

Information for Shareholders about the share plans for the benefit of the employees, executive and non-executive directors of the company and its group.

Note: A copy of the full text of the plans is available on the Company's website www.nrma.com.au or by telephoning 1300 360 688

Resolution 5 and 6 deal with approvals of shareholders which are required by the ASX Listing Rules for the issue to, or acquisition of shares by, directors.

The Board of Directors has recently approved the Plans listed below.

As yet, no shares have been issued under any of the Plans, including those referred to in Resolutions 5 and 6.

A Trust Deed has been prepared to provide the legal framework within which the various Plans, other than the Performance Share Rights Plan will operate. In summary, provisions are made for the following plans within the Trust Deed:

(1) The Allocation Share Plan:

this is for general staff allocations and is sufficiently explained in the notes to **Resolution 5**;

(2) The Equity Share Plan:

to provide NRMA Insurance Group Limited with the flexibility to provide employees with part of their remuneration in the form of shares. This is explained below, but the Directors do not intend to implement the Equity Share Plan immediately;

(3) The Bonus Equity Share Plan:

to provide NRMA Insurance Group Limited with the flexibility to provide employees with all or part of any short-term incentive in the form of shares. It is not the Director's intention to implement that Plan immediately. However, it and the Equity Share Plan are included now to obviate the need to seek further amendments and appropriate tax rulings at a later date;

(4) The Non-Executive Directors' Plan:

to provide NRMA Insurance Group Limited with the flexibility to provide Non-Executive directors with part of their remuneration in the form of shares. This is sufficiently explained in the notes to **Resolution 6**;

(5) The Performance Award Rights Plan:

this enables the Directors to invite the Chief Executive Officer and other executives in senior management to make an offer to the Trustee to acquire Performance Award Rights to be issued by the Trustee. It is designed to provide the Company with the flexibility to provide senior management with long term incentives in the form of rights to acquire shares in the Company. It is sufficiently explained in the notes to **Resolution 5**.

As to (2) above - the Equity Share Plan:

The Equity Share Plan gives the Board power to offer shares to such employees as it thinks appropriate, on such terms that they consider appropriate. The terms of offers which may be made under the Plan and the number of shares to be offered under it are not prescribed by the Plan, but may be determined by the Board from time to time. All employees of the Company and its subsidiaries, including senior management, may be given the opportunity to acquire shares in the Company by participating in the Plan. However, as indicated, it is not proposed that offers be made under this Plan for the time being and, certainly not in the current financial year.

Prior to a salary review date, each participant will be invited to express a preference as to whether a component of any salary, which may be provided to him or her, will include shares in the Company up to a particular value and with a restriction period of a particular length. The Company will consider the employee's expressed preferences and if accepted, the employee may be invited to apply to participate in the Plan. The Trustee of the Plan will acquire shares in the Company either by direct issue or by purchasing the shares on-market.

The relevant participants will be offered shares at no cost to them. The number of shares to be offered will be determined on the basis of the weighted average price of the shares in a one (1) week period preceding the date of allocation.

Shares allocated under the Plan will be forfeited if employment is terminated for serious misconduct involving dishonesty.

The shares cannot be dealt with until the expiry of the restriction period, which will end at the earliest of:

- a fixed number of years determined by the Board at the time of allocation; or
- the date on which the employee ceases to be an employee of the Company or any of its subsidiaries; or
- the date on which the Board notifies the participant following an "Event", such as a takeover offer for the Company; or
- where there is financial hardship to the participant.

Once the restriction period ends, the Trustee will, at the discretion of the participant, either transfer the shares to the participant on whose behalf they are held, or sell them on-market and give the proceeds to the participant.

The participation rights, following allocation of rights under the Plan until the shares are sold or transferred, with respect to dividends, bonus shares and other rights are as for the other plans.

As to (3) above - the Bonus Equity Share Plan:

The purpose of this Plan is to provide the Company with flexibility to provide employees with all or part of any short term incentive in the form of shares in the Company. The Plan gives the Board the power to offer shares to such employees as it thinks appropriate, on such terms as it considers appropriate.

The terms of offers which may be made under the Plan and the number of shares to be offered under it are not prescribed by the Plan, but are determined by the Board from time to time.

Prior to the determination of the short term incentive to which an employee may be entitled, each eligible participant will be invited to express a preference as to whether a component of the short term incentive, which may be provided to him or her, will include allocation rights with respect to shares in the Company up to a particular value, with a restriction period of a particular length. The employee's preferences will be considered.

The Trustee of the Plan will acquire shares in the Company whether by direct issue, or by purchasing the shares on-market. They will be allocated by the Trustee and held by it on trust for the benefit of participating employees. The eligible participant will be offered the shares at no cost to him or her.

The number of shares to be offered will be determined on the basis of the value of the short term incentive and the weighted average price of the shares in the one (1) week period preceding the date of allocation.

Shares allocated under the Plan will be forfeited if employment is terminated for serious misconduct involving dishonesty. The shares cannot be dealt with until the expiry of the restriction period.

That restriction period will end at the earliest of:

- a fixed number of years determined by the Board at the time of allocation; or
- the date on which the employee ceases to be an employee of the Company or any of its subsidiaries; or
- the date on which the Board notifies the participant following an "Event", as described above; or
- where the participant is suffering financial hardship.

Once the restriction period ends the Trustee will, at the discretion of the participant, either transfer the shares to the participating employee on whose behalf they are held, or sell the shares on market and give the proceeds to the participant.

The employee will have the same participation rights while the shares are held for his or her benefit as described in relation to the other Plans.