities and recommendations to the Board. The Chair of the Committee also provides an annual report to the Board which summarizes the Committee's activities, findings, recommendations and results for the past year.



Recommendation 3.2: Employees should only attend audit committee meetings at the invitation of the audit committee.

The Charter of the Committee provides that employees, attend meetings of the Committee by invitation only. The Chief Executive Officer, Chief Financial Officer, Chief Risk Officer, General Counsel

and Company Secretary and Head of Internal Audit attend Audit Committee meetings by standing invitation, but do not always stay for the entire meeting as appropriate.

Recommendation 3.3: An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.

Tower's PRAC operates under a Charter, which is available on Tower's website.

The PRAC assists the Board with:

- Evaluation of Directors' performance
- Performance evaluations of the Board Committees and the Board as a whole
- The Board's composition, structure and succession planning
- The Chief Executive Officer and senior executive appointments, performance appraisal and remuneration
- Remuneration strategy and policy
- Diversity, inclusion and engagement.

The Committee Charter requires that the Committee comprises of a minimum of three suitably qualified

non-executive Directors, the majority of whom are independent. The Board appoints the Chair of the committee, who is an independent, non-executive director.

Following each meeting, the Chair of the Committee reports its activities and recommendations to the Board. The Chair also provides an annual report to the Board summarising the Committee's activities, findings, recommendations for the past year.

The Chief Executive Officer, Chief Administrative Officer, General Counsel and Company Secretary each have a standing invitation to attend the PRAC meetings but may be excluded from the meeting from time to time as appropriate.

Recommendation 3.4: An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.

Tower's Board considers that due to its size and the nature of Tower's business, it is appropriate for nomination functions to be carried out by the PRAC. It is the Committee's responsibility to make recommendations to the Board on, among other things, the nomination, appointment and remuneration of Directors.

Tower has also adopted a Board Renewal Policy, which authorises the PRAC to recommend persons for nomination to the Board, or fill a casual vacancy as required. When considering Board appointments, the Committee is required to have regard to a range of factors, including but not limited to the size and diversity of the Board, director independence (including any issues relating to tenure), skills



matrix, Board Evaluations, Company strategy and a candidate's capacity and capability.

The procedures for director removals and appointments are governed by Tower's Constitution and the requirements of the NZX Listing Rules.

Recommendation 3.5: An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

In addition to the Audit Committee and the PRAC, Tower has a Risk Committee, which meets at least 4 times a year. The Committee Charter is available on Tower's website. The Committee assists the Board to ensure that its risk management frameworks remain appropriate for the size and complexity of its business. The Committee recommends to the Board for approval the Risk Appetite Statement, and oversees compliance with it. In addition, it assists the Board in respect of identifying desirable changes to risk culture, monitoring conflicts of interest, statutory and regulatory compliance, sustainability and climate change, cyber risk and health and safety.

The Committee Charter requires that the Committee include a minimum of three Non-Executive Directors,

the majority of whom are independent. Following each meeting, the Chair of the Committee reports its activities and recommendations to the Board. The Chair also provides an annual report to the Board summarising the Committee's activities, findings, and recommendations for the past year.

Other committees are established from time to time to examine specific issues as required by the Board. During FY24, Tower's Board established a Results sub-Committee which met twice. The members of the Results sub-Committee were Michael Stiasny (Chair), and Graham Stuart.

Membership of Committees, together with reporting on attendance at Committee meetings is available on page 106-107 of the annual report.

Recommendation 3.6: The board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder.

The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

Tower's Board has a takeover response protocol which sets out actions to be taken in the event of a takeover offer or third-party approach. The protocol covers the establishment of a response committee,

communications during the different phases of an offer, and how to prepare for an independent adviser's report.



PRINCIPLE 4

Reporting & Disclosure

The board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.

Recommendation 4.1: An issuer's board should have a written continuous disclosure policy.

Tower's Corporate Disclosure Policy is available on its website.

Tower recognises that public confidence in Tower is based on continuous, full and open disclosure of information about its financial and non-financial activities to the market and relevant stakeholders. Tower's Corporate Disclosure Policy explains the respective roles of directors, officers and employees in relation to:

- Complying with Tower's continuous disclosure obligations
- Safeguarding the confidentiality of corporate information to avoid premature disclosure
- External communications, including analyst briefings
- Responding to or avoiding the emergence of a false market.
- The policy provides that only authorised spokespersons can communicate on behalf of Tower in respect of Material Information

Recommendation 4.2: An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

The following governance documents are available at the Investor Centre section of Tower's website:

- Tower Limited Constitution
- Corporate Governance Statement
- Board Charter
- Audit Committee Charter
- Risk Committee Charter
- People, Remuneration and Appointments Committee Charter
- Board Renewal Policy
- Insider Trading and Market Manipulation Policy
- Corporate Disclosure Policy
- External Audit Independence Policy
- Director and Executive Remuneration Policy
- Code of Conduct
- Diversity, Equity and Inclusion Policy
- Health, Safety and Wellbeing Policy
- Modern Slavery Statement
- Conflicts of Interest Policy
- Related Party Transaction Policy
- Supplier Code of Conduct



Recommendation 4.3: Financial reporting should be balanced, clear and objective.

Tower publishes interim and audited full year financial statements that are prepared in accordance with relevant financial standards. Tower's audited financial statements are included in the Annual Report and are prepared in a manner that is balanced, clear and objective. They are audited by Tower's external auditors, PwC, and comply with all relevant financial reporting requirements including those in the Companies Act 1993, Financial Markets Conduct Act 2013, and the NZX Listing Rules.

Tower has a process to independently verify and safeguard the integrity of its financial reporting. The principal components of this are the operation of the Audit Committee, the reviews undertaken by

external and internal auditors, and the certifications provided to the Board by senior management. These certifications include a representation letter from the CEO and CFO provided to the Board prior to the Board's approval of Tower's financial statements, certifying that, to the best of the CEO and CFO's knowledge and belief, adequate accounting records have been maintained, Tower's accounting policies and financial statements comply with the appropriate accounting standards, and that the financial statements fairly represent the financial position of Tower as at the balance date. The letter is provided on the basis that Tower has maintained an internal control structure which is sufficient to produce reliable accounting records.

Recommendation 4.4: 4 An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.

Tower also considers material environmental, social and governance (ESG) factors, and reports against Global Reporting Initiatives. An index of relevant disclosures commences on page 115 of the Annual Report.

In FY24, Tower has made its first climate-related disclosures, a copy of which is available on Tower's website.



PRINCIPLE 5

Remuneration

The remuneration of directors and executives should be transparent, fair and reasonable.

Recommendation 5.1: An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.

Tower has a Director and Executive Remuneration Policy which is available on its website.

The policy is designed to assist Tower to ensure that the remuneration of Directors and Executives is fair and reasonable in a competitive market for the skills, knowledge and experience required, while taking into account a person's skills and experience, and other relevant factors, and ensuring transparency in the process which determines remuneration for Directors and Executives.

Board members receive an annual cash fee for the time and expertise they provide to the Tower Board. No retirement allowance is payable to any non-Executive Director on resignation or cessation of office. There is no performance-based component to director remuneration. Fees may also be paid to a director for sitting on a Board committee or a board of one of Tower's subsidiaries, and these

fees are included in the fee they receive for acting as a director. The Chairs of the Board, the Audit Committee, and Risk Committee receive a higher fee than other Directors, which reflects the additional responsibility and accountability associated with those roles. Directors' fees are paid from a total available pool, approved by shareholders in February 2004.

Tower seeks external advice when reviewing Board remuneration. The PRAC assists the Board to review Directors' fees.

Executive Directors do not receive compensation in excess of salary entitlements.

Director remuneration is disclosed on page 108 of Tower's Annual Report.

Recommendation 5.2: An issuer should have a remuneration policy for remuneration of executives, which outlines the relative weightings of remuneration components and relevant performance criteria.

Tower has a Director and Executive Remuneration Policy which is available on its website. The policy details matters for consideration when setting remuneration levels for executives.

The Director and Executive remuneration policy is supported by a remuneration strategy and policy which is designed to support the attraction, engagement and retention of key talent. There are clear links between strategy and remuneration,

including alignment with stakeholder interests. Customer-oriented focus and ethical behaviour are primary drivers of remuneration and reward.

The Chief Executive Officer and other key executives receive market-based remuneration packages



comprising a blend of fixed and incentive-based remuneration with clear links between individual and company performance, and reward. The weightings and criteria applicable to incentive-based remuneration may change on an annual basis to reflect the needs of the business. On this basis the policy does not contain the exact weightings and criteria applicable to incentive-based remuneration, but rather the framework that variable and fixed remuneration are used.

The Board considers it appropriate for the variable remuneration component for senior executives to be weighted differently each year depending on the needs of the business and the company's strategy. The maximum amount of variable remuneration payable is set as a percentage of base salary. For the CEO, the actual amount paid is determined by performance against the corporate scorecard. For other key executives, the amount paid is determined by a weighting of company scorecard outcomes and individual performance ratings.

For FY24, STI for key executives (excluding the CEO) was set between 20% to 50% of base salary, and LTI was set between 30% to 50% of base salary.

The FY24 corporate scorecard is on page 111 of the annual report.

In addition, in FY23, the Board approved a Long-Term Incentive Plan to drive longer-term performance and the alignment of incentives of senior executives with the interests of the Company's shareholders, and to promote the retention of key employees. For qualifying senior executives, grants are intended to be made annually in the form of Share Rights, with the number of Share Rights determined with reference to a participant's annual Grant Value, Tower's share price (using a 10-day volume weighted average price on the NZX), and the participant's performance rating.

Vested Share Rights will convert on a 1:1 basis to ordinary shares, issued to participants following the Board's agreement that the performance hurdle has been met at the end of the vesting period (three years). Vesting is determined by reference to the performance of Tower's Total Shareholder Return relative to that of the entities comprising the NZX50 index over the vesting period, provided that Tower Limited's Total Shareholder Return is positive and the participant remains employed. For performance below the 50th percentile, no share rights vest. At the 50th percentile, 50% vest with progressively more vesting on a straight-line basis up to 100% at the 75th percentile or higher. If Tower's TSR is the highest in the comparator group, the board has the discretion to grant additional Share Rights.

Unvested Share Rights will lapse with no opportunity for retesting against the performance hurdle. The second grant to qualifying participants was made in March 2024, as set out below:

Name	Job Title	Unvested Share Rights
Michelle Finch	Chief Revenue, Marketing & Brand Officer	192,204
Paul Johnston	Chief Financial Officer	462,712
Anna Kooperberg	Chief Customer Experience Officer	183,051
Ronald Mudaliar	Chief Underwriting Officer	189,641
Sharyn Reichstein	Chief Risk Officer	228,814
Blair Turnbull	Chief Executive Officer	1,155,509
Steven Wilson	Chief Claims Officer	200,521

The PRAC reviews the remuneration packages of the Chief Executive Officer and other senior executives at least annually.



Recommendation 5.3: An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance based payments.

The CEO's remuneration arrangements are disclosed in Tower's Annual Report at page 108-109.



PRINCIPLE 6

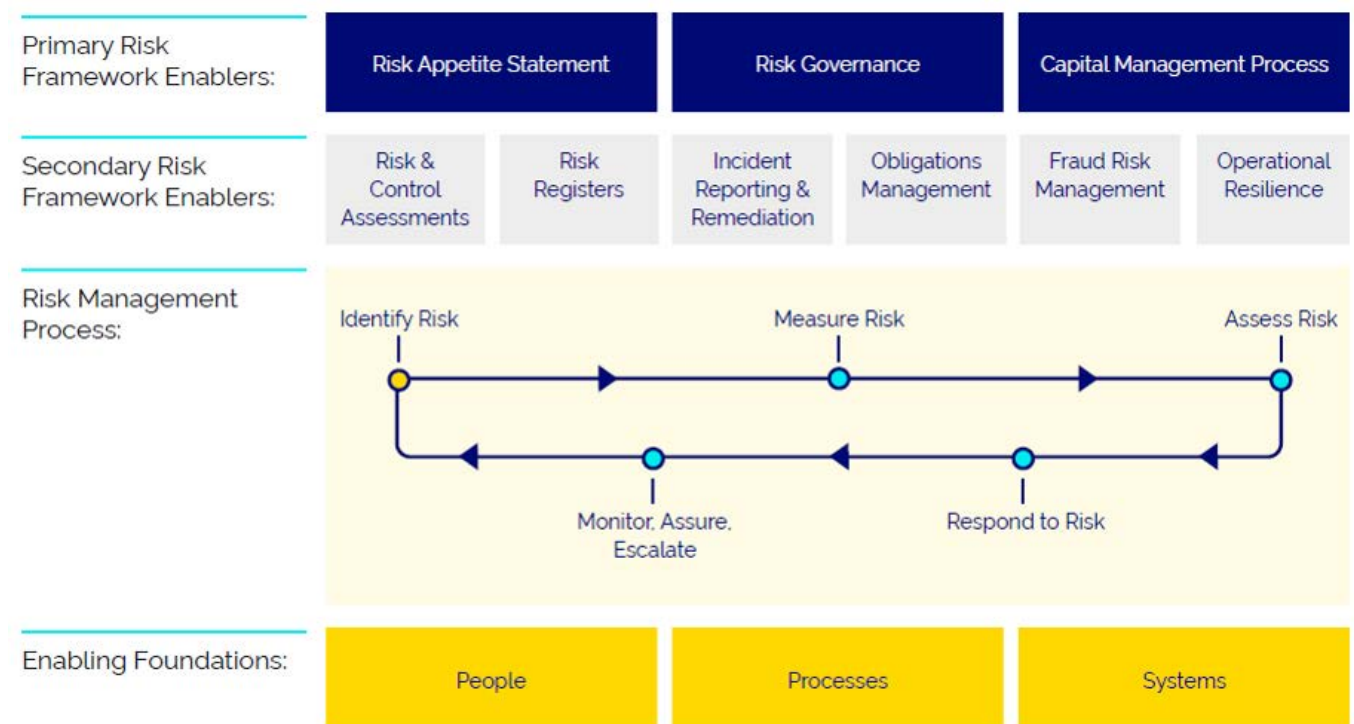
Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

Recommendation 6.1: An issuer should have a risk management framework for its business and the issuer's board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

Risk management is central to Tower's strategic and operational activities and is underpinned by Tower's enterprise-wide Risk Management Framework (RMF). The RMF is approved by the Tower Board and applies to all Tower employees and operations.

The RMF sets out guiding principles to enable Tower to identify, assess, monitor and manage its risk exposures to pursue its strategic objectives. The RMF and its key components are depicted below:





Fundamental to the application of the RMF is Tower's Risk Appetite Statement (RAS), which outlines the Board's risk appetite against key categories defined in the RMF. Tower's Board Risk Committee is responsible for monitoring the adequacy of the RMF, receiving reports on key risks, exposures and their management against the RAS.

The primary executive governance forum for the RMF is the Tower Management Risk and Compliance Committee (MRCC) which meets monthly and is governed by an annually reviewed Charter overseen by the Chief Risk Officer (CRO).

The RMF is implemented through risk, compliance, conduct and internal audit processes across each business function. The executive, senior management and staff must demonstrate that reasonable steps have been taken to effectively manage Tower's risks in line with the RMF. Responsibilities are assigned to individuals to manage identified risks, and material changes to Tower's risk profile are monitored.

Each business unit within Tower maintains a risk register that records the likelihood and consequence

of risks, actively identifying, assessing and monitoring the risks and associated controls. These risks are recorded, maintained and managed within our Protecht risk management software platform with clear identification of the risk owner, inherent risk, risk mitigation(s) and residual risk scores.

Risk owners are responsible for updating their risks whenever changes occur that may alter the inherent or residual risk score. To ensure regular reviews, each risk is assigned an agreed time period for review.

The Protecht platform also enables the prioritisation of all risks, ensuring appropriate escalation in a timely manner. Risks are prioritised as Low, Medium or High residual risk status. High residual risks are given priority for suitable mitigation and raised to the Board for acceptance or deployment of capital if the risk cannot be effectively mitigated, and then closely monitored.

Tower reports on the material risks facing the business and how these are being managed in its Annual Report on page 76 under the heading 'Risk Management in the notes to its financial statements.'

Recommendation 6.2: An issuer should disclose how it manages health and safety risks and should report on its health and safety risks, performance and management.

The health, safety and wellbeing of Tower's people is a key Board priority. Management provide regular updates to the Board on health and safety performance and the Board is directly involved in site visits to Tower offices to satisfy itself as to the safety of the working environment.

In FY24, the work environment for Tower's people included locations in 7 countries, with people working in offices, from home, and assessing damage in our communities. Therefore, the health and safety risks faced by Tower range from those in an office (or home) environment, with a significant focus on mental health and wellbeing, to risks faced by assessor's in the field, who often face more physical risks.

Tower's commitment to health, safety and wellbeing is outlined in its Health, Safety & Wellbeing Policy. Tower is committed to providing a healthy, safe and supportive environment. Health, safety and wellbeing includes all aspects of physical safety, as well as mental and emotional wellbeing. Health, safety and wellbeing risks are managed through effective leadership and by engaging Tower's people in health, safety and wellbeing activities. In focusing on these areas, Tower has a written Health, Safety & Wellbeing Policy Statement, which sets out its aim for everyone to complete their workday and return home safe and well and strives for a positive safety culture and continuous improvement in health and safety management.

Tower has Health, Safety & Wellbeing Officers in each of its main locations. These officers are



responsible for the development, implementation and socialisation of policies and processes relating to health, safety and wellbeing, as well as monitoring and mitigating any risks or hazards reported by employees. Tower has an incident management system that employees are required to use to report health and safety risks, hazards, near misses and incidents. Any incidents are reported to the Board on a monthly basis.

Tower has expanded the membership of its Health, Safety and Wellbeing Committees in the Pacific and New Zealand, each of which meet on a monthly basis. These Committees act as a two-way conduit, giving employees an opportunity to engage in the process and help drive a proactive Health, Safety and Wellbeing culture in the business.

Tower holds a DVFree Tick Certification, and has 20 employees trained as Domestic Violence First Responders, including Executive and Senior Leaders. In Tower has expanded Domestic Violence Leave available in New Zealand to its employees in the Pacific.

All of Tower's people are required to complete a health and safety e-learning module when they begin with Tower. Annual refresher training is mandatory. Extensive information about health, safety and wellbeing is available on Tower's staff intranet. Additional, particularised health and safety training is undertaken by all Tower people in the field, including site assessors. Tower has robust health and safety standards in place for contractors and third-party providers.

All Tower employees have access to EAP Services, and use of this is tracked and reported to the Board on an aggregated, anonymous basis. Tower also has 29 employees in New Zealand trained as Mental Health First Aiders to provide immediate support and guidance to employees and their managers. Tower also has 20 first responders who can respond to issues arising from domestic violence.

Tower did not record any notifiable injuries in FY24 (no notifiable injuries were recorded in FY23).



PRINCIPLE 7

Auditors

The board should ensure the quality and independence of the external audit process.

Recommendation 7.1: The board should establish a framework for the issuer's relationship with its external auditors.

This should include procedures:

- (a) for sustaining communication with the issuer's external auditors;
- (b) to ensure that the ability of the external auditors to carry out their statutory audit role is not impaired, or could reasonably be perceived to be impaired;
- (c) to address what, if any, services (whether by type or level) other than their statutory audit roles may be provided by the auditors to the issuer;
- (d) to provide for the monitoring and approval by the issuer's audit committee of any service provided by the external auditors to the issuer other than in their statutory audit role.

The framework for Tower's relationship with its external auditors is set out in the Charter of Tower's Audit Committee and in Tower's External Audit Independence Policy. These include procedures in relation to the matters described in (a) to (d) of Recommendation 7.1. The Chair of the Committee has a direct line of communication with the external auditor, and material communications are reported to the Audit Committee.

The Board is committed to ensuring the quality and independence of the external audit process. As part of this process, Tower encourages full and frank disclosure and discussions between the Board, Tower's internal auditors, management and external auditors, PwC.

PwC was re-appointed as auditor by shareholders at the Annual Shareholders' Meeting in February 2024 to audit the financial statements for Tower and its subsidiaries. PwC has acted as Tower's external auditor since 2003. In FY24, Lisa Crookes of PwC became lead audit partner. A formal engagement letter with PwC sets out the respective obligations

and responsibilities of PwC and Tower in relation to the preparation and audit of financial statements.

Tower's External Audit Independence Policy covers the provision of non-audit services to Tower by the external auditor. The policy describes the Board's process for the approval of Tower's external audit firm; the services that the external auditor may and may not provide to Tower; auditor rotation requirements; and the hiring of staff from the audit firm. The Board reviews external auditor quality and effectiveness by reference to obligations described in the policy.

The Board mitigates any potential threat to auditor independence by restricting and monitoring the services that Tower's external audit firm can provide. Allowable services are limited to statutory financial statement audit engagements and directly related assurance engagements (including assurance opinions on solvency returns; regulatory return audits; and opinions required by legislation such as shareholder meeting votes or proxy counts). Should a situation arise which may require Tower's external audit firm to provide services beyond these, any such



engagement must first be pre-approved by Tower's Audit Committee after investigation into the reasons for the provision of such services and an assessment of any threat to audit independence or objectivity.

PwC also provides the Audit Committee with an annual certification of its continued independence and confirms that it has not carried out any

engagements during the year which would impair its professional independence. The external auditor generally attends two Audit Committee meetings per year.

Details of PwC's fees for audit and other services provided to Tower are set out in Tower's financial statements on page 95 of the Annual Report.

Recommendation 7.2: The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

Tower's external auditor attends the Annual Shareholders' Meeting each year and shareholders are given an opportunity to ask questions of the auditor regarding the conduct of the audit and preparation and content of the auditor's report.

Recommendation 7.3: Internal audit functions should be disclosed.

Tower has an internal audit function which is governed by the Tower Internal Audit Charter. The purpose of this charter is to define the mandate and responsibility of the internal audit function and to ensure that Tower and its subsidiaries establish and maintain an effective internal control framework.

The Internal Audit function provides independent, objective assurance and advisory services designed to add value and to improve Tower's operations by providing risk-based and objective assurance, advice, and insight and foresight. The Internal Audit function assists Tower to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control processes and governance processes. This includes the examination and evaluation of the adequacy and effectiveness of Tower's governance, risk management process, system of internal controls, and the quality of

performance in carrying out assigned responsibilities to achieve Tower's stated goals and objectives. Internal audit and assurance activity updates are provided to each meeting of the Audit Committee.

The Internal Audit function reviews the company risk profile regularly and proposes adaptations to the internal audit plan accordingly. The Head of Internal Audit will review and adjust the plan, as necessary, in response to changes in the Company's business, risks, operations, programmes, systems, controls, regulations and the economy. Any significant deviations from the approved internal audit plan will be communicated to the Audit Committee through quarterly activity reports and updates.

The Internal Audit function is administratively managed within the Risk function under the Chief Risk Officer, with the Head of Internal Audit having full and free access to the chairpersons of the Audit Committee and the Board.



PRINCIPLE 8

Shareholder Rights & Relations

The board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.

Recommendation 8.1: An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Tower welcomes the opportunity to engage with its shareholders, and to share information about Tower and its aspirations for its future. Disclosure of material information is made via announcements to the NZX and ASX. Tower's website includes an investor centre, which provides information to shareholders and other interested stakeholders about Tower.

It includes copies of past annual reports, results announcements, media releases (including NZX and ASX announcements) and general information, including the documents described in the commentary in relation to **Recommendation 4.2** and other information described in the commentary in relation to **Recommendation 8.1**.

Recommendation 8.2: An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.

Tower encourages shareholders to receive communications from, and send communications to, Tower and the share registry electronically, for reasons of speed, convenience, cost and the environment. Tower's shareholders can receive company information electronically by registering their email addresses online with Tower's share registry.

Tower's shareholders can also contact Tower using a dedicated email address: investor.relations@tower.co.nz.

Tower operates an investor relations programme, the primary aim of which is to support financial market participants' understanding of Tower's business,

governance, financial performance and prospects. Twice a year, when interim and full year results are released, the Chair, CEO and CFO host a conference call for investors and analysts and answer questions raised in respect of the company's performance. A recording of these investor calls is available in the Investor Centre, so all stakeholders have access to information which was shared. Tower also interacts with investors, analysts and other stakeholders throughout the year.

Tower holds hybrid annual shareholder meetings to allow shareholders to attend in person or to participate and vote online. A virtual meeting guide is also published with the notice of meeting to facilitate electronic participation.



The Board regularly reviews Tower's investor relations activities to ensure the full, fair and timely disclosure of relevant information to Tower's

shareholders and the investment community on a broad, non-exclusive basis.

Recommendation 8.3: Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.

Tower is committed to timely and balanced disclosure, which includes advising shareholders on any major decisions. During FY24, there were no decisions which would change the nature of Tower.

Where any such matters are considered, Tower would seek shareholder approval in accordance with the requirements of the NZX Listing rules, Companies Act 1993, and its Constitution.

Recommendation 8.4: If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Tower did not undertake a capital raise during FY24. However, if Tower were to seek additional equity capital in the future, it would take into account Recommendation 8.4.

Recommendation 8.5: The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.

Shareholders are encouraged to attend the Annual Shareholder Meeting, which is held as a hybrid meeting. The Notice of Meeting includes information about the way in which shareholders can participate in the meeting. For its most recent annual meeting, Tower issued its notice of meeting on 24 January

2024, which was 20 working days prior to the Annual Meeting held on 21 February 2024.

Tower's next shareholder meeting will be held on 11 February 2025. The meeting will be a hybrid meeting, held online and at Eden Park.