

CHALLENGER LIFE COMPANY LAUNCHES SUBORDINATED NOTES OFFER

Challenger Limited (ASX:CGF) today announced that its wholly owned subsidiary, Challenger Life Company Limited (CLC), has launched an offer of new Australian-dollar denominated unlisted, unsecured, subordinated notes (CLC Subordinated Notes).

The CLC Subordinated Notes are being offered to institutional and other wholesale investors at a notional Face Value of \$10,000 per note, with a minimum subscription amount of \$500,000 or otherwise issued in a manner which does not require disclosure in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 (Cth). The CLC Subordinated Notes are not being offered to retail investors and will not be issued under a prospectus.

Pricing for the CLC Subordinated Notes will be determined by a bookbuild process which is expected to take place on 8 September 2022, subject to market conditions. The net proceeds from the issue of the CLC Subordinated Notes will be used for general corporate, funding and capital management purposes of CLC's Statutory Fund No. 2.

The CLC Subordinated Notes will qualify as Tier 2 Capital under the Australian Prudential Regulation Authority's (APRA) Prudential Standards for life insurers.

Key conditions of the CLC Subordinated Notes are:

- a term of 15 years, with a maturity date in September 2037 and an option for CLC to redeem the CLC Subordinated Notes in September 2027 and on any subsequent Interest Payment Date, subject to APRA's prior written approval and certain other conditions;
- Interest is cumulative and optionally deferrable in certain circumstances, subject to satisfaction of the Solvency Condition;
- CLC may also redeem all (but not some) of the CLC Subordinated Notes at any time if a Tax Event or Regulatory Event has occurred, subject to APRA's prior written approval and certain other conditions;
- holders have no right to request early redemption of the CLC Subordinated Notes;
- if APRA provides a written determination that a Non-Viability Trigger Event has occurred in relation to CLC or its Statutory Fund No. 2, all (or in certain circumstances, some) CLC Subordinated Notes will be immediately Converted into ordinary shares in Challenger. If Conversion cannot be effected for any reason within five Business Days, the CLC Subordinated Notes will be Written-Off; and

- on a Winding-Up of CLC in Australia and assuming a Non-Viability Trigger Event has not occurred, the CLC Subordinated Notes will be subordinated in right of payment to the claims of Senior Creditors of CLC.

Barrenjoey Markets Pty Limited is acting as Arranger and Joint Lead Manager for the proposed issue. Jarden Australia Pty Ltd, National Australia Bank Limited and Westpac Banking Corporation are also acting as Joint Lead Managers.

ENDS

This release had 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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Disclaimer

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, any securities (including CLC Subordinated Notes) in the United States or to, or for the account or benefit of, any U.S. person, or any other jurisdiction in which such an offer would be illegal.

The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities referred to in this announcement may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, any U.S. person, unless the securities have been registered under the Securities Act (which CLC is under no obligation to do) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Singapore SFA Product Classification — In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the **SFA**) and Futures (Capital Markets Products) Regulations 2018 of Singapore (**CMP Regulations 2018**), unless otherwise specified before an offer of CLC Subordinated Notes, CLC has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the CLC Subordinated Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018 and Excluded Investment Products (as defined in the Monetary Authority of Singapore (**MAS**) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)).