Sydney

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9 September 2019

Mr George Tharian
Senior Adviser, Listings Compliance
ASX
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear George,

Appendix 3Y – Change of Director's Interest

Attached is an Appendix 3Y for Mr Richard Howes, Challenger's Chief Executive Officer, for the transfer of 99,886 Challenger shares to him upon the vesting and allocation of Deferred Performance Rights (i.e STI bonus) awarded in 2016, 2017 and 2018.

Mr Howes continues to maintain a Challenger shareholding in excess of the Company's minimum shareholding requirements.

Yours sincerely,

Michael Vardanega
Company Secretary

Melbourne Level 19, 31 Queen Street PO Box 297, Flinders Lane, Melbourne VIC 3000 Telephone 02 9994 7000 Facsimile 02 9994 7777
Brisbane Level 9, 241 Adelaide Street GPO Box 3234, Brisbane QLD 4001 Telephone 07 3136 5400 Facsimile 07 3136 5407
Perth Level 26, 140 St Georges Terrace, Perth WA 6000 Telephone 08 6466 9613
Adelaide Level 7, Suite 714, 147 Pirie Street, Adelaide SA 5000 Telephone 08 8427 9511

Challenger Limited ABN 85 106 842 371 Challenger Group Services Pty Limited ABN 91 085 657 307
Challenger Life Company Limited ABN 44 072 486 938 AFSL 234670
Challenger Investment Partners Limited ABN 29 092 382 842 AFSL 234 678
Challenger Retirement and Investment Services Limited ABN 80 115 534 453 AFSL295642 RSE Licence No. L0001304
Challenger Mortgage Management Pty Ltd ABN 72 087 271 109 Challenger Securitisation Management Pty Ltd ABN 56 100 346 898 AFSL 244593
Challenger Investment Solutions Management Pty Ltd ABN 63 130 035 353 AFSL 487354

7Rule 3.19A.2

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	**Challenger Limited**
ABN	**85 106 842 371**

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Richard Howes
Date of last notice	9 January 2019

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct and indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Investments in financial products issued by related bodies corporate of Challenger Limited: • Guaranteed Annuity issued by Challenger Life Company Limited for his spouse, Mrs Melissa Howes. • $5,135,093 of units in certain registered managed investment schemes issued by Fidante Partners Limited (5,149,391 units) held by the Howes Family Trust.
Date of change	2 September 2019
No. of securities held prior to change	461,592 ordinary shares Investments in financial products issued by related bodies corporate of Challenger Limited: • $2,500,000 of Guaranteed Annuities issued by Challenger Life Company Limited (including an annuity for his spouse, Mrs Melissa Howes); and • $5,135,093 of units in certain registered managed investment schemes issued by Fidante Partners Limited (5,149,391 units) held by the Howes Family Trust.

+ See chapter 19 for defined terms.

Class	Ordinary shares
Number acquired	99,886 ordinary shares resulting from the vesting of Deferred Performance Rights.
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	$6.65 per ordinary share
No. of securities held after change	561,478 ordinary shares Investments in financial products issued by related bodies corporate of Challenger Limited: • $2,500,000 of Guaranteed Annuities issued by Challenger Life Company Limited (including an annuity for his spouse, Mrs Melissa Howes); and • $5,135,093 of units in certain registered managed investment schemes issued by Fidante Partners Limited (5,149,391 units) held by the Howes Family Trust.
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Vesting of a portion of the 2016, 2017 and 2018 Deferred Performance Rights pursuant to the Challenger Performance Plan Rules.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	As previously disclosed, Mr Howes held 880,137 Performance Rights under the Challenger Performance Plan comprising: • 201,267 Deferred Performance Rights; and • 678,870 Hurdled Performance Rights.

Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	2 September 2019
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/A
Interest acquired	N/A
Interest disposed	99,886 ordinary shares resulting from the vesting of a portion of the 2016, 2017 and 2018 Deferred Performance Rights.
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	$6.65 per ordinary share
Interest after change	780,251 Performance Rights comprising: 101,381 Deferred Performance Rights; and 678,870 Hurdled Performance Rights.

Part 3 – +Closed period

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/A
If prior written clearance was provided, on what date was this provided?	N/A

+ See chapter 19 for defined terms.