



## Market Announcement

### Call on partly paid shares under the Codan Executive Share Plan Pty Limited

As disclosed in Codan Limited's ("Codan") Prospectus dated 21 October 2003 ("Prospectus"), partly paid shares have been issued to two executives of Codan under the Codan Executive Share Plan ("Plan").

Under the Plan, interests associated with Mr Michael Heard (Managing Director and Chief Executive Officer) have been issued 3,666,268 shares for a total issue price of \$1,023,750 paid to a total of \$750 and 733,254 shares for a total issue price of \$234,750 paid to a total of \$150. Interests associated with Mr Allan Gobolos (General Manager, Business Development) have been issued 1,466,507 shares with a total issue price of \$469,500 paid to a total of \$300.

Under the terms of the Plan, Codan has the right to call up the unpaid issue price of the shares at any time in its discretion. Codan has determined to make a call for the unpaid issue price on the partly paid shares payable on 16 March 2004. The total amount of the call is \$1,726,800.

The partly paid shares are currently held subject to a voluntary escrow under the Implementation Deed dated 26 September 2003, the escrow period ending on 27 November 2004. Under the terms of that voluntary escrow, Codan may in its absolute discretion release a shareholder in respect of all or any part of their shareholding from the escrow on such terms and conditions as it thinks fit by notice in writing to the shareholder.

Codan has determined to release the interests associated with Mr Allan Gobolos from the escrow in respect of 288,100 shares. Those shares will be acquired by Codan Executive Share Plan Pty Ltd ("CESP") pursuant to the Put Option Agreement dated 29 October 1999 described in the Prospectus, to enable funding of the payment of the call by Mr Allan Gobolos. For the purpose of Listing Rule 3.10A, Codan gives notice that those shares will be released from escrow on or about 16 March 2004.

The remaining shares held by the Gobolos interests and all of the shares held by the Heard interests under the Plan remain subject to escrow until expiry of the escrow period on 27 November 2004, unless Codan otherwise consents. CESP does not intend to sell the shares acquired by it under the Put Option Agreement until after the expiry of the escrow period.

By Order of the Board

David Hughes  
Company Secretary  
Codan Limited