

14 November 2023

Update on Multi Policy Discount Customer Remediation

Tower Limited today provides an update on progress with its multi-policy discount customer remediation.

Tower has made substantial progress in refunding customers who did not receive their correct multi-policy discounts with \$6.2m excluding GST paid to affected customers as of 31 October 2023.

Tower now expects that its costs associated with this remediation will be approximately \$11.2m excluding GST, an increase from \$6.2m at the half year. This allows for amounts to be repaid to around 65,000 customers and includes an estimate of a regulatory penalty from potential enforcement action, following Tower's self-reporting of the matter to the Financial Markets Authority (FMA) and the FMA's subsequent investigation. Tower will keep the market updated on developments in this respect.

Tower's FY23 underlying profit guidance remains unchanged.

Tower CEO Blair Turnbull says, "Tower is focused on putting things right for customers who have received incorrect discounts extending back to 2016. We sincerely apologise to those who have been affected.

"We are redesigning and simplifying our multi-policy offering and expect to share more about this change in the coming year," he says.

ENDS

This announcement has been authorised by Tower Chief Executive, Blair Turnbull.

For media enquiries, please contact in the first instance:

Emily Davies

Head of Corporate Affairs and Sustainability

021 815 149

emily.davies@tower.co.nz