

Sydney

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8 September 2020

Ms Puja Patel
Adviser, Listings Compliance
ASX
Exchange Centre
20 Bridge Street
Sydney, NSW 2000

Dear Ms Patel,

Appendix 3Y – Change of Director's Interest

Attached is an Appendix 3Y for Mr Richard Howes, Challenger's Chief Executive Officer detailing the:

- transfer of 95,648 Challenger shares to Mr Howes upon the vesting and allocation of Deferred Performance Share Rights (i.e. deferral of prior year short term incentives awarded in 2017, 2018 and 2019;
- transfer of 95,648 Challenger Shares from Mr Howes to the Howes Super Fund;
- grant of 124,544 Deferred Performance Share Rights as part of Mr Howes' awarded remuneration for 2020; and
- lapse of 101,233 Hurdled Performance Share Rights with performance hurdles not met.

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

Yours sincerely,



Andrew Brown
Company Secretary

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Brisbane Level 9, 241 Adelaide Street GPO Box 3234, Brisbane QLD 4001 Telephone 07 3136 5400 Facsimile 07 3136 5407
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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	27 August 2020

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.	• 350,000 ordinary shares held via Howes Custodial Pty Ltd as trustee for Howes Super Fund (250,000 ordinary shares were incorrectly characterised as held directly in the previous notice). • Investments in financial products issued by related bodies corporate of Challenger Limited: - o Guaranteed Annuity issued by Challenger Life Company Limited for his spouse. - o \$5,072,466.19 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	1 September 2020 and 8 September 2020

+ See chapter 19 for defined terms.

Appendix 3Y
Change of Director's Interest Notice

No. of securities held prior to change	• 461,478 ordinary shares • 350,000 ordinary shares held via Howes Custodial Pty Ltd as trustee for Howes Super Fund • Investments in financial products issued by related bodies corporate of Challenger Limited: - o \$2,500,000 of Guaranteed Annuities issued by Challenger Life Company Limited (including an annuity for his spouse); and - o \$5,072,466.19 of units in certain registered managed investment schemes issued by Fidante Partners Limited (5,149,391 units) held by the Howes Family Trust.
Class	Ordinary shares
Number acquired	95,648 ordinary shares resulting from the vesting of Deferred Performance Share Rights
Number disposed	95,648 ordinary shares via off market transfer
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$4.01 per ordinary share (value on vesting) \$4.03 per ordinary share (value via off market transfer)
No. of securities held after change	• 461,478 ordinary shares • 445,648 ordinary shares held via Howes Custodial Pty Ltd as trustee for Howes Super Fund. • Investments in financial products issued by related bodies corporate of Challenger Limited: - o \$2,500,000 of Guaranteed Annuities issued by Challenger Life Company Limited (including an annuity for his spouse); and - o \$5,072,466.19 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 each of the 2017, 2018 and 2019 Deferred Performance Share Rights pursuant to the Challenger Performance Plan Trust rules

+ See chapter 19 for defined terms.

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 holds 1,306,954 Performance Rights comprising: • 195,601 Deferred Performance Share Rights; and • 1,111,353 Hurdled Performance Share Rights.
Nature of interest	N/A
Name of registered holder (if issued securities)	N/A
Date of change	• 1 September 2020 (vesting of Deferred Performance Share Rights and lapse of Hurdled Performance Share Rights) • 7 September 2020 (grant of Deferred Performance Share Rights)
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	• 124,544 Deferred Performance Share Rights
Interest disposed	• 95,648 Deferred Performance Share Rights resulting from the vesting of a portion of each of the 2017, 2018 and 2019 Deferred Performance Share Rights • 101,233 Hurdled Performance Share Rights lapsed as performance hurdles were not met
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	• \$4.01 per ordinary share (value on vesting) • \$4.00 per ordinary share (value at granting)
Interest after change	1,234,617 Performance Rights comprising: • 224,497 Deferred Performance Share Rights; and • 1,010,120 Hurdled Performance Share 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.