

Challenger Limited

Summary of Group Compliance Policy

1. Introduction

One of the five core principles that form the essence of the behavior standards expected at Challenger is Compliance. Challenger Limited (Challenger) is committed to meeting high compliance and ethical standards in the way it conducts its business. Effective compliance with all applicable laws, regulatory requirements and industry codes, is a key part of enabling Challenger to provide high quality products and services and ensuring that our customers, shareholders and other stakeholders are not adversely affected. Challenger's Compliance Policy sets out the responsibilities, management and reporting requirements essential to the compliance culture that the Challenger Group is committed to.

The policy is developed to meet the standards outlined by and the obligations under:

- Statutory and Regulatory requirements
- Relevant industry codes
- Compliance plans and other Challenger policies
- Corporate and Community standards

2. Application

The policy applies to all legal entities and employees of Challenger.

3. Compliance Responsibilities

Challenger's Board of Directors has the ultimate responsibility for corporate governance and compliance standards. The Group Risk Committee have been delegated responsibility to assist the Board to discharge their obligations in relation to Compliance. Subsidiary Board's may appoint Compliance Committees which may in turn be made up of a majority of external members. These Committees are responsible to ensure that all compliance plan obligations are met and report to the Board on these matters. The Board in meeting its governance obligations is supported by the Compliance Committee, the Chief Risk Officer, each Business Chief Executive, Compliance Managers, Senior Management and staff who have direct accountability in running the business. Compliance is recognised as a day to day responsibility of all employees of the Challenger Group.

4. Compliance Implementation and Reporting

Compliance obligations are implemented by establishing a compliance plan, monitoring the compliance plan and the requirements from the Compliance Policy and putting in place procedures and guidelines that enable the business to operate within the standards prescribed.

The Compliance team supports the business in meeting its compliance obligations by updating, monitoring and reporting on compliance standards and conducting compliance reviews.

Reporting on Challenger's various compliance obligations is carried out by quarterly compliance certifications facilitated by an electronic reporting system which requires all responsible staff to confirm that they are meeting their compliance obligations on an ongoing basis.