

Directors' Report

1. Nature of business

The Company conducts all classes of short term insurance business in the Republic of South Africa. Details of investments in subsidiaries and associated companies are set out on pages 79 and 80.

2. Operations in 2005

The results for the year are set out in the financial statements and commented on in the Chairman's and Managing Director's Report.

3. Dividend

The Directors have declared a final dividend of 600 cents per share making a total of 800 cents per share for the year (2004: 650 cents per share).

4. Directors and Management

New appointments during 2005:

MC South was appointed as Chairman to the Board with effect from 10 May 2005

DM Burton was appointed Executive Director with effect from 10 May 2005

DS Phiri was appointed Non-Executive Director with effect from 10 May 2005

CN Zungu was appointed Executive Director with effect from 10 May 2005

SG Morris was appointed Independent Non-Executive Director with effect from 1 July 2005

A Paas was appointed as Non-Executive Director with effect from 1 January 2006

Resignations during 2005:

JM Carter resigned as Executive Director with effect from 9 May 2005

JL Pamensky retired as Independent Non-Executive Director with effect from 9 May 2005

GM Riddell resigned as Non-Executive Director and Chairman of the Board with effect from 10 May 2005

Current Non-Executive Directors

MC South (41)

Director. Appointed to the Board in 2004.

90 Fenchurch Street, London EC3M 4JX, United Kingdom.

A Paas MBA (40)

Director. Appointed to the Board in November 2005, but with effect from 1 January 2006.

Mythenquai 2, 8022 Zurich, Switzerland.

DS Phiri BJuris, LLB, HDip (Corplaw), LLM (49)

Director. Appointed to the Board in 2005.

Suite 106C, Eva Park, Corner Beyers Naude Drive & Judges Avenue, Cresta, Randburg.

Current Independent Non-Executive Directors

JPG de Rauville CA (SA) (64)

Director. Appointed to the Board in 1983.

2 Morningside Road, Morningside, Durban, 4001.

PT Martin CA (SA) (72)

Director. Appointed to the Board in 1986.

13 Baye du Bois, Baviaanskloof Road, Houtbay, 7806.

SG Morris BCom, CA (SA) (60)

Director. Appointed to the Board in 2005.

6 Somerset Estate, 100 East Avenue, Atholl, Sandton, 2196.

Directors' Report (Continued)

Executive Directors

NV Beyers ACII AMP (Harvard) (59) *
Managing Director. Joined in 1971.
Appointed Managing Director in 1998.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

DM Burton ACII (57) *

Director - Sales & Marketing. Joined in 1986.
Appointed Director in 2005.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

CN Zungu BCom (49) *

Director - People Management. Joined in 2000.
Appointed Director in 2005.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

Audit Committee

SG Morris (Chairman)
KR Allen
JPG de Rauville
PT Martin

Remuneration Committee

MC South (Chairman)
PT Martin
SG Morris

Investment Committee

PT Martin (Chairman)
NV Beyers
R Bollag
N Carroll

Executive Management

B Coetsee BJuris, LLB, Dip. Corporate Law, Cert.
Financial Management (35)
Head - Legal & Compliance and Group Secretary.
Joined in March 2003. Appointed as Company
Secretary in 2004.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

TJA de Koster BSc, BCompt, BCom (Hons), CA (SA) (36)

Group Financial Controller. Joined in 1999. Appointed
as Group Financial Controller in 2004.
SA Eagle House, 70 Fox Street, Johannesburg, 2001.

HC Ehlers FCII (53) *

General Manager - Operations Support. Joined
in 1986. Appointed General Manager in 2000.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

JF Martins BCom, CIA (42)

Group Audit Manager. Joined in 1997. Appointed
Group Audit Manager in 1999.
SA Eagle House, 70 Fox Street, Johannesburg, 2001.

M Merkofer-Naidoo BA LLB, MAP (37)

Marketing Manager. Joined in 1996. Appointed
Marketing Manager in 2001.
SA Eagle House, 70 Fox Street, Johannesburg, 2001.

MT Neille MBA (44) *

General Manager - Information Technology. Joined
in 1995. Appointed General Manager in 2001.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

GG Rothmann MBA (43)

Eagle Scape - Manager. Joined and appointed to
current position in 2003.
Eagle View, 271 Surrey Avenue, Ferndale, Randburg, 2194.

C Schmidt BCom (Hons – Actuarial Science), FIA (35)

SA Eagle Risk Financing & SA Eagle Life - Executive Director.
Joined and appointed to current position in 2003.
SA Eagle House, 70 Fox Street, Johannesburg, 2001.

MAR Vazeer BCom, BCompt (Hons), CA (SA) (36) *

Chief Financial Officer. Joined and appointed to
current position in 2005.
SA Eagle House, The Braes, 193 Bryanston Drive,
Bryanston, 2021.

* Executive Management Committee Member

5. Directors' shareholding

The aggregate shareholding of Directors of the Company is as follows:

Fully paid shares	1 January 2005	31 December 2005
Indirect Beneficial	–	–
Indirect Non-Beneficial	1,000	1,000
Breakdown		
Indirect Non-Beneficial:		
Shareholder	1 January 2005	31 December 2005
GM Riddell	200	–
MC South	–	200
NV Beyers	300	200
JM Carter	200	–
DM Burton	–	100
JPG de Rauville	100	100
PT Martin	100	100
SG Morris	–	100
JL Pamensky	100	–
DS Phiri	–	100
CN Zungu	–	100

6. Secretary

The Company Secretary is Ms B Coetsee. Her business and postal addresses are:

SA Eagle House
The Braes
193 Bryanston Drive
Bryanston
2021

PO Box 61489
Marshalltown
2107

7. Holding and ultimate holding company

The immediate holding company is SA Fire House Limited, incorporated in South Africa, which directly and indirectly owns 73.6% (2004: 83.6%) of the issued and fully paid share capital. The ultimate holding company is Zurich Insurance Company, incorporated in Switzerland.

8. Code of corporate practices and conduct

The Board considers that the Company complies with the recommendations of the code of corporate practices and conduct included in the King Committee's Report on Corporate Governance.