

## Tower 2025 Annual Shareholder Meeting Address

11 February, 2025

### 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 Eden Park as well as those who have joined via the Computershare webcast. We appreciate you taking the time to join us today.

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

[PAUSE]

Also joining us in the room today, on his second to last day in the job is our Chief Executive Officer, Blair Turnbull. And, our Chief Financial Officer, Paul Johnston, who will take over as interim CEO on Thursday, and our Deputy CFO, soon to be interim CFO, Angus Shelton.

Our Auditors, PWC are also present and are available to answer shareholder questions.

Before we start the meeting proper, there are a few 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, please follow instructions from Eden Park staff or security.
- 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 using the numbers on this slide.

## **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 during this meeting, we will answer them directly via email and post the responses on our website.

When asking a question in the room, please use the microphone and introduce yourself by name.

To any media present – welcome. Just a reminder that this is a meeting for shareholders, but Blair, Paul 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, the progress we've made at Tower in recent months and our focus looking forward.

Following Blair and Paul's presentations, 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 10 shareholders for this meeting. This requirement has been met, and a quorum exists.

#### **Proxies**

In addition to those attending in person today, 565 shareholders, holding a total of 251,239,854 shares, have appointed proxies (including proxies instructed to abstain). The appointed proxies represent 61.18% of valid securities voted.

In my capacity as Chairman of the meeting and in my own name I hold proxies for 439 shareholders, representing 247,125,990 shares, or 65.12% of all shares on issue.

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, together with Tower's inaugural climate statement, was made available on Tower's website on the 28th of November 2024.

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

## **Slide 5 – Chairman's update**

It has been a good year for Tower shareholders.

I am pleased to address you today, as we have paid FY24 dividends of 9.5 cents per share, Tower has entered the NZX 50 Portfolio Index and MidCap Index, and we are about to seek your approval for a capital return of \$45 million.

There is no question FY24's strong results were significantly aided by the absence of large events in the period. The weather was kind. But more importantly, Tower achieved year-on-year improvements in business-as-usual claims, premium growth and operational and digital efficiencies.

These are the measures that will ensure Tower remains well-positioned to deliver value to shareholders. And it's pleasing to note that the first three-months of FY25 continued in the same vein, as Blair will outline shortly.

Our strategy, which is now well embedded, is delivering both an improved customer experience and business performance. We have a solid platform; but there's more work to be done and further gains to be had.

[pause]

In the wake of the recent tragic California wild fires, there are lessons for New Zealand. These fires have wreaked havoc and had a huge human cost, in terms of both loss of life and property. Sadly, they have also laid bare a massive insurance gap that has been decades in the making.

California is the largest insurance market in the United States and subject to wildfires, earthquakes and other natural disasters. Climate change has made these events more frequent and severe, pushing up insurance and reinsurance costs at a time when California

set regulatory limits on premiums. Unable to fully price in the increased likelihood and severity of risk, unsurprisingly, many insurers decamped.

Instead, residents have been forced to rely on the Fair Access to Insurance Requirements (FAIR) plans, a centralised pooling insurance programme created in 1968 to provide coverage for those who can't obtain insurance from private insurance companies. These plans offer limited cover, comparatively expensive premiums, low policy caps. Media coverage suggests they also have earned a reputation for unreasonably low settlements, delayed payments and disproportionately high litigation rates with policyholders. Many residents simply don't bother.

In addition, there is no comprehensive climate adaptation policy to incentivise risk reduction or support people to leave areas made unsafe by climate change-related risks.

The end result is the vast majority of people and properties affected in the most recent fires have little or no insurance at all.

Early estimates are predicting more than US\$200 billion in economic losses from the wildfires ... **less than 25%** of those losses are likely to be insured with only US\$20-\$45 billion estimated in insurance payouts. Who's going to pay the balance?

[pause]

We need to avoid this situation in New Zealand at all costs. While we currently have extraordinarily high rates of residential insurance, mounting climate impacts do put pressure on premiums as reinsurance becomes more expensive.

To the best of its ability, Tower will continue to support communities as risks evolve by pricing accordingly. But we have always been clear that we cannot help everyone.

[pause]

As the nation with the second highest natural risk profile in the world, collectively we need to do more. Our primary focus must be on reducing risk in our most hazard-prone communities to keep insurance affordable and ensure the safety of people and property.

The insurance sector needs long-term certainty about climate change adaptation policy to ensure insurance remains available and affordable, and the reinsurance environment remains stable.

[pause]

In late January, the Government responded to the Finance and Expenditure Select Committee report on climate adaptation and to advice from the Climate Change Commission.

Climate Change Minister Simon Watts acknowledged the reports had been useful and that the Government was moving fast to ensure legislation dealt properly with the challenges posed by climate change. He went so far as to say legislation would be introduced this year; he agreed that political consensus for solutions was essential; and that the status quo is unacceptable ... so far, so good.

But the elephant in the room – the question of which parties pay for adaptation and how much each should pay – looms large and remains unresolved. And, until there is clarity and consensus on this vital point, Tower remains concerned.

There is significant, complex work still to be done and we're out of runway. The 2023 Auckland floods and Cyclone Gabrielle are estimated to have cost the economy \$15 billion. We might not know when, but we do know that a similar event – or worse – will occur.

[pause]

As a responsible insurer we would urge the Government to complete a climate change adaptation framework that has cross-party support, as quickly as possible.

That framework is crucial for minimising the insurance gap and preventing New Zealanders experiencing the anguish that many thousands of Californians are experiencing today.

[pause]

Tower has been ahead of the pack in introducing risk-based pricing and the risk data is continually being refined and additional risks assessed. But we won't be resting on our laurels. Climate change is constantly presenting new challenges, and we have further work to do to improve both our processes and risk identification.

A consistently strong business performance is essential to ensure we can continue that vital work.

[pause]

Before I hand over to Blair to give his last public address as CEO, on behalf of the board, I wish to thank him for the significant contribution he has made to Tower. We wish him ‘safari njema’ which I’m reliably informed means ‘safe travels’ as he runs around Kilimanjaro before taking up his new role as CEO at Milford Asset Management.

I’d also like to acknowledge and thank Graham Stuart who is retiring from the Board today. Graham joined the board in 2012. He has been a considered voice at the board table and showed an unwavering commitment to Tower’s transformation. [pause]

Blair will take you through the FY24 results and three-month trading update. Paul will then provide an overview of the longer term 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. I am pleased to recap our full year 2024 results as well as share a performance update for the first three months of the 2025 financial year. Paul will also take the opportunity to give you an overview of Tower’s plans to continue growing and innovating in the future.

#### **Slide 7 - Our Strategy**

To start, a recap on our strategy which is delivering results and provides an important platform for further improvements.

We continue to focus on four key areas – delivering a leading customer experience, ensuring we are operationally efficient, fostering an effective and distinctive culture and ultimately continuing to build a resilient business.

#### **Slide 8 – FY24 performance**

And now to recap on our results for the financial year ending 30 September 2024, which demonstrate Tower’s positive operational and business performance.

Gross written premium for the year to 30 September 2024 increased to \$595 million, up 15% on FY23, excluding divested portfolios.

Customer numbers decreased by 2% to 305,000, partly due to our tightened risk appetite for high-theft motor vehicle models.

Rating increases, enhanced processes, a reduction in motor theft claims, as well as calmer weather in comparison to prior years led to an improvement in the BAU claims ratio to 48%.

Pleasingly our management expense ratio improved to 31.4%, thanks to GWP growth combined with disciplined cost control and improved efficiencies.

Tower experienced no large events during the 2024 financial year.

Large event costs for FY24 were negative \$2.3 million, due to the absence of large events and a favourable revision of prior year large event costs. This was a reduction from \$55.6m of large event costs in FY23.

Reflecting our positive operational and business performance we reported an underlying profit after tax of \$83.5m in FY24, up from \$7.1m in FY23.

Reported FY24 profit was \$74.3m compared to a loss of \$1m in FY23.

On the basis of these results Tower declared a total FY24 dividend of 9.5 cents per share.

### **Slide 9 – FY24: Continued premium growth**

Gross Written Premium increased by 15% in FY24. This was predominantly driven by the prior period rating increases designed to mitigate the impacts of inflation, crime and increased reinsurance costs following the 2023 catastrophe events.

In FY24 we were pleased to see our proportion of house policies compared to total policies increase as we focused more on the home insurance market. Nearly a third of our house insurance GWP growth came from volume.

In FY24 the number of motor policies reduced as we tightened our risk appetite for high theft vehicles, while GWP from our motor portfolio grew by 13%.

Our risk-based pricing and underwriting continues to give us a competitive advantage by enabling more accurate risk selection and pricing. At the end of FY24 91% of house policies rated low or very low for flood risk, a 1% improvement from FY23.



We began to moderate premium increases, in the second half of FY24 as inflation began to settle, particularly for lower-risk motor vehicle makes and models that are shown to have lower risk of theft.

Our retention rate for our New Zealand risk portfolio remained stable at 77%.

Just over half of our customers held multiple policies with us.

To help our customers manage their insurance and affordability considerations, we promoted Ways to Save, a My Tower feature for our New Zealand customers that offers useful tips and options to reduce premiums.

### **Slide 10 – FY24: Continued improvement in MER**

We were pleased to achieve further reduction in MER to 31.4% in FY24, down from 32% in FY23.

It's clear that the \$150m Tower has invested in targeted growth, operational efficiency initiatives and streamlining the business in the past five years is realising benefits.

The expansion of our Suva hub has delivered well in this respect. In the year our Suva team answered 55% of all New Zealand sales and service calls to Tower; an increase from 16% in FY23.

In FY24 we completed the sales of our Solomon Islands business and Vanuatu subsidiary. Tower also stopped offering commercial rural insurance in November 2023.

Our commission ratio continued to improve, reducing to 1.5% in the year from 2.1% in FY23 partly due to legacy portfolio purchases and transitioning to referral arrangements that reduced total commission.

### **Slide 11 – FY24: BAU claims ratio significantly improves**

In FY24 our BAU claims ratio improved significantly from 55% in FY23 to 48%, thanks to effective pricing and underwriting, efficient claims management, calm weather and other external factors.

Targeted rating, across our house and motor portfolios reduced higher risk policies and therefore claims. General rating increases implemented in FY23 and early FY24 to offset inflation and increased reinsurance costs also continued to earn through.

With an aim to more quickly and efficiently complete claims, we launched a new digital motor assessing tool, and automatically allocated simple motor and home claims to repairers via My Tower online.

External factors have also played a part with calmer weather reducing the frequency of claims in New Zealand and the Pacific region.

These factors along with the initiatives we have implemented saw the number of open BAU claims in New Zealand halve and claims turnaround times improve by a third.

### **Slide 12 – FY24: Delivering shareholder returns**

Off the back of the 2024 financial year Tower has proposed to return \$81m to shareholders in the form of dividends and a capital return in the first half of 2025.

We paid a final dividend of 6.5 cents in January 2025, bringing the full year dividend to a total of 9.5 cents per share.

Tower's solvency ratio was 212% as at 30 September 2024, after the final dividend and before the capital return.

### **Slide 13 – FY25: Q1 trading update**

Turning now to our trading performance for the first three months of our 2025 financial year which features strong business-as-usual (BAU) claims performance, operational efficiencies, and targeted growth.

### **Slide 14 – FY25 Q1 trading update**

Here is a summary of our quarter one performance. The financial information provided in this update is based on Tower's unaudited management accounts as at 31<sup>st</sup> of December, 2024.

### **Slide 15 – Q1: continued premium growth**

GWP rose by 6% (excluding divested portfolios) to \$155m compared to the same period last year, reflecting growth in lower risk assets.

While rating increases have now flattened on average, following the higher rate increases implemented in early FY24, we are pleased to see strong volume growth increasing over the first three months of FY25.

Customer numbers increased to around 310,000 over the quarter as we welcomed around 5,000 new customers to Tower. Similarly, Tower's risk count increased by around 8,000 risks in the quarter, predominantly in the house and contents markets which saw 12% GWP growth, half of which was from volume.

New Zealand retention remains consistent year on year at 78%.

Our risk-based pricing approach is continuing to improve our risk exposure with 92% of new policies rated low or very low for flood risk.

### **Slide 16 – Q1: Customer experience**

Our focus on customer experience combined with our use of digital technology and data has driven consistent improvements in the past year. Our overall net promoter score further increased this quarter to plus 41, up from plus 38 at 30 September 2024.

The benefits of our core platform (now live across the Tower group) and our expanded Suva Hub team continue to be realised, contributing to a pleasing reduction in our sales and service contact centre abandonment rate, now at 7% compared to 9% in the prior year.

Active My Tower users increased by 4% to 170,000 over the quarter, and My Tower log ins have increased by 7% year on year demonstrating that our online journeys continue to resonate with customers.

We were pleased to win the first place Supreme Award for Customer Retention in the New Zealand CRM Contact Centre Awards in September 2024.

Last year Canstar also announced Tower as the winner of its Home and Contents Outstanding Value and Insurer of the Year Awards.

### **Slide 17 – Q1: Continued improvement in MER**

The management expense ratio (MER) has continued to improve, reducing to 30% in the quarter from 32% in the prior comparable period.

This improvement was driven by our increasing scale from targeted premium growth as well as operational efficiencies.

Our operational hub in Suva is now answering 70% of all New Zealand sales and service calls and our digital channels are increasingly picking up our service, sales and claims tasks.

**Slide 18 – Q1 BAU claims ratio significantly improves**

The BAU claims ratio has decreased substantially to 39%, down from 57% for the same period last year.

This improvement is due to a combination of prior period underwriting actions and targeted rating increases for higher-risk assets, alongside a combination of external factors which include calmer weather and lower inflation.

Our work to enhance efficiencies has included bringing motor vehicle assessments predominantly in-house which has reduced claims assessment costs.

New digital claims journeys have shifted more of the claims process online with 53% of motor claims now automatically allocated to a repairer.

**Slide 19 – Strong capital and solvency position**

Tower remains well capitalised with strong solvency margin well above both regulatory requirements and our internal targets.

And we expect this to continue after various changes to the rules around calculating solvency are implemented.

Tower's regulatory solvency position is calculated under the Reserve Bank of New Zealand's (RBNZ) Interim Solvency Standard (the ISS). In December 2024, the RBNZ released further amendments to the ISS, which corrects issues in the previous solvency standard, and will be effective from 1 March 2025.

These amendments have areas of complexity and insurance industry interpretations of them are still being developed.

Our assessment, so far, is that if we had reported our solvency position under the amended version of the ISS, our solvency margin at 30 September 2024 would have been \$139.6m, rather than the \$171.4m we reported under the prior version of the ISS.

Tower uses an internal target for capital management, including determining dividends and capital returns, and our internal forecasts had allowed for changes to the ISS. Therefore there is no direct impact from the RBNZ's amendments to the Board's plans to distribute dividends or capital to shareholders.

Using the amended version of the standard, our pro forma solvency position at 1 January 2025 shows we are holding \$167.5m more solvency capital than the regulatory minimum capital requirement.

In accordance with the ISS, the planned capital return of \$45m has not yet been taken into account in the reported solvency position, however, if it were, Tower would still have a solvency margin of \$122.5m as at 1 January 2025.

Before I hand you over to our current CFO, soon to be interim CEO, Paul Johnston, can I just say a couple of words to thank the Board, Management, shareholders and our people for the opportunity to lead Tower. It has been an absolute privilege and a pleasure, one that I have enjoyed enormously, and I am proud of what we've all achieved.

Over to you now, Paul.

#### **Slide 20 – Looking forward – Paul Johnston**

Thank you, Blair.

Looking forward we will continue our focus on strategic delivery and strong business performance.

#### **Slide 21 - FY25 guidance and future targets**

Tower's FY25 guidance and future targets were updated last week on 5 February following the strong Q1 business performance Blair has just outlined and early indications from January's performance..

In FY25 Tower expects GWP growth - excluding revenue from sales of subsidiary operations - of between 7% and 12%.

We have set a prudent large events allowance of \$50m, \$3m of which has been used to date.

We expect further improvements to our management expense ratio which we anticipate will be less than 29%.

And we are targeting a combined operating ratio of between 84% and 86%.

Assuming full utilisation of the \$50m large events allowance Tower anticipates underlying NPAT to be between \$60m and \$70m.

## **Slide 22 – Focus on customer experience and targeted growth**

This year Tower is continuing to invest in creating leading customer experiences, while targeting the right risks at the right price.

This includes applying landslide and sea surge risk ratings to policies at customers' next renewal date and adding these perils to our automated customer-facing quote-to-buy tool, where customers can already see their home's risk ratings for earthquake and flood hazards.

We will continue our focus on increasing new business from home insurance policy sales by targeting high quality risks.

In line with expectations, we are already seeing growth in our motor book as our pricing becomes more attractive for lower risk vehicles.

And we will continue to grow through partnerships including Kiwibank, homes.co.nz and HealthCare Plus who joined us in FY24.

We are also looking to further increase customer retention by improving our online policy renewal experience.

As we work to continually improve our customer experience, we remain focused on helping customers manage their insurance and affordability concerns.

## **Slide 23 – Continuous efficiency & process improvements**

In FY25, we are continuing to focus on delivering efficiency and process improvements.

We are aiming for 80% of all New Zealand service tasks to be completed via digital channels by the end of FY27.

Following the launch of our new motor assessing system in FY24, we also plan to launch a new house assessing system. This is all about continuing to drive down assessment times and repair costs.

We are also working to implement a new contact centre platform in FY25 designed to deliver greater frontline efficiencies and improved customer experience.

As we examine and improve our systems and processes, we are working to address the root causes of and are applying lessons from the errors that led to customer remediations. This is a strategically important programme for our business which focuses on investigating root

causes of incidents with a view to developing strategies to address those root causes, enhancing delivery and project execution and improving end-to-end customer data management at Tower.

Our work to streamline the business continues having completed the exit of our New Zealand commercial rural portfolio in January, another step towards decommissioning our last legacy technology system in New Zealand.

#### **Slide 24 - Fostering sustainability**

Navigating the broader effects of climate change is essential to our business as a general insurer. We are continuing to invest in initiatives and products that foster sustainability and future climate change resilience.

Innovation will be key to our ongoing success. One cost-effective alternative to traditional insurance is parametric insurance, which we have now implemented in three Pacific nations. In FY24, we partnered with the United Nations Capital Development Fund (UNCDF), global insurtech, CelsiusPro, to offer this product on a digital platform. We are now working to achieve scale by delivering parametric insurance through new strategic partnerships that are in development.

FY24 scope 1 and 2 greenhouse gas emissions were 20% below our FY20 baseline year. Detailed information was included in our inaugural climate statement released on 28 November 2024. The statement covers in detail the climate change risks and opportunities we've identified, along with our strategic responses aimed at supporting a low-emissions and resilient future.

We continue to support education by awarding five university scholarships in New Zealand and Fiji in FY24.

An important part of our business strategy is to build an effective and distinctive staff culture across our New Zealand and Pacific locations.

This slide shows some of our FY24 people-related metrics, including our staff engagement and gender pay equity scores and our various employee representation groups.

Late last year we were pleased to win the Excellence in Workplace Diversity, Equity & Inclusion award at the 2024 ANZIIF New Zealand Insurance Industry Awards as well as the Fiji Prime Minister's Employer of the Year award.

We're committed to making Tower an even better place to work, enabling us to attract and retain talented people and empower our teams to show up in the best way possible for our customers.

### **Slide 25 – Continued focus on strategic delivery & strong performance**

Sharp focus remains on delivering our strategy and strong business performance.

We will continue investing in our customer experience to achieve targeted customer and premium growth.

We will continue to work through customer remediations and engage with the FMA in relation to our multi-policy discount remediation and associated proceedings, while implementing the lessons learnt from these experiences.

We will continue to improve efficiencies, via digitisation and enhanced processes.

And we are committed to maintaining our strong capital and solvency position while investing for the future.

Ultimately, we are focused on delivering long-term shareholder value and sustainable returns.

Thank you for your time this morning, I will now hand back over to the Chair.

### **Slide 26 - Shareholder Resolutions – Michael Stiasny**

Thank you, Paul.

I now propose that we move to the next item of business, which is the shareholder resolutions before the meeting. Resolutions 1 and 2 are ordinary resolutions, each passed by a simple majority of votes of those shareholders entitled to vote and voting on the relevant resolution. Resolution 3 is a special resolution. In order for a special resolution to be passed it must be approved by a majority of 75% of the votes of those shareholders entitled to vote and voting on the 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 27 – Shareholder resolutions**

#### **Resolution 1 - Authorisation to determine auditor remuneration**

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 PwC to continue as the company's auditor and PwC 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, PwC, 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 2025 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 the Board has adopted a policy of requiring a rotation of the Lead Audit Partner at least every five years and a tender for the Audit Firm, if not necessarily a change in firm, at least every 10 years. I note that our Lead Audit Partner rotated last year and we have included Audit Firm tenure and Lead Audit Partner rotation information in the Corporate Governance Statement on our website.

Are there any questions?

*[FOLLOWING ANY QUESTIONS]*

**Resolution 2 - Re-election of Marcus Nagel as Director of Tower Limited.**

Marcus Nagel retires by rotation, and being eligible, offers himself for re-election. I now invite Marcus to address this meeting on his proposed re-election.

[MARCUS NAGEL ADDRESS]

Thank you, Marcus. I will now move that Marcus Nagel, who retires on rotation in accordance with NZX Listing Rule 2.7.1 be re-elected as a director of Tower Limited

Are there any questions?

*[FOLLOWING ANY QUESTIONS]*

**Resolution 3 - Approval of capital return via a scheme of arrangement**

As outlined in the Notice of Meeting, in 2024, the Board concluded a strategic review which determined we will continue executing Tower's current business strategy under the existing ownership structure, and pursue organic growth opportunities that deliver accretive value.

As part of that strategic review, the Board considered Tower's capital structure in light of the current strategy, which aims to deliver sustainable growth and efficiencies.

Given this strategy and the lack of large-scale claims events, the Board concluded that Tower had excess capital relative to the requirements of the business and its prudential capital reserving requirements.

The share buyback is a standard method of returning capital to shareholders for listed companies. The Board also chose this method as:

- it ensures that the return of capital will be made in a timely manner;
- all shareholders are treated on the same basis and that the return of capital does not alter shareholders' proportionate voting or distribution rights, and;
- the payment made to shareholders is appropriately treated as a return of capital for New Zealand tax purposes with IRD approval.

As announced on 21 October last year, we have received IRD approval for the proposed return of capital. Assuming we receive shareholder approval of the scheme of arrangement

today; and the grant of final Court orders, and providing the Board remains satisfied in its sole discretion that:

- Tower is complying with all solvency and regulatory capital requirements, including under its capital management process requirements and;
- that it remains prudent to undertake the Scheme, up until the time the Scheme is given effect,

we expect to return capital to shareholders in early April.

Are there any questions?

*[FOLLOWING ANY QUESTIONS]*

I will now move that the scheme of arrangement relating to the return of capital to shareholders, as set out in the Arrangement Document annexed to the Notice of Meeting, dated 10 January, 2025, be approved.

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 two 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 28 – 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 the formal business of our meeting and I'd like to thank you for your participation.

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 area to your left. Thank you.