

CHALLENGER ANNOUNCES APPOINTMENT OF NICK HAMILTON AS CEO

Challenger Limited (ASX: CGF) today announced the appointment of Nick Hamilton as Managing Director and Chief Executive Officer, succeeding Richard Howes whose retirement was announced in August 2021.

Mr Hamilton will commence in his new role on 1 January 2022 and Mr Howes will remain available for the first quarter of 2022 to ensure a smooth transition.

Mr Hamilton has been Chief Executive of Challenger's Funds Management business since 2019, overseeing a period of exceptional growth and performance, with funds under management reaching over \$100 billion. Before joining Challenger in 2015, he held a number of senior leadership roles at top tier financial services businesses across Australia, the United States and the United Kingdom.

Chairman Peter Polson said that, following an extensive search process, which included high calibre internal and external candidates, the Board concluded that Mr Hamilton has the ideal leadership capabilities and attributes to drive Challenger's next phase of growth.

"In Nick, we have an outstanding candidate, with a proven track record of leading and growing high performing businesses and driving innovation, both at Challenger and across the financial services industry in Australia and internationally," said Mr Polson.

"Under his leadership, our Funds Management business has gone from strength to strength and is now one of the fastest growing active asset managers in the country. He has played a central role in diversifying Challenger's offering across Australia, Asia and Europe, securing a number of high-quality partnerships and bringing a suite of contemporary client solutions to market.

"Nick has also played a key role in developing Challenger's growth strategy and contributing to overall business performance as a member of Challenger's Leadership Team.

"He has significant experience leading strong management teams and is well placed to harness the depth of capability right across Challenger.

"With a deep understanding of our business, a clear vision for the future and the acumen to maximise the significant opportunities ahead, Nick is ideally placed to lead Challenger through this exciting next chapter."

On behalf of the Board, Mr Polson thanked retiring CEO Richard Howes for his significant contribution to Challenger over almost two decades.

“Richard has been a passionate advocate of Challenger’s purposed-driven culture and played a key role in building the business into what it is today. He has also steered the business through unprecedented external challenges with his trademark determination and clarity of thought,” said Mr Polson.

Mr Howes said that it had been a great honour to lead Challenger.

“I am delighted to be passing the baton to Nick, who I have worked with closely throughout his career at Challenger. He is a talented and respected executive who will spare no effort to deliver for our people, customers and shareholders,” said Mr Howes.

“Challenger is a very special organisation - I am immensely proud of what we’ve achieved, and I have no doubt that Nick will lead Challenger to continued success.”

Incoming Chief Executive Mr Hamilton said: “It is a privilege to take on the role of CEO for a business with such an important purpose, proud history and exciting future, and I thank Richard for handing on the business in such strong shape.

“With a burgeoning population of retirement age, Challenger’s role in providing customers with financial security for a better retirement is more important than ever. By focusing on meeting the needs of our diverse customer base as they prepare for and enter retirement, there’s a real opportunity to both meet a societal imperative and continue to grow our business.

“This is an exciting time for Challenger, and I look forward to leading our highly capable team to capture the great opportunity ahead for our business.”

Challenger will undertake a search process for the new Chief Executive of its Funds Management business and will confirm any interim arrangements in due course.

Mr Hamilton’s biography and key employment terms are attached.

ENDS

This release has been authorised by Challenger’s Continuous Disclosure Committee.

About Challenger

Challenger Limited (Challenger) is an investment management firm focused on providing customers with financial security for a better retirement.

Challenger operates three core investment businesses – a fiduciary Funds Management division, an APRA-regulated Life division and an APRA regulated authorised deposit-taking institution. Challenger Life Company Limited (Challenger Life) is Australia's largest provider of annuities.

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Biography

Nick Hamilton has 25 years industry experience gained across Australian and international markets and has successfully led top tier global equity and multi-asset businesses in Australia, the United States and the United Kingdom.

Nick joined Challenger in 2015 and is currently Chief Executive of the Funds Management business, which includes Fidante Partners and CIP Asset Management.

During his time in this role, he has made significant progress on a number of key growth initiatives including securing a host of high-quality partnerships such as Ox Capital, Eiger Capital, Ares Management, Impax Asset Management, and Lennox Capital. Nick has also led the expansion of Challenger's Funds Management offering across Australia, Asia and Europe, most recently with the opening of a new office in Singapore that provides a distribution hub to access and service investors across Asia. Nick has driven product innovation, including in CIP Asset Management, which recently launched a number of new credit funds for sophisticated and institutional investors. Under Nick's leadership Challenger Funds Management has grown its Australian retail business to over \$20 billion under management.

Prior to his current role, Nick served as General Manager of Fidante Partners for three years where he played a key role in almost doubling the business's funds under management after joining the business in 2015.

Before joining Challenger, he held senior leadership roles at Invesco in Europe and Colonial First State where his primary responsibilities included leading and expanding global fund teams and building out their global equities and multi-asset capability.

He began his career at Rothschild as an analyst in international equities.

Nick holds an MBA in Business Administration and Management from Henley Business School in the United Kingdom; a Graduate Diploma of Applied Finance and Investment, Banking, Corporate Finance, Derivatives and Securities from the Institute of Australia; and a Bachelor of Economics from the University of Sydney.

Key terms of employment agreement

Summary of material terms of Mr Hamilton's employment agreement with Challenger.

1. Appointment

Appointment as the Chief Executive Officer and Managing Director to commence on 1 January 2022.

2. Term

No fixed maximum term, subject to the termination provisions in the agreement (summarised below).

3. Remuneration

a) Fixed Remuneration

The fixed remuneration is \$1,075,000 per annum (inclusive of statutory superannuation contributions and any salary sacrifice items), which is reviewable annually.

b) Short Term Incentive

Mr Hamilton will be eligible for discretionary annual short term incentives determined by the Board. Unless exceptional circumstances exist, it is expected that the annual short term incentive will be capped at twice Mr Hamilton's fixed remuneration. Performance is assessed by the Board by reference to the performance objectives set each year. A proportion of Mr Hamilton's short term incentive will be paid in cash with a significant portion being deferred (usually at least 50%) and delivered to Mr Hamilton in the form of equity, such as restricted shares under the Challenger Performance Plan (CPP). The form of such equity and the deferral periods are to be determined by the Board.

c) Long Term Incentive

Mr Hamilton is also eligible to receive annual grants of longer term incentives in the form of equity, such as deferred and/or hurdled performance share rights under the CPP. The form of such equity, the deferral periods and hurdles are to be determined by the Board. The current arrangements are described in Challenger's 2021 Annual Report.

4. Termination

Mr Hamilton may resign at any time on giving 12 months' notice. Challenger may terminate Mr Hamilton's employment on giving 12 months' notice.

On termination of employment, Challenger will pay all outstanding fixed remuneration and any statutory entitlements owing to Mr Hamilton. The agreement includes 'bad leaver' termination provisions (i.e. termination for poor performance or gross misconduct). In these circumstances, all

unvested performance rights and restricted share would immediately lapse and Mr Hamilton would not be eligible for any short term incentive for any part year worked. For a “good leaver” termination (i.e. other than a “bad leaver” scenario), Mr Hamilton would remain eligible for a short term incentive (pro-rated and payable at the usual date) and all unvested performance rights and restricted shares would lapse or remain on foot in line with the original terms of the award including performance and time based hurdles. The CPP includes claw back provisions that apply in certain circumstances, including for gross misconduct or to protect Challenger's financial soundness.

5. **Miscellaneous**

The agreement contains usual provisions:

- i. Dealing with termination for gross misconduct;
- ii. Imposing restrictions, for up to six months after termination of his employment, on Mr Hamilton's ability to compete with any member of the Challenger Group or solicit clients or employees; and
- iii. Imposing obligations on Mr Hamilton to keep information of the Challenger Group confidential and not to disclose it to third parties and in relation to intellectual property.