

Sydney

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22 September 2014

Ms Stephanie So  
Senior Adviser, Listings Compliance  
ASX  
Exchange Centre  
Level 6, 20 Bridge Street  
Sydney, NSW 2000

Dear Stephanie,

#### Appendix 3Y – Change of Director's Interest

Attached is an Appendix 3Y for Mr Brian Benari, Chief Executive Officer, for:

1. the shares transferred to Mr Benari relating to the vesting of tranches of the 2010 Hurdled Performance Rights resulting from the satisfaction of relevant performance hurdles; and
2. the sale of shares received as a result of the recent vesting of Performance Rights; and
3. the grant of Performance Rights in September 2014.

Mr Benari continues to maintain a Challenger shareholding in excess of the Company's recently increased minimum shareholding requirements.

Yours sincerely,

  
Andrew Brown  
Company Secretary

Melbourne Level 19, 31 Queen Street PO Box 297 Flinders Lane Melbourne VIC 3000 Telephone 02 9994 7000 Facsimile 02 9994 7777  
Brisbane Level 9, 241 Adelaide Street GPO Box 3234 Brisbane QLD 4001 Telephone 07 3136 5400 Facsimile 07 3136 5407  
Perth Level 5, 50 Georges Terrace, Perth WA 6000 Telephone 08 9261 7412 Facsimile 08 9321 5277  
Adelaide Level 7, Suite 714, 147 Pine Street Adelaide SA 5000 Telephone 08 7071 7042 Facsimile 08 8227 0395

Challenger Limited ABN 85 106 842 371 Challenger Group Services Pty Limited ABN 91 085 657 307  
Challenger Life Company Limited ABN 44 072 486 938 AFSL 234670 Howard Commercial Lending Limited ABN 65 000 033 143  
Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236 887 Challenger Diversified Property Trust 1 ARSN 121 484 606  
Challenger Diversified Property Trust 2 ARSN 121 484 713 Challenger Management Services Limited ABN 29 092 382 842 AFSL 234 676  
Challenger Retirement and Investment Services Limited ABN 80 115 534 453 AFSL295642 RSE Licence No. L0001304  
Challenger Mortgage Management Pty Ltd ABN 72 067 271 109 Challenger Securitisation Management Pty Ltd ABN 56 100 346 898 AFSL 244593  
15694/CG045/0813

# Appendix 3Y

## Change of Director's Interest Notice

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 30/09/01 Amended 01/01/11

|                                          |
|------------------------------------------|
| <b>Name of entity</b> Challenger Limited |
| <b>ABN</b> 85 106 842 371                |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

|                            |                  |
|----------------------------|------------------|
| <b>Name of Director</b>    | Brian Benari     |
| <b>Date of last notice</b> | 8 September 2014 |

### Part 1 - Change of director's relevant interests in securities

*In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust*

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

|                                                                                                                                                      |                                                                                                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| <b>Direct or indirect interest</b>                                                                                                                   | Direct and Indirect                                                                                            |
| <b>Nature of indirect interest (including registered holder)</b><br>Note: Provide details of the circumstances giving rise to the relevant interest. | Indirect held via Benari Superannuation Fund                                                                   |
| <b>Date of change</b>                                                                                                                                | 16 September 2014 (vesting)<br>17 - 22 September 2014 (sale)                                                   |
| <b>No. of securities held prior to change</b>                                                                                                        | 1,640,663 shares (including 350,000 shares held by Benari Superannuation Fund)                                 |
| <b>Class</b>                                                                                                                                         | Ordinary shares                                                                                                |
| <b>Number acquired</b>                                                                                                                               | 268,334, resulting from vesting and allocation of 2010 Hurdled Performance Rights.                             |
| <b>Number disposed</b>                                                                                                                               | 908,997 sale of shares received as a result of recent vesting of 2010, 2011, 2012 and 2013 Performance Rights. |
| <b>Value/Consideration</b><br>Note: If consideration is non-cash, provide details and estimated valuation                                            | \$7.55 per share (vesting)<br>\$7.22 per share (sale)                                                          |

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+ See chapter 19 for defined terms.

## Appendix 3Y

### Change of Director's Interest Notice

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>No. of securities held after change</b>                                                                                                                                  | 1,000,000 shares (including 350,000 shares held by Benari Superannuation Fund).                                                                                                                                                                     |
| <b>Nature of change</b><br>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back | Vesting and allocation of a portion of the 2010 Hurdled Performance Rights pursuant to the Challenger Performance Plan Rules and sale of 908,997 shares received as a result of the recent vesting of 2010, 2011, 2012 and 2013 Performance Rights. |

## Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

|                                                                                                                                                                              |                                                                                                                                                                                                                                                                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Detail of contract</b>                                                                                                                                                    | As previously disclosed, Mr Benari held 2,384,175 Performance Rights under the Challenger Performance Plan comprising: <ul style="list-style-type: none"> <li>• 232,507 Deferred Performance Rights; and</li> <li>• 2,151,668 Hurdled Performance Rights.</li> </ul> |
| <b>Nature of interest</b>                                                                                                                                                    | n/a                                                                                                                                                                                                                                                                  |
| <b>Name of registered holder (if issued securities)</b>                                                                                                                      | n/a                                                                                                                                                                                                                                                                  |
| <b>Date of change</b>                                                                                                                                                        | 16 September 2014 (grant of Performance Rights)<br><br>16 September 2014 (vesting and allocation of Performance Rights)                                                                                                                                              |
| <b>No. and class of securities to which interest related prior to change</b><br>Note: Details are only required for a contract in relation to which the interest has changed | n/a                                                                                                                                                                                                                                                                  |
| <b>Interest acquired</b>                                                                                                                                                     | 625,179 Performance Rights comprising: <ul style="list-style-type: none"> <li>• 206,090 Deferred Performance Rights vesting over one to three years; and</li> <li>• 419,089 Hurdled Performance Rights vesting over three to five years.</li> </ul>                  |
| <b>Interest disposed</b>                                                                                                                                                     | 268,334 resulting from the vesting and allocation of 2010 Hurdled Performance Rights pursuant to the Challenger Performance Plan Rules.                                                                                                                              |

+ See chapter 19 for defined terms.

**Appendix 3Y**  
**Change of Director's Interest Notice**

|                                                                                                              |                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Value/Consideration</b><br>Note: If consideration is non-cash, provide details and an estimated valuation | n/a (grant)<br>\$7.55 (vesting)                                                                                                                                                        |
| <b>Interest after change</b>                                                                                 | 2,741,020 Performance Rights comprising: <ul style="list-style-type: none"> <li>• 438,597 Deferred Performance Rights; and</li> <li>• 2,302,423 Hurdled Performance Rights.</li> </ul> |

**Part 3 – <sup>+</sup>Closed period**

|                                                                                                                                                               |     |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|
| <b>Were the interests in the securities or contracts detailed above traded during a <sup>+</sup>closed period where prior written clearance was required?</b> | no  |
| <b>If so, was prior written clearance provided to allow the trade to proceed during this period?</b>                                                          | n/a |
| <b>If prior written clearance was provided, on what date was this provided?</b>                                                                               | n/a |

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<sup>+</sup> See chapter 19 for defined terms.