

# 2010 AGM – Compensation Committee Address

Catherine Brenner Chair of Compensation Committee

14 May 2010

Thankyou Chairman....ladies and gentlemen....

As the Chairman has noted, I am the Chair of the Compensation Committee. The other members of the Committee are David Gonski, Jillian Broadbent and Geoffrey Kelly.

The Compensation Committee reviews matters relating to the remuneration of the Executive Director and senior management as well as senior management succession planning. The Committee spends considerable time each year on these important matters, reviewing our policies and approaches, to take into account the Company's strategy, external factors and what best meets our Remuneration Policy. The details of this policy are set out on page 18 of the Annual report.

First, we approve policies for the Company on all executive remuneration issues including CCA's long-term incentive share plans.

Secondly, we review proposals on the remuneration packages of the Executive Director and the senior management team and make recommendations to the Board.

Our remuneration policies are structured to enable us to attract and retain the best executive talent from Australia and around the world. The motivation and retention of the Executive Director and CCA's senior management team has been a major factor in CCA's strong performance over the last few years.

CCA senior executives are paid above the median remuneration levels of comparable companies. They have demonstrably out-performed the median and as a result, they have been compensated accordingly.

On an annual basis, the Compensation Committee reviews data from external remuneration sources to ensure that the Company's remuneration practices are in line with market conditions. The Committee reviews the remuneration of the Group Managing Director and senior management and, where appropriate, makes recommendations to the Board.

The fixed and at-risk components are benchmarked each year to companies that are comparable to CCA and take into account current market remuneration rates and the performance of the Company.



Remuneration issues involve difficult judgements and policy making. I hope that what I have been able to convey is that CCA has a sound remuneration process, an appropriate governance structure for dealing with these issues and a willingness to adjust to market circumstances as required.

We believe there is a high level of shareholder support for a remuneration philosophy which focuses on the long term and on pay for performance.

There are two other areas I would like to touch on briefly...

Firstly, the government has recently released its response to the Productivity Commission recommendations which include changes to the Remuneration Report. We believe that our Remuneration Report already encompasses a lot of these changes and we will obviously incorporate all of these recommendations in our reports going forward.

Secondly, the ASX Corporate Governance Council has released guidelines for reporting on diversity to be included in the Remuneration Report and we will also detail this in our reporting going forward.

I will now hand back to the Chairman..... thank you.