

Not for release or distribution in the United States

CHALLENGER SHARE PURCHASE PLAN OPENS

Challenger Limited (CGF ASX) (Challenger) announced on Monday 22 June 2020 that it would be undertaking a Share Purchase Plan (SPP) as part of an equity raising to further strengthen its capital position and provide flexibility to enhance earnings.

The SPP is now open to eligible Challenger shareholders to apply for up to \$30,000 of new, fully paid ordinary shares (New Shares) without incurring brokerage or transaction costs.

The SPP is not underwritten and Challenger is targeting to raise up to \$30 million via the SPP. However, Challenger may decide to accept applications (in whole or in part) that result in the SPP raising more or less than the \$30 million at its absolute discretion.

The SPP follows Challenger's successfully completed \$270 million institutional placement, which was conducted at an issue price of \$4.89 per share (Placement Price).

The issue price of the New Shares will be the lower of:

- the Placement Price, being \$4.89; and
- a 2% discount to the 5-day volume weighted average price (VWAP) of Challenger shares up to, and including, the closing date of the SPP (expected to be Tuesday 21 July 2020).

Subject to the terms and conditions of the SPP, shareholders are eligible to participate in the SPP if they had a registered address in Australia or New Zealand on Challenger's share register at 7:00pm (Sydney time), Friday 19 June 2020 (Eligible Shareholders).

Participation in the SPP is voluntary. New Shares will rank equally with existing fully paid Challenger ordinary shares from their date of issue.

The terms and conditions of the SPP are set out in the SPP offer booklet (Offer Booklet), which is being sent to Eligible Shareholders today. A copy of the Offer Booklet is also attached to this release.

Eligible Shareholders are encouraged to read the Offer Booklet carefully, and if in any doubt about whether to apply for New Shares, they should consult a financial or professional adviser.

For further information about the SPP, Challenger shareholders can call the Challenger SPP Offer information line on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday or visit www.Challenger2020SPP.com.au.

SPP timetable

An indicative timetable of key dates in relation to the SPP is set out below. All dates and times are references to Sydney, Australia

Event	Date (Sydney time)
SPP offer opens and Offer Booklet is dispatched	9:00am, Wednesday, 1 July 2020
SPP offer closes	5:00pm, Tuesday, 21 July 2020
Announcement of results of SPP	Friday, 24 July 2020
SPP allotment date	Thursday, 30 July 2020
Normal trading of New shares	Friday, 31 July 2020
Despatch of allotment confirmation	Monday, 3 August 2020

Dates and times shown above are indicative only and Challenger reserves the right to amend any or all of these dates and times in its absolute discretion and without notice, subject to the Corporations Act 2001 (Cth) (Corporations Act), the Listing Rules of the ASX and any other applicable laws. Challenger reserves the right to extend the closing date of the SPP, to accept late applications under the SPP (either generally or in particular cases) and to withdraw the SPP without prior notice, subject to the Corporations Act, the Listing Rules of the ASX and any other applicable laws. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The quotation of New Shares is subject to confirmation from the ASX. All references to time in this announcement are to AEST.

Disclaimer

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. The New Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (Securities Act) or the securities laws of any state or other jurisdiction of the United States. The New Shares to be offered and sold in the SPP may not be offered and sold to any person in the United States or to any person that is acting for the account or benefit of a person in the United States.

Forward looking statements

This announcement contains certain 'forward-looking statements'. The words 'forecast', 'expect', 'guidance', 'intend', 'will' and other similar expressions are intended to identify forward-looking statements. Forecasts or indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of

Challenger. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. Challenger disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

This release is authorised for release by the Challenger Continuous Disclosure Committee.

ENDS

About Challenger

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

Challenger operates two core investment businesses, a fiduciary Funds Management division and an APRA-regulated Life division. Challenger Life Company Limited is Australia's largest provider of annuities.

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Challenger

Share Purchase Plan Offer Booklet

1 July 2020

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Providing
our customers
with financial
security for
retirement



challenger.com.au

Challenger Limited ACN 106 842 371

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You should read this Offer Booklet in full.

This Offer Booklet contains important information. You should read this Offer Booklet in full and seek advice from your stockbroker, accountant or other professional adviser if you have any questions about your investment in Challenger or about the impact of the transactions described in this Offer Booklet. This Offer Booklet does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

You are encouraged to carefully read the SPP's terms and conditions as set out in this Offer Booklet because, if you apply for New Shares under the SPP, you will be agreeing to be bound by the SPP's terms and conditions. By applying for New Shares under the SPP, you will confirm that you have read, understood and agreed to the SPP's terms and conditions. Capitalised terms in this section have the meaning given to them in this Offer Booklet. All references to \$ or dollars in this Offer Booklet are references to Australian dollars unless otherwise indicated.

If you apply for New Shares under the SPP, there is a risk that the market price of Challenger Shares on the ASX may change between the date when you apply for New Shares and the date when New Shares are issued to you under the SPP. This means that, at the time of issue, you may be able to buy shares on market at a lower price than the Issue Price under the SPP. By applying for New Shares under the SPP, you will be acknowledging and accepting this risk.

This document is intended for use only in connection with the SPP to Eligible Shareholders in Australia or New Zealand. No action has been taken to permit an offering of Challenger Shares in any jurisdiction outside of Australia and New Zealand. The distribution of this document may be restricted by law, and persons (including Custodians and nominees) who come into possession of this document should observe any such restrictions.

This document may not be distributed or released in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be illegal. The New Shares under the SPP have not been, and will not be, registered under the Securities Act or the securities laws of any U.S. state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States).

If you have any questions in relation to how to participate in the SPP after reading this Offer Booklet, please contact the Challenger Limited SPP Offer Information Line between 8.30am and 5.00pm (AEST), Monday to Friday on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia).

Important Information

This offer booklet (Offer Booklet) does not provide financial advice and has been prepared without taking account of any person's investment objectives, financial situation or particular needs. You should consider the appropriateness of participating in the SPP having regard to your investment objectives, financial situation or particular needs. Shareholders should seek independent financial and taxation advice before making any investment decision in relation to these matters.

The offer of New Shares under the SPP is made in accordance with *ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 (Instrument 2019/547)* which grants relief from the requirement to issue a disclosure document for the SPP.

The laws of some countries prohibit or make impracticable participation in the SPP by certain overseas Shareholders. Unfortunately, Shareholders who are not resident in Australia or New Zealand will not be able to participate in the SPP. The SPP does not constitute an offer of shares for sale in any other jurisdiction.

International offer restrictions

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct Act 2013 and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016*.

This document has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States). The New Shares will only be offered and sold to persons who are outside the United States and who are not acting for the account or benefit of a person in the United States in offshore transactions in reliance on Regulation S under the Securities Act.

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Chairman's Letter

1 July 2020

Dear Challenger Shareholder

On behalf of the directors of Challenger Limited (the **Company** or **Challenger**), I am pleased to offer Eligible Shareholders the opportunity to apply for new ordinary shares in Challenger (**New Shares**) under a non-underwritten Share Purchase Plan (**SPP**).

Challenger is targeting to raise up to approximately \$30 million under the SPP. However, Challenger may decide to accept applications (in whole or in part) that result in the SPP raising more or less than that target amount at its absolute discretion.

The SPP follows Challenger's successful completion of an underwritten placement to institutional shareholders raising \$270 million (the **Placement**), the launch of which was announced on the Australian Securities Exchange (**ASX**) on 22 June 2020. The Placement shares were issued at \$4.89 per share (**Placement Price**) which represented an 8.1% discount to the last traded price¹ and a 5.7% discount to the 5-day volume-weighted average price (**VWAP**)².

The funds raised via the Placement and the SPP will further strengthen Challenger's capital position while at the same time provide flexibility to enhance earnings. It is Challenger's intention that the capital raised will be prudently and progressively deployed, primarily backing investment grade fixed income opportunities that are expected to be return on equity (**ROE**) accretive for shareholders.

The SPP gives you the opportunity to subscribe for up to \$30,000 worth of New Shares. The SPP issue price will be the lower of the Placement Price of \$4.89 per share or a 2% discount to the VWAP of fully paid ordinary shares in Challenger (**Challenger Shares**) traded on the ASX over the five trading days up to (and including) the day on which the SPP offer is closed (**SPP Closing Date**), rounded down to the nearest cent (**Issue Price**). Therefore, the maximum price that Eligible Shareholders will pay is the Placement Price of \$4.89 per share.

"The funds raised via the Placement and the SPP will further strengthen Challenger's capital position while at the same time provide flexibility to enhance earnings."

Participation in the SPP is optional and is open to eligible shareholders, being holders of Challenger Shares at 7.00pm (AEST) on 19 June 2020 and whose registered address is in Australia or New Zealand (excluding Shareholders who are in the United States, or acting for the account or benefit of a person in the United States) (**Eligible Shareholders**). Eligible Shareholders, who are custodians, can participate in the SPP on behalf of certain beneficiaries on the terms and conditions set out in this Offer Booklet.

Your right to participate in the SPP is not transferable. All New Shares issued under the SPP will rank equally with existing Challenger Shares.

Challenger will make an announcement as to the outcome of the SPP and the number of New Shares issued on or around 24 July 2020.

If you have any questions in relation to how to participate in the SPP after reading this Offer Booklet, please contact the Challenger Limited SPP Offer Information Line on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia) from 8.30am to 5.00pm (Sydney time) Monday to Friday, visit www.Challenger2020SPP.com.au, or consult your financial or other professional adviser.

On behalf of the Board, I invite you to consider participating in the SPP.

Yours sincerely



Peter Polson

Independent Chair
Challenger Limited

¹ On 19 June 2020.

² From 15 June 2020 to 19 June 2020 (inclusive) of \$5.19.

Offer Details and Timetable

Issue Price	The lower of: <ul style="list-style-type: none"> the Placement Price of \$4.89; and the amount which represents a 2% discount to the VWAP of Challenger Shares traded on the ASX over the five trading days up to (and including) the SPP Closing Date, rounded down to the nearest cent
Minimum Application Amount	\$1,000
Maximum Application Amount	\$30,000
Permitted Application Amount	Any amount between the Minimum Application Amount and the Maximum Application Amount, in multiples of \$1,000

An indicative timetable for the SPP is set out as follows:

Event	Date (and time if relevant)
SPP Record Date	7.00pm AEST, Friday, 19 June 2020
SPP Opening Date	9.00am AEST, Wednesday, 1 July 2020
SPP Closing Date	5.00pm AEST, Tuesday, 21 July 2020
Results of SPP announced	Friday, 24 July 2020
Allotment and issue of New Shares under the SPP	Thursday, 30 July 2020
Normal trading of New Shares under the SPP	Friday, 31 July 2020
Despatch of allotment confirmation	Monday, 3 August 2020

Dates and times shown above are indicative only and Challenger reserves the right to amend any or all of these dates and times in its absolute discretion and without notice, subject to the *Corporations Act 2001* (Cth) (**Corporations Act**), the Listing Rules of the ASX and any other applicable laws. Challenger reserves the right to extend the closing date of the SPP, to accept late applications under the SPP (either generally or in particular cases) and to withdraw the SPP without prior notice, subject to the Corporations Act, the Listing Rules of the ASX and any other applicable laws. Any extension of the closing date will have a consequential effect on the issue date of New Shares. The quotation of New Shares is subject to confirmation from the ASX. All references to time in this Offer Booklet are to AEST.

Terms of the SPP

Am I eligible to participate?

Participation in the SPP is open to all shareholders registered as holders of ordinary shares of Challenger at **7.00pm (AEST)** on **19 June 2020 (Record Date)** and whose address in Challenger's share register is in Australia or New Zealand (excluding Shareholders who are in the United States, or acting for the account or benefit of a person in the United States).

Custodians³ who are Eligible Shareholders may apply for New Shares on behalf of their beneficial holders as at the Record Date, according to the terms set out below. Custodians must certify that each beneficiary for whom it applies for New Shares has a registered address in Australia or New Zealand and is not in the United States or acting for the account or benefit of a person in the United States.

The Board of Challenger has determined that it is either not lawful or not practical for shareholders in other jurisdictions to participate in the SPP.

Offers made under the SPP are not renounceable. Shareholders cannot transfer their right to acquire New Shares under the SPP to any other person.

Participation in the SPP is entirely voluntary.

Each Eligible Shareholder may only participate in the SPP up to the maximum limit of \$30,000, even if the shareholder has more than one registered holding:

- **Holdings receiving more than one offer:** If you are an Eligible Shareholder but you receive more than one offer under the SPP (for example, due to multiple registered holdings), you may only subscribe to a maximum of \$30,000 in applying for New Shares.
- **Joint holders:** If you are recorded with one or more other persons as a joint holder of a holding of shares on the Record Date, that joint holding is considered to be a single registered holding for the purpose of the SPP and the joint holders are entitled to participate in respect of that single holding only. If the same joint holders receive more than one offer under the SPP due to multiple identical holdings, the joint holders may only subscribe a maximum of \$30,000 in applying for New Shares.
- **Custodians, trustees and nominees:** If you are a Custodian and hold shares on behalf of one or more persons (**Participating Beneficiary**), you may subscribe a maximum of \$30,000 in applying for New Shares for each Participating Beneficiary, subject to providing Challenger, via its share registry, namely Computershare Investor Services Pty Limited (**Registry**) with a notice in writing that you certify to Challenger the matters required by section 8 (Conditions) under the Instrument 2019/547 (**Custodian Certificate**). Custodians must also certify that each Participating Beneficiary has a registered address in Australia or New Zealand and is not in the United States or acting for the account or benefit of a person in the United States.

Please contact the Challenger Limited SPP Offer Information Line on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia) between 8.30am to 5.00pm (Sydney time) Monday to Friday to request a copy of the Custodian Certificate which is required to be attached to the Application Form and lodged with the Registry.

If you hold shares as a trustee or nominee for another person, but are not a Custodian, you cannot participate for beneficiaries in the manner described above. In this case, the rules for multiple single holdings apply and you may only contribute a maximum of \$30,000 in applying for New Shares. You are not eligible to participate on behalf of a person who resides outside Australia or New Zealand.

Challenger reserves the right to reject any application at its discretion, including but not limited to where the maximum application limit or any other term of the SPP has not been complied with.

Any shareholders who hold shares on behalf of persons who are in the United States or who act for the account or benefit of a person in the United States are not entitled to participate in the SPP.

How many shares can I apply for?

Subject to the terms and conditions of the SPP as set out in this Offer Booklet, the **Maximum Application Amount is \$30,000** and the **Minimum Application Amount is \$1,000**. You may apply for any amount between the Minimum Application Amount and the Maximum Application Amount, in multiples of \$1,000 (**Permitted Application Amount**).

By applying for New Shares under the SPP, you agree to be bound by the SPP's terms and conditions as set out in this Offer Booklet.

How to apply

Applications to acquire New Shares under the SPP must be made in one of the following two ways:

- **BPAY[®]:** Submit your payment for New Shares via BPAY[®] by using the customer reference number shown on your Application Form which is required to identify your holding. If you use BPAY[®] to pay for New Shares, you do not need to return the Application Form. Payment must be received by **5.00pm (AEST)** on **21 July 2020**. You must take into account the cut-off times your financial institution has in advance of the SPP Closing Date. New Zealand-based Challenger shareholders who do not have an Australian bank account cannot apply using BPAY[®].

Important Note

By submitting your payment for New Shares via BPAY[®] you certify and represent to Challenger that the aggregate application money paid by you in any capacity (except as a Custodian) for the following does not exceed \$30,000:

- the New Shares subject of the BPAY[®] payment;
- any other New Shares applied for under the SPP or any Challenger Shares issued under a similar arrangement in the 12 months before the date of your BPAY[®] payment;
- any other Challenger Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
- any other Challenger Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your BPAY[®] payment as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in Challenger Shares.

³ 'Custodian' is defined in section 4 (Definitions) of the Instrument 2019/547.

⁴ BPAY is registered to BPAY Pty Limited ABN 69 079 137 518.

OR

- **Cheque, bank draft or money order:** Complete and return the Application Form which accompanies this Offer Booklet together with your cheque, bank draft or money order for the correct amount (**Application Package**). Your cheque, bank draft or money order must be payable to 'Challenger Limited SPP' and crossed 'Not Negotiable'. Application Forms and payment for New Shares must be received by the share registry by **5.00pm (AEST) on 21 July 2020** at the address below:
- **Mailing Address**
Challenger Limited
C/- Computershare Investor Services Pty Limited
GPO Box 505
Melbourne VIC 3001
Australia
- The Application Form includes a certification that the aggregate application money paid by you in any capacity (except as a Custodian) for the New Shares under your application and any other Shares issued to you, or to a Custodian on your behalf and at your instruction, under the SPP or any similar arrangement operated by Challenger in the 12 months before the date of your application, is not more than \$30,000.

Custodians, trustees or nominees within the definition of 'custodian' in the Instrument 2019/547 also need to lodge a Custodian Certificate (see the 'Am I eligible to participate?' section above for details).

Please refer to the attached Application Form for further instructions on how to apply.

Participation is optional

Participation in the SPP is entirely optional (subject to the eligibility criteria set out in these terms and conditions). The offer to acquire New Shares is not a recommendation. If you are in any doubt about the SPP, whether you should participate in the SPP or how participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to accept this offer.

Pricing

The Issue Price for New Shares issued under the SPP will be the lower of:

- the Placement Price of \$4.89; and
- the amount which represents a 2% discount to the VWAP of Challenger Shares traded on the ASX over the five trading days up to (and including) the SPP Closing Date, rounded down to the nearest cent.

Therefore, the maximum price that Eligible Shareholders will pay is the Placement Price.

Challenger will announce the Issue Price for the SPP after the SPP closes.

The number of New Shares to be issued to each applicant will be calculated by dividing the value of the New Shares applied for by the Issue Price. If this calculation produces a fractional number, the number of New Shares issued will be rounded down to the nearest whole New Share.

There are risks associated with any stock market investment and we recommend that you obtain your own independent financial advice in relation to this SPP. In particular, there is a risk that Challenger's market price at the time that New Shares are issued

will be less than their Issue Price. If this occurs, the value of your investment in New Shares will be less than the amount you invested. Accordingly, you should consider price movements of shares in Challenger before applying for New Shares under this SPP.

Allocation of New Shares

The Board will not issue New Shares to an applicant if the issue of those New Shares, either alone or in conjunction with the issue of shares under other applications received by Challenger, would contravene any law, the Listing Rules of ASX or the Instrument 2019/547.

The Board of Challenger reserves the right at its discretion to cancel the SPP at any time up to the time of issue of New Shares under the SPP, or to extend the SPP Closing Date.

If the SPP is cancelled or Challenger issues a lesser number of New Shares than a shareholder applied for, application money received from shareholders not applied in subscribing for New Shares will be returned to the applying shareholders, without interest, by way of direct credit to their nominated account, or cheque sent to their registered address, as shown in Challenger's register of members. Any interest received on application money may be retained by Challenger whether or not New Shares are issued under the SPP.

Issue of New Shares

New Shares are expected to be issued by **30 July 2020**.

Challenger will, promptly after the issue of New Shares under the SPP, make an application for the New Shares to be quoted on ASX. The New Shares are expected to commence quotation on ASX on or around **31 July 2020**. Confirmation notices setting out the number of New Shares allocated to you are expected to be despatched on or about **3 August 2020**.

New Shares issued under the SPP will rank equally in all respects with all other Challenger Shares on the date of issue of the New Shares.

Costs of Participation

No brokerage, commissions or other transaction costs will be payable by participants in respect of the application for, and issue of, New Shares under the SPP.

Significance of applying for New Shares

If you apply to participate in the SPP:

- a. you agree that once you have sent in your Application Package or made your BPAY® payment, you cannot withdraw or cancel your application and your application is unconditional;
- b. you confirm that you are an Eligible Shareholder and that you are lawfully permitted to:
 - i. apply for New Shares under the SPP; and
 - ii. participate in the SPP in accordance with the terms and conditions of this Offer Booklet and any applicable laws and specifically that you are not in the United States and are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the SPP in respect of that person);

- c. you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the aggregate application money paid by you in any capacity (except as a Custodian) for the following does not exceed \$30,000:
- i. the New Shares subject of the Application Form or BPAY® payment;
 - ii. any other New Shares applied for under the SPP or any Challenger Shares issued under a similar arrangement in the 12 months before the date of your Application Form or BPAY® payment;
 - iii. any other Challenger Shares which you have instructed a Custodian to acquire on your behalf under the SPP; and
 - iv. any other Challenger Shares issued to a Custodian under an arrangement similar to the SPP in the 12 months before the date of your Application Form or BPAY® payment as a result of an instruction given by you to the Custodian or another Custodian and which resulted in you holding beneficial interests in Challenger Shares;
- d. if you are a Custodian and are applying for New Shares with a total application price exceeding \$30,000, you agree that Challenger may refuse to accept your application and that Challenger may not issue New Shares to you unless Challenger has received a completed Custodian Certificate (in hard and electronic copy in accordance with the instructions on the Custodian Certificate) which is required to be attached to the Application Form and lodged with the Registry;
- e. you confirm that you have read and understood, and you agree to, the terms and conditions in this Offer Booklet and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- f. you acknowledge and agree that the New Shares under the SPP have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of a person in the United States (to the extent such person is acting for the account or benefit of a person in the United States);
- g. you confirm that you have not, and will not, send this Offer Booklet or any materials relating to the SPP to any person outside of Australia or New Zealand, including in the United States;
- h. you authorise Challenger (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details as Challenger may elect to do so;
- i. you agree that Challenger may determine that your Application Form is valid and in accordance with the terms and conditions in this Offer Booklet, even if it is incomplete, contains errors or is otherwise defective;
- j. you agree that your application is only effective when received by Challenger and not when it is posted;
- k. you accept the risk associated with any refund that may be sent to you by direct credit to your nominated account, or cheque to your address, as shown on Challenger's register of members;
- l. you are responsible for any dishonour fees or other costs which Challenger may incur if your cheque for payment is dishonoured;
- m. you agree that if there is a rounding down of a fractional number of New Shares, amounts of \$2.00 or greater will be refunded to you and any remaining balance of your payment after your allotment that is less than \$2.00 will be donated to charities nominated by Challenger and will not be refunded;
- n. you acknowledge that no interest will be paid on any application money held pending the allotment of New Shares or subsequently refunded to you for any reason;
- o. you agree that Challenger and the Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy New Shares;
- p. you acknowledge that the SPP does not take into account your individual investment objectives, financial situation or particular needs, and you have obtained appropriate independent financial and taxation advice in connection with the SPP;
- q. you agree that Challenger is not liable for any exercise of its discretion referred to in the terms and conditions in this Offer Booklet;
- r. Challenger may in its absolute discretion undertake a scale back of applications for New Shares to the extent and in the manner it sees fit (including (but without limiting Challenger's discretion) by taking into account, among other factors, the number of Eligible Shareholders participating, the size of your shareholding at the Record Date or the number of shares you have applied for under the SPP). Challenger may decide to raise (and decide to accept applications in whole or in part that result in the SPP raising) more or less than \$30 million at its absolute discretion; and
- s. if there is a scale back, you may receive less than the parcel of New Shares for which you have applied.

Disputes

Challenger may settle in any manner it thinks fit, any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application, and the decision of Challenger will be conclusive and binding on all participants and other persons to whom the determination relates.

Challenger reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Challenger under these terms and conditions may be exercised by the directors or any delegate of the directors.

ASIC relief

This offer of New Shares under the SPP is made in accordance with the Instrument 2019/547, which grants relief from the requirement to prepare a disclosure document for the SPP subject to certain terms and conditions.

Challenger has, prior to the release of this Offer Booklet, given a notice to ASX that complies with the requirements of the Instrument 2019/547.

Privacy policy

Chapter 2C of the Corporations Act requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder.

Challenger and the Registry may collect personal information to process your application, implement the SPP and administer your shareholding. The personal information contained in the register is also used to facilitate payments and corporate communications (including financial results, annual reports and other information to be communicated to securityholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, including print and mail service providers, technology providers and professional advisers, to related entities of Challenger and its agents and contractors, and to the ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom your personal information may be disclosed may be located overseas.

The Registry's privacy policy is available on their website at www.computershare.com/au/privacy-policies.

More information

If you have any enquiries concerning the SPP, please contact:

- your financial adviser; or
- the Challenger Limited SPP Offer Information Line between 8.30am and 5.00pm (AEST), Monday to Friday on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia)

Corporate Directory

Company

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Telephone: +61 2 9994 7000
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challenger.com.au

Challenger Limited SPP Offer Information Line

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

www.Challenger2020SPP.com.au

Registry

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