

## Notice of Annual General Meeting 2015

Challenger Limited provides  
Australians with financial  
security for retirement.

CHALLENGER.COM.AU

## Notice of Annual General Meeting

---

NOTICE is hereby given that the Annual General Meeting of the shareholders of Challenger Limited (**Challenger or the Company**) will be held at the Wesley Centre, 220 Pitt Street Sydney on Tuesday 27 October 2015 at 10.30am (AEDST).

### Location map for the venue of the Annual General Meeting (AGM)

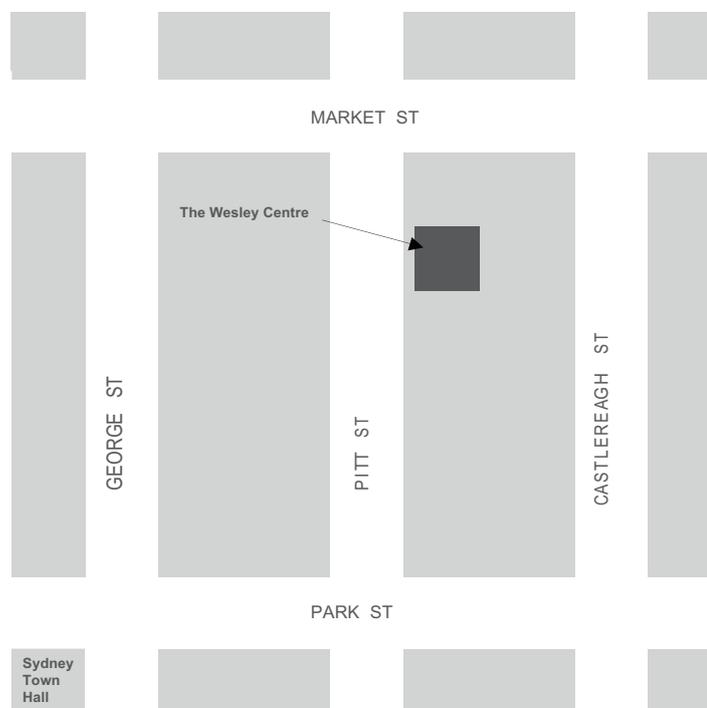


Diagram is not to scale

## Business of the Meeting

---

### Financial Reports

1. To receive and consider the Financial Report, Directors' Report and Independent Auditor's Report for Challenger and its controlled entities (Challenger Group) for the financial year ended 30 June 2015.

Note: A copy of the above reports, which are included in Challenger's Annual Report, is accessible on Challenger's website at [www.challenger.com.au/annualreport2015](http://www.challenger.com.au/annualreport2015).

### Election of Directors

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

2. That Mr Graham Cubbin, who retires by rotation in accordance with clause 6.1 of the Constitution of Challenger, be re-elected as a Director of Challenger;
3. That Mr Steven Gregg, who retires by rotation in accordance with clause 6.1 of the Constitution of Challenger, be re-elected as a Director of Challenger; and
4. That Ms JoAnne Stephenson, who retires by rotation in accordance with clause 6.1 of the Constitution of Challenger, be re-elected as a Director of Challenger.

### Remuneration Report

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

5. That the Remuneration Report for Challenger for the financial year ended 30 June 2015 be adopted.

The vote on this Item is advisory only.

Note: Please refer to the Explanatory Notes attached to this Notice of Meeting. This Notice of Meeting and the Explanatory Notes are available on Challenger's website at [www.challenger.com.au/share/agm2015](http://www.challenger.com.au/share/agm2015).

## Voting Exclusion Statement

### Item 5

Item 5 is connected directly with the remuneration of key management personnel (KMP) of Challenger. Except as set out below, a vote must not be cast (in any capacity) on Item 5 by or on behalf of:

- a member of the KMP, the details of which and their remuneration are included in the Remuneration Report; and
- a 'closely related party' of any such member of the KMP,

(collectively, 'Excluded Persons').

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 in the Challenger Group.

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

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

However, a vote may be cast on Item 5 by an Excluded Person as a proxy if:

- the proxy appointment is in writing and specifies how the proxy is to vote on Item 5; and
- the vote is not cast on behalf of an Excluded Person.

The Chair of the meeting is also permitted to vote undirected proxies on Item 5 (other than on behalf of Excluded Persons), provided the proxy appointment expressly authorises the Chair of the meeting to exercise the proxy even if the resolution is connected, directly or indirectly, with the remuneration of one or more members of the KMP.

Please read the information under the heading 'Undirected Proxies', which (among other things) deals with the Chair's exercise of voting for proxies on all resolutions.

A shareholder may be held liable for breach of the voting restrictions under the Corporations Act if the shareholder has cast a vote on Item 5 in contravention of the above restrictions.

## Questions on Voting Restrictions

If shareholders have questions regarding the voting restrictions, they should contact the Company's Share Registrar, Computershare on 1800 780 782 (within Australia) or +61 3 9415 4065 (outside Australia).

By order of the Board.

**Michael Vardanega**

Company Secretary

22 September 2015

## Information for shareholders

---

### Appointing a Proxy

A shareholder that is entitled to attend and vote at a meeting of shareholders may appoint not more than two people as the shareholder's proxy to attend and vote for that shareholder 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 a shareholder is entitled to cast two or more votes, they may nominate two persons to vote on their behalf at the meeting. If the shareholder 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 a shareholder appoints two proxies, neither is entitled to vote on a show of hands if more than one proxy attends the meeting. If a shareholder requires a second proxy form, please request a form by contacting Computershare on telephone 1800 780 782.

Under the Corporations Act, if the appointment of a proxy specifies the way the proxy is to vote on a particular item:

- the proxy is not required to vote on a show of hands, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions);
- if the proxy has two or more appointments that specify different ways to vote on the items, the proxy must not vote on a show of hands;
- if the proxy is not the Chair of the meeting, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed (subject to any applicable voting restrictions); and
- if the proxy is the Chair of the meeting, the proxy must vote on a poll and must vote as directed.

For an appointment of a proxy to be effective for the meeting, Challenger must receive the proxy form duly completed and executed no later than 10.30am on Sunday 25 October 2015 and if signed by the shareholder'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 may direct on your proxy form if your proxy is to vote for a resolution, against a resolution or abstain from voting on a resolution. Any abstained votes will not be counted in computing the required majority on a poll. In the absence of such a direction, the proxy is authorised to vote or abstain from voting on any resolution at their discretion.

If you submit a valid proxy form, but you do not name any person as your proxy on the proxy form, the Chair of the meeting will be appointed as your proxy.

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

- lodging it online at Computershare's website ([www.investorvote.com.au](http://www.investorvote.com.au)) as instructed on the website (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](http://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 the Challenger Constitution, if you vote on any resolution, the proxy is not entitled to vote, and must not vote, as your proxy on the resolution.

### **Chair's Deemed Appointment as Proxy**

There are some circumstances where the Chair of the meeting will be taken to have been appointed a shareholder's proxy for the purposes of voting on a particular resolution even if the shareholder has not expressly appointed the Chair of the meeting as their proxy. This will be the case where:

- the appointment of the proxy specifies the way the proxy is to vote on a particular resolution; and
- the appointed proxy is not the Chair of the meeting; and
- a poll is called on the resolution; and
- either of the following applies:
  - the proxy is not recorded as attending the meeting; or
  - the proxy attends the meeting but does not vote on the resolution.

### **Undirected Proxies**

If you appoint the Chair of the meeting as your proxy (including by default) and you do not specify how the proxy is to vote, you expressly authorise the Chair to exercise your proxy, even if, in the case of Item 5, the resolution is connected directly or indirectly with the remuneration of one or more members of the KMP, which includes the Chair.

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

Any undirected proxy given to a Director (other than the Chair of the meeting) or other member of the KMP of Challenger or their related parties for Item 5 will not be cast, unless shareholders specify how the proxy should vote on the shareholder proxy form.

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

A representative may be authorised for a single meeting or all meetings of Challenger and an authorisation for more than one meeting must be stated on the authorising instrument.

### **Eligibility to Attend and Vote**

In accordance with the Corporations Regulations and the ASX Settlement Operating Rules, the Challenger Board has determined that, for the purposes of the meeting, those shareholders registered as holding shares at 7.00pm (AEDST) on Sunday 25 October 2015 will have voting entitlements for the meeting. Transactions registered after that time will be disregarded in determining a shareholder's entitlement to attend or take into account their voting rights at the meeting.

### **Registration**

If you are attending the meeting in person, you should present the signed proxy form enclosed with this Notice of Meeting as your entitlement to attend and vote. 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 representatives from Computershare must be able to verify your identity at registration. If you are a proxy holder, you will not be allowed entry unless your proxy authority has been verified by Computershare or you produce the original signed proxy form. Registration will be possible 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 or make comments about Challenger's management, its Remuneration Report and other agenda items 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 the 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 Auditor's Report or the conduct of the audit of Challenger's financial report for the financial year ended 30 June 2015 in advance of the meeting. Written questions should be submitted in writing to Challenger no later than 5.00pm (AEDST) on Tuesday 20 October 2015, and should be forwarded to:

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

A list of any questions will be prepared by Ernst & Young and will be made available to shareholders on the day of the meeting.

## Explanatory Notes

---

### 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 2015 will be laid before the meeting in accordance with the requirements of the Corporations Act.

Challenger's 2015 Annual Report (which includes the Financial, Directors' and Independent Auditor's Reports) is available on Challenger's website at [www.challenger.com.au/annualreport2015](http://www.challenger.com.au/annualreport2015).

A printed copy of the Annual Report has been sent to those shareholders who have 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, 3 and 4 – Re-Election of Directors by Rotation

In accordance with Challenger's Constitution, it is necessary for one-third of the Directors (rounded down to the nearest whole number), excluding the Managing Director and any Director appointed since the last Annual General Meeting, to retire by rotation each year. Additionally, each Director (excluding the Managing Director) who will, at the conclusion of the meeting have been in office for three or more years or for three or more Annual General Meetings since he or she was last elected, must stand for re-election.

Accordingly, Mr Cubbin, Mr Gregg and Ms Stephenson will retire by rotation at the 2015 Annual General Meeting and, each being eligible, will be resubmitted 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's expertise and knowledge is provided below:

#### Mr Graham Cubbin

Non-Executive Director

Independent

#### Experience/qualifications

Bachelor of Economics (Hons) (Monash University), Fellow of the Australian Institute of Company Directors.

Mr Cubbin was a senior executive with Consolidated Press Holdings Limited (CPH) from 1990 until September 2005, including Chief Financial Officer for 13 years. Prior to joining CPH, Mr Cubbin held senior finance positions with a number of major companies including Capita Financial Group and Ford Motor Company.

#### Special Responsibilities

Chair of Remuneration Committee.

Member of Group Risk Committee, Group Audit Committee and Nomination Committee.

#### Directorships of other listed companies

Non-executive director of Bell Financial Group Ltd (appointed 12 September 2007), STW Communications Group Ltd (appointed 20 May 2008), White Energy Company Limited (appointed 17 February 2010) and McPherson's Limited (appointed 28 September 2010 and appointed Chair on 1 July 2015).

## **Mr Steven Gregg**

Non-Executive Director

Independent

### **Experience/qualifications**

Bachelor of Commerce (University of New South Wales).

Mr Gregg has held a number of executive roles in management consulting and investment banking.

His more recent senior executive roles included Partner and Senior Adviser at McKinsey & Company and Global Head of Investment Banking at ABN AMRO. His experience has spanned both domestic and international arenas, because of his work in both the USA and the UK.

### **Special responsibilities**

Member of Remuneration Committee and Nomination Committee.

### **Directorships of other listed companies**

Non-executive director of Tabcorp Holdings Limited. Mr Gregg was a director of Austock Group Limited until May 2012 and Chair of Goodman Fielder Limited until its delisting in March 2015.

## **Ms JoAnne Stephenson**

Non-Executive Director

Independent

### **Experience/qualifications**

Bachelor of Commerce and Bachelor of Laws (Honours) (University of Queensland), member of the Institute of Chartered Accountants in Australia and Fellow of the Australian Institute of Company Directors.

Ms Stephenson has extensive experience in financial services both in Australia and the United Kingdom. She was previously a partner with KPMG and has significant experience in internal audit, risk management and consulting.

### **Special responsibilities**

Chair of Group Risk Committee and Group Audit Committee and member of Nomination Committee.

### **Directorships of other listed companies**

Non-executive director of Asaleo Care Limited (appointed 30 May 2014) and Japara Healthcare Limited (appointed 1 September 2015).

## **Recommendation**

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

## **Item 5 – Adoption of the Remuneration Report**

The Annual Report for the financial year ended 30 June 2015 contains a Remuneration Report, which sets out Challenger's remuneration policy and reports on the remuneration arrangements in place for KMP (including executive Directors, specified executives and non-executive Directors). A copy of the Remuneration Report is set out on pages 16-37 inclusive of the Annual Report, which can also be found on Challenger's website at [www.challenger.com.au/annualreport2015](http://www.challenger.com.au/annualreport2015).

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 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 (i.e., more than 50% of votes cast are in favour), the EGM must be held within 90 days and all of the Directors in office at the time of approval of the relevant Remuneration Report (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 the discussion of and questions relating to the Remuneration Report at the meeting.

If you intend to appoint a proxy to vote on your behalf on Item 5, please read the information above, under the heading 'Undirected Proxies'.

### **Recommendation**

The Remuneration Report forms part of the Directors' Report which has been approved 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

CHALLENGER.COM.AU

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

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

## Proxy Form

XX



### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://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 25 October 2015**

### 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 or abstain as they choose (to the extent permitted by law). 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](http://www.investorcentre.com) under the help tab, "Printable 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 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 27 October 2015 at 10.30 am (AEDST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies:** 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 (except where I/we have indicated a different voting intention below) even where, in the case of Item 5, the resolution 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 your proxy (or becomes your proxy by default) you can direct the Chairman to vote for or against or abstain from voting on Item 5 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. To re-elect Mr Graham Cubbin as a Director of Challenger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. To re-elect Mr Steven Gregg as a Director of Challenger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. To re-elect Ms JoAnne Stephenson as a Director of Challenger	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### 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 / / \_\_\_\_\_

CGF

999999A

Computershare +