

Notice of annual general meeting and explanatory notes

Codan Limited ABN 77 007 590 605

Date: 20 October 2006

Time: 11.00 am

Place: Hilton Adelaide, 233 Victoria Square
Adelaide, South Australia

Notice of annual general meeting

The annual general meeting (**AGM**) of shareholders of Codan Limited (**Company**) will be held at the Victoria Room, the Hilton Adelaide, 233 Victoria Square, Adelaide, South Australia at 11.00 am (Adelaide time) on Friday, 20 October 2006.

Business

1. Financial statements and reports

To receive and consider:

- (a) the financial statements;
- (b) the directors' report; and
- (c) the auditor's report

of the Company for the year ended 30 June 2006.

The auditor of the Company or their representative will be available to receive questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the auditor's report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

A shareholder of the Company who is entitled to cast a vote at the AGM may submit a written question to the auditor if:

- (a) the question is relevant to:
 - (i) the content of the auditor's report to be considered at the AGM; or
 - (ii) the conduct of the audit of the annual financial report to be considered at the AGM; and
- (b) the shareholder gives the question to the Company no later than the fifth business day before the day on which the AGM is held.

2. Election of directors

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

'That Mr Ian Wall, a director retiring in accordance with Article 9.3 of the Company's constitution, being eligible, is re-elected as a director of the Company.'

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

'That Mr Peter Griffiths, a director retiring in accordance with Article 9.3 of the Company's constitution, being eligible, is re-elected as a director of the Company.'

3. Remuneration Report

To consider, and if thought fit, to pass the following special resolution:

'That the remuneration report for the year ended 30 June 2006 be adopted.'

Note: The vote on this resolution is advisory only and does not bind the Company or its directors.

4. Other business

To transact any other business which may legally be brought before the meeting.

By order of the board

Date 19 September 2006

Signed



Name

David Hughes
Company Secretary

Voting and proxies

Voting

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company's shares quoted on Australian Stock Exchange Limited at 7.00pm (Adelaide time) on 18 October 2006, will be taken, for the purposes of the AGM, to be held by the persons who held them at that time. Accordingly those persons are entitled to attend and vote at the meeting.

Proxies

1. A shareholder who is entitled to attend and vote at the meeting may appoint up to two proxies to attend and vote on behalf of that shareholder. If you require an additional proxy form, please contact Computershare Investor Services Pty Ltd, Level 5, 115 Grenfell Street, Adelaide SA 5000.
2. If a shareholder appoints two proxies, the appointment of the proxies may specify the proportion or the number of that shareholder's votes that each proxy may exercise. If the appointment does not so specify, each proxy may exercise half of the votes. Fractions of votes will be disregarded.
3. Where a shareholder appoints more than one proxy, neither proxy is entitled to vote on a show of hands.
4. A proxy need not be a shareholder of the Company.
5. To be effective, the Company must receive the completed proxy form and, if the form is signed by the shareholder's attorney, the authority under which the proxy form is signed (or a certified copy of the authority) by no later than 11.00am (Adelaide time) on 18 October 2006.
6. The proxy's appointment and, if applicable, the authority appointing an attorney, must be sent by post or fax to the Company's registered office or to the Company's share registrar, Computershare Investor Services Pty Limited, using the reply-paid envelope provided or by delivery or fax to:

Mail:	In person:	Fax:
Codan Limited C/- Computershare Investor Services Pty Limited GPO Box 1903 Adelaide SA 5001 Australia	Codan Limited C/- Computershare Investor Services Pty Limited Level 5 115 Grenfell Street Adelaide SA 5001 Australia	Codan Limited C/- Computershare Investor Services Pty Limited Fax: +61 8 8236 2305

7. Proxies given by corporate shareholders must be executed in accordance with their constitutions, or signed by a duly authorised officer or attorney.
8. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy. If a proxy is directed how to vote on an item of business, the proxy may vote on that item only in accordance with the direction. If a proxy is not directed how to vote on an item of business, the proxy may vote as he or she thinks fit.

9. If a shareholder appoints the chairperson of the meeting as the shareholder's proxy and does not specify how the chairperson is to vote on an item of business, the chairperson will vote, as proxy for that shareholder, in favour of that item on a poll.

Explanatory notes

1. Financial statements and reports

The *Corporations Act 2001* (Cth) requires the financial report (which includes the financial statements and directors' declaration), the directors' report and auditor's report to be laid before the AGM. There is no requirement either in the *Corporations Act 2001* (Cth) or the Company's constitution for shareholders to approve the financial report, the directors' report or the auditor's report.

The *Corporations Act 2001* (Cth) does not require shareholders to vote on the reports. However, shareholders attending the AGM will be given a reasonable opportunity:

- (a) to ask questions about or make comments on the management of the Company; and
- (b) if the Company's auditor or their representative is at the meeting, to ask the auditor or the auditor's representative questions relevant to:
 - (i) the conduct of the audit;
 - (ii) the preparation and content of the auditor's report;
 - (iii) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
 - (iv) the independence of the auditor in relation to the conduct of the audit.

A shareholder of the Company who is entitled to cast a vote at the AGM may submit a written question to the auditor if the question is relevant to:

- (a) the content of the auditor's report to be considered at the AGM; or
- (b) the conduct of the audit of the annual financial report to be considered at the AGM.

A written question may be submitted by giving the question to the Company no later than the fifth business day before the day on which the AGM is held, and the Company will then pass on that question to the auditor. At the AGM, the Company will allow a reasonable opportunity for the auditor or their representative to answer written questions submitted to the auditor.

Copies of a list prepared by the auditor of shareholder questions that the Company has passed on to the auditor, and that the auditor considers relevant to the matters specified in paragraph (a) or (b) (second appearing) above, will be reasonably available to shareholders attending the AGM

2. Election of directors

- 2.1 Article 9.3 of the Company's constitution requires that at each AGM one-third of the directors must retire from office, being those directors who have been longest in office. The Managing Director and any director appointed during the year, either to fill a casual vacancy or as an addition to the directors, are not taken into account in determining the directors who must retire by rotation. Therefore, two of the seven directors must retire by rotation.
- 2.2 The following directors, retire by rotation and are eligible for re-election. According they seek re-appointment as directors.
 - (a) Mr Ian Wall; and

(b) Mr Peter Griffiths.

Mr Ian Wall BE, FSASM, MIE Aust, CPEng

Mr Wall, one of the founders of the Company, was appointed to the board in 1959. He has been involved in many of the Company's operations and particularly in product related systems engineering.

Mr Peter Griffiths B.Ec (Hons), CPA, FAICD

Mr Griffiths was appointed to the board in July 2001, following his retirement as a senior executive of Coca-Cola Amatil Limited. Mr Griffiths has extensive global experience, having worked in Central and Eastern Europe and South East Asia for Coca-Cola Amatil Limited. He has held positions as company secretary, chief financial officer and managing director of C-C Bottlers Limited, as well as board positions in Australia, New Zealand and the USA. He is a Certified Practising Accountant, and has been president of the South Australian branch of the Financial Executives Institute as well as federal president of the Australian Soft Drink Industry.

3. Remuneration Report

The Directors' Report for the year ended 30 June 2006 contains a Remuneration Report, which sets out the policy for the remuneration of the directors, company secretaries and the senior managers.

The *Corporations Act 2001*(Cth) requires that a resolution be put to the vote that the Remuneration Report be adopted.

The *Corporations Act 2001*(Cth) expressly provides that the vote is advisory only, and does not bind the directors or the Company.

Shareholders attending the AGM will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.