

Notice to Shareholders

South African Eagle Insurance Company Limited

(Incorporated in the Republic of South Africa)

(REGISTRATION NUMBER 1965/006764/06)

SHARE CODE: SAE

ISIN: ZAE000006243

("SA Eagle" or "the Company")

Notice is hereby given that the forty-first Annual General Meeting of shareholders of SA Eagle will be held at 12:00 on Monday 26 June 2006, at SA Eagle House, The Braes, 193 Bryanston Drive, Bryanston, for the following purposes:

Ordinary Business

1. Approval of annual financial statements

Resolved that the audited Annual Financial Statements of the Company and the Group for the year ended 31 December 2005, together with the report of the auditors thereon, be considered and approved.

2. Election of director

Resolved that **Mr A Paas** who retires in terms of the Company's Articles of Association ("Company's Articles") and who has offered himself for re-election, be hereby re-elected as a Non-Executive Director of the Company.

Mr A Paas (40) MBA, University of Pennsylvania

| | |
|----------------|--|
| 1991 - 1992 | Project Manager: Kleinert Investments |
| 1992 - 2002 | Investment Banker: JP Morgan Chase, UK/USA |
| 2002 - 2003 | Chief Financial Officer: Hampton Reinsurance, Bermuda |
| 2003 - To date | Global Head of M&A: Zurich Financial Services, Switzerland |
| 2006 - To date | Appointed Director of SA Eagle |

3. Election of director

Resolved that **Mr CN Zungu** who retires in terms of the Company's Articles and who has offered himself for re-election, be hereby re-elected as an Executive Director of the Company.

Mr CN Zungu (49) BCom

| | |
|----------------|--|
| 1994 - 2000 | Human Resource Director: Avis Rent-A-Car |
| 2000 - 2005 | General Manager - People Management: SA Eagle |
| 2005 - To date | Appointed Executive Director - People Management of SA Eagle |

4. Election of director

Resolved that **Mr DM Burton** who retires in terms of the Company's Articles and who has offered himself for re-election, be hereby re-elected as an Executive Director of the Company.

Mr DM Burton (57) ACII

| | |
|----------------|---|
| 1969 - 1986 | Administration Manager: AA Mutual Insurance |
| 1986 - 1999 | Various Senior Positions: SA Eagle |
| 1999 - 2005 | General Manager: Sales and Marketing |
| 2005 - to date | Appointed Executive Director: Sales and Marketing of SA Eagle |

5. Election of director

Resolved that **Mr DS Phiri** who retires in terms of the Company's Articles and who has offered himself for re-election, be hereby re-elected as a Non-Executive Director of the Company.

Mr DS Phiri (49) BJURIS, LLB Corporate Law, LLM

| | |
|----------------|---|
| 1991 - 2000 | Partner/Attorney: Phiri-Moalusi Attorneys |
| 2000 - 2003 | Legal Corporate Advisor: Royal Bafokeng Finance |
| 2003 - To date | Chief Executive Officer: Merafe Resources Limited |
| 2005 - To date | Appointed Director of SA Eagle |

6. Election of director

Resolved that **Mr SG Morris** who retires in terms of the Company's Articles and who has offered himself for re-election, be hereby re-elected as a Non-Executive Director of the Company.

Mr SG Morris (60) BCom CA (SA)

| | |
|----------------|--|
| 1966 - 1999 | Chairman; Senior Partner; Deputy Chief Executive Officer; Chief Executive Officer: KPMG South Africa |
| 1999 - 2004 | Group Financial Director: Nedcor |
| 2005 - To date | Appointed Director of SA Eagle |

7. Approval of Directors' remuneration

Resolved that the joint remuneration of the Directors as reflected on page 72 of this Annual Report, to which this notice forms part, be approved.

8. Approval of reappointment of auditors

Resolved to reappoint PricewaterhouseCoopers Inc. as auditors of the Company until the next Annual General Meeting.

9. Approval of auditors' remuneration

Resolved that the Directors fix and pay the auditors' remuneration for the year ended 31 December 2005.

Special Business

Shareholders will be requested to consider, and if deemed fit, to pass the following resolutions with or without amendments.

Ordinary Resolution Number 1

Place unissued shares under the control of the Directors

"Resolved that the unissued ordinary shares in the Company be and are hereby placed under the control of the Directors until the forthcoming Annual General Meeting and that they be and are hereby authorised and empowered to allot, issue and otherwise dispose of such shares as they may deem fit subject to the Companies Act (Act 61 of 1973), as amended, ("the Act"), the Company's Articles and the JSE Limited ("JSE") Listings Requirements, when applicable."

Ordinary Resolution Number 2

Issue unissued shares in the Company for cash

"Resolved that the Company's Directors be hereby authorised by way of a General Authority to issue unissued shares in the Company for cash, as and when they in their discretion deem fit, subject to the Act, the Company's Articles and the JSE Listings Requirements, when applicable, and the following limitations, namely:

- that this authority shall not extend beyond 15 (fifteen) months from the date of this meeting or the date of the next Annual General Meeting, whichever is the earlier date;
- that the issue shall be to public shareholders, as defined in paragraph 4.25 – 4.27 of the JSE Listings Requirements and not to related parties;
- that a paid press release, giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within one year, 5% (five percent) or more of the number of ordinary shares issued prior to the issue;

- that issues in the aggregate in any financial year shall not exceed 8% (eight percent) of the number of ordinary shares of the Company's issued share capital, including instruments which are convertible into ordinary shares;
- that, in determining the price at which an issue for shares will be made in terms of this authority, the maximum discount permitted be 10% (ten percent) of the weighted average traded price of the shares in question over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the Company's Directors;
- that the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case must be limited to such securities or rights that are convertible into a class already in issue; and
- any other requirements the JSE may have."

The approval of 75% (seventy-five percent) of the votes cast by shareholders present or represented by proxy at this meeting is required for this ordinary resolution to become effective.

Special Resolution Number 1

Authority to repurchase shares

"Resolved that, as authorised by the Company's Articles, the Company's Directors be hereby authorised, by way of a General Authority, to repurchase issued shares in the Company, to purchase shares in the Company's holding company, or to permit a subsidiary of the Company to purchase shares in the Company, as and when deemed appropriate, subject to the following limitations:

- that this General Authority shall not extend beyond 15 (fifteen) months from the date of this meeting or the date of the next Annual General Meeting, whichever is the earlier date;
- that any such repurchase be implemented on the open market of the JSE and done without prior understanding or arrangement between the Company and the counter party;
- that a paid press release giving such details as may be required in terms of the Listings Requirements of the JSE be published when the Company or its subsidiaries have cumulatively repurchased 3% (three percent) of the initial number of shares in issue and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter;
- that the general repurchase may not in the aggregate in any one financial year exceed 20% (twenty percent) of the number of shares in the Company's issued share capital at the time this authority is given provided that the acquisition of shares by a subsidiary of the Company may not exceed 10% (ten percent) of the number of issued shares of the Company if such shares are to be held as treasury stock;

Notice to Shareholders (Continued)

- that, in determining the price at which shares may be repurchased in terms of this General Authority, the maximum premium permitted be 10% (ten percent) above the weighted average traded price of the shares as determined over the 5 (five) business days immediately preceding the date of the repurchase of such ordinary shares by the Company;
- that the Company or its subsidiary are not repurchasing securities during a prohibited period as defined in paragraph 3.67 of the JSE Listings Requirements;
- the Company only appoints one agent to effect any repurchase(s) on its behalf;
- the sponsor to the Company provides a letter on the adequacy of working capital in terms of Section 2.12 of the JSE Listings Requirements prior to any repurchases being implemented on the open market of the JSE;
- that the Company may only undertake a repurchase of securities if, after such repurchase, it complies with paragraphs 3.37 to 3.41 concerning shareholder spread requirements; and
- that such repurchase shall be subject to the Act and the applicable provisions of the Listings Requirements of the JSE."

The Directors undertake that, for a period of 12 (twelve) months following the date of the Annual General Meeting or for the period of the General Authority, whichever is the longer, they will not undertake any such repurchases unless:

- the Company and the Group will, after payment for such maximum repurchase, be able to repay its debts in the ordinary course of business;
- the Company's and the Group's assets, fairly valued according to Generally Accepted Accounting Practice and on a basis consistent with the last financial year of the Company will, after such payment, exceed their liabilities;
- the Company's and the Group's ordinary share capital and reserves will, after such payment, be sufficient to meet their needs; and
- the Company and the Group will, after such payment, have sufficient working capital to continue its operations in the following year.

Reason and effect

The reason for and the effect of Special Resolution number 1 is to grant the Directors a General Authority, up to and including the date of the following Annual General Meeting of the Company, to approve the Company's purchase of shares in itself, or of shares in its holding company, or to permit a subsidiary of the Company to purchase shares in the Company.

Intention

The Board has no immediate intention to use this authority to repurchase Company shares. However, the Board is of the opinion that this authority should be in place should it

become appropriate to undertake a share repurchase in the future.

The JSE Listings Requirements require the following disclosures, some of which are elsewhere in the Annual Report of which this notice forms part as set out below:

- Directors and management – page 29 -30;
- Major shareholders of SA Eagle - page 79 - 80;
- Directors' interests in securities - page 31; and
- Share capital of the Company - page 63.

Litigation statement

The Directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 (twelve) months, a material effect on the Group's financial position.

Directors' responsibility statement

The Directors collectively and individually accept full responsibility for the accuracy of the information pertaining to this resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that this resolution contains all information required by law and the JSE Listings Requirements.

Material change

Other than the facts and developments reported on in the Annual Report, there have been no material changes in the affairs or financial position of SA Eagle and its subsidiaries since the date of signature of the audit report and the date of this notice.

Voting and Proxies

Shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration are entitled to attend and vote at the meeting and are entitled to appoint a proxy or proxies to attend, speak and vote in their stead. The person so appointed need not be a member. Proxy forms must be forwarded to reach the Company's Transfer Secretaries, Computershare Investor Services 2004 (Pty) Limited, 70 Marshall Street, Johannesburg, 2001 South Africa or posted to the Transfer Secretaries at PO Box 61051, Marshalltown, 2107 to be received by no later than 12:00 on Thursday 22 June 2006. Proxy forms should only be completed by shareholders who have not dematerialised their shares or who have dematerialised their shares with "own name" registration.

On a show of hands, every member of the Company present in person or represented by proxy shall have one vote only. On a poll, every member of the Company shall have one vote for every share held in the Company by such member.

Shareholders who have dematerialised their shares, other than those members who have dematerialised their shares with "own name" registration, should contact their Central Securities Depository Participant or broker in the manner and time stipulated in their agreement:

- to furnish them with their voting instructions; and
- in the event that they wish to attend the meeting, to obtain the necessary authority to do so.

By order of the Board

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Company Secretary

14 April 2006

Registered office

SA Eagle House, The Braes, 193 Bryanston Drive, Bryanston

Transfer secretaries

Computershare Investor Services 2004 (Pty) Limited
70 Marshall Street, Johannesburg, 2001, South Africa
PO Box 61051, Marshalltown, 2107