

**NIGER INSURANCE PLC**  
**REPORT OF THE DIRECTORS**

1. **Accounts**

The directors are pleased to submit their report together with the group audited financial statements for the year ended 31 December, 2005.

2. <b>Result for the year</b>	× '000
Company profit after taxation	280,041
<i>Less:</i> Appropriation -	
Proposed dividend	<u>75,000</u>
	205,041
Contingency reserve	<u>(33,280)</u>
<b>Retained profit for the year transferred to general reserve</b>	<b>171,761</b> =====

3. **Principal activities**

The principal activities of the company are the underwriting of life and general insurance business.

4. **The Directors**

The current composition of the Board of Directors is as set out on page 2 of these financial statements.

5. **Directors' interests**

The interests of the directors in the issued share capital of the company are as follows:-

	<b>Number of shares held as at</b>	
	<b>31/12/2005</b>	<b>31/12/2004</b>
Mr. Clement Chukwuemeka Ehirim	7,752,090	5,168,060
Alhaji Bala Zakariya'u	45,033,257	30,022,171
Mr. Justus Clintion Uranta	14,728,241	9,818,827
Mr. Dauda Kolapo. Adedeji	5,883,153	4,868,930
Mr. Andrew Onyenweuwa Nwaujo	327,343	218,229
Mr. Osa Osunde	4,211,019	2,807,346
Alhaji Idris Onaolapo Sulaimon	68,102,112	47,185,203
Mr. Frederick Nnamdi Udechukwu –Indirect (Chrome Oil Services Ltd)	122,485,418	81,656,945
Hajia Amina Abubakar - Indirect (Goldust Investment Ltd)	74,973,213	49,982,142
	=====	=====

## 6. Shareholdings

### (a) Summary of the shareholding position:

Shareholders	As at 31/12/05		As at 31/12/04	
	Number of shares held	%	Number of shares held	%
Management Alliance Company Limited	390,175,164	26	262,578,118	26
Fidelity Finance Company Limited	227,226,382	15	148,951,679	15
Other Nigerian Individuals and Associations	<u>882,598,454</u>	<u>59</u>	<u>588,470,203</u>	<u>59</u>
	1,500,000,000	100	1,000,000,000	100
	=====	===	=====	==

### (b) Substantial interest in shares:

No individual shareholder other than Management Alliance Company Limited and Fidelity Finance Company Limited held more than 10% of the issued share capital of the company as at 31 December, 2005.

### (c) Analysis of shareholding:

	Holding between	Total holders	Units	%
Nigerian Shareholders	1 and 1,000	464	244,525	0.02
	1,001 and 5,000	1,788	5,174,388	0.34
	5,001 and 10,000	1,145	8,097,206	0.54
	10,001 and 50,000	1,872	44,577,990	2.97
	50,001 and 100,000	428	30,633,786	2.04
	100,001 and 500,000	376	76,908,212	5.13
	500,001 and 1,000,000	43	31,160,093	2.08
	Above 1,000,000	<u>57</u>	<u>1,303,203,800</u>	<u>86.88</u>
		6,173	1,500,000,000	100
		=====	=====	=====

## 7. Dividend

The directors recommend the payment of a dividend of ₦75,000,000 which is equivalent to 5k per share of 50k held by members whose names appear in the register of members at the close of business on Friday, 30 June, 2006. The dividend is subject to the deduction of appropriate withholding tax at the time of payment..

## 8. Unclaimed Share Certificates and Dividend Warrants

The Company is aware that some share certificates belonging to shareholders have been returned marked 'Unclaimed'. Similarly, some dividend warrants sent to shareholders have been returned marked 'unclaimed' while some are yet to be presented for payment.

Shareholders with unclaimed share certificates and/or dividend warrants are advised to write to the Registrars, NIC Securities and Trust Limited or the company Secretary or call at the office of the Registrars during normal working hours.

Furthermore, members are urged to advise the Registrars or the Company Secretary of any change of address or situation particularly as it relates to share certificates and dividend warrants.

## 9. Fixed assets

Movements in fixed assets during the year are shown in Notes 8 and 9 to the financial statements. In the opinion of the directors, the market value of the company's properties is not less than the value shown in the financial statements.

## 10. Donations

The analysis of donations made during the year is as follows:

### (a) *To charitable organisations:*

	×	×
National Union of Federal Health Pensioners of Nigeria		80,000
Nigeria Union of Pensioners		50,000
Rotary International - District 9110 Nig.		50,000
Brazilian Quarters Community Dev. Association		50,000
Faculty of Admin. Rehabilitation Committee, OAU		50,000
Lagos Lions Club		50,000
Atunda Olu School for the physically challenged		<u>30,000</u>
		360,000

### (b) *Other donations:*

Chartered Insurance Institute of Nigeria	300,000	
Nigerian Council of Registered Insurance Brokers	185,000	
Institute of Directors	150,000	
Nigeria Insurers Association (NIA)	101,742	
University of Benin Collegiate Junior Chamber	<u>25,000</u>	
		<u>761,742</u>
		1,121,742
		=====

## 11. Personnel

### (a) *Employment of disabled persons:*

The company continues its general policy of extending employment opportunities to disabled persons as and when there are openings for such employees. One such employee is at present engaged by the company.

(b) ***Health, safety and welfare:***

In addition to medical retainership in private clinics and hospitals, all essential safety regulations are being observed to guaranty maximum protection of personnel and also protect the company's assets.

(c) ***Employees' involvement and training:***

Employees are kept fully informed of the company's performance and the company continues with its open door policy whereby views of employees are sought and given due consideration on matters which particularly affect them.

The company attaches importance to the training of its staff through regular in-house, on-the-job training sessions and outside courses which have broadened employees' opportunities for career development within the company.

**12. Audit Committee**

In accordance with Section 359(3) of the Companies and Allied Matters Act 1990, the Audit Committee members of the company elected at the last Annual General Meeting were as follows:-

D. K. Adedeji	-	(Director)
O. Osunde	-	(Director)
S. E. Bediare	-	(Shareholders' representative)
M. O. Sodipe	-	(Shareholders' representative)

The functions of the audit committee are as stated in Section 359(6) of the Companies and Allied Matters Act, 1990.

**13. Compliance with the code of corporate Governance**

The Directors confirm that they manage the affairs of the company in accordance with the provisions of the code of best practices on Corporate Governance in Nigeria with regards to matters stated concerning the Board of Directors, the Shareholders and the Audit Committee.

Board meetings are scheduled well in advance. Also the agenda of Board meetings and reports on full business review, full report from the various Board Committees and reports from the Audit Committee are circularised to all Directors.

The Board meets four times a year. Stated below is the record of attendance at Board meetings conveyed and held in year 2005:

	<b>No. of meetings attended</b>
Mr. Clement Chukwuemeka Ehirim	4
Alhaji Bala Zakariya'u	4
Mr. Justus Clinton Uranta	4
Mr. Dauda Kolapo Adedeji	4
Mr. Andrew Onyenweuwa Nwaujo	Nil (appointed w.e.f 1/1/2006)
Mr. Osa Osunde	4
Alhaji Idris Onaolapo Sulaimon	4
Mr. Frederick Nnamdi Udechukwu	4
Hajiya Amina Abubakar	4

The following are the various committees of the board and their composition:

**Finance and General Purpose Committee**

1. Mr. Osa Osunde	Chairman
2. Mr. Justus Clinton Uranta	Member
3. Mr. Dauda Kolapo Adedeji	Member
4. Mr. Frederick Nnamdi Udechekwu	Member
Taiwo A. Otuneye, Esq.,	Secretary

**Establishment and staff matters committee**

1. Alhaji Idris Onaolapo Sulaimon	Chairman
2. Mr. Justus Clinton Uranta	Member
3. Mr. Andrew Onyenweuwa Nwaujo	Member
4. Hajiya Amina Abubakar	Member
Taiwo A. Otuneye, Esq.,	Secretary

**Executive management committee**

1. Mr. Justus Clinton Uranta	Chairman
2. Mr. Dauda Kolapo Adedeji	Member
3. Mr. Andrew Onyenweuwa Nwaujo	Member
Taiwo A. Otuneye, Esq.,	Secretary

14. **Auditors**

Messrs Oyelami Soetan Adeleke & Company (Chartered Accountants) have indicated their willingness to continue as auditors in accordance with Section 357(2) of the Companies and Allied Matters Act 1990. A resolution will be proposed to authorise the directors to fix their remuneration.

**By Order of the Board**

**Taiwo A. Otuneye, Esq.,  
Secretary**