

Challenger Limited

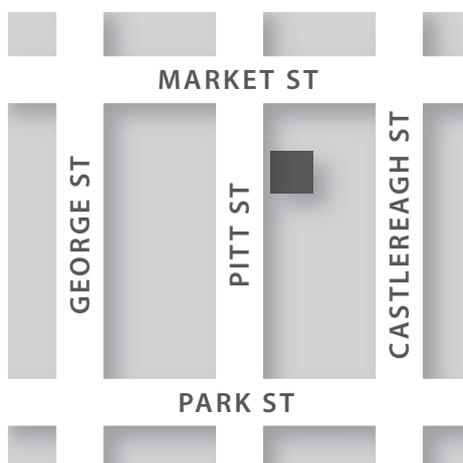
(ABN 85 106 842 371)

Notice of Annual General Meeting

2013

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of shareholders of Challenger Limited (Challenger) will be held at The Wesley Centre, 220 Pitt Street, Sydney, NSW, 2000 on Tuesday 26 November 2013 at 10.30am (AEDST).



Business

Financial Statements and Reports

1. To receive and consider the Financial Report, Directors' Report and Independent Auditor's Report for Challenger and its controlled entities for the financial year ended 30 June 2013.

Note: A copy of the above Reports, which is part of Challenger's Annual Report, is accessible on Challenger's website at the following address: <http://www.challenger.com.au/share/annualreport2013>.

Election of Directors

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

2. That Mr Jonathan Grunzweig, who retires by rotation in accordance with clause 6.1 of Challenger's Constitution, be re-elected as a Director of Challenger.
3. That Mr Peter Polson, who retires by rotation in accordance with clause 6.1 of Challenger's Constitution, be re-elected as a Director of Challenger.

Remuneration Report

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

4. That the Remuneration Report for the financial year ended 30 June 2013 be adopted.

Restrictions on voting

Resolution 4

Challenger will disregard all votes on the resolution to adopt the Remuneration Report cast by or on behalf of:

- a member of the key management personnel (KMP) whose remuneration details are included in the Remuneration Report; and
- a 'closely related party' of any such member of the KMP.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of Challenger or the Challenger Group, whether directly or indirectly. Members of the KMP include directors (both executive and non-executive) and certain senior executives.

A 'closely related party' of a member of the KMP is defined as:

- a company the member controls;
- the member's spouse, child or dependant (or a child or dependant of the member's spouse); or
- anyone else who is one of the member's family and may be expected to influence, or be influenced by, the member in the member's dealings with the entity.

Challenger will not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote on Resolution 4, in accordance with directions on the proxy form.

You may be held liable for a breach of the voting restrictions in the Corporations Act if you cast a vote that Challenger will disregard.

Please read the information under the heading 'Undirected Proxies', which (among other things) deals with the Chairman's voting of proxies on the resolution to adopt the Remuneration Report.

By order of the Board.

Michael Vardanega

Company Secretary

10 October 2013

Challenger Limited

Notice of Annual General Meeting

Information for shareholders

Appointing a proxy

A member entitled to attend and vote at a meeting of members may appoint not more than two people as the member's proxy to attend and vote for the member at the meeting. A proxy need not be a shareholder of Challenger, and can be either an individual or a body corporate. A proxy form is included with this Notice of Meeting.

If the member appoints two proxies, the proxy form may specify the proportion of voting rights each proxy is appointed to exercise on a poll. If no proportions are specified, each proxy may exercise half the available votes (disregarding fractions) on a poll. If you appoint two proxies, neither is entitled to vote on a show of hands. If you require a second proxy form, please contact Computershare on 1800 780 782.

For an appointment of a proxy to be effective for the scheduled meeting, Challenger must receive the proxy form duly completed and signed by no later than 10.30am on Sunday, 24 November 2013; and if signed by the appointor's attorney or corporate representative, then Challenger must also receive by that time the power of attorney or corporate representative appointment or a certified copy of it.

You can send your proxy form to Computershare by doing one of the following:

- lodging it online at Computershare's website www.investorvote.com.au as instructed there (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); or
- faxing it to (03) 9473 2555; or
- posting it by using the reply paid envelope to:
Computershare Investor Services Pty Limited
GPO Box 242, Melbourne Vic 3001; or
- Custodian voting – for Intermediary Online subscribers only (custodians) please visit www.intermediaryonline.com to submit your voting intentions; or
- delivering it to:
Computershare Investor Services Pty Limited
Level 4, 60 Carrington Street
Sydney NSW 2000.

Appointing a proxy does not mean you cannot attend the meeting. However, under Challenger's Constitution, if you vote on any resolution, the proxy is not entitled to vote, and must not vote, as your proxy on the resolution.

Undirected proxies

If you appoint the Chairman as your proxy (including by default) and you do not specify how the proxy is to vote, you expressly authorise the Chairman to exercise your proxy even though the resolution is connected directly or indirectly with the remuneration of one or more members of the key management personnel, which includes the Chairman.

The Chairman intends to vote undirected proxies in favour of all resolutions on the agenda for the meeting.

Challenger recommends that shareholders who submit proxies should consider giving 'how to vote' directions to their proxyholder on each resolution.

Corporate shareholders

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

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

Such authorisation may be for this meeting only or for all meetings of Challenger.

Eligibility to attend and vote

In accordance with the Corporations Regulations and the ASX Settlement Operating Rules, the Board has determined that, for the purposes of the meeting, those members registered as holding shares at 7.00pm (AEDST) on Sunday 24 November 2013 will have voting entitlements for the meeting. Transactions registered after that time will be disregarded in determining the shareholders entitled to attend and vote at the meeting.

Registration

If you are attending the meeting in person, please bring the personalised proxy form enclosed with this Notice of Meeting with you. 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 the meeting, but at registration, representatives from Computershare will need to verify your identity. Registration will be available from 9.30am (AEDST) on the day of the meeting.

Questions and comments by shareholders at the meeting

In accordance with the Corporations Act, a reasonable opportunity will be given to shareholders – as a whole – to ask questions about or to make comments on Challenger's management or its Remuneration Report at the meeting. 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 its financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

Shareholders may also provide written questions to the auditor concerning the content of the audit report or the conduct of the audit of Challenger's Financial Report for the financial year ended 30 June 2013 in advance of the meeting. Written questions should be submitted to Challenger no later than 5.00pm (AEDST) on Tuesday 19 November 2013, and should be addressed as follows:

The Company Secretary
Challenger Limited
Level 15
255 Pitt Street
Sydney NSW 2000

A list of any questions received will be prepared by Ernst & Young and will be made available to members at the Annual General Meeting.

Explanatory notes on the resolutions

Item 1 – Financial Statements and Reports

The Financial Report, Directors' Report and Independent Auditor's Report (Reports) for Challenger and its controlled entities for the financial year ended 30 June 2013 will be laid before the meeting in accordance with the requirements of the Corporations Act.

Challenger's 2013 Annual Report (which includes the Reports) is available on Challenger's website at the following address: <http://www.challenger.com.au/share/annualreport2013>. A printed copy of the Annual Report has been sent to those shareholders who requested a printed copy.

Shareholders will be provided with the opportunity to ask questions about, and make comments on, the Reports and the management of Challenger generally but there will be no formal resolution put to the meeting in relation to Item 1.

Items 2 and 3 – Re-election of Directors by rotation

In accordance with Challenger's Constitution, it is necessary for one-third of the Directors, excluding the Managing Director and any Director appointed since the previous Annual General Meeting (rounded down to the nearest whole number), to retire by rotation each year. Additionally, each Director who was last elected at least three Annual General Meetings ago must stand for re-election.

Accordingly, Messrs Grunzweig and Polson will retire by rotation at the 2013 Annual General Meeting and, being eligible, each offers himself for re-election as a Director at the meeting.

The Board is accountable to shareholders for the activities and performance of Challenger. Board members have been selected for their experience and knowledge of the financial markets in which Challenger operates, their familiarity with Challenger's stakeholders and their capacity to assist the Board to act cohesively and with integrity.

A brief description of each Director follows.

Mr Jonathan Grunzweig

Non-Executive Director

Independent

Experience/qualifications

Mr Grunzweig holds a Bachelor of Arts Degree from Cornell University, USA and a Juris Doctor in Law from Harvard University.

Mr Grunzweig is Principal and Chief Investment Officer (CIO) of Colony Capital, LLC where he oversees the sourcing, structuring, execution and management of all investments and divestments on a global basis. Prior to joining Colony in 1999, Mr Grunzweig was a partner with the law firm of Skadden, Arps, Slate, Meagher & Flom LLP, where he specialised in corporate finance and mergers and acquisitions. Mr Grunzweig has been a Director of the Company since 6 October 2010.

Special Responsibilities

Mr Grunzweig is a member of the Nomination Committee.

Mr Peter L Polson

Independent Chairman

Experience/qualifications

Mr Polson holds a Bachelor of Commerce degree from the Witwatersrand University in South Africa, a Master of Business Leadership from the University of South Africa and has completed the Harvard Management Development program.

Mr Polson retired from the Commonwealth Bank in October 2002, where he had held the position of Group Executive, Investment and Insurance Services. Mr Polson joined the Colonial group in 1994, where he became Chief Executive of Colonial First State Limited, which was subsequently acquired by the Commonwealth Bank. Previously, Mr Polson was Managing Director of National Mutual Funds Management (International) Limited. Mr Polson has been a Director of the Company since 6 November 2003.

Special responsibilities

Mr Polson is Chairman of the Nomination Committee, and a member of the Group Risk and Audit Committee and the Remuneration Committee.

Recommendation

The Board has significantly benefited from the contributions of Mr Grunzweig and Mr Polson and their commercial experience. Each member of the Board (other than Mr Grunzweig and Mr Polson in relation to their own re-election) recommends that shareholders vote in favour of the re-election of both Mr Grunzweig and Mr Polson.

Item 4 – Remuneration Report

The Annual Report for the financial year ended 30 June 2013 contains a Remuneration Report, which sets out Challenger's remuneration policy and reports on the remuneration arrangements in place for the KMP (including executive Directors, specified executives and non-executive Directors). A copy of the Report is set out on pages 40 to 60 of the Annual Report and can also be found on Challenger's website at www.challenger.com.au/share/annualreport2013.

This resolution, which is proposed pursuant to the requirements of section 250R(2) of the Corporations Act, proposes that shareholders adopt the Remuneration Report.

This resolution to adopt the Remuneration Report is advisory in nature and does not bind the Directors or Challenger. However pursuant to the Corporations Act, if at least 25% of the votes cast on the resolution are voted against adoption of the Remuneration Report at the meeting, then:

- if comments are made on the report at the Annual General Meeting, Challenger's Remuneration Report for the next financial year will be required to include an explanation of the Board's proposed action in response or, if no action is proposed, the Board's reasons for this; and
- if at next year's Annual General Meeting, at least 25% of the votes cast on the resolution for adoption of the Remuneration Report are against it, Challenger will be required to put to shareholders a resolution proposing that an extraordinary general meeting (EGM) be called to consider the election of Directors of Challenger (spill resolution). If a spill resolution is passed (ie, more than 50% of votes cast are in favour), all of the Directors (other than the Managing Director) will cease to hold office at the subsequent EGM, unless re-elected at that meeting.

A reasonable opportunity will be provided for discussion of and questions relating to the Remuneration Report at the meeting.

If you intend to appoint a proxyholder to vote on your behalf on the Remuneration Resolution, please read the information on page 2, under the heading 'Undirected Proxies'.

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

New South Wales

Level 15
255 Pitt Street
Sydney NSW 2000
Telephone 02 9994 7000
Facsimile 02 9994 7777

Victoria

Level 19
31 Queen Street
Melbourne VIC 3000
Telephone 02 9994 7000
Facsimile 02 9994 7777

Queensland

Level 9
241 Adelaide Street
Brisbane QLD 4000
Telephone 07 3136 5400
Facsimile 07 3136 5407

Western Australia

Level 5
50 St Georges Terrace
Perth WA 6000
Telephone 08 9261 7412
Facsimile 08 9321 5277

South Australia

Level 7
147 Pirie Street
Adelaide SA 5000
Telephone 08 7071 7042
Facsimile 08 8227 0395

Investor Services

13 35 66

Adviser Services

1800 621 009

Lodge your vote:

  **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

┌ 000001 000 CGF
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form



Vote and view the annual report online

Go to www.investorvote.com.au or scan the QR Code with your mobile device.
Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

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

 **For your proxy appointment to be effective it must be received by 10.30 am (AEDST) on Sunday 24 November 2013**

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 as they choose. 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 securityholder 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.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the information tab, "Downloadable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form**



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 Chairman of the Meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman 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 Chairman 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 Centre, 220 Pitt Street, Sydney, NSW, 2000 on Tuesday 26 November 2013 at 10.30 am (AEDST) and at any adjournment or postponement of that Meeting.

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

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Item 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.

	For	Against	Abstain
2 Re-election of Mr Jonathan Grunzweig as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-election of Mr Peter Polson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote all available proxies in favour of each item of business.

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 / / _____