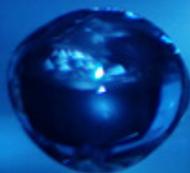


2021 Board Diversity Index



Watermark
SEARCH INTERNATIONAL

in Partnership with

**Governance
Institute**
of Australia

Welcome

FROM WATERMARK SEARCH INTERNATIONAL AND GOVERNANCE INSTITUTE OF AUSTRALIA

Welcome to the 2021 Board Diversity Index, a comprehensive investigation of the ASX 300 now in its seventh year.

This is the second year that Watermark Search International has partnered with Governance Institute of Australia to bring you the Index, which both organisations hope will further encourage diverse boards across all types of organisations.

Indeed, this is the only national report to put five types of diversity under the microscope, examining:

- Gender
- Cultural Background
- Skills/Experience
- Age
- Tenure and Independence

This breadth of data allows us to share meaningful analysis of where corporate Australia currently stands on diversity, the direction we are heading in and what else needs to be done.

As you will see, there is some positive news emerging, particularly in the area of gender diversity.

After years of discussion, investment and momentum, the last 12 months has seen a significant shift in women directors being appointed to boards. Indeed, the number of companies with at least 30% female directors has tripled since 2016.

On this current trajectory there will be no ASX 300 companies without a female director by 2026 and gender parity achieved in the boardroom by 2030.

While we know there is still much more work to be done, these would be truly momentous – and long overdue – milestones.

However, in terms of diversity of cultural background, the Australian boardroom is moving at a much slower pace of change, remaining dominated by those of Anglo-Celtic and European ethnicity. Based on current trends, it is going to take 18 years for the boardroom to be reflective of Australia's cultural diversity.

Desirable skills are evolving on boards, with technology skills increasing in demand as the need for accounting and legal skills continues to decline.

Women on boards have to study harder than men to reach the boardroom, with 8.4% of female board members having a PhD compared to 5% of males, and 22.1% of females having an MBA, compared to 16.9% of males. This evens out more at Masters level, although we note currently females are almost twice as likely to undertake a governance qualification, such as those offered by Governance Institute (60.7% compared to 32.1%).

The Board Diversity Index offers organisations valuable insights into trends in Australian boardrooms, but it also delivers a roadmap for continued improvement in this area.

It is mandatory reading for all board directors and senior management and also serves as a reminder that diversity needs to be high on the radar for all organisations, even in turbulent times when there may be many competing priorities.

Greater diversity is not just fairer and more reflective of our broader society, but it is also better for business. Diverse boards will challenge proposals from more perspectives, groupthink decreases, and consequently better decisions are likely to be made.

And the case for promoting diversity is only going to get stronger:

- Investors and shareholders are increasing pressure on corporations to be more reflective of the community within which they operate.
- Consumers are stepping up the pressure too, choosing to spend their dollars with diverse organisations who can demonstrate strong ethics and good culture.
- Internationally, we are seeing countries list diversity as a reportable benchmark for companies and firms are starting to link remuneration to diversity targets.

During COVID-19, boards proved in so many ways to be adept at change and innovation. Now it is time to ensure that diversity is also firmly on the innovation agenda to help ensure Australia is leading the charge for further change on this increasingly imperative issue.

The compiling of this index is quite an undertaking with over 30,000 pieces of discreet data being acquired, collated and interpreted. Thank you to Rose Mulcare for collating the data and to Oleh Butchatsky for analysing the trends and composing an insightful piece.

Kind regards



David Evans
Managing Partner



Megan Motto
Chief Executive Officer



Executive Summary

Parameters of Study

The Watermark Search International/Governance Institute of Australia Board Diversity Index is the only comprehensive analysis of Australian boards which measures diversity beyond gender. By analysing five different dimensions of diversity, our study provides a more holistic measure of diversity at the board table of Australian business.

ASX 300 – Five aspects of diversity:



Gender



Cultural Background



Skills/Experience



Age



Tenure & Independence

To be consistent with our previous surveys, the data analysed is again comprised of ASX 300 companies. It is common for other surveys of diversity to concentrate on the ASX 200. We believe a larger sample size of listed companies provides a more accurate picture of Australia's boardrooms.

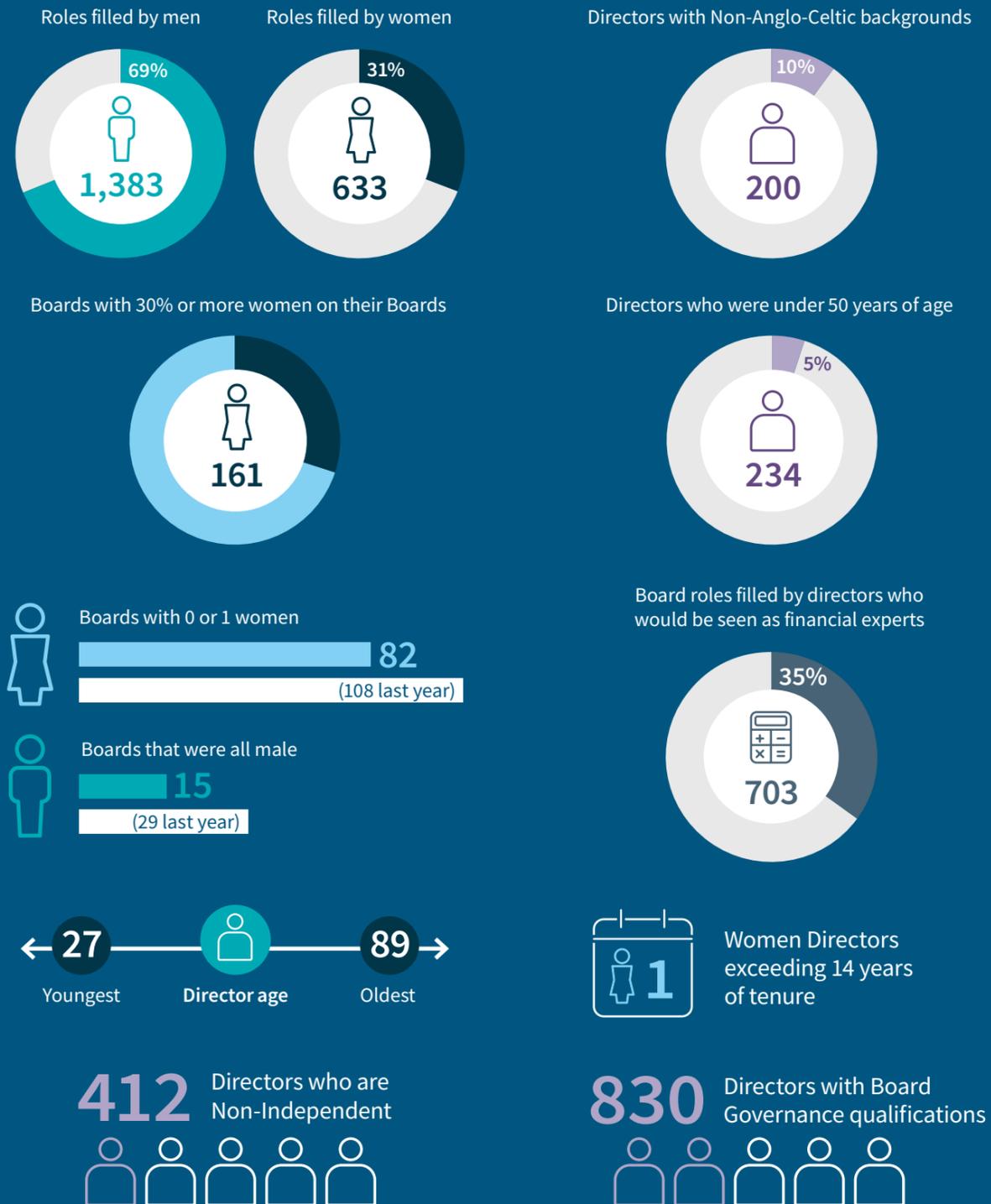
All data for the 300 companies was current as of 1 January 2021.

The 2021 study is the seventh in the series of the Index, commencing in 2015. In the intervening period we have collected and analysed a substantial body of information about Australian listed companies and the diversity profile of their boards. The data collection parameters have evolved over time as the study has been fine-tuned and previously unavailable sources of information have come to light. Whilst there is a strongly consistent set of data across the years, there are some subtle differences from year to year. Therefore, in the commentary that follows it has not always been possible to compare trends on a longitudinal basis.

Wherever possible the commentary will compare year 2016's results with the current findings, a significant period of five years.

ASX 300 Companies making up the Index

Total Number of Board Seats = 2016



Key Findings

The findings from Watermark’s 2020 survey represented a significant watershed in the progress of **Gender** equity in the Australian business boardroom, as defined by the ASX 300. We are very pleased to report that this momentum of positive change has been reinforced by the findings of our current survey. If anything, there is acceleration apparent.

The 30% female representation benchmark long argued by policy makers and activists as a signal step to eventual parity, has been achieved.

And when other numbers are weighed up, the depth and pace of change becomes even more impressive. Consider:

The number of companies with at least **30% women directors** has tripled since 2016



The number of companies with zero or one female director has halved since 2016



The total number of board seats occupied by women has

increased by 60% since 2016



There is, however, slower progress in the other dimensions of our survey.



Diversity of **Culture** in the boardroom is moving in the right direction but slowly. There is some evidence that Asian representation is growing but there remains a substantial opportunity to better reflect the importance of the Asian market (and the changing complexion of Australia’s population). The Australian boardroom is still very much the product of our Anglo and European heritages.



In relation to directors’ **Skills/Experience**, there is a continued but marginal decline in dependence on Accounting, Financial and Legal skills on a board. The importance of experience in the Resources sector is increasing, but again at a relatively modest rate.



The average **Age** of directors is, again, about 60 years, and there is a much higher proportion of women directors under 50 than men. The average age range for an ASX 300 board is around 19 years, irrespective of the ranking of the company on the list.



Tenure has changed little, with healthy measures of around 65% of directors and 70% of chairs having tenures less than 10 years. It has become quite rare for a director to serve more than 14 years on the same board. Gender differences in average tenure continue to be quantifiable; for example, there is only one female director in the ASX 300 who has served on the same board for more than 14 years.

In regard to **Independence**, this year’s survey reinforces the notion that our listed boards are substantially independent in complexion. At the very most, one in five directors are regarded as Non-Independent.

Benefits of Diversity

Though still open to debate, the positive case for diversity as an enhancer of business performance is building day by day. The purpose of this study is to measure change and contribute to this important discussion. There are as many commentators for as there are against diversity. Our view is that diverse teams are more representative of society – and make better decisions – and thus we are proponents of diversity in all its forms.



At the dawn of the 2020s, building fairer and more inclusive economies must be the goal of global, national and industry leaders. To get there, instilling gender parity across education, health, politics and across all forms of economic participation will be critical.”

Klaus Schwab, Founder and Executive Chairman, World Economic Forum – 2020

Whilst diversity is not an end in itself, even though some may argue the merits of this point of view, every business, to optimise its success, needs to deeply understand its customers well beyond the demographic metrics conventionally applied to market-measurement. Those metrics are, though, a starting point for predicting customer needs and appetites, so what better way to mirror key demographics than to have a board of directors which is sufficiently diverse to represent the market and its ever-changing profile. It would seem to make sense that an ethnically diverse board, for example, would potentially bring a better understanding of the global population it serves, a diversity of problem solving and thinking styles, and a better appreciation of the mindset of key trading partners.

More diverse backgrounds, more diverse skill sets (beyond legal and financial) will not only broaden perspectives and opinions at the board table but will maximise the likelihood that the business truly understands its customers. Moreover, equality of opportunity **within** the business is likely to improve. For example, more women at board level often means more women at executive level (and vice versa!).



Enriching your employee pool with representatives of different genders, races, and nationalities is key for boosting your company’s joint intellectual potential”

David Rock & Heidi Grant, Why Diverse Teams Are Smarter, Harvard Business Review – 2016



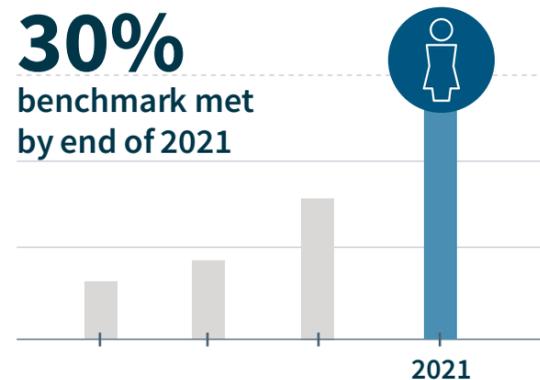
Firms with a high gender diversity on their board of directors were more profitable and larger than firms with low gender diversity”

S&P Global Inc, When Women Lead, Firms Win – 2019

The Australian chapter of The 30% Club has been prominent in the public debate in Australia on gender diversity. Its latest target is 30% female representation for the ASX 300 by the end of 2021, a benchmark that has now been reached. Women on Boards, a network of professional women across all sectors, also has a strong voice in the diversity debate. Since 2006, Women on Boards has advocated for a 40:40:20 gender balance target for board and leadership roles, with 40% women, 40% men and 20% of either, and/or other genders.¹ Both organisations strongly promote the benefits of gender equality at board level.

ASX 300

30% benchmark met by end of 2021



The ASX Corporate Governance Council which represents a broad range of Australian business stakeholders, has also thrown its weight behind the debate with a particular emphasis, again, on gender equality. The Council posits that diversity is increasingly seen as an asset to listed entities and a contributor to better overall performance, particularly in a competitive labour market. It recommends that the board should include appropriate and meaningful benchmarks that are able to be, and are, monitored and measured. These could involve, for example, achieving specific numerical targets for the proportion of women on its board, in senior executive roles and in its workforce generally within a specified timeframe, and developing a diverse pipeline of talent that can be considered for future succession to senior executive roles. They further argue that the board may wish to consider setting key performance indicators for senior executives on gender participation within their areas of responsibility and linking part of their remuneration (either directly or as part of a 'balanced scorecard') to the achievement of those KPIs.



Our economic recovery depends on utilising the skills and experience of a diverse, gender-balanced workforce. Women and men must have an equal opportunity to re-engage and participate in the workforce. Employers have an important role to play to make this happen by ensuring the momentum towards gender equality is sustained. It is good for business and integral to our economic recovery.”

Libby Lyons, Director, Australian Workplace Gender Equity Agency – November 2020

Governance Institute of Australia has long supported the diversity cause. In February this year, it launched its flagship Effective Director Course for directors in a **women’s exclusive format**, saying targeted action is needed to boost equality in the upper echelons of business. Governance Institute is a founding member of the ASX Corporate Governance Council.



With this launch, we are targeting the top tiers of an organisation, helping amplify senior leadership roles for women and encouraging a new generation of female directors. To thrive – especially in times of challenge and crisis – organisations need a diverse mix of views, problem-solving skills and knowledge at the boardroom table – and this comes best from having a diverse board.”

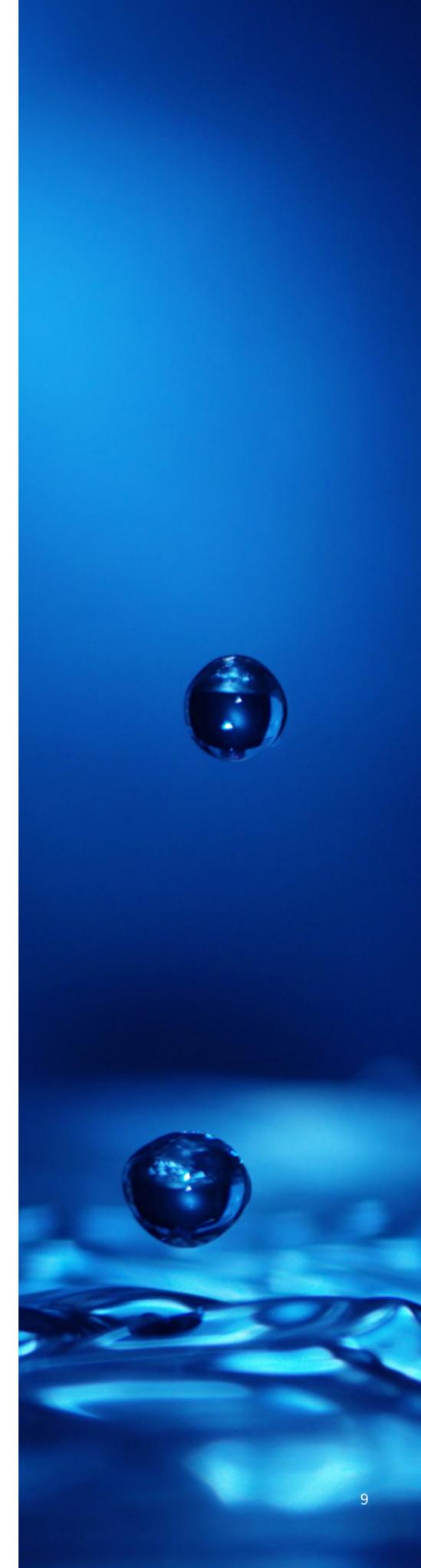
Megan Motto, CEO, Governance Institute – February 2021

Governance Institute of Australia is a division of **The Chartered Governance Institute (CGI)**, the premier global qualifying organisation for professionals aspiring to become a chartered secretary and qualifies people who have roles as company secretaries, governance advisers, risk managers, compliance managers and other roles. CGI reviews and compares boardroom diversity across the nine national institutes in its network in the UK and Ireland, Australia, Canada, Hong Kong/China, Malaysia, New Zealand, Singapore, Southern Africa, and Zimbabwe. It has found that, while progress towards better gender balance in these jurisdictions is gradual and even, the need for diversity is recognised worldwide as a significant contributing factor to creating the best possible diversity of thought within the boardroom.



Different countries may be taking different paths and at a different pace, but they are all working towards the goal of fair and equal treatment and opportunities for women to serve on boards. It is also clear that board gender diversity is now recognised as not just an issue of equality between men and women, but also as a contribution to more effective boards, corporate performance and to maintaining a social licence to operate.”

Peter Turnbull, AM FCG, International President, The Chartered Governance Institute in ‘Women in the boardroom: International Governance Stocktake’ – March 2021



Gender

The 30% Club appears to have achieved its latest goal. In 2021, Australian ASX 300 boards passed the female 30% representation benchmark for the first time, a target set by The 30% Club. And as our analysis below shows, progress has significantly accelerated.

As for our surveys in recent years, the larger the company the more likely that the percentage of women on the board is significant.

Furthermore, our analysis is strongly consistent with the Australian Institute of Company Director's (AICD) recently released Gender Diversity Report for 1Q 2021. AICD reports: "Women now occupy 32.9 per cent of ASX 200 board positions and 30.8 per cent of ASX 300 positions, as at 28 February 2021." Moreover, AICD adds, roughly 46% of newly appointed directors to the ASX 200 in January and February of this year were women. The same figure for ASX 300 was just over 52%.

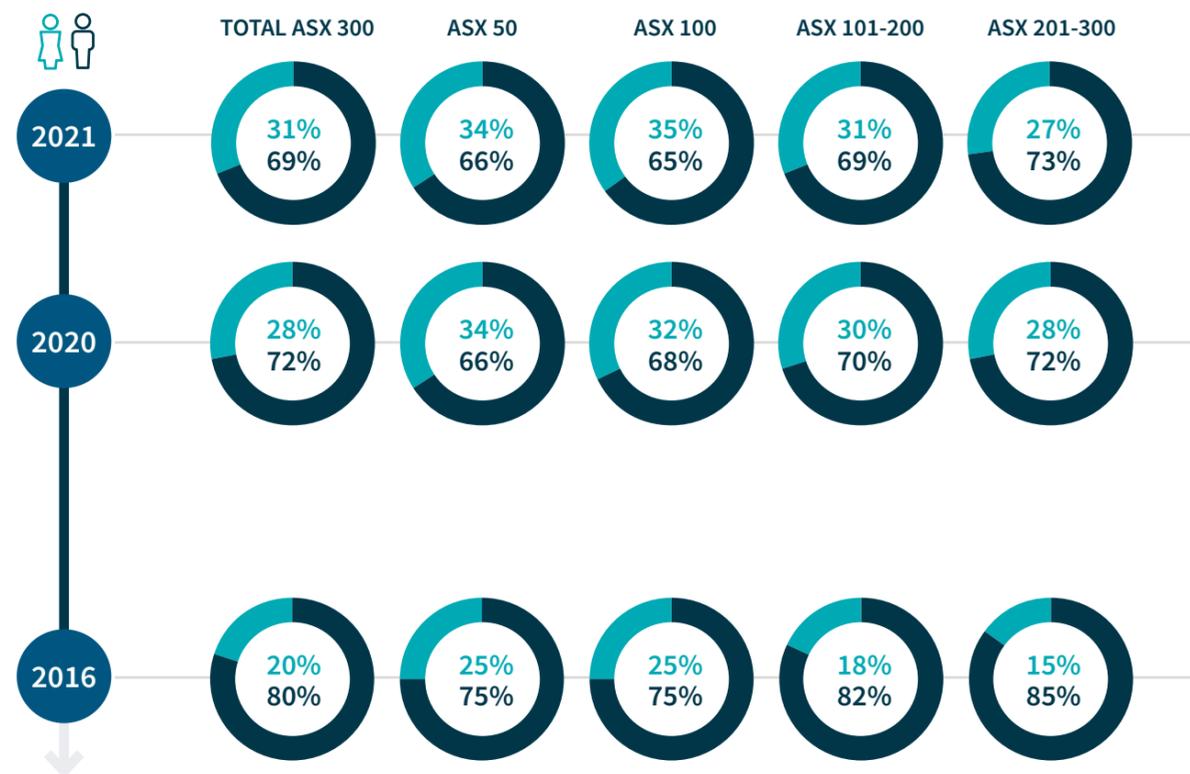
These numbers represent a dramatic change at least in the last 10 years. For example, the appointment rate

of women for ASX 200 in 2011 was 28%. In 2020 it was just over 42%. Given the 1Q 2021 numbers, the appointment rate is continuing to accelerate to the point where there is near equality with men. This trend is very apparent in Watermark's search practice where it has been the case for some time that women candidates for board roles, and indeed CEO roles, are just as likely as men to be appointed.

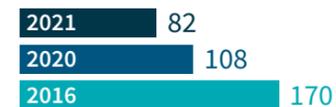
With the 30% benchmark achieved, Women on Boards' vision of 40:40:20 is now the next target in sight.

Other measures in our survey reinforce that profound changes in gender diversity are indeed afoot.

PERCENTAGES OF MEN AND WOMEN ON ASX 300 BOARDS



NUMBER OF BOARDS WITH 0 or 1 WOMEN



NUMBER OF BOARDS WITH AT LEAST 30% WOMEN



NUMBER OF BOARD SEATS OCCUPIED BY WOMEN



All these indicators are in the direction of positive change... and the rate of change is considerable. As further evidence of fundamental change, the number of ASX 300 boards with no women at all has fallen to a mere 14, just on half the number (29) last year. All of these 14 companies are in the ASX 101-300, again reinforcing that Big Business is truly on board with gender equity, whilst smaller businesses are playing catch up.

There are now 32 ASX 300 companies with at least 50% women on the board and 30 companies with female chairs, including 11 newly appointed in 2020. It is worth noting that 25 of the businesses with female chairs have at least 30% female board representation.

A further point of comparison is with the latest report of the Federal Government's Workplace Gender Equality Agency. Their report of November 2020, covering 4.3 million employees (40% of Australia's workforce) and 6,024 boards/governing bodies, states that in 2019-20 female directors comprised 28.1% of all directors. Further, the proportion of female chairs in that period was 14.6%, and 30.2% of boards/governing bodies had no female directors. A different time frame and data set, including government bodies and for-purpose organisations, but nevertheless, an interesting comparison.

How do we fair internationally? The World Economic Forum's 2020 Global Gender Index, which charts gender equity across 153 countries and across the dimensions of Economy, Politics, Health and Education, ranks Australia as forty-fourth in Economic Participation and Opportunity for women. That may not sound impressive, but we are ahead of UK, Netherlands, France, Austria, China, South Africa and Japan, amongst many others. Perhaps of more relevance than a broad ranking, is Australia's favourable performance in many of the factors relevant to our survey. The WEF states that "on average, 22.3% of board members in OECD countries are women with an even lower representation in emerging economies" (e.g. 7% in China and 13.8% in India). So for listed businesses at least, we are ahead, comfortably!

Board Concentration

The pool of women directors continues to grow strongly, thereby lessening the 'exclusive club' effect that was and still is, to some, a troubling aspect of the promotion of gender equality. Our current data records 56 women leaving boards and 116 joining, a net increase of 60 female directors, compared with a net increase of 42 in the previous 12 months.

Roughly 29% of women directors hold about 51% of female-occupied board seats. Whilst this is a significant concentration, the trends are in the direction of diminishing The Club effect. In our last report just 19% of women directors held 47% of female-occupied seats. Again, change is afoot, and it's swift.



On average, 22.3% of board members in OECD countries are women with an even lower representation in emerging economies."

World Economic Forum, Global Gender Index – 2020

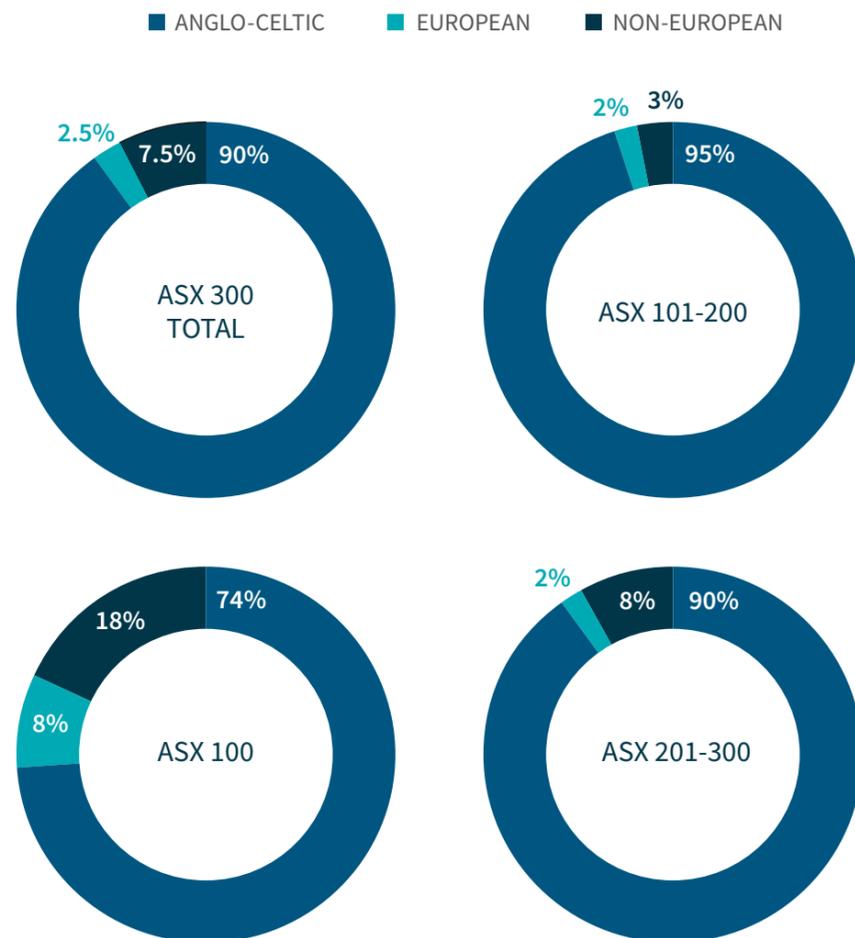
Cultural

In contrast to the emphatic trends emerging from our Gender analysis, change in board composition on the measure of Cultural diversity is moderate at best. There is, however, some glimmer of progress.

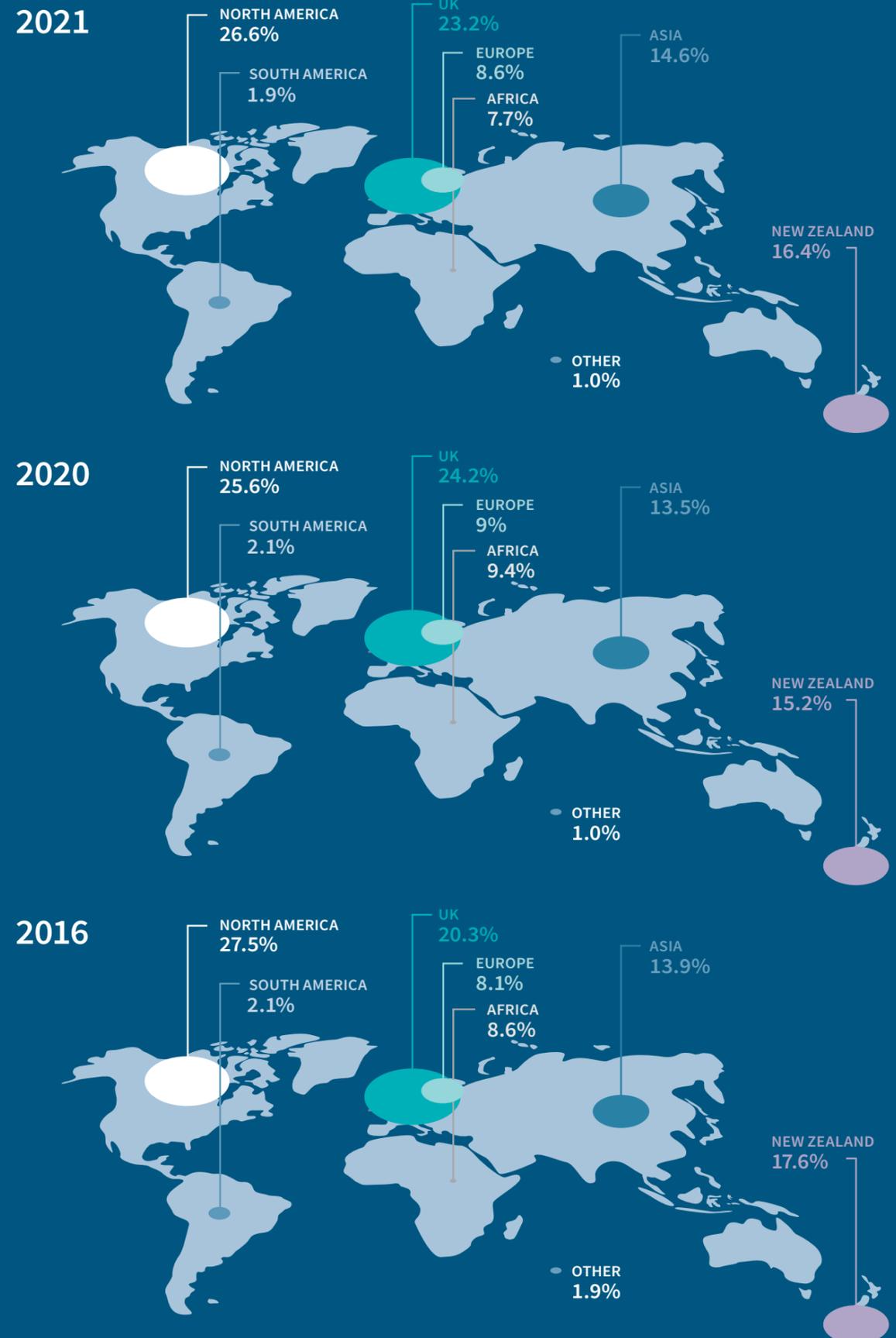
In comparison to the Australian Bureau of Statistics split of ethnic origin in Australia where Asian countries occupy six of the top ten places of international sources of Australian migrants, the Australian business board continues to be skewed towards individuals of Anglo-Celtic and European ethnicity. There is an overall shift, most apparent in ASX 100 companies, to Asia but it is glacial.

The percentage of directors who reside outside Australia remains relatively steady at around 30%. This is quite a robust number in itself as it equates to the latest ABS count of Australian citizens who are born overseas. The split by region of non-resident directors remains relatively unchanged since last year.

2021 ETHNIC ORIGIN OF ALL DIRECTORS

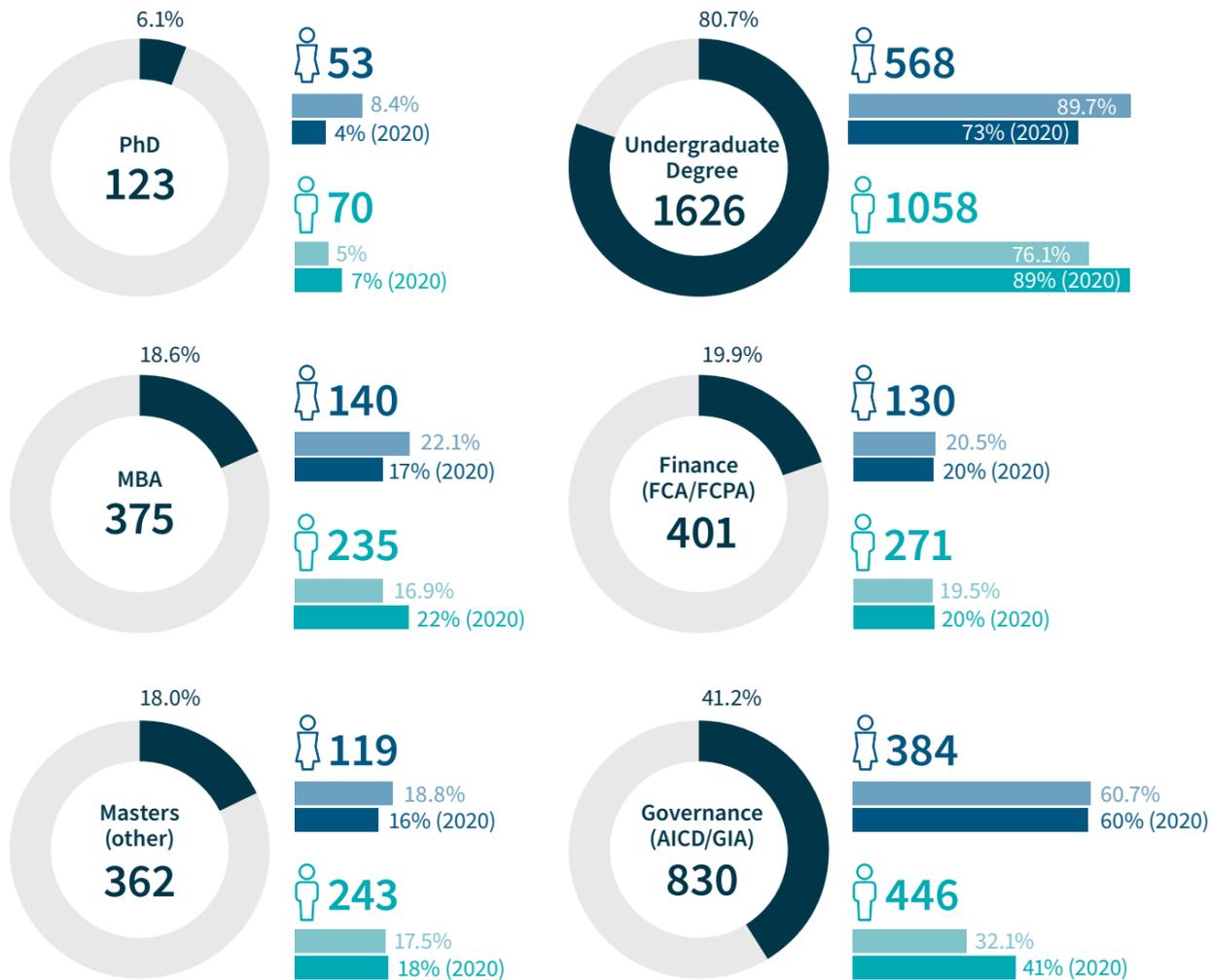


DIRECTORS RESIDENT OUTSIDE AUSTRALIA: COUNTRY/REGION OF ORIGIN



Skills/Experience

Qualifications



Relevant qualification of directors has not had any significant change from our previous findings:

- Women in virtually every category of qualifications outstrip men.
- Accounting/Finance continues to be a stronghold.
- Women are significantly more likely to hold an MBA, a Governance qualification, and, to a lesser extent, a PhD.

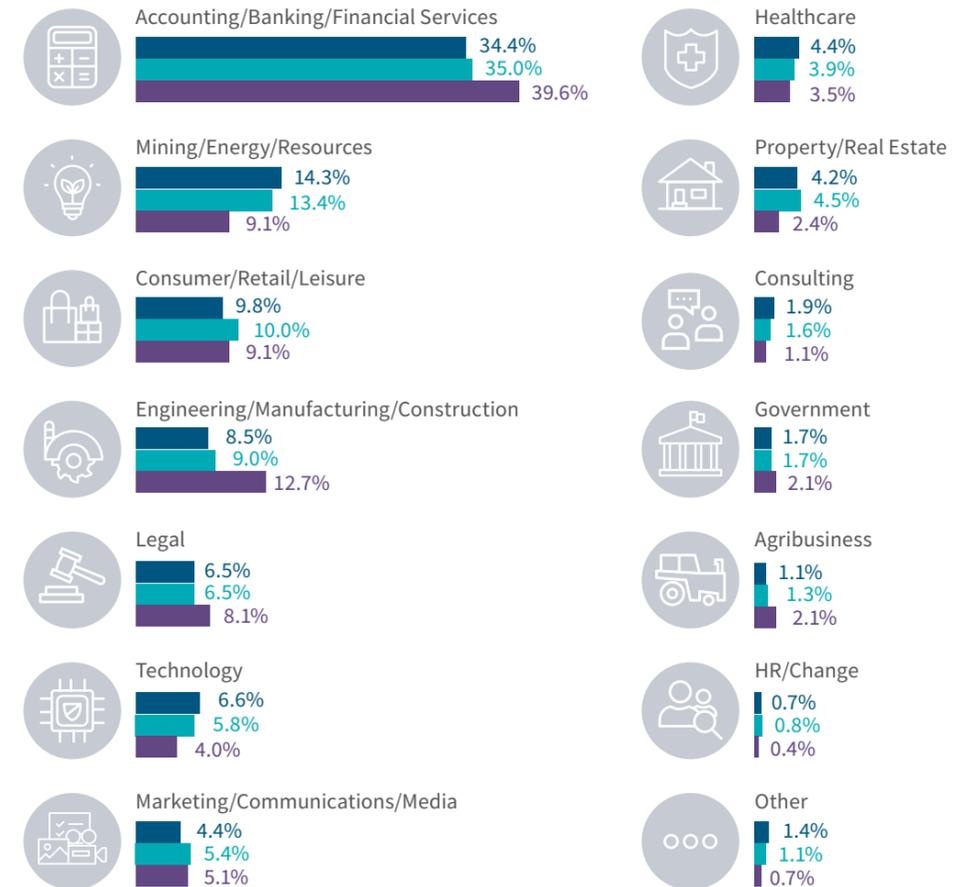
The consideration of directors' experience, as defined by their predominant sector experience, provides a more nuanced analysis and some evidence of change, admittedly more subtle than revolutionary in most cases.

Note: With regard to the results in this section, for many of the questions, respondents were asked to provide multiple responses and as such the results do not always add up to 100%

Sector Experience

Percentages of Total

■ 2021 ■ 2020 ■ 2016



Those arguing for a declining dependence on Accounting, Financial and Legal skills on a board are showing signs of winning the battle, but these experience sets remain mainstays.

Other notable trends are:

- The importance of the Resources sector to the Australian economy is reflected in a steadily rising representation at the board table.
- Though still proportionately at low levels, those with Technology, Healthcare and Property experience are starting to entrench themselves at board level.
- Women are significantly under-represented as Accounting/Finance, Legal, Technology and Engineering/Manufacturing experts. Interestingly, this is not the case for both the Resources sector and the Education sector where men and women are roughly on a par.

- There are significantly more women experts in Consulting and HR, both of which have miniscule representation at Board level... yet again.

It is also worth noting that amongst the Non-Independent (see later) contingent of directors there is a substantial repository of General Management expertise... the so-called ability to 'run a business'. Of approximately 400 Non-Independent Directors, nearly 270 of them are incumbent Managing Directors/CEOs. Though we have not explicitly measured the General Management skill set beyond this statistic, and given that there would be a proportion of directors with General Management experience whom we have otherwise categorised as Finance/Legal etc, it seems that the ability to manage a business in totality is quite well represented at board level.

Age

The argument for the value of a wide range of ages on the board is perhaps more complex than it looks. In the broad context of the diversity debate it is easy to argue that the broader the age range on a board the better. Varied perspectives, the contrast between youth/modernity and the wisdom of age, differences in understanding new and emerging technologies, and the contrast between connections to new customer bases with the loyalty to traditional markets are possible advantages of age diversity.

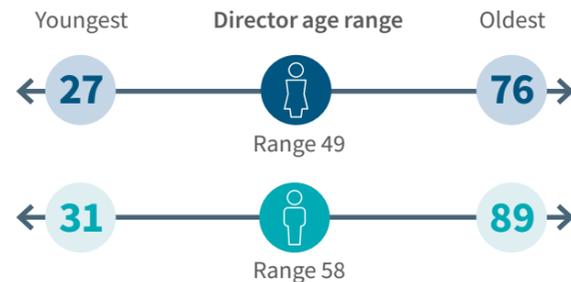
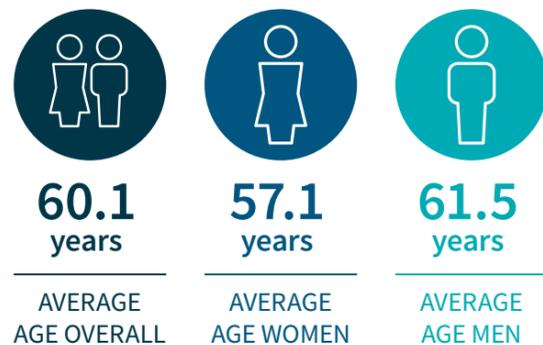
Yet, when statistical analysis is applied, distortions are possible. For example, some companies with the widest (therefore best?) age ranges achieve that status largely because of the extreme longevity of their Chairs. Rupert Murdoch (News Corp), Kerry Stokes (Seven West Media) and Gerry Harvey (Harvey Norman) are such examples, successful ones at that. Are such companies truly diverse in their range of outlook?

So it is best to view the analysis below in the context of all other diversity dimensions. Age diversity might well be a potent force but will be more so if accompanied by diversity in other ways.

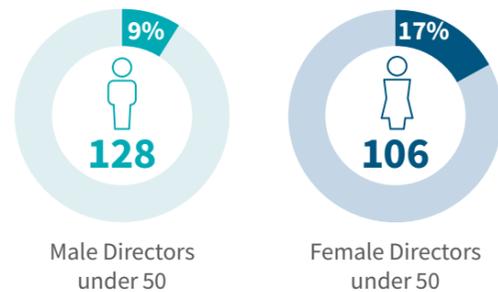
Average ages

There is no evidence of significant change in the average age of Australian directors in the past four years (our earliest survey of this dimension was in 2017). Moreover, a male director on average continues to be slightly older than his female counterpart.

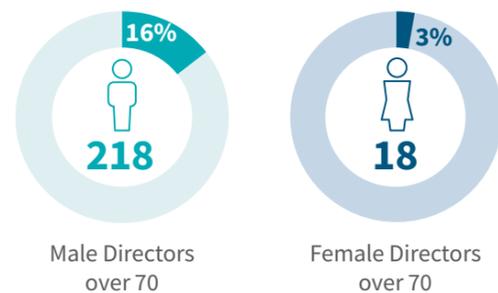
This year's analysis benefits from access to more detailed information about age, so that we have covered some 97% of our survey population (whilst in previous years the numbers were based on a much lower proportion of the total number of directors).



Though there are examples of very young directors, as seen above, these are outliers. Youth at the boardroom table is still in the minority, even when defined as below 50 years of age. There is however a significant gender difference, with a much higher percentage of female directors under 50.



Major gender differences at the other end of the spectrum are also apparent.



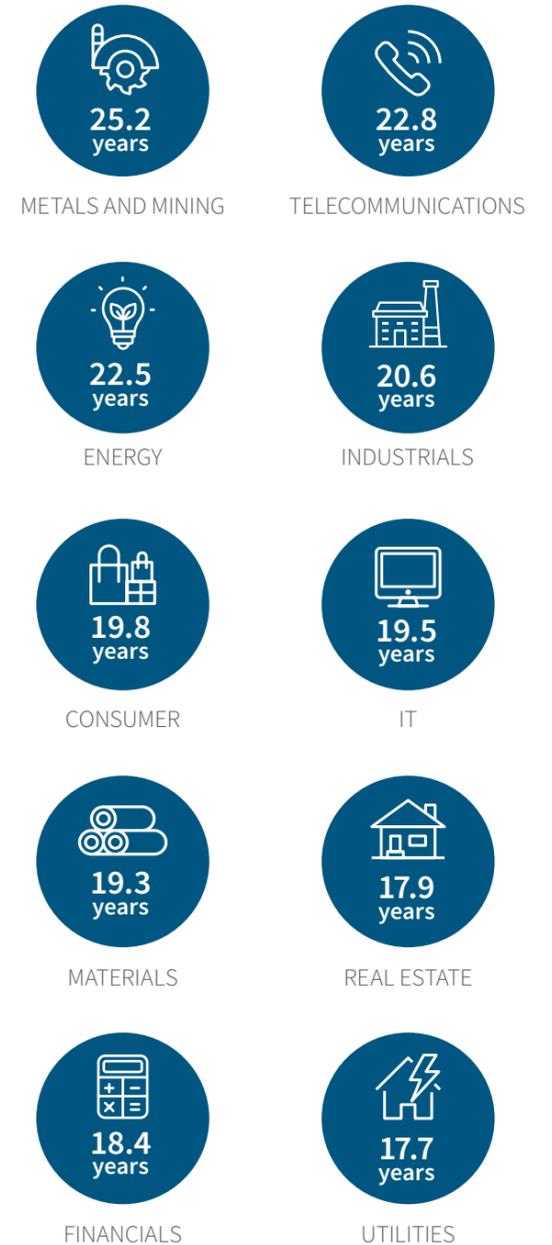
Age ranges

The age range differences between companies of different size have narrowed in this survey, to the point where there is only a subtle difference discernible. The age range within an Australian ASX listed company board is around 19 years on average no matter whether you are company Number 300 or company Number 1 on the Index. True, the larger the company the wider the age range, perhaps as a consequence of more 'experienced' directors in the Top 100, but the differences are minor.



Does an age range of 19 or 20 years represent sufficient diversity of experience, outlook and opinion? There is little research available to make the case strongly, one way or another. Whilst there are exceptional individuals who defy the age odds (see youngest and oldest on page 16), it is widely felt that a director needs to have seen and done a lot before being experienced enough to be of true value at board level. Does this set a notional minimum of 55? And ageing has an inevitability about it... so 75 seems about right as a notional maximum, does it not? With many notable and valid exceptions of course.

Average Age Range Sector Comparison 2021



There is an argument that there will be natural forces increasing age ranges, particularly the ageing of the Australian population and increasing life expectancy. So far, no trend is apparent. Perhaps it is too early in the span of this Index to say.

Tenure and Independence

Tenure

Can we make any firm conclusions about the comparison between this survey and last? Not much has changed, particularly for chairs where the breakdown is almost identical year-on-year. For directors, there might be an argument for a decline in numbers at the longer-tenure end (15+ years) of the scale but that is probably a long bow, particularly as the 10–14 year scale has moved decidedly in the other direction. Nevertheless, it is already quite rare for a director to serve more than 14 years on the same board.

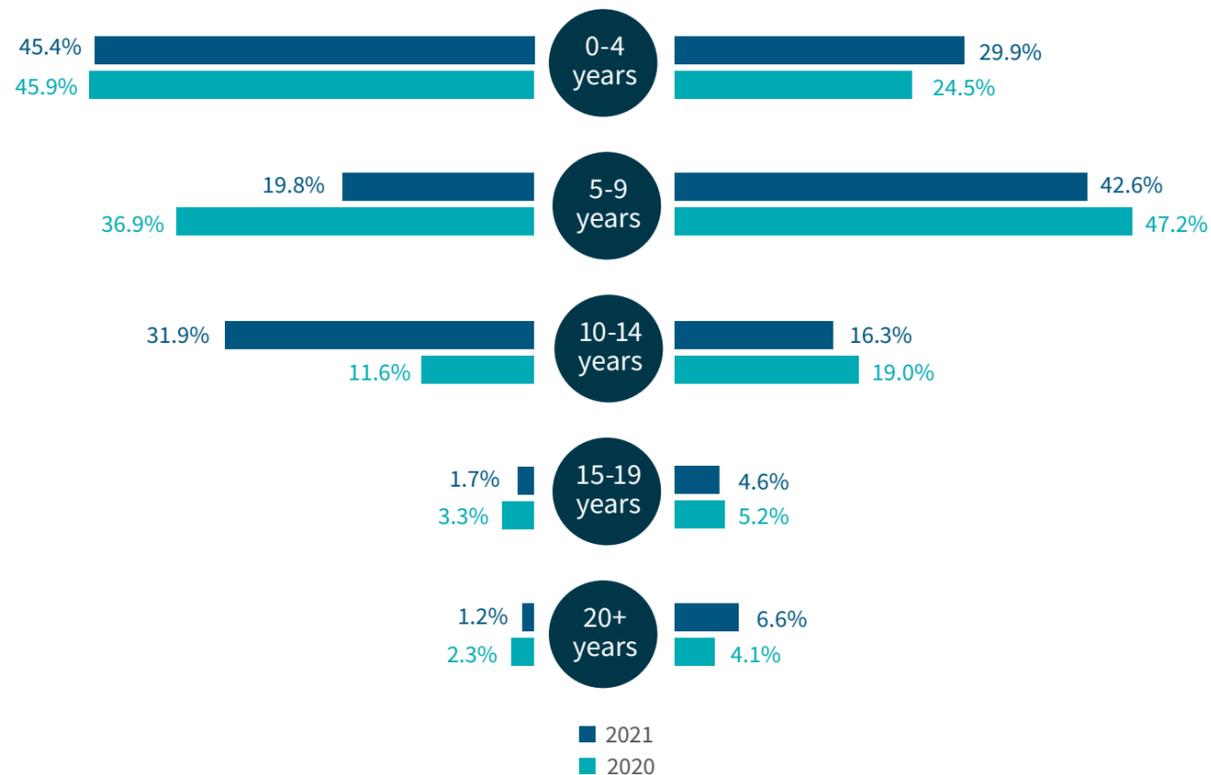
In the context of the pro-diversity argument, it would make sense that shorter tenure would enhance diversity simply by virtue of the 'refreshment' of boards which turn over their chairs and directors more often. Obviously, a balance between the benefits of stability and the attendant retention of corporate knowledge, and regular refreshment is what is needed.

The ASX Corporate Governance Council argues that it is healthy to ask questions about the value of directors and chairs after 10 years. Are they independent enough, are they open to new ways of thinking, are they too close to the incumbent executive team? Of course, there are many examples of highly effective directors who well and truly exceed the 10 year benchmark. So, whilst nothing is absolute, it is interesting to note that our 2021 figures reveal that 65.2% of directors and 72.5% of chairs have tenures of less than 10 years. These seem reasonably healthy numbers on the face of it.

A further note: longevity on boards is more closely correlated with men than women. For example, there is only one female director in the ASX 300 who has served on her board for more than 14 years. There are no women chairs in this category. This may not be surprising given the relatively recent entry of substantial numbers of women to the board system.

DIRECTOR TENURE ASX 300

CHAIR TENURE ASX 300

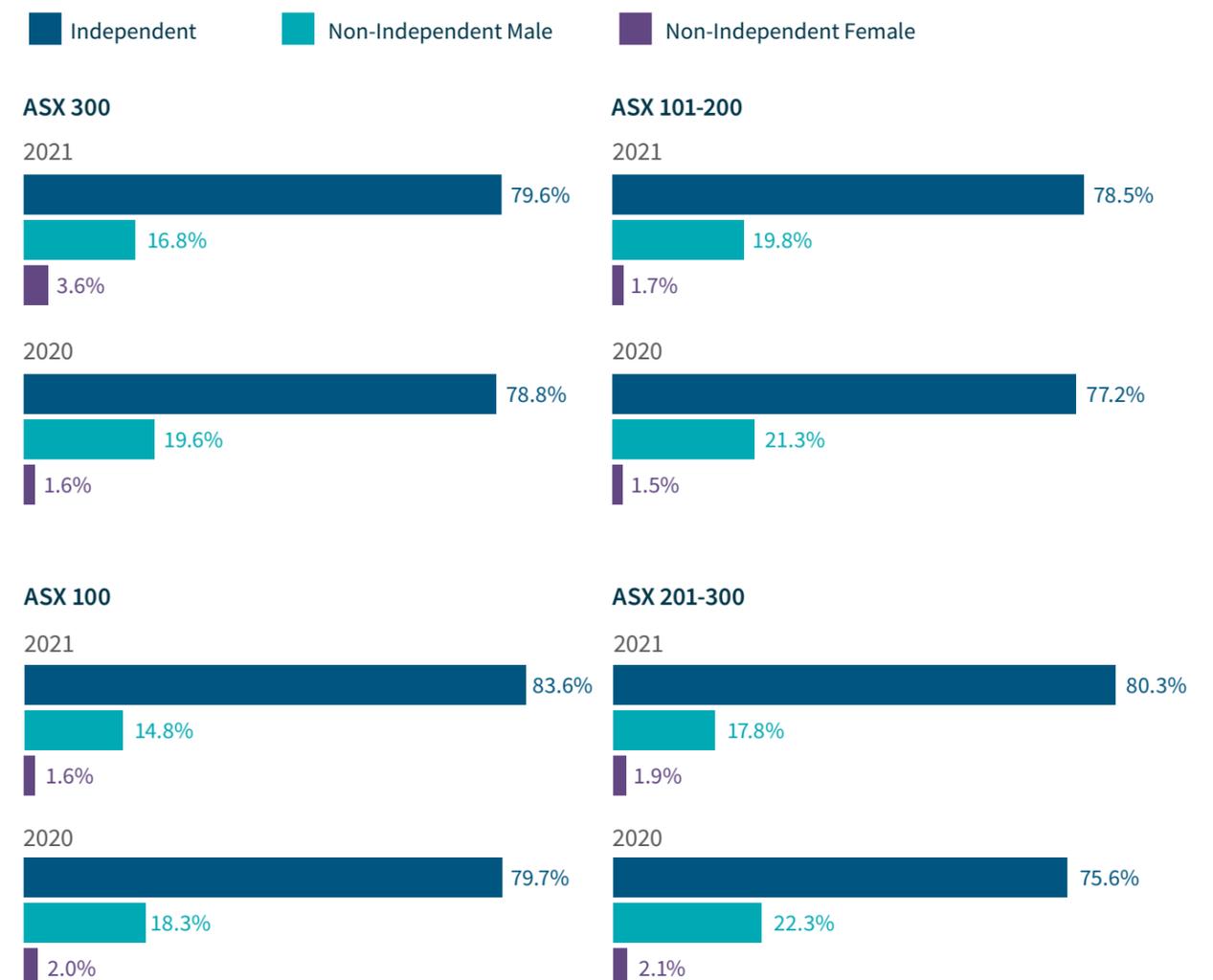


Independence

Again, very little change is apparent year-on-year. However, this year's survey reinforces our earlier findings, which argue that ASX 300 boards are substantially independent in complexion. At the very most, 20.4% of directors are regarded as Non-Independent... in other words one in five directors. This number falls dramatically, to about one in 20, when incumbent CEOs/Managing Directors are extracted from the Non-Independent category.

The greater likelihood of female independence compared to male independence is also reinforced this year. It is expected that this gap will narrow as the proportion of women at C-suite level continues to climb, so that more women will be 'internal' appointments to boards as they occupy an increased proportion of CEO/Senior Executive roles.

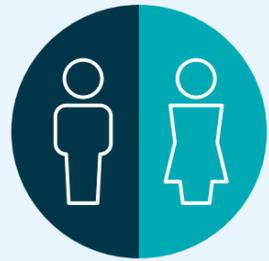
INDEPENDENCE ASX 300 TOTAL



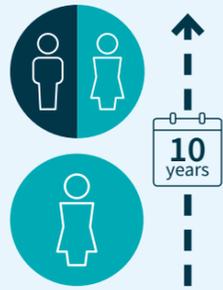
Future Trajectory

As one sage was heard to say: “beware of making predictions, especially about the future”. However, based on the current trajectory:

Gender parity (50/50) will be achieved at board level by **2030**



The average age of women directors will continue to increase till it achieves parity with men in **10 years' time**



There will be no ASX 300 companies without a female director by **2026**



Directors/chairs on the same board for more than **15 years** will be an endangered species



The percentage of Non-Anglo/European directors is currently

about **8%**.



This will increase to **20%**, closer to the ethnic origins of Australia's population, in **18 years**

By **2030** directors with Accounting/Finance backgrounds will make up only **30%** of boards, a figure which will endure indefinitely.



Some of these predictions may disappoint those who are anxious for more rapid progress. Then again, in contrast to the latest findings of the World Economic Forum in its 2020 Global Gender Report, there is some room for congratulatory sentiment in Australia. For example, the WEF predicts that, at current rates of progress, the achievement of global gender equity in the Economic Participation and Opportunity subindex (measuring labour force participation essentially) will take 257 years.

Appendices

Some definitions

In considering the number of board members/seats, we have included the Managing Director but not the Chief Financial Officer or Company Secretary as members of the board. This is potentially a source of small differences with some other studies. In terms of skills and experience we assume that a director brings **one major area** of experience to a board. We recognise that this is a dramatic oversimplification and does not properly acknowledge the range of skills and experience that directors build over their executive careers. Nor have we deeply tracked directors' General Management experience (say as GM, COO or CEO). We may do so in future surveys as there certainly are directors who are recruited to boards not for any particular skill set but for their overall General Management track records... their commonly termed ability to 'run a business'.

Based on our accumulated board-search expertise, we do know that specific areas of core experience are often the reason a director is invited to join the board. For example, a director who has been a partner in a law firm is unlikely to be invited to join for their mining sector experience; it does not necessarily follow that they do not have any. Equally, just as a director has probably mastered the analysis of P&L, balance sheet and cash flow reporting, it does not necessarily make them a financial expert.

Regarding postgraduate education, those holding PhDs have sometimes recorded a Masters qualification and sometimes not. We have not assumed that those who did not record a Masters hold one, given one can progress through and obtain a PhD without undertaking a Masters. We have, however, counted both a PhD and a Masters as separate qualifications where they are clearly listed in a director's qualifications.

With regard to cultural background there is, in some cases, a degree of judgement that has been applied. For some, cultural background is quite clear; in other cases, for example where an individual has been educated in Australia but is of a different cultural background, it is less clear. Just as we have determined, for example, that someone with exposure to but not qualifications in the 'financials' is not a financial expert, an Australian that has worked in Asia for a period is not the same as a director who was born and educated

there. When it comes to the terminology of cultural background, Anglo-Celtic, European, etc, we have adopted the same terminology used by the Australian Human Rights Commission in its publication “Leading for Change”.

When defining the independence of directors, we have considered Executive Chairs, CEOs/Managing Directors, previous CEOs/Managing Directors, large shareholders, nominees of large shareholders and founders as **Non-Independent**. We have also looked back in time, prior to a listing event, to determine if the same individuals have been on the board for an extended period. If they have, we have also counted them as being Non-Independent.

Companies with no women on the board

Alkane Resources Ltd
Ardent Leisure Group Ltd
Capricorn Metals Ltd
Centuria Office
De Grey Mining Ltd

No women on board last year	No women on board last two years
Mount Gibson Iron	Dacian Gold Ltd
Redcape Hotel Group	Emeco Holdings Ltd
Silver Lake Resources	Jupiter Mines Ltd
	Kogan.com Ltd
	National Storage
	Rural Funds Group

Companies with 50/50 gender split

Abacus Property Group
 Adbri Ltd
 Altium Ltd
 Ansell Ltd
 Asaleo Care Ltd
 Australian Ethical Investment Ltd
 Australian Pharmaceutical Industries Ltd
 Bapcor Ltd
 Bellevue Gold Ltd
 Blackmores Ltd
 BlueScope Steel Ltd
 Charter Hall Long Wale REIT
 Clinuvel Pharmaceuticals
 Elders Ltd
 Elmo Software Ltd
 G.U.D Holdings Ltd
 Invocare Ltd
 Lifestyle Communities
 Lynas Rare Earths Ltd
 Medibank Private Ltd
 Mirvac Group
 Shopping Centres Australasia Property Group
 SkyCity Entertainment Group Ltd
 The a2 Milk Company Ltd
 Virtus Health Ltd

Companies with more than 50% women

Auckland International Airport Ltd
 Commonwealth Bank of Australia
 Crown Resorts Ltd
 Deterra Royalties
 Dicker Data Ltd
 Spark New Zealand Ltd
 Woolworths Group Ltd

Women chairs

Anne Templeman-Jones
 Catherine Livingstone
 Christine McLoughlin
 Debra Goodin
 Debra Hazelton
 Diane Smith-Gander
 Elana Rubin
 Elizabeth Bryan
 Eva Skira
 Genevieve Gregor
 Gina Anderson
 Helen Kurincic (chair of 2 boards)
 Hon. Helen Coonan
 Ilana Atlas
 Jacqueline Hey
 Jennifer Seabrook
 Justine Smyth
 Karen Wood
 Kathleen Conlon
 Kathryn Fagg
 Margaret Anne Haseltine
 Myra Salkinder
 Philippa Kelly
 Rebecca McGrath
 Sally Pitkin
 Sonia Petering
 Susan Forrester
 Susie Corlett
 Vickki McFadden

Age

Oldest female: Brenda Shanahan (76 years)
 Oldest male: K. Rupert Murdoch (89 years)
 Youngest female: Yuanyuan Xu (27 years)
 Youngest male: Nicholas Molnar (31 years)

Watermark's Capabilities

Executive Search

Founded in 1979, we are one of the longest established Australian executive search firms. Even though we are, above all else, an Australian based firm, we have an established track record in attracting and then securing, overseas candidates.

We have considerable expertise in senior executive appointments across a broad range of public and private sector organisations. Our firm has been built on a substantial body of work undertaken for publicly listed companies, private companies, state owned corporations, government agencies, departments and advisory boards.

Diversity

We pride ourselves on delivering the best candidates in the marketplace for consideration by our clients.

We go further than most executive search organisations in ensuring that our clients have a gender diverse range of candidates as part of the process. Over the past three years, nearly 50% of all successful candidates introduced by Watermark were female. This is a significantly greater representation of women executives as successful candidates than any levels indicated by recent third-party studies. In addition to our focus on gender diversity, we have also had the opportunity to assist a number of Indigenous organisations secure high-quality candidates through well targeted executive search.

Interim Executive Management

We provide immediate and high-level specialist executives with the experience to bring stability to and provide guardianship for a company during a period of change, executive absence or performance turnaround. We also assist with providing executives who deliver on projects, programmes or specialist reviews. When clients are ready to appoint an executive, we normally complete the assignment within two weeks.

Tailored and unbundled solutions

Watermark is very comfortable with adapting or tailoring our service offering to fit our individual client's needs. We are able to unbundle the search process to provide only the parts of an executive search or value-added recruitment services you require. Tailored services we have provided include: market mapping, managing advertised response (reviewing, culling and recommending), reference checking, selection panel attendance and scribing. This can also be scaled-down to better suit budgets or supplement existing internal resources.

Board Search

We believe that strong boards make for better organisations and improved business performance. In conducting searches, we do not simply look for 'a name' but rather search for candidates with the relevant skills to add real value to a board. We often start our board search by working with the client to produce a Board Skills Matrix, which then informs the specific brief.

Our track record ensures familiarity with the specific, and often sensitive, challenges involved in appointing Non-Executive Directors and Chairs with the right skill, personal and cultural fit.

Market Insights

We have a unique 'window' into both the commercial and government worlds and are available to provide informal market insights to our clients on topics such as salary packaging, hiring trends and executive onboarding.

As thought leaders, we undertake various pieces of research and market analysis to form our CFO Report, Interim Management Survey and this Board Diversity Index.

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Watermark Search International

Sydney Office

Level 5, 55 Clarence Street

Sydney NSW 2000

+61 2 9233 1200

www.watermarksearch.com.au

Melbourne Office

Level 11, 385 Bourke Street

Melbourne VIC 3000

+61 3 8629 1333