



Notice
of Meeting
2022

challenger 

Chair's letter



Dear Shareholder

Enclosed is the notice of Challenger's Annual General Meeting (AGM), which will be held in Sydney on Thursday 27 October 2022.

As previously announced, I will be retiring as Chair at the conclusion of the AGM. It has been an honour to serve as your Chair and a Member of the Board for the past 19 years. I am incredibly proud of what Challenger has built and the outcomes we have achieved amid continuous and rapid change.

Since I joined the Board, Australia's superannuation system has undergone substantial change and successive governments have implemented significant regulatory reforms across the entire financial services sector. We have seen exponential technological change, endured volatile and evolving market cycles and we continue to navigate the economic and social challenges of a global pandemic.

It is no accident that Challenger is Australia's leading retirement income brand and one of Australia's largest active fund managers with such unwavering support from our customers, our people and our shareholders.

The Board has elected Mr Duncan West to serve as Challenger's new Chair upon my retirement. Duncan has served on the Challenger Board as an Independent Non-Executive Director since 2018 and brings over 30 years' board and financial services experience across the UK and Australia. I believe Duncan will be an excellent Chair who, along with our talented group of Directors and senior executives, will continue to steer the business to even greater outcomes for all of our stakeholders.

Annual General Meeting

In planning for the AGM, we wanted to provide a greater opportunity for shareholders to participate by allowing them the option to attend the meeting in person or online, and have therefore decided to hold our 2022 AGM as a hybrid meeting.

Challenger's 2022 AGM will be held at the Wesley Conference Centre in Sydney and online and will commence at 9.30am (Sydney time) on Thursday 27 October 2022. Registrations will open from 9.00am (Sydney time).

You will be able to hear presentations from me and our CEO, Mr Nick Hamilton, as well as vote and ask questions during the meeting.

For those joining online, please ensure you have your Challenger Shareholder Reference Number (SRN) or Holder Identification Number (HIN), which is your username and is required to log into the meeting. You will also need to use the postcode registered to your holding as your password. You won't be able to vote or ask a question during the meeting without them.

We welcome your questions and encourage shareholders to submit questions online in advance via www.investorvote.com.au. We will endeavour to address the most frequently asked questions during our AGM. Questions may also be submitted in writing or orally during the meeting. Please refer to page 3 for instructions on how to do this. Those attending the AGM in person will be able to ask questions at the meeting.

Please see the AGM Online Meeting Guide available on Challenger's website, challenger.com.au/agm, for further information regarding participation in our AGM online. This Notice of Meeting, together with the AGM Online Meeting Guide, provides all the important information you need to know about attending our AGM.

The items of business at the AGM are outlined on page 5 and should be read together with the Explanatory Notes. This year's items of business include the usual items such as considering the financial reports, approving the Remuneration Report and Non-Executive Director re-elections. This year Ms JoAnne Stephenson and Mr Masahiko Kobayashi, who have both provided valuable contributions to the Challenger Board during their tenure, will stand for re-election at the AGM.

Shareholders will also consider a resolution and vote on the long-term Hurdled Performance Share Rights granted to Challenger's new CEO, Mr Hamilton. Details on our approach to executive remuneration and long-term incentives granted are included in our Remuneration Report.

On behalf of my fellow Directors, we thank you for your continued support in 2022 and I look forward to welcoming you to our AGM in October.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Peter Polson', with a long horizontal line extending to the right.

Peter Polson
Independent Chair

Challenger Limited 2022 Annual General Meeting

Notice is given that the Annual General Meeting (**AGM**) of the shareholders of Challenger Limited (**Challenger or Company**) will be held on Thursday, 27 October 2022 beginning at 9.30am (Sydney time).

The AGM will be held as a hybrid meeting, which means shareholders can attend in person at the Wesley Conference Centre or online (refer to details below).

The AGM is an important opportunity for shareholders to interact and hear from the Board and CEO about Challenger's progress and plans for the future. It is also an opportunity to share your views and vote on the items of business. We encourage shareholders to participate in the AGM in one of the ways outlined below.

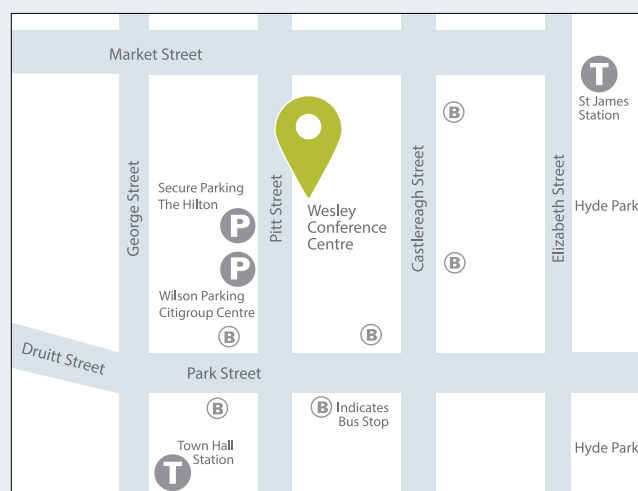
How to participate in Challenger's AGM

In person

Venue

You can attend the AGM in person at:

The Wesley Theatre
Wesley Conference Centre
220 Pitt Street, Sydney NSW 2000



How to get to the AGM

Train: The closest train stations are Town Hall and St James.

Light rail: The closest light rail stations are QVB and Town Hall.

Bus: A number of bus routes have bus stops on nearby Park Street and Castlereagh Street.

Car: Parking is available at Piccadilly Secure Parking (137 Castlereagh Street, Sydney) or Secure Parking, The Hilton Hotel (259 Pitt Street, Sydney)

Accessibility: The venue has ramps and lifts for any accessibility needs.

For public transport information, please call 131 500 or visit:
transportnsw.info

Registration

Registration will be available from 9.00am (Sydney time). If you have a smartphone, please bring it with you in order to vote during the meeting. If you do not have a smartphone, other options will be available for you to vote during the meeting.

Online

You can watch and participate in the AGM via the Computershare meeting platform using either a computer or mobile device. Enter the following URL in your browser

› <https://meetnow.global/MT2JWV4>

Registration

Online registration will open at 9.00am, half an hour before the meeting.

You will need the following information to participate in the AGM:

- the meeting link for Challenger's AGM is:
 › <https://meetnow.global/MT2JWV4>;
- your username is your SRN/HIN; and
- your password is your postcode registered on your holding if you are an Australian shareholder. Overseas shareholders should use the country of their registered address as their password.

You can view the meeting live, ask written or oral questions and cast votes when prompted during the meeting.

Please ensure your browser is compatible. For further information regarding participating in the AGM online, including browser requirements, please refer to the AGM Online Meeting Guide on our website at challenger.com.au/agm or at www.computershare.com.au/virtualmeetingguide

Shareholder questions

Asking questions during the AGM

Only shareholders (or their appointed proxies, representatives or attorneys) may ask questions in person, online or on the telephone once they have been verified.

If you are participating in the meeting via the online meeting platform, follow the instructions on the screen for submitting your written or verbal questions. If attending in person, the Chair of the meeting will outline the process during the meeting.

Asking questions prior to the AGM

Shareholders can also submit questions for Challenger or the auditor in advance of the meeting by submitting a question at

› www.investorvote.com.au

To be considered in advance of the meeting, written questions must be received no later than 5.00pm (Sydney time) on Thursday 20 October 2022.

Appointed proxies

As an alternative to attending the meeting in person or online, you can appoint a proxy to attend the meeting and vote on your behalf.

To participate in the AGM, appointed proxies will need a unique username and password.

Proxyholders will need to obtain their unique username and password by contacting Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open at 9.00am, half an hour before the start of the meeting.

You can submit your proxy form online by visiting

› www.investorvote.com.au

If you have been sent a printed proxy form you can return this by post. Please allow mailing time if posting.

Completed proxy forms (and any necessary supporting documents) must be received by Challenger's share registry no later than 9.30am (Sydney time) on Tuesday 25 October 2022. Even if you plan to attend the AGM, we encourage you to submit your proxy form by the deadline so that your vote will be counted if for any reason you cannot attend in person or online on the day of the AGM.

COVID-19

Challenger is committed to the health and safety of our shareholders and employees. We ask that you do not attend the AGM in person if you feel unwell or have been in contact with someone who may have been affected by COVID-19.

Challenger will continue to monitor the potential health risks associated with large gatherings and the COVID-19 pandemic. If it is necessary to make alternative arrangements for the AGM, information will be lodged with the ASX at www.asx.com.au (security code: CGF).

Shareholder information

Manage your shareholding at Computershare Investor Services

Computershare Investor Services Pty Limited
Level 3
60 Carrington Street
Sydney NSW 2000

Telephone:
1800 780 782 (within Australia)
+61 3 9415 4065 (outside Australia)

Go electronic

Challenger shareholders can take advantage of electronic communications. By electing to receive e-communications, you will be helping to reduce print, paper and postage costs and the associated environmental impact. To sign up for e-communications, visit Computershare Investor Services:

› www.investorcentre.com/au

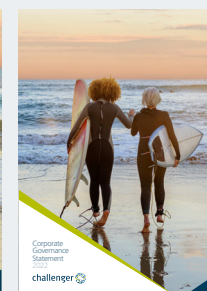
Opting in for hard copies

Recent changes made to the *Corporations Act 2001* (Cth) allow Challenger to provide notices of meeting and other information regarding a meeting electronically (except to shareholders who have elected to receive notices in hardcopy). This Notice of Meeting is available to read and download online at

› challenger.com.au/agm

To request a hard copy of the Notice of Meeting, please contact Computershare Investor Services on the phone numbers above.

Challenger 2022 Reports



Business of the meeting

Financial reports

Item 1

To receive and consider the Financial report, Directors' report and Independent auditor's report for Challenger and its controlled entities (Challenger Group) for the financial year ended 30 June 2022.

Note: The above reports, which are included in Challenger's 2022 Annual Report, are available at

› challenger.com.au/annualreport2022

Re-election of Non-Executive Directors

Item 2(a)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Mr Masahiko Kobayashi, who retires by rotation in accordance with clause 8.1(e) of the Constitution of Challenger, be re-elected as a Director of Challenger.

Item 2(b)

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That Ms JoAnne Stephenson, who retires by rotation in accordance with Challenger's board renewal policy specified in clause 10 of its Board Charter, be re-elected as a Director of Challenger.

Remuneration Report

Item 3

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That the Remuneration Report for Challenger for the financial year ended 30 June 2022 be adopted.

The vote on this item is advisory only and does not bind the Directors or the Company. A voting exclusion applies to this resolution.

Grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer

Item 4

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That, for the purposes of ASX Listing Rule 10.14 and all other purposes, approval is given for the grant of long term hurdled Performance Share Rights to Challenger's Managing Director and CEO, Mr Nicolas Hamilton, under the Challenger Performance Plan and on the terms described in the Explanatory Notes included in this Notice of Meeting.

A voting exclusion applies to this resolution.

Important voting information

Voting exclusion statements

Item 3 – Remuneration Report

Challenger will disregard any vote cast (in any capacity) on Item 3:

- by or on behalf of a member of the Company's Key Management Personnel (KMP), the details of whose remuneration are included in the Remuneration Report for the year ended 30 June 2022, or their closely related parties, regardless of the capacity in which the vote is cast; or
- as a proxy by a person who is a member of the Company's KMP at the date of the meeting or their closely related parties,

unless the vote is cast as proxy for a person entitled to vote on Item 3:

- in accordance with a direction on the proxy form; or
- by the Chair of the meeting pursuant to an express authorisation to exercise the proxy as the Chair of the meeting decides, even though Item 3 is connected with the remuneration of KMP.

Item 4 – Grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer

Challenger will disregard any vote on Item 4:

- cast in favour of Item 4 by or on behalf of Mr Hamilton and any of his associates, regardless of the capacity in which the vote is cast; or
- cast as a proxy by a member of the Company's KMP on the date of the meeting and their closely related parties,

unless the vote is cast on Item 4:

- as proxy or attorney for a person entitled to vote on Item 4 in accordance with a direction given to the proxy or attorney to vote on Item 4 in that way; or
- by the Chair of the meeting as a proxy for a person entitled to vote on Item 4 pursuant to an express authorisation to exercise undirected proxies as the Chair of the meeting decides; or
- by a shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
 - the shareholder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

The Chair of the meeting intends to vote all undirected proxies in favour of all resolutions on the agenda for the meeting. Please read the information under the heading 'Undirected proxies' on page 10 of this Notice of Meeting for further information.

Questions on voting exclusions

If shareholders have questions regarding the voting exclusions, they should contact the Company's share registry, Computershare, on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia).

By order of the Board.



Linda Matthews
Company Secretary

21 September 2022

Explanatory Notes

These Explanatory Notes form part of the Notice of Meeting.

Item 1 – Financial Reports

The Financial report, Directors' report and Independent auditor's report (together, the Reports) for Challenger and its controlled entities for the financial year ended 30 June 2022 will be laid before the meeting in accordance with the requirements of the *Corporations Act 2001* (Cth) (Corporations Act).

Challenger's 2022 Annual Report (which includes the Reports) is available at:

› challenger.com.au/annualreport2022

Neither the Corporations Act nor the Company's Constitution requires a vote of shareholder on the Reports and no formal resolution will be put to the meeting. However, shareholders will be provided with the opportunity to ask questions about and make comments on the Reports and the management of Challenger.

Items 2(a) and 2(b) – Re-election of Non-Executive Directors

Background

In accordance with Challenger's Constitution, no Director who is not the Managing Director may hold office without re-election beyond the third AGM following the meeting at which the Director was last elected or re-elected. In addition, Challenger's Board Renewal Policy set out in the Board Charter provides that one-third of Directors (to the nearest whole number) must retire from office at the end of every AGM and may stand for re-election.

Mr Peter Polson, Mr Masahiko Kobayashi and Ms JoAnne Stephenson are Non-Executive Directors of Challenger and will retire as Directors at the 2022 AGM, in accordance with Challenger's Constitution and Challenger's Board Charter. Mr Polson indicated at the 2019 AGM, where he was re-elected as a Director of Challenger, that he intended to complete the Board renewal process and facilitate an orderly transition of the Chair role during his term. Mr Polson has decided not to stand for re-election as a Director and, accordingly, his term as a Director, and his role as Chair of the Board, will cease at the conclusion of the meeting. Each of Mr Kobayashi and Ms Stephenson will stand for re-election at the meeting.

Each candidate standing for re-election has confirmed that they will have sufficient time to properly fulfil their Director duties for Challenger.

Under Challenger's independence policy, an Independent Director is independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of the Director's judgement. In accordance with Challenger's independence policy, the Board has determined (with Ms Stephenson abstaining) that Ms Stephenson is an Independent Non-Executive Director.

Mr Kobayashi joined the Challenger Board on 26 August 2019 as a Non-Executive Director of Challenger. His appointment followed the expanded strategic relationship with MS&AD Insurance Group Holdings Inc. (**MS&AD**), which was announced on 26 March 2019. As part of the strategic relationship, MS&AD increased its Challenger shareholding to over 15% of issued share capital and Challenger commenced reinsurance of US-dollar denominated annuities issued by Mitsui Sumitomo Primary

Life Insurance Company Limited (**MS Primary**), a subsidiary of MS&AD, on 1 July 2019. Given Mr Kobayashi's executive role with MS Primary, he is not considered to be an Independent Non-Executive Director.

Further information about each of the Directors standing for re-election is listed on this page.

Item 2(a)

Mr Masahiko Kobayashi

Non-Executive Director since 26 August 2019



Experience/qualifications

Mr Kobayashi has over 30 years' expertise in general and life insurance and is currently Director and Senior Executive Officer (Enterprise Risk Management and Investment Risk & Operations Management) of MS Primary, a subsidiary of MS&AD. Prior to joining MS Primary, Mr Kobayashi held a number of executive and director roles within the MS&AD Group, including in Singapore and the United Kingdom.

Mr Kobayashi holds a Master of Business Administration (Questrom School of Business, Boston University, Boston, United States), Bachelor of Law (Kyoto University, Kyoto, Japan) and is a Certified Internal Auditor.

Special responsibilities

- Member of the Nomination Committee

The Board (excluding Mr Kobayashi) has reviewed Mr Kobayashi's performance and believes that his skills, experience and expertise are a valuable addition to the Board. In particular, Mr Kobayashi's extensive global general and life insurance experience enhances the Board's ability to oversee Challenger's performance and governance.

Other material directorships

Director of Mitsui Sumitomo Primary Company, Limited (incorporated in Japan).

Recommendation

The Board (with Mr Kobayashi abstaining) supports the re-election of Mr Kobayashi and unanimously recommends that shareholders vote in favour of the re-election of Mr Kobayashi as a Non-Executive Director.

Item 2(b)

Ms JoAnne Stephenson

Independent Non-Executive Director since 8 October 2012



Experience/qualifications

Ms Stephenson has extensive experience in financial services both in Australia and in the United Kingdom. Ms Stephenson was previously a partner with KPMG and has significant experience in internal audit, risk management and consulting.

She holds a Bachelor of Commerce and Bachelor of Laws (Honours) (University of Queensland) and is a member of Chartered Accountants Australia and New Zealand and a member of the Australian Institute of Company Directors.

Special responsibilities

- Chair of the Group Remuneration Committee
- Member of the Group Audit Committee
- Member of the Group Risk Committee
- Member of the Nomination Committee

The Board (excluding Ms Stephenson) has reviewed Ms Stephenson's performance and believes that her skills, experience and expertise are a valuable addition to the Board. In particular, Ms Stephenson's significant audit and risk experience enhances the Board's ability to oversee Challenger's audit and risk management framework and governance.

Other material directorships

Ms Stephenson is a non-executive director and Chair of Myer Holdings Limited (appointed 28 November 2016, appointed Chair on 16 September 2021) and a non-executive director of Qualitas Ltd (appointed 4 November 2021). Ms Stephenson is also the Chair of the Victorian Major Transport Infrastructure Board.

Ms Stephenson was previously a non-executive director of Asaleo Care Limited (30 May 2014 to 1 July 2021) and Japara Healthcare Ltd (1 September 2015 to 5 November 2021).

Recommendation

The Board (with Ms Stephenson abstaining) supports the re-election of Ms Stephenson and unanimously recommends that shareholders vote in favour of the re-election of Ms Stephenson as a Non-Executive Director.

Item 3 – Remuneration Report

Challenger's Remuneration Report is set out on pages 54 to 76 inclusive of the 2022 Annual Report, which is available at:

› challenger.com.au/annualreport2022

The Remuneration Report sets out Challenger's remuneration policy and frameworks together with the reward outcomes for the year ending 30 June 2022 for Key Management Personnel (KMP), comprising Executive Directors, Non-Executive Directors and specified Challenger executives.

In accordance with the Corporations Act, the vote on the adoption of the Remuneration Report is advisory only and does not bind the Directors or the Company. However, the Board considers the vote and discussion at the AGM in setting remuneration policy and making reward decisions for future years.

A reasonable opportunity will be provided at the meeting to discuss and raise questions in relation to the Remuneration Report.

Recommendation

The Remuneration Report forms part of the Directors' report, which has been approved in accordance with a unanimous resolution of the Challenger Board. The Board recommends that shareholders vote in favour of the adoption of the Remuneration Report.

Item 4 – Grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer

It is proposed that Mr Nicolas Hamilton, the Managing Director and Chief Executive Officer of Challenger, be awarded a long-term incentive in the form of Hurdled Performance Share Rights (HPSRs) under the Challenger Performance Plan (CPP). Each HPSR is a conditional right to one ordinary fully paid share in Challenger for nil consideration subject to meeting applicable employment and performance conditions.

ASX Listing Rule 10.14 requires a listed company to obtain shareholder approval before issuing equity securities (which would include the HPSRs) to a director under an employee incentive scheme. ASX Listing Rule 10.14 does not apply to securities purchased on market by or on behalf of a director under an employee share scheme where the terms of the scheme permit such purchases.

If new shares are issued in order to satisfy the HPSRs (if they vest), that issue will fall within ASX Listing Rule 10.14 because Mr Hamilton is a director of Challenger, and therefore approval under ASX Listing Rule 10.14 will be required. Whilst it is currently intended that shares granted on vesting will be acquired on-market, shareholder approval is being sought to preserve flexibility should, for example, the need arise to issue shares rather than allocate Mr Hamilton existing shares.

If Item 4 is passed, Challenger will proceed with the grant of HPSRs outlined in this Notice of Meeting. If Item 4 is not passed, the Board will consider alternative arrangements to appropriately remunerate and incentivise the Managing Director and Chief Executive Officer of Challenger, including amending the terms of and/or the quantum of the award.

Mr Hamilton's current total annual remuneration package comprises the following elements:

- total fixed remuneration (TFR) of \$1,075,000 per annum (inclusive of statutory superannuation contributions and any salary sacrifice items), reviewable annually;
- a short-term incentive target of 133.3% of TFR (maximum 200% of TFR), which if earned, based on Challenger's current Remuneration Policy is payable 50% in cash and 50% in deferred shares; and
- a long-term incentive in the form of HPSRs with a face value of 225% of TFR.

Challenger grants the long-term incentive in the form of HPSRs to ensure a significant proportion of Mr Hamilton's total reward is 'at risk' and directly linked to shareholder outcomes.

Hurdled Performance Share Rights

Mr Hamilton is eligible for a long-term incentive each year. Currently, the face value of this award is set at 225% of TFR and is awarded in the form of a single HPSR tranche. The Board proposes to grant 386,381 HPSRs to Mr Hamilton.

The number of HPSRs is calculated by dividing 225% of TFR (being \$2,418,750) by the 5-day volume weighted average price (VWAP) of Challenger shares over the five trading days from Friday 2 September 2022 to Thursday 8 September 2022 (being \$6.26). This is the same allocation price used for other KMP.

HPSRs will only vest if Mr Hamilton meets an employment condition and Challenger satisfies an absolute total shareholder return (TSR) performance target. The significant weighting to long-term incentive and the use of an absolute TSR performance target support a continued focus on long-term performance outcomes and ensure a direct link between Mr Hamilton's realised reward and shareholder outcomes.

Consistent with previous years, 50% of HPSRs vest at a threshold performance of 7% TSR compounded annually and HPSRs fully vest when TSR of 10% compounded annually is achieved. There is straight-line vesting between these points. In this respect, TSR performance is calculated using a 90-day VWAP of Challenger shares leading up to the relevant performance period start or end date. This eliminates the potential for short-term price volatility to impact vesting outcomes.

The initial period for performance testing and vesting for HPSRs is four years. Where the absolute TSR performance targets are not satisfied at four years, a higher cumulative test is applied in year five (requiring TSRs above the annual thresholds compounded over five years). Any unvested HPSRs lapse at five years following the performance period start date. The TSR performance period start and end dates applicable to Mr Hamilton's proposed grant of HPSRs are the same as those applicable to other KMP.

Cessation of employment

The section titled 'Key Management Personnel remuneration arrangements' under subsection "Nicolas Hamilton – incoming Managing Director & CEO)" on page 72 of the 2022 Remuneration Report sets out the notice periods and payments which apply to Mr Hamilton upon termination.

In summary, if Mr Hamilton ceases employment as a 'good leaver' before the HPSRs vest, a pro-rata portion of the unvested HPSRs will remain on foot and the vesting conditions will be tested in the ordinary course subject to the terms of the offer and the rules of the CPP (unless the Board determines otherwise). Good leaver treatment applies if employment ends in any circumstances other than as a 'bad leaver', being if Mr Hamilton's employment is terminated by Challenger for poor performance, misconduct or resignation without the prior approval of the Board. In the case of cessation of employment as a 'bad leaver', any unvested rights will lapse, unless the Board determines otherwise.

Change of control

In the event of a change of control of Challenger (in summary, where a person either acquires a relevant interest in more than 50% of Challenger's issued shares or disposes of shares so that its relevant interest falls below 50% of Challenger's issued shares), then the Board may in its sole discretion determine the way in which Mr Hamilton's HPSRs will be dealt with, provided that this does not adversely affect Mr Hamilton's accrued rights under the CPP.

Malus

The Board has the ability to adjust unvested equity (including to zero) in a range of circumstances, including to protect financial soundness or respond to unexpected or unintended consequences that were significant and unforeseen by the Board (such as material risk management breaches, unexpected financial losses, reputational damage or regulatory non-compliance).

Material terms of HPSRs

In addition to the terms described in this explanatory note for Item 4, the following terms apply to the HPSRs until the HPSRs vest and convert into ordinary securities:

- the HPSRs are not transferrable;
- the HPSRs do not confer any right to vote;
- the HPSRs do not confer any entitlement to a dividend;
- the HPSRs do not confer any right to participate in the surplus profit or assets of Challenger on winding up; and
- the HPSRs do not confer any right to participate in new issues of securities such as bonus issues or entitlement issues.

Material terms of the CPP

In addition to the terms described in this explanatory note for Item 4, the following terms apply to the CPP:

- the CPP is an employee share scheme for Challenger and its subsidiaries (the Group);
- the purpose of the CPP is to reward, motivate and retain eligible executives and employees of the Group (Participants);
- Challenger may offer various types of awards under the CPP, including HPSRs. Challenger's board of directors has discretion to approve and vary the terms of offers of awards to Participants under the CPP (including manner, form, content and timing). The Challenger board of directors also has a discretion to amend the terms of the CPP;
- the CPP provides that when HPSRs vest, the holder of those rights becomes entitled to receive one Challenger share for each vested HPSR; and

- the CPP also includes the provisions relating to vesting and lapsing of HPSRs, change of control and Malus as summarised in this explanatory note.

Additional information

The following additional information is relevant to the proposed grant of securities:

- There is no cost payable by Mr Hamilton, and no loan made by Challenger to Mr Hamilton, in relation to the grant of the HPSRs or the allocation of shares on vesting of the HPSRs.
- Mr Hamilton was the only Director (or associate of a Director) entitled to participate in the CPP in the year ended 30 June 2022.
- The HPSRs that are the subject of this approval will be granted to Mr Hamilton following the AGM and no later than 12 months from the AGM.
- A total of 855,037 HPSRs have been granted to Mr Hamilton under the CPP in prior years (commencing from 2016) of which none have vested, 39,024 have lapsed and 816,013 remain unvested and on foot, with vesting subject to compound annual TSR thresholds. These awards were granted to Mr Hamilton as his long-term incentive for no cost. No HPSRs granted to Mr Hamilton vested in 2021 or 2022.
- Details of any securities issued under the CPP will be published in Challenger's Annual Report relating to the period in which they were issued, along with a statement that approval for the issue was obtained under ASX Listing Rule 10.14. Any additional persons covered by ASX Listing Rule 10.14 who become entitled to participate in an issue of securities under the CPP after this resolution is approved and who are not named in this Notice of Meeting will not participate until approval is obtained under ASX Listing Rule 10.14.

Recommendation

The Board (with Mr Hamilton abstaining) recommends that shareholders vote in favour of the grant of long-term Hurdled Performance Share Rights to Mr Hamilton.

Additional information for shareholders

Eligibility to attend and vote

In accordance with the *Corporations Regulations 2001* (Cth), the Challenger Board has determined that, for the purposes of the meeting, those shareholders registered as holding shares at 7.00pm (Sydney time) on Tuesday 25 October 2022 will be entitled to attend and vote at the meeting. Share transfers registered after that time will be disregarded in determining a shareholder's entitlement to attend and vote at the meeting.

Appointing a proxy

A shareholder that is entitled to attend and vote at a meeting of shareholders may appoint a proxy to attend and vote for that shareholder at the meeting. A proxy need not be a shareholder of Challenger and can be either an individual or a body corporate. Appointed proxies will need to contact Computershare Investor Services to obtain a username and password to vote online.

Even if you plan to participate in the meeting, we encourage you to submit a directed proxy vote so that your vote will be counted if for any reason you cannot vote on the day of the meeting. Appointing a proxy does not mean you cannot attend the meeting. However, under the Challenger Constitution, if you appoint a proxy but still attend the AGM and vote on any resolution, the proxy is not entitled to vote.

If a shareholder is entitled to cast two or more votes at the meeting, they may appoint two proxies and may specify the proportion of voting rights each proxy may exercise on a poll. If no proportions are specified, each proxy may exercise half the available votes (disregarding fractions) on a poll. If a shareholder appoints two proxies, neither is entitled to vote on a show of hands if more than one proxy attends the meeting.

You may direct your proxy to vote for a resolution, against a resolution or abstain from voting on a resolution. Any abstained votes will not be counted in computing the required majority on a poll. In the absence of such a direction, the proxy is authorised to vote or abstain from voting on any resolution at their discretion, subject to applicable voting restrictions.

For an appointment of a proxy to be effective for the meeting, Challenger must receive the proxy appointment by no later than 9.30am (Sydney time) on Tuesday 25 October 2022. If a proxy form is signed under power of attorney on behalf of a shareholder, then Challenger must receive the original power of attorney or a certified copy of it by the same time.

You may lodge your proxy appointment with Computershare Investor Services by doing one of the following:

- lodging it online at Computershare's website www.investorvote.com.au as instructed on the website (you will have been taken to have signed your proxy form if you have lodged it in accordance with the instructions given on the website);
- posting it by using the reply paid envelope to: Computershare Investor Services Pty Limited
GPO Box 242 Melbourne VIC 3001;
- faxing it to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia);

- delivering it to:
Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street Sydney NSW 2000; or
- custodian voting – for Intermediary Online subscribers only (custodians), by visiting www.intermediaryonline.com to submit your voting intentions.

Proxy participation in person at the AGM

If you are attending the meeting in person, you should present a personalised proxy form as your entitlement to attend and vote. The bar code at the top of the proxy form will facilitate registration. If you do not bring the proxy form with you, you will still be able to attend and vote but representatives from Computershare must be able to verify your identity at registration. If you are a proxy holder, you will not be allowed entry unless your proxy authority has been verified by Computershare or you produce the original signed proxy form. Registration will open at 9.00am (Sydney time) on the day of the meeting.

Proxy participation in the AGM online

To participate in the AGM online, appointed proxies will need a unique username and password.

To receive their unique username and password, proxies will need to contact Computershare Investor Services on +61 3 9415 4024 during the online registration period which will open at 9.00am (Sydney time), half an hour before the start of the meeting.

Appointed proxies can also submit a written or oral question via the online platform during the AGM using their username and password.

Chair's deemed appointment as proxy

There are some circumstances where the Chair of the meeting will be taken to have been appointed as a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has appointed a different person as their proxy. This will be the case where your named proxy does not attend the meeting, or attends the meeting but does not vote in accordance with your directions on a poll for an item.

Undirected proxies

Challenger encourages you to consider directing your proxy how to vote by marking the appropriate box on the proxy form for each of the proposed resolutions.

If the Chair of the meeting is appointed as your proxy or becomes your proxy by default, the Chair of the meeting intends to vote all available proxies in favour of each item of business.

If you appoint the Chair of the meeting as your proxy, and you do not direct your proxy how to vote on the resolution set out in Item 3 or 4 on the proxy form, then by completing and submitting the proxy form, you will be expressly authorising the Chair of the meeting to exercise your proxy as they decide, even though the resolution is connected with the remuneration of a member of the KMP. The Chair of the meeting intends to vote all undirected proxies in favour of all resolutions on the agenda for the meeting.

Corporate shareholders and proxies

Corporate shareholders or proxies wishing to appoint a representative to attend and vote at the meeting on their behalf must provide that person with:

- an appropriately executed letter or certificate authorising the person to act as the company's representative in accordance with Challenger's Constitution; or
- a copy of the resolution appointing the representative, certified by a company secretary or director of the company.

A representative may be authorised for a single meeting or all meetings of Challenger, and an authorisation for more than one meeting must be stated on the authorising instrument. The representative must ensure that the Company has received evidence of their appointment, including any authority under which it has been signed, in advance of the meeting, unless it has previously been given to the Company.

Questions and comments by shareholders

The AGM is an important opportunity for shareholders to interact with the Directors and provides an opportunity to hear from the Chair and the CEO, consider and vote on resolutions and ask questions of the Board and auditor.

A reasonable opportunity will be given to shareholders as a whole to ask questions or make comments about Challenger's management, the Reports, including the Remuneration Report and other agenda items at the meeting. The Chair of the meeting will seek to address as many as possible of the more frequently raised topics received in advance of the meeting during the course of the meeting; however, there may not be sufficient time available at the AGM to address all topics raised. Please note that individual responses will not be sent to shareholders.

Similarly, a reasonable opportunity will be given to shareholders as a whole to ask Challenger's auditor, Ernst & Young, questions about:

- the conduct of the audit;
- the preparation and content of the Independent auditor's report;
- the accounting policies adopted by Challenger in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Only shareholders (or their appointed proxies, attorneys or representatives) may ask questions in person or online.

Asking questions prior to the AGM

Shareholders may provide written questions to the auditor concerning the content of the Independent auditor's report or the conduct of the audit of Challenger's financial report for the financial year ended 30 June 2022 in advance of the meeting.

Shareholders can also submit questions in advance of the meeting when lodging a proxy appointment online prior to the meeting at

› www.investorvote.com.au

To be considered in advance of the meeting, written questions must be received no later than 5.00pm (Sydney time) on Thursday 20 October 2022.

Asking questions during the AGM

Instructions on how to log on to ask questions during the meeting are detailed in the AGM Online Meeting Guide available on Challenger's website at

› challenger.com.au/agm

If attending in person, the Chair of the meeting will outline the process during the meeting.

Registration and voting

Registration will open at 9.00am (Sydney time) on the day of the meeting.

If you are attending the AGM in person and have a smartphone, please bring it with you in order to vote during the meeting. If you do not have a smartphone, other options will be available for you to vote during the meeting.

To participate and vote in the AGM online, you can log on to the meeting from your computer or mobile device, by entering the following URL in your browser:

› <https://meetnow.global/MT2JWV4>

Once you have selected one of the options above, shareholders will need the following information to participate in the AGM in real time:

- the meeting link for Challenger's AGM, which is
› <https://meetnow.global/MT2JWV4>
- your username, which is your SRN/HIN; and
- your password, which is the postcode registered to your holding if you are an Australian shareholder. Overseas shareholders should refer to the AGM Online Meeting Guide available on challenger.com.au/agm for their password details.

Webcast

A live webcast of the meeting will be available on the Challenger website at challenger.com.au/agm from 9.30am (Sydney time) on Thursday 27 October 2022.

The webcast will be recorded and made available to view after the meeting on Challenger's website at

› challenger.com.au/agm

All resolutions will be by poll

A poll will be conducted on each of the resolutions set out in this Notice of Meeting.

Technical difficulties

Technical difficulties may arise during the course of the AGM. The Chair of the meeting has discretion as to whether and how the meeting should proceed in the event that a technical difficulty arises. In exercising his or her discretion, the Chair of the meeting will have regard to the number of shareholders impacted and the extent to which participation in the business of the meeting is affected.

Where he or she considers it appropriate, the Chair of the meeting may continue to hold the meeting and transact business, including conducting a poll and voting in accordance with valid proxy instructions. For this reason, shareholders are encouraged to lodge a directed proxy in advance of the meeting in case they cannot vote on the day for any reason.

Additional information

Principal place of business and registered office in Australia

Level 2
5 Martin Place
Sydney NSW 2000

Telephone: 02 9994 7000
Facsimile: 02 9994 7777

challenger.com.au

Contact us

Investor Services
13 35 66

Adviser Services
1800 621 009

Share Registry
1800 780 782

Company Secretary

Linda Matthews

Unless otherwise specified, all amounts are in Australian dollars.

The information, including all amounts, in this Notice of Meeting is current as at 30 June 2022, and unless stated otherwise, any comparison is based on the prior corresponding period.

This Notice of Meeting is not financial product advice, investment advice or a recommendation to acquire Challenger's securities, and has been prepared without taking into account your objectives, financial situation or needs. This document is not, and should not be considered as, an offer or an invitation to acquire securities in Challenger or any other financial products.



CGF

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **9:30am (Sydney time) Tuesday 25 October 2022.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a shareholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

PARTICIPATING IN THE MEETING

Corporate Representative

If a representative of a corporate shareholder or proxy is to participate in the meeting you will need to provide the appropriate "Appointment of Corporate Representative". A form may be obtained from Computershare or online at www.investorcentre.com/au and select "Printable Forms".

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

You may elect to receive meeting-related documents, or request a particular one, in electronic or physical form and may elect not to receive annual reports. To do so, contact Computershare.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Challenger Limited hereby appoint

the Chair of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chair of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Challenger Limited to be held at The Wesley Theatre, Wesley Conference Centre, 220 Pitt Street, Sydney NSW 2000 and as a virtual meeting at <https://meetnow.global/MT2JWV4> on **Thursday, 27 October 2022 at 9:30am (Sydney time)** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 3 and 4 (except where I/we have indicated a different voting intention below) even though Items 3 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chair.

Important Note: If the Chair of the Meeting is (or becomes) your proxy you can direct the Chair to vote for or against or abstain from voting on Items 3 and 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

ORDINARY BUSINESS

	For	Against	Abstain
2(a) To re-elect Mr Masahiko Kobayashi as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2(b) To re-elect Ms JoAnne Stephenson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 To adopt the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval for the grant of long-term Hurdled Performance Share Rights to the Chief Executive Officer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chair of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chair of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

CGF

2 9 1 7 6 6 A



Computershare +