



NOTICE OF ANNUAL GENERAL MEETING 2006

Helping our Members is our business



MOTORING + SERVICES

helping people



**NRMA AGM
REGISTRATION**

P1 Parking Station

Gates C/D

**Sydney Olympic Park
Train Station**



Scale
0 100m 200m 300m

NOTICE OF ANNUAL GENERAL MEETING 2006

Members are advised that the 2006 Annual General Meeting of the Members of National Roads and Motorists' Association Limited (ABN 77 000 010 506) (**Company**) will be held on **Friday, 3 November 2006 at 10.00 am** at The Millennium Room, Telstra Stadium, Homebush.

ORDINARY BUSINESS

Financial statements and reports

To receive and consider the Financial Report of the Company and its controlled entities and the reports of the Directors and the Auditors in respect of the financial year ended 30 June 2006.

SPECIAL BUSINESS

1. To amend the Constitution

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

"THAT the constitution of the Company be amended in the manner set out in Annexure A of the Explanatory Notes in this Notice of Meeting."

2. To remove Richard Talbot as a Director

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

"THAT Richard Talbot be and is hereby removed as a Director of National Roads and Motorists' Association Limited".

Dated at Sydney on 14 September 2006
By Order of the Board of Directors



Helen Burgess
General Counsel and Group Secretary

PROXIES

A proxy form accompanies this Notice of Meeting.

A Member who is entitled to attend and vote at the meeting has the right to appoint a proxy to attend and vote instead of the Member. A proxy

- > need not be a Member of the Company, and
- > may be an individual or a body corporate.

HAND DELIVER YOUR PROXY FORM

You can deliver your completed proxy form to either of the addresses shown below:

National Roads and Motorists' Association Limited
Ground Floor, 388 George Street
Sydney

or

National Roads and Motorists' Association Limited
Ground Floor, 9 George Street
North Strathfield

POST YOUR PROXY FORM

Or you may post your completed proxy form in the envelope provided, or send it (no stamp required) to the address shown below:

The Returning Officer
National Roads and Motorists' Association Limited
Reply Paid 1486
SYDNEY NSW 2001

FAX YOUR PROXY FORM

Or you can fax your completed proxy form to 1300 309 248

LODGE YOUR PROXY ON-LINE

Or you may submit your proxy electronically by accessing the Company's website at www.mynrma.com.au/agm. To use this online facility, you will need to log in using your Personal Identification Number (PIN) which appears to the right of your address on your proxy form accompanying this Notice of Meeting (it is the 5 digit number in the box) and your NRMA membership number (shown on your Membership card).

You will be taken to have signed your proxy form if you lodge it in accordance with the instructions on the proxy lodgement website.

LODGEMENT DEADLINE

Proxy forms (and the original or certified copy of any power of attorney under which it is signed) must be received by the Returning Officer no later than **10.00 am** (Sydney time) on **Wednesday, 1 November 2006**. Proxy forms received after this time will be invalid for the purposes of this meeting.

BODIES CORPORATE

A body corporate which is a Member or the proxy of a Member may appoint an individual as its representative to exercise all or any of its powers that it could exercise at this meeting. The representative should bring to the meeting evidence of his or her appointment, including any authority under which the appointment is signed, unless it has previously been given to the Company.

Any Member who has not received this Notice of Meeting or a proxy form, or requires replacements, should telephone the NRMA Member Information Line: 1300 658 982.

A copy of this Notice of Meeting may also be viewed and downloaded by accessing the Company's website at www.mynrma.com.au/agm.

Please return your proxy
by 10.00 am Wednesday,
1 November 2006.



helping people

EXPLANATORY NOTES

These notes explain or otherwise relate to the items of business set out in the Notice of Meeting. They form part of the Notice and should be read in conjunction with it.

PART A – ORDINARY BUSINESS

1. Under the Corporations Act 2001 ('Act'), the Directors are required to lay before the meeting the Financial Report and associated reports of the Directors and the Auditors for the financial year ended 30 June 2006. No resolution is required for this item of business. However, Members will have an opportunity at the meeting to ask questions about, or make comments on, these reports and the management of the Company.
2. The Company's Auditors will also be available to take Members' questions about the conduct of the audit, the Auditors' report, the Company's accounting policies and the independence of the Auditors in relation to the conduct of their audit.

PART B – SPECIAL BUSINESS – AMENDMENTS TO THE COMPANY'S CONSTITUTION

An overview of the proposed amendments to the Company's constitution is set out below. The proposed amendments and an explanation of them are set out in Annexure A on pages 10 - 18 of this Notice of Meeting.

A copy of the constitution showing the proposed amendments is also available for inspection at the Company's registered office at Level 23, 388 George Street, Sydney during normal business hours and a copy will be sent to any Member who requests one by telephoning the NRMA Member Information Line: 1300 658 982. Alternatively, a copy may be viewed and downloaded by accessing the Company's website at www.mynrma.com.au/agm

Background and overview

The proposed amendments take into account recommendations provided by Cameron Ralph. Cameron Ralph are independent corporate governance experts commissioned by the Board in May 2006 to undertake a review, in consultation with Members, of the Board election processes and procedures. Cameron Ralph are led by Mr Alan Cameron, a former head of the Australian Securities and Investments Commission - the regulator that oversees companies in Australia.

Cameron Ralph recommended three key constitutional reforms, namely:

- > the retention of the regional Board election system, but a return to 'first past the post' voting within those regions (more detail on this is set out in the explanation of the amendments to rule 15.2 on page 14);
- > including a new provision to prevent 'cherry picking' of proxies. Under the law today, unless you appoint the Chairman as your proxy, even if you direct your proxy how to vote on a particular resolution on your proxy form, your proxy may choose to vote contrary to your direction or not to vote at all on the resolution.

The proposed amendment to the constitution will prevent this from happening, by ensuring that if your proxy has been directed to vote a particular way on a resolution and fails to vote on that resolution or tries to vote contrary to your direction, your proxy appointment will default to the Chairman of the meeting. The Chairman is under a duty to vote as you have directed on your proxy form (more detail on this is set out in the explanation of the proposed new rule 12.4A on page 12); and

- > where a casual vacancy on the Board arises (for example, due to retirement or the death of a director), removing the time limit on the Board to appoint a replacement. The issue here is that the Board should be allowed as much time as it needs to find an appropriate replacement, who has the skills necessary to complement and strengthen the Board. Currently, if the Board chooses to fill a vacancy it must be filled by the end of the second Board meeting after the vacancy occurs. (more detail on this is set out in the explanation of the amendments to rule 13.4(a) on page 13)

The other proposed amendments to the constitution are intended to clarify or simplify the constitution and assist Members. They include:

- > making it easier for Members who request a special general meeting of NRMA to withdraw that request if circumstances change. The amendments also allow the Board at its discretion to meet the costs of cancelling the meeting - currently the costs would need to be borne by the Members who requested the cancellation of the meeting;
- > making it clearer who can exercise the rights of a Member, where the entry on the Members' register is not an individual or a company;
- > making sure that the Directors' obligations to disclose conflicting interests under the constitution are aligned with their obligations under the Act;
- > ensuring the indemnity that can be provided by NRMA to its officers and staff for liabilities incurred by them in that capacity complies with the limitations in the Act;

- > allowing NRMA to save funds by using the same Member data to distribute to Members information for a Board election and a general meeting, when these fall within 45 days of each other (as is usually the case); and
- > making it simpler to determine whether a proxy has or has not been revoked prior to a Member's meeting.

The resolution to amend the constitution is a special resolution. Accordingly, it must be passed by at least 75% of the votes cast by Members (either in person or by proxy, attorney or representative) entitled to vote on it.

The Board other than Richard Talbot recommends that Members vote FOR the resolution to amend the constitution.

The Chairman of the Meeting intends to vote all undirected proxies given to, or otherwise exercisable by, him (in that capacity) "FOR" this resolution.

PART C – SPECIAL BUSINESS – REMOVAL OF RICHARD TALBOT AS A DIRECTOR

1. Background

On 1 September 2006, the Company received:

- > a notice of resolution signed by at least 100 Members of the Company entitled to vote at a general meeting (requisitionists) pursuant to sub-section 249N(1) of the Act; and
- > a notice of intention to move a resolution signed by 6 Members of the Company pursuant to sub-section 203D(2) of the Act; that they propose to move at this meeting the resolution set out in item 2 of this Notice of Meeting, being a resolution to remove Richard Talbot as a Director of the Company (removal resolution).

The removal resolution is an ordinary resolution. Accordingly, it must be passed by more than 50% of the votes cast by Members (either in person or by proxy, attorney or representative) entitled to vote on it.

The Board other than Richard Talbot recommends that Members vote FOR the resolution to remove Richard Talbot as a Director.

The Chairman of the Meeting intends to vote all undirected proxies given to, or otherwise exercisable by, him (in that capacity) "FOR" this resolution.

2. Statement by Requisitionists

Pursuant to section 249P of the Act, the requisitionists also requested the Company to give its Members the following statement in favour of the removal resolution.

By publishing the statement, the Company does not make any representations as to its truth or accuracy.

The statement has been formulated and provided to the Company on behalf of the requisitionists by Mr Ron White (a Member of the Company).

We, five ex-patrols of the NRMA with more than 150 years of service to the company between us, are moving this motion to remove Richard Talbot from the Board of NRMA.

We are deeply concerned by Richard Talbot's endorsement of Budget Direct – an insurance company that also offers to arrange road service for its customers.

We don't think it's right that a Board director of NRMA is being paid to endorse this private multi-national company.

This endorsement could mean less business for NRMA which could mean fewer patrols and maybe even whole areas of NSW without road service altogether.

We are afraid it could mean the end of our NRMA road service as it is today.

We understand that Mr Talbot has refused to quit this endorsement or resign from the NRMA Board. He can't have a foot in both camps.

We spent our working lives helping to make this organisation what it is for our Members and we want it protected and secure for generations to come.

For these reasons, we sincerely ask you to support our AGM resolution to remove Richard Talbot as a Board Director of our beloved NRMA.

Statement given by Ron White on behalf of the fellow ex patrols and Members who have signed the requisition to remove Richard Talbot from the NRMA Board.

3. Board Support for Removal Resolution

Statement by the Board (other than Richard Talbot) in response to receipt of the requisition to remove Richard Talbot as a Director of NRMA:

For more than 80 years NRMA Motoring & Services has sought to work in the best interests of the owners of the company - you, the Members. In past years our iconic brand has endured troubled times brought on by Board division and instability.

NRMA is now starting to put those days behind us and focus on what our Members want. In three years, we have gone from losing \$1 million a week to a profit of \$47.2m last financial year. Which means we can maintain and improve our roadside service and provide other benefits at fees which are comparable to other Motoring Clubs. We are serious about keeping NRMA profitable so that we can continue to deliver better quality service to Members. To do this NRMA needs a Board that is united and focused on the interests of NRMA Members alone.

NRMA Board Member Richard Talbot recently wrote to NRMA Members and the community recommending South African insurer Budget Direct Insurance (BDI). A company of which Mr Talbot is both a director and shareholder, gets paid to endorse BDI. The more money BDI makes, the more money Richard Talbot makes – an unlimited deal potentially worth millions of dollars to him. Business modelling shows that even if just one per cent of car insurance customers in New South Wales make the switch to BDI, Mr Talbot and his associates stand to make more than a million dollars.

At no time did Mr Talbot tell the Board that he was personally endorsing BDI for financial benefit. We believe Richard Talbot is trading on his name as an NRMA Board Member to make money.

Why are Richard Talbot's actions damaging to NRMA?

First, BDI offers to arrange roadside assistance for people who take out motor insurance. This service is in direct competition with NRMA Motoring & Services' core business – roadside assistance.

Second, BDI's motor insurance product is a direct competitor to NRMA Insurance. While NRMA Motoring & Services and NRMA Insurance are two separate and independent companies, we share a distribution network across NSW and the ACT and have shared commercial interests. More than one third of our memberships are sold through the NRMA Insurance network, more than half of NRMA's two million Members are NRMA Insurance policyholders and, as a result of demutualisation, a significant number are IAG shareholders. NRMA membership is often sold to customers when they purchase or renew their insurance policies. The endorsement by Mr Talbot therefore puts at risk a vital source of our income and conflicts with our business.

We are also in the process of finalising negotiations with NRMA Insurance so that Members will be able to use their NRMA membership to receive insurance benefits. A program is underway for membership of NRMA Motoring & Services to act as a qualifier for multi-policy discounts with NRMA Insurance and other benefits from being an NRMA Member.

Third, NRMA's network of Country Service Centres relies heavily on income from NRMA Insurance to supplement the road service they provide throughout regional NSW. If it becomes harder for our Country Service Centres to survive, road service in country areas could be threatened.

Because of these matters, the Board other than Mr Talbot, unanimously believes that Mr Talbot's endorsement of BDI creates a conflict of interest between his position as director of NRMA and his financial self-interest resulting from the endorsement.

The Board was so concerned by Mr Talbot's actions that it asked the St James Ethics Centre to conduct a review. St James is a not for profit charity which specialises in ethical issues. Initially, Mr Talbot participated but withdrew his participation in the review after receiving the final draft opinion of St James as he felt that Dr Longstaff had a conflict of interest. As a result, the opinion has not been able to be finalised.

Since the Board became aware of his endorsement in late May, the Company wrote to Mr Talbot on several occasions asking him to make a full disclosure of his interest as required by law and the constitution. In each reply, Mr Talbot failed to disclose the nature and extent of his involvement with BDI and his endorsement of BDI's insurance products.

The Board asked Mr Talbot to publicly retract his endorsement of BDI or resign from the NRMA Board. He has done neither.

To protect the financial and commercial interests of NRMA, its Members, Country Service Centres and other stakeholders, the Board has been forced to place restrictions on the information provided to Mr Talbot that relates to his conflict of interest, including information relating to roadside assistance.

At the June, July and August Board meetings, all directors asked Mr Talbot to declare the nature and extent of his interest in BDI. Mr Talbot refused to elaborate on his previous correspondence.

We want to stress that this is not a split in the Board like the trouble and instability experienced by previous Boards. The rest of the Board is unanimous in its view that Mr Talbot has a clear conflict of interest.

As an NRMA Board Member Mr Talbot's focus should be on ensuring that the NRMA delivers better services for its Members and making sure that NRMA remains profitable – not publicly advocating for personal gain the products of a company which could take business away from NRMA.

The Board believes that if Mr Talbot was genuine about his desire to give NRMA Members a better insurance deal he would have brought the BDI proposal to the Board instead of endorsing the product for personal gain.

It is for these reasons that ALL the other Board Members support the requisition from Members for the removal of Richard Talbot from the Board.

As Board Member Dawn Fraser said, "In my long association with the NRMA this is the most effective and united Board I have seen or served on. We are truly focused on making the NRMA better for Members, with the exception of Richard Talbot who can't seem to understand the need for the Board to work together and for a common purpose".

As a Member of NRMA your vote will send a very important message about what type of Board you want your NRMA to have.

A vote to support this motion sends the message that as an NRMA Member you want a Board that is united and focused on delivering services in the best interests of NRMA Members.

That is why the NRMA Motoring & Services Board sincerely asks that you support the motion to remove Richard Talbot from the Board.

4. Statement by Mr Talbot

NRMA COMMENT

There are a number of statements in the following statement from Mr Talbot which the Board believes are inaccurate and which Members should be aware of. The Board's comments on Mr Talbot's statement are set out after Mr Talbot's statement.

The Board strongly urges you to read Mr Talbot's statement in light of the Board's comments.

In accordance with section 203D of the Act, Mr Talbot has given the following statement to the Company for circulation to its Members.

By publishing the statement, the Company does not make any representations as to the truth or accuracy of Mr Talbot's statement.

Dear fellow Member,

For 75 years, the NRMA Roadservice owned NRMA Insurance. In that time, NRMA Insurance subsidised the Roadservice operations. This is what helped keep your Roadservice membership fees so low for so long.

In 2000, the NRMA Roadservice was split from NRMA Insurance. They became 2 totally separate and unrelated companies, a fact which many Members still don't realise. NRMA Roadservice remained a mutual company owned by its Members, but NRMA Insurance became a subsidiary of IAG Limited (IAG). IAG is a listed company whose primary purpose today is to make profits for its shareholders, using the NRMA brand and logo.

Most importantly, what also occurred with the split up in 2000 is that NRMA Roadservice was prohibited from ever selling insurance again. In fact, it was barred from even giving advice to its 2 million Members about the best car insurance products available.

I was the only Director who opposed this split up in the Supreme Court. I argued against it, saying that it would result in higher membership fees and higher insurance premiums. I'll let you decide if I was correct.

In 2005, I was elected to the Board with the highest number of votes of all candidates. I made one very important promise: to do everything I could to establish a new mutual insurance company, to again subsidise NRMA Roadservice, so that Members could again have cheap membership fees and cheap insurance.

I put this on the table at the very first Board meeting, and I have continued doing all that I can since then. However, I am only 1 out of 9 Directors.

In the meanwhile, I decided to endorse Budget Direct Insurance because I was concerned that many motorists were being ripped off and paying too much for their car insurance.

Members should be outraged that the NRMA Roadservice could not make a similar recommendation even if it thought the same way. This is because of the restraints imposed on it by the Business Relationship Agreements (BRA's) with IAG. These BRA's were entered into at the time of the split up.

What could be more in the interests of NRMA Members than for their Roadservice to make recommendations about the best car insurance products available to them?

I have been accused of endorsing a rival Roadservice. This is not true. I have never endorsed any other road service to compete against our NRMA Roadservice. Why am I now being targeted for removal from the NRMA Board for personally endorsing car insurance, which the NRMA Roadservice does not and cannot provide?

I have served more years as a Director of NRMA Roadservice than any other current Board Member. In the past 10 years, I have been a staunch opponent of policies I felt were not in the interests of Members, implemented by the Boards led by Presidents Nick Whitlam and Ross Turnbull and now the current Board.

Over the years, I have opposed matters I felt to be of corporate excess or wrongdoing and have spoken out in the interests of ordinary Members. Here are some examples of what I've been doing this year on the Board.

- *A resolution (put by me but not supported by any other Director) that Member's funds should not, under any circumstances, be used for donations to political parties.*
- *A resolution (passed by the Board and opposed only by me) authorizing the President to visit motoring clubs in Canada, North America and Europe, at Members' expense.*

- A resolution (put by me but not supported by any other Director) to amend the Company's constitution so as to require any vote to demutualise the Company to be passed by a 75% majority of all Members, not just the Members who vote.
- A resolution (put by me but not supported by any other Director) allowing any Director to communicate with Members in the Open Road Magazine about any particular issue that the Director considers to be of significant interest to the Members.
- A resolution (passed by the Board and opposed only by me) approving the deal to buy Thrifty Car Rentals, which was a business that had been run at a multi-million dollar loss for many years.
- I have attacked the restraint of trade imposed on the NRMA Roadservice by the BRA's. I strongly believe that these restraints are illegal, and are ultimately preventing NRMA Members from receiving cheaper Roadservice and cheaper insurance premiums. The Company should seek to have these restraints on its operations lifted.
- I have also questioned the Company's substantial shareholding in IAG. I don't believe that the NRMA Roadservice should be holding such a large number of shares in an organisation which holds a restraint of trade over it, and prevents it from carrying out some of its core objectives.
- I was the only Director to request an investigation by a retired Supreme Court judge into the 2003 AGM and 2003 Board of Directors election, at which the terms of office of a number of current Board Members was extended, and the Board of Directors election results voided and withheld from Members.
- I have made numerous requests for information which have been refused, including the remuneration package for the CEO, the amount of money donated by the Company to political parties, the results of the 2003 Board of Directors election, the balance sheets for the Thrifty Car Rentals business, the disclosures of material personal interests of all other Directors, and so on.

In the last several months, not only has this information been withheld from me, but my Board papers have been almost completely censored of any financial information and business dealings.

If you support what I have been doing in the NRMA, then I urge you to voice your opposition to my removal as a Director and vote against this resolution.

The Board (other than Richard Talbot) makes the following comments in relation to Mr Talbot's statement.

'Establishing a Mutual Insurer'

Mr Talbot states that he made 'one very important promise' should he be elected as a director – to do everything he could to establish a new mutual insurer. He also states that 'I put this on the table at the very first Board meeting and I have continued doing all that I can since then'.

Mr Talbot has been aware that, following his request to do so, NRMA was conducting a feasibility study into establishing a mutual insurer. Well over \$100,000 of Members' funds have been spent on this serious exercise. Mr Talbot was invited to put forward his proposals to NRMA's Finance and Investments Committee (FIC) which was undertaking the study and to contact the Chairman of FIC at any time for updates on progress. He did neither. The study was ongoing when Mr Talbot announced his endorsement of Budget Direct Insurance (BDI) yet he did not inform the Board of his proposed endorsement.

In his own press release on his endorsement of BDI issued on 29 May 2006, Mr Talbot stated 'I've championed the principles of mutual insurance for many years, but with the shake out of the industry in recent times I have found that there is a more competitive car insurance alternative for consumers...'

As we discovered after Mr Talbot's endorsement of BDI this was not the first time Mr Talbot had sought to endorse a commercial insurance product for a financial benefit. NRMA understands that he had approached IAG Limited previously with a proposal to endorse NRMA Insurance products for a commission.

It is for Members to form their own view on Mr Talbot's statements and actions but they are not consistent with each other.

'Untrue accusation'

Mr Talbot states that he has not endorsed a rival road service. The facts speak for themselves. Mr Talbot has directed Members and the public in NSW generally to a company which offers roadside assistance to its customers. This is in direct competition with NRMA's core business and is damaging to NRMA's business in the ways outlined in the Board's response

to the removal resolution above. Mr Talbot made this endorsement at a time when he was a director of NRMA and a company of which he is both a director and shareholder receives a commission for this endorsement. BDI's call centre referred to Mr Talbot as a Director of NRMA.

'Opposing matters of corporate excess and wrongdoing'

Mr Talbot seems to imply that he is the only person on the Board who is concerned with good governance and probity. This is emphatically not the case. These issues are very important to all other Board Members, who have acted properly throughout this time. Since his endorsement of BDI in May, the Board has provided Mr Talbot with every opportunity to meet his disclosure obligations including through 5 letters from the President and the Company Secretary and an opportunity to explain his position at three Board meetings.

'Conflict not explained'

Throughout this period, Mr Talbot has been asked 2 questions:

- (a) to fully disclose the nature and extent of his interest in BDI; and
- (b) to resolve the conflict between his duty as a director of NRMA and his personal financial interest arising from his endorsement of BDI by either publicly retracting his endorsement or resigning from the Board.

The Board has tried to explain to Mr Talbot the effect of his endorsement on NRMA. In order to allow an independent view to be provided to NRMA and Mr Talbot, the Board retained Dr Simon Longstaff of the St James Ethics Centre to examine Mr Talbot's conduct from an ethical perspective. Mr Talbot was given the opportunity, which he took, to express his views to Dr Longstaff.

Mr Talbot withdrew from the process after he had read Dr Longstaff's final draft opinion as he felt that Dr Longstaff had a conflict of interest. As a result, the opinion could not be finalised. However, at or about the time of Mr Talbot's withdrawal, the final draft opinion was provided to the media. Neither NRMA nor St James was responsible for this. Dr Longstaff concluded in his opinion:

'Mr Talbot's actions do not conform to the standard of behavior of a director of NRMA Motoring & Services which its Members and the broader community would expect and are not otherwise appropriate from an ethical perspective'

Dr Longstaff has since confirmed that the opinion in its current state was prepared with diligence, in utmost good faith and represents a true account of Dr Longstaff's views and opinion. A copy of the final draft opinion is available at www.mynrma.com.au/agm/stjames.

The Board also undertook an investigation into an unauthorised disclosure of confidential information in May and June this year. Mr Talbot was one of a number of people who were asked to participate in the investigation, which involved all Directors and some staff Members. Mr Talbot was the only person not to participate.

Other statements by Mr Talbot

Mr Talbot's statement refers to a number of matters which NRMA has already discussed with him at great length and expense, issues which have previously been rejected by Members in general meetings, and matters that Mr Talbot could have more fully informed himself about. For Members' benefit in considering Mr Talbot's statement, some examples are set out below.

- (a) **Thrifty:** Thrifty Car Rentals made a profit of over \$1million after tax for the year ended 31 March 2006. The current projections for this financial year are substantially higher than that figure and NRMA has put in place a number of measures to improve profitability and to provide benefits to Members.

At the May Board meeting, Mr Talbot was offered an opportunity to arrange to meet with the Chairman of FIC to discuss his concerns regarding Thrifty and fully inform himself in relation to his concerns. He did not take up this offer.

- (b) **Directors' disclosure of interests:** Mr Talbot is fully aware of the other Directors' interests. All Directors were required to fully disclose their interests when the new Board convened in December 2005. All Directors other than Mr Talbot have disclosed any interests that relate to the affairs of NRMA as and when they have become aware of those interests. It is Mr Talbot who has failed to disclose his interests as required by law and NRMA's constitution. Indeed, the other Directors have each indicated that if the Board considers they have a potential conflict of interest they will comply with the Board's directions at all times.

- (c) **2003 AGM:** Issues relating to the 2003 AGM and the 2003 half Board Elections have already been the subject of a court case against NRMA brought by Mr T Shelton, a Member of Mr Talbot's Motorists' Action Group. Mr Shelton's claim was struck out and Mr Shelton subsequently discontinued the proceedings. He remains liable to NRMA for over \$150,000 of NRMA's legal costs.

All other Board Members went out of their way to welcome Mr Talbot following his election and exercised great patience when Mr Talbot sought to raise issues from NRMA's past. Since Mr Talbot's election to the Board, numerous letters have been exchanged between Mr Talbot and NRMA's General Counsel relating to the 2003 AGM and 2003 half Board Elections. NRMA believes Mr Talbot's arguments are unfounded and NRMA cannot see a proper purpose to Mr Talbot's request in relation to an investigation either the 2003 AGM or the half Board Election in 2003 particularly given that a full Board election has since taken place.

The Board is not prepared to expend Members' funds on an investigation that will bring no tangible benefit to NRMA or its Members. The Board will defend NRMA's position in any legal proceedings brought on this issue (which Mr Talbot has since stated he intends to take).

- (d) **Space in 'Open Road':** The Open Road is a member-focussed magazine. It is not the forum for individual Directors to air their own opinions.
- (e) **Resolution on Demutualisation:** An equivalent resolution regarding demutualisation was put to the 2001 AGM. It was rejected by Members at that time.
- (f) **Business Relationship Agreements (BRAs) and IAG:** The issue of NRMA's relationship with IAG, including the BRAs, was discussed in detail at the Board's strategy meeting on 15 and 16 February 2006. Following that meeting, the Board agreed the new strategy for NRMA over the next 4 years. Mr Talbot did not indicate any disagreement with that strategy, which included NRMA's ongoing relationship with IAG and the shares it holds in IAG. The Board strongly believes Mr Talbot's actions are significantly at odds with the very strategy he was involved in formulating.
- (g) **'Political donations':** In accordance with NRMA's Sponsorships Policy, NRMA representatives do attend political functions from time to time. This is an important part of strengthening our advocacy programs. The policy stipulates that amounts must be evenly distributed across the political spectrum. Apart from this, no donations are made to political parties. Mr Talbot has been provided with a copy of the Sponsorships Policy.

Finally, NRMA agrees with Mr Talbot that his Board papers have had information withdrawn from them. NRMA has done this in relation to matters which it considers relate to his interest in BDI and that could be of benefit to BDI. This course is taken because of Mr Talbot's failure to fully disclose his interest relating to BDI and the conflict between that endorsement and his duties as a director. This step was not taken lightly. Rather, it has been taken in order to protect the NRMA and its stakeholders.

The Board other than Richard Talbot recommends that Members vote FOR the resolution to remove Richard Talbot as a Director. The Chairman of the Meeting intends to vote all undirected proxies given to, or otherwise exercisable by, him (in that capacity) "FOR" this resolution.

ANNEXURE A – SPECIAL BUSINESS – AMENDMENTS TO THE COMPANY'S CONSTITUTION

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
5(b)	<p>Subject to the Act, the Register will close for a period of not less than 48 hours and not more than 45 days as determined by the Board prior to the date of each of:</p> <p>(i) a meeting of Members; or</p> <p>(ii) the close of the Voting Period. <u>Subject to the Act, the Board may close the Register for a period of not less than 48 hours and not more than 45 days prior to the date of a meeting of Members or the close of the Voting Period. Where the period between the date of a meeting of Members and the close of the Voting Period is 45 days or less, the Board may extend the period during which the Register is closed prior to the later of those dates for a further period of up to 25 days.</u></p> <p>Nothing in this Rule 5(b) will prevent the Company receiving applications for membership and any applicable Membership Application Fees or Annual Subscription Fees from the applicants or providing road or other service to the applicants. Any person applying for membership during the period the Register is closed will not be entered into the Register until after the Register is re-opened.</p>	<p>The mail out to Members of the necessary documentation for a Board election and for a general meeting is a significant logistical exercise. This amendment will allow the same Member data to be used for both the general meeting and the Board election.</p> <p>This would ordinarily be the case where a Board election and the Annual General Meeting are held in the same year (as happened last year).</p> <p>Where the period between the date of the general meeting and the date of the close of the Voting Period for a Board election is 45 days or less, the Board will be allowed to close the Register of Members for a maximum period of 70 days prior to the later of those two dates.</p>
7.5(c)	<p>Where two or more persons (whether as a partnership, association or otherwise) are admitted as a single Member and such single membership is entered in the Register under a firm or business name, in respect of that single membership:</p> <p>(i) a person named in the Register will not be entitled to be elected to the Board unless such named person is a current proprietor of such firm or business name; and</p> <p>(ii) only a current proprietor, named in the Register, of that business name will be entitled to nominate a person for election as Director, vote in any election, vote at any meeting of Members, be counted in forming a quorum for any such meeting, propose any resolution or give notice of intention to do so. <u>the Board may make rules concerning which of those persons is or are entitled to be named in the Register in respect of that single membership and may delegate, on such terms as it sees fit, to such persons as it may determine from time to time, the power to do so.</u></p>	<p>Currently, rule 7.5(c) contemplates a firm or business name being entered in the Register of Members as a Member and to tries to regulate how the proprietor of that firm or business name can exercise membership rights.</p> <p>A firm or business name is not a 'legal person' like an individual or a company and cannot be a Member. Further, a current proprietor of a business name, cannot exercise the voting and other rights of a Member.</p> <p>The proposed amendment to rule 7.5(c) will allow the Board to make rules concerning how membership rights in these cases can be exercised.</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
9.3(b)	<p>the Board may cancel or postpone a general meeting of the Company which has been convened by the Board upon requisition by a Member or Members <u>on the request of Members</u> pursuant to section 249D of the Act upon receipt of a withdrawal of the requisition <u>upon receipt of a request for, or consent to, the withdrawal of the request or the cancellation of the meeting.</u> <u>The request or consent must:</u></p> <p>(i) <u>be in writing;</u></p> <p>(ii) <u>be signed by more than such number of Members who signed the request (or their duly authorised agent) as equals the difference between the total number of Members who signed the request and the minimum number of Members from time to time entitled to request the calling and holding of a general meeting under that section; and</u></p> <p>(iii) <u>be given to the Company.</u></p> <p><u>Separate copies of a document setting out the request or consent may be used for signing by Members if the wording of the request or consent is identical in each copy.</u></p>	<p>The principal purpose of the proposed amendment to rule 9.3(b) is to clarify what constitutes a "withdrawal" of a Members' request to call a general meeting of Members made under section 249D of the Act. Members may wish to withdraw their request if circumstances have changed since the request was made.</p> <p>The Act allows a request to be made by a minimum of 100 Members. Once received, the Company must hold the meeting.</p> <p>Currently, if Members have validly requested a general meeting, arguably they can only withdraw that request if all of them agree.</p> <p>The amendment allows for a request to be considered withdrawn if the number of Members who continue to request the meeting falls beneath the statutory minimum.</p> <p>For example, if 150 Members request a meeting, but before the meeting is called 90 Members wish to withdraw or postpone their request, as only 60 Members now request the meeting to be held the meeting may be cancelled or postponed.</p> <p>The Company cannot cancel a meeting of its own volition.</p>
9.3(e)	<p>the cost of cancelling or postponing a general meeting under Rules 9.3(c), (d) or (e) will be borne by the Member or Members withdrawing the requisition or cancelling or postponing the meeting unless the Board otherwise determines:</p> <p>(i) <u>the cost of cancelling a general meeting convened under Rule 9.3(b) must be paid by the Members who signed the withdrawal or cancellation request or consent referred to in Rule 9.3(b); and</u></p> <p>(ii) <u>the cost of cancelling or postponing a general meeting convened under Rules 9.3(c) or (d) must be paid by the Members who convened that meeting.</u></p>	<p>The amendment to rule 9.3 complements the amendment to rule 9.3(b), and allows the Company at its discretion to bear some or all of the costs of the cancelled or postponed meeting.</p> <p>Currently, the costs of cancellation or postponement must be met by the Members who request the cancellation or postponement.</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
12.3	<p>Not less than 48 hours before the time for holding the meeting, the adjourned meeting or the poll <u>before the time for holding the meeting or adjourned meeting as the case may be</u> at which a person proposes to vote by proxy or attorney, there will be received at the Office or such other place as is specified for that purpose in the notice of meeting, or be transmitted to a facsimile number at the Office or a facsimile number or electronic address specified for that purpose in the notice of meeting:</p> <p>(a) the written instrument of appointment as proxy or attorney; and</p> <p>(b) any authority or power under which the document referred to in Rule 12.3(a) was signed <u>or authorised</u> or a notarially certified copy of that power or authority <u>and in default the written instrument of appointment shall be invalid.</u></p>	<p>The proposed amendments to rule 12.3 are intended to align the rule with the provisions of the Act and to make it clear that all instruments of appointment of a proxy or attorney must be received not less than 48 hours before the time for holding a meeting or adjourned meeting (as the case may be) in order for them to be valid.</p> <p>This will correspond with the proxy lodgement deadline set out in sub-section 250B(1) of the Act.</p>
12.4A	<p>Insert the following new rule 12.4A immediately after rule 12.4:</p> <p><u>“12.4A Default appointment of chairman as proxy</u> <u>Where:</u></p> <p>(a) <u>a person other than the chairman of the meeting is, and at the time of voting on a particular resolution remains, duly appointed as the proxy or attorney of a Member or the representative of a body corporate which is a Member or the proxy or attorney of a Member; and</u></p> <p>(b) <u>the instrument or resolution appointing the proxy, attorney or representative directs that person to vote for or against, or to abstain from voting on, a particular resolution; and</u></p> <p>(c) <u>the proxy, attorney or representative:</u></p> <p>(i) <u>does not vote as directed on a poll on the resolution; or</u></p> <p>(ii) <u>fails to vote on a poll on the resolution (except where the proxy, attorney or representative is directed to abstain from voting on it)</u></p> <p><u>then, despite anything to the contrary in such instrument or resolution, the chairman of the meeting will be taken to be appointed as the appointor’s proxy, attorney or representative (as the case may be) to vote on the appointor’s behalf on the poll on the resolution in accordance with the appointor’s direction.”</u></p>	<p>This is one of the key recommendations proposed by Cameron Ralph</p> <p>The purpose of the proposed new rule 12.4A is to introduce an additional measure to overcome the effect of any “cherry-picking” of directed proxy votes by non-chair proxy holders on a poll taken on a resolution put to a general meeting.</p> <p>Where that occurs or the non-chair proxy holder actually votes contrary to a direction, the new rule provides for a default appointment of the chair as the Member’s proxy to vote on the Member’s behalf in accordance with the Member’s directions. This will enfranchise Members whose votes would not otherwise be counted because of the cherry-picking of their directed proxy votes.</p> <p>A default appointment of the chair under the proposed new rule 12.4A will not arise where the original appointment fails for any reason. A default appointment of the chair will arise in the relevant circumstances despite anything to the contrary in the proxy form.</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
12.6	<p>A vote cast in accordance with the terms of an instrument of proxy or power of attorney will be valid even if before the vote was cast the appointor:</p> <p>(a) died;</p> <p>(b) became of unsound mind; or</p> <p>(c) revoked the proxy or power;</p> <p><u>(d) revoked the authority under which the proxy was appointed by a third party; or</u></p> <p><u>(e) ceased to be a Member.</u></p> <p>unless written notification of the relevant event is received at the Office before the meeting, adjourned meeting or the taking of the poll at which the relevant instrument was used <u>before the start or resumption of the meeting at which the instrument is used or the power is exercised.</u></p> <p>The Chairman's decision as to whether a proxy has been revoked will be final and conclusive.</p>	<p>The amendments to rule 12.6 will preserve the validity of a vote cast by a proxy or attorney of a Member despite the prior revocation of the proxy appointment or power of attorney (and other specified events) unless written notice of that revocation or other event is received before the meeting (or, if applicable, the adjourned meeting).</p> <p>As the constitution currently stands, a proxy or power of attorney could be revoked before any particular poll taken during the meeting. This has the potential for confusion if the poll is taken, for example, three hours after the meeting has started. .</p> <p>The other proposed amendments specify additional events which would invalidate, or potentially invalidate, a proxy appointment.</p>
13.4(a)	<p>Where the office of a Director becomes vacant the Board must fill the vacancy not later than the second Board meeting following the date on which the vacancy occurs. <u>The Board may at any time appoint any person who is qualified to be a Director pursuant to Rule 13.2 (other than a person disqualified under the Act) as a Director to fill a casual vacancy.</u> Such an appointment must not be made during an Election Period unless the number of Directors is less than the quorum required in Rule 20.2.</p>	<p>This is one of the key recommendations proposed by Cameron Ralph</p> <p>The proposed amendment to rule 13.4(a) will: (i) clearly empower the Board to appoint a duly qualified person as a Director to fill a casual vacancy and (ii) remove the "second Board meeting" deadline for the filling of a casual vacancy.</p> <p>The Board should be free to decide whether or not to fill a casual vacancy and if they decide to do so, they should take as much time as they need to find the appropriate person for the benefit of the Company.</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
15.2	<p>(a) If at the close of nominations there is only one <u>eligible</u> candidate <u>duly</u> nominated for <u>election for</u> a Region, <u>no election shall take place for that Region and</u> the Principal Returning Officer shall as soon as practicable after the close of nominations report that fact to the Secretary.</p> <p>(b) If at the close of nominations there are two or more <u>eligible</u> candidates <u>duly nominated</u> for election for a Region then, subject to Rule 15.2(e), an election shall take place <u>for that Region</u> in accordance with Schedule 1 <u>this Constitution</u> and the Election Rules. <u>If any candidates in a Region have an equal number of votes the Principal Returning Officer shall have a casting vote which must be determined by lot.</u> As soon as practicable after the counting of the vote the Principal Returning Officer shall <u>give a</u> report the result of the election <u>setting out the number of votes given for each candidate to the Secretary.</u></p> <p>(c) The Secretary shall in writing declare as elected the candidate in each Region who, according to the Principal Returning Officer's report, is entitled to be declared elected <u>received the highest number of votes for the Region</u> or was the only candidate nominated for the Region. The persons declared elected shall take office in accordance with Rule 13.3.</p>	<p>This is one of the key recommendations proposed by Cameron Ralph</p> <p>The principal purpose of the proposed amendments to rule 15.2 is to replace the current method of full preferential voting by Members at Board elections with the “first past the post” method of voting i.e. the successful candidate for an electoral Region will be the one who receives the highest number of votes for the Region (see rule 15.2(c)).</p> <p>The proposed deletion of schedule 1 (which contains detailed provisions regulating the full preferential method of voting at Board elections) noted below complements this amendment.</p> <p>The full preferential voting system was used for the first time in the 2005 Board elections.</p> <p>Cameron Ralph concluded that a “first past the post” system was preferable in a corporate environment because, amongst other things, it: (i) gives the voter a clear choice, (ii) keeps the decision in the hands of the voters rather than registered groups of candidates (through preference deals), (iii) reduces the risk of informal voting as only one vote is required, (iv) does not require voters to make relative judgements about all of the candidates, and (v) is generally easier to administer and count.</p> <p>It also proposed that rule 15.2(b) specifically provide that where 2 or more candidates have an equal number of votes the successful candidate shall be determined by lot drawn by the Returning Officer. The other proposed amendments are for clarification purposes only.</p>
15.3(a)	<p>The Board may determine rules, not inconsistent with this Constitution, for or with respect to the conduct of the elections of Directors that by this Constitution are required or permitted to be prescribed or that are necessary or convenient to be prescribed for carrying out or giving effect to this Constitution including:</p> <p>....</p> <p>(vii) the manner of indicating the candidate for whom a Member votes and the order of the Member's preferences for them;</p> <p>....</p>	<p>The proposed deletion of the reference to Member's preferences in rule 15.3(a)(vii) is consequential to the proposed replacement of the full preferential voting system for Board elections with the “first past the post” method of voting.</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
18.2	<p>Subject to Rule 18.1 and the Act, but despite any rule of law or equity to the contrary, if a Director has disclosed the nature of his or her interest in any matter that relates to the affairs of the Company in accordance with sections 191 and 192 of the Act if a Director has given notice of his or her material personal interest in a matter that <u>relates to the affairs of the Company in accordance with section 191 of the Act or a standing notice of the nature and extent of his or her interest in such a matter in accordance with section 192 of the Act and the standing notice is still effective in relation to the interest:</u></p> <p>(a) the Director may vote on <u>may be counted in a quorum at a Board meeting that considers, and may vote on,</u> matters that relate to the interest <u>unless the Board resolves otherwise;</u> and</p> <p>(b) any transactions that relate to the interest may proceed <u>and the Director may participate in the signing of any relevant document by or on behalf of the Company;</u> and</p> <p>(c) the transactions may not be avoided by the Company by reason of the Director's position or interest; and</p> <p>(d) the Director will not be liable to account to the Company for any profit or benefit made under the transactions.</p>	<p>The proposed amendments to rule 18.2 are intended to ensure that the Directors' disclosure of interest obligations under the constitution correspond with the statutory notification processes under sections 191 and 192 of the Act.</p> <p>The proposed amendments to rules 18.2(a) and (b) will clarify the scope of actions permitted to be undertaken by an interested Director who has complied with his or her disclosure obligations.</p>
18.3	<p>A Director who holds any office or possesses any property where, whether directly or indirectly, duties or interests might be created in conflict with his or her duties or interests as a Director must give the other Directors standing notice of the interest in accordance with section 192 of the Act and at the first meeting of Directors held after the relevant facts come to the Director's knowledge declare the fact, nature, character and extent of the conflict <u>notice of the interest in accordance with the Act.</u></p>	<p>The principal difficulty with rule 18.3 as it stands is that it obliges a director to give a standing notice of interest under section 192 of the Act in circumstances where disclosure under section 191 is equally (and most likely more) appropriate.</p> <p>The proposed amendment addresses this difficulty by requiring disclosure of the relevant interest in accordance with the relevant provisions of the Act (whether that be section 191 or 192 of the Act).</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
23.3(b)	<p>The election of an office bearer shall be conducted in accordance with Schedule 1 <u>the following paragraphs of this Rule 23.3.</u></p> <p>(c) <u>Nominations for the office of President and Deputy-President must be called for and received by the Secretary or such other person appointed by the Board to conduct the election (“returning officer”).</u></p> <p>(d) <u>If more than one candidate for an office is nominated, a ballot must be conducted to elect the office bearer.</u></p> <p>(e) <u>If only 2 candidates are nominated, a Director may record a vote by writing on the ballot paper the name of the candidate for whom the Director desires to vote.</u></p> <p>(f) <u>If more than 2 candidates are nominated, the ballot papers must contain the names of the candidates in alphabetical order determined by reference to their surnames.</u></p> <p>(g) <u>In all cases, a Director shall mark and hand the ballot paper to the returning officer in such manner as not to disclose to other Directors his or her voting intentions.</u></p> <p>(h) <u>The person chairing the meeting of the Board at which the office bearer is to be elected shall declare as duly elected:</u></p> <p>(i) <u>if only one candidate is nominated, that candidate; or</u></p> <p>(ii) <u>otherwise, the candidate who, according to the returning officer’s report, received the highest number of votes; or</u></p> <p>(iii) <u>if 2 or more candidates receive an equal number of votes, the candidate whose name is determined by lot drawn by the returning officer in accordance with Rule 23.3(i).</u></p> <p>(i) <u>In the circumstances referred to in Rule 23.3(h)(iii), the returning officer shall write the name of each candidate on similar slips of paper and draw one of those slips at random. The name of the candidate on such slip shall be the person eligible to be declared elected.</u></p>	<p>As noted above, it is proposed to amend rule 15.2 to replace the current method of full preferential voting at Board elections with a “first past the post” method of voting.</p> <p>A full preferential method of voting also applies to any ballot which may be required for the purpose of the election by the Board of a director to the offices of President and Deputy-President where there are more than 2 candidates for a position (rule 23.3 (b) and schedule 1).</p> <p>The Board considers that a full preferential method of voting for any such ballot is unnecessarily complicated and proposes that it also be replaced with a “first past the post” method of voting.</p> <p>It is also proposed that schedule 1 be deleted (see below) and that the material provisions governing the election of the office bearers set out in schedule 1 be inserted in proposed new rules 23.3 (c) to (i).</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
30	<p>Except as precluded by the Act, every Officer, auditor or agent of the Company must be indemnified by the Company against any liability incurred by that person in that capacity.</p> <p><u>“30.1 Persons to whom Rule 30.2 applies</u></p> <p><u>Rule 30.2 applies:</u></p> <p>(a) <u>to each person who is or has been a Director or Secretary of the Company; and</u></p> <p>(b) <u>to such other officers (as defined in Rule 2.1), employees, former officers (as defined in Rule 2.1) or former employees of the Company or of its Related Bodies Corporate as the Directors in each case determine.</u></p> <p><u>(each an Officer for the purposes of this rule).</u></p> <p><u>30.2 Indemnity</u></p> <p><u>The Company must indemnify each Officer on a full indemnity basis and to the full extent permitted by law against all losses, liabilities, costs, charges and expenses (Liabilities) incurred by the Officer as an officer of the Company or of a Related Body Corporate.</u></p> <p><u>30.3 Deed</u></p> <p><u>The Company may enter into a deed with any Officer or a deed poll to give effect to the rights conferred by or under this Rule 30 or the exercise of a discretion under this Rule 30 on such terms as the Board thinks fit which are not inconsistent with this Rule 30.”</u></p>	<p>It is proposed to modify the scope of the existing indemnity under rule 30 in three ways; first, so that it no longer applies to the Company’s auditors or agents, secondly, so that it applies automatically to former directors and Company Secretaries (as well as current directors and the Company Secretary as is presently the case) and thirdly, so that it will apply to such other present or former Officers and employees of the Company and its related entities as the Directors may determine.</p> <p>The indemnity in the proposed new rule 30.2 applies to the full extent permitted by law.</p> <p>Under the proposed new rule 30.3, the Company can enter into a deed to give effect to new rule 30 provided that the terms of the deed are not inconsistent with the proposed new rule.</p>
31	Delete rule 31. (Transitional)	<p>Rule 31 contains transitional provisions dealing with the composition of the Board and other matters in the period immediately following upon the adoption of the current constitution at the 2003 AGM.</p> <p>Rule 31 is now redundant and it is proposed that it be deleted.</p>

Rule	Proposed amendments (mark-ups show proposed changes to the existing rules)	Explanation
Schedule 1	Delete Schedule 1 (Conduct of Elections – Full Preferential) and substitute “Schedule 1” for “Schedule 2” wherever that expression appears.	As a consequence of the proposed replacement of the current method of full preferential voting at Board elections and for any ballot which may be required for the election by the Board of the President and Deputy-President with a “first past the post” voting system, schedule 1 will become redundant. It is proposed that it be deleted.
Schedule 3	Delete Schedule 3 (Conduct of ballot to determine Directors for the purposes of rule 31.4(d))	Schedule 3 regulates the conduct of any ballot which may have been required to determine the 5 directors who were to retire at the first Board meeting after the 2003 AGM. It is now redundant and it is proposed that it be deleted.

Set out below are the full Conditions of Entry for the competition being conducted by NRMA Motoring & Services in relation to the 2006 AGM, which allows eligible Members within NSW and the ACT to be included in the draw to win one of five Caltex fuel cards worth \$5,000.00 each.

CONDITIONS OF ENTRY

1. Information on how to enter and prizes forms part of these Conditions of Entry.
2. The promoter is National Roads and Motorists' Association Limited, trading as NRMA Motoring & Services, ABN 77 000 010 506 of Level 23, 388 George Street, Sydney ("NRMA" or "Promoter"). NRMA's telephone number is (02) 13 11 11.
3. Competition commences 9.00 am (Sydney time) on September 25, 2006 and concludes at 9.00 am (Sydney time) on November 4, 2006.
4. Entry is only open to the Members of NRMA who (i) under the constitution of NRMA are entitled to vote at the Annual General Meeting ("AGM") and (ii) whose address as recorded in NRMA's Register of Members on the closing of such Register for the purposes of the AGM, is within New South Wales or Australian Capital Territory. Employees and directors of NRMA and its related entities, Computershare Investor Services Pty Limited and its related entities, companies and agencies associated with the competition, including any prize providers, and the immediate families of the above listed persons are excluded from entering the competition. 'Immediate family' means spouse, defacto spouse, parent, natural or adopted child, and sibling (whether natural or adopted by a parent), whether or not they live in the same household as the director/employee/contractor. The Promoter reserves the right to decide, in its absolute discretion whether or not the entry requirements have been fulfilled.
5. To enter the competition an eligible entrant must:
 - a) validly appoint an individual or a body corporate as their proxy to attend and vote on their behalf at the AGM under an instrument of appointment (including in electronic form) which is received by NRMA at NRMA's registered office or at a fax number at NRMA's registered office or at any place, fax number or electronic address specified for the purpose in the AGM Notice of Meeting, in each case by not later than 10.00 am (Sydney time) on November 1, 2006; or
 - b) in the case of an eligible entrant which is a body corporate, validly appoint a representative to attend and vote on its behalf at the AGM; or
 - c) attend the AGM on November 3, 2006 and vote in person on at least one of the resolutions put to the vote at the AGM in respect of which a poll is taken.
6. A competition entry will be generated for each eligible entrant who enters the competition in accordance with clause 5. Only one competition entry per eligible entrant.
7. The draw will take place at 10.30 am (Sydney time) on November 10, 2006 at Net Response, Unit 5, 10 Anella Avenue, Castle Hill, NSW 2154. The prize winners will be notified in writing within 2 days of the draw and their names and State or Territory of residence will be published in The Australian on November 17, 2006.
8. There are 5 prizes to be won. The first five valid entries randomly drawn from all the valid competition entries received, win a prize, namely, Caltex StarCash Cards (Cards) to the value of \$5,000. The Cards are stored value cards which can be used to purchase fuel products, shop items or services from participating Caltex/Ampol service stations across Australia. The Cards must be redeemed on the last day of the month stated on the Cards and cannot be used after that date. Any balance that remains on the Cards after expiry will not be available for use. Cards not redeemed by this date will be forfeited. Use of the Card is subject to the Caltex StarCash Conditions of Use, which are available at http://www.caltex.com.au/products_sta_cash_use.asp. If the Cards are lost or stolen it will not be replaced by the Promoter and it is the responsibility of the winner to meet the Conditions of Use applicable to the Cards.
9. If a winner is a corporate Member, the prize shall be taken by such representative(s) as shall be nominated in writing by the directors of the corporate Member.
10. Total prize value is \$25,000. All prize values include any GST. The Promoter accepts no responsibility for any variation in the prize value.
11. Where a prize is unavailable for any reason, the Promoter may substitute for that prize another item of equal or higher value as determined by the Promoter, subject to the approval of the gaming authorities in each State and Territory where required.
12. The Promoter may conduct such further draws as are necessary if any prize remains unclaimed three months after the draw. If necessary, an unclaimed prize draw will be conducted at 10.30 am (Sydney time), February 14, 2007 at Net Response, Unit 5, 10 Anella Avenue, Castle Hill, NSW 2154. In the event of any winners in an unclaimed prize draw, their names and State or Territory of residence will be published in The Australian on the second Friday following the draw.
13. The Promoter's decision is final and no correspondence will be entered into. Prizes are not exchangeable, transferable or redeemable for cash. Prizes are subject to the terms and conditions and availability of participating service providers.
14. The Promoter, its contractors, employees and agents, shall not be liable for any claims, losses, damages, injuries, costs and expenses suffered, sustained or incurred (including but not limited to indirect, special or consequential loss or loss of profits) as a result of, arising out of, or in any way connected with the competition and/or its prizes, except for liability that cannot be excluded by law. Tax implications may arise from the receipt or use of a prize. Independent financial advice should be sought.
15. The Promoter is not responsible for any problems or technical malfunction of any telephone network or lines.
16. If for any reason any aspect of this competition is not capable of running as planned including by reason of any cause beyond the control of the Promoter which corrupts or affects the administration, security, fairness, integrity or proper conduct of this competition, the Promoter may in its sole discretion cancel, terminate, modify or suspend the competition, or invalidate any affected entries, subject to the approval of the gaming authorities in each State and Territory, where required.
17. Privacy Notice: Personal information about the eligible entrants (but not their actual votes at the AGM, the identity of the appointed proxy or any voting directions given to their appointed proxy) will be collected and used by the Promoter for the purpose of administering the competition
18. Authorized under NSW Permit No. TPL06/10971, ACT Permit No. TP06/04036.

ATTENDING THE MEETING IN PERSON

LOCATION	The Millennium Room, Level 4, Telstra Stadium, Homebush
DATE	Friday, 3 November 2006
TIME	10.00 am
REGISTRATION	If you wish to attend and vote in person at the meeting, please bring your proxy form with you to assist in registering your attendance. Registration commences at 8:30am. Refreshments will be served from 9:00am. Directors and Members of the NRMA Executive Committee will be on hand to meet Members prior to and at the conclusion of the meeting in the exhibition and catering area on Level 2 of Telstra Stadium. There will also be displays by each of NRMA Motoring & Services' business units and its strategic business partners adjacent to the catering facilities on Level 2.

LIVE WEB CAST

If you're unable to attend the meeting in person, you can log onto www.mynrma.com.au/agm and watch the meeting via a live web cast.

GETTING TO OLYMPIC PARK

BY CAR

Parking is available at the P1 Wilson Parking Station, off Kevin Coombs Avenue.

BY PUBLIC TRANSPORT

Trains

If there is no direct train from Central at the time you want, travel to Lidcombe and catch the Olympic Park Sprint. The Olympic Park Sprint operates from Lidcombe to Olympic Park every 20 minutes between 6.45am and 11.30pm, 7 days a week.

NRMA will provide a shuttle train which departs every 10 minutes from the Olympic Park Station to Telstra Stadium (this service will operate from 8.00am to 10.30am)

Travel Times to Olympic Park Station

From Lidcombe station - 12min

From Sydney Olympic Park Ferry Wharf - 12min

From Strathfield station - 10min

From Burwood - 22min

From Parramatta station - 31min

Buses

Two daily full-time bus services operate between Sydney Olympic Park and the following locations:

- Burwood Westfield
- Strathfield Station
- Newington
- Rydalmere
- University of Western Sydney (UWS), Nepean Campus Rydalmere
- Parramatta Station
- Lidcombe Station
- Sydney Olympic Park Ferry Wharf

Sydney Buses

Route 525 - Parramatta Station to Burwood Station via Olympic Park Station, Rydalmere, UWS Nepean Campus and Newington. Daily full-time service.

Route 401 and 404 - Lidcombe Station to Olympic Park Station via Sydney Olympic Park Ferry Wharf and Newington. Daily full-time service.

Baxters Bus Lines

Route 904 - Parramatta to Auburn and Lidcombe via Parramatta Road and Carter Street. Limited service.

Sydney Olympic Park Website for full information details

<http://www.sydneyolympicpark.com.au/Visiting/transport>

MEMBER VISIT TO THE NORTH STRATHFIELD FACILITY

Following the 2006 AGM, NRMA President, Alan Evans, and CEO, Tony Stuart, are inviting Members to participate in a tour of the NRMA operations at North Strathfield. Spend time at the NRMA Safer Driving Education Centre and experience the driving simulators; take a tour of the Patrol workshop facility, visit the Contact Centre and meet our tireless operators who are at the end of the phone for countless Members 24 hours a day.

The tour will leave by bus from Telstra Stadium at the conclusion of the meeting and, following the tour, the bus will return to Telstra Stadium via Homebush Station for Members wishing to catch the train. Alternatively, North Strathfield Station is a short (2 minute) walk from the North Strathfield facility.

Members are requested to register their interest on the **North Strathfield Visitor Information Line: 1300 668 626.**

This number is strictly for the North Strathfield visit; for all AGM enquiries, please call the Member Information line on 1300 658 982. Positions are strictly limited. Additional tours will be arranged at a later date for Members who miss out this time, and one of our staff Members will be in contact to arrange the details.



QUESTIONS FROM MEMBERS 2006 ANNUAL GENERAL MEETING (AGM)

The AGM of National Roads and Motorists' Association Limited (**NRMA**) will be held on Friday, 3 November 2006 at 10.00 am at The Millennium Room, Telstra Stadium, Homebush.

Members who are unable to attend the meeting or who may prefer to submit questions in advance regarding NRMA, the financial report, the auditor's report, the conduct of the audit or any of the resolutions to be put to the meeting are invited to do so.

For your convenience, you can submit your questions:

- > online via our website www.mynrma.com.au/agm and follow the directions there;
- > email agmquestions@mynrma.com.au; or
- > via this AGM Question Form. Please return this form by facsimile to 1300 309 248 or by post in the envelope provided for the return of your proxy form.

**Member questions must be received by
10:00am on Wednesday 1 November 2006**

The Chairman of the meeting will endeavour to answer as many of the frequently asked valid business related questions as is practicable during the course of the meeting. Questions will not be responded to on an individual basis.

Responses to the more frequently asked questions will be posted on NRMA's website no later than 10 business days after the AGM.

PLEASE COMPLETE THE FOLLOWING DETAILS:

Member name: _____

Membership number: _____

Question(s)

1 _____

2 _____

3 _____

4 _____



National Roads and Motorists' Association Limited
Level 23
388 George Street Sydney

