2026 BOARD DIVERSITY INDEX

Watermark SEARCH INTERNATIONAL

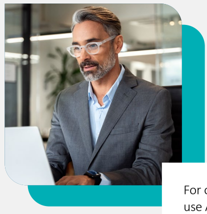
In partnership with Australian Institute of Company Directors

Deloitte.

Contents

The 2026 Watermark Search International Board Diversity Index is the only comprehensive analysis of the composition of Australian boards measuring diversity and inclusion beyond the conventional dimension of gender to cover several other important areas such as First Nations, Disability, LGBTQ+ and cultural background. This analysis of ASX300 boards is based on publicly reported data as of January 2026.

This is the twelfth edition of this analysis and report. For the second year running we are proud to partner with the Australian Institute of Company Directors and Deloitte for this 2026 publication.



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Watermark SEARCH INTERNATIONAL Australian Institute of Company Directors Deloitte.

The Board Diversity Index (BDI) is a comprehensive analysis of Australian boards that measures diversity across Australia's top 300 ASX listed companies. We are proud to again partner with Deloitte and the Australian Institute of Company Directors (AICD) this year. We would like to acknowledge the valuable support provided by our partners in the development of this report.

While we are grateful for their assistance, it is important to note that the research design, data analysis and conclusions in this report are the independent work of Watermark. This report does not seek to represent the views or positions of our partners, nor do any subsequent publications that reference the data collected during the project.

Further details on the BDI methodology can be read in chapter 6.

As the pressure rises, boards can too

Drifting productivity. Growth gaps. Geopolitical instability. These are some of the many headwinds that Australia's boards are facing this year.

In testing times like these, directors must do everything in their power to strengthen their organisation. Increasing diversity at the board level is one of the most important levers available. Drawing from a wider pool of talent, boards can tap into fresh perspectives and solutions – and identify threats that might otherwise go unnoticed until it's too late.

This is why our 2026 snapshot of diversity in boardrooms is so illuminating.

The 2026 Board Diversity Index (BDI) shows that progress has been made and huge opportunities still exist to boost business performance with greater diversity in boardrooms. Gender diversity is one such opportunity. Through a concerted, collective effort, gender diversity has progressed significantly to 38% of board seats held by women (up from 20% a decade ago) and 11 more female chairs than last year. A major contributor to this has been the AICD Chair's Mentoring Program* which we are delighted to be a part of.

Progress is less apparent in other areas. Cultural and ethnic diversity remains a challenge, the number of directors from non-Anglo-Celtic backgrounds has again decreased (down to 6.5%). Participation by Indigenous directors has fallen (Indigenous directors now hold five positions, down from seven). Only five directors identify as LGBTQ+ (up from four), while no company board member has declared a disability.

Despite this, we know that further progress is within reach. Yes, the path to greater diversity isn't straightforward – but the business rewards are substantial for those who grasp this moment. Boards that draw upon increasingly varied skillsets – and increasingly diverse skillsets – will gain broader insights to make more informed decisions. Fresh perspectives will help to inform nuanced communication and effective risk mitigation.

Here lies the path to growth, and to a more meaningful contribution from your board.

Now is the time for challenge and change. We encourage you to review the data, to reflect on how far we've come, and to see how far we have to go. Consider the impact if your board achieved greater diversity: the answers that could be found to stubborn questions, the blind spots that could be uncovered, and – ultimately – the commercial upsides that could be achieved.

David Evans
Managing Partner
Watermark Search International

Watermark SEARCH INTERNATIONAL

*Source: Fitzsimmons, T.W., Yates, M.S. & Callan, V.J. (2021). *Towards Board Gender Parity: Lessons from the Past - Directions for the Future.* Brisbane: University of Queensland Business School.

Foreword

Boards today are operating in an environment of sustained complexity. Geopolitical uncertainty, rapid technological change, productivity pressures and rising community expectations are reshaping the demands placed on directors and on the judgements made around the board table.

In this context, who sits in Australia's boardrooms, and how that is changing over time, matters.

The Australian Institute of Company Directors is pleased to again partner with Watermark Search International, with the support of Deloitte, on the 2026 Board Diversity Index. For more than a decade, this research has provided a consistent and independent view of diversity across ASX 300 boards. The Index plays an important role in informing public debate and helping boards reflect on their composition and capability.

This year's findings present a mixed picture. Progress on gender diversity has continued, with women holding a growing share of board seats and fewer all male boards than ever before. That progress did not happen by chance. It reflects sustained attention by boards, investors and the broader governance community, and it shows that change is possible when intent is maintained over time.

At the same time, momentum is slower in other areas. Representation of directors from culturally diverse backgrounds remains limited, and participation by Indigenous Australians and other under-represented groups is still very low. These results invite boards to look beyond the current snapshot and consider whether existing approaches to skills matrices, succession planning and search practices are sufficiently broad for the challenges ahead.

From the AICD's perspective, diversity is not an end in itself. It is about board effectiveness. Well-governed organisations benefit from a mix of skills, experience and perspectives that support robust challenge, better decision making and a clearer view of risk and opportunity. Representation alone is not enough. Boards must also create an environment where different views are genuinely heard and tested.

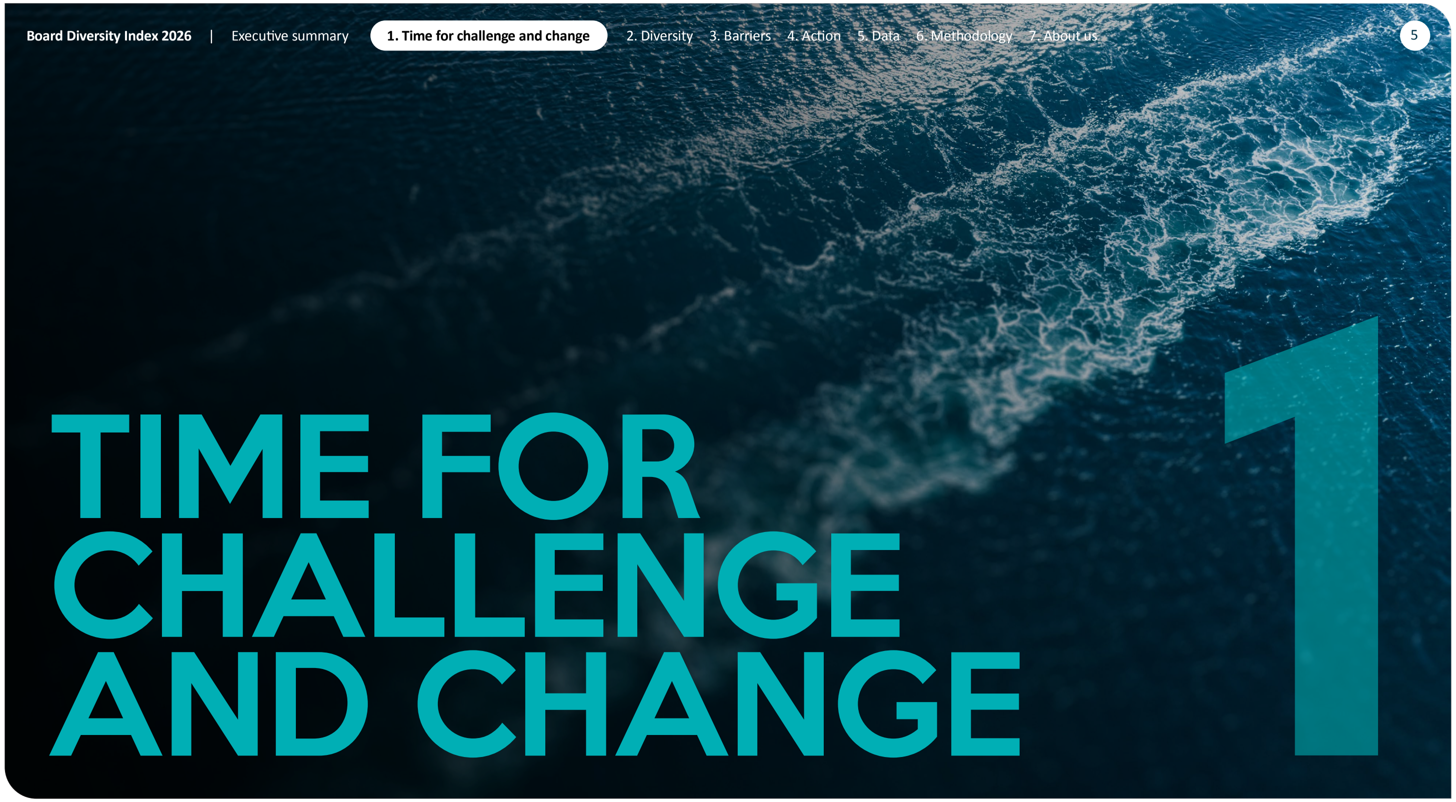
Our experience shows that deliberate approaches to change are effective. One example of this is the AICD's Chair's Mentoring Program.

Long a cornerstone of our work on board diversity, the program has been extended through a pilot stream supporting culturally diverse and First Nations women who are ready to advance their directorship careers but may not have access to traditional board pathways. The pilot is being assessed on evidence, including participation, experience and appointment outcomes, reflecting the importance of disciplined, outcomes-focused approaches to change.

The Board Diversity Index is most valuable when used as a prompt for reflection rather than a scorecard. Used well, it helps chairs and nomination committees consider how board composition aligns with strategy, operating context and future direction. In doing so, boards strengthen not only their own performance, but confidence in governance more broadly.

Mark Rigotti GAICD
CEO and Managing Director
Australian Institute of Company Directors

Australian Institute *of* **Company Directors**



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TIME FOR CHALLENGE AND CHANGE

Progress on gender diversity is real. But we have made limited progress with regards to other forms of diversity. For boards willing to look at where they stand, 2026 presents a clear opportunity to act.

> "It can take courage to challenge the norm and seek out directors from different backgrounds."

Every director in Australia can remember the person who first believed they belonged in a boardroom. A call from a chair. A push from a mentor. Someone who saw potential before it was obvious.

That moment is not luck. It is a choice someone made. Today's chairs and directors have the same choice. Who are you bringing to the table? Whose voice is missing from your decisions? The most effective boards are not built by accident — they are built by people willing to look beyond the familiar and back someone new. The question is whether you are one of them.

Recommitting to change

It can take courage to challenge the norm and seek out directors from different backgrounds. Perhaps now more than ever.

The 2026 Watermark Search International Board Diversity Index (BDI) shows boards slowly moving towards greater gender equality but advances in cultural diversity remain limited.

Underrepresented groups include people with disabilities, people from culturally diverse backgrounds, First Nations people, and people from the LGBTQ+ community.

This year's report provides an unflinching view of diversity in ASX 300 boardrooms today. We draw on data that we've collected over the past 12 years to pinpoint the most revealing trends. And, perhaps most importantly, we look ahead.

Doing things differently

Diversity is not a compliance issue. It is a commercial one. The complexity of global markets, demographic change, geopolitical risk and technological disruption requires more than traditional governance credentials. It requires diverse perspectives and lived experiences. Boards that bring that perspective make better decisions, identify risk earlier, and are better positioned for growth.

The ability to see the bigger picture is precisely what boards need to navigate through an era of geopolitical instability. And the ability to discover fresh solutions to stubborn problems is the key to unlocking productivity.

As you read this report, consider what your board is not yet seeing — and what it would take to change that. We suggest some of these in chapter 3.

We also flag up the common pitfalls that could stymie progress on the journey towards greater diversity and inclusion. We discuss how board skills matrices are often composed, how selection processes can inadvertently exclude a wealth of talent, and why the desire for boardroom harmony could stifle healthy debate.

Chapter 4 sets out what doing things differently actually looks like — from how search briefs are written to how skills matrices are built. The strategies are practical. The question is whether boards are ready to use them.

Diversity defined

Board diversity is the mix of skills, experiences, backgrounds and characteristics present at the board table. Diversity in its broadest sense includes gender, age, ethnicity, cultural background, disability, sexuality, education, professional experience, and diversity of thought.

Make your mark

The 2026 BDI makes the challenge clear. Those who rise to it will be remembered not only for the decisions they made in the boardroom — but for who they invited in.

Consider the person who first believed you belonged at the table. Now consider who hasn't had that moment yet. And ask yourself: what risk are we not seeing because no one in this room has lived it? That is the work. The only question is whether your board will do it.

Steps that shift board diversity

1 Make this a strategic imperative

To successfully execute on your strategy into the future, what skills and lived experiences do you need?

2 Revisit the board skills matrix

Seek independent, third-party skills assessments for a balanced picture of skills and gaps.

3 Embed diversity and inclusion across all stages

Culture, search, selection, onboarding and retention.

4 Refine tenure practices

Revisit these regularly to keep perspectives fresh.

5 Nurture the next generation

Continuously seek out, mentor, and encourage potential board talent from underrepresented groups.

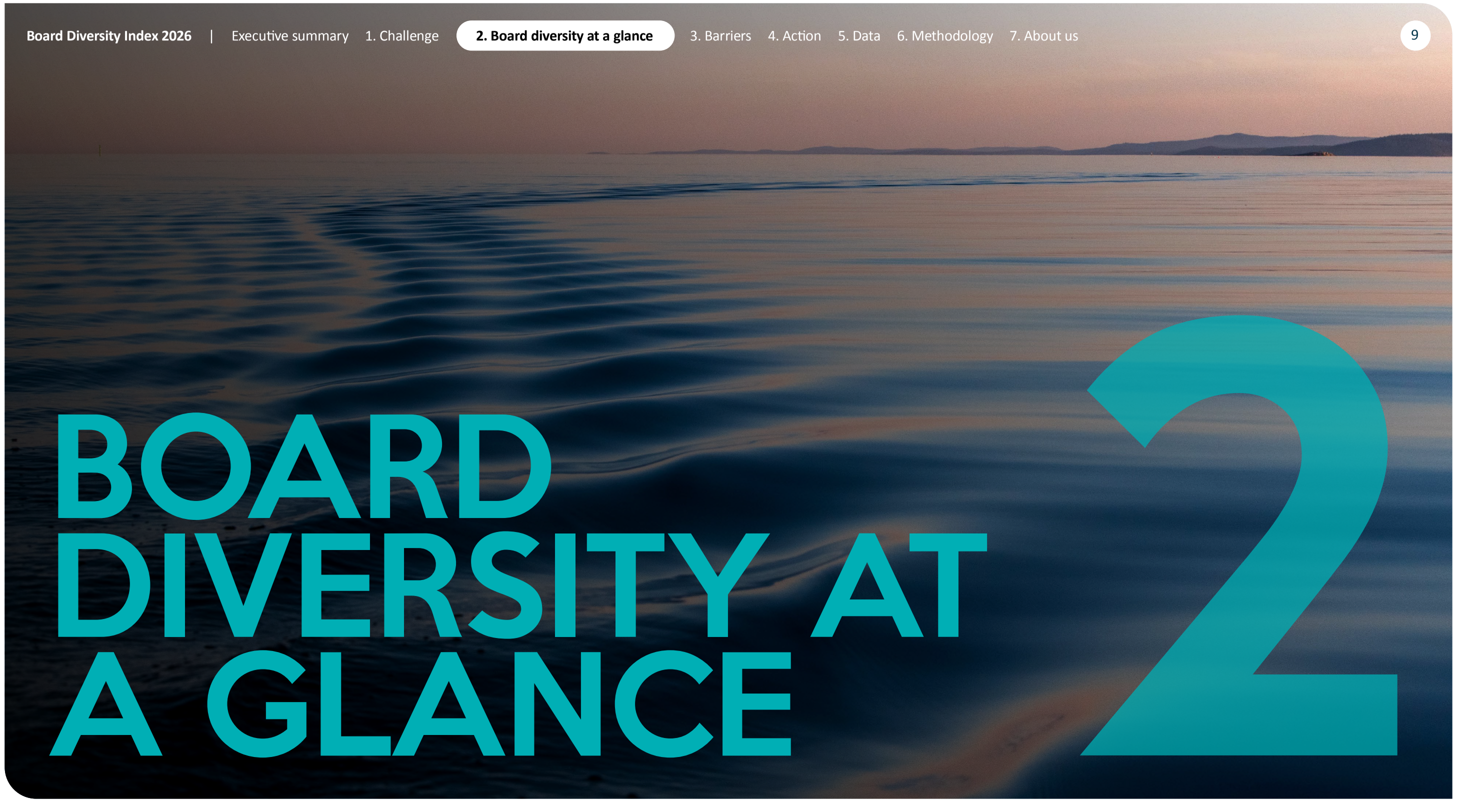
6 Welcome challenge

Appointing diverse directors is only the start. Foster a culture of genuine inclusion, where all directors feel confident to raise ideas and challenge the status quo.

7 Set clear goals

Regularly measure diversity across multiple dimensions (gender, culture, skills, experience, etc.). Report transparently on progress and celebrate the wins.

Please see Chapter 4 for more details.



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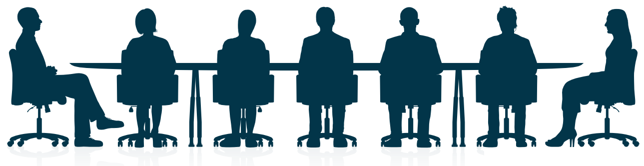
BOARD DIVERSITY AT A GLANCE

What does an **ASX300 board** look like?

7 BOARD SEATS



83% chance the chair is male

61 7 directors would be aged on average around 61 years old

~3 seats of the 7 would be held by women

3 would have a governance qualification

~6 of the 7 would have an undergraduate degree

~6.5 of the directors would be Anglo-Celtic

4 would have been in the role less than five years

ON AVERAGE it's unlikely that the board would have a director with a disability or who is Indigenous or LGBTQ+

12 years of board diversity index data

Long-term trends

Total number of Australian board seats reported

2,057

Total number of companies reported

296

Average number of directors on boards

6.96 (2024) | 6.97 (2025) | 6.97 (2026)

Highest number of seats held by one director

6 (2024) | 6 (2025) | 5 (2026)

Women on boards

Percentage of women on boards

20% (2016) | 36% (2024) | 37% (2025) | 38% (2026)

Boards with female chairs

11 new female chairs since last year

15 (2018) | 40 (2024) | 38 (2025) | 49 (2026)

All male boards

4 boards have no women

15.3% (46) (2016) | 4.3% (13) (2024) | 3.7% (11) (2025) | 1.4% (4) (2026)

Boards with 50% or more women

5.4% (2019) | 16% (2024) | 19% (2025) | 21% (2026)

Roles filled by Indigenous directors

6 — 2023 (held by 4 directors)
7 — 2024 (held by 4 directors)
7 — 2025 (held by 5 directors)
5 — 2026 (held by 4 directors)

LGBTQ+ directors

4 (2024) | 4 (2025) | 5 (2026)

Cultural diversity

Directors from non-Anglo-Celtic backgrounds

9.5% — 2017 (90.5% Anglo-Celtic directors)
9% — 2024 (91% Anglo-Celtic directors)
8.1% — 2025 (91.9% Anglo-Celtic directors)
6.5% — 2026 (93.5% Anglo-Celtic directors)

Directors' qualifications*

Governance up 5% from last year

2018: 44%
2024: 37%
2025: 37%
2026: 42%

*The governance qualification is based on the certificates from the AICD. Any director listed as having the GAICD, MAICD or FAICD fall in this category.

12 years of board diversity index data continued

Long-term trends

Undergraduate

84% of directors with an undergraduate degree

84%

(First time it's climbed above 80-82% in the past 9 years.)

Sector experience

Engineering/Manufacturing

2016	2025	2026
21%	28%	3.7%

Technology/IT

2016	2025	2026
4%	7.7%	10%

Accounting/Financial services*

2016	2025	2026
39.6%	38.7%	37.8%

* While we acknowledge these 2 sectors are unique, we have kept them grouped so we can draw comparisons with previous years.

Tenure

Over half of directors hold roles for less than five years

2019	2025	2026
50.5%	54.5%	56.1%

The majority of directors hold roles for less than a decade

2019	2024	2025	2026
85.3%	84.4%	84.5%	85.7%

Chair tenure

Less than 10 years

2019	74.8%
2024	69.6%
2025	67.7%
2026	70.2%

20+ years

2019	4.7%
2024	7.8%
2025	7%
2026	5.3%

Directors who are not independent

2019	2024	2025	2026
22%	18%	18%	20%

Age

60.9

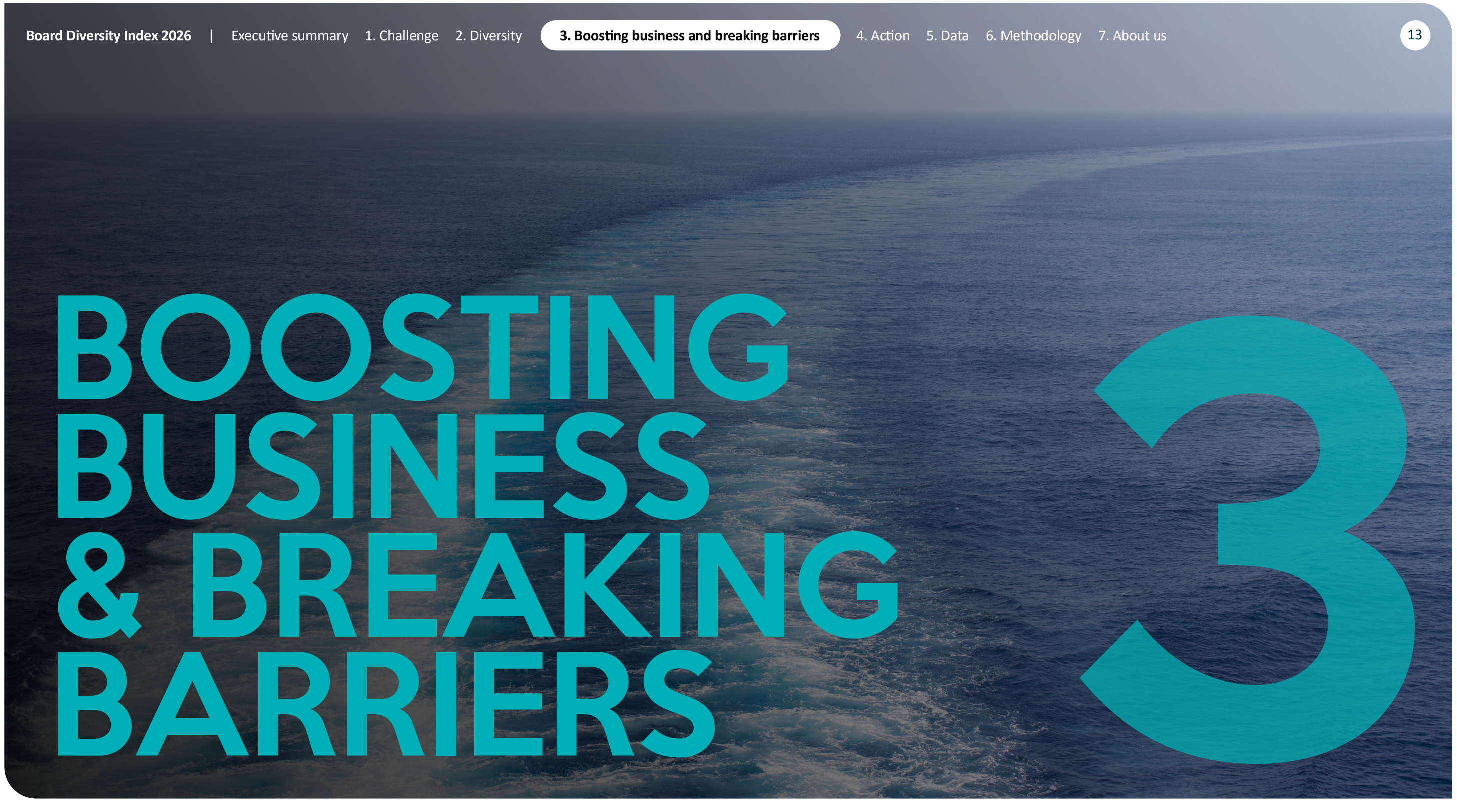
Average age remains unchanged

The average age of **men** is going down

2016	2025	2026
62.3	62.1	61.8

The average age of **women** is going up

2016	2025	2026
58.7	59	59.6



BOOSTING BUSINESS & BREAKING BARRIERS

3

Beyond compliance, we encourage chairs and directors to consider the benefits that might be achieved with greater diversity and inclusion in their boards. The path to achieving this won't always be easy, but the upsides could be substantial.

> "Navigating this complexity is tough. But having access to a wider range of ideas and perspectives could help boards who are steering companies through."

Boards are grappling with a dizzying array of challenges in 2026. The search for growth and value creation continues against a geopolitical backdrop that is constantly shifting. Meanwhile, the need for productivity gains has been simultaneously complicated and accelerated by giant leaps in technology.

Navigating this complexity is tough. But having access to a wider range of ideas and perspectives could help boards who are steering companies through.

Who knows what new and innovation solutions could be found to stubborn challenges like productivity, if more people with diverse skills, lived experiences and backgrounds were contributing to strategic conversations?

On the flipside, having a narrow field of vision – with fewer perspectives – could cause "blind spots" in decision-making. And what if that leads boards to underestimate risks or overlook opportunities?

There's also brand reputation to consider. Boards with greater diversity may be viewed more positively by stakeholders. For example:

- Existing and prospective employees could see this as a sign that the organisation values inclusivity and equal opportunities – right up to the highest level. How might that enhance your employer value proposition?
- Investors may see this as a sign that a business is better equipped to devise creative and innovative strategies. Perhaps that would enhance your prospects of securing capital?

7 Average number of directors on a board

When directors look around your boardroom table, do they see another version of themselves or wider representation?

4 all-male boards

Only 1.4% of boards now remain with entirely male boards. Will 2027 be the year when there is at least one woman on every ASX300 board?

42%

Directors with a governance qualification (up 5% from last year). Directors' skills and capabilities are increasing, but is this fast enough?

Obstacles to diversity and inclusion

In seeking greater board diversity, it's helpful to know what commonly thwarts progress. Acknowledging the barriers in your organisation is the first step towards overcoming them.

> "Consensus and harmony are positive qualities in a boardroom, but they must not come at the cost of healthy debate."

The skills matrix

A board skills matrix provides an overview of skills, expertise and characteristics of board members. It typically covers education, gender, age, industry experience and skills.

When delivered effectively and accurately, a skills matrix provides a true and representative snapshot of board members' abilities and backgrounds. Where skills matrices rely primarily on self-assessment, a degree of subjectivity is inevitable. Without independent verification and assessment of board members' skills, what blind spots could be missed?

Burning questions

Could our board benefit from a wider range of ideas and perspectives to achieve our strategy and be future-fit?

Would more diversity enable our board to better understand the changing needs of our customers – and help us uncover new growth opportunities?

How can we ensure our board's approach to diversity is more than a tick-a-box exercise, and genuinely considers underrepresented groups and the next generation of leaders?

The talent pipeline

When searching for new talent to join your board, striking a balance between experience and aptitude is crucial. Narrow selection criteria or assumptions around status and experience could exclude candidates with outstanding credentials.

For example, if an ASX 300 board requires all its directors to have ASX 300 experience, this reduces the potential talent pool. Most director positions in Australia are outside the ASX 300.

Diversity without inclusion

Having diverse representation on a board does not necessarily mean that diverse perspectives are integrated into decision-making. Without the right conditions in place, some directors may feel less comfortable sharing their views and ideas.

For instance, without a critical mass of diversity, individual board members may feel isolated. So if a board only has one woman or one person from a culturally diverse background, for example, those individuals may be seen (by themselves and/or by the other directors) as outsiders.

Resistance to friction

Consensus and harmony are positive qualities in a boardroom, but they must not come at the cost of healthy debate. Without hearing differing and diverse points of view, how can a board have full confidence in the veracity of its decisions?

Furthermore, if there's explicit or unspoken pressure for directors to conform or silence themselves, what risks or opportunities might be missed? And if a board doesn't welcome different perspectives, how can they expect to attract and retain diverse talent?

4 TAKING ACTION

A variety of tactics should be considered to attract and retain more directors with diverse skills and lived experiences. Some approaches might appear courageous, others more like common sense. All of them could make a difference.

Make diversity a business imperative

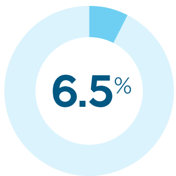
Think beyond compliance. Identify the potential upsides of diversity in the context of your specific board. Consider how board diversity might contribute to business performance, inform decision-making, and reduce blind spots – then communicate this widely.

Revisit the skills matrix

Move beyond a self-reported skills matrix. Seek independent, third-party assessment to truly understand your board's collective gaps and strengths.

Embed diversity and inclusion everywhere

From culture to search and selection; to onboarding and retention. Ensure that every shortlist and appointment process considers candidates from diverse backgrounds – not just those with familiar experience. Regularly review and challenge criteria such as "10 years' ASX 300 experience" that might inadvertently filter out diverse talent.



A small minority of directors are from non-Anglo-Celtic backgrounds. Does this enable boards to leverage the perspective and exposure of diverse lived experience?

Refine tenure practices

Consider periodic renewal to keep perspectives fresh and reduce entrenchment.

Nurture the talent pipeline

Embrace your responsibility to bring through the next generation of leaders with diverse lived experience. Continuously seek out, mentor, and encourage potential board talent from underrepresented groups.

Welcome challenge

Appointing diverse directors is only the start. Ensure your board operates with a culture of genuine inclusion, where all voices are welcomed and where directors can safely challenge the status quo. The chair must take a leading role in enabling those diverse perspectives to be heard and valued.

Set clear goals

Reconsider how diversity is measured (e.g. include place of birth for cultural diversity metrics). Regularly measure diversity across multiple dimensions (gender, culture, disability, skills, experience, etc.) and set clear goals for improvement. Measure and report progress transparently. And celebrate the wins: inspire current leaders by connecting diversity efforts to long-term impact and personal legacy.

> “Embrace your responsibility to bring through the next generation of leaders with diverse lived experience.”

Knowing what to do is one thing. Knowing where to start is another.

The following questions are designed for chairs and nomination committees to use as a starting point, not a checklist, but a challenge.

A reflection framework

Strategy & growth

Does our board have experience in the markets we intend to grow in, above and beyond those we currently operate in?

If international expansion is part of our strategy, do we have lived experience in those regions at the table?

Have we refreshed our skills matrix against our next 3–5 year ambitions?

Customer & market relevance

What lived experience of our end market is present in our discussions?

Cultural & global insight

Are we confident we understand the cultural nuances in the markets we operate in?

What geopolitical or regional risks might we be underestimating?

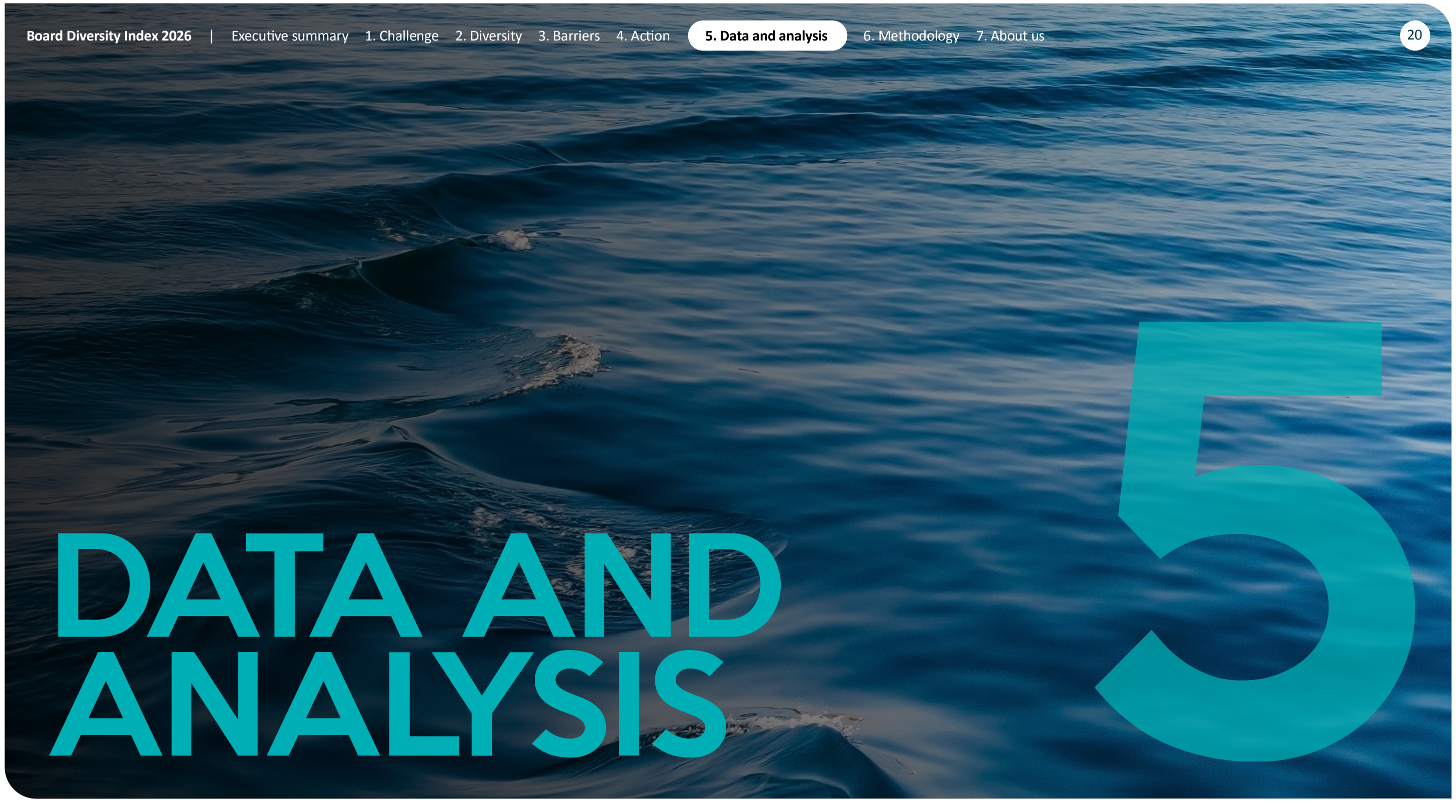
Succession & pipeline

Are our search briefs designed to widen the pool, or recycle familiar names?

Are we sponsoring future diverse directors into readiness?

Have our recent appointments expanded our field of vision?

What risk are we not seeing because no one in this room has lived it?



5 DATA AND ANALYSIS

There has been gradual progress towards greater diversity in gender and skillsets, but limited advances in cultural and experience diversity. For many, board positions remain out of reach.

One fifth of boards have equal gender representation. There are now only four all-male boards and 11 more female chairs than last year. Directors are skilled; 84% of directors hold an undergraduate degree and 42% have a governance (AICD) qualification. Sector experience is continuing to see slight declines – those with accounting, banking and financial backgrounds are slowly making way for people from sectors like technology/IT seeing an increase.

The average age (60.9) on boards has remained unchanged however the average age of male directors is going down while the average age of women directors is going up. The majority of directors hold their roles for fewer than five years (56.1%) and an increasing number (85.7%) hold these for less than a decade.

On average, boards have seven board roles. These are mostly unique positions; 83% of directors hold only one board seat in the ASX300. However, 354 board seats (17%) are held by directors who hold board roles in multiple companies across the ASX300. Compared to last year, boards are slightly less independent with 20% non-independent members (up 2% from 18% last year).

However, boards have again become less culturally and ethnically diverse. The number of directors from non-Anglo-Celtic backgrounds has again fallen; 93.5% of directors are Anglo-Celtic and the number of Indigenous seats has dropped. Underrepresented groups appear very much sidelined, or underreported. Only five directors identify as LGBTQ+ with no declared directors with disabilities. Explore the detail for each section below.

Male directors ♂ ↓
Average age **61.8**

Female directors ♀ ↑
Average age **59.6**

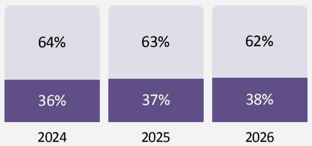
Gender

ASX300 boards have been moving towards greater gender equality with another percentage point gained in overall gender split up to 38%. Fourteen per cent of boards have 0–1 women, 72% have more than 30% women. The increase has been for boards with 50% or more women. Now one fifth of boards (21%) have equal representation. There are now only four all male boards and 11 more female chairs than last year.

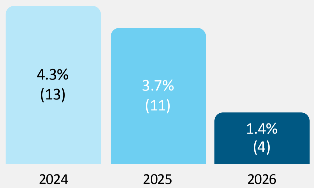
Percentages of women on boards

Men
Women

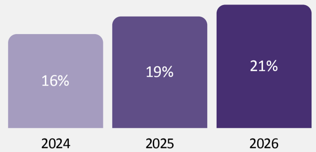
Increase in women on boards



Number of all-male boards



Percentage of boards with 50% or more women



Cultural, ethnic and Indigenous diversity

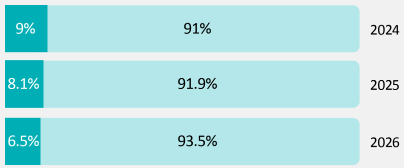
Boards have again become less culturally and ethnically diverse. The number of directors from non-Anglo-Celtic backgrounds has again fallen; 6.5% of directors are from non-Anglo-Celtic backgrounds (93.5% are Anglo-Celtic).

One quarter (24% down from 29%) are from outside Australia, with the top three representations from North America (47.5% up from 37.4%), UK (16.4% up from 14%) and NZ (15.6% down from 24%). The number of Indigenous seats has dropped to five from seven positions (shared among four individual directors).

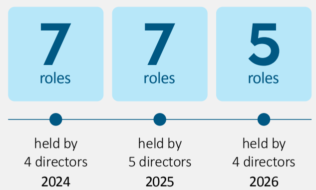
Cultural diversity

Non-Anglo-Celtic
Anglo-Celtic

Number of directors from non-Anglo-Celtic backgrounds



Roles filled by Indigenous directors



Skills and experience

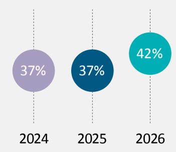
For the first time in the past nine years, the percentage of directors with an undergraduate degree has climbed – now 84% of directors hold an undergraduate degree. Twenty-nine per cent hold an MBA or PhD (up 3% from last year) and those with a governance (AICD) qualification have risen by 5%.

Forty-two per cent hold a governance qualification (61% of those are female, double the ratio of men 31%).

Sector experience is continuing to see slight declines in those with accounting, banking and financial backgrounds. Engineering/manufacturing has declined too, with technology/IT seeing an increase.

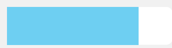
Directors' qualifications

Governance up 5% from last year



Undergraduate

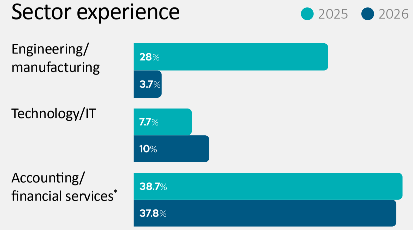
84%



of directors have an undergraduate degree

(First time climbed above 80-82% in past 9 years)

Sector experience



*We acknowledge these 2 sectors are unique, but we have kept them grouped so we can draw comparisons from previous years.

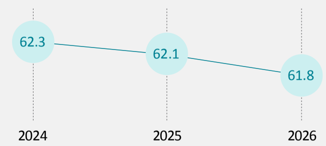
Age

The average age (60.9) on boards has remained unchanged. However, the average age of male directors is going down while the average age of women directors is rising.

The percentage of women and men under 50 has slightly decreased (dropping 1 and 2% respectively), while those over 70 has increased; 1% increase for men and women (from 5-6% for women and 16-17% for men).

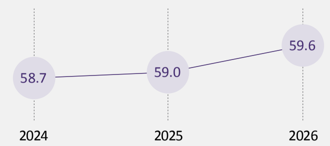
Average age of male directors

61.8 Average age 2026



Average age of female directors

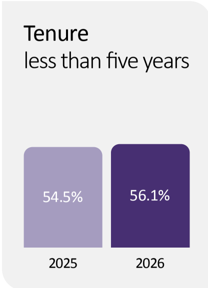
59.6 Average age 2026

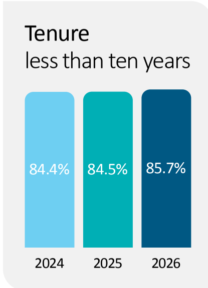


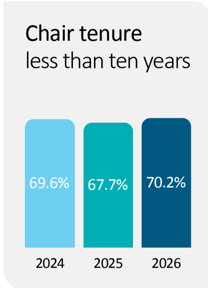
Tenure and independence

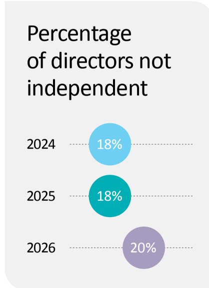
The majority of directors hold their roles for fewer than five years (56.1%) and an increasing number (85.7%) hold these for less than a decade.
The same holds true for chairs – the majority hold their roles for fewer than five years (36.3%) and an increasing number (70.2%) hold these for less than a decade.

The vast majority of boards are independent (80%) but compared to last year boards are slightly less independent with 20% non-independent (up 2% from 18% last year).



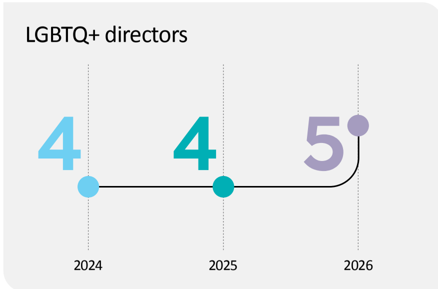


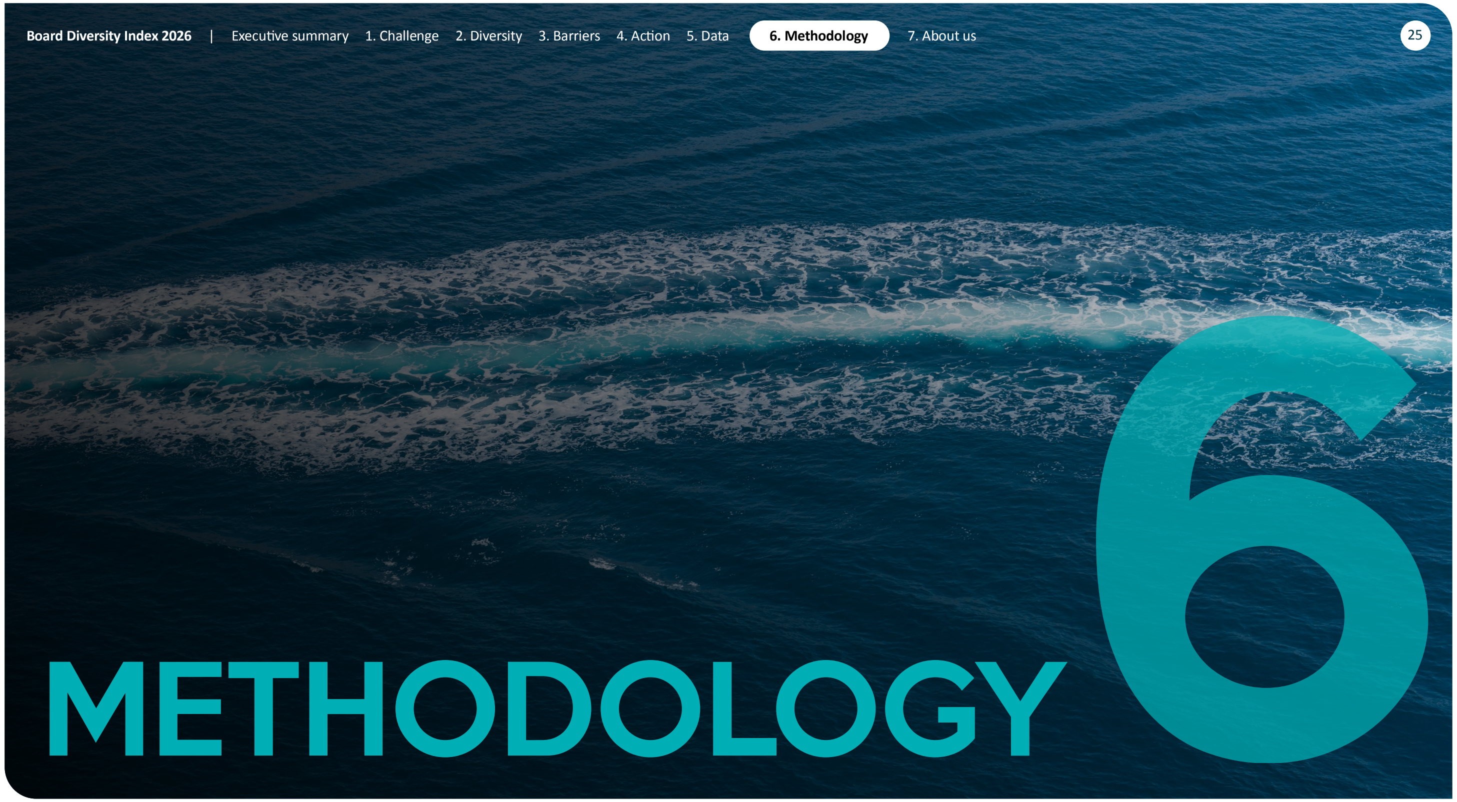




Underrepresented groups

One more director reporting as LGBTQ+ is a small, positive step. But this likely doesn't fully capture the true representation of LGBTQ+ people on Australia's boards. It's also notable that no company board member has declared a disability.





6 METHODOLOGY

The 2026 BDI is the twelfth in the series. To be consistent with our previous surveys we have again analysed data from ASX300 companies. This year's BDI draws on data from the top 296 publicly listed companies, and all data was current as of 1 January 2026.

Since launching the BDI in 2015, Watermark have collected and analysed a substantial body of information about Australian listed companies and the diversity profile of their boards from various sources including OpenDirector and desktop analysis. After our own analysis we have cross checked our data through various sources including OpenDirector.

The data collection parameters have evolved over time as the study has been fine-tuned and previously unavailable sources of information have become available.

While there is a strongly consistent set of data across the years, there are some subtle differences year to year. Therefore, it has not always been possible to compare longitudinal trends.

Wherever possible in the commentary, we have compared the 2016 results with the current findings to paint a picture of trends over a significant period.

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 small source of difference with some other studies.

We generally assume a director brings one major area of skill and experience to a board. We recognise this is an oversimplification. It does not fully acknowledge the range of skills and experience directors build over their executive careers.

Based on our accumulated board search expertise, we know 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 experience, though it does not necessarily follow that they do not have any.

Equally, just because a director may have mastered the analysis of P&L, balance sheet and cash flow reporting, this experience does not necessarily make them a financial expert.

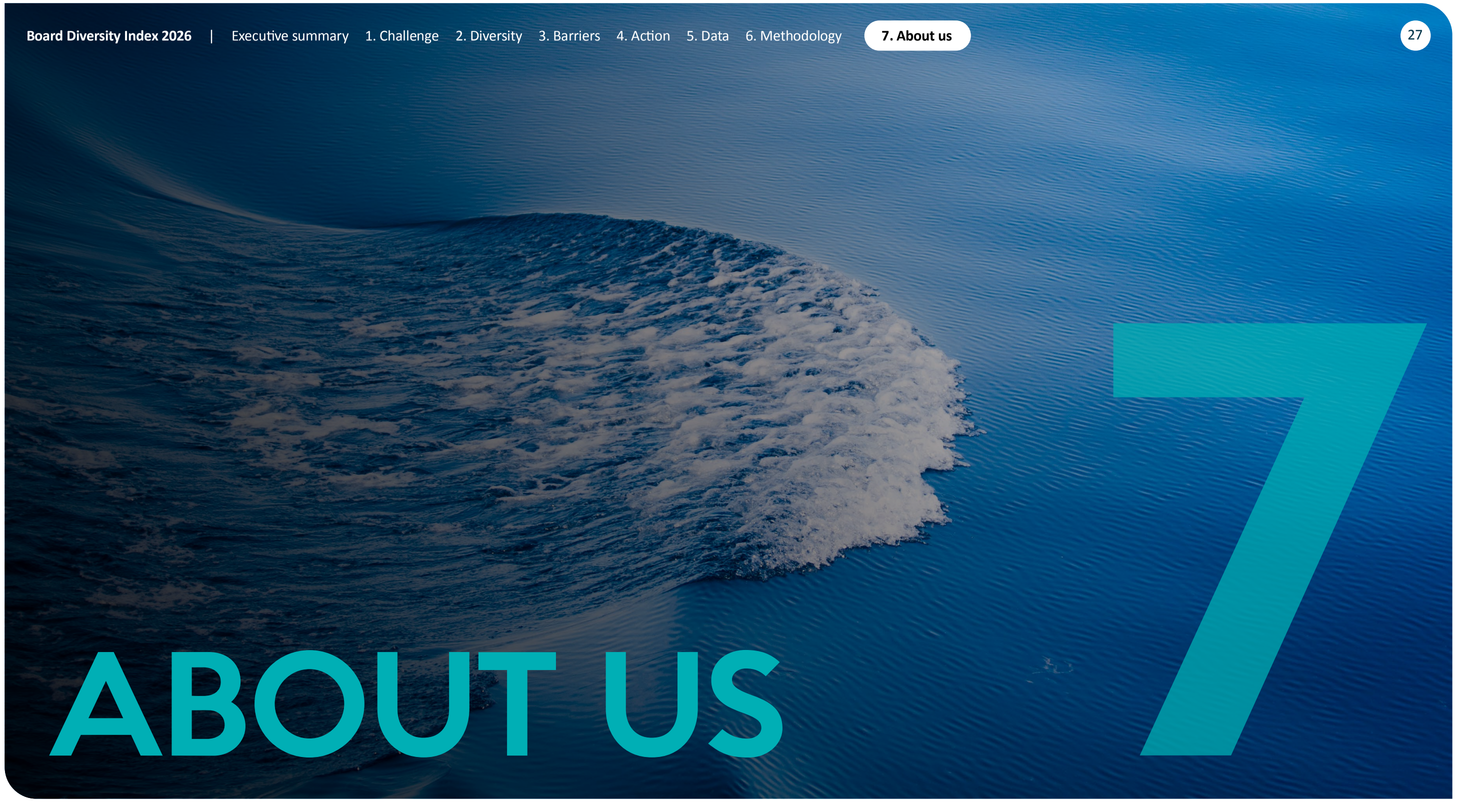
When analysing postgraduate education, we note those holding PhDs have sometimes recorded a master's qualification and sometimes not. We have not assumed those who did not record a master's hold one, given one can progress through and obtain a PhD without undertaking a master's degree. We have, however, counted both a PhD and a master's as separate qualifications where they are clearly listed in a director's qualifications. The governance qualification is based on the certificates from the AICD. Any director listed as having the GAICD, MAICD or FAICD falls in this category.

For some individuals cultural background is quite clear, in other cases, it is less clear. Where it is less clear, we have reviewed publicly available information and have applied a degree of judgment based on factors such as education and work history. This year, to be in line with the Australian Human Rights Commission's methodology of measuring cultural diversity, we have included Country of Birth as an added measure.

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 who 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 ethnic background (Anglo-Celtic, European, etc.) we have used 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 people have been on the board for an extended period – and if they have, we have also counted them as being non-independent.

A big thank you to Australian LGBTQ+ Board and Executive Inclusion (ALBEI) for their partnership on the LGBTQ+ data.



7 ABOUT US

Watermark capabilities

Board appointments

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 genuine 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. In addition to traditional candidates, we also consider alternative directors and those with adjacent experience who can bring fresh perspectives and solutions.

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.

Executive search

Founded in 1979, we are one of the longest established Australian executive search firms. Even though we are, above all else, an Australia-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 is built on a substantial body of work for publicly listed companies, private companies, professional services firms, as well as state-owned corporations, government agencies, departments and advisory boards.

Interim executive

Our On-Demand offering deploys immediately available 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. The turnaround time to deliver from our pre-vetted talent pool is one week.

Thought leadership

As thought leaders, we undertake various pieces of research and market analysis to inform our Agile Leadership Lessons podcast, annual Interim Executive Survey and Board Diversity Index. To view our current reports please click here.

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