

REDEMPTION OF CHALLENGER LIFE COMPANY LIMITED SUBORDINATED NOTES

Challenger Limited (ASX:CGF) refers to the A\$400 million floating rate Subordinated Notes (Notes) which were issued on 24 November 2017 by Challenger Life Company Limited (Challenger Life). The Notes are direct, unsecured, subordinated debt obligations of Challenger Life that have qualified as Tier 2 regulatory capital of Challenger Life under the Australian Prudential Regulation Authority's (APRA's) prudential standards and will mature on 24 November 2042.

Under the Terms and Conditions of the Notes, Challenger Life has the option to redeem all (but not some only) of the Notes on 24 November 2022 (the Optional Redemption Date), subject to APRA's prior written approval. If the Notes are not redeemed on the Optional Redemption Date, Holders of the Notes have the option to require conversion of the Notes into ordinary shares in Challenger Limited in November 2024.

The redemption of the Notes has been approved by APRA and Challenger Life has elected to redeem all Notes on the Optional Redemption Date. Challenger Life's redemption of the Notes does not imply or indicate that Challenger Life or Challenger Limited will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Challenger Life or Challenger Limited. Any such redemption would also be subject to the prior written approval of APRA (which approval may or may not be given).

The attached Early Redemption Notice will be delivered to Holders of the Notes via Austraclear.

For each Note held, a Holder will receive the Face Value of A\$10,000 together with all unpaid interest which has accrued on the Note up to and including the Optional Redemption Date in cash¹. Challenger intends to make these payments on the Optional Redemption Date.

The Australian taxation consequences in relation to the redemption and final interest payments of the Notes may vary according to individual circumstances. It is recommended that Holders seek their own taxation advice in relation to the application of the Australian Tax Act to their particular circumstances.

Terms used but not defined in this announcement are defined in the Terms and Conditions of the Notes which are contained in the Information Memorandum dated Thursday, 16 November 2017.

ENDS

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

¹ Payments of accrued interest will be paid to holders who hold the Notes on the Record Date (17 November 2022).

About Challenger

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

Challenger operates 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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7 November 2022

To: Holders of the A\$400,000,000 floating rate Subordinated Notes issued on 24 November 2017 (ISIN: AU3FN0039426) ('**Subordinated Notes**') by Challenger Life Company Limited (ABN 44 072 486 938) ('**CLC**')

Redemption of Subordinated Notes by CLC on 24 November 2022

We refer to clause 5.2(a) of the terms of the Subordinated Notes ('**Terms**') which provides that CLC may elect to redeem all (but not some only) of the Subordinated Notes on the Optional Redemption Date. The Optional Redemption Date is the Interest Payment Date falling on or immediately following the fifth anniversary of the Issue Date, being 24 November 2022 (the '**Early Redemption Date**' for the purposes of clause 5.3(c)(i) of the Terms).

CLC hereby elects to redeem all Subordinated Notes on 24 November 2022 and confirms that the Australian Prudential Regulation Authority ('**APRA**') has provided its approval of such redemption (as required under clause 5.2 of the Terms). The aggregate Face Value of the Subordinated Notes to be redeemed is A\$400,000,000.

Each Subordinated Note will be redeemed by payment of the Face Value, together with any Deferred Interest, any Additional Interest, any Additional Amounts and any accrued but unpaid interest to the date of redemption to the relevant Holder on 24 November 2022.

CLC's redemption of the Subordinated Notes does not imply or indicate that CLC or Challenger Limited will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by CLC or Challenger Limited.

Capitalised expressions in this notice which are not otherwise defined have the meanings given to them in the Terms.

Yours sincerely



Anton Kapel
Chief Executive, Life



Linda Matthews
Company Secretary