

**NRMA Insurance Group Limited Board Committee** comprises up to five Directors and the Chairman of NRMA Insurance Group Limited. The purpose of the Committee is to consider all matters relating to corporate governance of NRMA Insurance Group Limited and its subsidiaries. It is responsible for ensuring that NRMA Insurance Group Limited Board continues to operate within corporate governance guidelines. The Committee currently comprises Mr JF Astbury, Mr GA Cousins, Mr ND Hamilton and Mr NR Whitlam (Chairman).

**NRMA Insurance Group Limited Remuneration Committee** comprises the Chairman of the NRMA Insurance Group Limited Board and up to four other Directors. The Committee is responsible for making recommendations to the Board of NRMA Insurance Group Limited for the remuneration to be paid to the CEO and has the authority to approve the remuneration of the executives who report directly to the CEO. The Committee comprises Mrs M Easson, Ms AJ Keating, Mr IF Stanwell and Mr NR Whitlam (Chairman).

**NRMA Insurance Group Limited Compliance Committee** comprises up to five NRMA Insurance Group Limited Directors. The Chairman of NRMA Insurance Group Limited is also entitled to attend all of its meetings. The purpose of the Committee is to review and monitor the effectiveness of management systems designed to ensure compliance with legal requirements (other than the financial reporting obligations for which the Audit and Risk Management Committee is responsible), recommend to the Board appropriate systems and procedures to ensure compliance with the requirements of applicable law, including the Corporations Law and Listing Rules, and monitor the adequacy of insurance cover obtained to protect NRMA Insurance Group Limited and its Directors and officers. This Committee currently comprises Mrs MC Callaghan, Mrs DG Collins, Mr ER Dodd, Mr RA Ross, and Mr IF Stanwell (Chairman).

During the course of the financial year, and prior to demutualisation of NRMA Insurance Limited, the audit and risk management activities of the NRMA Group were overseen by the **Group Audit & Risk Management Committee**, a committee appointed jointly by NRMA Insurance Limited and NRMA Limited, comprising six non-executive Directors of these two Boards. The internal and external auditors and executive management attend the meetings by invitation. As at 30 June 2000, the Committee comprised Dr JD Campbell (Chairman), Mr MA Coyne, Mrs M Easson, Mr AR Sanchez, Mr TP Shaw and Mr NR Whitlam.

The main objectives of this Committee included dealing with significant issues relating to audit, compliance and risk management within the organisation, reviewing internal and external audit processes and reporting of financial statements; ensuring that accounting policies and procedures are determined, adopted and implemented; reviewing internal controls and ensuring that an effective internal control framework operates within the organisation. This Committee was also responsible for identifying, analysing and managing business risks and reviewing and ensuring that a framework of policies and procedures is in place to ensure compliance with all legal and regulatory requirements.

A particular focus over the last year has been Year 2000 compliance issues and the Committee was actively involved in reviewing the Y2K Plan.

The work of this Committee, insofar as it relates to the NRMA Insurance Group of companies, is now performed by the NRMA Insurance Group Limited Audit and Risk Management Committee referred to above.

**Remuneration Committee**, a joint Committee of NRMA Limited and NRMA Insurance Limited which is to be reconstituted on 7 September 2000, presently consists of six non-executive Directors. The Committee determined the terms of appointment and levels of remuneration of the Chief Executive Officer of NRMA Limited and the Managing Director of NRMA Insurance Limited, as well as of those executives who report directly to the Chief Executive Officer/Managing Director. It has regard to market salary information, advice from external consultants and level of performance. The remuneration packages of members of executive management include short term incentives, based on group and individual performance, and long term incentives based on NRMA financial performance over time, in addition to fixed annual remuneration. As at 30 June 2000, the Committee comprised Mr NR Whitlam (Chairman), Mrs MC Callaghan, Mrs DG Collins, Mrs M Easson, Mr ND Hamilton, Ms AJ Keating and the Hon SM Ryan.

The **Life Audit Committee** and the **Life Compliance Committee** each consisting of six members, are Committees of NRMA Life Limited. The purpose of the Life Audit Committee, under section 92 of the *Life Insurance Act 1995*, is to assist the Directors of NRMA Life Limited to ensure that the financial statements are effective for the purposes of section 82 and that the company at all times has proper systems of management and financial controls. The purpose of the Life Compliance Committee is to assist the Board to deal with the consumer related issues that arise and ensure a proper system of management controls is in place to ensure compliance with the Life Insurance Act and other relevant laws and regulations.

The members of these two Committees are common and at 30 June 2000 comprised Mr MA Coyne, Mr SJ Geeson, Mr AR Sanchez, Mr TP Shaw and Mr RJ Talbot.

The ad hoc committees of note which operated during the year were:

The **NRMA Insurance Group Limited Due Diligence Committee** oversaw the due diligence investigation for the NRMA Insurance Group Limited share facility and made recommendations to the Boards of NRMA Insurance Group Limited and NRMA Insurance Limited in relation to the due diligence process, the Institutional Offering Memorandum and the Member Prospectus. The members of the Committee were Mr NR Whitlam (Chairman), Mr ER Dodd, Mr ND Hamilton and a number of external advisers who were appointed to the Committees.