

CHALLENGER CAPITAL NOTES 2 REDEMPTION NOTICE

Challenger Limited (ASX:CGF) encloses a Redemption Notice issued today by Challenger in accordance with the terms of Challenger Capital Notes 2 (ASX:CGFPB) (CCN2 Terms). The Redemption Notice notifies holders of Challenger Capital Notes 2 that, on 22 May 2023, all outstanding Challenger Capital Notes 2 will be Redeemed by Challenger for their face value of A\$100 per Challenger Capital Note 2.

The Redemption of Challenger Capital Notes 2 has been approved by the Australian Prudential Regulation Authority (APRA). Challenger's redemption of Challenger Capital Notes 2 does not imply or indicate that Challenger or any of its related regulated entities will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by Challenger or any of its related regulated entities. Any such redemption would also be subject to the prior written approval of APRA (which approval may or may not be given).

On 22 May 2023, a final Distribution of \$0.71 per Challenger Capital Note 2, representing the period from (and including) 5 April 2023 to (but not including) 22 May 2023, will be paid to all registered holders of Challenger Capital Notes 2 as at 7:00pm (Sydney time) on 12 May 2023. The final Distribution is subject to no Payment Condition existing on 22 May 2023.

The last day of trading in Challenger Capital Notes 2 on the Australian Securities Exchange (ASX) is expected to be 10 May 2023.

Unless otherwise defined, capitalised terms in this announcement have the meanings given in the CCN2 Terms.

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 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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THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF CCN2 HOLDERS (AS DEFINED BELOW). IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD SEEK ADVICE FROM YOUR FINANCIAL ADVISER OR OTHER PROFESSIONAL ADVISOR.

Challenger Limited (ABN 85 106 842 371)

(the “**Issuer**”)

Redemption Notice

given in respect of the

A\$ Challenger Capital Notes 2 (ASX code: CGFPB)

(the “**CCN2**”)

5 April 2023

A. Redemption of CCN2 by Issuer

This Redemption Notice is an “Exchange Notice” given in accordance with clause 6.1 (*Optional Exchange by the Issuer*) of the terms and conditions of the CCN2, as amended from time to time (the “**CCN2 Terms**”).

Capitalised terms used and not otherwise defined in this Redemption Notice have the meaning given to them in the CCN2 Terms.

This Redemption Notice is irrevocable (subject to the CCN2 Terms).

The Issuer hereby gives notice to each holder of a CCN2 (“**CCN2 Holder**”) that, in accordance with the CCN2 Terms, the Issuer has:

- made an election to Exchange all outstanding CCN2 on the Optional Exchange Date, being 22 May 2023 (the “**Exchange Date**”); and
- elected Redemption as the Exchange Method for the CCN2,

and accordingly, all outstanding CCN2 will be Redeemed by the Issuer at the Redemption Price of A\$100 per CCN2 (the “**Redemption Amount**”) on the Exchange Date.

The Redemption has been approved by the Australian Prudential Regulation Authority (“**APRA**”). The Issuer’s redemption of CCN2 does not imply or indicate that the Issuer or any of its related regulated entities will in the future exercise any right it may have to redeem any other outstanding regulatory capital instruments issued by the Issuer or any of its related regulated entities. Any such redemption would also be subject to the prior written approval of APRA (which approval may or may not be given).

B. Conditions to completion of Redemption

The Redemption of CCN2 by the Issuer is subject to and will be performed in accordance with the CCN2 Terms.

This Redemption Notice is irrevocable, except as provided by the CCN2 Terms. The Redemption may not occur for a number of reasons, including if any of the following applies:

- a Non-Viability Trigger Event occurs;
- APRA revokes its approval of the Redemption; or

- CCN2 cannot for any other reason be Redeemed.

If the Redemption does not occur (except where a Non-Viability Trigger Event occurs), CCN2 Holders will continue to hold their CCN2 until they are otherwise Redeemed, Converted or Resold in accordance with the CCN2 Terms.

C. Payment and completion of Redemption

Payment of the Redemption Amount will be made by the Issuer to CCN2 Holders. The payment of the Redemption Amount will be made on the terms and conditions applicable to a payment of the Redemption Price by the Issuer under clauses 9 (*Redemption mechanics*) and 14 (*Payments*) of the CCN2 Terms (as applicable).

Challenger Limited